

§ 58-7-125. Dividends not payable when capital stock impaired; liability of stockholders for unlawful dividends.

No dividend shall be paid by any company incorporated in this State when its capital stock is impaired, or when such payment would have the effect of impairing its capital stock; and any dividend so paid subjects the stockholders receiving it to a joint and several liability to the creditors of said company to the extent of the dividend so paid. (1899, c. 54, s. 31; 1903, c. 536, s. 3; Rev., s. 4736; C.S., s. 6339; 1945, c. 386.)