## 6-20/560.33 Charging Order

A partner's interest in partnership or limited liability company property is not subject to an execution levy by seizure or garnishment. (CCP 699.720(a)(2)) A money judgment can be enforced against a debtor partner's interest in a partnership through other enforcement procedures. A special enforcement procedure enables the creditor to reach a debtor's partnership interests by obtaining a charging order. (CCP 708.310) If a money judgment is rendered against a partner but not against the partnership, the judgment debtor's interest in the partnership may be applied toward the satisfaction of the judgment by an order charging the judgment debtor's interest pursuant to CORP 15907.03 and 17705.03.

The service of a notice of motion for a charging order on the judgment debtor and the partnership creates a lien on the judgment debtor's partnership interest similar to the lien created by service of an examination order. (<u>CCP 708.110</u>)

The interest of a debtor partner in an account of a non-debtor partnership can only be garnished pursuant a charging order. A creditor's instructions should clearly instruct the Sheriff to levy on the non-debtor partnership's accounts pursuant to the charging order and 700.160(a) CCP. For example, "Levy on the interest of the debtor in the accounts of (partnership name), a partnership, including account numbers 123456 and 789000 at (financial institution) pursuant to the enclosed charging order and CCP 700.160(a))."