

DIRECTORS & OFFICERS FOR NON PROFITS

SEXUAL HARASSMENT

A club secretary sued the country club's governing board, alleging that the directors and officers were negligent for failing to supervise the club manager, who she claimed sexually harassed her.

MISUSE OF FUNDS & PROPERTY

The trustees of a charitable organization decided to expand their activities into areas that were not explicitly envisioned by the founders. Soon after, their state's attorney general brought an action against them alleging misuse of funds and property for operations outside their charter, even though no third party raised a complaint.

DISCRIMINATION

A YMCA advertised an open position for a camp counselor. The organization received seven applications. Of the seven applications, one man was not chosen to be interviewed. This applicant alleged that he was not chosen to be interviewed because of his age, and he filed suit against the non-profit organization for age discrimination. The organization denied any wrongdoing, but settled the case for \$15,000 to avoid full litigation costs.

PASTORAL PROFESSIONAL

Representatives of a non profit organization become involved in attempts to influence legislation beneficial to the institution. Claims were presented challenging the organizations tax-exempt status under S501 (c) 3. An injunction was sought to prevent the organization from engaging in such legislative activity.

FAILURE TO SUPERVISE

A lawsuit was brought against a non profit board of trustees for failing to supervise the executive director. When they submitted their legal bill to their D&O carrier, they learned for the first time that no payments would be made until a settlement had been reached. Legal costs piled up until a settlement was reached, five years later. The prohibitive costs caused the organization to close its doors forever.

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