322C.0702 WINDING UP.

Subdivision 1. **Winding up required.** A dissolved limited liability company shall wind up its activities, and the company continues after dissolution only for the purpose of winding up.

Subd. 2. **Winding up process.** In winding up its activities, a limited liability company:

(1) shall discharge the company's debts, obligations, or other liabilities, settle and close the company's activities, and marshal and distribute the assets of the company; and

(2) may:

(i) file with the secretary of state a statement of dissolution stating the name of the company and that the company is dissolved;

(ii) preserve the company activities and property as a going concern for a reasonable time;

(iii) prosecute and defend actions and proceedings, whether civil, criminal, or administrative;

(iv) transfer the company's property;

(v) settle disputes by mediation or arbitration;

(vi) file with the secretary of state a statement of termination stating the name of the company and that the company is terminated; and

(vii) perform other acts necessary or appropriate to the winding up.

Subd. 3. **Winding up by legal representative.** If a dissolved limited liability company has no members, the legal representative of the last person to have been a member may wind up the activities of the company. If the person does so, the person has the powers of a sole manager under section 322C.0407, subdivision 3, and is deemed to be a manager for the purposes of section 322C.0304, subdivision 1, clause (2).

Subd. 4. **Winding up by person other than legal representative.** If the legal representative under subdivision 3 declines or fails to wind up the company's activities, a person may be appointed to do so by the consent of transferees owning a majority of the rights to receive distributions as transferees at the time the consent is to be effective. A person appointed under this subdivision:

(1) has the powers of a sole manager under section 322C.0407, subdivision 3, and is deemed to be a manager for the purposes of section 322C.0304, subdivision 1, clause (2); and

(2) shall promptly file with the secretary of state an amendment to the company's articles of organization to:

(i) state that the company has no members;

(ii) state that the person has been appointed pursuant to this subdivision to wind up the company; and

(iii) provide the street address of the person.

Subd. 5. **Judicial supervision.** The appropriate court may order judicial supervision of the winding up of a dissolved limited liability company, including the appointment of a person to wind up the company's activities:

(1) on application of a member, if the applicant establishes good cause;

(2) on the application of a transferee, if:

(i) the company does not have any members;

(ii) the legal representative of the last person to have been a member declines or fails to wind up the company's activities; and

(iii) within a reasonable time following the dissolution a person has not been appointed pursuant to subdivision 4; or

(3) in connection with a proceeding under section 322C.0701, subdivision 1, clause (4) or (5).

History: *2014 c 157 art 1 s 48*