

14A.9-020 Consequences of transacting business without authority. (Effective January 1, 2011)

- (1) A foreign entity transacting business in this Commonwealth without a certificate of authority may not maintain a proceeding in any court in this Commonwealth until it obtains a certificate of authority.
- (2) Neither the successor to a foreign entity that transacted business in this Commonwealth without a certificate of authority nor the assignee of a cause of action arising out of that business shall maintain a proceeding based on that cause of action in any court in this Commonwealth until the foreign entity or the assignee of the cause of action obtains a certificate of authority.
- (3) A court may stay a proceeding commenced by a foreign entity, its successor, or assignee until it determines whether the foreign entity, its successor, or assignee requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign entity, its successor, or assignee obtains the certificate.
- (4) A foreign entity is liable for a civil penalty of two dollars (\$2) for each day it transacts business in this Commonwealth without a certificate of authority. The Secretary of State may collect all penalties due under this subsection.
- (5) Notwithstanding subsections (1) and (2) of this section, the failure of a foreign entity to obtain a certificate of authority shall not impair the validity of the acts of the foreign entity or prevent it from defending any proceeding in this Commonwealth.

Effective: January 1, 2011

History: Created 2010 Ky. Acts ch. 151, sec. 41, effective January 1, 2011.