

**490.1405 Effect of dissolution.**

1. A corporation that has dissolved continues its corporate existence but the dissolved corporation shall not carry on any business except that appropriate to wind up and liquidate its business and affairs, including by doing any of the following:

- a. Collecting its assets.
  - b. Disposing of its properties that will not be distributed in kind to its shareholders.
  - c. Discharging or making provision for discharging its liabilities.
  - d. Making distributions of its remaining assets among its shareholders according to their interests.
  - e. Doing every other act necessary to wind up and liquidate its business and affairs.
2. Dissolution of a corporation does not do any of the following:
- a. Transfer title to the corporation's property.
  - b. Prevent transfer of its shares or securities.
  - c. Subject its directors or officers to standards of conduct different from those prescribed in [subchapter VIII](#).
  - d. Change any of the following:
    - (1) Quorum or voting requirements for its board of directors or shareholders.
    - (2) Provisions for selection, resignation, or removal of its directors or officers or both.
    - (3) Provisions for amending its bylaws.
  - e. Prevent commencement of a proceeding by or against the corporation in its corporate name.
  - f. Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution.
  - g. Terminate the authority of the registered agent of the corporation.

3. A distribution in liquidation under [this section](#) may only be made by a dissolved corporation. For purposes of determining the shareholders entitled to receive a distribution in liquidation, the board of directors may fix a record date for determining shareholders entitled to a distribution in liquidation, which date shall not be retroactive. If the board of directors does not fix a record date for determining shareholders entitled to a distribution in liquidation, the record date is the date the board of directors authorizes the distribution in liquidation.

[89 Acts, ch 288, §149](#); [2019 Acts, ch 24, §104](#); [2021 Acts, ch 165, §174, 230](#)

Referred to in [§490.1421](#), [490.1433](#)