

## DANGER SIGNS OF NEGLIGENCE BY DIRECTORS

Failure to act and report to full board after learning facts sufficient to put a prudent man on notice of possible mismanagement.

Failure to attend and participate in board meetings.

Indifference to his responsibilities.

Failure to examine carefully and to understand books, records, reports, and financial statements of the corporation.

Failure to know law, bylaws, policies of the corporation.

Failure to examine and understand policy decisions.

Failure to examine, study and research minutes of past meetings, financial reports, manager's reports, proposed policies before attending board meeting.

Acting as a figurehead with no genuine attempt to supervise, direct, plan or control corporate affairs.

Failure to seek competent advice and counsel.