CHAPTER 14

DISSOLUTION

SUBCHAPTER 1

VOLUNTARY DISSOLUTION

§1401. Dissolution by incorporators or initial directors

A majority of the incorporators or initial directors of a corporation that has not issued shares or has not commenced business may dissolve the corporation by delivering to the Secretary of State for filing articles of dissolution that set forth: [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

1. Name. The name of the corporation;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Date. The date of incorporation;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Shares. That none of the corporation's shares have been issued or that the corporation has not commenced business;
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Debt. That no debt of the corporation remains unpaid, including the filing of the annual report as required by section 1621;
[PL 2003, c. 344, Pt. B, §108 (AMD).]

5. Net assets. That, if shares were issued, the net assets of the corporation remaining after winding up have been distributed to the shareholders;
[PL 2003, c. 344, Pt. B, §108 (AMD).]

6. Authorization of dissolution. That a majority of the incorporators or initial directors authorized the dissolution;
[PL 2003, c. 344, Pt. B, §108 (AMD).]

7. Date authorized. The date dissolution was authorized; and
[PL 2003, c. 344, Pt. B, §109 (NEW).]

8. Effective date. The effective date of the dissolution. A corporation is dissolved upon the effective date of its articles of dissolution.
[PL 2003, c. 344, Pt. B, §109 (NEW).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §§B108,109 (AMD).

§1402. Dissolution by board of directors and shareholders

1. Dissolution proposal. A corporation's board of directors may propose dissolution for submission to the shareholders.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Adoption of proposal of dissolution. For a proposal to dissolve to be adopted:

A. A corporation's board of directors must recommend dissolution to the shareholders unless:

(1) The board of directors determines that because of conflict of interest or other special circumstances the board of directors should make no recommendation; or

(2) Section 827 applies.

If subparagraph (1) or (2) applies, the board of directors must transmit to the shareholders the basis for so proceeding; and [PL 2011, c. 274, §72 (RPR).]

B. The shareholders entitled to vote must approve the proposal to dissolve as provided in subsection 5. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2011, c. 274, §72 (AMD).]

3. Condition submission of proposal. A corporation's board of directors may condition the board of directors' submission of the proposal for dissolution on any basis.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Notice of meeting to dissolve. A corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting. The notice must also state that the purpose or one of the purposes of the meeting is to consider dissolving the corporation.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Adoption of dissolution by majority. Unless the corporation's articles of incorporation or the corporation's board of directors acting pursuant to subsection 3 requires a greater vote, approval of the proposal to dissolve requires the approval of the shareholders by a majority of all the votes entitled to be cast on the proposal by that voting group and, if any class or series is entitled to vote as a separate voting group on the proposal, the approval of each separate voting group by a majority of all the votes entitled to be cast on the proposal by that voting group. The corporation's articles of incorporation may provide that a proposal to dissolve may be approved by a lesser vote of each voting group entitled to vote on the proposal, but in no case by less than a majority of the votes cast by that voting group at a meeting at which there exists for each such voting group a quorum consisting of at least a majority of the votes entitled to be cast on the proposal by each voting group entitled to vote on the proposal.
[PL 2003, c. 344, Pt. B, §110 (RPR).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B110 (AMD). PL 2011, c. 274, §72 (AMD).

§1403. Dissolution by written consent of all shareholders

A proposal to dissolve may be approved by written consent of shareholders entitled to vote as provided in section 704. If the dissolution is approved by written consent of all shareholders, whether or not entitled to vote, a resolution of the corporation's board of directors proposing the dissolution is not necessary. [PL 2003, c. 344, Pt. B, §111 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B111 (AMD).

§1404. Articles of dissolution

1. File articles of dissolution with Secretary of State. At any time after dissolution is authorized, a corporation may dissolve by delivering to the Secretary of State for filing articles of dissolution setting forth:

A. The name of the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The date dissolution was authorized and the effective date of the dissolution; and [PL 2003, c. 344, Pt. B, §112 (AMD).]

C. If dissolution was approved by the shareholders, a statement that the proposal to dissolve was duly approved by the shareholders in the manner required by this Act and by the corporation's articles of incorporation. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2003, c. 344, Pt. B, §112 (AMD).]

2. Effective date of dissolution. A corporation is dissolved upon the effective date of its articles of dissolution.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Dissolved corporation. For purposes of this subchapter, "dissolved corporation" means a corporation whose articles of dissolution have become effective. "Dissolved corporation" includes a successor entity to which the remaining assets of the corporation are transferred subject to its liabilities for purposes of liquidation.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Other requirements at the time of dissolution. At the time of filing the articles under this section, the Secretary of State may require the corporation to file the annual report required to be filed under section 1621 and pay any fees or penalties owed to the Secretary of State under section 1420.

[PL 2007, c. 231, §21 (NEW).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B112 (AMD). PL 2007, c. 231, §21 (AMD).

§1405. Revocation of dissolution

1. Revoke dissolution. A corporation may revoke its dissolution within 120 days of its effective date.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Authorization of revocation. Revocation of dissolution must be authorized in the same manner as the dissolution was authorized under this subchapter unless that authorization permitted revocation by action of the corporation's board of directors alone, in which event the board of directors may revoke the dissolution without shareholder action.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Articles of revocation of dissolution. After the revocation of dissolution is authorized, a corporation may revoke the dissolution by delivering to the Secretary of State for filing articles of revocation of dissolution that set forth:

A. The name of the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The effective date of the dissolution that was revoked; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. The date that the revocation of dissolution was authorized; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

D. If the corporation's board of directors or incorporators revoked the dissolution, a statement to that effect; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

E. If the corporation's board of directors revoked a dissolution authorized by the shareholders, a statement that revocation was permitted by action of the board of directors alone pursuant to that authorization; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

F. If shareholder action was required to revoke the dissolution, the information required by section 1404, subsection 1, paragraph C. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2003, c. 344, Pt. B, §113 (AMD).]

4. Effective date of revocation. Revocation of dissolution is effective upon the effective date of the articles of revocation of dissolution.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Resume business. When the revocation of dissolution is effective, it relates back to and takes effect as of the effective date of the dissolution, and the corporation resumes business as if dissolution had not occurred.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B113 (AMD).

§1406. Effect of dissolution

1. Extension of corporate existence. A dissolved corporation continues its corporate existence but may not carry on any business except that which is appropriate to wind up and liquidate its business and affairs, including:

A. Collecting the corporation's assets; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Disposing of properties that will not be distributed in kind to shareholders; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. Discharging or making provision for discharging its liabilities; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

D. Distributing remaining property among shareholders according to their interests; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

E. Doing every other act necessary to wind up and liquidate its business and affairs. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2007, c. 289, §42 (AMD).]

2. Dissolution; exclusions. Dissolution of a corporation does not:

A. Transfer title to the corporation's property; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Prevent transfer of its shares or securities, although the authorization to dissolve may provide for closing the corporation's share transfer records; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. Subject the corporation's directors or officers to standards of conduct different from those prescribed in chapter 8; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

D. Change quorum or voting requirements for the board of directors or shareholders; change provisions for selection, resignation or removal of the directors or officers or both; or change provisions for amending its bylaws; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

E. Prevent commencement of a proceeding by or against the corporation in its corporate name; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

F. Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

G. Terminate the authority of the clerk of the corporation. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Abatement of action.

[PL 2007, c. 289, §42 (RP).]

4. Transfer of property. Those shareholders of the corporation and their successors in interest who, collectively, represent a majority of the voting power of the corporation are empowered to act as liquidating trustees to take all actions necessary or appropriate to distribute or dispose of any undistributed property of the corporation if:

A. There are no officers authorized to act on a matter for a dissolved corporation; [PL 2007, c. 289, §42 (NEW).]

B. There are no directors of the corporation; or [PL 2007, c. 289, §42 (NEW).]

C. The directors are unable to act on the matter on behalf of the corporation. [PL 2007, c. 289, §42 (NEW).]

[PL 2007, c. 289, §42 (NEW).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 289, §42 (AMD).

§1407. Known claims against dissolved corporation

1. Disposition of known claims. A dissolved corporation may dispose of the known claims against it by notifying its known claimants in writing of the dissolution at any time after the effective date of the dissolution.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Written notice. The written notice required by subsection 1 must:

A. Describe information that must be included in a claim against the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Provide a mailing address where a claim may be sent; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. State the deadline, which may not be fewer than 120 days from the effective date of the written notice, by which the dissolved corporation must receive the claim; and [PL 2003, c. 344, Pt. B, §114 (AMD).]

D. State that the claim may be barred if not received by the deadline. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2003, c. 344, Pt. B, §114 (AMD).]

3. Claim barred. A claim against the dissolved corporation, other than a liquidated claim that is known to the corporation, has fully matured and is not disputed in good faith by the corporation, is barred:

A. If a claimant who was given written notice under subsection 2 does not deliver the claim to the dissolved corporation by the deadline; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. If a claimant whose claim was rejected by the dissolved corporation does not commence a proceeding to enforce the claim within 90 days after the effective date of the rejection notice. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Claim. For purposes of this section, "claim" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B114 (AMD).

§1408. Other claims against dissolved corporation

1. Publish notice of dissolution. In addition to the written notice under section 1407, a dissolved corporation may publish notice of its dissolution and request that persons with claims against the dissolved corporation present them in accordance with the notice.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Content of notice. The notice under subsection 1 must:

A. Be published one time in a newspaper of general circulation in the county where the dissolved corporation's principal office is or was last located or, if none in this State, in Kennebec County; [PL 2007, c. 323, Pt. C, §18 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

B. Describe the information that must be included in a claim and provide a mailing address where the claim may be sent; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. State that a claim against the dissolved corporation will be barred unless a proceeding to enforce the claim is commenced within 3 years after the publication of the notice. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[RR 2021, c. 2, Pt. A, §26 (COR).]

3. Claim barred. If the dissolved corporation publishes a newspaper notice in accordance with subsection 2, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within 3 years after the publication date of the newspaper notice:

A. A claimant who was not given written notice under section 1407; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. A claimant whose claim was timely sent to the dissolved corporation but not acted on; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. A claimant whose claim is contingent or is based on an event occurring after the effective date of dissolution. [PL 2003, c. 631, §23 (AMD).]
[PL 2003, c. 631, §23 (AMD).]

4. Enforcement of claim. A claim that is not barred by subsection 3 or section 1407, subsection 2 may be enforced:

A. Against the dissolved corporation to the extent of its undistributed assets; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Except as provided in section 1409, subsection 4, if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of the shareholder's pro rata share of the claim or the corporate assets distributed to the shareholder in liquidation, whichever is less, but a shareholder's total liability for all claims under this section may not exceed the total amount of assets distributed to the shareholder. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 631, §23 (AMD). PL 2007, c. 323, Pt. C, §18 (AMD). PL 2007, c. 323, Pt. G, §4 (AMD). RR 2021, c. 2, Pt. A, §26 (COR).

§1409. Court proceedings

1. Security provided for payment of claim. A dissolved corporation that has published a notice under section 1408 may file an application with the Superior Court of the county where the dissolved corporation's principal office is located or, if not in this State, of Kennebec County, for a determination of the amount and form of security to be provided for payment of claims that are contingent or have not been made known to the dissolved corporation or that are based on an event occurring after the effective date of dissolution but that, based on the facts known to the dissolved corporation, are reasonably estimated to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under section 1408, subsection 3.
[PL 2007, c. 323, Pt. C, §19 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

2. Notice to claimant. Within 10 days after the filing of the application under subsection 1, notice of the proceeding must be given by the dissolved corporation to each claimant holding a contingent claim whose contingent claim is shown on the records of the dissolved corporation.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Guardian ad litem. The court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of the guardian ad litem, including all reasonable expert witness fees, must be paid by the dissolved corporation.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Satisfaction of obligations. Provision by the dissolved corporation for security in the amount and the form ordered by the court under subsection 1 satisfies the dissolved corporation's obligations with respect to claims that are contingent, have not been made known to the dissolved corporation or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a shareholder who received assets in liquidation.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 323, Pt. C, §19 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1410. Duties of directors

1. Duties. Directors of a dissolved corporation shall cause the corporation to discharge or make reasonable provision for the payment of claims and make distributions of assets to shareholders after payment of or provision for claims.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Liability of directors. Directors of a dissolved corporation that has disposed of claims under section 1407, 1408 or 1409 are not liable for breach of section 1410, subsection 1 with respect to claims against the dissolved corporation that are barred or satisfied under sections 1407, 1408 or 1409.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF).

SUBCHAPTER 2

ADMINISTRATIVE DISSOLUTION

§1420. Grounds for administrative dissolution

Notwithstanding Title 4, chapter 5 and Title 5, chapter 375, the Secretary of State may commence a proceeding under section 1421 to administratively dissolve a corporation if: [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

1. Nonpayment of fees or penalties. The corporation does not pay when they are due any fees or penalties imposed by this Act or other law;
[PL 2003, c. 631, §24 (AMD).]

2. Failure to file annual report. The corporation does not deliver its annual report to the Secretary of State as required by section 1621;
[PL 2003, c. 631, §24 (AMD).]

3. Failure to pay late filing penalty. The corporation does not pay the annual report late filing penalty as required by section 1622;
[PL 2003, c. 631, §24 (AMD).]

4. Failure to maintain clerk. The corporation is without a clerk in this State as required by Title 5, section 105, subsection 1;
[PL 2007, c. 323, Pt. C, §20 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

5. Failure to notify of change of clerk or change of clerk's address. The corporation does not notify the Secretary of State that its clerk has changed as required by Title 5, section 108, subsection 1 or the address of its clerk has been changed as required by Title 5, section 109 or 110 or that its clerk has resigned as required by Title 5, section 111; or
[PL 2007, c. 323, Pt. C, §21 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

6. Filing of false information. An incorporator, director, officer or agent of the corporation signed a document with the knowledge that the document was false in a material respect and with the intent that the document be delivered to the Secretary of State for filing.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 631, §24 (AMD). PL 2007, c. 323, Pt. C, §§20, 21 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1421. Procedure for and effect of administrative dissolution

1. Notice of determination to administratively dissolve corporation. If the Secretary of State determines that one or more grounds exist under section 1420 for dissolving a corporation, the Secretary of State shall serve the corporation with written notice of that determination as required by subsection 8.
[PL 2007, c. 323, Pt. C, §22 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

2. Administrative dissolution. The corporation is administratively dissolved if within 60 days after the notice under subsection 1 was issued and is perfected under subsection 8 the Secretary of State determines that the corporation has failed to correct the ground or grounds for the dissolution. The Secretary of State shall send notice to the corporation as required by subsection 8 that recites the ground or grounds for dissolution and the effective date of dissolution.
[PL 2007, c. 323, Pt. C, §23 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

3. Effect of administrative dissolution; prohibition. A corporation administratively dissolved continues its corporate existence but may not transact any business in this State except as necessary to wind up and liquidate its business and affairs under section 1406 and notify claimants under sections 1407 and 1408.
[PL 2003, c. 631, §25 (AMD).]

4. Authority of clerk. The administrative dissolution of a corporation does not terminate the authority of its clerk.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Protecting corporate name after administrative dissolution. The name of a corporation remains in the Secretary of State's records of corporate names and protected for a period of 3 years following administrative dissolution.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

6. Prohibition.
[PL 2003, c. 631, §26 (RP).]

7. Notice to Superintendent of Financial Institutions in case of financial institution or credit union. In the case of a financial institution authorized to do business in this State or a credit union authorized to do business in this State, as defined in Title 9-B, the Secretary of State shall notify the Superintendent of Financial Institutions within a reasonable time prior to administratively dissolving the financial institution or credit union under this section.
[PL 2003, c. 631, §27 (NEW).]

8. Delivery of notice. The Secretary of State shall send notice of its determination under subsection 1 by regular mail and the service upon the corporation is perfected 5 days after the Secretary of State deposits its determination in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed to the clerk of the corporation.
[PL 2007, c. 323, Pt. C, §24 (NEW); PL 2007, c. 323, Pt. G, §4 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 631, §§25-27 (AMD). PL 2007, c. 323, Pt. C, §§22-24 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1422. Reinstatement following administrative dissolution

1. Reinstatement. A corporation administratively dissolved under section 1421 may apply to the Secretary of State for reinstatement within 6 years after the effective date of dissolution. The application must:

A. State the name of the corporation and the effective date of its administrative dissolution; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. State that the ground or grounds for dissolution either did not exist or have been eliminated; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. State that the corporation's name satisfies the requirements of section 401. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Reinstatement after administrative dissolution. If the Secretary of State determines that the application contains the information required under subsection 1 and is accompanied by the reinstatement fee set forth in section 123, subsection 1 and that the information is correct, the Secretary of State shall cancel the administrative dissolution and prepare a notice of reinstatement that recites that determination and the effective date of reinstatement. The Secretary of State shall use the procedures set forth in section 1421, subsection 8 to deliver the notice to the corporation.
[PL 2007, c. 323, Pt. C, §25 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

3. Effect of reinstatement. When the reinstatement is effective under subsection 2, it relates back to and takes effect as of the effective date of the administrative dissolution, and the corporation resumes business as if the administrative dissolution had not occurred.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B115 (AMD). PL 2007, c. 323, Pt. C, §25 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1423. Appeal from denial of reinstatement

1. Denial of reinstatement. If the Secretary of State denies a corporation's application for reinstatement following administrative dissolution, the Secretary of State shall serve the corporation as required by section 1421, subsection 8 with a written notice that explains the reason or reasons for denial.
[PL 2007, c. 323, Pt. C, §26 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

2. Appeal. A corporation may appeal a denial of reinstatement under subsection 1 to the Superior Court of the county where the corporation's principal office is located or, if there is no principal office in this State, in Kennebec County within 30 days after service of the notice of denial is perfected. The corporation appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the Secretary of State's certificate of dissolution, the corporation's application for reinstatement and the Secretary of State's notice of denial.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Court action. The court may summarily order the Secretary of State to reinstate an administratively dissolved corporation or may take other action the court considers appropriate.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Final decision. The court's final decision in an appeal under this section may be appealed as in other civil proceedings.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 323, Pt. C, §26 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1424. Reinstatement of suspended corporate charter

1. Reinstatement after charter suspension. A corporation whose charter was suspended before July 1, 2003 may apply for reinstatement with the Secretary of State if:

A. The Secretary of State determines that the application contains the information required under section 1422, subsection 1; [PL 2003, c. 344, Pt. B, §116 (NEW).]

B. The application is accompanied by the reinstatement fee set forth in section 123, subsection 1; and [PL 2003, c. 344, Pt. B, §116 (NEW).]

C. The application is received by the Secretary of State by June 30, 2009. [PL 2003, c. 344, Pt. B, §116 (NEW).]
[PL 2003, c. 344, Pt. B, §116 (NEW).]

2. Effect on corporation failing to reinstate by June 30, 2009. A corporation that fails to meet the requirements of subsection 1 is administratively dissolved and may not reinstate.
[PL 2003, c. 344, Pt. B, §116 (NEW).]

3. Protecting corporate name after suspension. The name of a corporation whose charter is suspended remains in the Secretary of State's records of corporate names and is protected for a period of 3 years following its suspension.
[PL 2003, c. 344, Pt. B, §116 (NEW).]

SECTION HISTORY

PL 2003, c. 344, §B116 (NEW).

§1425. Revival of a domestic business corporation after dissolution

1. Determination of need to revive corporation. If the Secretary of State finds that a corporation has dissolved in any manner under this chapter and that the corporation should be revived for any specified purpose or purposes for a specific period of time, the Secretary of State may upon application by an interested party file a certificate of revival in a form or format prescribed by the Secretary of State for reviving the corporation.
[PL 2007, c. 231, §22 (NEW).]

2. Certificate of revival. The certificate of revival must include:

A. The name of the corporation and its original date of incorporation; [PL 2007, c. 231, §22 (NEW).]

B. The name of the domestic business corporation's clerk and the address of its clerk at the time of dissolution; [PL 2007, c. 231, §22 (NEW).]

C. The name and address of the party or parties requesting the revival; [PL 2007, c. 231, §22 (NEW).]

D. The purpose or purposes for which revival is requested; and [PL 2007, c. 231, §22 (NEW).]

E. The time period needed to complete the purpose or purposes specified under paragraph D. [PL 2007, c. 231, §22 (NEW).]
[PL 2007, c. 231, §22 (NEW).]

3. Notice of revival. The Secretary of State shall issue a notice to the corporation to the address provided in subsection 2, paragraph C stating that the revival has been granted for the purpose or purposes and for the time period specified pursuant to the certificate of revival filed under this section.
[PL 2007, c. 231, §22 (NEW).]

4. Termination of revival. When the time period specified in subsection 2, paragraph E has expired, the Secretary of State shall send a notice to the corporation at the address provided in subsection 2, paragraph C that the status of the corporation has returned to the status prior to filing the certificate of revival under this section.
[PL 2007, c. 231, §22 (NEW).]

SECTION HISTORY

PL 2007, c. 231, §22 (NEW).

§1426. Late reinstatement of business corporation after administrative dissolution

1. Application to reinstate corporation. A business corporation that has been administratively dissolved for more than 6 years may apply to the Secretary of State for reinstatement. The application must:

A. Provide the name of the corporation and the effective date of its administrative dissolution; [PL 2015, c. 254, §3 (NEW).]

B. Provide a statement together with supporting documentation that the officer or director signing the application is duly authorized to act for the corporation; [PL 2015, c. 254, §3 (NEW).]

C. Establish that the grounds for dissolution either did not exist or have been eliminated; [PL 2015, c. 254, §3 (NEW).]

D. Demonstrate that the corporation's name satisfies the requirements of section 401 or that the corporation is filing an amendment to change the name to satisfy the requirements of section 401; [PL 2015, c. 254, §3 (NEW).]

E. Attest that no lawsuits are pending against the corporation; and [PL 2015, c. 254, §3 (NEW).]

F. Explain the reason or reasons that reinstatement is being requested. [PL 2015, c. 254, §3 (NEW).]

[PL 2015, c. 254, §3 (NEW).]

2. Determination of need to reinstate corporation. If the Secretary of State determines that the application satisfies the requirements of subsection 1 and is accompanied by the reinstatement fee set forth in section 123, subsection 1, paragraph U, the Secretary of State shall cancel the administrative dissolution and prepare a notice of reinstatement that recites that determination and the effective date of reinstatement. The Secretary of State may deny reinstatement if there are material misstatements provided in the application. The Secretary of State shall use the procedures set forth in section 1421, subsection 8 to deliver the notice to the corporation.

[PL 2015, c. 254, §3 (NEW).]

3. Effect of reinstatement. When the reinstatement is effective under subsection 2, it relates back to and takes effect as of the effective date of the administrative dissolution, and the corporation resumes activities as if the administrative dissolution had not occurred.

[PL 2015, c. 254, §3 (NEW).]

SECTION HISTORY

PL 2015, c. 254, §3 (NEW).

SUBCHAPTER 3

JUDICIAL DISSOLUTION

§1430. Grounds for judicial dissolution

A corporation may be dissolved by a judicial dissolution in a proceeding by: [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

1. Attorney General. The Attorney General if it is established that:

A. The corporation obtained its articles of incorporation through fraud; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The corporation has continued to exceed or abuse the authority conferred upon it by law; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Shareholder. A shareholder if it is established that:

A. The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock and, because of the deadlock, irreparable injury to the corporation is threatened or being suffered or the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The directors or those in control of the corporation have acted, are acting or will act in a manner that is illegal, oppressive or fraudulent; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. The shareholders are so divided regarding the management of the business and affairs of the corporation that the corporation is suffering or will suffer irreparable injury or the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally; [PL 2007, c. 289, §43 (AMD).]

D. The shareholders are deadlocked in voting power and have failed, for a period that includes at least 2 consecutive annual meeting dates, to elect successors to directors whose terms have expired; [PL 2007, c. 289, §43 (AMD).]

E. The corporate assets are being misapplied or wasted; or [PL 2007, c. 289, §43 (AMD).]

F. A shareholder of the corporation has abandoned its business and has failed within a reasonable time to liquidate and distribute its assets and dissolve. [PL 2015, c. 259, §17 (AMD).]

This subsection does not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares that are a covered security under Section 18(b)(1)(A) or (B) of the federal Securities Act of 1933, as amended. This subsection also does not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares that are not a covered security under Section 18(b)(1)(A) or (B) of the federal Securities Act of 1933, as amended, but are held of record by at least 500 shareholders and the shares outstanding have a market value of at least $20,000,000 exclusive of the value of such shares held by the corporation's executive officers or directors or by any person or group that beneficially owns more than 10% of the outstanding shares;
[PL 2015, c. 259, §17 (AMD).]

3. Creditor. A creditor if it is established that:

A. The creditor's claim has been reduced to judgment, the execution on the judgment has been returned unsatisfied and the corporation is insolvent; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Corporation. The corporation to have its voluntary dissolution continued under court supervision.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 289, §43 (AMD). PL 2015, c. 259, §17 (AMD).

§1431. Procedure for judicial dissolution

1. Venue. Venue for a proceeding by the Attorney General to dissolve a corporation lies in Kennebec County. Venue for a proceeding brought by any other party named in section 1430 lies in the county where a corporation's principal office is or was last located or, if none in this State, in Kennebec County.
[PL 2007, c. 323, Pt. C, §27 (AMD); PL 2007, c. 323, Pt. G, §4 (AFF).]

2. Shareholders parties to proceeding. It is not necessary to make shareholders parties to a proceeding to dissolve a corporation unless relief is sought against the shareholders individually.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Preserve corporate assets. A court in a proceeding brought to dissolve a corporation may issue injunctions, appoint a receiver pendente lite with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located and carry on the business of the corporation until a full hearing can be held.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 323, Pt. C, §27 (AMD). PL 2007, c. 323, Pt. G, §4 (AFF).

§1432. Receivership

1. Appoint receivers. A court in a judicial proceeding brought to dissolve a corporation may appoint one or more receivers to manage and to wind up and liquidate the business and affairs of the corporation. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver. The court appointing a receiver has jurisdiction over the corporation and all of its property wherever located.
[PL 2007, c. 289, §44 (AMD).]

2. Post bond. A court under subsection 1 may appoint an individual or a domestic or foreign corporation authorized to transact business in this State as a receiver. The court may require the receiver to post bond, with or without sureties, in an amount the court directs.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Powers; duties. A court shall describe the powers and duties of the receiver in the court's appointing order under subsection 1, which may be amended from time to time. The receiver may, in addition to other specified powers:

A. Dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Sue and defend in the receiver's own name as receiver of the corporation in all courts of this State; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. Exercise all of the powers of the corporation, through or in place of its board of directors, to the extent necessary to manage the affairs of the corporation in the best interests of its shareholders and creditors. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Compensation; expenses. A court from time to time during a receivership under this section may order compensation paid and expenses paid or reimbursed to the receiver and the receiver's counsel from the assets of the corporation or proceeds from the sale of the assets.
[PL 2007, c. 289, §45 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2007, c. 289, §§44, 45 (AMD).

§1433. Decree of dissolution

1. Decree dissolving corporation. If after a hearing a court determines that one or more grounds for judicial dissolution described in section 1430 exist, it may enter a decree dissolving a corporation and specifying the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the decree to the Secretary of State, who shall file it.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Liquidation of corporation. After entering a decree of dissolution under subsection 1, the court shall direct the winding-up and liquidation of the corporation's business and affairs in accordance with section 1406 and the notification of claimants in accordance with sections 1407 and 1408.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF).

§1434. Discretion of court to grant relief other than dissolution

1. Intervention by shareholder. Any shareholder of a corporation may intervene in an action brought by another shareholder under section 1430, subsection 2 to dissolve the corporation in order to seek relief other than dissolution.
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Motion of court. On the application of a plaintiff or any other shareholder or on the court's own motion in any action filed by a shareholder to dissolve a corporation on any of the grounds enumerated in section 1430, subsection 2, or on the court's own motion in any other action to dissolve a corporation, the court may make an order or grant relief, other than dissolution, that in its discretion it considers appropriate, including, without limitation, an order:

A. Providing for the purchase at their fair value of shares of any shareholder either by the corporation or by other shareholders; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. Providing for the sale of all the property and franchises of the corporation to a single purchaser, who succeeds to all the rights and privileges of the corporation and may reorganize the same under the direction of the court; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. Directing or prohibiting any act of the corporation or of shareholders, directors, officers or other persons party to the action; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

D. Canceling or altering any provision contained in the articles of incorporation, in any amendment to the articles of incorporation or in the bylaws of the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

E. Appointing a person who is qualified under the laws of this State to act as a receiver and who has no close personal, business or financial relationship to the members of any contending faction within the corporation to act as an additional director, either in all matters or in those matters the court directs, and to hold office as a director for any period the court orders, but not longer than 2 years. The person must be paid by the corporation compensation as ordered by the court and may be required to post security for the faithful performance of the director's duties in an amount and with any sureties the court orders; or [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

F. Canceling, altering or enjoining any resolution or other act of the corporation. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Protection of interests. Pursuant to this section, the court may grant relief other than dissolution as an alternative to a decree of dissolution or whenever the circumstances of the case are such that the other relief, but not dissolution, would be appropriate, and the other relief should be granted when that relief would furnish greater protection of the interests of creditors and shareholders than would dissolution.
[PL 2005, c. 302, §7 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2005, c. 302, §7 (AMD).

SUBCHAPTER 4

MISCELLANEOUS

§1440. Deposit with Treasurer of State

Assets of a dissolved corporation that should be transferred to a creditor, claimant or shareholder of the corporation who can not be found or who is not competent to receive the assets must be reduced to cash and deposited with the Treasurer of State or other appropriate state official for safekeeping in accordance with Title 33, chapter 45. When the creditor, claimant or shareholder furnishes satisfactory proof of entitlement to the amount deposited, the Treasurer of State or other appropriate state official shall pay the creditor, claimant or shareholder or that person's representative that amount. [PL 2019, c. 498, §9 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2019, c. 498, §9 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 132nd Maine Legislature and is current through October 1, 2026. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.