

362.2-509 Liability for improper distributions.

- (1) A general partner that consents to a distribution made in violation of KRS 362.2-508 is personally liable to the limited partnership for the amount of the distribution which exceeds the amount that could have been distributed without the violation if it is established that in consenting to the distribution the general partner failed to comply with KRS 362.2-408.
- (2) A partner or transferee that knew a distribution was made in violation of KRS 362.2-508 is personally liable to the limited partnership but only to the extent that the distribution received by the partner or transferee exceeded the amount that could have been properly paid under KRS 362.2-508.
- (3) A general partner against which an action is brought under subsection (1) of this section may:
 - (a) Implead in the action any other person that as a general partner consented to the distribution in violation of subsection (1) of this section and compel contribution from that person; and
 - (b) Implead in the action any person that received a distribution in violation of subsection (2) of this section and compel contribution from that person in the amount that person received in violation of subsection (2) of this section.
- (4) A proceeding under this section is barred if it is not commenced within two (2) years after the distribution.

Effective: July 12, 2006

History: Created 2006 Ky. Acts ch. 149, sec. 137, effective July 12, 2006.