

Consequences of making unlawful distribution

122. (1) Where a distribution or part of one, made by a company to one of its members, is made in contravention of any provision of this Part and, at the time of the distribution, he or she knows or has reasonable grounds for believing that it is so made, he or she shall be liable to repay it or that part, as the case may be, to the company or (in the case of a distribution made otherwise than in cash) to pay the company a sum equal to the value of the distribution or part at that time.

(2) This section is without prejudice to any obligation imposed apart from this section on a member of a company to repay a distribution unlawfully made to him or her.