

**48-3a-703 Winding up.**

- (1) A dissolved limited liability company shall wind up its activities and affairs and, except as otherwise provided in Section 48-3a-704, the limited liability company continues after dissolution only for the purpose of winding up.
- (2) In winding up its activities and affairs, a limited liability company:
  - (a) shall discharge the limited liability company's debts, obligations, and other liabilities, settle and close the limited liability company's activities and affairs, and marshal and distribute the assets of the limited liability company; and
  - (b) may:
    - (i) deliver to the division for filing a statement of dissolution stating the name of the limited liability company and that the limited liability company is dissolved;
    - (ii) preserve the limited liability company activities, affairs, and property as a going concern for a reasonable time;
    - (iii) prosecute and defend actions and proceedings, whether civil, criminal, or administrative;
    - (iv) transfer the limited liability company's property;
    - (v) settle disputes by mediation or arbitration;
    - (vi) deliver to the division for filing a statement of termination stating the name of the limited liability company and that the limited liability company is terminated; and
    - (vii) perform other acts necessary or appropriate to the winding up.
- (3) If a dissolved limited liability company has no members, the legal representative of the last person to have been a member may wind up the activities and affairs of the limited liability company. If the person does so, the person has the powers of a sole manager under Subsection 48-3a-407(3) and is deemed to be a manager for the purposes of Subsection 48-3a-304(1).
- (4) If the legal representative under Subsection (3) declines or fails to wind up the limited liability company's activities and affairs, a person may be appointed to do so by the consent of transferees owning a majority of the rights to receive distributions as transferees at the time the consent is to be effective. A person appointed under this Subsection (4):
  - (a) has the powers of a sole manager under Subsection 48-3a-407(3) and is deemed to be a manager for the purposes of Subsection 48-3a-304(1); and
  - (b) shall promptly deliver to the division for filing an amendment to the limited liability company's certificate of organization stating:
    - (i) that the limited liability company has no members;
    - (ii) the name and street and mailing addresses of the person; and
    - (iii) that the person has been appointed pursuant to this subsection to wind up the limited liability company.
- (5) A district court may order judicial supervision of the winding up of a dissolved limited liability company, including the appointment of a person to wind up the limited liability company's activities and affairs:
  - (a) on application of a member, if the applicant establishes good cause;
  - (b) on the application of a transferee, if:
    - (i) the company does not have any members;
    - (ii) the legal representative of the last person to have been a member declines or fails to wind up the limited liability company's activities; and
    - (iii) within a reasonable time following the dissolution a person has not been appointed pursuant to Subsection (4); or
  - (c) in connection with a proceeding under Subsection 48-3a-701(4) or (5).

Enacted by Chapter 412, 2013 General Session