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TCA 48-243-101(b)

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Tennessee Code Annotated § 48-243-101 – Indemnification

- (b) Authority to Indemnify.
 - (1) Except as provided in subsection (d), an LLC may indemnify an individual made a party to a proceeding because such individual is or was a responsible person against liability incurred in the proceeding if the individual:
 - (A) Acted in good faith; and
 - (B) Reasonably believed:
 - (i) In the case of conduct in such individual's official capacity with the LLC that such individual's conduct was in its best interest; and
 - (ii) In all other cases, that such individual's conduct was at least not opposed to its best interests; and
 - (C) In the case of any criminal proceeding, had no reasonable cause to believe such individual's conduct was unlawful.
 - (2) A responsible person's conduct with respect to an employee benefit plan for a purpose such person reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of subdivision (b)(1)(B).
 - (3) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the responsible person did not meet the standard of conduct described in this section.
 - (4) Except as provided in subsection (e), an LLC may not indemnify a responsible person under this section:
 - (A) In connection with a proceeding by or in the right of the LLC in which the responsible person was adjudged liable to the LLC; or
 - (B) In connection with any other proceeding charging improper personal benefit to such responsible person, whether or not involving action in such person's official capacity, in which such person was adjudged liable on the basis that personal benefit was improperly received by such person.