

A BILL FOR AN ACT

To dissolve the National Fisheries Corporation, to establish a Liquidation Management Committee to receive all assets and liabilities of the dissolved corporation for the purpose of liquidating corporate assets and the settlement of liabilities, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Name of act. This act is the National Fisheries
2 Corporation Dissolution Act of 2013.

3 Section 2. Purpose. The purpose of this Act is to provide a
4 procedure for the dissolution of the National Fisheries
5 Corporation created under chapter 7 of title 24 of the Code of the
6 Federated States of Micronesia, the winding up of its business
7 operation, the liquidation of corporate assets, and the
8 satisfaction of liabilities of the Corporation in the manner
9 provided in this act.

10 Section 3. Definitions. In this act:

11 'Asset' means existing properties of the National Fisheries
12 Corporation, whether real, personal, or choses in action.

13 'Corporation' means the National Fisheries Corporation.

14 'Committee' means the Liquidation Management Committee
15 established under section 5 of this act to liquidate the assets
16 and to satisfy the liabilities of the Corporation.

17 'General Manager' means the General Manager of the
18 Liquidation Management Committee.

19 'Function' includes a power, authority or duty.

1 '*Liabilities means*' any unpaid liabilities, debts, and
2 obligation of the national Fisheries Corporation.

3 '*President*' means the President of the Federated States of
4 Micronesia.

5 Section 4. Dissolution of National Fisheries Corporation.

6 The National Fisheries Corporation is hereby dissolved. Chapter 7
7 of title 24 of the Code of the Federated States of Micronesia is
8 hereby repealed in its entirety. All the assets of the National
9 Fisheries Corporation are automatically placed under the control,
10 management, and disposition of the Committee established in a
11 section 5.

12 Section 5. Establishment of Liquidation Management
13 Committee. There is hereby established a Liquidation Management
14 Committee to receive all the assets and liabilities of the
15 National Fisheries Corporation pursuant to its dissolution as a
16 corporate entity.

17 Section 6. Objectives of the Committee. The function of the
18 Committee are as follows:

19 (a) To manage the received assets, rights and liabilities
20 effective and responsibly.

21 (b) To achieve the efficient and timely winding up of the
22 residual business activities.

23 (c) To collate all the assets transferred to it and to
24 extinguish all liabilities.

25 (d) To complete the disposition of assets and the

1 satisfaction of liabilities within the period of two years.

2 Section 7. General Manager of the Committee.

3 (a) The President of the Federated States of Micronesia may
4 appoint a member of his Cabinet or any person to act as General
5 manager of the Committee whose appointment is not subject to
6 consent of Congress under section 2(d), Article X of the
7 Constitution.

8 (b) If the General Manager is not a member of the
9 President's Cabinet, the President may enter into a contract of
10 employment setting forth such terms and conditions of employment
11 as are not inconsistent with any provision of this act with a
12 person qualified to become a General Manager under section 8 of
13 this act. Any provision in the contract of employment that is in
14 conflict with this act is invalid.

15 (c) The President may, subject to the qualifications of a
16 General Manager under section 8 of this act, designate a person to
17 assume the office of the General Manager during the absence³ or
18 illness of the General Manager, or during the vacancy in the
19 office of the General Manager, or whenever no person has been
20 appointed in the meantime. While so acting, the person designated
21 has all the powers and duties of the General Manager.

22 (d) The President may, at any time and for any reason,
23 remove the General Manager or a person designated to act as
24 General Manager.

25 Section 8. Qualifications of General Manager. Except where

1 the President appoints a member of his Cabinet, a person appointed
2 or designated as General Manager shall possess the following
3 qualifications:

4 (a) competent to perform the duties provided in this action
5 the basis of professional experience for no less than 5 year in
6 the field of law, banking, or general business;

7 (b) resides or has an office in the Federated Stats of
8 Micronesia; and

9 (c) has never been convicted of a crime of moral turpitude,
10 fraud, theft, deceit or other act which involves dishonesty or
11 moral turpitude.

12 Section 9. Powers and functions of the General Manager. The
13 primary function of the General Manager is to act as receiver of
14 the assets and the liabilities of the dissolved Corporation. He
15 has no authority to enter into new contract and agreements or to
16 otherwise obligate the assets of the Corporation, except to the
17 extent permitted in this act. The following are the function of
18 the General Manager.

19 (a) To present a report to the President showing the status
20 and conditions of the received assets and liabilities.

21 (b) To initiate any legal action as may become necessary to
22 marshal the assets of the Corporation and to defend the
23 Corporation from any action or lawsuit pertaining to said assets
24 or liabilities.

25 (c) To employ only such staff as required in the

1 performance of duties set forth in this act.

2 (d) To notify all creditors that they must file their
3 respective claim pursuant to section 11 of this act by sending
4 written notice directly to the known business address of each
5 creditor. Additionally, a notice to file claim must be made by
6 publication in a newspaper of general circulation in the Federated
7 States of Micronesia and such other publication or notification
8 procedure, whenever the General Manager deems practicable and
9 necessary.

10 (e) To send written notice of termination of contracts
11 pursuant to section 12 of this act.

12 (f) To use, sell, and lease property of the Corporation,
13 provided that no transfer of an interest in land is made that
14 would be inconsistent with the law of a state in which the land is
15 located.

16 (g) To assume or reject executor contracts.

17 (h) To avoid preferences and fraudulent conveyances and to
18 institute any legal action in relation thereto if necessary.

19 (i) To take immediate control and custody of all the
20 records of the Corporation.

21 (j) To request assistance from a department or agency of
22 the National Government with the approval of the President.

23 (k) To seek such necessary or available relief from the
24 court as may be warranted under the provisions of the Bankruptcy
25 Act of 2004.

1 (1) To report to the President on matters assigned by him
2 pursuant to this act.

3 Section 10. Cessation of business operations. The Committee
4 has no authority to continue doing any business on behalf of the
5 Corporation except to the extent necessary to liquidate the
6 assets of the Corporation and to pay off creditors. All fishing
7 licenses and permits issued to the Corporation are deemed
8 surrendered and cancelled.

9 Section 11. Status of claims against the National Fisheries
10 Corporation.

11 (a) The Liquidation Management Committee shall represent
12 the Corporation as plaintiff or defendant, as the case may be, in
13 all pending civil actions where the National Fisheries Corporation
14 is a party to a lawsuit.

15 (b) All creditors of the Corporation shall file notice of
16 claim to the General Manager within a period of 180 days from
17 receipt of notice to file claim issued by the General Manager.
18 Where not notice has been received by a creditor, the period to
19 file notice of claim shall be up to 180 days from the date of
20 publication under section 9 (d) of this act. Actual notice is
21 presumed where written notice was sent to a creditor or where
22 notice by publication is made in accordance with this act.

23 (c) A creditor that has failed to file with the General
24 Manager notice of claim as prescribed in subsection (b) in this
25 section is deemed to have waived his right to pursue claim and is

1 permanently barred from pursuing such claim.

2 Section 12. Status of contracts and employees of National
3 Fisheries Corporation. Contracts of employment and services and
4 any other contracts entered into by the Corporation are to be
5 terminated. Written notice must be served on every employee
6 within 20 days prior to termination. The General Manager of the
7 Corporation has the obligation to ensure that services rendered
8 as of the date of termination are paid for. Other contracts are
9 terminated by 30 days prior notice served on the contracting
10 party.

11 Section 13. Prohibited acts. The General Manager and any
12 person employed by him are prohibited from taking personal
13 interest in any of the assets or liabilities of the Corporation.

14 Section 14. Debts and assets.

15 (a) The liabilities of the Corporation are not the
16 liabilities of the National Government. They are to be paid
17 using the available assets of the Corporation.

18 (b) The assets that remain after payment of all liabilities
19 of the Corporation are to be paid to the General Fund of the
20 Federated States of Micronesia.

21 Section 15. Declaration by the President. Upon a final and
22 satisfactory report rendered by the General Manager on the
23 accomplishment of liquidation of assets and satisfaction of
24 creditors, the President shall issue a declaration confirming
25 that the assets of the Corporation are completely liquidated and

1 its liabilities satisfied in accordance with this act.

2 Section 16. Controlling laws. Whenever the General Manager
3 seeks judicial relief under the Bankruptcy Act of 2004, the
4 provisions of said Act shall control notwithstanding any conflict
5 with any provision hereof.

6 Section 17. This act shall become law upon the approval by
7 the President of the Federated States of Micronesia or upon its
8 becoming law without such approval.

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10 Date: 9/11/13

Introduced by: /s/ Florencio S. Harper

Florencio S. Harper
(by request)

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