

271B.8-330 Liability for unlawful distributions.

- (1) A director who votes for or who assents to a distribution made in violation of KRS 271B.6-400 or the articles of incorporation shall be personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating KRS 271B.6-400 or the articles of incorporation if it is established that he did not perform his duties in compliance with KRS 271B.8-300. In any proceeding commenced under this section, a director shall have all of the defenses ordinarily available to a director.
- (2) A director held liable under subsection (1) of this section for an unlawful distribution shall be entitled to contribution:
 - (a) From every other director who could be held liable under subsection (1) of this section for the unlawful distribution; and
 - (b) From each shareholder for the amount the shareholder accepted knowing the distribution was made in violation of KRS 271B.6-400 or the articles of incorporation.
- (3) A proceeding under this section shall be barred unless it is commenced within two (2) years after the date on which the effect of the distribution was measured under subsection (5) or (7) of KRS 271B.6-400.

Effective: January 1, 1989

History: Created 1988 Ky. Acts ch. 23, sec. 88, effective January 1, 1989.