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Chapter 1 : POWER AND LIABILITIES AND DUTIES OF COMPANY AUDITOR

February 16, A shareholder of a company enjoys a number of rights and powers in exchange for their investment in the company.. This article will look at the role a shareholder plays in running a company, as well as a shareholder's rights and liabilities.

Pin As the title of the post states, Power of Attorney liability is much greater than you think. Problems of liability can blindsides you and put you in a world of hurt. What can an Agent do? This is very similar to how a trustee in a trust works and is the reason some people turn to professional trustees in certain circumstances. Sure there are some cases where creditors can come after you. But that can only happen if you: Agree to be personally liable by signing an additional agreement. Act negligently, fraudulently or illegally. Do something that you are not authorized to do by the Power of Attorney document. Are you seeing the thread here? The bank acted illegally of course. They had to provide information to Pam because she was the legal agent for her father. Once this was brought to the attention of the bank, they started to behave. Be careful of tricks like this. If you present POA documents to any financial institution they usually must honor them if they are valid. At the same time, please understand that not every financial institution will consider your Power of Attorney valid. Most of these companies have their own Power of Attorney documents drawn up by their own attorneys. Sadly, your best bet is to have a valid document on file from each financial firm you deal with. I know this is a pain in the arse but it is worth it. People often overlook this step and if they do so it can be a tremendous headache and fatal flaw in estate planning. You still have plenty of it. And it comes from the place you least expect it – the grantor. That means you have to work in the best interests of the grantor and not your own. And that means if the grantor thinks and can prove that you acted outside your duty, she or her heirs can and will sue you. How can you minimize your risk as Power of Attorney? That goes without saying. At the same time, never commingle your personal assets with assets which are entrusted to you. This gives the appearance of impropriety and it can be a huge problem even if you do nothing wrong. Finally, you should never co-sign a loan for the grantor. This is even more dangerous than commingling funds. Maybe the best way to avoid Power of Attorney liability is refuse to accept the offer when someone gives it to you. That would put all your fears to rest. Have you acted as a Power of Attorney? Did you run into any problems? What steps did you take to minimize your risks?

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Chapter 2 : Is a Power of Attorney Liable for Debts? | LegalZoom Legal Info

Rights, Powers, and Liabilities. The authority and powers of beneficial associations are subject to the statutes under which the associations are formed and organized. An incorporated association may not enlarge the powers granted to it by the statute under which it was created.

The auditor shall make a report to the members of the company on the accounts audited by him and on every balance sheet or profit and loss account which are laid before the company in general meeting. The said accounts give the information required by the act in the manner so required by and gives a true and fair view. Right to receive notice of and to attend every general meeting of the company. Right to speak to such general meeting when the accounts are being discussed. He has right to be indemnified for any liability incurred by him in defending himself against civil and criminal proceedings by the company. Right to visit branches of the company to audit the accounts if no other auditor has been appointed to audit branch accounts. Right to take legal and technical advice wherever necessary. Right to receive remuneration for the work done by him. Right to sign the report. Right to keep the working notes with him. An auditor is appointed to detect frauds, errors etc. He is responsible on account of negligence in performance of his duties. Any clause in the agreement between the company and the auditor whereby the auditor is freed from liability has been declared void. If in the course of the winding up of a company it appears that the auditor has been guilty of any misfeasance or breach of trust in relation to the company, he may be held liable as an officer of the company. The court may examine into his conduct and compel him to contribute such sum to the assets of the company by way of compensation in respect of the breach of the trust as the court thinks fit. If the dividends have been improperly declared and paid of the accounts audited by him and which did not show a true and fair picture and were incorrect and misleading, he will be liable to refund such an amount. Where a prospectus is issued inviting persons to subscribe for shares or debentures of a company, an auditor is liable in respect of an untrue statements which is made by him as an expert, to pay compensation to every person who subscribes for any shares or debentures on the faith of the prospectus for any loss or damages, he may have sustained by reason of untrue statements included therein. If an auditor makes a false statements, particularly knowing it to be false or omits any material fact, knowing it to be material, he may be punishable with imprisonment or a fine. If an auditor is a party to a untrue statements in prospectus, he shall be punishable with imprisonment or fine or both. Under Indian Penal Code "whoever issues or signs any certificate required by law to be given or signed or relating to any fact which such certificate by law, admissible by evidence. Knowing or believing that such certificate is false in any material point, shall be punishable in the same manner as if he gives a false evidence. Auditor should perform his duties as per articles of association of the company. He should certify the statements included in prospectus whenever the same is issued. He should certify the contents of the statutory report. To comment on all such material violations of the law or sound accounting practices which can reasonably effect directly or indirectly the fortune of the accounts of the company. An auditor must know the provisions of memorandum and articles of association of the company. He not only should verify the arithmetic accuracy of the accounts but should check the fairness of accounts as well.

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Chapter 3 : Lawriter - ORC - Rights, powers, and liabilities of limited partners.

What rights and powers can I exercise as a shareholder? While the day-to-day management of the company is the responsibility of the company's board of directors, the shareholders may exert a significant indirect influence by exercising the rights and powers available to them.

Under the provision of Section 32 of the Maharashtra Co-operative Societies Act, the members have free access to certain books and documents free of cost. They are as follows: Any member of the housing society can demand papers excluding papers referred under Section 32 and Rule These papers must be provided to the member within seven days from the date of application with free of cost. The copy of papers can be provided to the member with proper charge within 30 days. The bye-laws regarding charges may be amended accordingly if there is difference between previous charges and present charges. Application for registration of society. Amendment of bye-laws of society 5. Order of cancellation of the registration of society. Audit memorandum of the society. Order under Sec Order of Supersession of a committee or removal of any member thereof Order referring a dispute for decision Any other order against which an appeal is provided. If a person is held liable towards obligation to make full payment of the cost of the particular tenement which to be allotted to him, he has every right to question the correctness or otherwise of the demand there of A. Refusal to allow inspection: An application can be made to the Registrar under sec of the M. Act, when the society refuses to inspect the document. A dispute can be raised under Sec Ismail Co-op Housing Society, C. Member has right to transfer his flat: A flat held by a member in a Tenant Co-partnership Society can be attached and sold in execution of decree which shows that a member has saleable interest in a flat allotted to him Member has right to transfer his flat and society cannot put unreasonable restriction on the said right: A member can resign his membership after giving 3 months notice, in the prescribed form to the Secretary of the society as provided under rule 21 1 of the M. Rules, but it cannot be accepted unless such member has made payment of the charges payable to the society in full. If any charges are found payable by the member to the society, it is the duty of the Secretary of the society to intimate the same to the member within 15 days of the receipt of the notice of resignation, advising him to make payment thereof within 30 days of the date of intimation. If there are no charges of the society outstanding with the member, the committee has to accept the resignation of the member and the decision is to be communicated to the member within 3 months from the date of the receipt of notice of the resignation. Associate member can give his resignation at any time by writing the letter of resignation to the Secretary of the society through the member with whom he had the shares of the society jointly, Nominal member occupying the flat on behalf of a firm, company or any other body corporate, can resign his nominal membership at any time by writing a letter of resignation to the Secretary of the society through the firm, company or any other body corporate, on whose behalf he is occupying the flat.

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Chapter 4 : What are the duties and liabilities of a director of a company?

When there is no Deed or the Deed is silent on any point:ne rights and obligations as provided in the Partnership Act shall apply. Rights of a Partner: The rights of a partner are as follows: i. Right of the partner to take part in the day-to-day management of the firm. ii.

Rights, duties and liabilities of Directors Please Wait.. Keshub Mahindra, for the Bhopal gas tragedy which resulted in loss of several lives, sent shock waves in the corporate world. A debate started all over the country as to whether non executive chairman or part time directors have any liability in such cases. Even the Ministry Corporate Affairs has sought suggestions from all quarters whether there should be amendment to the effect to exclude part time directors from the ambit of liability. This article focuses on the rights, duties and obligations of directors. Definition of Director Section 2 13 of the Companies Act, , defines a Director as any person, occupying the position of Director, by whatever name called. The Articles of association generally contain provisions as to their appointment, retirement rights duties and remuneration. Composition of Board The Board of Directors is elected representatives of the shareholders of the company. The Board of directors consists of part time directors and whole time directors. Part time Directors are those who only attend board meetings and contribute to the framing of policies and decision making in the board meetings. Whole time directors as the name itself implies devote whole time and are treated as employees. Similar is the position of Managing director and this category of directors are entrusted with substantial powers of management to look after the day to day affairs of the company. Listed companies shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors. If chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors. Corporate Governance clause defines an independent Directors as those directors are those who do not have any material pecuniary relationships or transactions with the company and are not related to the promoters or person on the board or senior management and not an executive in the past 3 years. Appointment of Directors The power to appoint directors is exercised by the shareholders in First Annual General meeting as per the provisions of Section and regulations in the Articles of Association. Powers of Directors The provisions of Companies Act and the articles of association of the company spell out rights, duties powers and responsibilities of Directors. Section of the Act provides that subject to the provisions of the Act, the board of directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do. There are certain powers which can be exercised only with the approval of the shareholders and also Central Government for eg: Rights of Directors Rights can be categorized into individual and collective rights. Section ,right to inspect minutes of board meetings. Collective rights are as follows: According to Section of the Act, directors of private companies and deemed public companies are entitled to refuse registration of transfer of shares to a person whom they do not approve. Right to elect a Chairman: Regulation 76 1 of Table-A provides that the directors are entitled to elect a chairman for the board meetings. Right to appoint a Managing director: Right to recommend dividend: The Board is entitled to decide whether dividend is to be paid or not. Shareholders cannot compel the directors to pay dividend. However they can reduce the rate of recommended dividend. Payment of dividend is the prerogative of the board Duties of Directors Directors as individuals have a duty to attend board meetings and contribute to the deliberations of the board and ultimately to the decision making leading to formulation of policies. Directors are under obligation to disclose their interest whether directly or indirectly in contracts or arrangements with the company Section They are also duty bound to disclose their directorships in other companies within 20 days of appointment or relinquishment of his office in other companies Section As per Section , directors are also required to disclose their shareholding in the company. The following are some of those duties exercised collectively: Directors are paid remuneration for their efforts

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in formulating policies and for devoting their valuable time for the company. If directors are guilty of negligence or found to be misusing their position, they will be liable for civil as well as criminal liability. Even for cheque bouncing, Section of the Negotiable Instruments Act imposes vicarious liability on the directors provided an averment is made to that effect in the complaint. The Directors of a company incur a personal liability, if they contract in their own names or where it is ambiguous as to capacity in which they signed the contract. However directors can seek protection against a liability for acts done in good faith. However in the Companies Bill , it is proposed to protect independent directors. An independent directors will be held responsible for any action only if motive and criminal intent is established in his actions.

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Chapter 5 : Rights and Liabilities of Principal and Agent to Third Parties

Directors - Appointment, Duties, Rights, Liabilities - Company Law A director is the member of the Board of Directors. "Director means a director appointed to the board of a company" sec 2(34).

What are the Rights, Duties and Liabilities of Partners? The Partnership Deed contains the mutual rights, duties and obligations of the partners, in certain cases, the Partnership Act also makes a mandatory provision as regards to the rights and obligations of partners. When there is no Deed or the Deed is silent on any point,:

Rights of a Partner: The rights of a partner are as follows: Right of the partner to take part in the day-to-day management of the firm. Right to be consulted and heard while taking any decision regarding the business. Right of access to books of accounts and call for the copy of the same. Right to share the profits equally or as agreed upon by the partners. Right to get interest on capital contributed by the partners to the firm. Right to avail interest on advances paid by the partners for business purpose. Right to be indemnified in respect of payment made or liabilities incurred or for protecting the firm from losses. Right to the use of partnership property exclusively for partnership business only not himself. Right as agent of the firm and implied authority to bind the firm for any act done in carrying the business. Right to continue unless and otherwise he himself cease to become partner. Right to retire with the consent of other partners and according to the terms-and conditions of deed.

Duties of a Partner: The duties of a partner are as follows: To carry on the business to the greatest common advantage: Every partner is bound to carry on the business of the firm to the greatest common advantage. In other words, the partner must use his knowledge and skill in the conduct of business to secure maximum benefits for the firm. To be just and faithful to each other: Every partner must be just and faithful to other partners of the firm. Every partner must observe utmost good faith and fairness towards other partners in business activity. To render true accounts: Every partner must render true and proper accounts I his co-partners. Each and every entry in the books must be supported by vouchers and di explanations if demanded by other partners. To provide full information: No information should be concealed, kept secret. To attend diligently to his duties: Every partner is bound to attend diligently to duties in the conduct of the business of the firm. To work without remuneration: A partner is not entitled to receive any kind remuneration for taking part in the conduct of the business. But in practice, the working partners are generally paid remuneration as per agreement, so also commission in some case. To indemnify for loss caused by fraud or willful neglect: To hold and use partnership property exclusively for the firm: The partners must hold and use the partnership property exclusively for the purpose of business of the firm not for their personal benefit. To account for personal profits: Not to carry on any competing business: A partner must not carry on competing business to that of the firm. If he carries on and earns any profit then he must account for the profit made and pay it to the firm. It is the duty of the partners to bear the losses of the firm. To act within authority: Every partner is bound to act within the scope of authority. If he exceeds his authority and the firm suffers from any loss, he shall have compensate the firm for such loss. Duty to be liable jointly and severally: Every partner is jointly and individual liable to the third parties for all acts of the firm done while he is a partner. Duty not to assign his interest: A partner cannot assign or transfer his partner interest to an outsider so as to make him the partner of the firm without the consent of other partners. However, he can assign his share of the profit and his share in the assets the firm where the assignee shall not be entitled to interfere in the conduct of the business

3. Liabilities of a Partner to Third Parties: The following are the liabilities of a partner to third parties: Liability of a partner for acts of the firm: Every partner is jointly and severally liable for all acts of the firm done while he is a partner. Because of this liability, the creditor of the firm can sue all the partners jointly or individually. Liability of the firm for wrongful act of a partner: If any loss or injury is caused to any third party or any penalty is imposed because of wrongful act or omission of a partner, the firm is liable to the same extent as the partner. However, the partner must act in the ordinary course of business of the firm or with authority of his partners. Liability of the firm for misutilisation by partners: Where a partner acting within his

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apparent authority receives money or property from a third party and misutilises it or a firm receives money or property from a third party in the course of its business and any of the partners misutilises such money or property, then the firm is liable to make good the loss. Liability of an incoming partner: An incoming partner is liable for the debts and acts of the firm from the date of his admission into the firm. However, the incoming partner may agree to be liable for debts prior to his admission. Such agreeing will not empower the prior creditor to sue the incoming partner. He will be liable only to the other co-partners. Liability of a retiring partner: A retiring partner is liable for the acts of the firm done before his retirement. But a retiring partner may not be liable for the debts incurred before his retirement if an agreement is reached between the third parties and the remaining partners of the firm discharging the retiring partner from all liabilities. After retirement the retiring partner shall be liable unless a public notice of his retirement is given. No such notice is required in case of retirement of a sleeping or dormant partner.

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Chapter 6 : Rights, duties and liabilities of Directors

But he cannot give up any debt, although he has got the full power to settle accounts with debtors and to make a reasonable reduction either towards interest or towards principal in the interest of the family.

Sec 2 10 Meaning of Director A director is one of those persons, who are responsible for directing, governing and controlling the policy or management of a company. All directors collectively are called as Board of Directors or Board. They are the top administrative organ and the company can operate only through them. They are the brain of the organization responsible for all policy making and decision making activities. The following guidelines have been established by the companies act regarding the appointment of directors. The articles of a company may list the names of the first directors in its articles of association , if no names are mentioned in the articles, the subscribers of the memorandum become the first directors. Directors can be appointed by the initial members of the company at its first general meeting. A company may appoint an additional director if it needs. An Alternate Director may be appointed by the board during the absence of a director for a period not less than 3 months A vacant position of director can be filled by the members of the board on temporary terms. Nominee Director – It refers to any person nominated as director by a financial institution or a government body who holds shares in the company. He must be appointed by the company. On complaint against oppression or mismanagement in a company, the tribunal may order the company to appoint the required number of directors as directed by the Tribunal. A director may be appointed by the central government under certain circumstances. A director may be appointed by a single transferable vote system or cumulative transferable vote system Statutory Powers of Directors Powers must be exercised by Board of Directors in the general meeting of the company by passing a resolution. The power to make call on shares in respect of unpaid money. The power to authorize lack of shares The power to issue debentures, whether in or outside india. The power to invest in funds The power to borrow money otherwise than on debentures The power to make loans or give guarantee in respect of loans. But a banking company does not require any resolution by the board. The power to diversify the business of the company. The power to approve amalgamation, merger or reconstruction. The power to take over a company or acquire a company or substantial stake in another company. Other powers – Power to fill casual vacancy 9sec Power to appoint the first auditor of the company Power to make political contribution. Power to appoint alternate directors. Power to recommend the rate of dividend on the shares of the company subjected to approval by shareholder of the company Powers only with a resolution – To sell or lease any asset of the company To allow time to the director for the repayment of the loan To borrow money in excess of paid up capital and free reserves To appoint a sole agent for more than 5 years To issue bonus shares and for reorganization of share capital To contribute money for charitable purposes exceeding Rs. Power of control and supervision of work of subordinates.

Chapter 7 : CONDOMINIUM ACT-RIGHTS OF UNIT OWNERS

A partner has the customary or implied power to make contracts, to sell goods in the regular course of business, to make purchases within the scope of the business, and to borrow money for firm purposes.

What are the duties and liabilities of a director of a company? As directors hold a key position, they are bound to comply with the provisions of the companies act. They shall carry out all duties placed upon them by either the act or the articles. Duty of Reasonable care: In discharging the duties of his position, a director must exercise some degree of skill and diligence. A director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. The directors are not liable for mere errors of judgment. Duty to act honestly: A director must act honestly in the performance of his duties. He must not try to make personal gain out of a transaction in the name of the company. A director is not bound to give continuous attention to the affairs of his company. He is not bound to attend all board and committee meetings. Though all books of account and other books and papers of the company are open to inspection by him, he is not bound to examine individual entries in the books. Section provides that except with the consent of the board of directors, a director or his relative or any firm in which he or his relative has any interest or his relative or any firm in which he or his relative has any interest or any private company or which he is a member or a director shall not enter into any contract with the company for the sale, purchase or supply of goods, materials or services or for underwriting the subscription of any shares or debentures. In the case of a company having a paid-up share capital of rupees one crore or more, no such contract can be entered into except with the previous approval of the central government. Consent of the board of directors is not necessary in the following cases: Sale or purchase of goods for cash at prevailing market prices. Contracts entered into in the regular course of business involving Rs. Any transaction in the ordinary course of business of a banking or insurance company. In the case of urgent necessity contracts may be entered into but consent therefore must be obtained within 3 months from the date of contract. Such consent must be supported by a resolution passed at the board meeting. If consent is not given, anything done pursuant to the contract is voidable at the option of the board. It is the duty of every director to disclose to the board the nature of his concern or interest in any contract or arrangement entered into by or on behalf of the company. The disclosure must be made at the meeting of board of directors. An interested director cannot take part in the discussion of or vote on any such contract. In default of disclosure, the director is punishable with a fine of Rs. The liabilities of directors may be discussed under three heads: The directors are not personally liable to outsiders if they act within the scope of powers vested in them. The general rule in this regard is that wherever an agent is liable, those directors would be liable, but where the liability would attach to the principal only, the liability is the liability of the company. The directors are personally liable to third parties of contracts in the following cases: They contract with outsiders in their personal capacity b. They contract as agents of an undisclosed principal c. They enter into a contract on behalf of a prospective company. When the contract is ultra-vires the company. In default of statutory duties, the directors shall be personally liable to third parties in the following cases: Failure to repay application money if the minimum subscription is not subscribed. Failure to repay application money if allotment of shares and debentures is not dealt in on the stock exchange as provided in the prospectus. The directors shall be liable to the company for the following: It is not necessary to prove fraud in such cases or that they acted bonafide. For example, where they apply the funds of the company to objects not specified in the memorandum of association or when they pay dividends out of capital. Negligence may give rise to liability; there need not be fraud. But they will not be liable where they have acted bonafide and for the benefit of the company. Directors being the trusted of the company, they should discharge their duties in the best interest of the company; they should discharge their duties in the best interest of the company. Where they commit a breach of trust resulting in a loss to the company. Where they commit a breach of trust resulting in a loss to the company, they are bound to make good the loss. For example, where the

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directors apply company property of their own benefit they are guilty of breach of trust. Directors are liable to the company for misfeasance. The word misfeasance covers willful negligence. Mere failure on the part of the director to take necessary steps for recovery of debts due to the company does not constitute misfeasance. If the company is in the course of winding up, the court may, on the application of the liquidator, creditor or contributory examine in to the conduct of a director for any misfeasance or breach of trust in relation to the company. Criminal liabilities of directors: So far we have dealt with the civil liability of directors. For act of fraud, default in discharging their duties and misdemeanor, the act provides penalties by way of fine or imprisonment. Section 75, 95, ,, , , , etc.

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Chapter 8 : What are the Rights and Liabilities of a Shareholder in a Company?

This article focuses on the rights, duties and obligations of directors. Definition of Director Section 2(13) of the Companies Act, , defines a Director as any person, occupying the position of Director, by whatever name called.

Rights and Liabilities of Principal Rights and Liabilities of Principal and Agent to Third Parties The rights and liabilities of a principal in relation to third parties under contracts made by his agent depend upon, whether an agent is Rights and Liabilities of Principal and Agent to Third Parties acting for a named principal, acting for an unnamed principal, acting for an undisclosed principal. Agent Acting for a Named Principal The rights and liabilities of a named principal for the acts of his agent may be discussed as below: Acts of an Agent within the Scope of his Authority If an act is carried on by an agent within his authority, his acts are binding on the principal. However, the act done should be lawful. A authorized his agent, B, to collect money on his behalf. B received from C a sum of money due to A. This receipt of money is binding on A, and C is discharged from his obligation to pay this amount to A. Acts of an Agent Exceeding his Authority It can be discussed under two heads as shown below: Where the work can be separated – Where an agent exceeds his agency to do the work of the principal, the principal is bound by that part of the work which is within his authority if it can be separated from the part of the work which is beyond his authority. A, owner of a ship and cargo, authorizes B to procure an insurance policy for Rs. B procures a policy for Rs. A is bound to pay the premium for the policy on the ship, but not the premium for the policy on the cargo. Where the work cannot be separated – When an agent does more than what he is authorized to do, and such act cannot be separated from that which is within his authority, the principal is not bound by the transaction. He is in such a case entitled to repudiate the whole transaction. So if the agent does something in excess of his powers, the transaction is not binding on the principal. A authorized B, an agent to buy sheeps. But B purchased sheeps and lambs, for a sum of Rs. In this case, the principal may repudiate the whole transaction. Notice Given to Agent The principal is bound by the notice given to the agent in the course of business. Thus, the knowledge of the agent is the knowledge of the principal. However, if the knowledge is not acquired by the agent in the course of his employment, it cannot be imputed to the principal. Further, if the agent had committed a fraud on the principal, the rule of this section will not apply. At the time of the insurance, it appeared that X was in fact a one-eyed man. Liability by Estoppel The principal is liable for the unauthorized acts of the agent, if the principal has created an impression on the third party by his conduct, that the agent has the authority to do such acts. A, an owner of a house held out that B, the auctioneer had authority to sell the house. B sold the house by auction to a third party for an amount less than the amount authorized by A. Liability for Misrepresentation or Fraud The principal is liable for the misrepresentation or fraud committed by his agent while acting in the course of his business. It is immaterial whether the misrepresentation or fraud has been committed for the benefit of the principal or of the agent himself. A offered to buy a residential flats consisting of number of flats in it and enquired C, the property manager of B, whether all the tenants were paying their rents regularly. C informed A that the tenants were paying rents regularly with immaterial exceptions. This statement turned out to be false. B was held liable for fraud because his agent property manager who knew the real facts had made a false statement. Agent Acting for an Unnamed Principal When an agent contracts, as an agent for a principal but does not disclose his name, the principal is liable for the contract of the agent. A appointed B as his agent to purchase some goods. B entered into an agreement with C for purchasing those goods. Here, B is not personally liable because he contracted in the capacity of an agent. However, the agent is personally liable if he declines to disclose the identity of the principal when asked by the third parties. Agent Acting for an Undisclosed Principal In case of an agent acting for an undisclosed principal, the mutual rights and liabilities of the agent, principal and the third party are as follows: Rights and Liabilities of Agent Here agent contracts in his own name. So he is bound by the contract. He is personally liable to the third party also. On such contracts, he can sue and be sued in his own name because in the eyes of law he is the real contracting party.

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In such cases, the principal and the agent have their respective rights against each other. **Rights and Liabilities of Third Party** If the third party has discovered that there is a principal, he may file a suit against the principal, or his agent or both. In such a case, the third party must allow the principal, the benefit of all payments received by him from the agent. A sold bales of cotton to B on credit. Afterwards, A discovered that B was acting as an agent of C. In this case, A may sue either B or C, or both for the performance of the contract. **Rights and Liabilities of Principal** The principal has the right to intervene and require the performance of the contract from the third party. In such cases, the other party may sue either the principal or the agent or both. The principal if he likes may also require the performance of the contract from the other party. But in such a case, he should allow, the benefit of all payments made by the third party to the agent, to the third party. A contracted with B, a shopkeeper, to purchase furniture. A advanced a part payment of the price to B. Afterwards, A discovered that B is the agent of C. In this case, C may ask A to perform the contract. But he must account for the advance money received by his agent B.

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Chapter 9 : How to the rights, powers and liabilities of shareholders

a power of withdrawal has the rights of a settlor of a revocable trust under this section to the extent of the property subject to the power. (e) If a trustee reasonably believes that a settlor of a revocable.

Your questions assume the unit owner is in a condominium that is governed by the Condominium Act. Our office is not authorized to give legal opinions and this report should not be considered one. You also asked whether HB of this session deals directly with this issue and if other bills have done so in prior sessions. Unit owners can use the method specified in their bylaws for removing board members who exceed their powers and duties. Unit owners can also file a lawsuit if the board or individual board members violate the act, the declaration, or the bylaws. If unit owners believe that the method of removing board members is insufficient they have the right to amend the bylaws to establish a better procedure. Of course their ability to do this depends upon their getting sufficient support from other unit owners to attain the necessary voting power to amend the bylaws. Unit owners also have the right to inspect financial and other condominium records and to vote to approve or disapprove budgets recommended by the board. Regarding the maintenance of the units, the Condominium Act requires that the bylaws establish restrictions on and requirements respecting the maintenance of units that are not set forth in the declaration that are designed to prevent unreasonable interference with the use of units by other unit owners. But the act prohibits a unit owner from doing any work that could jeopardize the soundness or safety of the property, reduce its value, or impair any right or other interest constituting a common element without the unanimous consent of all the other unit owners. Unit owners who are not satisfied with the bylaws concerning the maintenance and repair of units can attempt to amend the bylaws to establish a different system. But the bylaws cannot eliminate the prohibition specified above. As noted above, a unit owner also has the option of going to court to compel the board to follow the bylaws and declaration. House Bill is a proposed bill that would establish a state office to handle condominium disputes. Similar bills have been introduced in the General Assembly during the last couple of years. It empowers the commission to 1 authorize DCP to issue licenses to community association managers; 2 administer the provisions of the law regarding granting, renewing, suspending, or revoking community association manager licenses; and 3 receive complaints of violations of the Condominium Act and Common Interest Ownership Act CIOA by associations or their governing boards or officers. It puts the commission in DCP. The Senate referred it to the General Law Committee, where it died. The House referred it to the Appropriations Committee where it died. Thus, a condo owner who wanted to know what law applied to his or her unit would have to also examine the declaration. But any such amendment must be adopted in conformity with any procedures and requirements for amending the documents specified by those documents. If these documents do not specify such procedures, they must be adopted in conformity with CIOA. If an amendment gives anyone any rights, powers, or privileges that CIOA permits, all related obligations, liabilities, and restrictions contained in CIOA also apply to that person. Following are summaries of relevant portions of CIOA that automatically apply with respect to condominiums otherwise governed by the Condominium Act.

Duty to Comply with the Act The Condominium Act requires that each unit owner, and the association of unit owners, comply with it, the condominium instruments, and the rules and regulations adopted pursuant to the act and the condominium instruments. The law authorizes the unit owner and the association to sue for damages or for injunctive relief, or for any other relief to which the party bringing such action may be entitled, for violating the act. The act authorizes the association of unit owners to file a suit against any unit owner or owners or, in any proper case, by one or more aggrieved unit owners on their own behalf, or as a class action.

Bylaws The act requires condominiums to be governed by bylaws. A copy must be annexed to the declaration and recorded as a part of it on the land records. The act requires that the bylaws provide for the following:

Adoption or Ratification of a Proposed Budget The act requires that at any meeting of the unit owners to consider the final adoption or ratification of any proposed budget for the condominium, or on a day before

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such meeting, the board of directors must provide a reasonable opportunity for all unit owners to express their views concerning the proposed budget before its adoption or ratification. **Repairs Regarding Damage to or Destruction of Any Building or Other Improvement Serving the Condominium** The act requires that any damage to or destruction of any building or improvement located on the condominium parcel or serving the condominium must be promptly repaired and restored by the declarant or the association, using insurance proceeds if any. It further requires that all costs for repair or reconstruction in excess of available insurance proceeds, regardless of whether such excess is the result of the application of a deductible under insurance coverage, be a common expense CGS a. Under the act, if the condominium is damaged to the extent of two-thirds of its replacement cost, and three-fourths of the unit owners and the holders of mortgage liens affecting at least three-quarters of the units vote not to proceed with repair or restoration, the property remaining is deemed to be owned in common by the unit owners, and each unit owner owns that percentage of the undivided interest in common as he previously owned in the common elements. Under such circumstances, any liens affecting any of the units are deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property. The following provisions that automatically apply appear to be relevant to your request. The declaration may not impose limitations on the power of the association to deal with the declarant that are more restrictive than the limitations imposed on the power of the association to deal with other persons. Unless the declaration or CIOA grants greater authority, an association can only adopt rules and regulations that affect the use or occupancy of residential units to:

- The association may not otherwise regulate any use or occupancy of units. If a tenant of a unit owner violates the declaration, bylaws, or association rules and regulations, in addition to exercising any of its powers against the unit owner, the association may:

- All financial and other records must be made reasonably available for examination by any unit owner and his authorized agents. The association must, during January in each year, file in the office of the town clerk where the condominium is located a certificate setting forth the name and mailing address of the association officer or managing agent from whom a resale certificate may be requested. Punitive damages may be awarded for a willful failure to comply with CIOA. Parties to a dispute arising under CIOA, the declaration, or the bylaws may agree to resolve the dispute by any form of binding or nonbinding alternative dispute resolution. But, a declarant may agree with the association to do so only after the period of declarant control passes. An agreement to submit to any form of binding alternative dispute resolution must be in a writing signed by the parties.