

386A.6-040 Distribution to beneficial owner.

- (1) Any distribution by a statutory trust before dissolution shall be made in proportion to the beneficial interests.
- (2) When a beneficial owner becomes entitled to receive a distribution, the trust's indebtedness to a beneficial owner shall be at parity with the trust's indebtedness to its general creditors except to the extent subordinated by agreement.
- (3) When a beneficial owner associated with a series becomes entitled to a distribution, the series's indebtedness to a beneficial owner shall be at parity with the series's indebtedness to its general creditors except as subordinated by agreement.
- (4) Unless otherwise provided in a governing instrument:
 - (a) A beneficial owner, regardless of the nature of the beneficial owner's contribution, shall not have a right to demand and receive a distribution in any form other than cash; and
 - (b) A beneficial owner shall not be compelled to accept a distribution of any asset in kind to the extent that the percentage of the asset distributed to the beneficial owner exceeds the percentage that the beneficial owner would have shared in cash distribution equal to the value of the property at the time of distribution.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 106, sec. 11, effective June 25, 2013. -- Created 2012 Ky. Acts ch. 81, sec. 48, effective July 12, 2012.