

§ 57D-3-02. Cessation of membership.

- (a) A person ceases to be a member upon the occurrence of any of the following events:
- (1) The person does any of the following:
 - a. Becomes a debtor in bankruptcy.
 - b. Executes an assignment for the benefit of creditors under any applicable law.
 - c. Has a general receiver appointed for the person pursuant to G.S. 1-507.24 or has a trustee, receiver, or liquidator appointed for the person or for all or substantially all of the person's property.
 - (2) In the case of an individual, the person's death or being adjudicated by a court of competent jurisdiction as incompetent to manage his or her person or property.
 - (3) In the case of a member with an economic interest, the transfer or abandonment of the person's entire economic interest, excluding the liquidation of a member's economic interest in connection with the dissolution and winding up of the LLC under G.S. 57D-6-08(2), regardless of whether the transferee is or becomes a member.
 - (4) The person abandoning all of the rights of his ownership interest except his economic interest, or any portion thereof.
- (b) Upon the occurrence of any of the events described in subdivisions (1) and (2) of subsection (a) of this section with respect to a member, that person or that person's estate, as applicable, will automatically become an economic interest owner entitled only to the economic interest attributable to the person's ownership interest, but that person or that person's estate, as applicable, and any other person who ceases to be a member shall remain liable to the LLC for any obligation the person may have under G.S. 57D-4-02, 57D-4-06, and 57D-6-12(a)(2). (2013-157, s. 2; 2020-75, s. 3(b).)