

17-5412. Declaration of dividends. The board of directors of any association formed under the provisions of this or any previous act may from time to time declare dividends from the earnings of the association to be paid or credited in such manner as may be provided in the bylaws, but no dividends shall be declared except from the earnings and undivided profits of the association. If the board of directors shall declare, credit or pay any dividend when there is an impairment of capital they shall be jointly and severally liable to the extent of the dividend so declared, credited or paid for all the debts of the association then existing or that shall be thereafter contracted while they shall respectively continue in office. Any of the board of directors who shall object to the declaring of such dividend or the payment or crediting of the same and who shall at the time of declaration of the dividend procure objections to be noted in the book of minutes of the association and shall file a certificate of such objections in writing with the secretary of the association and with the commissioner shall be exempted from such liability and any director of such association who consents to the payment of any dividend when the capital is impaired shall be deemed guilty of a felony and upon conviction thereof shall be imprisoned in the custody of the secretary of corrections for not less than one nor more than five years.

History: L. 1943, ch. 133, § 70; L. 1967, ch. 129, § 2; L. 1990, ch. 309, § 6; May 24.