**§704-A. Removal of directors by judicial proceeding**

**1. Removal.**  The Superior Court may remove any director of a corporation from office if the court finds that removal is in the best interest of the corporation and that:

A. The director engaged in fraudulent or dishonest conduct or gross abuse of authority or discretion with respect to the corporation; [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

B. Section 713‑A has been violated; or [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

C. A final judgment has been entered finding that the director has violated a duty set forth in section 712 or sections 717 to 720. [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

[PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

**2. Who may bring action.**  A petition for removal under subsection 1 may be filed by:

A. The corporation, if 2/3 of the directors then in office resolve that an individual director should be removed; [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

B. Two-thirds of the members entitled to vote for that director or a lesser number as provided in the articles of incorporation of the corporation for removal of a director pursuant to section 704; or [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

C. In the case of a public benefit corporation, the Attorney General. [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

[PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

**3. Place of filing.**  The petition for removal under subsection 2 must be filed:

A. In the county where the corporation's principal office is located; [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

B. In the county where the corporation's registered office is located if the corporation has no principal office in this State; or [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

C. In the Superior Court of Kennebec County if the corporation has no principal office or registered office in this State. [PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

[PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

**4. Court action.**  The court that removes a director under this section may bar the director from serving on the board of directors for a period prescribed by the court.

[PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

**5. Notice to Attorney General; Attorney General actions.**  If the members of a corporation or the Attorney General commences a proceeding under this section, the corporation is made a party defendant. If a public benefit corporation or its members commence a proceeding under subsection 1, the public benefit corporation shall give the Attorney General written notice of the proceeding.

[PL 2001, c. 550, Pt. C, §13 (NEW); PL 2001, c. 550, Pt. C, §29 (AFF).]

SECTION HISTORY

PL 2001, c. 550, §C13 (NEW). PL 2001, c. 550, §C29 (AFF).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.