

501.415 Court-ordered indemnification.

1. A director who is a party to a proceeding because the person is a director may apply to the court conducting the proceeding or to another court of competent jurisdiction for indemnification or an advance for expenses. After receipt of an application, and after giving any notice the court considers necessary, the court shall proceed according to the following:

a. Order indemnification if the court determines that the director is entitled to mandatory indemnification under section 501.413.

b. Order indemnification or advance for expenses if the court determines that the director is entitled to indemnification or advance for expenses pursuant to a provision authorized by section 501.419, subsection 1.

c. Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to do one of the following:

(1) To indemnify the director.

(2) To advance expenses to the director, even if the director has not met the relevant standard of conduct set forth in section 501.412, subsection 1, failed to comply with section 501.414, or was adjudged liable in a proceeding referred to in section 501.412, subsection 4, paragraph "a" or "b", but if the director was adjudged so liable the director's indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

2. If the court determines that the director is entitled to indemnification under subsection 1, paragraph "a", or to indemnification or advance for expenses under subsection 1, paragraph "b", the court shall also order the cooperative to pay the director's reasonable expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director is entitled to indemnification or advance for expenses under subsection 1, paragraph "c", the court may also order the cooperative to pay the director's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

98 Acts, ch 1152, §24, 69; 2003 Acts, ch 66, §20

Referred to in §501.412, 501.417, 501.712