

286.5-231 Liability of officer or agent for fraud or neglect.

- (1) Any officer, director, trustee, attorney, agent or employee of any association who uses or disposes of the property or assets of the association or assigns, transfers, cancels, delivers up or acknowledges satisfaction of any bond, mortgage or other written statement belonging to the association, unless duly authorized or otherwise than in the regular and legal business of the corporation, or who is guilty of any fraud in the performance of his duties shall be liable civilly to the corporation and also to any other party injured to the extent of the damage caused thereby.
- (2) Any officer, director, trustee, attorney, agent or employee of any association who fails to perform any duty or service imposed upon him by the association shall, unless he has been excused from the performance of such duty by the board of directors, be liable personally for any loss that may result by reason of such failure or neglect to perform his duty.

Effective: June 18, 1964

History: Created 1964 Ky. Acts ch. 138, sec. 12, effective June 18, 1964.

Formerly codified as KRS 289.231.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.