

Arizona Revised Statutes Annotated
Title 29. Partnership (Refs & Annos)
Chapter 7. Arizona Limited Liability Company Act (Refs & Annos)
Article 7. Dissolution and Winding up

A.R.S. § 29-3702

§ 29-3702. Winding up

Effective: September 1, 2019

Currentness

A. A dissolved limited liability company shall wind up its activities and affairs and, except as otherwise provided in § 29-3703, the company continues after dissolution only for the purpose of winding up.

B. In winding up its activities and affairs, a limited liability company:

1. Shall discharge the company's debts, obligations and other liabilities, settle and close the company's activities and affairs and marshal and distribute the assets of the company.

2. May do all of the following:

(a) Deliver to the commission for filing a notice of winding up stating the name of the company, that the company has commenced to wind up its activities and affairs and any other statements not prohibited by law.

(b) Preserve the company activities, affairs and property as a going concern for a reasonable time.

(c) Prosecute and defend actions and proceedings, whether civil, criminal or administrative.

(d) Transfer the company's property.

(e) Settle disputes by mediation or arbitration.

(f) Perform other acts necessary or appropriate to the winding up.

C. If a dissolved limited liability company has no members, the last person to have been a member or the legal representative of the last person to have been a member may wind up the activities and affairs of the company as its liquidating agent. If the person does so, the person has the powers of a sole manager under § 29-3407, subsection C and is deemed to be a manager for the purposes of § 29-3304.

D. If the last person to have been a member or legal representative under subsection C of this section does not elect to become the liquidating agent within a reasonable time, another person may be appointed and replaced from time to time as the liquidating agent if the appointment is in a record signed by one or more transferees that on dissolution of the limited liability company and liquidation of its assets would be entitled to receive more than one-half of the value of all assets to be distributed to all transferees on liquidation at the time of the appointment. A liquidating agent pursuant to this subsection or subsection C of this section may be replaced at any time by any other person appointed in a record signed by one or more transferees that on dissolution of the company and liquidation of its assets would be entitled to receive more than one-half of the value of all assets to be distributed to all transferees on liquidation. A person appointed as the liquidating agent under this subsection has the powers of a sole manager under § 29-3407, subsection C and is deemed to be a manager for the purposes of § 29-3304.

E. A court of competent jurisdiction may order judicial supervision of the winding up of a dissolved limited liability company, including the appointment or replacement of a person as the liquidating agent to wind up the company's activities and affairs:

1. On the application of a member, if the applicant establishes good cause.
2. If the company does not have any members, on the application of a transferee if any of the following applies:
 - (a) The applicant establishes good cause.
 - (b) The last person to have been a member or the legal representative of the last person to have been a member declines to become the liquidating agent or, having done so, fails to wind up the company's activities within a reasonable time.
 - (c) Within a reasonable time following the dissolution, a person has not been appointed as the liquidating agent pursuant to subsection D of this section.
3. In connection with a proceeding under § 29-3701, subsection A, paragraph 4.

F. Effective on a person's becoming a liquidating agent, each other person that is then a manager of the limited liability company shall cease to be a manager and the members, if any, shall cease to have management authority except as set forth in an order of judicial supervision.

G. Promptly after becoming a liquidating agent, the liquidating agent shall deliver to the commission for filing an amendment to the company's articles of organization stating all of the following:

1. That the company has no managers.
2. The name and the mailing address of each member or, if the company has no members, that the company has no members.
3. The name and mailing address of the person that has been appointed as the liquidating agent.

4. If applicable, the case number and the name of the court that entered an order of judicial supervision of winding up.

5. Any other statement not prohibited by law.

H. If all of the known property and assets of the limited liability company have been applied and distributed pursuant to this chapter, the articles of termination shall be filed with the commission stating both of the following:

1. The name of the company.

2. That all of the known property and assets of the company have been applied and distributed pursuant to this chapter.

I. After the authorized filing of the articles of termination, the limited liability company's existence continues but only for the purposes of suits, other proceedings and appropriate actions as provided in this chapter, dealing with and disposing of property that was overlooked during the winding up, defending and pursuing claims that were not paid or otherwise discharged before the filing and engaging in activities that are reasonably necessary or appropriate for such purposes. These actions shall be taken without affecting the liability of members and managers and without imposing liability on a liquidating agent. The managers or liquidating agent in office at the time of termination or, if none, the members, may convey or transfer the company's real or personal property discovered after termination and may take other action as necessary on behalf of and in the name of the company to complete the winding up of its activities and affairs and the liquidation and distribution of its assets.

Credits

Added by Laws 2018, Ch. 168, § 4, eff. Sept. 1, 2019.

A. R. S. § 29-3702, AZ ST § 29-3702

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