

**RCW 23.100.0807 Liability for improper distributions—Limitation of action.**

(1) A director of a limited cooperative association who votes for or assents to a distribution made in violation of RCW 23.100.0806 or the association's articles of organization is personally liable to the association for the amount of the distribution that exceeds the amount that could have been distributed without violating RCW 23.100.0806 or the articles of organization if it is established that the director did not perform the director's duties in compliance with RCW 23.100.0618. In any proceeding commenced under this section, a director has all of the defenses ordinarily available to a director.

(2) A director held liable under subsection (1) of this section for an unlawful distribution is entitled to contribution:

(a) From every other director who could be held liable under subsection (1) of this section for the unlawful distribution; and

(b) From each member for the amount the member accepted knowing the distribution was made in violation of RCW 23.100.0806 or the articles of organization.

(3) A member who accepts a distribution made in violation of RCW 23.100.0806 or the articles of organization is personally liable to the corporation for the amount of any distribution received by the member to the extent it exceeds the amount that could have been distributed to the member without violating RCW 23.100.0806 or the articles of organization, if it is established that the member accepted the distribution knowing that it was made in violation of RCW 23.100.0806 or the articles of organization.

(4) A member held liable under subsection (3) of this section for an unlawful distribution is entitled to contribution from every other member who could be held liable under subsection (3) of this section for the unlawful distribution.

(5) A proceeding under this section is barred unless it is commenced prior to the earlier of (a) the expiration of two years after the date on which the effect of the distribution was measured under RCW 23.100.0806(4), or (b) the expiration of the period specified in RCW 23.100.1010(3). [2019 c 37 § 807.]