

501A.1208 Procedure in involuntary or court-supervised voluntary dissolution.

1. *Action before hearing.* Before a hearing is completed in dissolution proceedings, a court may do any of the following:

- a. Issue injunctions.
- b. Appoint receivers with all powers and duties that the court directs.
- c. Take actions required to preserve the cooperative's assets, wherever located.
- d. Carry on the business of the cooperative.

2. *Action after hearing.* After a hearing is completed, upon notice to parties to the proceedings and to other parties in interest designated by the court, the court may appoint a receiver to collect the cooperative's assets, including amounts owing to the cooperative by subscribers on account of an unpaid portion of the consideration for the issuance of membership interests. A receiver has authority, subject to the order of the court, to continue the business of the cooperative and to sell, lease, transfer, or otherwise dispose of the property and assets of the cooperative, either at public or private sale.

3. *Discharge of obligations.* The assets of the cooperative or the proceeds resulting from a sale, lease, transfer, or other disposition shall be applied in the following order of priority:

- a. The costs and expense of the proceedings, including attorney fees and disbursements.
- b. Debts, taxes, and assessments due the United States, this state, and other states in that order.
- c. Claims duly proved and allowed to employees under the provisions of the workers' compensation law, except that claims under this paragraph shall not be allowed if the cooperative carried workers' compensation insurance, as provided by law, at the time the injury was sustained.

d. Claims, including the value of all compensation paid in a medium other than money, proved and allowed to employees for services performed within three months preceding the appointment of the receiver.

- e. Other claims that are proved and allowed by the court.

4. *Remainder to members.* After payment of the expenses of receivership and claims of creditors are proved, the remaining assets, if any, may be distributed to the members or distributed under an approved liquidation plan.

2005 Acts, ch 135, §92