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CORPORATIONS-RECEIVERSHIP AND DISSOLUTION AS REMEDIES FOR MANAGEMENT DEADLOCK

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CORPORATIONS—RECEIVERSHIP AND DISSOLUTION AS REMEDIES FOR MANAGEMENT DEADLOCK—The exodus of small businesses from proprietorship and partnership units into corporate units has brought numerous advantages, but not all attributes of the new form are beneficial. When two or more individuals form a partnership and later find they have reached an impasse, one partner may in most instances bring the relationship to a rapid termination and cause a division of the partnership assets.[1] However, once the corporate form has been adopted, the problem becomes somewhat more difficult. It is the purpose of this comment to examine two possible remedies for a holder, or holders, of one-half of the voting stock in a corporation in which shareholders and directors have reached a deadlock; namely, petitioning a court of equity to appoint a receiver for the purpose of winding up the corporation, or to appoint a temporary receiver pending a determination of the rights of the parties.

[1] GILMORE, PARTNERSHIP, §§196-200 (1911); 7 U.L.A., Uniform Partnership Act, §§31-32 (1922).

The basic fact situation is suggested by a recent Oklahoma case. Four persons, *B, C, D,* and *E,* formed a corporation in 1933 to carry on a laundry business. *A,* daughter of *B,* was employed by the corporation and later succeeded in purchasing *C*'s stock, after severe opposition by *D.* With the division of stock between the two family groups, *A* and *B* on the one side and *D* and *E* on the other, the management and operation of the plant were deadlocked by *D*'s managing and directing as he saw fit, and *A*'s blocking or counteracting his efforts by her refusal to sign *D*'s salary and commission checks. *D* then petitioned a court of equity: (1) to recover salaries and commissions; (2) to enjoin *A* and *B* from interfering with management by *D*; and (3) for appointment of a receiver to take over the assets of the corporation. *A* and *B* cross-petitioned for a receiver, whereupon *D* immediately dismissed his third prayer for relief. The trial court found as a matter of fact that the corporation was at an impasse; that the difficulties had been caused by *D*'s activities in his own interests, contrary to the interests of the corporation, and that these activities constituted mismanagement; that the corporation was still a solvent and profitable going concern; but that the corporation could not successfully continue for long under the present management. Therefore, a receiver was appointed in anticipation of winding up and dissolution of the corporation. On appeal, *held,* affirmed, with the following proviso: "that the receiver take charge of and operate said corporation for such period as the trial court may fix, within which the parties may adjust their differences, if possible. If, at the end of such period they have not composed their differences the receiver, under proper order of the trial court, may proceed to wind up the affairs of said corporation and distribute the assets as the interests of the various stockholders may appear."[2]

A. Jurisdiction of Equity to Decree Dissolution.

The first question that presents itself in cases of this nature is whether a court of equity has jurisdiction to wind up a corporation when shareholders and directors are at an impasse. While there are many statements in cases and texts to support both the affirmative and negative of this proposition, the general rule is that, in the absence of express statutory authority, a court of equity has no jurisdiction to dissolve a corporation,

[2] Guaranty Laundry Co. v. Pulliam, (Okla. 1948) 191 P. (2d) 975.

or to wind up its affairs.[3] However, most of the authorities denying jurisdiction to decree dissolution of a deadlocked corporation rely on cases where the suit was brought by a minority stockholder. It is not inconceivable that a court, recognizing no power to grant relief at the suit of a minority stockholder, would nevertheless take the position that such power exists when the suit is brought by a holder or holders of one-half of the voting stock in the corporation.[4]

With this possible distinction in mind, an attorney seeking the suggested remedy for a client representing half of the outstanding stock of a deadlocked corporation need not be unduly alarmed to find the general rule to be as stated above. This rule finds its historical basis in the fact that early corporations received their charters by special acts of the legislature. It was said that corporate life created by the sovereign could be taken away only through a direct judicial proceeding brought by the sovereign.[5] The validity of this reasoning is at least open to question today, for modern statutes make the corporate form available generally by compliance with the administrative provisions of the applicable statute.[6] However, some argument can be made for continued validity of the general rule from the fact that corporation statutes almost universally provide a method for obtaining voluntary dissolution through action by the internal governing machinery of the corporation itself. It may be said that since the legislature has provided for dissolution in a prescribed manner, and the shareholders have contracted to be bound by the statute,

[3] 4 POMEROY, EQUITY JURISPRUDENCE, 4th ed., §1540 (1919). See also 16 FLETCHER, CYC. CORP., Perm. ed., §§8077, 8080 (1942). Often the denials of the general rule take the form of exceptions to it, while recognition is given to the general validity of the proposition. Miner v. Belle Isle Ice Co., 93 Mich. 97 at 112, 53 N.W. 218 (1892).

[4] "Deadlock, which appears by the decided cases to have occurred only in corporations having few stockholders, implies dissension due to equal division, and therefore does not involve problems of protection for the minority." Hornstein, "A Remedy for Corporate Abuse," 40 COL. L. REV. 220 at 231 (1940). In a case presenting facts substantially similar to those of the principal case, the Supreme Court of Kansas, although recognizing the so-called general rule, adopted the distinction set forth above; the court said, "If plaintiffs do not constitute a majority of the stockholders, neither are they a minority," and affirmed the lower court's decree winding up the affairs of the corporation. Bowen v. Bowen-Romer Flour Mills Corp., 114 Kan. 95 at 98, 217 P. 301 (1923).

[5] 16 FLETCHER, Cyc. Corp., Perm. ed., §8077 (1942), citing many cases.

[6] "A large part of the business of the world is done through corporations, and . . . . courts of equity should adapt their practice as far as possible to the existing state of society, and apply its jurisdiction to all those new cases which, from the progress daily making in the affairs of men, must continually arise, and should not from too strict an adherence to the forms and rules established under very different circumstances, decline to administer justice and to enforce rights for which there is no other remedy." Bowen v. Bowen-Romer Flour Mills Corp., 114 Kan. 95 at 99, 217 P. 301 (1923), citing Gibbs v. Morgan, 9 Idaho 100, 72 P. 733 (1903).

a court of equity is impotent to decree dissolution in any other manner.[7] Whatever the justification may be, it is clear that some courts at the present time adhere to the general rule as stated above.[8]

Recent cases, however, show a decided trend toward recognizing the inherent power of a court of equity, in a proper case, to grant the relief. Some authorities suggest that courts of equity find power to deal with the situation presented in the principal case in their traditional jurisdiction over fraud, insolvency or breach of fiduciary relations. Other writers rely more heavily on the distinction between the former single legislative charters creating corporations and the blanket action of modern corporation statutes.[9] It is readily seen that the former basis of power is much narrower than the latter; even after the power of the court is once recognized, its exercise will be justified in fewer fact situations under one theory than under the other. The fact remains, however, that at present fewer courts are denying relief in cases like the principal case because of lack of jurisdiction over the subject matter.[10]

B. Jurisdiction of Equity to Appoint a Temporary Receiver

A discussion of the remedy suggested above would be incomplete without mentioning the possibility of obtaining less drastic relief; namely, appointment of a receiver to take over the assets of the corporation pending litigation to settle the rights of the parties. Even those courts which adhere strictly to the so-called general rule, that a court of equity lacks jurisdiction to decree dissolution of a solvent corporation under the typical fact situation in question, recognize the availability of the relief suggested here.[11] Two English cases, decided almost contemporane-

[7] See Hlawati v. Maeder-Hlawati Co., 289 Pa. 233 at 239, 137 A. 235 (1927).

[8] Boyle v. Superior Court, 176 Cal. 671 at 675, 170 P. 1140 (1917); Denike v. N.Y. and R. Lime Co., 80 N.Y. 599 (1880); Wheeler v. Pullman Iron & Steel Co., 143 Ill. 197, 32 N.E. 420 (1892); State ex rel. Donnell v. Foster, 225 Mo. 171, 125 S.W. 184 (1909); Union Savings and Investment Co. v. District Court, 44 Utah 397, 140 P. 221 (1914); and Shearer v. Union Mtg. Co., 28 Ohio App. 373, 162 N.E. 696 (1928).

[9] The cases seemingly rely on a combination of the two grounds suggested. See generally as to this question the cases collected in 43 A.L.R. 242 (1926), 61 A.L.R. 1212 (1929), and 91 A.L.R. 665 (1934).

[10] ". . . While the cases are not numerous in which courts, independently of statute, have appointed receivers to wind up a corporation, there seems to be a growing tendency to recognize the power in a proper case." 45 AM. JUR., Receivers, §62 (1943). It should be noted at this point that, while there is a valid technical distinction between a decree to wind up a corporation and one to dissolve it, for purposes of the questions discussed herein the distinction is more or less formal; the result in either case is a distribution of the assets of the corporation to stockholders and creditors. For this reason, cases reaching either result have been cited.

[11] 4 POMEROY, EQUITY JURISPRUDENCE, 4th ed., §1545 (1919).

ously in 1873, have been relied on heavily in American courts to set at rest any question as to the power of the chancellor to appoint a temporary receiver of a deadlocked corporation.[12] However, strong dicta in these cases have had the effect of limiting the situations in which the remedy has been held to be appropriate, as well as buttressing the general rule against a receivership for the purposes of winding up and dissolution.[13] In view of the fact that these cases involved joint stock associations formed under the Joint Stock Companies Acts of 1856 and 1857, their influence on corporate litigation may be somewhat unwarranted.[14]

A temporary receivership is usually by nature ancillary to a prayer for equitable relief.[15] The receiver takes charge of the corporate business, and theoretically the main activity of the business remains unhampered. Upon termination of the pending litigation and adjustment of the affairs of the corporation in accordance therewith, the management of the business is revested in the hands of the corporation's officials.[16] Perhaps the threat of temporary receivership has at least some influence upon effectuating a compromise of an internal dispute. It is submitted, however, that especially in the case of a small, closely-held corporation such as the one in the principal case, the likelihood of coercing a fair settlement in this manner is not great. The analogy to the partnership situation seems extremely close at this point. Realizing this likelihood of

[12] Featherstone v. Cooke, L.R. 16 Eq. 298 (1873); Trade Auxiliary Co. v. Vickers, L.R. 16 Eq. 303 (1873).

[13] After stating in Featherstone v. Cooke, id. at 301, that equity would appoint a receiver in the case of a deadlock of the management of a joint stock company, just as in the case of a partnership, the same court tempered this language by its statement in Trade Auxiliary Co. v. Vickers, id. at 305, to the effect that, ". . . the Court will not interfere with the internal affairs of joint stock companies unless they are in a condition in which there is no properly constituted governing body, or there are such dissensions in the governing body that it is impossible to carry on the business with advantage to the parties interested. In such a case the court will interfere, but only for a limited time, and to as small an extent as possible." For a case extending the partnership analogy suggested above to the point of granting complete relief through dissolution of the corporation, see Miner v. Belle Isle Ice Co., 93 Mich. 97, 53 N.W. 218 (1892).

[14] For two cases carefully examining the authority of the two English cases, cited in note 12 supra, and concluding that the partnership analogy should not be applied to corporations in determining whether to appoint a receiver, see: Einstein v. Rosenfeld, 38 N.J. Eq. 309 (1884); and Sternberg v. Wolff, 56 N.J. Eq. 555, 42 A. 1078 (1898).

[15] 45 AM. JUR., Receivers, §50 (1943). That a request for receivership need not always be pleaded as ancillary relief is shown by the principal case, wherein the successful applicant for receivership asked for nothing more than a receiver to wind up the corporation and distribute its assets. Under modern pleading statutes, as the court pointed out with regard to the Oklahoma statute, "the prayer of the petition 'does not determine the relief to which a party may be entitled, nor the measure of relief to be applied.'" Guaranty Laundry Co. v. Pulliam, (Okla. 1948), 191 P. (2d) 975 at 979.

[16] 4 POMEROY, EQUITY JURISPRUDENCE, 4th ed., §1545 (1919).

futility, some courts have refused even to appoint a temporary receiver where it had been determined that there was no jurisdiction to decree winding up and dissolution.[17] Of course, even if the court recognizes the power to decree dissolution, cases may arise where the less drastic remedy will be adequate, and in that event it certainly should be employed.

C. *Circumstances under which Equity Will Order Receivership, or Receivership and Dissolution*[18]

Once the problem of inherent jurisdiction of the court has been resolved, the question of the propriety of the exercise of such jurisdiction is raised. The drastic nature of receivership cannot be over-emphasized.[19] At the least, it means that the legally constituted governing body of the corporation is to be displaced by an officer of the court, who is probably less competent than the men who established the business. Futhermore, the credit rating of the business is immediately jeopardized, for creditors tend to look upon receivership as a red flag. It is not strange, therefore, to find numerous statements in the cases to the effect that receivership is to be a last resort after all else has failed.[20] The problem in the principal case then becomes one of weighing possible beneficial effects to all the stockholders through granting the remedy, as compared with the possible detriment that would result from its denial.[21]

Such being the nature of the problem, it is not surprising to find statements in the cases to the effect that deadlock or impasse alone is not a ground for receivership.[22] However, such statements when read in context simply mean that the facts presented in the particular case were insufficient to warrant the remedy. In general, receivership is a remedy

[17] See Wallace v. Pierce-Wallace Publishing Co., 101 Iowa 313, 70 N.W. 216 (1897).

[18] It should be noted at this point that in Part C of this comment no attempt will be made to differentiate between cases involving temporary receivership and those involving permanent receivership and winding up or dissolution. Where the latter remedy is available, it is employed by the courts only when the facts of the particular case show that nothing less drastic will serve the ends of justice.

[19] 16 FLETCHER, CYC. CORP., Perm. ed., §7697 (1942).

[20] See Zwick v. Security State Bank of Red Wing, 186 Minn. 308, 243 N.W. 140 (1932); and Elkhorn Hazard Coal Co. v. Fairchild, 191 Ky. 276, 230 S.W. 61 (1921).

[21] "... It must appear in this, as in all other cases, that the appointment of a receiver will serve some beneficial purpose to the stockholders." 16 FLETCHER, CYC. CORP., Perm. Ed., §7713 (1942), citing McGuire v. Kaysen-McGuire Co., 184 Minn. 553, 239 N.W. 616 (1931).

[22] See, e.g., Reid Drug Co. v. Salyer, 268 Ky. 522 at 530, 105 S.W. 625 (1937); and Katz v. DeWolf, 151 Wis. 337 at 344-345, 138 N.W. 1013 (1912).

for the preservation of property interests, and where property interests are not shown to be threatened, such relief will be denied.[23]

The question arises, if deadlock alone is insufficient ground for the remedy, what more needs to be shown? Of course, if a showing of deadlock can be coupled with proof of fraud or breach of fiduciary relationship on the part of the faction physically controlling the corporate property, a strong case is presented for relief on traditional equity grounds.[24] But in a fact situation like that in the principal case, it would be difficult to make such a showing.

Here, as in other situations where equitable relief is sought, the court apprises itself of the overall picture in the particular case. An analysis of cases wherein receivership was sought shows that certain facts existing by themselves do not necessarily call for relief, but when these facts are coupled with deadlock, relief may be considered appropriate. Typical of such additional facts are: misconduct or mismanagement of directors, officers, or stockholders in control;[25] lack of governing officers;[26] abandonment or cessation of business;[27] continuous financial losses,[28] or threatened or actual insolvency.[29] When any of the above facts is

[23] An applicant for a receiver "must show that the business of the corporation is being diverted from the purposes for which it was organized, to his injury, that his property is in danger of being wasted, destroyed, or removed from the jurisdiction of the court, or that there is no competent person entitled to manage its business or hold its property pending the litigation." 45 AM. JUR., Receivers, §49 (1943).

[24] Miner v. Belle Isle Ice Co., 93 Mich. 97, 53 N.W. 218 (1892); and Boothe v. Summit Coal Mining Co., 55 Wash. 167, 104 P. 207 (1909).

[25] A number of decided cases seem to turn on the combined showing of deadlock and specific acts constituting mismanagement on the part of the faction physically in control. See, e.g., the principal case, note 2 supra, wherein the appellate court rested heavily on the finding of the trial court that the stockholder in control was manipulating the affairs of the corporation for his own benefit and that this constituted sufficient ground when coupled with deadlock to support relief. See also the following cases where the court found that the faction in control was using its power in an attempt to "freeze out" the other faction: Grout v. First National Bank of Grand Junction, 48 Colo. 557, 111 P. 556 (1910); and Wolbrette v. New Orleans Drug Co., 151 La. 649, 92 S. 214 (1922).

[26] For an interesting case in which lack of governing officers seemed to be the main ground for relief, see Jasper Land Co. v. Wallis, 123 Ala. 652, 26 S. 659 (1898). In that case two rival boards of directors claimed to be the valid governing body of the corporation, and a receiver was appointed pending a determination whether either was recognizable as such. See also: Powers v. Blue Grass Bldg. Assn., (C.C. Ky. 1898) 86 F. 705; Tompkins Co. v. Catawba Mills, (C.C. S.C. 1897) 82 F. 780 (a suit by creditors of the corporation); and In re Belton, 47 La. Ann. 1614, 18 S. 642 (1895).

[27] Under certain corporation statutes, abandonment ipso facto effects dissolution. See Slee v. Bloom, (N.Y. 1822) 19 Johns. 456; and Mobile Temperance Hall Assn. v. Holmes, 189 Ala. 271, 65 S. 1020 (1914). In the absence of such a statute, however, the better view is that abandonment alone does not work a dissolution of the corporation. Bradt v. Benedict, 17 N.Y. 93 at 99 (1858); and Brock v. Poor, 216 N.Y. 387 at 401, 111 N.E. 229 (1915). Under the latter view, the question may very well arise whether or not a combination of cessation of business and deadlock in the affairs of the corporation presents a case for receivership. See 16 FLETCHER, CYC. CORP., Perm. ed., §7716 (1942).

[28] 16 FLETCHER, CYC. CORP., Perm. ed., §7717 (1942).

[29] Many states have statutes expressly providing for receivership in the case of insolvent

present, coupled with a voting deadlock, and one can conclude that the primary purpose of the corporation can no longer be accomplished, there is authority for receivership.[30]

Another question in these deadlock cases should not be overlooked. In hearing the facts alleged to be the basis for the relief in question, the court cannot escape inquiring whether or not in a given case there may be personal responsibility for the impasse reached. If there is evidence tending to show that the plaintiff caused the deadlock by his own misconduct or lack of co-operation, the court is likely to ignore his plea for relief.[31] Receivership is not and should not be employed to extricate the plaintiff from what may have turned out to be a bad bargain.[32] In some of the cases it appears that the "clean hands" doctrine has been carried far enough to result in denial of relief to a plaintiff who refused to make use of available machinery for compromise.[33]

In laying the groundwork of a case for receivership, a petitioner must not overlook the question of adequacy of other remedies. In view of the drastic nature of receivership, it will not be employed if other remedies will adequately protect the complainant. Thus it has been held in some cases that unless the faction in control is committing wrongs on a systematic and continuous basis, past instances of dereliction can be remedied by an accounting;[34] sometimes the threat of future wrongs can be prevented by injunction or mandamus.[35] In other cases wrongful acts can be set aside and cancelled, or complete relief can be accomplished by a combination of the above remedies and others.[36] But it must be remembered again that the success of such remedies cannot be fairly predicted without full realization of the improbability of future harmonious activ-

corporations. For a discussion of the effect of such statutes, see 16 FLETCHER, CYC. CORP., Perm. ed., §7709 (1942). In the absence of such a statute, it is usually said that insolvency alone, in the absence of other facts, is not sufficient ground for receivership. It may well be that the existence of deadlock will be held to constitute such "other facts." Id., §§7718-7721.

[30] It is submitted that this "primary purposes" test is in general merely a label to attach to a case where a complainant has made out an overall picture showing himself entitled to relief.

[31] Katz v. DeWolf, 151 Wis. 337 at 345, 138 N.W. 1013 (1912).

[32] Reid Drug Co. v. Salyer, 268 Ky. 522, 105 S.W. 625 (1937).

[33] In the case of Sternberg v. Wolff, 56 N.J. Eq. 555, 42 A. 1078 (1898), the court denied relief because the plaintiff had refused to conform to an agreement to arbitrate all differences.

[34] Enterprise Printing & Pub. Co. v. Craig, 195 Ind. 302, 144 N.E. 542 (1924).

[35] Kahan v. Alaska Junk Co., 111 Wash. 39, 189 P. 262 (1920).

[36] See Thwing v. McDonald, 134 Minn. 148, 158 N.W. 820 (1916), wherein the court held that accounting, injunction, mandamus, and removal of an officer and director was adequate relief for the time being; and Laurel Springs Land Co. v. Fougeray, 50 N.J. Eq. 756, 26 A. 886 (1893), reviewing 50 N.J. Eq. 185, 24 A. 499 (1892), wherein the court held that accounting, setting aside improper transactions, mandamus, and ordering directors to declare dividends of all net earnings not needed for legitimate purposes of the corporation's business would result in adequate relief.

ity in a small corporation where the two factions have once been parties to a serious disagreement. It would seem, however, that some real benefit may be derived from a decree to the same effect as the one in the principal case, ordering a receiver to assume control and to refrain from effecting dissolution for a reasonable time during which the parties may attempt reconciliation. Conditional relief can take any one of a number of forms to accomplish the same purpose, having due regard, of course, for the seriousness of the plight in which the corporation is found.[37]

D. Conclusion

Reduced to their lowest terms, the facts of the principal case present a relatively simple and not uncommon business problem. As indicated at the outset, if the parties to the disagreement had adopted the partnership form for their business, their later troubles could have been resolved with very little difficulty. Presented with the same problem under the corporate form, those who seek an equitable solution face the difficulties discussed herein. In the last analysis, the availability of relief in the principal case becomes a question of how far the court should apply the partnership analogy to the modern, small, closely-held corporation.

In a jurisdiction where a minority stockholder (as distinguished from the complainants in the principal case, who held one-half of the outstanding stock of the corporation) finds that the chancellor recognizes inherent jurisdiction to decree dissolution in a proper case, the problem of the principal case is not difficult. But it is the thesis of this comment that even in a jurisdiction failing to recognize such power at the suit of a minority stockholder, jurisdiction should nevertheless be recognized with respect to complainants like those in the principal case. As suggested above, with the disappearance of corporations chartered individually by special act of the legislature, the only remaining argument supporting the lack of jurisdiction to decree dissolution is that the legislature has specified the means whereby voluntary dissolutions can be accomplished and that the shareholders have contracted to be bound thereby. It is submitted that for purposes of the question in the principal case, the statutes should be construed as permissive and not mandatory. The legislature could not have intended that in a case of impasse and threatened destruction of assets or attempted "freezing out" of the faction not in control, a court of equity should construe the statute as commanding it

[37] See Hornstein, "A Remedy for Corporate Abuse," 40 COL. L. REV. 220 at 237, 238 (1940), for suggested forms that relief may take.

to permit the wrong to continue. Deadlock in itself would mean, with respect to most corporation laws, that the statutory requirements for voluntary dissolution could not be complied with.[38] It could not be expected that the faction in physical control of the assets would contribute to the two-thirds vote of the stockholders that is required by many corporation statutes to effectuate voluntary dissolution. Assuming that a case is presented wherein winding up and dissolution would best serve the interests of all concerned, and assuming further that the holder of one-half of the stock of the corporation actively seeks dissolution in a court of equity, a modern court should not find itself without jurisdiction to decree relief.

However, it is apparent from the cases that the above line of reasoning would not be met with universal acceptance. Faced with this situation, some states have provided special legislation to deal with the problem in the principal case, providing for proceedings by holders of one-half the outstanding stock to effectuate voluntary dissolution.[39] Provision is made for judicial hearing of any objections to the proceeding,[40] and the court ultimately determines the propriety of allowing dissolution to be consummated.[41] Certainly this type of statute is to be commended where it relieves a situation for which there was previously no remedy. However, in drafting such a statute, the legislature faces a difficult problem of drawing a line between cases wherein the relief sought is not for the best interests of all concerned, and those where a remedy should be available. In short, the proper amount of flexibility can more effectively be determined by a court with particular facts before it than by a general legislative pattern.

Finally, regardless of whether the remedy lies in the sound discretion of a court of equity, or in specific statutory provisions, the modern trend is toward granting in some form the relief sought in the principal case. This is clearly the better result, since the corporate form could not have been intended to be used as a shield for abuses that would not be tolerated in a partnership.

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[38] Under most statutes, at least a majority vote is required to effectuate voluntary dissolution. 16 FLETCHER, CYC. CORP., Perm. ed., §8021 (1942).

[39] Typical is 22 N.Y. Consol. Laws (McKinney, 1943) §103.

[40] Id., §106. That receivership may be available in conjunction with the statutory proceeding is shown by Application of Jack Martin Auto Sales, Inc., (N.Y. S. Ct. 1946) 63 N.Y.S. (2d) 686.

[41] It has been held that under this statute, the power which the court possesses in proceedings for the voluntary dissolution of a corporation is purely statutory and does not depend on its general equity powers. In re Tarrytown R. Co., 133 App. Div. 297, 117 N.Y.S. 695 (1909).