

LAW 7172: Corporate Governance

Prerequisite: Business Organizations (LAW 7110) This course will focus on how public corporations are managed and, more specifically, on the allocation of power within a corporation among the corporation's stockholders, directors, and officers.

Poor corporate governance may lead to firm underperformance, to excessive risk-taking by management, or to illegal conduct by employees of the corporation, as shown by numerous recent corporate scandals. The goal of corporate governance is to facilitate effective and prudent management while also ensuring that management is held accountable to shareholders for its performance.

Students will examine the legal rules and processes that make up the framework of corporate governance, including state corporate law, stock exchange listing standards, and relevant provisions of the federal securities laws, including the Sarbanes-Oxley Act and the Dodd-Frank Act. Students will also study corporate governance codes or policies set forth by other actors including proxy advisory services, pension funds, and policy institutes. Students will determine the meaning of "good" corporate governance and assess "best practices" in corporate governance so they will be able to counsel corporate clients on adopting the appropriate corporate governance structure. Topics addressed will include shareholder activism, dual class capital structures, board composition and culture, executive compensation, and corporate social responsibility. Exam Info: There will be no final exam. Students will be evaluated using group projects, oral presentations, and several writing assignments.

Credits: 2.0