

Table of Contents

Introduction	v
About the Author	ix
Chapter 1	
Introduction	1-1
Chapter 2	
History of the “Peculiar Mechanism”	2-1
Judgments Act of 1838	2-2
Partnership Act of 1890 c. 39 (Regnal. 53 & 54 Victoria)	2-3
Uniform Partnership Act of 1914	2-4
Tropical Interlude	2-6
Kaiser William Invades Wyoming	2-8
Chapter 3	
Nature of the Charging Order	3-1
The Effect of the Charging Order	3-4
Case Study: <i>Inman</i>	3-7
Case Study: <i>Weddell</i>	3-8
Chapter 4	
Using the Charging Order	4-1
Case Study: <i>Detroit Memorial Partners</i>	4-2
Chapter 5	
Charging Order Procedure	5-1
Case Study: <i>Textron Financial</i>	5-4
Chapter 6	
Parties to a Charging Order Proceeding	6-1

THE CHARGING ORDERS PRACTICE GUIDE

Chapter 7	
Jurisdiction	7-1
Jurisdiction over the Debtor	7-1
Jurisdiction Over the Nondebtor Members	7-1
Jurisdiction Over the LLC	7-1
Case Study: <i>Wells Fargo</i>	7-2
Case Study: <i>Barber</i>	7-4
Case Study: <i>Mahalo Investments</i>	7-5
Case Study: <i>Rockstone Capital</i>	7-7
Case Study: <i>Shanghai Real Estate</i>	7-9
Case Study: <i>Spates</i>	7-10
Chapter 8	
Discovery	8-1
Nonjudicial Discovery	8-1
Written Discovery	8-2
Debtor Examination	8-2
Third-Party Examination of the LLC or Other Members	8-3
Chapter 9	
The Motion for Charging Order	9-1
Essentials of the Motion	9-1
Ex Parte Motions	9-1
Factual Elements of the Motion	9-2
Legal Elements of the Motion	9-2
Accompanying Declaration	9-2
Accompanying Brief	9-3
Ancillary Provisions	9-3
Case Study: <i>Law</i>	9-3
Chapter 10	
Notice of the Motion	10-1
Service vs. Simple Notice	10-1
How Notice Is Given to the LLC	10-1
Proof of Notice	10-2
Chapter 11	
Drafting the Proposed Charging Order	11-1
Essential Provisions	11-1
Ancillary Provisions	11-1

TABLE OF CONTENTS

Prohibiting or Imputing Loans and Other Compensation	11-2
Requiring Information from the LLC	11-3
Unequal Distributions	11-3
Chapter 12	
Defenses to the Charging Order	12-1
The LLC's Defenses	12-1
The Debtor's Defenses	12-1
Effect of State Statutory Creditor Exemptions	12-1
Effect of Federal Wage Garnishment Restrictions	12-3
Case Study: <i>Alexander</i>	12-4
Chapter 13	
The Hearing and Notice of the Charging Order	13-1
The Hearing on the Charging Order Motion	13-1
Giving Notice of the Issued Charging Order	13-2
Chapter 14	
Enforcing the Charging Order	14-1
Enforcing against the Debtor	14-1
Enforcing against the LLC	14-1
Case Study: <i>Joshlin Bros.</i>	14-2
Case Study: <i>McClure</i>	14-3
Chapter 15	
Complying with the Charging Order	15-1
Compliance by the Entity	15-1
Compliance by the Debtor	15-2
Case Study: <i>Buckeye Retirement</i>	15-2
Case Study: <i>Seven Arts Pictures</i>	15-3
Chapter 16	
Receivers to Enforce the Charging Order	16-1
Authority for the Receiver	16-1
Powers of the Receiver	16-2
The Receiver as Trojan Horse	16-3
Justifying the Receiver	16-4
Appointment of the Receiver	16-4
Powers of the Receiver	16-5
Case Study: <i>Pajoo</i>	16-5

THE CHARGING ORDERS PRACTICE GUIDE

Chapter 17	
Preforeclosure Redemption	17-1
Statutory Authority	17-1
Operating Agreement Provision	17-2
Chapter 18	
Foreclosure & Redemption	18-1
Statutory Authority	18-1
The Monster under the Bed?	18-3
Chapter 19	
Appealing A Charging Order	19-1
Statutory Authority	19-1
Standing to Appeal	19-1
Time to Appeal	19-2
Chapter 20	
Conflict-of-Laws Issues	20-1
Choice-of-Law Provisions and Internal Affairs	20-3
Case Study: <i>Earthgrains</i>	20-4
Chapter 21	
The Foreign LLC Issue	21-1
Case Study: <i>German American Capital</i>	21-3
Case Study: <i>Arayos</i>	21-4
Case Study: <i>Vision Marketing</i>	21-7
Chapter 22	
The Single-Member Entity	22-1
State Law and the <i>Olmstead</i> Patch	22-2
Statutory Problems with Foreclosure of the Charging Order Lien	22-4
Late-Arriving Members	22-4
When Is a Peppercorn Not a Peppercorn?	22-6
Case Study: <i>Heckert</i>	22-7
Chapter 23	
Intra-Member Disputes	23-1
Lack of Nondebtor Member	23-1
The Issue May Be Drafted Around	23-2
Case Study: <i>Gillet</i>	23-2

TABLE OF CONTENTS

Case Study: <i>Voll</i>	23-4
Case Study: <i>Young</i>	23-10
Chapter 24	
Circumventing Charging Order Exclusivity	24-1
Case Study: <i>Devoll</i>	24-2
Case Study: <i>Wilhite</i>	24-6
Chapter 25	
Other Creditor Remedies	25-1
Reverse Veil Piercing	25-1
Distribution Clawbacks	25-3
Voidable Transactions	25-3
Chapter 26	
Bankruptcy Issues with Charging Orders	26-1
The Debtor's Interest as to Secured Creditors	26-1
The Debtor's Interest as to Unsecured Creditors	26-2
If the Interest Is Executory	26-2
If the Interest Is Nonexecutory	26-3
<i>Ipsa Facto</i> Clauses	26-3
Case Study: <i>Cleveland</i>	26-4
Case Study: <i>Denman</i>	26-5
Chapter 27	
Tax Issues	27-1
Pre-Foreclosure	27-1
Post-Foreclosure	27-3
Appendix A: Additional Resources	A-1
Appendix B: Model Charging Order Documents	B-1
Appendix C: Carter Bishop Charts	C-1
Fifty State Series: LLC Charging Order Statute Table	C-2
Fifty State Series: LLC Charging Order Case Table	C-34
Appendix D: Ehmman and Its Progeny	D-1