§ 221. Dissolution of educational institution by stockholders. 1. Meeting to consider application for dissolution, when to be called. The trustees of any educational corporation chartered by regents or subject to their visitation and having capital stock, may, and upon the written application of any person owning or lawfully holding one-third of the said capital stock, must call a general meeting of the stockholders of the said corporation as hereinafter provided, for the purpose of determining whether or not such corporation shall surrender its charter and be dissolved and its property distributed among the stockholders thereof.

2. Notice thereof, how published. The notice for such general meeting must state the object thereof and be subscribed by the chairman or other acting presiding officer and the secretary or acting secretary of the said corporation or board of trustees; it shall be published once a week for three successive weeks prior to such meeting in a daily or weekly newspaper circulated in the place where the principal office of such corporation is located; or if there be no such paper, then in a daily or weekly paper circulated within the county, if there be one, or, if not, in an adjoining county to that in which such corporation is located.

3. Vote requisite for surrender of charter and dissolution. Whenever, at a meeting of the stockholders called as hereinbefore provided, any person or persons holding or qualified to vote upon a majority of the capital stock of such educational corporation shall vote to surrender the charter thereof and to dissolve the corporation, the trustees of such corporation, or a majority of them, must make and sign a certificate of such action, cause the same to be properly attested by the officers of the corporation and file the same, together with a copy of the published notice for the meeting at which such action was taken, and due proof of the publication thereof, in the office of the board of regents of the university of the state of New York and thereupon, if the said proceedings shall have been regularly conducted as above prescribed, the charter of said corporation shall be deemed to be surrendered and the said corporation dissolved.

4. Powers of trustees of educational corporations upon dissolution.

Upon the dissolution of such educational corporation as herein provided, or upon the revocation by the regents, pursuant to section two hundred nineteen of this chapter, of the charter of an educational corporation having outstanding shares of stock, the trustees thereof shall forthwith become and be trustees of the creditors and stockholders of the corporation dissolved. They shall have full power to settle the affairs of the said corporation; to collect and pay the outstanding debts; to sue for and recover debts and property thereof by the name of the trustees of such corporation; to sell and dispose of the property thereof, at public or private sale, and to divide among the stockholders the moneys or other property that shall remain after the payment of debts and necessary expenses.

5. Notice to creditors to present claims, how published. The said trustees shall, after the dissolution of the said corporation, insert in a newspaper circulated in the place where the principal office of said corporation is located, or if there be none such then in a newspaper circulated within the county, if there be one, or, if not, in an adjoining county, a notice once in each week for three successive months, requiring all persons having claims against the said corporation dissolved to present the same with proof thereof to the said trustees at the place designated in such notice, on or before a day therein named which shall be not less than three months from the first publication thereof. In case any action shall be brought upon any claim which shall not have been presented to the said trustees within three months from the first publication of such notice, the said trustees shall not be chargeable for any assets, moneys or proceeds of the said corporation dissolved, which they may have paid in satisfaction of other claims against the said corporation, or in making distribution to the stockholders thereof, before the commencement of such action.

6. Surrender of stock scrip, upon distribution to shareholders. Upon the distribution by the said trustees of assets or property, or the proceeds thereof, of the dissolved corporation among its stockholders, the said trustees may require the certificates of ownership of capital stock, if such have been issued, standing in the name of any stockholder claiming a distributive share, or under whom such share is claimed, to

be surrendered for cancellation by such stockholder or person claiming the said share. In the event of the non-production of any such certificate, the said trustees may require satisfactory proof of the loss thereof, or of any other cause for such non-production, together with such security as they may prescribe, before payment of the distributive share to which the person claiming upon such share of stock may appear to be entitled.

7. Notice of distribution, to absent and unknown shareholders. In case the said trustees upon such distribution by them of assets or property, or the proceeds thereof, of the dissolved corporation among its stockholders, shall be unable to find any of the said stockholders or the persons lawfully owning or entitled to any portion of the said capital stock, they shall give notice in the manner hereinabove provided for calling the general meeting of stockholders of such distribution, to the persons in whose names such stock shall stand upon the books of the said corporation, requiring them to appear at a time and place designated, to receive the portion of such assets or property to which they may be entitled; in case of the failure of any such persons to so appear, it shall be lawful for the said trustees to pay over and deliver to the county treasurer of the county wherein the principal office of such corporation was located, or to any trust company or other corporation located within such county and authorized to receive moneys on deposit under order or judgment of a court of record, the proportion of the assets, property or proceeds aforesaid which such non-appearing stock bears to the whole stock; the said trustees shall also deliver therewith a list of the persons entitled to receive the same, together with the separate amounts to which they shall be severally entitled.

8. Liability of trustees, when to cease. Upon the payment and discharge of the debts and obligations of the corporation dissolved, as hereinbefore provided, and the distribution of its assets, property and proceeds among the stockholders thereof, and due provision made, as hereinabove prescribed, for the interests of non-appearing stockholders and such as can not be found, the said trustees shall become and be relieved and discharged from further duty, liability and responsibility by reason of their relation to the said corporation, or towards the

stockholders thereof.

9. Duties and liabilities of custodians. Any county treasurer, trust company or other corporation to whom assets, property or proceeds shall be delivered as herein provided, shall hold the same in trust for the persons designated and entitled to receive it; and upon receiving satisfactory proof of the right and title thereto, or upon the order of any court of record competent to adjudicate thereupon, shall pay over and deliver to any persons entitled to receive the same the portion of such proceeds, property or assets to which they shall be entitled.