

**INTERNAL WARFARE:
ADDRESSING AND RESOLVING BOARD DISCORD**

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INTERNAL WARFARE:

ADDRESSING AND RESOLVING BOARD DISCORD

An examination of reasons for board discord, the responsibilities and duties of board members in these circumstances and ways to resolve conflict

1. Overview

There are essentially two types of organizations this presentation should assist: organizations where disruption and discord among leadership is known and on the agenda, and those organizations where disruption and discord will arise in the future.

Disruption among an organization's leadership arises in many different ways. Sometimes the disruption or discord is subtle or short-lived. Generally in these situations the internal battles and disruption never escapes the board room and the outside public is never the wiser. Other times the disruption or discord can be publicly humiliating and devastating to the point that the organization must make drastic decisions simply to survive in the organization's chosen field of business or philanthropy. Internal discord generally does not wind up in heated litigation involving the organization as a party plaintiff or party defendant. However, those situations do occur, and when they do, rarely does the organization have a line-item in the budget for reserves to cover tens of thousands (if not hundreds of thousands) of dollars in legal expense.

Organizations must be prepared to protect and defend themselves, both from a public relations perspective and a legal perspective, if and when disruption from within gives rise to available legal remedies or damage to good will. Acquiescence among an organization's leadership is rarely the answer, and the duties of care, loyalty and obedience generally compel a board to appropriately and swiftly address situations of internal discord, else the situation escalates into more legal problems for and damage to the organization.

In this presentation we will highlight examples of internal discord, each with unique attributes, and we will offer ideas on how to manage and perhaps prevent the ill-effects of internal discord.

2. How internal discord may arise

a. Violations of Outside Standards; Unethical Conduct.

Many organizational leaders, officers and directors hold some "high-profile" status. Many are successful executives of large companies; some are cutting-edge, well-known entrepreneurs with uncanny visions for success. Some organizations partner with municipal, state or federal agency leaders to bring wisdom or legitimacy to the organization. Most of the leaders tend to be large financial supporters with an even larger financial following. The status of individual board members often subjects them to public scrutiny and/or increases the likelihood for them to become targets for litigation.

When a board member is sued or is involved in a public relations situation not directly tied to the organization, the question for the organization is almost always: “*Well, this really does not involve us, so what can or should we do?*” Organizations should prepare to respond when their leaders get into hot water with outside organizations or with issues not directly tied to the organizational mission. Usually these situations are handled internally and without any public fanfare or attention. If a board member involved in an outside “scandal” or problem simply removes himself or herself from the organization, generally the problem for the organization is resolved. However, the manner and timing of removal is usually never ideal, and organizations (but certainly not the critical media) are generally slow to identify the tipping point.

i. Lance Armstrong Example.

A week after the U.S. Anti-Doping Agency detailed what it called “overwhelming” evidence of Lance Armstrong’s involvement as a professional cyclist in “the most sophisticated, professionalized and successful doping program,” Armstrong resigned as chairman of the Board of Livestrong Foundation. Michael Pearson, *Doping scandal cost Lance Armstrong sponsors, charity role*, CNN U.S., Oct. 22, 2012, <http://www.cnn.com/2012/10/17/us/lance-armstrong/index.html>

After resigning as chairman of Livestrong Foundation a month earlier, Lance Armstrong, seven-time Tour de France champion, resigned from Livestrong’s board of directors “to spare the organization any negative effects resulting from the controversy surrounding his cycling career.” *Lance Armstrong resigns from Livestrong Board*, CBS NEWS, AP, Nov. 12, 2012, http://www.cbsnews.com/8301-400_162-57548263/lance-armstrong-resigns-from-livestrong-board/

b. Double Vision.

The vision of the organization and/or the manner in which the vision is advanced tends to ebb and flow, many times depending on the bias and prejudices of leadership, or perhaps due to the state of the economy, or the perception of “the American way” on the causes supported by the organization. The vision of the organization may be to further a controversial issue such as abortion or support for poor, undocumented individuals. Internal discord tends to arise when the vision remains solid and sound but the manner in its execution slants inequitably one way or another. There are numerous ways an organization may re-direct itself, some of which are advisable and some of which are not recommended.

i. *Et tu Brute?*

By March 15, 44 BC, Julius Caesar, anointed *dictator in perpetuity*, recognized his need for greater autonomy, authority, and a freedom of action in both an executive and a policy formulating capacity for both Rome and its Empire. This led to direct confrontation with the Roman Senate, which saw itself as both the primary and principal policy formulation body of all Rome. This discord led to the death of Caesar, which solved the discord but not in a manner recommended by this panel.

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