

# CHAPTER 10

## JUDICIAL MANAGEMENT

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### PLACING CO-OPERATIVE UNDER JUDICIAL MANAGEMENT

Judicial management is when a court (or someone appointed by the court) directs the affairs of a co-operative. This procedure can help a co-operative that is in trouble. It can in some cases be an alternative to winding up the co-operative.

A court can place a co-operative under judicial management in the following circumstances:

- the co-operative cannot pay its debts or carry out its duties, because of mismanagement or any other reason

**AND**

- the co-operative's business is not workable, because of mismanagement or any other reason

**AND**

- there is a good chance that placing the co-operative under judicial management will put it back on its feet

**AND**

- it seems just and fair to use judicial management to help the co-operative.

The **co-operative** itself can apply to the court for judicial management, if at least two-thirds of the members at a general meeting have passed a special resolution agreeing to this.

Any **interested person**, such as a creditor, can also apply to the court for judicial management.

The **Minister** of Trade and Industry may apply to the court for judicial management, if this is recommended by the Registrar of Co-operatives.

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