

Sunsets 1/1/2016

48-2c-1805 Court-ordered indemnification.

Unless a company's articles of organization provide otherwise, a manager of the company who is or was a party to a proceeding may apply for indemnification to the court or other decision-maker conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification in the following manner:

- (1) if the court determines that the manager is entitled to mandatory indemnification under Section 48-2c-1803, the court shall order indemnification, in which case the court shall also order the company to pay the manager's reasonable expenses, including attorney's fees, incurred to obtain court-ordered indemnification; and
- (2) if the court determines that the manager is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the manager met the applicable standard of conduct set forth in Section 48-2c-1802 or was adjudged liable as described in Subsection 48-2c-1802(4), the court may order indemnification as the court determines to be proper, except that the indemnification with respect to any proceeding in which liability has been adjudged in the circumstances described in Subsection 48-2c-1802(4) is limited to reasonable expenses incurred.