

2012 Kansas Statutes

17-2230. Voluntary and involuntary dissolution; procedures; liquidation procedure. (a) *Voluntary.* At a meeting especially called to consider the matter, a majority of the entire membership may vote to dissolve the credit union, provided a copy of the notice was mailed to the administrator at least 10 days prior thereto. Any member not present at such meeting may, within the next 20 days, vote in favor of dissolution by signing a statement in form approved by the administrator and such vote shall have the same force and effect as if cast at such meeting. The credit union shall thereupon immediately cease to do business except for the purposes of liquidation, and the executive officer of the board and secretary of the board shall, within five days following such meeting, notify the administrator of intention to liquidate and shall include a list of the names of the directors and officers of the credit union together with their addresses. Any credit union which has voted to enter into voluntary dissolution may by action of its board of directors make a written application to the administrator for the appointment of a liquidating agent and the administrator shall then exercise such powers of appointment, control and supervision of a liquidating agent as is provided in K.S.A. 17-2206, and amendments thereto, and liquidate such credit union in accordance with the provisions of this section.

(b) *Involuntary.* If it shall appear that any credit union is insolvent, or that it has violated any of the provisions of this act, the administrator may order such credit union to correct such condition and shall grant it a reasonable time under the circumstances of the case within which to comply, and failure to do so shall afford grounds for revocation of the corporate charter or the appointment of a conservator. When the administrator finds that a credit union is insolvent, the administrator, pursuant to order, shall become the conservator and may appoint an agent and require the agent to give such bond as the administrator deems proper. The administrator also shall fix reasonable compensation for the agent but the same shall be subject to approval of the district court of the county wherein such credit union is located upon application of any party in interest. The administrator may appoint as agent any person, the Kansas credit union league, or the insurer or guarantee corporation required under K.S.A. 17-2246, and amendments thereto, for the credit union involved. Upon an order of the administrator to liquidate such credit union, such agent shall follow the liquidation procedure set out herein. Any agent appointed shall make a complete report to the administrator covering the acts and proceedings as such agent. The administrator may remove any agent, with or without cause, and appoint a successor. The agent, under the direction of the administrator, shall take charge of any insolvent credit union and all of its assets and property and liquidate the affairs and business for the benefit of its creditors and shareholders as provided in this section. The agent may sell or compound all bad and doubtful debts and sell all the property of any such credit union upon such terms as the administrator shall approve. The administrator shall have the general supervision of all the acts of the agent. All claims of creditors and shareholders must be filed with the agent within one year after the date of the agent's appointment, and if any shareholder claim or creditor claim is not so filed then it shall be barred from participation in the estate and assets of any such credit union. The agent of any insolvent credit union may borrow money and pledge the assets of such insolvent credit union but only upon prior written approval of the administrator. At least once each year the administrator shall examine every credit union in the hands of an agent and copies of such examination reports shall be available to any interested shareholder or creditor by written request made to the administrator. Every agent shall submit the records and affairs of such credit union to an examination by the administrator or the administrator's assistant and examiners whenever the agent is requested to do so. The agent of any credit union shall make reports to the administrator in the same manner as required of other credit unions.

(c) *Liquidating procedure.* The credit union shall continue in existence for the purpose of discharging its debts, collecting and distributing its assets, and doing all acts required in order to wind up its business and may sue and be sued for the purpose of enforcing such debts and obligations until its affairs are fully adjusted.

The board of directors, or the liquidating agent shall use the assets of the credit union to pay in the following order: (1) Expenses incidental to liquidation including any surety bond that may be required; (2) remaining liabilities other than shareholdings; and (3) the assets then remaining, if any, shall be distributed to the savings held by each member or other shareholder as of the date dissolution was voted.

As soon as the board or the liquidating agent determines that all assets from which there is a reasonable expectancy of realization have been liquidated and distributed as set forth in this section, they shall execute a certificate of dissolution on a form prescribed by the administrator and file same with the register of deeds of the county wherein the credit union had its registered office, who shall, after recording and indexing same, forward it to the administrator, whereupon such credit union shall be dissolved. The administrator shall furnish a copy of the certificate of dissolution to the secretary of state.

History: L. 1963, ch. 140, § 12; L. 1965, ch. 153, § 9; L. 1968, ch. 160, § 16; L. 1972, ch. 57, § 3; L. 1983, ch. 84, § 1; L. 1987, ch. 86, § 3; L. 1992, ch. 225, § 13; July 1.