

Corporate Governance in Financial Distress

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Abstract:

The thesis titled "Corporate governance in financial distress" deals with the legal position of the shareholders, directors and creditors concerning their participation, rights and obligations in relation to a corporation undergoing a financial distress. In particular, the thesis deals with the causes (both economic and legal) which create conflicts of interests among the above specified parties, and further it explores the ways the Czech legal system and court decision making react to such issues. Most notably, the thesis analyzes relevant provisions of the Czech civil code, the insolvency code and the penal code, which relate to corporate governance of companies undergoing financial distress, while it further abstracts the criteria and standards, which may be relevant for the judicial review of fiduciary duties. Respective legal solutions and corresponding court decisions are subsequently critically evaluated and subjected to considerations *de lege ferenda*. A comparative analysis of the U.S., German and the U.K. legal systems and their approaches to the relevant issues is included in the thesis.