

West's Annotated California Codes
Corporations Code (Refs & Annos)
Title 1. Corporations

Division 2. Nonprofit Corporation Law (Refs & Annos)
Part 4. Nonprofit Religious Corporations (Refs & Annos)
Chapter 2. Directors and Management (Refs & Annos)
Article 4. Standards of Conduct (Refs & Annos)

West's Ann.Cal.Corp.Code § 9241

§ 9241. Duties of directors; reliance on data; compensation; loans; guaranties; limitations of liability

Effective: January 1, 2010
Currentness

(a) A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as is appropriate under the circumstances.

(b) In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;

(2) Counsel, independent accountants, or other persons as to matters which the director believes to be within **that** person's professional or expert competence;

(3) A committee upon which the director does not serve **that is composed exclusively of any or any combination of directors, persons described in paragraph (1), or persons described in paragraph (2)**, as to matters within **the committee's** designated authority, which committee the director believes to merit confidence; or

(4) Religious authorities and ministers, priests, rabbis, or other persons whose position or duties in the religious organization the director believes justify reliance and confidence and whom the director believes to be reliable and competent in the matters presented, so long as, in any case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause **that** reliance to be unwarranted.

(c) The provisions of this section, and not Section 9243, shall govern any action or omission of a director in regard to the compensation of directors, as directors or officers, or any loan of money or property to or guaranty of the obligation of any director or officer. No obligation, otherwise valid, shall be voidable merely because directors who benefited by a board resolution to pay such compensation or to make such loan or guaranty participated in making such board resolution.

§ 9241. Duties of directors; reliance on data; compensation;..., CA CORP § 9241

(d) Except as provided in Section 9243, a person who performs the duties of a director in accordance with subdivisions (a) and (b) shall have no liability based upon any alleged failure to discharge his or her obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat any purpose to which the corporation, or assets held by it, may be dedicated.

Credits

(Added by Stats.1979, c. 681, p. 2131, § 1.5. Amended by Stats.2009, c. 631 (A.B.1233), § 33.)

Notes of Decisions (1)

West's Ann. Cal. Corp. Code § 9241, CA CORP § 9241

Current with urgency legislation through Ch. 931 of 2014 Reg.Sess., Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots

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