

322B.873 DISPOSITION OF ASSETS UPON DISSOLUTION.

Subdivision 1. **Disposition upon liquidation.** Subject to subdivision 4, except when the dissolved limited liability company is being wound up and terminated under section 322B.81, subdivision 3, the assets of the dissolved limited liability company must be disposed of to satisfy liabilities according to the following priorities:

(1) to creditors, including members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the limited liability company other than liabilities for interim distributions to members under section 322B.51 or termination distributions under section 322B.50;

(2) unless otherwise provided in the articles of organization or a member control agreement, to members and former members of the limited liability company in satisfaction of liabilities for distributions under section 322B.50 or 322B.51; and

(3) unless otherwise provided in the articles of organization or a member control agreement, to members first for a return of their contributions, as restated from time to time under section 322B.41, and secondly respecting their membership interests in the proportions in which the members share in distributions.

Subd. 2. [Repealed, 1999 c 85 art 2 s 95]

Subd. 3. [Repealed, 1999 c 85 art 2 s 95]

Subd. 4. **Damages and offsets for wrongful dissociation and breach of a member control agreement.** A member who wrongfully resigns or retires is liable to the limited liability company for any damages caused by the member's wrongful resignation or retirement. Any member who breaches a member control agreement is liable to the limited liability company for any damages caused by the breach. Any payment due a member under this section, including payments, if any, to dissenters due to winding up merger under section 322B.81, subdivision 3, is subject to offset these damages.

History: 1992 c 517 art 2 s 126; 1993 c 137 s 48; 1999 c 85 art 2 s 93,94