

Westlaw

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C.R.S.A. § 7-128-401

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West's Colorado Revised Statutes Annotated Currentness
 Title 7. Corporations and Associations (Refs & Annos)
 Corporations--(Continued)
 Nonprofit Corporations
 ◻ Article 128. Directors and Officers (Refs & Annos)
 ◻ Part 4. Standards of Conduct

→§ 7-128-401. General standards of conduct for directors and officers

- (1) Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the board, and each officer with discretionary authority shall discharge the officer's duties under that authority:
- (a) In good faith;
 - (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - (c) In a manner the director or officer reasonably believes to be in the best interests of the nonprofit corporation.
- (2) In discharging duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
- (a) One or more officers or employees of the nonprofit corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented;
 - (b) Legal counsel, a public accountant, or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence;
 - (c) Religious authorities or ministers, priests, rabbis, or other persons whose position or duties in the nonprofit corporation, or in a religious organization with which the nonprofit corporation is affiliated, the director or officer believes justify reliance and confidence and who the director or officer believes to be reliable and competent in the matters presented; or
 - (d) In the case of a director, a committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.
- (3) A director or officer is not acting in good faith if the director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this section unwarranted.
- (4) A director or officer is not liable as such to the nonprofit corporation or its members for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of the position in compliance with this section.
- (5) A director, regardless of title, shall not be deemed to be a trustee with respect to the nonprofit corporation or with respect to any property held or administered by the nonprofit corporation including, without limitation,

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property that may be subject to restrictions imposed by the donor or transferor of such property.

CREDIT(S)

Added by Laws 1997, S.B.97-91, § 3, eff. July 1, 1998.

CROSS REFERENCES

Committees of the board, delegation of authority by director, compliance with standards of conduct, see § 7-128-206.

NOTES OF DECISIONS

Admissibility of evidence 1

1. Admissibility of evidence

Trial court did not abuse discretion in declining to admit expert witness testimony regarding whether nonprofit corporation's former finance director breached duty of loyalty to corporation with regard to allegedly imprudent compensation increases; breach of loyalty claim was not governed by standards of care of a particular profession, and jury could determine whether a breach occurred based on court's instructions. *Hartman v. Community Responsibility Center, Inc.*, App.2003, 2003 WL 22509369. Evidence ¶ 515

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Current through Ch. 8 of the 2006 Second Regular Session of the 65th General Assembly

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