

CEP Magazine – December 2018 Directors and compliance oversight liability

by Jeffrey M. Kaplan

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How useful to promoting compliance is the threat of personal liability to directors for failing to oversee their respective companies' compliance programs? Earlier this year, in a post in the Harvard Law School Corporate Governance Forum,^[1] Donald C. Langevoort of the Georgetown University Law Center reviewed the case law under the famous Caremark decision.^[2] He found the law itself was not particularly strong, but expressed confidence that board members were nonetheless sufficiently motivated to do the right thing, due mainly to:

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