

2018 Kansas Statutes

17-6424. Liability of directors for unlawful payment of dividend or unlawful stock purchase or redemption; exoneration from liability, when; contribution among directors; subrogation. (a) In case of any willful or negligent violation of the provisions of K.S.A. 17-6410 or 17-6423, and amendments thereto, the directors under whose administration the same may happen shall be jointly and severally liable, at any time within three years after paying such unlawful dividend or after such unlawful stock purchase or redemption, to the corporation, and to its creditors in the event of its dissolution or insolvency, to the full amount of the dividend unlawfully paid, or to the full amount unlawfully paid for the purchase or redemption of the corporation's stock, with interest from the time such liability accrued. Any director who may have been absent when the same was done, or who may have dissented from the act or resolution by which the same was done, may be exonerated from such liability by causing such director's dissent to be entered on the books containing the minutes of the proceedings of the directors at the time the same was done, or immediately after such director has notice of the same.

(b) Any director against whom a claim is successfully asserted under this section shall be entitled to contribution from the other directors who voted for or concurred in the unlawful dividend, stock purchase or stock redemption.

(c) Any director against whom a claim is successfully asserted under this section shall be entitled, to the extent of the amount paid by such director as a result of such claim, to be subrogated to the rights of the corporation against stockholders who received the dividend on, or assets for the sale or redemption of, their stock with knowledge of facts indicating that such dividend, stock purchase or redemption was unlawful under this act, in proportion to the amounts received by such stockholders respectively.

History: L. 1972, ch. 52, § 51; L. 2004, ch. 143, § 23; Jan. 1, 2005.