

REPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 2102

September Term, 2010

CHRISTINA D. THOMAS, ET AL.

v.

ROWHOUSES, INC., ET AL.

Zarnoch,
Hotten,
Thieme, Raymond G., Jr.
(Retired, Specially Assigned),

JJ.¹

Opinion by Zarnoch, J.

Filed: June 28, 2012

¹Judge Stuart R. Berger did not participate in the Court's decision to report this opinion pursuant to Md. Rule 8-605.1.

REPORTED

IN THE COURT OF SPECIAL APPEALS
OF MARYLAND

No. 2102

September Term, 2010

CHRISTINA D. THOMAS, ET AL.

v.

ROWHOUSES, INC., ET AL.

Zarnoch, Hotten, Thieme, Raymond G., Jr.

(Retired, Specially Assigned),

JJ.1

Opinion by Zarnoch, J.

Filed: June 28, 2012

Judge Stuart R. Berger did not participate in the 1 Court's decision to report this opinion pursuant to Md. Rule 8-605.1.

This case calls upon us to decide whether substituted service on the State Department of Assessments and Taxation ("SDAT") under Md. Rule 2-124(o)² is sufficient when a corporation has forfeited its charter, has no resident agent, and the only corporate director listed in the articles of incorporation is deceased.³ In other words, when there is no one else in the corporate house left to serve, is the State the endgame recipient of service of process or do such lawsuits have no opportunity for survival? We hold that under these circumstances, service on SDAT is proper and thus, we remand the case so that the litigation may proceed in the Circuit Court for Baltimore City against the corporation. However, we also affirm the circuit court's conclusion that service on a deceased director's estate is not valid under Md. Code (1975, 2007 Repl. Vol.), Corporations and Associations Article (CA)

²Section (o) of this rule, captioned, "Substituted service upon State Department of Assessments and Taxation," provides:

Service may be made upon a corporation, limited partnership, limited liability partnership, limited liability company, or other entity required by statute of this State to have a resident agent by serving two copies of the summons, complaint, and all other papers filed with it, together with the requisite fee, upon the State Department of Assessments and Taxation if (i) the entity has no resident agent; (ii) the resident agent is dead or is no longer at the address for service of process maintained with the State Department of Assessments and Taxation; or (iii) two good faith attempts on separate days to serve the resident agent have failed.

³Even though the parties have failed to include it in the record, we take judicial notice of Rowhouses' corporate charter, which is matter of public record. The articles of incorporation list Eric Patten as sole director and resident agent. Also on file with SDAT is a note that the charter was forfeited for failure to file a property tax return for 2000, a Resignation of Resident Agent in which Eric Patten resigned, dated December 13, 1999 and Articles of Transfer for two other corporations, dated March 30, 1990.

of Assessments and Taxation (“SDAT”) under Md. Rule 2-124(o) is sufficient when a 2 corporation has forfeited its charter, has no resident agent, and the only corporate director listed in the articles of incorporation is deceased. In other words, when there is no one else 3 in the corporate house left to serve, is the State the endgame recipient of service of process or do such lawsuits have no opportunity for survival? We hold that under these circumstances, service on SDAT is proper and thus, we remand the case so that the litigation may proceed in the Circuit Court for Baltimore City against the corporation. However, we also affirm the circuit court’s conclusion that service on a deceased director’s estate is not valid under Md. Code (1975, 2007 Repl. Vol.), Corporations and Associations Article (CA)

Section (o) of this rule, captioned, “Substituted service upon State Department of 2 Assessments and Taxation,” provides:

Service may be made upon a corporation, limited partnership, limited liability partnership, limited liability company, or other entity required by statute of this State to have a resident agent by serving two copies of the summons, complaint, and all other papers filed with it, together with the requisite fee, upon the State Department of Assessments and Taxation if (i) the entity has no resident agent; (ii) the resident agent is dead or is no longer at the address for service of process maintained with the State Department of Assessments and Taxation; or (iii) two good faith attempts on separate days to serve the resident agent have failed.

Even though the parties have failed to include it in the record, we take judicial notice 3 of Rowhouses’ corporate charter, which is matter of public record. The articles of incorporation list Eric Patten as sole director and resident agent. Also on file with SDAT is a note that the charter was forfeited for failure to file a property tax return for 2000, a Resignation of Resident Agent in which Eric Patten resigned, dated December 13, 1999 and Articles of Transfer for two other corporations, dated March 30, 1990.

§ 3-515.⁴

FACTS AND LEGAL PROCEEDINGS

On October 16, 2006, appellant,⁵ Christina Thomas, brought suit against appellees Rowhouses, Inc. ("Rowhouses"), and the Estate of Eric Patten ("the Estate") in the circuit

⁴Section 3-515 provides:

(a) When the charter of a Maryland corporation has been forfeited, until a court appoints a receiver, the directors of the corporation become the trustees of its assets for purposes of liquidation.

(b) The director-trustees are vested in their capacity as trustees with full title to all the assets of the corporation. They shall:

(1) Collect and distribute the assets, applying them to the payment, satisfaction, and discharge of existing debts and obligations of the corporation, including necessary expenses of liquidation; and

(2) Distribute the remaining assets among the stockholders.

(c) The director-trustees may:

(1) Carry out the contracts of the corporation;

(2) Sell all or any part of the assets of the corporation at public or private sale;

(3) Sue or be sued in their own names as trustees or in the name of the corporation; and

(4) Do all other acts consistent with law and the charter of the corporation necessary or proper to liquidate the corporation and wind up its affairs.

(d) Majority governs. -- The director-trustees govern by majority vote.

⁵ Although the case caption indicates otherwise, we will refer to Christina Thomas as the sole appellant. When suit was originally filed, Thomas was a minor, and this suit was brought by her aunt, Shirley L. Phillips. However, it appears that Phillips is not a party to this appeal because Thomas is no longer a minor.

FACTS AND LEGAL PROCEEDINGS

On October 16, 2006, appellant, Christina Thomas, brought suit against appellees 5 Rowhouses, Inc. (“Rowhouses”), and the Estate of Eric Patten (“the Estate”) in the circuit. Section 3-515 provides: 4

(a) When the charter of a Maryland corporation has been forfeited, until a court appoints a receiver, the directors of the corporation become the trustees of its assets for purposes of liquidation. (b) The director-trustees are vested in their capacity as trustees with full title to all the assets of the corporation. They shall:

(1) Collect and distribute the assets, applying them to the payment, satisfaction, and discharge of existing debts and obligations of the corporation, including necessary expenses of liquidation; and

(2) Distribute the remaining assets among the stockholders. (c) The director-trustees may:

(1) Carry out the contracts of the corporation; (2) Sell all or any part of the assets of the corporation at public or private sale;

(3) Sue or be sued in their own names as trustees or in the name of the corporation; and

(4) Do all other acts consistent with law and the charter of the corporation necessary or proper to liquidate the corporation and wind up its affairs. (d) Majority governs. -- The director-trustees govern by majority vote.

Although the case caption indicates otherwise, we will refer to Christina Thomas as 5 the sole appellant. When suit was originally filed, Thomas was a minor, and this suit was brought by her aunt, Shirley L. Phillips. However, it appears that Phillips is not a party to this appeal because Thomas is no longer a minor.

court,⁶ requesting damages due to lead paint poisoning. Thomas alleged that from 1987-1991, she resided in a property “owned and/or controlled and/or managed” by Rowhouses where she was exposed to lead paint. By the time suit was filed, Eric Patten, the corporate director whose estate is also an appellee, had died and Rowhouses had forfeited its corporate charter.⁷

Inexplicably, Rowhouses was not served with process through SDAT until November 5, 2009. On July 14, 2009, the circuit court issued a notification of contemplated dismissal, pursuant to Md. Rule 2-507, which prompted Thomas to file a motion to defer entry of the order of dismissal. On October 13, 2009, the court issued an Order Deferring Dismissal “to permit additional attempts of service.” The order stated: “[i]f service has not been made on the Defendant(s) by the deferral date [January 15, 2010], the clerk shall enter on the docket, ‘Dismissed for lack of jurisdiction without prejudice’ immediately as to all un-served Defendants.” The clerk never made this entry on the docket, but as later actions indicate, treated January 15, 2010 as the date of dismissal.⁸ On March 24, 2010, Thomas filed a

⁶ There were several other defendants named in the original suit, including Eric Patten personally, but appellees are the sole remaining defendants.

⁷ Appellees argue that when suit was filed, there was another surviving director, Ival Cianchette, who has since died.

⁸ The parties disagree about the correctness of this dismissal. Thomas argues that there was never an order issued dismissing the Estate of Patten from the case. Appellees argue that no additional order was necessary because the October 13, 2009 order was sufficient. Because we uphold the dismissal of the estate on the grounds stated in the circuit court’s decision, we need not resolve this sidebar controversy.

she resided in a property “owned and/or controlled and/or managed” by Rowhouses where she was exposed to lead paint. By the time suit was filed, Eric Patten, the corporate director whose estate is also an appellee, had died and Rowhouses had forfeited its corporate charter.⁷ Inexplicably, Rowhouses was not served with process through SDAT until November 5, 2009. On July 14, 2009, the circuit court issued a notification of contemplated dismissal, pursuant to Md. Rule 2-507, which prompted Thomas to file a motion to defer entry of the order of dismissal. On October 13, 2009, the court issued an Order Deferring Dismissal “to permit additional attempts of service.” The order stated: “[i]f service has not been made on the Defendant(s) by the deferral date [January 15, 2010], the clerk shall enter on the docket, ‘Dismissed for lack of jurisdiction without prejudice’ immediately as to all un-served Defendants.” The clerk never made this entry on the docket, but as later actions indicate, treated January 15, 2010 as the date of dismissal. On March 24, 2010, Thomas filed a ⁸

There were several other defendants named in the original suit, including Eric Patten ⁶ personally, but appellees are the sole remaining defendants.

Appellees argue that when suit was filed, there was another surviving director, Ival ⁷ Cianchette, who has since died.

The parties disagree about the correctness of this dismissal. Thomas argues that there ⁸ was never an order issued dismissing the Estate of Patten from the case. Appellees argue that no additional order was necessary because the October 13, 2009 order was sufficient. Because we uphold the dismissal of the estate on the grounds stated in the circuit court’s decision, we need not resolve this sidebar controversy.

Request to Reissue Summons.⁹ On May 18, 2010, Joy Kennedy, Eric Patten's personal representative, accepted service on behalf of the Estate. On August 19, 2010, the Estate attempted to file an answer, which the circuit court clerk rejected because the clerk regarded the case as dismissed on January 15, 2010.

On August 19, 2010, Rowhouses filed a motion to dismiss for insufficiency of service of process. On September 27, 2010, the Estate filed a motion to quash summons and vacate service. Following a hearing on October 20, 2010, the circuit court issued an order granting both motions. In an oral ruling, the circuit judge said:

[T]he clear and unambiguous language of the statute [C.A. Art. § 3-515] does not permit service of process upon the personal representative of the estate of a deceased director. The statute only permits service upon a surviving director. In addition, regarding service on the State Department of Assessments and Taxation[,] because a forfeited corporation is not a legal entity, the Maryland Rule 2-124 (a) does not apply.

This appeal followed.

QUESTIONS PRESENTED

Thomas presents the following issues for our review:

1. Whether the trial court erred and/or abused its discretion in granting Appellee Rowhouses, Inc.'s Motion to Dismiss for Insufficiency of Service of Process.
2. Whether the trial court erred and/or abused its discretion in granting Appellee Estate of Eric Patten's

⁹ Thomas also filed requests to reissue summons on October 20, 2009 and December 1, 2009.

representative, accepted service on behalf of the Estate. On August 19, 2010, the Estate attempted to file an answer, which the circuit court clerk rejected because the clerk regarded the case as dismissed on January 15, 2010.

On August 19, 2010, Rowhouses filed a motion to dismiss for insufficiency of service of process. On September 27, 2010, the Estate filed a motion to quash summons and vacate service. Following a hearing on October 20, 2010, the circuit court issued an order granting both motions. In an oral ruling, the circuit judge said:

[T]he clear and unambiguous language of the statute [CA Art. § 3-515] does not permit service of process upon the personal representative of the estate of a deceased director. The statute only permits service upon a surviving director. In addition, regarding service on the State Department of Assessments and Taxation[,] because a forfeited corporation is not a legal entity, the Maryland Rule 2-124 (o) does not apply.

This appeal followed.

QUESTIONS PRESENTED

Thomas presents the following issues for our review:

1. Whether the trial court erred and/or abused its discretion i[n] granting Appellee Rowhouses, Inc's Motion to Dismiss for Insufficiency of Service of Process.
2. Whether the trial court erred and/or abused its discretion in granting Appellee Estate of Eric Patten's

Thomas also filed requests to reissue summons on October 20, 2009 and December 9 1, 2009.

Motion to Quash Summons and Vacate Service.¹⁰

We answer yes to the first question and no to the second.

DISCUSSION

I. Standard of Review

This case presents questions of statutory (and rule) interpretation, and “[w]e review a trial court’s interpretation . . . through a non-deferential prism.” *Polek v. J.P. Morgan Chase Bank, N.A.*, 424 Md. 333, 350 (2012) (internal citations omitted). *See also State ex rel. Lennon v. Strazzella*, 331 Md. 270, 273 (1993) (“To interpret rules of procedure, we use the same canons and principles of construction used to interpret statutes.”) When a circuit court grants a motion to dismiss, we must determine whether the court was “legally correct in its decision to dismiss.” *Menefee v. State*, 417 Md. 740, 747 (2011).

II. Service on SDAT

A. Contentions of the Parties

Thomas contends that service on SDAT was proper because Md. Rule 2-124(o) is not limited to existing corporations. She argues that there is nothing in the plain language of its provisions preventing substituted service on SDAT in this case. Thomas also emphasizes that

¹⁰ Thomas also argues that denying her the right to sue the Estate and Rowhouses, via service on SDAT, would deny her a remedy for the alleged wrong committed against her in violation of Article 19 of the Maryland Declaration of Rights. Appellees contend that Article 19 is not implicated in this case, because Thomas did have an adequate remedy: she could have sued Ival Cianchette, a director allegedly surviving at the time suit was filed. Because we hold that service of process was proper on SDAT, there is no need for us to address this argument.

We answer yes to the first question and no to the second.

DISCUSSION

I. Standard of Review

This case presents questions of statutory (and rule) interpretation, and “[w]e review a trial court's interpretation . . . through a non-deferential prism.” *Polek v. J.P. Morgan Chase Bank, N.A.*, 424 Md. 333, 350 (2012) (internal citations omitted). See also *State ex rel. Lennon v. Strazzella*, 331 Md. 270, 273 (1993) (“To interpret rules of procedure, we use the same canons and principles of construction used to interpret statutes.”) When a circuit court grants a motion to dismiss, we must determine whether the court was “legally correct in its decision to dismiss.” *Menefee v. State*, 417 Md. 740, 747 (2011).

II. Service on SDAT

A. Contentions of the Parties

Thomas contends that service on SDAT was proper because Md. Rule 2-124(o) is not limited to existing corporations. She argues that there is nothing in the plain language of its provisions preventing substituted service on SDAT in this case. Thomas also emphasizes that

Thomas also argues that denying her the right to sue the Estate and Rowhouses, via 10 service on SDAT, would deny her a remedy for the alleged wrong committed against her in violation of Article 19 of the Maryland Declaration of Rights. Appellees contend that Article 19 is not implicated in this case, because Thomas did have an adequate remedy: she could have sued Ival Cianchette, a director allegedly surviving at the time suit was filed. Because we hold that service of process was proper on SDAT, there is no need for us to address this argument.

Rule 2-124(o) applies when a corporation has no resident agent, which is clearly the case here. In turn, appellees argue that Md. Rule 2-124(o) does not apply to a defunct corporation, but applies only to situations where an active corporation has a resident agent and that agent is not accessible for service. They also argue that a defunct corporation is not “required” to have a resident agent. Thus, Rule 2-124(o) did not apply.¹¹

Appellees further contend that service upon Rowhouses cannot be achieved through SDAT, but can only be made on a surviving director- trustee of the forfeited corporation, who, at the time suit was filed, was Ival Cianchette.¹² The circuit court agreed with appellees, finding that “Rule 2-124(o) provides for substituted service in limited circumstances. And this court finds that it clearly does not apply to a defunct corporation, a forfeited corporation.”

Ordinarily, service on a corporation is governed by Md. Rule 2-124(d), which provides:

Service is made upon a corporation, incorporated association, or joint stock company by serving its resident agent, president, secretary, or treasurer. If the corporation, incorporated association, or joint stock company has no resident agent or if a good faith attempt

¹¹Actually, Rule 2-124(o) states service “may” be made upon the enumerated entities, including a corporation “required by statute of this State to have a resident agent.” See p. 15, *infra*.

¹²According to Rowhouses’ counsel, Cianchette was alive when the suit was filed, but died before service was made on any defendant. It appears that Cianchette’s name surfaced for the first time, not in any piece of evidence, but in a reply memorandum filed by Rowhouses in the circuit court.

here. In turn, appellees argue that Md. Rule 2-124(o) does not apply to a defunct corporation, but applies only to situations where an active corporation has a resident agent and that agent is not accessible for service. They also argue that a defunct corporation is not “required” to have a resident agent. Thus, Rule 2-124(o) did not apply. 11

Appellees further contend that service upon Rowhouses cannot be achieved through SDAT, but can only be made on a surviving director- trustee of the forfeited corporation, who, at the time suit was filed, was Ival Cianchette. The circuit court agreed with 12 appellees, finding that “Rule 2-124(o) provides for substituted service in limited circumstances. And this court finds that it clearly does not apply to a defunct corporation, a forfeited corporation.”

Ordinarily, service on a corporation is governed by Md. Rule 2-124(d), which provides:

Service is made upon a corporation, incorporated association, or joint stock company by serving its resident agent, president, secretary, or treasurer. If the corporation, incorporated association, or joint stock company has no resident agent or if a good faith attempt

Actually, Rule 2-124(o) states service “may” be made upon the enumerated entities, 11 including a corporation “required by statute of this State to have a resident agent.” See p. 15, *infra*.

According to Rowhouses’ counsel, Cianchette was alive when the suit was filed, but 12 died before service was made on any defendant. It appears that Cianchette’s name surfaced for the first time, not in any piece of evidence, but in a reply memorandum filed by Rowhouses in the circuit court.

to serve the resident agent, president, secretary, or treasurer has failed, service may be made by serving the manager, any director, vice president, assistant secretary, assistant treasurer, or other person expressly or impliedly authorized to receive service of process.¹³

As the undisputed facts make clear, at the time of service on SDAT, Rowhouses did not have a resident agent or any of the other corporate members listed in Md. Rule 2-124(d) who could

¹³This rule complements CA § 1-401 which states:

(a) Service of process on the resident agent of a corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust, or any other person constitutes effective service of process under the Maryland Rules on the corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust, or other person in any action, suit, or proceeding which is pending, filed, or instituted against it under the provisions of this article.

(b) (1) Any notice required by law to be served by personal service on a resident agent or other agent or officer of any Maryland or foreign corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust required by statute to have a resident agent in this State may be served on the corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust in the manner provided by the Maryland Rules relating to the service of process on corporations.

(2) Service under the Maryland Rules is equivalent to personal service on a resident agent or other agent or officer of a corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust mentioned in paragraph (1) of this subsection.

serving the manager, any director, vice president, assistant secretary, assistant treasurer, or other person expressly or impliedly authorized to receive service of process.¹³

As the undisputed facts make clear, at the time of service on SDAT, Rowhouses did not have a resident agent or any of the other corporate members listed in Md. Rule 2-124(d) who could

This rule complements CA § 1-401 which states: ¹³

(a) Service of process on the resident agent of a corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust, or any other person constitutes effective service of process under the Maryland Rules on the corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust, or other person in any action, suit, or proceeding which is pending, filed, or instituted against it under the provisions of this article.

(b) (1) Any notice required by law to be served by personal service on a resident agent or other agent or officer of any Maryland or foreign corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust required by statute to have a resident agent in this State may be served on the corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust in the manner provided by the Maryland Rules relating to the service of process on corporations.

(2) Service under the Maryland Rules is equivalent to personal service on a resident agent or other agent or officer of a corporation, partnership, limited partnership, limited liability partnership, limited liability company, or real estate investment trust mentioned in paragraph (1) of this subsection.

have been served.¹⁴

B. Impact of Forfeiture

Under Maryland law, when a corporation has forfeited its corporate charter or has been dissolved - - whether judicially, administratively, voluntarily or involuntarily - - it is generally said to be “a legal non-entity” and “all powers granted to [the corporation] by law, including the power to sue or be sued, [are] extinguished generally as of and during the forfeiture period.” *Dual Inc. v. Lockheed Martin Corp.*, 383 Md. 151, 163 (2004). Typically, “no suit can be brought against a forfeited corporation, except to the extent and under circumstances specifically authorized by statute.” *Georgetown College v. Madden*, 505 F. Supp. 557, 602 (D. Md. 1980). However, state law makes it clear that a corporation continues to exist, at least for some limited purposes beyond forfeiture or dissolution of its charter.

According to CA § 3-515, “[w]hen the charter of a Maryland corporation has been forfeited, until a court appoints a receiver, the directors of the corporation become the trustees of its assets for purposes of liquidation.” This “corporate survivor” statute allows the director-trustees to sue or be sued “in the name of the corporation.” The Court of Appeals has interpreted CA §3-515 to grant directors-trustees power “only for the ‘winding up’ of a corporation’s affairs.” As a consequence, “a trustee only may sue in the trustee’s own name if there is a ‘rational relationship’ between the suit and a legitimate ‘winding up’ activity of the corporation.” *Dual Inc. v. Lockheed Martin Corp.*, 383 Md. 151, 163-164 (2004) (internal

¹⁴In a reply memorandum in the circuit court, appellees also threw out the name of one Jackie Woolf, who also “may have been” a director.

B. Impact of Forfeiture

Under Maryland law, when a corporation has forfeited its corporate charter or has been dissolved - - whether judicially, administratively, voluntarily or involuntarily - - it is generally said to be “a legal non-entity” and “all powers granted to [the corporation] by law, including the power to sue or be sued, [are] extinguished generally as of and during the forfeiture period.” *Dual Inc. v. Lockheed Martin Corp.*, 383 Md. 151, 163 (2004). Typically, “no suit can be brought against a forfeited corporation, except to the extent and under circumstances specifically authorized by statute.” *Georgetown College v. Madden*, 505 F. Supp. 557, 602 (D. Md. 1980). However, state law makes it clear that a corporation continues to exist, at least for some limited purposes beyond forfeiture or dissolution of its charter. According to CA § 3-515, “[w]hen the charter of a Maryland corporation has been forfeited, until a court appoints a receiver, the directors of the corporation become the trustees of its assets for purposes of liquidation.” This “corporate survivor” statute allows the director -trustees to sue or be sued “in the name of the corporation.” The Court of Appeals has interpreted CA §3-515 to grant directors-trustees power “only for the ‘winding up’ of a corporation's affairs.” As a consequence, “a trustee only may sue in the trustee’s own name if there is a ‘rational relationship’ between the suit and a legitimate ‘winding up’ activity of the corporation.” *Dual Inc. v. Lockheed Martin Corp.*, 383 Md. 151, 163-164 (2004) (internal

In a reply memorandum in the circuit court, appellees also threw out the name of one 14 Jackie Woolf, who also “may have been” a director.

citations omitted). However, “winding up” also generally includes paying all debts, obligations and liabilities of the corporation, distributing property and resolving pending suits against the corporation. *See* Fletcher Corporate Forms at § 3671 (4th ed. 2001); and 16A Fletcher Cyclopaedia of the Law of Corporations at § 8141 (“Fletcher”). Thus, under CA § 3-515, a corporation, whose charter has been forfeited and which is in the process of “winding up,” is still “alive” for purposes of being sued to satisfy its debts and liabilities.

Fletcher, at § 8142, has a highly informative discussion of the development and operation of corporate survivor statutes such as CA § 3-515:

At common law, a dissolved corporation ceased to exist and could not sue or be sued in its corporate name. A dissolved corporation was not amenable to process, and was incapable of making an appearance or of authorizing an attorney to make an appearance on its behalf. A proceeding to enforce a judgment against a corporation, or to set aside or vacate a judgment in its favor, could not be maintained after its dissolution. The common-law rule was predicated on dissolution by operation of law and did not apply if the corporation had merely ceased doing business, if the corporation was engaged in winding up its business and affairs, or if the corporation was seeking to protect its assets.

In most states, dissolution of a corporation no longer has the effect of foreclosing lawsuits by or against the corporation. Most state corporation statutes expressly reverse the common-law rule by providing that dissolution of a corporation does not prevent commencement of a proceeding by or against the corporation in its corporate name

[A]ll jurisdictions . . . have statutes that provide to some degree for the survival of remedies or claims for a limited period of time after dissolution of the corporation. Such statutes are remedial in nature and given a liberal construction.

obligations and liabilities of the corporation, distributing property and resolving pending suits against the corporation. See Fletcher Corporate Forms at § 3671 (4 ed. 2001); and 16A th Fletcher Cyclopedia of the Law of Corporations at § 8141 (“Fletcher”). Thus, under CA § 3-515, a corporation, whose charter has been forfeited and which is in the process of “winding up,” is still “alive” for purposes of being sued to satisfy its debts and liabilities. Fletcher, at § 8142, has a highly informative discussion of the development and operation of corporate survivor statutes such as CA § 3-515:

At common law, a dissolved corporation ceased to exist and could not sue or be sued in its corporate name. A dissolved corporation was not amenable to process, and was incapable of making an appearance or of authorizing an attorney to make an appearance on its behalf. A proceeding to enforce a judgment against a corporation, or to set aside or vacate a judgment in its favor, could not be maintained after its dissolution. The common-law rule was predicated on dissolution by operation of law and did not apply if the corporation had merely ceased doing business, if the corporation was engaged in winding up its business and affairs, or if the corporation was seeking to protect its assets.

In most states, dissolution of a corporation no longer has the effect of foreclosing lawsuits by or against the corporation. Most state corporation statutes expressly reverse the common- law rule by providing that dissolution of a corporation does not prevent commencement of a proceeding by or against the corporation in its corporate name

[A]ll jurisdictions . . . have statutes that provide to some degree for the survival of remedies or claims for a limited period of time after dissolution of the corporation. Such statutes are remedial in nature and given a liberal construction.