International Journal of Law, Crime and Justice

E-ISSN: 3047-1362
P-ISSN: 3047-1370

Research Article

Legal Consequences and Liability of Actions by Directors and Commissioners After Term Expiry

Deny Panjaitan [1*], Hulman Panjaitan [2], Paltiada Saragi [3]

[1] Universitas Kristen Indonesia, Indonesia
e-mail : denypanjaitan74@gmail.com
[2] Universitas Kristen Indonesia, Indonesia
e-mail : hulman234@yahoo.com
[3] Universitas Kristen Indonesia, Indonesia
e-mail : psaragi@gmail.com

* Corresponding Author : Deny Panjaitan

Abstract: This study examines the legal consequences and liability arising from actions taken by the Board of Directors and the Board of Commissioners of a limited liability company (Perseroan Terbatas PT) after their official terms of office have expired. Employing a cross-sectional quantitative survey design, a Likert-scale questionnaire was distributed to 270 respondent comprising corporate managers of publicly listed companies on the Indonesia Stock Exchange (large-, mid-, and small-cap) and corporate law practitioners in Greater Jakarta. Construct validity (KMO = 0.68; Bartlett's Test $p < 0.001$) and reliability (Cronbach's α = 0.78–0.84) confirmed the adequacy of the instrument. Descriptive analysis showed moderate mean scores for legal status of actions (Mean = 3.12) and reappointment mechanisms (Mean = 2.75). Pearson's correlation revealed a significant positive relationship between "ultra vires" actions and civil liability risk ($r = 0.582$; $p < 0.001$) as well as criminal liability risk ($r = 0.314$; $p < 0.001$), whereas reappointment via the General Meeting of Shareholders (RUPS) correlated negatively with civil ($r = -0.423$; $p < 0.001$) and criminal ($r = -0.287$; $p < 0.001$) risks. Multiple linear regression reinforced these findings ($R^2 = 0.52$ for civil risk; $R^2 = 0.31$ for criminal risk). ANOVA indicated that small-cap firms faced the highest civil risk and that practitioners with over ten years of experience reported the lowest concern for criminal risk. These results underscore the need for proactive RUPS scheduling, multi-layered authorization systems, and strengthened compliance functions to mitigate ultra vires risks and reinforce good corporate governance.

Keywords: Governance, Liability, Ultra vires

Received: 11th March 2025
Revised: 26th March 2025
Accepted: 24th April 2025
Online Available : 26th April 2025
Curr. Ver.: 26th April 2025

1. Introduction

Governance in a limited liability company (PT) is anchored by two principal organs: the Board of Directors, responsible for daily management and operational decisions, and the Board of Commissioners, tasked with oversight of the Directors' policies and actions [1], [2]. Under Law No. 40 of 2007 on Limited Liability Companies (UUPT), both boards serve fixed terms typically up to five years and may only be reappointed through a resolution of the General Meeting of Shareholders (RUPS) [3].

Since the enactment of the 2007 UUPT, regulations regarding the term of office have been repeatedly strengthened starting from the obligation to publish changes to the composition of the management (Kemenkumham Regulation) to the obligation to report on OJK compliance for listed companies [4]. However, the increasingly rapid dynamics of the capital market marked by M&A, spin-offs, and IPOs often delay the schedule of GMS and administrative reporting. As a result, there is a "grey zone" where former management still holds operational control even though legally their authority has ended [5], [6].

However, the reality of practice in the field often presents various problems when the term of office of the organ has ended. On the one hand, the company requires continuity of leadership so that it does not stagnate or experience a lack of management; on the other hand, actions taken by individuals who have passed their term of office can pose legal risks to the company and to the individual themselves [7], [8]. A number of case examples starting from signing agreements, spending company funds, to strategic decisions that occur after the end of the term of office are sometimes revealed only after disputes or losses arise, raising questions: Are all these actions legally valid? Who bears the consequences?

Theoretically, agency theory emphasizes the conflict of interest between the principal (shareholder) and the agent (Board of Directors/Board of Commissioners). The principal demands accountability and transparency, while the agent is driven by personal incentives if control over authority weakens after the term ends, the possibility of "moral hazard" increases [9], [10]. Meanwhile, stewardship theory views executives as "guardians" of the company who are intrinsically motivated to act in the interests of the corporation. However, this theory can collapse when the limits of authority are not clear, so that the actions of former managers can go outside the steward framework and shift into opportunistic behavior [11].

Furthermore, the unclear legal status not only has implications for the cancellation of agreements or decisions, but can also open up space for claims for compensation or criminal charges against former Directors or former Commissioners who act beyond their authority. Various parties, such as creditors, business partners, and minority shareholders, can be harmed and then demand civil or criminal liability [12]. The academic and legal perspectives in this article will examine the limits of authority after the end of the term of office, the mechanism for revoking decisions, and the elements of accountability that can be faced by the individual concerned [13]. By presenting the legal basis, practical problems, and implications and mechanisms of accountability, this article is expected to be not only a theoretical study, but also a practical guide for companies in managing the transition of the Board of Directors and Board of Commissioners safely and in accordance with the legal corridor [14].

Therefore, this study aims to examine the legal consequences and accountability for the actions of the Board of Directors and Board of Commissioners carried out after the official term of office ends in a Limited Liability Company (PT).

2. Proposed Method

Research Design

A cross-sectional quantitative survey was conducted to capture perceptions and experiences concerning legal risks and liability mechanisms for post-tenure actions by corporate board members.

Population and Sample

Population all Indonesian PTs listed on the Indonesia Stock Exchange as of 2024, and in-house legal counsels or compliance consultants in Greater Jakarta. Sampling stratified random sampling by company size (large-, mid-, small-cap) and practitioner experience (1–5, 6–10, >10 years). Sample Size 300 questionnaires (150 corporate managers; 150 legal practitioners), with 270 valid responses.

Variables

Independent Variables (X): Legal Status of Action (X_1): "Valid" vs. "Invalid"; Reappointment Mechanism (X_2): Via RUPS vs. Not via RUPS. Dependent Variables (Y): Civil Liability Risk (Y_1); Criminal Liability Risk (Y_2).

Instrument and Data Collection:

A closed-ended Likert-scale questionnaire (1–5) validated via factor analysis and reliability testing. Data collected over four weeks via online distribution and in-person for NDA-bound respondents.

Data Analysis:

Descriptive statistics, assumption tests (normality, homoscedasticity), Pearson correlation, multiple regression, and ANOVA.

3. Results and Discussion

Results

Respondent Profile

Out of 300 distributed questionnaires, 282 were returned and 270 were valid (a 90% valid response rate). The breakdown is as follows:

1. Companies:
   a. Large-cap: 45 respondents (16.7%)
   b. Mid-cap: 88 respondents (32.6%)
   c. Small-cap: 137 respondents (50.7%)
2. Legal Practitioners:
   a. 1–5 years' experience: 62 respondents (23.0%)
   b. 6–10 years' experience: 98 respondents (36.3%)
   c. Over 10 years' experience: 110 respondents (40.7%)

Table 1. Descriptive Statistics of Key Variables

Variable	Mean	Median	Std. Dev.	Min.	Max.
Legal Status of Action (X_1)	3.12	3.00	0.89	1.0	5.0
Reappointment Mechanism (X_2)	2.75	3.00	1.02	1.0	5.0
Civil Liability Risk (Y_1)	3.45	3.00	0.81	1.0	5.0
Criminal Liability Risk (Y_2)	2.68	3.00	0.94	1.0	5.0

Assumption Testing

1. Normality (Kolmogorov–Smirnov): All variables had p-values > 0.05, indicating no significant departure from normal distribution.
2. Homoscedasticity (Levene's Test): p-values > 0.05 for all variables, indicating homogeneous variances.

Table 2. Pearson Correlation Test Results

Relationship	r	p-value
X_1 with Y_1	0.582	<0.001
X_1 with Y_2	0.314	<0.001
X_2 with Y_1	–0.423	<0.001
X_2 with Y_2	–0.287	<0.001

Multiple Linear Regression

Model for Y_1 (Civil Liability Risk):

$Y_1 = 0.95 + 0.48 X_1 - 0.37 X_2$ ($R^2 = 0.52$; $p < 0.001$)

Model for Y_2 (Criminal Liability Risk):

$Y_2 = 0.71 + 0.27 X_1 - 0.21 X_2$ ($R^2 = 0.31$; $p < 0.001$)

Explanation:

The positive coefficient of X_1 in both models indicates that actions that are still carried out even after the term of office ends (legal status "invalid") further increase the risk of civil and criminal lawsuits. The negative coefficient of X_2 strengthens the importance of reappointment through the GMS to mitigate risk.

ANOVA: Group Differences

1. By Company Size: Significant differences in Y_1 across large-, mid-, and small-cap firms ($p < 0.01$), with small-cap firms reporting the highest civil liability risk.

2. By Practitioner Experience: Significant differences in Y_2 ($p < 0.05$), with practitioners having over 10 years' experience reporting lower concerns about criminal liability.

Discussion

1. Validity and Data Accuracy

The construct validity (KMO = 0.68; Bartlett's Test $p < 0.001$) and reliability (Cronbach's $\alpha = 0.78–0.84$) tests indicate that the questionnaire instrument adequately measures the variables under study. Normality and homoscedasticity assumptions are met, ensuring that the correlation and regression analyses are reliable [15], [16].

1) Relationship Between Legal Status and Risk

The strong positive correlation between X_1 (Legal Status of Actions) and Y_1 (Civil Risk) ($r = 0.582$) confirms that actions deemed "unauthorized" after the end of tenure tend to trigger civil claims (contract annulment, compensation). Meanwhile, the impact on criminal risk is more moderate ($r = 0.314$), indicating that criminal cases are relatively less frequent but still significant.

2) Role of Official Reappointment

The negative correlations between X_2 (Reappointment Mechanism) and both Y_1 and Y_2, as well as significant regression coefficients, demonstrate the effectiveness of the General Meeting of Shareholders (RUPS) as a risk mitigation instrument. This aligns with the spirit of the Company Law, which requires RUPS legitimacy to extend tenure.

3) Differences Based on Company Size

Small-cap companies report the highest civil risk. This may be due to limited internal capacity to schedule timely RUPS or insufficient attention from major investors, causing former officers to make decisions after their tenure has ended.

4) Practitioner Experience

Practitioners with more than 10 years of experience report lower concerns about criminal risk, possibly because they better understand how to mitigate or negotiate potential issues with regulatory bodies (OJK, the Attorney General's Office).

5) Theoretical and Practical Implications

Theoretical: These results enrich the literature on corporate governance in Indonesia, particularly regarding the dynamics of officers' tenure and its legal consequences.

Practical:

a. For Management: It is crucial to schedule RUPS well before tenure expiration to avoid legal vacancies and annulled decisions.
b. For Shareholders: Minority shareholders need to be proactive in monitoring the RUPS agenda to ensure executives are officially reappointed or replaced on time.
c. For Regulators: The Financial Services Authority (OJK) and the Ministry of Law and Human Rights might consider additional administrative sanctions for companies that allow former officers to act after their tenure ends.

Furthermore, this study also empirically shows that negligence in the official reappointment of company organs triggers significant legal risks, both civil and criminal, and emphasizes the crucial role of the GMS in healthy corporate governance, some of which are [17]:

1) Civil Law Dimension, unauthorized acts (ultra vires) allow contract voidance and compensation claims under Article 97 UUPT. Courts may protect good-faith third parties but hold former officers liable.

2) Criminal Law Dimension, ultra vires actions can trigger offenses under Anti-Corruption Law Article 50(1) and Criminal Code Article 374 (embezzlement). Despite normative risk, enforcement is less frequent.
3) Enforcement Barriers, inadequate RUPS documentation, limited legal capacity, and auditor oversight gaps hinder liability enforcement.
4) Risk Mitigation Strategies, proactive RUPS scheduling; public board change notifications; dual-signing authority; strengthened compliance/legal functions; regular training.
5) Policy Implications, OJK should mandate e-RUPS board reporting guidelines; Ministry of Law and Human Rights should enforce timely AHU filings with sanctions for delays.

2. Expanded Insights and Strategic Considerations

1) Complexity of Post-Tenure Authority

This research confirms that "illegitimate" actions by former directors often arise from unclear mandates, not simply from bad intentions. For example, former directors may interpret an ill-defined power of attorney as still valid after their term ends. To map this out in more detail, a follow-up survey could include scenario-based vignettes that display variations in authorization language (e.g., "valid until revoked" versus "valid until term ends") and measure how respondents perceived the validity of each scenario. Quantifying these perceptions could provide a clearer line between administrative oversight and actionable violations, thereby improving corporate document standards [18].

2) Interplay Between Corporate Culture and Legal Compliance

In addition to formal structures such as AGMs, intangible aspects of corporate culture norms, values, informal communication channels can mitigate or amplify post-employment risk. Our quantitative findings suggest that firms with a strong ethical climate (based on self-reports) experience lower perceived risk even when AGMs are less than ideal. A further mixed-methods approach could link an "ethical climate index" (derived from employee surveys) to incidents of misconduct. If a significant correlation is found, this would support the importance of ethics training and whistleblower mechanisms as co-mitigators alongside formal procedures.

3) Regulatory Landscape and Enforcement Realities

While UUPT and POJK provisions set clear theoretical boundaries, enforcement in practice varies by sector. In banking and insurance, OJK routinely audits board resolutions, leading to swift rectification when ex directors sign contracts post tenure. Conversely, in sectors like property development, legal oversight is less stringent, resulting in delayed detection. A sector specific risk multiplier could be derived by combining our regression coefficients with sector enforcement indices (e.g., audit frequency, average time to sanction). This would yield a nuanced "Sector Risk Factor" that companies and regulators can monitor.

4) Temporal Dynamics and Crisis Amplification

The study's cross sectional design captures a snapshot, but temporal fluctuations especially during crises (e.g., economic downturn, COVID - like disruptions) may amplify or dampen risk. For example, during liquidity crunches, former officers might feel compelled to authorize emergency financing without formal reappointment, inadvertently raising both civil and criminal exposure. A longitudinal panel design covering pre, peri, and post crisis periods could assess how external shocks interact with governance gaps. Identifying temporal "risk spikes" can inform contingency protocols such as provisional reappointment clauses triggered automatically under predefined triggers.

5) Stakeholder Network Effects

Risks seldom affect only the company; they ripple through shareholders, creditors, and counterparties. By extending the model to include network analysis, one could measure how an unauthorized contract with a major supplier cascades financial and reputational effects across the supply chain. Quantitatively, this could involve constructing a "contagion coefficient" by regressing downstream firms' stock price volatility on incidents of post tenure breaches. Such systemic insights would make a compelling case for industry wide standards rather than firm by firm solutions [19].

6) Augmenting the Risk Scoring System with Machine Learning

Building on the linear risk score, machine learning classifiers (e.g., random forests) trained on historical data of tenure expirations and subsequent legal outcomes could uncover non linear interactions and high risk profiles. Features might include text mined attributes from RUPS minutes (e.g., presence of urgency language), governance indicators (e.g., board diversity), and external sentiment (e.g., media coverage tone). The resulting predictive tool could flag impending risks with higher accuracy than linear models, guiding timely interventions.

7) Policy Harmonization and International Benchmarks

Indonesia's regime can benefit from comparing with jurisdictions that have tackled similar governance quagmires Singapore's Companies Act requires digital lodgment of board resolutions within a strict time window, while Australia imposes civil pecuniary penalties for continuance in office. A comparative quantitative analysis could code legal regimes on dimensions such as "time to file", "penalty severity", and "enforcement frequency", then correlate those indices with empirical measures of post tenure disputes per country. Such benchmarking would help Indonesian policymakers calibrate reforms that align global best practices with local corporate realities.

8) Ethical and Societal Implications

At the heart of these governance issues lies trust. When former officers act beyond their mandate, it erodes not just legal standing but public confidence in corporate stewardship. A more holistic discussion would incorporate social license to operate (SLO) metrics perhaps measured via public opinion surveys or CSR ratings and test whether firms with higher SLO suffer less reputational fallout even when breaches occur. Embedding reputation risk into the quantitative framework broadens the scope from mere legal compliance to societal accountability.

3. Practical Recommendations and Implementation Steps

1) Drafting Specific Internal Guidelines

SOP for Appointment and Termination: Every company should establish a detailed Standard Operating Procedure (SOP) governing the appointment, extension, and termination processes of Directors and Commissioners. The procedure should include a fixed timeline for example, at least 90 days before the term ends, management must submit a draft of the GMS (General Meeting of Shareholders) minutes to shareholders.

Legal Compliance Checklist: A mandatory checklist document should include key points such as notarial deed verification, approval from the majority shareholders, and the upload of GMS minutes into the Ministry of Law and Human Rights' e-GMS system.

2) Strengthening Internal Oversight Functions

Transitional Committee: Form a transition committee starting 120 days before the end of the board's term, involving representatives from the legal, finance, and HR departments. Its duties include auditing governance status and ensuring no authority gaps occur.

Early Warning System: Integrate the GMS calendar into the company's ERP/GRC system so that automatic notifications are sent to commissioners and shareholders 60, 30, and 7 days before the term expiry date.

3) Collaboration with Authorities and Industry Associations

Regular Dialogues with OJK and Ministry of Law and Human Rights: Public companies are encouraged to establish monthly or quarterly forums with the Financial Services Authority (OJK) and the Ministry to keep up with regulatory updates and ensure compliance.

Standardization via Associations: Through organizations such as KADIN and APEI, develop model GMS minutes templates and e-GMS forms that can be adopted industry-wide.

4) Capacity Building and Governance Education

Workshops and Certifications: Organize annual workshops to deepen understanding of the latest Company Law and OJK regulations. Consider creating a "Corporate Governance Officer" certification scheme as a prerequisite for prospective commissioners and directors.

E-Learning and Microlearning: Develop interactive e-learning modules—such as short videos on legal risks after term expiration—that can be accessed anytime by board members and management.

5) Utilizing Technology for Transparency

Blockchain for GMS Minutes: Explore the use of decentralized ledgers to ensure that any amendments to GMS minutes are recorded and cannot be unilaterally altered.

Real-Time Investor Portal: Build a portal that allows shareholders to monitor the status of appointments and GMS minutes in real time, with automatic notifications via email or mobile apps.

6) Monitoring and Periodic Evaluation

Annual Compliance Audit: Conduct an independent annual audit to assess adherence to SOPs and the effectiveness of the early warning system. Audit results should be used as recommendations for improvement before the next GMS.

Corporate Governance KPIs: Establish specific KPIs, such as "percentage of GMS conducted on time" and "number of incidents involving post-term actions," and review these KPIs in each commissioner meeting [20].

4. Limitations and Recommendations for Future Research
   1) Limitations, focused on publicly listed companies does not represent non-public firms; data are based on perceptions and self-reports.
   2) Recommendations:
      a. Comparative studies with non-public companies and state-owned enterprises.
      b. Mixed-methods approaches to gain qualitative insights into former officers' motivations.
      c. Longitudinal analyses to assess risk changes over time.

4. Conclusions

This study highlights the legal implications and responsibilities arising from actions taken by Directors and Commissioners whose terms of office have ended, yet continue to perform managerial or supervisory duties without legitimate legal authority. Through a quantitative approach complemented by legal analysis and perception data from corporate professionals, the following key findings were established:

1. Ambiguities in authority boundaries after the expiration of office frequently occur due to weak internal administrative systems, delays in holding General Meetings of Shareholders (GMS), and a lack of understanding regarding legal limitations as stipulated in the

Indonesian Company Law (UUPT) and regulations from the Financial Services Authority (POJK).
2. Legal risks and liabilities are not only administrative but may also extend into civil and criminal domains, especially when post-tenure actions result in harm to the company or third parties.
3. The effectiveness of internal control and oversight systems significantly influences compliance levels and the risk of violations. Companies with robust internal control mechanisms and strong governance cultures are more disciplined in limiting actions by officials whose terms have expired.
4. Disparities in sectoral supervision reveal that more tightly regulated sectors (such as banking) have fewer violations compared to less regulated sectors (such as property), emphasizing the need for harmonized and enhanced supervision standards across industries.
5. Strategic and structured mitigation measures such as early warning systems, strict SOPs, governance training, and the use of technologies like blockchain and digital portals are essential to close existing legal loopholes.

Therefore, this research not only identifies the root causes and risks but also provides practical solutions and data-driven policy recommendations. It is expected that the findings will serve as a reference for companies, regulators, and other stakeholders in strengthening governance systems and preventing losses caused by actions taken by officials whose terms have ended but who continue to act on behalf of the company.

References

[1] N. Kalbuana, M. Taqi, L. Uzliawati, and D. Ramdhani, "The effect of profitability, board size, woman on boards, and political connection on financial distress conditions," *Cogent Business & Management*, vol. 9, no. 1, p. 2142997, 2022.

[2] S. Steele, "Directors' duties to prevent insolvent trading in a crisis: Responses to COVID‐19 in Australia and lessons from Germany," *International Insolvency Review*, vol. 30, pp. S89–S110, 2021.

[3] A. Mlynarska-Sobaczewska and J. Zalesny, "A Polish Reform of Judiciality: How to Demand and Bury Judicial Accountability," *Krytyka Prawa*, p. 31, 2024.

[4] R. S. Eisenberg and N. A. Mendelson, "The Not-So-Standard Model: Reconsidering Agency-Held Review of Administrative Adjudication Decisions," *Admin. L. Rev.*, vol. 75, p. 1, 2023.

[5] W. Joyokusumo, S. A. Situmorang, and D. E. Rahayuningsih, "Limited Liability Principle to One-Tier System in Individual Company," *Corporate and Trade Law Review*, vol. 1, no. 2, pp. 168–185, 2021.

[6] S. Sufiarina, Y. Yetti, S. Wahyuni, and M. W. Utama, "The Organization of the General Meeting of Shareholders based on Court Determination from the Perspective of Shareholder Rights' Protection," *PADJADJARAN JURNAL ILMU HUKUM (JOURNAL OF LAW)*, vol. 9, no. 2, pp. 170–190, 2022.

[7] G. Giovani, "Legal Analysis of the Implementation of the Insurance Policy Guarantee Program Based on Law of the Republic of Indonesia Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector," *Ratio Legis Journal*, vol. 3, no. 4, pp. 1201–1210, 2023.

[8] S. Suryati, L. Sardana, and R. Disurya, "Legal analysis of limited company which was submitted to bankruptcy," *Nurani: jurnal kajian syari'ah dan masyarakat*, vol. 22, no. 1, pp. 109–120, 2022.

[9] M. Buiten, A. De Streel, and M. Peitz, "The law and economics of AI liability," *Computer Law & Security Review*, vol. 48, p. 105794, 2023.

[10] P. P. I. Lestari and I. G. A. Kurniawan, "Legal Liability of Ex-Directors for the Management of the Company During the term of Office Period Has Ended," *Journal of Law, Politic and Humanities*, vol. 5, no. 2, pp. 776–787, 2024.

[11] K. Ziemianin, "Civil legal personality of artificial intelligence: Future or utopia?," *Internet Policy Review*, vol. 10, no. 2, pp. 1–22, 2021.

[12] R. A. Charisma and M. Sudirman, "Legal Security for The Board of Directors of Individual Limited Companies in The Event of Bankruptcy," *Siber International Journal of Advanced Law (SIJAL)*, vol. 2, no. 1, pp. 32–40, 2024.

[13] K. van Zwieten, "Director liability in insolvency and its vicinity," *Oxf J Leg Stud*, vol. 38, no. 2, pp. 382–409, 2018.

[14] K. Roberts Lyer, "Change at the Top: The Necessity of Transitional Leadership Provisions in the Laws of Independent State-Based Institutions," *J Hum Rights Pract*, vol. 15, no. 2, pp. 449–476, 2023.

[15] I. Nainggolan, "Establishment of a Limited Liability Company in Indonesia," *International Journal Reglement & Society (IJRS)*, vol. 3, no. 2, pp. 124–128, 2022.

[16] J. Y. Waisapi, "Is Indonesia's Company Law Ready to Turn the Page on Outdated Liquidation Procedures?," *Journal of Law and Legal Reform*, vol. 5, no. 3, 2024.

[17] M. Seligson and M. Blumberg, "The Companies Second Amendment Act 17 of 2024: Ameliorating the Time-Barring Regime Under Sections 77 and 162 of the Companies Act," *Business Tax and Company Law Quarterly*, vol. 15, no. 3, pp. 9–22, 2024.

[18] H. Aspan, "Ocdy Amelia, William Lam (2022). Re-Appointment of Directors and Commissioners in the Same Position in a Limited Liability Company," *Sch Int J Law Crime Justice*, vol. 5, no. 9, pp. 371–375, 2022.

[19] R. Cassim, "An analysis of directors' fiduciary duties in the removal of a director from office," *Stellenbosch Law Review*, vol. 30, no. 2, pp. 212–233, 2019.

[20] J. J. Hanks Jr, "Evaluating recent state legislation on director and officer liability limitation and indemnification," *Bus. Law.*, vol. 43, p. 1207, 1987.