

TITLE 4: ECONOMIC RESOURCES
DIVISION 4: CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

§ 4901. Events Causing Dissolution and Winding Up of Company's Business.

(a) A limited liability company is dissolved, and its business must be wound up, upon the occurrence of any of the following events:

- (1) An event specified in the operating agreement;
- (2) Consent of the number or percentage of members specified in the operating agreement;
- (3) An event that makes it unlawful for all or substantially all of the business of the company to be continued, but any cure of illegality within 90 days after notice to the company of the event is effective retroactively to the date of the event for purposes of this section;
- (4) On application by a member or a dissociated member, upon entry of a judicial decree that:
 - (i) The economic purpose of the company is likely to be unreasonably frustrated;
 - (ii) Another member has engaged in conduct relating to the company's business that makes it not reasonably practicable to carry on the company's business with that member;
 - (iii) It is not otherwise reasonably practicable to carry on the company's business in conformity with the articles of organization and the operating agreement;
 - (iv) The company failed to purchase the petitioner's distributional interest as required by section 4891; or
 - (v) The managers or members in control of the company have acted, are acting, or will act in a manner that is illegal, oppressive, fraudulent, or unfairly prejudicial to the petitioner; or
- (5) On application by a transferee of a member's interest, a judicial determination that it is equitable to wind up the company's business:
 - (i) After the expiration of the specified term, if the company was for a specified term at the time the applicant became a transferee by member dissociation, transfer, or entry of a charging order that gave rise to the transfer; or
 - (ii) At any time, if the company was at will at the time the applicant became a transferee by member dissociation, transfer, or entry of a charging order that gave rise to the transfer.

Source: PL 14-11, § 2 (801), modified.

Commission Comment: See the comment to 4 CMC § 4801 regarding PL 14-11.