

**386A.4-110 Application of assets in winding up of series' activities.**

Upon the winding up of a series, the assets of or associated with the series shall be distributed as follows:

- (1) First, payment or adequate provisions for payment shall be made to creditors, including, to the extent permitted by law, beneficial owners who are creditors, in satisfaction of liabilities of the series or associated with the properties of or associated with the series;
- (2) Second, unless otherwise provided in the governing instrument, to beneficial owners in satisfaction of liabilities for distributions declared but unpaid; and
- (3) Third, unless otherwise provided in the governing instrument, to beneficial owners in proportion to their respective rights to share in distributions from the series prior to dissolution.

**Effective:** July 12, 2012

**History:** Created 2012 Ky. Acts ch. 81, sec. 32, effective July 12, 2012.