

272.325 Dissolution of association -- Procedure.

- (1) An association may discontinue its operations, settle its affairs, and voluntarily dissolve upon the affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast by its members present in person, or by proxy (if permitted by the bylaws), and voting, or if the association has adopted a delegate plan of voting, upon the affirmative vote of not less than two-thirds (2/3) of the delegates present in person and voting, at any annual or special meeting duly called and convened.
- (2) An association so determining to dissolve and wind up, shall designate a committee of three (3) of its members, who shall, on behalf of the association and within the time fixed in their designation, or any extension thereof, liquidate the association's assets, pay its debts and expenses, and divide its net assets among the members and stockholders pursuant to its articles of incorporation, bylaws, or contracts with members; upon final settlement by such committee, the association shall be dissolved. The committee shall prepare a report of the proceedings had under this section. The report shall be subscribed by the committee members and acknowledged by them before an officer authorized by the law of this state to certify acknowledgments of deeds and conveyances; and shall be filed and recorded in accordance with the statute relating to corporations generally, and when so filed the report, or certified copies thereof, shall be received in all the courts of this state, and other places, as prima facie evidence of the facts contained therein, and of the due dissolution of such association. A copy of the report, indorsed by the Secretary of State with the fact and time of recording in his office, shall be filed with the dean of the College of Agriculture of the University of Kentucky and with the Commissioner, Department of Agriculture.
- (3) After the payment of the association's debts and after provision has been made for the retirement of its capital stock outstanding, if any, at par and accruals thereon, and other fixed obligations, if any, held by members, the net assets remaining if no provision is made in the association's articles of incorporation, bylaws, or contracts with members may be distributed to members and other patrons by distribution based on dollar volume of purchases by such members and patrons or other unit of measure or on products marketed as shown by the association books over the preceding five (5) fiscal years or if the estimated cost of making such distribution, in the opinion of the committee approximate more than fifty percent (50%) of the amount available for distribution, the association may dispose of its net assets by converting them to cash and paying the money over to the College of Agriculture of the University of Kentucky, or to any nonprofit farm organization operating within the areas served by the cooperative.

History: Amended 1974 Ky. Acts ch. 159, sec. 1. -- Created 1966 Ky. Acts ch. 208, sec. 29.