WEST VIRGINIA CODE: §31d-8-833

§31D-8-833. Directors' liability for unlawful distributions.

(a) A director who votes for or assents to a distribution in excess of what may be authorized and made pursuant to subsection (a), section six hundred forty, article six of this chapter is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating subsection (a), section six hundred forty, article six of this chapter if the party asserting liability establishes that when taking the action the director did not comply with section eight hundred thirty of this article.

(b) A director held liable under subsection (a) of this section for an unlawful distribution is entitled to:

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

(2) Recoupment from each shareholder of the pro rata portion of the amount of the unlawful distribution the shareholder accepted, knowing the distribution was made in violation of subsection (a), section six hundred forty, article six of this chapter.

(c) A proceeding to enforce:

(1) The liability of a director under subsection (a) of this section is barred unless it is commenced within two years after the date on which the effect of the distribution was measured under subsection (e) or (g), section six hundred forty, article six of this chapter or as of which the violation of subsection (a), section six hundred forty, article six of this chapter occurred as the consequence of disregard of a restriction in the articles of incorporation; or

(2) Contribution or recoupment under subsection (b) of this section is barred unless it is commenced within one year after the liability of the claimant has been finally adjudicated under subsection (a) of this section.

WV Legislature