

TITLE 4: ECONOMIC RESOURCES
DIVISION 4: CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

§ 4449. Removal of Directors by Judicial Proceeding.

(a) The Commonwealth Superior Court may remove a director of the corporation from office in a proceeding commenced either by the corporation or by its shareholders holding at least 10 percent of the outstanding shares of any class if the court finds that:

(1) The director engaged in fraudulent or dishonest conduct, or gross abuse of authority or discretion, with respect to the corporation; and

(2) Removal is in the best interest of the corporation.

(b) The court that removes a director may bar the directors from reelection for a period prescribed by the court.

(c) If the shareholders commence a proceeding under subsection (a) of this section, they shall make the corporation a party defendant.

Source: PL 10-7, § 1 (Bus. Corp. Reg. § 8.09).