

Part 3. Judicial Dissolution.

§ 55A-14-30. Grounds for judicial dissolution.

- (a) The superior court may dissolve a corporation:
 - (1) In a proceeding by the Attorney General if it is established that:
 - a. The corporation obtained its articles of incorporation through fraud; or
 - b. The corporation has, after written notice by the Attorney General given at least 20 days prior thereto, continued to exceed or abuse the authority conferred upon it by law;
 - (2) In a proceeding by a member or director, if it is established that:
 - a. The directors are deadlocked in the management of the corporate affairs, and the members, if any, are unable to break the deadlock;
 - b. The directors or those in control of the corporation 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 have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have, or would otherwise have, expired;
 - d. The corporate assets are being misappropriated or wasted; or
 - e. The corporation is no longer able to carry out its purposes.
 - (3) In a proceeding by a creditor if it is established that:
 - a. The creditor's claim has been reduced to judgment and execution on the judgment has been returned unsatisfied; or
 - b. The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent.
 - (4) In a proceeding by the corporation to have its voluntary dissolution continued under court supervision.
- (b) Prior to dissolving a corporation, the court shall consider whether:
 - (1) There are reasonable alternatives to dissolution;
 - (2) Dissolution is in the public interest, if the corporation is a charitable or religious corporation; and
 - (3) Dissolution is reasonably necessary for the protection of the rights or interests of the members, if any. (1955, c. 1230; 1985 (Reg. Sess., 1986), c. 801, s. 42; 1993, c. 398, s. 1.)