

**16-6a-809 Removal of directors by judicial proceeding.**

- (1)
  - (a) The applicable court may remove a director in a proceeding commenced either by the nonprofit corporation or by voting members holding at least 10% of the votes entitled to be cast in the election of the director's successor if the court finds that:
    - (i) the director engaged in:
      - (A) fraudulent or dishonest conduct; or
      - (B) gross abuse of authority or discretion with respect to the nonprofit corporation; or
    - (ii)
      - (A) a final judgment has been entered finding that the director has violated a duty set forth in Section 16-6a-822; and
      - (B) removal is in the best interests of the nonprofit corporation.
  - (b) For purposes of this Subsection (1), the applicable court is the:
    - (i) district court of the county in this state where a nonprofit corporation's principal office is located; or
    - (ii) if the nonprofit corporation has no principal office in this state:
      - (A) the district court of the county in which its registered office is located; or
      - (B) if the nonprofit corporation has no registered office, the district court for Salt Lake County.
- (2) The court that removes a director may bar the director for a period prescribed by the court from:
  - (a) reelection;
  - (b) reappointment; or
  - (c) designation.
- (3) If voting members commence a proceeding under Subsection (1), the voting members shall make the nonprofit 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 16-6a-1608.

Amended by Chapter 9, 2001 General Session

Amended by Chapter 127, 2001 General Session