Cherokee Nation Code Annotated
Title 18: Corporations
Chapter 1: Cherokee Nation General Corporation Act
Article 11: Sale of Assets, Dissolution and Winding Up
§ 100.2. Payment and distribution to claimants and shareholders
Cite as: 18 CNCA § 100.2

A. A dissolved corporation or successor entity which has followed the procedures described in 18 CNCA § 100.1 shall:

1. pay the claims made and not rejected in accordance with 18 CNCA § 100.1(A);

2. post the security offered and not rejected pursuant to 18 CNCA § 100.1(B)(2);

3. post any security ordered by the District Court in any proceeding under 18 CNCA § 100.1(C); and

4. pay or make provision for all other obligations of the corporation or such successor entity.

Such claims or obligations shall be paid in full and any such provision for payment shall be made in full if there are sufficient funds. If there are insufficient funds, such claims and obligations shall be paid or provided for according to their priority, and, among claims of equal priority, ratably to the extent of funds legally available therefor. Any remaining funds shall be distributed to the shareholders of the dissolved corporation; provided, however, that such distribution shall not be made before the expiration of one hundred fifty (150) days from the date of the last notice of rejections given pursuant to 18 CNCA § 100.1(A)(3). In the absence of actual fraud, the judgment of the directors of the dissolved corporation or the governing persons of such successor entity as to the provision made for the payment of all obligations under paragraph (4) of this subsection shall be conclusive.

B. A dissolved corporation or successor entity which has not followed the procedures described in 18 CNCA § 100.1 shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured claims known to the corporation or such successor entity and all claims which are known to the dissolved corporation or such successor entity but for which the identity of the claimant is unknown. Such claims shall be paid in full and any such provision for payment made shall be made in full if there are sufficient funds. If there are insufficient funds, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds legally available therefore. Any remaining funds shall be distributed to the shareholders of the dissolved corporation.

C. Directors of a dissolved corporation or governing persons of a successor entity which has complied with subsection (A) or (B) of this section shall not be personally liable to the claimants of the dissolved corporation.

D. As used in this section, the term **"successor entity"** has the meaning set forth in 18 CNCA § 100.1(E).

Historical Data

LA 16–96, eff. July 15, 1996.