

489.406 Liability for improper distributions.

1. Except as otherwise provided in [subsection 2](#), if a member of a member-managed limited liability company or manager of a manager-managed limited liability company consents to a distribution made in violation of [section 489.405](#) and in consenting to the distribution fails to comply with [section 489.409](#), the member or manager is personally liable to the company for the amount of the distribution that exceeds the amount that could have been distributed without the violation of [section 489.405](#).

2. To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of the authority and responsibility to consent to distributions and imposes that authority and responsibility on one or more other members, the liability stated in [subsection 1](#) applies to the other members and not the member that the operating agreement relieves of authority and responsibility.

3. A person that receives a distribution knowing that the distribution to that person was made in violation of [section 489.405](#) is personally liable to the limited liability company but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under [section 489.405](#).

4. A person against which an action is commenced because the person is liable under [subsection 1](#) may do all of the following:

a. Implead any other person that is subject to liability under [subsection 1](#) and seek to compel contribution from the person.

b. Implead any person that received a distribution in violation of [subsection 3](#) and seek to compel contribution from the person in the amount the person received in violation of [subsection 3](#).

5. An action under [this section](#) is barred if not commenced within two years after the distribution.

2008 Acts, ch 1162, §36, 155

Referred to in [§489.110](#), [489.502](#)