

17-7212. Appointment of custodian for close corporation, when. (a) In addition to the provisions of K.S.A. 17-6516, respecting the appointment of a custodian for any corporation, the district court, upon application of any stockholder, may appoint one or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of any close corporation when:

(1) Pursuant to K.S.A. 17-7211 the business and affairs of the corporation are managed by the stockholders and they are so divided that the business of the corporation is suffering or is threatened with irreparable injury, and any remedy with respect to such deadlock provided in the articles of incorporation or bylaws or in any written agreement of the stockholders has failed; or

(2) The petitioning stockholder has the right to dissolution of the corporation under a provision of the articles of incorporation permitted by K.S.A. 17-7215.

(b) In lieu of appointing a custodian for a close corporation under this section or K.S.A. 17-6516 the court may appoint a provisional director, whose powers and status shall be as provided in K.S.A. 17-7213, if the court determines that it would be in the best interest of the corporation. Such appointment shall not preclude any subsequent order of the court appointing a custodian for such corporation.

History: L. 1972, ch. 52, § 136; July 1.