

**499.48 Distribution in liquidation.**

1. On dissolution or liquidation, the assets of the association shall be used to pay liquidation expenses first, next the association's obligations other than patronage dividends or patronage dividend certificates which it has issued, and the remainder shall be distributed in the following priority:

a. To pay to each person the full amount originally paid by that person in cash for stock or other equity interest in the association.

b. To pay to each person in proportion to the total of each person's revolving fund, stock, or other equity interest in the association remaining after the payment under paragraph "a".

2. In applying [subsection 1](#), paragraphs "a" and "b", all classes of stock, all revolving funds, and all other equity interests in the association shall be treated equally based on their stated values. However, an association may establish its own method of distributing the assets remaining, after paying liquidation expenses and obligations other than patronage dividends or patronage dividend certificates which it has issued, in articles of incorporation adopted, amended, or restated after July 1, 1986.

[C35, §8512-g48; C39, §8512.48; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §499.48]

[86 Acts, ch 1196, §6](#); [2012 Acts, ch 1023, §92](#)