

**Sunsets 1/1/2016**

**48-2c-1210 Grounds for judicial dissolution.**

- (1) A company may be dissolved in a proceeding filed by the attorney general or the director of the division if it is established that the company:
  - (a) obtained the filing of its articles of organization through fraud;
  - (b) continually exceeded or abused the authority conferred upon it by law;
  - (c) committed a violation of any provision of law whereby it has forfeited its charter;
  - (d) carried on, conducted, or transacted its business in a persistently fraudulent or illegal manner;
  - (e) abused its powers contrary to the public policy of this state; or
  - (f) failed to amend its articles of organization as required by Section 48-2c-405.
- (2) A company may be dissolved in a proceeding filed by any member if it is established that:
  - (a) the managers are deadlocked in management of company affairs and the members are unable to break the deadlock, irreparable injury to the company is threatened or being suffered, or the business and affairs of the company can no longer be conducted to the advantage of the members generally, because of the deadlock;
  - (b) the managers or those in control of the company have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent;
  - (c) the members are deadlocked in voting power and the deadlock has continued for a period of at least six months;
  - (d) the company assets are being misapplied or wasted; or
  - (e) it is not reasonably practical to carry on the business of the company in conformity with its articles of organization and operating agreement.
- (3) A company may be dissolved in a proceeding filed by a creditor of the company if it is established that:
  - (a) the creditor's claim has been reduced to judgment, the execution on the judgment has been returned unsatisfied, and the company is insolvent; or
  - (b) the company is insolvent and the company has admitted in writing that the creditor's claim is due and owing.
- (4) A company may commence a proceeding under this section when the company seeks to have its voluntary dissolution continued under court supervision.