

# Q&A: Not Fine with Fines

Friday, January 5, 2024

Leni Cummins sheds light on a situation where a shareholder is looking for safeguards against potential abuse of authority by a board in imposing fines in a Q&A with *CooperatorNews*. The shareholder points out instances where the fines lack clarity in bylaws, the "Failure to Adhere" clause is overlooked, and excessive fines are levied without prior warning or discussion.

In this article, Leni highlights that while boards can fine for violations, there are limitations to prevent punitive actions, emphasizing that fines should be reasonably related to offenses and consistently applied to all shareholders. She also addresses the importance of adhering to the "first blush test" for reasonable fines and warns against unequal treatment, noting that notice is deemed given when the power to fine is codified in governing documents.

To read the full article, [click here](#).

## Related Practice Areas

- Condominiums & Cooperatives