

Lawyer Revives Zombie Corporation In Attempt To Enforce Decades Old Lien - Was He Successful?

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In 1995, Panrox International (USA), Inc. recorded a deed of trust on a home in Los Angeles to secure an indebtedness of \$141,000. On January 2, 2001, the State of California suspended Panrox for failure to pay taxes. Panrox remained suspended for two decades. Then in 2021, Panrox' former counsel learned that the deed of trust remained on the property. He revived Panrox and sought to enforce the lien. *Yee v. Panrox Int'l (USA), Inc.*, 2023 WL 8182859.

One question that comes to my mind is how counsel for a long suspended corporation engineered its revival. California permits corporations to obtain relief from suspension by making application therefor in writing to the Franchise Tax Board. The application is made on FTB Form [3557 BC](#). But if the corporation is suspended, who is authorized to sign the application? Section 23305 of the Revenue & Taxation Code provides that the application may be made by:

- any stockholder or creditor,
- a majority of the surviving trustees or directors,
- an officer, or

- by any other person who has interest in the relief from suspension or forfeiture.

Revival also requires the filing of all past due tax returns and past due tax balances.

Although the lawyer succeeded in reviving Panrox, he was not successful in enforcing its decades old lien. Despite the loss of many records, the court was able to identify evidence that the debt had been settled in 1999 and thus the lien "did not matter anymore, except as litter in a title chain".

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