

**16-10a-809 Removal of directors by judicial proceeding.**

- (1) The district court of the county in this state where a corporation's principal office is located or, if it has no principal office in this state, the district court for Salt Lake County may remove a director in a proceeding commenced either by the corporation or by its shareholders holding at least 10% of the outstanding shares of any class if the court finds that:
  - (a) the director engaged in fraudulent or dishonest conduct or gross abuse of authority or discretion with respect to the corporation; and
  - (b) removal is in the best interest of the corporation.
- (2) The court that removes a director may bar the director from reelection for a period prescribed by the court.
- (3) If shareholders commence a proceeding under Subsection (1), they shall make the corporation a party defendant.
- (4) A director who is removed pursuant to this section may deliver to the division for filing a statement to that effect pursuant to Section 16-10a-1608.

Amended by Chapter 364, 2008 General Session