

Mark Carter and Cathy Mulrow-Peattie Author ABI Byline Reviewing Importance of Distressed Enterprise Board Members in Managing Cyber Risks

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Hinshaw partners Mark Carter and Cathy Mulrow-Peattie have teamed up to author a byline published in the November 2024 edition of the American Bankruptcy Institute's *ABI Journal*. Their article reviews the crucial role of a distressed company's board of directors in managing cybersecurity risks.

Our authors note that businesses face heightened cybersecurity, ransomware, social engineering, and supply chain threats due to their increased reliance on data, technology, and artificial intelligence (AI). They review the fiduciary duties and legal and regulatory obligations of insolvent company board members to understand and address cybersecurity risks.

Despite traditional board member protections and limitations on liability, board members can be subject to resource-draining litigation arising from a cyber-attack in distressed situations. Due to these risks, Carter and Mulrow-Peattie advocate for proactive board involvement in cybersecurity oversight and recommend a series of best practices for oversight and management implementation so that the enterprise and its stakeholders are suitably protected against evolving cyber threats.

[Read the full article](#) (PDF).

- “[The Board of a Distressed Enterprise: The Cyber Attack “Buck” Stops Here](#)” was published in the November 2024 edition of the *ABI Journal*.

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