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Requirements for Grain Dealers

State of Louisiana

Failure and Liquidation

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Requirements for Grain Dealers

STATE OF LOUISIANA

Current with legislation from the 2013 Reg.Sess.

LSA-R.S. 3:3407

§ 3407. Seizure by commission

A. The commissioner, with the prior approval of the commission, may institute legal proceedings by petition in the district court for the district in which the licensee is located for an order authorizing the commissioner to effect a seizure of the facilities of the licensee and to act as receiver thereof whenever any of the following conditions occur:

- (1) The licensee does not have sufficient commodities to cover the outstanding warehouse receipts and scale tickets marked for storage issued by the licensee.
- (2) The licensee does not have sufficient funds to operate its business and is in imminent danger of being unable to continue to operate its business.
- (3) The licensee is unable to fulfill its obligations to producers.
- (4) The licensee refuses to submit to a lawful inspection or audit ordered by the commission.

B. Immediately upon the filing of the petition alleging the commission's approval and the existence of any condition set forth in Subsection A of this Section, the court shall issue an ex parte order authorizing the commissioner to effect a temporary seizure of the facilities of the licensee and to act as temporary receiver thereof. This order shall remain in effect until the conclusion of a hearing on the petition which hearing shall be held within ten days after the filing of the petition.

C. The commission may require, on an emergency basis without the necessity of court approval for a period of not more than five days, any licensee to operate under its supervision prior to or during any proceedings leading to the appointment of a receiver as provided under this Section.

D. Whenever the commissioner is appointed to act as receiver he shall continue to act as receiver until all of the assets of the licensee have been distributed to the creditors of the licensee or until ordered by the district court to surrender possession of the assets of the licensee.

E. As part of the receivership, the commissioner may recover from the assets of the licensee the costs of administering the receivership, including the cost of liability insurance for the commission, the commissioner, and employees who are engaged in the administration of the receivership.