316.05 SEQUESTRATION; RECEIVER; DISTRIBUTION.

Upon complaint of a person obtaining judgment against a corporation, or the person's representatives, made after the return unsatisfied of an execution issued thereon, the court may sequestrate the stock, property, things in action, and effects of such corporation and appoint a receiver of the same; and, upon final judgment upon any such complaint, the court shall order the property remaining, or the proceeds thereof, to be disposed of under its direction, proportionately, in the following order:

(1) in payment of the costs and expenses of the receivership;

(2) debts due the United States and the state of Minnesota, if any;

(3) taxes and assessments, if any;

(4) claims duly proved and allowed of employees sustaining injury in the course of their employment and entitled to compensation under the provisions of the Workers' Compensation Act; provided, that claims under this clause shall not be allowed if the corporation carried workers' compensation insurance, as provided by law, at the time the injury was sustained;

(5) claims, including cash value of all compensation paid in any medium other than cash, duly proved and allowed of clerks, servants or laborers for services performed within three months preceding the appointment of the receiver, if any; and

(6) other claims duly proved and allowed.

After payment of the expenses of receivership and claims of creditors duly proved, the remainder, if any there be, shall be distributed pro rata among the stockholders proving themselves entitled thereto.

History: *(8013) RL s 3173; 1925 c 224; 1971 c 741 s 1; 1975 c 359 s 23; 1986 c 444*