

504A.56 Jurisdiction of court to liquidate assets and affairs of corporation.

Courts of equity shall have full power to liquidate the assets and affairs of a corporation:

1. In a suit by a member or director when it is established:

a. That the directors are deadlocked in the management of the corporate affairs and that irreparable injury to the corporation is being suffered or is threatened by reason thereof, and either that the members are unable to break the deadlock or there are no members having voting rights; or

b. That the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent; or

c. That the members entitled to vote in the election of directors are deadlocked in voting power and have failed for at least two years to elect successors to directors whose terms have expired or would have expired upon the election of their successors; or

d. That the corporate assets are being misapplied or wasted; or

e. That the corporation is unable to carry out its purposes.

2. In an action by a creditor:

a. When the claim of the creditor has been reduced to judgment and an execution thereon has been returned unsatisfied and it is established that the corporation is insolvent; or

b. When the corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is insolvent.

3. Upon application by a corporation to have its dissolution continued under the supervision of the court.

4. When an action has been filed by the attorney general to dissolve a corporation and it is established that liquidation of its affairs should precede the entry of a decree of dissolution.

Proceedings under this section shall be brought in the county in which the registered office or the principal office of the corporation is situated.

It shall not be necessary to make directors or members parties to any such suit or proceedings unless relief is sought against them personally.

[C66, 71, 73, 75, 77, 79, 81, § 504A.56]