

McKinney's Consolidated Laws of New York Annotated  
Not-for-Profit Corporation Law (Refs & Annos)  
Chapter 35. Of the Consolidated Laws (Refs & Annos)  
Article 5. Corporate Finance (Refs & Annos)

McKinney's N-PCL § 521

§ 521. Liability for failure to disclose required information

Currentness

Failure of the corporation to comply in good faith with the notice or disclosure or reporting provisions of section 501 (Stock and shares prohibited; membership certificates authorized), or paragraph (c) of section 503 (Capital certificates), or paragraph (c) of section 505 (Subvention certificates), or paragraph (b) of section 513 (Administration of assets received for specific purposes), or section 518 (Reports to comptroller), or section 519 (Annual report of directors), or section 520 (Reports of corporation), shall make the corporation liable for any damage sustained by any person in consequence thereof.

**Credits**

(L.1969, c. 1066, § 1. Amended L.1970, c. 847, § 30; L.1978, c. 690, § 6.)

**Editors' Notes**

**PRACTICE COMMENTARIES**

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Any corporation that fails to comply in good faith with the various disclosure requirements contained within the provisions of Article 5 is liable for damages as a result of such failure to disclose.

**LEGISLATIVE STUDIES AND REPORTS**

1. Source: None.

2. Changes: Completely new.

Comment: Provisions in this article require that certain facts be conspicuously noted on certificates issued by a corporation in accordance with this article. Other provisions require reports to be made by directors and the corporation to members and certain governmental bodies. This section places ordinary tort liability upon the corporation for failure to comply in good faith with these statutory requirements. Whether the corporation may in turn recover from specific officers or directors will depend, as in Bus. Corp.L. § 520, from which this section is derived, upon general principles governing the discharge of the latter's duties.

McKinney's N PCL § 521, NY NOT PROF CORP § 521  
Current through L.2018, chapters 1 to 80.