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Board Member with Two Positions

Lasser Law Group · Thursday, December 6th, 2018

Q: The president of our board holds two positions, and his wife holds another. Their friend holds the last position. We had an election yesterday, and two new residents gave speeches running for positions on the board — one for the president's seat, the other for a regular member position; they lost. The president told us about the three positions available; however, he said he was keeping the treasurer's seat, but the president's seat was up for grabs, which to my understanding means the new man running unopposed for the seat was an automatic shoo-in? The other man ran against the president's wife for board VP and lost, which| feel is legal. Can the president hold two positions even after we had an election with two new individuals running? | also read in the Michigan State Housing Development Authority Act of 1966 that no one gets paid to hold a position. Is that correct?

A: "In New York, the corporate affairs and structure of a co-op's board of directors are governed by the Business Corporation Law of New York (BCL)," says Michael M. Kayam of the Lasser Law Group in Manhattan. "The BCL provides that, 'The board of directors shall consist of one or more members,' and a co-op's Certificate of Incorporation or bylaws typically specify the number of directors that will comprise the board. As a result, if the bylaws in this situation state that there shall be three directors on the board, then there must be three different individuals on the board holding three separate seats and votes — not one individual holding two seats or more with disproportionate voting power over the other board members.

"The members of the board of directors are responsible for making decisions on behalf of the co-op. Day-to- day decision making authority and roles of the members of the board are typically further delegated by the board of directors to individual directors, or other individuals who are not directors by assigning titles and roles as officers of the co-op —i.e., the president, vice president, treasurer and secretary. The appointment of officers by the board usually takes place immediately or shortly after the annual election of directors by the shareholders. In other words, the shareholders typically elect directors, and the directors then typically elect officers. Download PDF

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