

HOUSE BILL 2369

By Turner J

AN ACT to amend Tennessee Code Annotated, Title 48,
relative to limitation of actions of certain corporate
actions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-18-601, is amended by deleting such section in its entirety and by substituting instead the following:

Section 48-18-601. Any action alleging breach of fiduciary duties by directors or officers, including alleged violations of the standards established in §§ 48-18-301, § 48-18-302, or § 48-18-403, must be brought within three (3) years from the date of such breach or violation; provided, that in the event the alleged breach or violation is not discovered nor reasonably should have been discovered within the three-year period, the period of limitation shall be three (3) years from the date such was discovered or reasonably should have been discovered. In no event shall any such action be brought more than six (6) years after the date on which the breach or violation occurred, except where there is fraudulent concealment on the part of the defendant, in which case the action shall be commenced within three (3) years after the alleged breach or violation is, or should have been, discovered.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring
it.