

Index

ACTIONS

- Generally, 1:1 et seq.
- Class actions. See **CLASS ACTIONS**
- Derivative actions. See **DERIVATIVE ACTIONS**
- Direct actions. See **DIRECT ACTIONS**
- Distinguishing different types of actions, 1:7
- Historical perspective, 1:2
- Non-derivative claims. See **NON-DERIVATIVE CLAIMS**
- Statutory claims. See **STATUTORY CLAIMS**
- Ubiquity of claims activity, 1:3

AGE DISCRIMINATION IN EMPLOYMENT ACT

- Employment claims, 1:54

AGENTS AND AGENCY

- Common-law agency rule, 3:14
- Indemnification statutes on agents, 3:21
- Theory of liability, 1:76

AMERICANS WITH DISABILITIES ACT

- Employment claims, 1:53

ANTITRUST CLAIMS

- Statutory claims, 1:49

APPEALS

- Indemnification statutes, 3:39

ARTICLES OF INCORPORATION

- Liability risk reduction, 3:75

ATTORNEYS

- Fees in indemnification, 3:35
- Individual managers and corporation, representing both, 2:58
- Pro se attorneys' fees in indemnification, 3:36

BANKRUPTCY

- Allowance and subordination of indemnity claims, 5:15
- Indemnification statutes, 3:49

BANKS AND BANKING

- Expanded fiduciary duties, 1:38
- Federal securities laws, 5:17

“BENEFIT” FALLACY

- Insider reimbursement common law, 3:8

BUSINESS JUDGMENT RULE

- Generally, 2:18 to 2:25
- Antitakeover measures, 2:20, 2:21
- Breach of fiduciary duty allegations, defense, 2:24
- Disinterested directors, 2:22
- Enhanced scrutiny, 2:19
- Illegal foreign payments allegations, defense, 2:23
- Mergers, 2:19
- Special litigation committees, 2:25

BYLAW INDEMNIFICATION PROVISIONS

- Generally, App. 3A

CAPACITY AND INCAPACITY

- Generally, 1:8 et seq.
- Executive's dealings in securities, 1:11
- Litigation incidental to control struggles
 - Generally, 1:12 to 1:23
- Breakup situations, 1:19
- Challenging elections, 1:20
- Continuing director provisions, 1:17
- Deadlock, 1:22
- Golden parachutes, 1:16
- Lock-up option, 1:14
- Poison pill, 1:13

**CAPACITY AND INCAPACITY
—Cont'd**

- Litigation incidental to control struggles—Cont'd
- Pre-existing obligations, assumption of, 1:18
- Proxy contest, 1:23
- Removal from office, 1:21
- Stock purchases and other stock plans, 1:15
- Personal expenses, 1:9
- Summary, 1:24
- Tenure, transactions occurring before or after, 1:10
- Transactions occurring before or after executive's tenure, 1:10

CIVIL PROCEDURE

- Federal rule and pleading standards, 2:12

CLASS ACTIONS

- Generally, 1:6

COMMON LAW

- Executive reimbursement
 - Defendants in derivative actions, 3:5 et seq.
- Indemnification. Insider reimbursement, below
- Insider reimbursement
 - Generally, 3:1, 3:16
 - Assessment of expenses against a losing plaintiff, 3:2 et seq.
 - "Benefit" fallacy, 3:8
 - Common-law agency rule, 3:14
 - Director's dilemma when the law is unclear, 3:6
 - Federal securities laws, 3:4
 - Litigation not in right of corporation, 3:13 et seq.
 - Pros and cons of reimbursement, 3:9
 - Right to reimbursement after successful defense, 3:7
 - Security-for-expenses statutes, 3:3
 - Setting up reimbursement policy, 3:10 et seq.
 - Settlement, 3:12

COMMON LAW—Cont'd

- Insider reimbursement—Cont'd
- Voluntary indemnification in third-party situation, 3:15

COMPETITION

- Duty of loyalty, 1:34

COMPLIANCE PROGRAMS

- Derivative actions, 2:54

**COMPREHENSIVE
ENVIRONMENTAL
RESPONSE,
COMPENSATION, AND
LIABILITY ACT**

- Generally, 5:21
- Court-ordered indemnification, 3:33
- Indemnification agreements, 3:58

CONFLICT OF INTEREST

- Derivative actions and statutes, 2:29
- Duty of loyalty, 1:32

**CONTEMPORANEOUS
OWNERSHIP
RULE/DOCTRINE**

- Derivative actions, 2:32

CONTRACTS AND AGREEMENTS

- D&O insurance written or oral contract exclusion, 4:31
- Indemnification agreements
 - Generally, 3:55
 - Authorized by contract, 3:27
 - Enforceability, validity, 3:70 et seq.
 - Federal public policy considerations, 5:6
 - Validity pursuant to state law, 5:6
- Non-derivative claims, 1:46

CONTRIBUTION

- Federal securities law. See **FEDERAL SECURITIES LAW**

CORPORATIONS

- Corporate interests, 2:46
- Corporate interests doctrine
 - Generally, 2:46 to 2:53
 - Control of action by shareholders or corporation, 2:47

INDEX

CORPORATIONS—Cont'd

- Corporate interests doctrine—Cont'd
 - Potential harm outweighing potential recovery, 2:48
- Receivership, right to resist demands for, 2:49
- Right to defend, 2:48 to 2:53
- Corporations right to defend its own interests
 - Discretion of management to defense, 2:50
 - Settlements, 2:53
 - Strike suits, 2:51
- Corporation^{8217s} right to defend its own interests
 - Consultation with shareholders, 2:52
- Deduction of litigation expenses by, 6:2 et seq.
- Parent, subsidiary indemnification agreements, 3:64
- Participation in defense of insiders, indemnification agreements, 3:66
- Piercing the corporate veil and liability, 1:77
- Usurpation of corporate opportunity and duty of loyalty, 1:33

COSTS AND EXPENSES

- Advancement of
 - In indemnification, 3:44
 - In indemnification agreements, 3:61 et seq.
 - Provisions in indemnification agreements, 3:73
- Assessment of against a losing plaintiff, 3:2 et seq.
- Attorneys' fees in indemnification, 3:35
- Claim expenses, 2:55 to 2:59
- Corporate participation in common defense, 2:57
- Covered under indemnification statutes, 3:34 et seq.
- Deduction of litigation expenses by corporation, 6:2 et seq.
- Deduction of litigation expenses by officers and directors, 6:13

COSTS AND EXPENSES—Cont'd

- Defense expenses, federal securities law, 5:7, 5:8
- D&O insurance allocation of costs, 4:36
- Environmental impairment liability insurance, defense costs, 4:67
- Fees for fees, 3:35
- Financial burden of defense, 2:56
- Indemnification agreements, expenses covered in, 3:60
- Individual managers and corporation represented by same counsel, 2:58
- Limits on deductibility of litigation expenses, 6:11
- Pendente lite, 3:37
- Pro se attorneys' fees in indemnification, 3:36
- Security-for-expenses statutes, 3:3

COURT-ORDERED

INDEMNIFICATION

- Generally, 3:29
- Federal securities actions, 3:31
- Racketeer Influenced and Corrupt Organizations Act, 3:32
- Types of litigation covered, 3:30 et seq.

CREDITORS

- See DEBTORS AND CREDITORS

CRIME CONTROL ACT

- Generally, 5:19

CRIMINAL ACTS

- Criminal and other actions by third parties, 6:3 et seq.
- Statutory claims, 1:59
- Successful defense of, 6:4 et seq.
- Unsuccessful defense of, 6:5

DAMAGES

- Caps and litigation standards, 2:14
- D&O insurance, upon insurer's refusal to pay claim, 4:46
- Indemnification statutes, 3:47

DEADLOCK

- Litigation incidental to control struggles, 1:13

DEBTORS AND CREDITORS

- Expanded fiduciary duties, 1:39
- Non-derivative claims, 1:46

DEFENSE

- Common defense, corporate participation, 2:57
- Corporate participation in defense of insiders, indemnification agreements, 3:66
- D&O insurance duty to defend, 4:7
- Environmental impairment liability insurance, costs, 4:67
- Equitable defenses to derivative actions, 2:42
- Fiduciary liability insurance, 4:74
- Financial burden, 2:56
- Liability based on application defenses, 2:45
- Shareholder derivative suits, 1:4
 - Compromise settlements, 6:10
 - Successful defense of, 6:8
 - Unsuccessful defense of, 6:9
- Taxation
 - Successful defense of criminal actions, 6:4 et seq.
 - Unsuccessful defense of criminal actions, 6:5

DEMAND REQUIREMENT

- Indemnification statutes, 3:48

DERIVATIVE ACTIONS

- Generally, 2:15 et seq.
- Antitakeover measures, 2:20, 2:21
- Breach of fiduciary duty allegations, defense, 2:24
- Business judgment rule, 2:18 to 2:25
- Compliance programs, 2:54
- Conflict of interest statutes, 2:29
- Contemporaneous ownership rule/ doctrine, 2:32
- Corporate interests doctrine. See CORPORATE INTERESTS DOCTRINE
- Corporation as litigant, 2:45
- Defense, 1:4
 - Compromise settlements, 6:10
 - Successful defense of, 6:8
 - Unsuccessful defense of, 6:9

DERIVATIVE ACTIONS—Cont'd

- Demand requirement
 - Generally, 2:33 to 2:41
 - Amended complaint, impact, 2:36
 - Backdating stock options, claims arising, 2:40
 - Disinterested directors, 2:41
 - Executive exculpated from liability, 2:35
 - Futility, 2:34
 - Illustrations, 2:38 to 2:41
 - Insufficient pleading of demand futility, illustration, 2:39, 2:41
 - Sufficient pleading of demand futility, illustration, 2:38
 - Technical requirements, 2:37
- Duty of care statutes, 2:16, 2:17
- Equitable defenses, 2:42
- Exculpatory provisions, 2:26
- Executive-defendants reimbursement
 - Generally, 3:5
- Fair and adequate representation, 2:30, 2:31
- Illegal foreign payments allegations, defense, 2:23
- Indemnification. Insider-defendants reimbursement, below
- Insider-defendants reimbursement
 - “Benefit” fallacy, 3:8
 - Director’s dilemma when the law is unclear, 3:6
 - Pros and cons of reimbursement, 3:9
 - Right to reimbursement after successful defense, 3:7
 - Setting up reimbursement policy, 3:10 et seq.
 - Settlement, 3:12
- Internal affairs doctrine, 2:43
- Mergers, business judgment rule, 2:19
- Non-constituency statutes, 2:27
- Ratification, 2:44
- Security for expenses statutes, 2:28
- Special litigation committees, 2:25
- Takeovers
 - Antitakeover measures, 2:20, 2:21
 - Duty of care, 2:17

INDEX

DERIVATIVE ACTIONS—Cont'd

Taxation issues, 6:7 et seq.

DIRECT ACTIONS

Generally, 1:5

DIRECTORS AND OFFICERS

Deduction of litigation expenses by, 6:13

Directors entitled to indemnification if vindicated, 3:28

Director's service with another corporation, 3:24

Disinterested directors and derivative actions, 2:22, 2:41

Fiduciary duties, 1:43, 1:44

Indemnification payments taxable as income to, 6:12

Liability of persons "about to become directors", 5:9

Responsible corporate officer doctrine and liability, 1:78

Who is officer and fiduciary duties, 1:43

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE (D&O)

Generally, 4:1 et seq.

Allocation of costs, 4:36

Application defenses, 4:45

Bankrupt corporations, 4:51

"Bump up" exclusion, 4:21

Cancellation clause, 4:39

Claim, definitions, 4:11

Claims-made coverage, 4:4

Clauses

Coinsurance, retention, 4:6

Cooperation, 4:40

Discovery, 4:38

Insuring, 4:9

Coinsurance, retention clauses, 4:6

Cooperation clauses, 4:40

Coverage of advances pending adjudication or settlement, 4:47

Definitions, 4:10 et seq.

Denial of insurer liability based on application defenses, 4:45

Directors and officers, definitions, 4:12

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

(D&O)—Cont'd

Discovery clause, 4:38

Dishonesty exclusion, 4:17

Duty to defend, 4:7

Effect of settlements on dishonesty exclusion, 4:18

Emerging trends in, 4:2

Endorsements excluding particular types of claims, 4:35

Environmental claims, exclusions, 4:33

Excessive executive compensation exclusions, 4:25

Excess/secondary coverage, 4:48

Exclusions

Generally, 4:15 et seq.

Bodily injury, 4:22

"Bump up," 4:21

Dishonesty, 4:17

Effect of settlements on dishonesty exclusion, 4:18

Endorsements excluding particular types of claims, 4:35

Environmental claims, 4:33

Excessive executive compensation, 4:25

Federal securities laws, 4:20

Franchisee, 4:32

"Insured v. insured," 4:24

Intentional conduct, 4:19

Litigation, prior and pending, 4:29

Matters deemed "uninsurable" under applicable law, 4:16

Other insurance, 4:34

Personal profit, 4:26

Prior acts, 4:28

Prior knowledge, 4:30

Professional services, 4:27

Regulatory agency, 4:23

Written or oral contract, 4:31

Federal securities laws exclusions, 4:20

Franchisee exclusion, 4:32

Historical development, 4:2

Indemnity vs. liability policy, 4:7

"Insured v. insured" exclusions, 4:24

**DIRECTORS' AND OFFICERS'
LIABILITY INSURANCE**

(D&O)—Cont'd

- Insuring clauses, 4:9
- Intentional conduct exclusion, 4:19
- Limits of liability, 4:4
- Litigation, exclusion of prior and pending, 4:29
- Loss, definitions, 4:14
- Losses, settlements as, 4:42
- Loss interpretation case law, 4:43
- Matters deemed "uninsurable" under applicable law, 4:16
- Nonprofit corporations, 4:50
- Nonprofit corporations taxation effects, 6:15
- Notice clause, 4:37
- Other insurance, exclusions, 4:34
- Penalties upon insurer's refusal to pay claim, 4:46
- Personal profit exclusions, 4:26
- Policy construction, 4:41, 4:42
- Policy structure, 4:8
- Premiums, 4:3
- Prior acts exclusions, 4:28
- Prior and pending litigation, exclusions, 4:29
- Prior knowledge, exclusions, 4:30
- Professional services exclusions, 4:27
- Regulatory agency exclusions, 4:23
- Reinsurance, 4:49
- Settlements
 - Coverage of advances pending adjudication or settlement, 4:47
 - Duties, 4:7
 - Effect of settlements on dishonesty exclusion, 4:18
 - As losses, 4:42
- Severability of interest, 4:44
- Sufficiency of notice, 4:37
- Taxation effects, 6:14 et seq.
- Taxation effects, nonprofit corporations, 6:15
- Written or oral contract exclusion, 4:31
- Wrongful act, definitions, 4:13

DISCRIMINATION

- Employment, 1:51, 1:52, 1:54

**DODD-FRANK WALL STREET
REFORM AND CONSUMER
PROTECTION ACT**

- Generally, 5:16
- Statutory claims, 1:72

DUTY OF CARE

- Fiduciary duties, 1:26 to 1:29
- Statutes, 2:16, 2:17
- Takeovers, 2:17

DUTY OF LOYALTY

- Fiduciary duties, 1:30 to 1:35

ELECTIONS

- Challenging, 1:20

**EMPLOYEE RETIREMENT
INCOME SECURITY ACT**

- Generally, 5:20
- Indemnification agreements, 3:59
- Indemnification statutes, 3:40
- Statutory claims, 1:58

EMPLOYMENT

- Generally, 1:50 to 1:56
- Age Discrimination in Employment Act, 1:54
- Americans with Disabilities Act, 1:53
- Civil rights, 1:51 to 1:56
- Discrimination, generally, 1:52
- Employee Retirement Income Security Act (ERISA), 1:58
- Employment practices liability insurance
 - Generally, 4:57 to 4:60
 - Exclusions, 4:60
 - What is covered, 4:58
 - Who is covered, 4:59
- Fair Labor Standards Act, 1:55
- Family and Medical Leave Act, 1:56
- Occupational Safety and Health Act, 1:61
- Title VII, 1:52

ENVIRONMENT

- Directors' and officers' liability insurance, exclusions, 4:33

INDEX

ENVIRONMENT—Cont'd

- Environmental impairment liability insurance
 - Generally, 4:61 to 4:69
 - Claims-made coverage, 4:66
 - Defense costs, 4:67
 - Definitions, 4:68
 - Exclusions, 4:69
 - Historical development, 4:62
 - Site specific policies, 4:64 to 4:69
 - Types of policies, 4:63 to 4:69
 - What is covered, 4:64
 - Who is covered, 4:65
- Statutory claims, 1:57

EQUITABLE DEFENSES

- Derivative actions, 2:42

ESTOPPEL

- Silence, estoppel by and litigation standards, 2:10

EXCHANGE ACT

- Generally, 1:65 to 1:68
- Section 10(b), 1:66
- Section 14(a), 1:67
- Section 16(b), 1:68

EXCULPATORY PROVISIONS

- Derivative actions, 2:26

EXPENSES

- See COSTS AND EXPENSES

FAIR LABOR STANDARDS ACT

- Employment claims, 1:55

FALSE STATEMENTS

- Statutory claims, 1:59

FEDERAL SECURITIES LAWS

- Generally, 5:1 et seq.
- Acceleration power use to enforce policy, 5:10
- Bankruptcy Code: allowance, subordination of indemnity claims, 5:15
- Comprehensive Environmental Response, Compensation, and Liability Act, 5:21
- Conclusion, 5:23

FEDERAL SECURITIES LAWS

—Cont'd

- Contractual indemnification validity, public policy considerations, 5:6
- Contribution
 - Implied, 5:12
 - Statutory provisions, 5:11
- “Controlling persons” definition, 1:69
- Crime Control Act, 5:19
- Disclosure to shareholders, 5:14
- Dodd-Frank Wall Street Reform and Consumer Protection Act, 5:16
- D&O insurance exclusions, 4:20
- Employee Retirement Income Security Act, 5:20
- Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), 5:18
- Foreign Corrupt Practices Act, 5:4
- Implied contribution, 5:12
- Indemnification policies under, 5:5 et seq.
- Insider reimbursement common law, 3:4
- Investment Company Act of 1940, 5:2 et seq.
- Legal expenses of defense, 5:7, 5:8
- Liabilities
 - Persons “about to become directors”, 5:9
 - Sarbanes-Oxley Act, 5:22
- National banks, 5:17
- Other liabilities under, 5:13
- State policy vs. Investment Company Act of 1940, 5:3
- Statutory provisions for contribution, 5:11

FEES

- See COSTS AND EXPENSES

FIDUCIARY DUTIES

- Generally, 1:25 et seq.
- Banking corporations, expanded duties, 1:38
- Business judgment rule defense in breach allegations, 2:24
- Change of control, expanded duties, 1:42

FIDUCIARY DUTIES—Cont'd

- Creditors, expanded duties, 1:39
- Duty of care
 - Generally, 1:26 to 1:29
 - Disclosure, 1:27
 - Inquiry, 1:28
 - Oversight, 1:29
- Duty of loyalty
 - Generally, 1:30 to 1:35
 - Competing with corporation, 1:34
 - Conflict of interest, 1:32
 - Corporate opportunity, usurpation, 1:33
 - Good faith, 1:31
 - Sale of shares, 1:35
- Duty of obedience, 1:36
- Expanded duties, 1:37 to 1:42
- Fiduciary liability insurance
 - Generally, 4:70 to 4:75
 - Claims made coverage, 4:71
 - Defense, 4:73
 - Exclusions, 4:74
 - Who is covered, 4:72
- Insolvency, expanded duties, 1:40, 1:41
- Officers, 1:43, 1:44
- Zone of insolvency, expanded duties, 1:41

**FINANCIAL INSTITUTIONS
REFORM, RECOVERY AND
ENFORCEMENT ACT
(FIRREA)**

- Generally, 5:18

FOREIGN CORPORATIONS

- Doing business in state, 3:41

**FOREIGN CORRUPT PRACTICES
ACT**

- Generally, 5:4
- Statutory claims, 1:60

FRAUD AND DECEIT

- Dishonesty exclusion, D&O insurance, 4:17
- Statutory claims, 1:59

**GENERAL LIABILITY
INSURANCE**

- See INSURANCE

GOLDEN PARACHUTES

- Litigation incidental to control struggles, 1:16

GOOD FAITH

- Duty of loyalty, 1:31

IMPLIED CONTRIBUTION

- Federal securities laws, 5:12

INDEMNIFICATION

- Generally, 3:1 et seq.
- Acceleration power use to enforce policy, 5:10
- Agents, 3:21
- Agreements
 - Adoption of indemnification provisions, 3:67
 - Advancement of expenses, 3:61 et seq.
 - Advancement of expenses provisions, 3:73
- Bylaws and charters
 - Application in provision of, 3:62
 - Enforceability, validity, 3:70 et seq.
 - Exclusivity or nonexclusivity, 3:53 et seq.
 - Liability risk reduction legislation, 3:75
 - Provisions, App. 3A
 - Provisions construction, 3:56
 - Stretching to limit of indemnification, 3:72
 - Taking advantage of statute's nonexclusive clause, 3:71
- Categories of insiders covered, 3:63
- Charter indemnification provisions, App. 3A
- Comprehensive Environmental Response, Compensation, and Liability Act, 3:58
- Construction of bylaw provisions, 3:56
- Contract enforceability, validity, 3:70 et seq.
- Contractual right, 3:55
- Corporate participation in defense of insiders, 3:66

INDEX

INDEMNIFICATION—Cont'd

Agreements—Cont'd

- Costs, expenses covered, 3:60
- Drafting of provisions, 3:69
- Employee Retirement Income Security Act, 3:59
- Enforceability of provisions, 3:70 et seq.
- Exclusivity or nonexclusivity of bylaws, 3:53 et seq.
- Exclusivity or nonexclusivity of statutes, 3:52
- Indemnification for circumstances not covered by bylaw terms, 3:54
- Legislation enabling bylaws, articles of incorporation to reduce liability risk, 3:75
- Limitations on management's discretion to indemnify, 3:65
- Litigation covered, 3:57 et seq.
- Notifying stockholders of proposed provision, 3:68
- Parent, subsidiary corporations, 3:64
- Provision enforceability, validity, 3:70 et seq.
- Provisions generally, App. 3A
- Provisions waiver, 3:74
- Scope of, 3:51
- Statutes exclusivity or nonexclusivity, 3:52
- Stretching statutes, bylaws to limit of indemnification, 3:72
- Waiver of indemnification provisions, 3:74
- Bankruptcy Code: allowance, subordination of indemnity claims, 5:15
- "Benefit" fallacy, insider reimbursement common law, 3:8
- Bylaw indemnification provisions, App. 3A
- Common law. See COMMON LAW
- Common law governing, 3:16
- Costs and expenses
 - Assessment of against a losing plaintiff, 3:2 et seq.
 - Security-for-expenses statutes, 3:3

INDEMNIFICATION—Cont'd

- Derivative actions. See DERIVATIVE ACTIONS
- Developments in, 3:18
- Federal securities laws, insider reimbursement common law, 3:4
- Historically, 3:17
- Insiders, 3:21 et seq.
- Limited liability companies, 3:77
- Litigation, not in right of corporation, 3:13 et seq.
- Nonprofit corporations, 3:76
- Payments taxable as income to officers and directors, 6:12
- Plaintiffs, assessment of expenses against a losing plaintiff, 3:2 et seq.
- Policies under federal securities laws, 5:5 et seq.
- Pro se attorneys' fees in, 3:36
- Settlements, insider reimbursement common law, 3:12
- Statutes
 - Generally, 3:16 et seq.
 - Adoption of indemnification provisions, 3:67
 - Advancement of expenses, 3:44
 - Appeals, 3:39
 - Attorneys' fees, 3:35
 - Bankrupt corporations, 3:49
 - Bylaws taking advantage of statute's nonexclusive clause, 3:71
 - Checks on discretionary, 3:45 et seq.
 - Comprehensive Environmental Response, Compensation, and Liability Act, 3:33
 - Court-ordered, 3:29 et seq.
 - Damages, 3:47
 - Delaware-type statute, 3:50
 - Demand requirement, 3:48
 - Directors entitled to indemnification if vindicated, 3:28
 - Director's service with another corporation, 3:24
 - Employee Retirement Income Security Act, 3:40
 - Exclusivity or nonexclusivity, 3:52

INDEMNIFICATION—Cont'd

Statutes—Cont'd

- Expenses covered, 3:34 et seq.
- Federal securities actions, 3:31
- Fees for fees, 3:35
- Foreign corporations doing business in state, 3:41
- Indemnification authorized by contract, 3:27
- Jury trials, 3:47
- Management's discretion to indemnify, 3:25 et seq.
- Mergers, 3:42
- Modeled on old Delaware law, 3:50
- Nonexclusive clause, 3:26
- Old Delaware-type statute, 3:50
- Pendente lite expenses, 3:37
- Permissive or mandatory, 3:43
- Plaintiffs, 3:22 et seq.
- Pro se attorneys' fees, 3:36
- Proxy contests, 3:23
- Racketeer Influenced and Corrupt Organizations Act, 3:32
- Reports to shareholders, 3:46
- Settlements, 3:38
- Stretching statutes, bylaws to limit of indemnification, 3:72
- Success on the merits, 3:43
- Types of litigation covered, 3:30 et seq.
- Testing scope of, 3:19 et seq.
- Third-party situation, voluntary indemnification in, 3:15
- Who may be indemnified, 3:20 et seq.

INSIDER INDEMNIFICATION

- Generally, 3:21
- Categories of insiders covered by agreements, 3:63
- Corporate participation in defense of insiders, 3:66
- Directors entitled to indemnification if vindicated, 3:28
- Director's service with another corporation, 3:24
- Indemnification authorized by contract, 3:27

INSIDER INDEMNIFICATION—Cont'd

- Management's discretion to indemnify, 3:25 et seq.
- Nonexclusive clause, 3:26
- Plaintiffs, 3:22 et seq.
- Proxy contests, 3:23

INSOLVENCY

- Expanded duties, 1:40, 1:41

INSURANCE

- Directors' and officers' liability insurance. See DIRECTORS' AND OFFICERS' LIABILITY INSURANCE (D&O)
- Employment practices liability insurance. See EMPLOYMENT
- Environmental impairment liability insurance. See ENVIRONMENT
- Fiduciary liability insurance. See FIDUCIARY DUTIES
- General liability insurance
 - Generally, 4:53 to 4:56
 - Exclusions, 4:56
 - What is covered under general liability, 4:55
 - Who is covered under general liability, 4:54

INTERNAL AFFAIRS DOCTRINE

- Derivative actions, 2:43

INVESTMENT COMPANY ACT OF 1940

- Generally, 5:2 et seq.
- State policy vs., 5:3

JUMPSTART OUR BUSINESS STARTUPS (JOBS) ACT

- Statutory claims, 1:73

JURISDICTION

- Litigation, 2:4

JURY TRIALS

- Indemnification statutes, 3:47

LACHES AND DELAY

- Litigation standards, 2:9

INDEX

LIABILITY

- Acceleration power use to enforce policy, 5:10
- Agency theory of liability, 1:76
- Denial of insurer liability based on alleged fraud in application, 4:45
- Federal law definition of “controlling persons”, 1:69
- Federal securities laws, other liabilities under, 5:13
- Participation theory of liability, 1:75
- Persons “about to become directors”, 5:9
- Piercing the corporate veil, 1:77
- Public welfare offense doctrine, 1:79
- Responsible corporate officer doctrine, 1:78
- Risk reduction legislation (indemnification agreements), 3:75
- Sarbanes-Oxley Act, 5:22
- Theories, 1:75 to 1:80

LIMITED LIABILITY COMPANIES

- Indemnification, 3:77

LITIGATION

- Business judgment rule, special litigation committees, 2:25
- Corporation as litigant, 2:45
- Damages caps, 2:14
- Deduction of litigation expenses by corporation, 6:2 et seq.
- Deduction of litigation expenses by officers and directors, 6:13
- Estoppel by silence, 2:10
- Federal Rule of Civil Procedure, pleading, 2:12
- General standards, 2:3
- Indemnification agreements coverage, 3:57 et seq.
- Jurisdiction, 2:4
- Laches, 2:9
- Limits on deductibility of litigation expenses, 6:11
- Not in right of corporation, 3:13 et seq.
- Pleading standards, 2:11 to 2:13

LITIGATION—Cont’d

- Private Securities Litigation Reform Act, pleading, 2:13
- Sarbanes-Oxley Act, 5:22
- Standards, generally, 2:3 to 2:14
- Standing, 2:6
- Statutes of limitation, 2:8
- Statutes of repose, 2:8
- Time limitations, 2:7 to 2:10
- Types covered under court-ordered indemnification, 3:30 et seq.
- Venue, 2:5

LOCK-UP OPTION

- Litigation incidental to control struggles, 1:14

LOSS

- Definitions for directors’ and officers’ liability insurance (D&O), 4:14

MANAGEMENT’S DISCRETION TO INDEMNIFY

- Insider indemnification, 3:25 et seq.
- Limitations on in indemnification agreements, 3:65

MERGERS

- Business judgment rule, 2:19
- Indemnification statutes, 3:42

NON-DERIVATIVE CLAIMS

- Generally, 1:45 et seq.
- Debts and contracts, 1:46
- Torts, 1:47

NONEXCLUSIVE CLAUSE

- Indemnification statutes, 3:26

NONPROFIT CORPORATIONS

- D&O insurance, 4:50
- Indemnification, 3:76
- Taxation effects, D&O insurance, 6:15

OCCUPATIONAL SAFETY AND HEALTH ACT

- Statutory claims, 1:61

PARENT, SUBSIDIARY CORPORATIONS

- Indemnification agreements, 3:64

PENDENTE LITE EXPENSES

Generally, 3:37

PERSONAL EXPENSES

Capacity and incapacity, 1:9

PIERCING THE CORPORATE VEIL

Liability, 1:77

PLAINTIFFS

Assessment of expenses against a losing plaintiff, 3:2 et seq.

Indemnification statutes, 3:22 et seq.

POISON PILL

Litigation incidental to control struggles, 1:13

PRIVATE SECURITIES LITIGATION REFORM ACT

Pleading, 2:13

Statutory claims, 1:70

PRO SE ATTORNEYS

Fees in indemnification, 3:36

PROXY

Contest, 1:23

PROXY CONTESTS

Indemnification statutes, 3:23

PUBLIC WELFARE OFFENSE DOCTRINE

Liability, 1:79

RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT

Court-ordered indemnification, 3:32

Statutory claims, 1:62

RECEIVERSHIP

Corporations right to resist demands, 2:49

RESPONSIBLE CORPORATE OFFICER DOCTRINE

Liability, 1:78

RISK

Defining, 1:1 et seq.

Diminishing, 2:1 et seq.

Historical perspective, 1:2

RISK—Cont'd

Philosophical underpinning, 2:2

Ubiquity of claims activity, 1:3

SARBANES-OXLEY ACT

Generally, 5:22

Statutory claims, 1:71

SECURITIES

Generally, 1:63 to 1:73

Dodd-Frank Wall Street Reform and Consumer Protection Act, 1:72

Exchange Act, 1:65 to 1:68

Jumpstart Our Business Startups (JOBS) Act, 1:73

Private Securities Litigation Reform Act, 1:70

Sarbanes-Oxley Act, 1:71

Section 10(b) of Exchange Act, 1:66

Section 14(a) of Exchange Act, 1:67

Section 16(b) of Exchange Act, 1:68

Securities Act, 1:64

SECURITIES ACT

Statutory claims, 1:64

SECURITIES AND EXCHANGE COMMISSION (SEC)

Acceleration power use to enforce policy, 5:10

SETTLEMENTS

Compromise, shareholder derivative suits, 6:10

Corporation's right to defend its own interests, 2:53

D&O insurance

Coverage of advances pending adjudication or settlement, 4:47

Duties, 4:7

Effect of settlements on dishonesty exclusion, 4:18

As losses, 4:42

Indemnification statutes, 3:38

Insider reimbursement common law, 3:12

Of third-party suits, taxation issues, 6:6

INDEX

SEVERABILITY OF INTEREST

Directors' and officers' liability insurance (D&O), 4:44

SHAREHOLDER DERIVATIVE SUITS

See DERIVATIVE ACTIONS

SHAREHOLDERS

Backdating stock options, claims arising from, 2:40

Consultation by corporation management, 2:52

Control, struggles for and litigation, 1:15

Corporate interests, 2:46

Derivative actions. See DERIVATIVE ACTIONS

Derivative suits, taxation issues, 6:7 et seq.

Disclosure to, 5:14

Disclosure to shareholders, federal securities laws, 5:14

Duty of loyalty of executives and sales of shares, 1:35

Executive's dealings in, 1:11

Federal law definition of "controlling persons", 1:69

Indemnification statutes on reports to, 3:46

Notifying stockholders of proposed indemnification provision, 3:68

SPECIAL LITIGATION COMMITTEES

Business judgment rule, 2:25

STANDING

Litigation, 2:6

STATUTES OF LIMITATION

Litigation standards, 2:8

STATUTES OF REPOSE

Litigation standards, 2:8

STATUTORY CLAIMS

Generally, 1:48 et seq.

Antitrust claims, 1:49

Controlling persons, securities, 1:69

Criminal catch-alls, 1:59

STATUTORY CLAIMS—Cont'd

Dodd-Frank Wall Street Reform and Consumer Protection Act, 1:72

Employee Retirement Income Security Act (ERISA), 1:58

Employment claims, 1:50 to 1:56

Environmental claims, 1:57

Exchange Act, 1:65 to 1:68

False statements, 1:59

Foreign Corrupt Practices Act, 1:60

Fraud, 1:59

Jumpstart Our Business Startups (JOBS) Act, 1:73

Occupational Safety and Health Act, 1:61

Private Securities Litigation Reform Act, 1:70

Racketeer Influenced and Corrupt Organizations Act (RICO), 1:62

Sarbanes-Oxley Act, 1:71

Securities, 1:63 to 1:73

Securities Act, 1:64

Taxation, 1:74

STRIKE SUITS

Corporation's right to defend its own interests, 2:51

SUBSIDIARY CORPORATIONS

Indemnification agreements, 3:64

TAXATION

Generally, 6:1

Criminal and other actions by third parties, 6:3 et seq.

Deduction of litigation expenses

Corporation, 6:2 et seq.

Officers and directors, 6:13

D&O insurance effects

Generally, 6:14 et seq.

Nonprofit corporations, 6:15

Indemnification payments taxable as income to officers and directors, 6:12

Limits on deductibility of litigation expenses, 6:11

Settlement of third-party suits, 6:6

Shareholder derivative suits, 6:7 et seq.

Statutory claims, 1:74

INDEMNIFICATION AND INSURANCE

TAXATION—Cont'd

Successful defense of criminal actions, 6:4 et seq.

Unsuccessful defense of criminal actions, 6:5

TENURE

Transactions occurring before or after, 1:10

THIRD-PARTY SITUATION

Settlement of third-party suits, 6:6

Taxation, criminal and other actions by third parties, 6:3 et seq.

Voluntary indemnification in, 3:15

TIME AND DATE

Litigation standards, 2:7 to 2:10

Statutes of limitation, 2:8

Statutes of repose, 2:8

TORTS

Non-derivative claims, 1:47

VENUE

Litigation, 2:5

WRONGFUL ACT

Definitions for directors' and officers' liability insurance (D&O), 4:13