

Rule 137. Receivers**Rule 137.01 Venue**

All actions or proceedings for the sequestration of the property of corporations or for the appointment of receivers thereof, except actions or proceedings instituted by the Attorney General in behalf of the state, shall be instituted in the county in which the principal place of business of said corporation is situated; provided, that for the convenience of witnesses and to promote the ends of justice the venue may be changed by order of court.

Rule 137.02 Appointment of Receivers

Receivers, trustees, guardians and others appointed by the court to aid in the administration of justice shall be wholly impartial and indifferent to all parties in interest, and selected with a view solely to their character and fitness. Except by consent of all parties interested, or where it clearly appears that prejudice will otherwise result, no person who is or has been during the preceding year a stockholder, director or officer of a corporation shall be appointed as receiver for such corporation. Receivers shall be appointed only upon notice to interested parties, such notice to be given in the manner ordered by the court; but if it shall be clearly shown that an emergency exists requiring the immediate appointment of a temporary receiver, such appointment may be made ex parte.

Rule 137.03 Bond

Every receiver after appointment shall give a bond to be approved by the court in such sum and conditioned as the court shall direct, and shall make and file with the court administrator an inventory and estimated valuation of the assets of the estate in the receiver's custody; and, unless otherwise ordered, appraisers shall then be appointed and their compensation fixed by order of the court.

Rule 137.04 Claims

Claims of creditors of corporations, the subject of sequestration or receivership proceedings, shall be duly verified and filed in the office of the court administrator. The court, by order, shall fix the time for presentation, examination and adjustment of claims and the time for objecting thereto, and notice of the order shall be given by such means, including publication if deemed desirable, as the court therein shall direct. Written objections to the allowance of any claim may be made by the party to the proceeding by serving a copy of such objection upon the claimant or the claimant's lawyer. Where no objection is made within the time fixed by said order, the claim may stand admitted and be allowed without proof. Issues of law and fact shall be tried as in other cases.

Rule 137.05 Annual Inventory and Report

Every receiver shall file an annual inventory and report showing the condition of the estate and a summary of the proceedings to date. The clerk shall keep a list of receiverships and notify each receiver and the court when such reports are due.

Rule 137.06 Lawyer as Receiver

When a lawyer has been appointed receiver, no lawyer for such receiver shall be employed except upon the order of the court, which shall be granted only upon the petition of the receiver, stating the name of counsel whom the receiver wishes to employ and showing the necessity for such employment.

Rule 137.07 Employment of Counsel

No receiver shall employ more than one counsel, except under special circumstances requiring the employment of additional counsel; and in such cases only after an order of the court made on

a petition showing such circumstances, and on notice to the party or person on whose behalf or application the receiver was appointed. No allowance shall be made to any receiver for expenses paid or incurred in violation of this rule.

Rule 137.08 Use of Funds

No receiver or other trustee appointed by the court, nor any lawyer acting for such receiver or trustee, shall withdraw or use any trust funds to apply on the receiver's compensation for services except on written order of court, duly made after such notice as the court may direct, and filed in the proceeding.

Rule 137.09 Allowance of Fees

All applications for the allowance of fees to receivers and their lawyers shall be accompanied by an itemized statement of the services performed and the amount charged for each item shown.

Compensation of receivers and their lawyers shall be allowed only upon the order of the court after such notice to creditors and others interested as the court shall direct, of the amounts claimed, as compensation and of the time and place of hearing the application for their allowance.

Rule 137.10 Final Account

Every receiver shall take a receipt for all disbursements made by him in excess of one dollar, shall file the same with the final account, and shall recite such filing in a verified petition for the allowance of such account. Final accounts shall disclose the status of the property of the estate as to unpaid or delinquent taxes and the same shall be paid by the receiver to the extent that the funds in the receiver's custody permit, over and beyond costs and expenses of the receivership.

Cross Reference: Minn. R. Civ. P. 66.

Task Force Comment - 1991 Adoption

This rule is derived from Rule 23 of the Code of Rules for the District Courts.