

272A.13-050 Proceeds and expenses.

- (1) Except as otherwise provided in subsection (2) of this section:
 - (a) Any proceeds or other benefits of a derivative action to enforce a right of a limited cooperative association, whether by judgment, compromise, or settlement, belong to the association and not to the plaintiff; and
 - (b) If the plaintiff in the derivative action receives any proceeds, the plaintiff shall immediately remit them to the association.
- (2) On termination of the proceeding, the court may:
 - (a) Require the plaintiff to pay any defendant's reasonable expenses, including counsel fees, incurred in defending the proceeding to the extent it finds that the proceeding or any portion thereof was commenced without reasonable cause or for an improper purpose; and
 - (b) Require the association to pay the plaintiff's reasonable expenses, including counsel fees, incurred in the proceeding if it finds that the proceeding has resulted in a substantial benefit to the association.

Effective: July 12, 2012

History: Created 2012 Ky. Acts ch. 160, sec. 103, effective July 12, 2012.