

489.502 Transfer of transferable interest.

1. Subject to [section 489.503](#), [subsection 6](#), for a transfer, in whole or in part, all of the following applies to a transferable interest:

a. It is permissible.

b. It does not by itself cause a person's dissociation as a member or a dissolution and winding up of the limited liability company's activities and affairs.

c. Subject to [section 489.504](#), it does not entitle the transferee to do any of the following:

(1) Participate in the management or conduct of the limited liability company's activities and affairs.

(2) Except as otherwise provided in [subsection 3](#), have access to records or other information concerning the limited liability company's activities and affairs.

2. A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

3. In a dissolution and winding up of a limited liability company, a transferee is entitled to an account of the company's transactions only from the date of dissolution.

4. A transferable interest may be evidenced by a certificate of the interest issued by a limited liability company in a record, and, subject to [this section](#), the interest represented by the certificate may be transferred by a transfer of the certificate.

5. A limited liability company need not give effect to a transferee's rights under [this section](#) until the company knows or has notice of the transfer.

6. A transfer of a transferable interest in violation of a restriction on transfer contained in the operating agreement is ineffective if the intended transferee has knowledge or notice of the restriction at the time of transfer.

7. Except as otherwise provided in [section 489.602](#), [subsection 5](#), paragraph "b", if a member transfers a transferable interest, the transferor retains the rights of a member other than the transferable interest transferred and retains all duties and obligations of a member.

8. If a member transfers a transferable interest to a person that becomes a member with respect to the transferred interest, the transferee is liable for the member's obligations under [sections 489.403](#) and [489.406](#) known to the transferee when the transferee becomes a member.

[2008 Acts, ch 1162, §42, 155](#); [2023 Acts, ch 152, §46, 161](#)

Referred to in [§489.404](#), [489.503](#), [489.504](#)

2023 amendment effective January 1, 2024; [2023 Acts, ch 152, §161](#)

Section amended