

386A.6-090 Liability for unlawful transactions.

- (1) A trustee who votes for or assents to a distribution made in violation of KRS 386A.6-080 shall be personally liable to the statutory trust for the amount of the distribution that exceeds what could have been distributed without violating KRS 386A.6-080 if it is established that the trustee did not perform his or her duties in compliance with KRS 386A.5-050. In any proceeding commenced under this section, a trustee shall have all of the defenses ordinarily available to a trustee.
- (2) A trustee held liable under subsection (1) of this section for an unlawful distribution shall be entitled to contribution:
 - (a) From every other trustee who could be held liable under subsection (1) of this section for the unlawful distribution; and
 - (b) From each beneficial owner for the amount the beneficial owner accepted knowing the distribution was made in violation of KRS 386A.6-080.
- (3) A proceeding under this section shall be barred unless it is commenced within two (2) years after the date on which the effect of the distribution was measured under KRS 386A.6-080(6) and (7).

Effective: July 12, 2012

History: Created 2012 Ky. Acts ch. 81, sec. 53, effective July 12, 2012.