Steve Davidoff, the Deal Professor, takes stock of corporate governance

NYT’s Deal Professor, Steve Davidoff, who also teaches at UConn Law School, argued in a recent meeting of shareholder organization ISS that corporate governance is becoming increasingly complex. For example, he suggested that companies are leveraging beneficial terms of incorporation in Delaware to secure board and management-friendly provisions, such as staggered boards, in states like Oklahoma and Indiana. He concluded that corporate governance provisions should be evaluated on the basis of whether they bring value to the enterprise. Check out his DealBook write-up and ISS slides here.

Financial Services Employees Get Valued!

A new British website enables accountants, hedge fund employees, investments bankers and management consultants to calculate the value of their services on the open market. With ongoing lay-offs on Wall Street the website may assist in employment transitions. But with protests in lower Manhattan criticizing the practices of the financial industry, including the remuneration of executives and employees, the valuation tool may also fan controversy. Check out WhatIsMyValue.

Margin Call

First there was Inside Job, the not-so-balanced documentary. Then there was Too Big To Fail, the not-so-good drama. Finally, in Margin Call, we’ve got a good film about the financial crisis featuring big stars and an interesting story line. Check out the trailer and go see the movie!

Business Rhetoric in the Republican Primaries

Last spring, when Donald Trump threatened to run for President, we asked you to consider what an entrepreneur-presidency would look like. It appeared then, as it does now, that some American voters, especially those participating in Republican primaries, were and are excited about presidential candidates with business experience, or more correctly, ones who are not politicians. For the duration of his presidency, Barrack Obama has been branded “bad for business”, with some business groups accusing him of releasing a torrent of regulation that is stifling business growth. Obama’s “lawyer/regulator model” also became very unattractive to Republican primary voters, who have expressed interest in the “businessman/Washington-outsider” candidates who will change Obama’s policies. That may explain the popularity of Mitt Romney and the maverick rise of Herman Cain. But it’s hard to tell whether the rhetoric has any merit. After all, Romney’s health care plan allegedly served as a blueprint for “Obamacare,” and Cain’s 9-9-9 plan may or may not increases the average tax rate. So while the lawyer-businessman dichotomy may be comforting to voters, the election of a businessman may produce disappointing results. What do you think?

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With contributions from the YLBS Board and members