

*DIRECTOR
LIABILITY
QUESTIONNAIRE*

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1. Directors of venture backed or private companies have the same fiduciary duties and responsibilities as directors of public companies?
 T F
2. Directors can rely on attorneys and advisors, and need not read voluminous agreements being approved by the Board?
 T F
3. Directors can solely rely on the presentation made by corporation's CEO or CFO regarding a corporate transaction?
 T F
4. When all or substantially all of the corporation's stock or assets are being acquired, the board should obtain a fairness opinion from an investment banking firm?
 T F
5. Directors have to verify information supplied to outside experts by management?
 T F
6. Directors need to be familiar with the opinion or report?
 T F
7. Directors can be liable solely for making a negligent decision?
 T F
8. A corporation's state of incorporation determines what state's law governs directors duties?
 T F

9. A director did not have the time to read and analyze the board packet because it was delivered to him the day of the Board meeting. His duty is to just abstain.
 T F
10. Director's primary duty is the protection of my venture firm's investment in the company?
 T F
11. Director's owe fiduciary duties to the creditor?
 T F
12. Company needs to minimize the cash burn to sustain itself in order to successfully negotiate a life saving revenue deal. The Board can pay employees to sustain human capital but not the related withholding taxes without liability exposure?
 T F
13. Indemnification and Entity Coverage of D&O Insurance can provide indemnification protection even though the company has filed for bankruptcy protection?
 T F
14. Director Liability claims frequency is
 Up Down
15. D&O Liability Insurance is more available than in the past three (3) years?
 T F

Answers can be obtained at www.svlg.com

