

Effective 7/1/2024

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

- (1)
 - (a) A court may remove a director, in an action brought 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.
- (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 401, 2023 General Session