

367.369 Failure to comply with notification and disclosure requirements deemed violation of 367.170 -- Cause of action -- Limitations.

- (1) Failure to comply with the notification and disclosure requirements established for proxy advisors in KRS 367.367 and 367.368 shall be deemed to be an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce in violation of KRS 367.170.
- (2) The recipient of proxy advisory services provided by a proxy advisor, the company that is the subject of the proxy advisory services, or any shareholder of the company that is the subject of the proxy advisory services may bring a cause of action seeking declaratory or injunctive relief in the Circuit Court of the county where the plaintiff resides or where the violation occurred.
- (3)
 - (a) In any proceeding under subsection (2) of this section, the plaintiff shall serve the Attorney General with a copy of the petition within seven (7) days of filing. The Attorney General may intervene in the action.
 - (b) All of the remedies, powers, and duties provided to the Attorney General under KRS 367.110 to 367.300, and the penalties provided in KRS 367.990, pertaining to acts and practices declared unlawful by KRS 367.170, shall apply with equal force and effect to a violation of KRS 367.367 or 367.368.
 - (c) KRS 367.367 to 367.369 shall not be construed to limit or restrict the powers, duties, remedies, or penalties available to the Attorney General under any other statutory or common law.
- (4)
 - (a) Notwithstanding any other provision of KRS 367.367 to 367.369 to the contrary, a cause of action under KRS 367.367 to 367.369 shall not be brought against a nonprofit organization exempt from taxation under 26 U.S.C. sec. 501(c) by any person or entity other than the Attorney General of the Commonwealth of Kentucky:
 1. Provided that the nonprofit organization has gross annual revenue attributable to proxy advisory services of less than five hundred thousand dollars (\$500,000); and
 2. Provided further that in the event the nonprofit organization is a member of an affiliated group, the combined gross annual revenue of all members of the affiliated group attributable to proxy advisory services is less than five hundred thousand dollars (\$500,000).
 - (b) This subsection shall not limit the authority of the Attorney General to investigate or enforce KRS 367.367 to 367.369 against any person or entity.

Effective: July 15, 2026

History: Created 2026 Ky. Acts ch. 10, sec. 3, effective July 15, 2026.