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Tenn. Code Ann. § 48-249-307

Current through 2017 Regular Session (Chapter 493).

Tennessee Code Annotated > Title 48 Corporations And Associations > Limited Liability Companies > Chapter 249 Tennessee Revised Limited Liability Company Act > Part 3 Finance

48-249-307. Liability for unlawful distributions.

- (a) Personal liability for approving.** A member, manager or director of an LLC who votes for or consents to a distribution made in violation of § 48-249-306 or the LLC documents is personally liable to the LLC for the amount of the distribution that exceeds the amount that could have been distributed without violating § 48-249-306 or the LLC documents, if such member, manager or director did not comply with the applicable standards of conduct for such member, manager or director, as set forth in § 48-249-403.
- (b) Personal liability for receiving.** A member or holder of financial rights who receives a distribution, and who knows the distribution was made in violation of § 48-249-306 or the LLC documents, is personally liable to the LLC, but only to the extent that the distribution received by the member or holder of financial rights exceeded the amount that could have been properly distributed under § 48-249-306 or the LLC documents.
- (c) Permitted impleader.** A member, holder of financial rights, manager or director against whom an action is brought under this section may implead in the action all:
- (1)** Other members, holders of financial rights, managers and directors who voted for or consented to the distribution in violation of subsection (a), and may compel contribution from them; and
 - (2)** Members and holders of financial rights who received a distribution in violation of subsection (b), and may compel contribution from the members or holders of financial rights in the amount received in violation of subsection (b).
- (d) Time limitation.** A member or holder of financial rights who receives a distribution from an LLC or a member, manager or director who votes for or consents to the distribution shall have no liability under this section or other applicable law for the amount of the distribution after the expiration of three (3) years from the date of the distribution.

History

Acts 2005, ch. 286, § 1; 2006, ch. 620, §§ 25, 26.

TENNESSEE CODE ANNOTATED
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