

**3-1-20.3 Receivership or custodianship.**

- (1)
  - (a) A court, in a judicial proceeding to dissolve an association, may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the association.
  - (b) The court shall hold a hearing, after giving notice to all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian.
  - (c) The court, appointing a receiver or custodian, has exclusive jurisdiction over the association and all of its property wherever located.
- (2)
  - (a) The court may appoint an individual, or a domestic or foreign corporation authorized to transact business in this state as a receiver or custodian.
  - (b) The court may require the receiver or custodian to post bond, with or without securities, in an amount the court directs.
- (3)
  - (a) The court shall describe the powers of the receiver or custodian in its appointing order, which may be amended.
  - (b) The receiver:
    - (i) may dispose of all or any part of the assets of the association wherever located, at a public or private sale, if authorized by the court; and
    - (ii) may sue and defend in its own name as a receiver of the association in all courts of this state.
  - (c) The custodian may exercise all of the powers of the association, through or in place of its board of directors or officers, to manage the affairs of the association in the best interests of its members and creditors.
- (4) During a receivership, the court may designate the receiver a custodian, and during a custodianship may designate the custodian a receiver, if the action is in the best interests of the association, its members, and its creditors.
- (5) During the receivership or custodianship, the court may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and the custodian's or receiver's counsel from the assets of the association or proceeds from the sale of the assets.

Enacted by Chapter 70, 2003 General Session