

Protection Against Director Liability

Southold Dance Theater's (SDT) board members have protection against liability arising out of their roles as Directors granted by the State of Indiana which provides by statute that a Director who serves on the Board of a nonprofit corporation without compensation is "immune from civil liability arising out of the performance of those duties," provided that he "exercises reasonable care" (Indiana Code 34-30-4-2). Because all SDT Directors serve without compensation, this statute applies. In practical terms, it means that a Director's only realistic exposure is for the legal fees that he might incur in invoking the statute.