

INDEX

- A. H. Robins 25, 91
A&P 230
Abercrombie & Fitch 196
accelerated vesting of stock options 374, 383
accountability 12–14, 16–17, 51, 54, 128
 boards of directors 304, 324–30
 BP 450
 CEOs 354
 corporate democracy 140–1
 corporate structure 410
 diffused 31
 dual board system 409
 employees 395
 ICGN Principles 373, 480
 international governance 435, 457
 lack of 125
 management 129, 135
 market-based 476
 pension funds 163, 164
 political 50, 82–3
 of shareholders 141–3
 standards 82, 83
 trustees 229
 World Bank goals 93, 472
 see also liability; responsibility
accounting 48–9, 62–79
 common language for 468–70
 double-entry bookkeeping 107–8
 GAAP 47, 62, 65–6, 71, 73, 79, 84, 280, 469–70
 international differences 426
 pension funds 157–8, 204
 perverse incentives 79
 Sarbanes-Oxley Act 392–3
 social 86, 87
 stock options 66–9, 377–8
 Thailand 461
 see also audit committees
Ackerman, Josef 218, 443
Ackman, Bill 221
acquisitions and mergers 65, 78, 217–20, 282, 454
 Jordan 460–1
 NCR 355
 Reader's Digest 153
 Shearson Lehman Hutton 173
 Topps/Upper Deck 274–6
 transaction bonuses 386–7
 see also takeovers
active corporate governance 431–3
active money management 132, 133, 482
Activision Blizzard 366
activism 202–3, 206–20, 222–35, 480–4
 executive compensation 364–5
 hedge funds 220–1
 public pension funds 173–88
 Slovakia 460
 TIAA-CREF 200
Adams, Carol 54
Adams, Kirk 166
Adamson, Jim 380
Adelphia 22, 139, 296, 302, 348, 359
AES 96 n11
agency costs 136–7, 145, 319, 348, 395, 409
Ahold 296, 432
AIM Investments 147, 330
Air France 23
Akers, John 292
Alabama State Pension Fund 173, 190
Alaska 190
Alcoa 183, 196
Alexander, Lamar 40
Alleco 24
Alleghany Corporation 266
Allen, Robert 71
Allen, William T. 282, 292
Alliance Bernstein Investments 330
Alliance Capital Management 227
Allianz 183, 485
Allied Corporation 290
Allied Signal 74, 76
Allstate 197
Alternative Investment Market (AIM) 417
Amaranth Advisors Fund 220
Amazon.com 348, 369, 402
America Online (AOL) 49, 183, 230, 369, 391

- American Accounting Association 379
 American Bar Association 43, 51, 333
 American Century Investment Management 330
 American Crossroads 44
 American Express
 AFSCME proposals 196
 board of directors 258, 305, 331
 CEO resignation 212, 292
 separation of chairman/CEO role 334
 shareholder activism 227, 230
 American Federation of State, County, and Municipal
 Employees (AFSCME) 148, 191, 195–7, 213, 329
 American Funds 330
 American Institute of Certified Public Accountants 392
 American International Group (AIG) 44,
 196, 331
 American Law Institute 20, 82, 280–1
 American Stock Exchange (AMEX) 241 n78
 Ameriprise 330
 Amnesty International 207
 Amoco 360, 361, 453
 AmSouth Bancorporation 276–8
 Anadarko Petroleum 197
 Anderson, Gavin 445–6
 Angelides, Philip 173, 175
 Anheuser-Busch 259
 annual retainers 319–20, 322, 323
 Annunziata, Robert 307, 369, 389
 Anti-Referral Payments Law (ARPL) 282
 antitrust violations 22, 23, 88–90, 361
 Antoinette, Marie 107
 APG 485
 Apple Computers 5, 360
 CalPERS investment 124
 CEO dismissal 212
 directors' compensation 322
 executive compensation 375, 379, 386
 Araskog, Rand 211, 368
 Archer Daniels Midland 320
 Arculus, David 315–16, 318
 Aristotle 106
 Arkansas 190
 Armstrong World Industries 53, 211
 Arthur Andersen 7, 31
 Asian financial crisis (1997) 39, 432, 458, 472
 Association of British Insurers (ABI) 187, 479
 Association of Investment Companies (AIC) 187, 479
 AT&T 8, 182, 259, 360
 antitrust case 361
 CEO dismissal 212
 economic value added 71, 72
 executive compensation 390
 NCR acquisition 355
 Atkins, Betsy 60–1, 280
 Atlantic Richfield 360
 audit committees 48–9, 214, 255–6, 264, 280, 284
 AmSouth Bancorporation 278
 “financial experts” 322, 333
 GMI research 446
 Sarbanes-Oxley Act 394
 special obligations 265
 audits 47–8, 63, 425
 Australia 445, 446, 447, 484
 Austria 447
 Authentic Fitness 367
 authority 8, 9, 16, 34, 333–5, 418
 Autozone 386
 Avon 360
 Azerbaijan 459–60
 Babington, Deepa 204
 bad faith 273, 277, 390
 BAE Systems 23, 430
 Bakan, Joel 5
 Baker, James 454–6
 Baldacci, John 160
 Balkcom, John 72
 Ball, David 154
 Banc of America Securities LLC 140
 Banco Santander Central Hispano SA 223
 Bandow, Doug 60
 Bank of America 44, 196, 258, 259, 380
Bank of Boston v. Bellotti 40
 Bank of England 80, 335
 Bank of New England 29–30
 Bank of the United States 111–12
 Bank Secrecy Act (BSA) 276–7, 278
 bank trusts 145–6
 bankruptcies 31, 65, 119, 153, 299, 367,
 389, 401
 banks 19, 111, 133, 173–4, 359, 370, 479, 481
 Barad, Jill 384
 Barber, Brad M. 177
 Barber, Brendan 486
 Barclays 148, 198, 330, 479
 Basel Committee 478, 479
 Baskins, Ann 357–8
 Bass brothers 287–8
 Baums Commission 442
 BB&T 196
 BCE 445
 bear markets 163, 204
 Bear Stearns 296, 353, 359
 Beatty, David 139
 Bechuk, Lucian 385
 Beckstead and Watts, LLP 393
 Beech-Nut 35, 91
 Belgium 447
 Ben and Jerry's 14
 Bendix 290
 Bennett, Phillip R. 140
 Berg, Olena 205–6

- Berkshire Hathaway 58–9, 64, 204, 224–5, 239 n40, 254, 360, 428
- Berle, Adolf A. 120, 124, 126, 350
- Beulieu of America 40
- Bezos, Jeff 348
- BHP Billiton 360
- Bicks, Robert 89
- Bierce, Ambrose 5–6
- “big bath” restructuring charges 63–4
- Biggs, John 199, 200, 305
- Bill of Rights 11, 12, 108
- Bipartisan Campaign Reform Act (BCRA) 40, 41
- Bismarck, Otto von 416
- Black, Conrad M. 299
- Black, Hugo 12
- Black-Scholes option pricing model 67, 377
- BlackRock 198
- Blackstone Group 150
- Blackstone, Sir William 108
- Blair, Margaret M. 73
- Blockbuster 221, 328
- Blue Arrow 65
- BMW 184, 193
- boards of directors *see* directors, boards
- The Body Shop 14
- Boeing 146, 356, 410–11, 430
- Bogle, Jack 132, 235–6
- bonds 156, 160
- bonuses 59, 150, 349, 365, 369, 486
- AFSCME proposals 196
 - “clawback” provisions 151, 152, 371
 - directors 320–2
 - guaranteed 380–1, 389
 - manipulation of earnings to support 383
 - Mannesmann 443
 - transaction 386–7
 - Wall Street 348
- Boothbay Harbor Electric Light Co. 126–8, 145
- Boothby, Lord 252
- Booz Allen Hamilton 70, 352
- Borden 227, 292, 378–9
- Borne, Brooksley 13
- Botelho, Maurício Novis 423
- BPB 466
- Brabeck-Letmathe, Peter 185–6
- Brabeck, Peter 61
- Braithwaite, John 31, 32–3
- Brancato, Carolyn Kay 144
- Brandeis, Louis D. 6–7, 8, 126–7, 141–2, 224, 240 n50, 258, 397
- Brazil 418, 419–20, 421, 422–3, 446, 447, 448
- Breeden, Richard 77, 299, 375, 388
- bribery 22–3, 32–3, 112, 175, 283, 429
- see also* corruption
- Brightline simulation 79
- Brin, Sergey 10
- Bristol-Myers Squibb 360
- British Airports Authority 107
- British Airways 107, 204
- British Petroleum (BP) 13, 22, 41, 56, 360, 450–6
- Amoco merger 361
 - climate change 183
 - Deepwater Horizon spill 25, 354, 477
 - ESG assessment 84
 - failure of leadership 348
 - human rights issues 200
 - marketing campaign 61
 - pension fund activism 174
 - PetroChina 419
 - privatization 107
 - rebranding 184, 353
 - reputation 5
- British Telecom (BT) 107, 221, 232, 360, 466
- Brocade Communications 181
- “broker nonvotes” 246 n158
- Bronner, David 173
- Brookings Institution 73
- Brossy, Roger 72
- Brown, Aaron 216
- Brown Brothers Harriman 323–4
- Brown, Gordon 459
- Brown, Steve 233
- Brown, Terrell 216
- Browne, Lord John 41, 56, 353, 452–4
- Bryden, Donald 479
- BTPS 482
- Buckley, James 36–7
- Buffett, Warren 64, 69, 224, 226, 239 n40, 338, 480, 483
- boards of directors 254
 - charitable donations 58–9, 149
 - conflicts of interest 225
 - hedge funds 241 n69
 - pension fund 204
 - PetroChina 428
 - political contributions 42
 - preferred shares 234
 - stock options 374–5
- bull markets 157, 163, 203, 296
- bullet-dodging 385
- Buntrock, Dean 307
- Burke, James E. 81
- Burkle, Ron 171
- Burma (Myanmar) 200
- Burns, John J. 266
- Burrows, Peter 218
- Burson-Marsteller 166
- Bush, George H. W. 211
- Bush, George W. 39, 91, 157, 188, 206, 392
- business judgment 20, 268, 270, 273, 282, 286
- Business Roundtable 52, 136, 201, 280, 385
- Businesses for Social Responsibility 60

- Butler, Peter 233
buyouts 125
- Cadbury Code 186
Cadbury paradigm 79–83
Cadbury Report 325
Cadbury, Sir Adrian 79–80, 85, 87, 307, 334
California 188, 329
California Public Employees Retirement System
(CalPERS) 154, 157, 166, 169–70, 226, 229,
244 n112, 310
Apple Computers 124
board 170
climate change 183
constructive engagement 175
criticism of trustees 171
database of director candidates 336
economically targeted investments 189, 190, 191, 192
Enron 169
executive compensation 368
Harrigan's removal as chairman 176
scandals 171–2
shareholder activism 177–83, 208, 211, 213, 214, 217,
223, 227, 248 n199, 248 n205
USAir 345 n88
California State Teachers Retirement System (CalSTRS)
177, 185
California Urban Real Estate (CURE) 192
Cambre, Ronald C. 390
Cambridge University 429–30
Camejo, Peter 84–5, 194
Campbell Soup Company 202–3, 322
Campbell, William 351
Campos, Roel C. 388
Canada 417, 437, 445, 446, 447, 484
Canadian Coalition for Good Governance 139
Canion, Rod 294
Capellas, Michael 380
capital
cost of 72, 74–7, 78
demand for 192
morbid 413 n53
“mortmain” statutes 397
capital flight 428–9, 459
Capital One Financial Corporation 196
Capital Research & Management Co. 230
capitalism 5, 110–11, 143, 233–4, 348, 376, 416, 440, 476
Carbon Disclosure Project 466
Cardinal Health, Inc. 181–2
Cardozo, Benjamin 102, 145
Caremark International Inc. 196, 277–8, 282
Carlucci, Frank 267
Carnegie, Andrew 10, 113, 120
cartels 39, 112–13
Carter Hawley Hale 121, 258, 290
Carter, Jimmy 86
Case, Steve 230, 369
cash
cash balance plans 162
cash flow 71
value of 74–7
Cathcart, Alun 318
“cause”, termination for 390
CellStar 214–15
Cendant 48, 214, 265
Center for Research in Securities Prices (CRSP) 75–6
Central Bank of Norway 306
centralized management 7, 9, 129
Centrica 466
CEOs (chief executive officers) 64, 348–59, 410–11, 476
alignment of interests with shareholders 363, 376
Anglo-Saxon corporate structure 403
boards of directors 256, 257–8, 261, 292–3, 295–6,
326, 335
certification of 342 n22, 394
compensation 66–8, 130–1, 152, 243 n107, 348–9,
354–5, 363–88, 389, 410
criminal activity by 35–6
employment contracts 365, 389–91, 410
“ERISA’s Fundamental Contradiction” 128
evaluation of 262, 263, 303, 336
ex-CEOs as directors 306–7, 344 n68
Monragón cooperatives 404
North Dakota law 47
performance measurement 71
replacement of 74
resignation of 292
role in nominations 309–10
separation of chairman/CEO role 47, 304–6, 334, 433
shareholder activism 212, 233
social goals 15, 16
succession planning 308–9, 312–13, 337, 340, 391–2
Cerberus Capital Management LP 78
Ceres 183
certificates 131
certification 342 n22
chairmen 47, 196, 261, 295, 304–6, 334
Chamber of Commerce 43, 44–5, 147–8
Champion International 212, 224
Chandler, Chancellor 219
charitable donations 58–9, 60, 61, 149
Charkham, Jonathan 123–4
Charles Schwab 148, 196, 330
charters, corporate 112, 114, 140
Chavez, Hugo 419
Chayes, Abram 222
checks and balances 16, 130
Cheney, Richard 384
Chesapeake Energy 266
Chevedden, John 208
Chevron 360
Chicago 190

- Chicago Mercantile Exchange (CME) 256
 Chick-fil-A 57
 Chile 106, 447, 448
 China 107, 427, 443–4
 energy strategy 466
 GMI rating 447, 448
 human rights issues 200
 IT sector pay 417
 McDonald's 416
 PetroChina 428
 US debt to 418, 473 n3
 China Mobile 360
 Christie, Agatha 252
 Chrysler 36–8, 78, 203, 359, 379–80
 CHUM 139
 Churchill, Winston 416
 Ciesielski, Jack 383
 “circuit breakers” 131
 Cisco Systems 144, 165, 185, 402
 Citibank 19
 Citicorp 146, 167
 Citigroup 197, 353, 386
Citizens United case 11, 17, 41–5
 citizenship, corporate 59
 Claessens, Stijn 111
 Clancy, John J. 107–8
 Clark, Dean 115
 Clark, Robert 7, 94
 Clemenceau, Georges 416
 climate change 178, 183, 451, 464–7, 472, 485
 Clinton, Bill 40, 322
 Clinton, Hillary 41
 CNN 348
 Coase, Ronald 95 n1
 Coates, John 44
 Coca-Cola 69, 71, 72, 212, 254, 320–2, 360, 365, 457–8
 codes of corporate governance 338, 438, 442–3, 444, 450, 478
 Coffee, John C., Jr. 29, 79, 96 n26
 Colgate-Palmolive 322, 445
 collective choice 143–4, 145, 149, 199, 201, 235, 429, 471
 collective selfishness 408
 Colorado 190
 Columbia Management 330
 Committee on Investment of Employee Benefit Assets (CIEBA) 202, 247 n189
 Commodities Futures Trading Commission 13
 communism 107, 110
 Companies Act (UK, 2006) 325
 Compaq Computers 123, 148, 212, 217–20, 293–4, 338
 compensation
 AFSCME proposals 196, 197
 backdating options 271–3
 CalPERS activism 180, 181–2
 Campbell Soup Company 203
 CEOs 66–8, 150–1, 152, 243 n107, 348–9, 354–5, 363–88, 389, 410
 conflicts of interest 348
 directors 266, 319–24, 333
 Disney 268–71
 Dodd-Frank Act 394
 Embraer 424
 financial services sector 133
 Green Tree Financial 64–5
 Harvard endowment 152
 Institutional Shareholders Committee 187
 International Corporate Governance Network 234
 international differences 426
 Mondragón cooperatives 407
 moral hazard 133
 mutual funds 148, 329–30
 Nathan Cummings Foundation 485
 North Dakota law 46
 perverse incentives 79
 Poland 464
 shareholder activism 207, 208, 211, 213, 214, 215
 TIAA-CREF 199–200
 Wiederhorn 39
 see also severance agreements; stock options
 compensation committees 46, 150, 264, 269, 273, 280, 322, 373, 446
 complex adaptive systems, corporations as 12–13
 compliance 34, 35, 267, 281
 “comply or explain” 338, 427, 482, 483
 Compuserve 75–6
 Conard, Alfred F. 109
 Condit, Philip M. 356
 Confederation of British Industry 335
 Conference Board 305, 309
 confidential voting 145, 328–9
 conflicts of interest 8, 61, 92, 225, 348, 409, 476, 482
 charitable contributions 61
 confidential voting 328
 directors 280, 300, 302, 321, 340, 426–7
 Enron 295
 executive compensation 368, 388
 ICGN Principles 434, 480
 institutional investors 237
 Norwegian Government Pension Fund 432
 pension funds 165, 167, 171, 173, 174, 201
 Poland 462
 shareholders 124, 138, 229
 takeovers 284
 trustees 127
 Conley, John M. 163–4, 202
 Connecticut 190
 Consco 65, 349, 381, 383, 386
 Consolidated Gas Co. 206
 Constellation Energy 379
 Constitution of the United States 11, 12, 108–9, 393, 413 n53

- consultants 168, 202, 373
 contracts, CEO 365, 389–91, 410
 Control Data Corporation 55–6
 convertible preferred stock 224
 Cook, Jackie 258, 259
 Cooke, Joe 315–17
 cooperatives 403–9
 Cordiner, Ralph 50–1, 90
 corporate culture 26, 27, 358–9, 455
 corporate homicide 28, 96 n23
 corporate killing 27–8
 corporate manslaughter 26–8
 corporate social responsibility *see* social responsibility
 corporate structure 6–9, 115–17, 131, 252–3, 403–5, 410
 corporations 4–5, 477
 accountability 16–17
 definition of 5–6
 early concepts of 107–8
 international governance 416–18, 471
 objective of 20, 82, 87
 political contributions 40–5, 68
 purpose of 9–12, 60
 corruption 112, 164–5, 177, 283, 331, 428, 444, 458
 see also bribery; fraud; scandals
 Coss, Lawrence 64–5
 cost of living adjustments (COLAs) 156, 163
 costs
 agency 136–7, 145, 319, 348, 395, 409
 compliance 267
 externalization of 50, 117
 monitoring 432
 pension plans 161–2
 “real” 86
 Cotswold Geotechnical Holdings 28
 Council of Institutional Investors (CII) 151, 172, 265, 287, 296, 309, 333, 335, 371–3
 Countrywide Financial Corporation 359
 Cracker Barrel Old Country Store Inc. 207
 Crawford, Gordon 230
 Crawford, Richard 72–3
 “creation myths” 164
 Credit Suisse First Boston 22, 140
 criminal law 20–31, 33–6, 394, 443, 456
 crisis management 263, 291–4
Crown Emak Partners LLC v. Kurz 132
 “crown jewel” strategy 290
 Crystal, Graef 151, 211, 323, 364, 365, 367, 379, 386, 391, 413 n44
 CSG Systems International, Inc. 325
 CSX 305, 319, 384
 Culp, Henry Lawrence 366, 369
 culture, boardroom 292–3
 Cumberland Pharmaceuticals 366
 Cummins Engine, Inc. 203, 258
 Cuomo, Mario 189
 CVS 196
 Czechoslovakia 110–11
 Daiichi Kangyo Bank 360
 Daimler-Benz 77–9, 223
 DaimlerChrysler 193
 Daines, Robert 46
 Dalkon Shield 25
 Dallas, George 123
 Danaher Corporation 366, 369
 Darrow, Clarence 395
 Daum, Juergen 73
 Davis-Bacon Act (1931) 11
 Davis, Evelyn Y. 206
 Davis, Gray 171
 Davis, John P. 119
 debarment 30–1
 decision making 55–61, 92, 268, 406–7, 409–10, 480
 Del Mar Fairgrounds 166
 Del Monte 263
 Delaware 11, 45–6, 51–2, 114, 263, 292
 board role 267
 business judgment 282
 “Delaware regulars” 214
 demand requirement 273
 director exculpation clause 277
 Disney-Ovitz case 268, 270–1
 election of directors 331–3
 McPadden v. Sidhu 278
 Pennzoil Co. 248 n199
 “poison pills” 288, 289
 “race to the bottom” 19, 96 n16
 reincorporation to 197
 takeovers 284–5
 Topps/Upper Deck case 274–6
 voting interest 132
 deliberate obfuscation 381–2
 Dell 197, 402
 democracy 92, 140–1
 Democratic Party 40, 42
 Deng Xiaoping 444
 Denmark 447
 Denning, Lord Justice 26
 Department of Labor (DOL) 202, 203, 208, 234–5, 240 n52, 247 n188, 329, 342 n26
 “designated directors” 336
 Deutsche Asset Management 145, 148, 218–20, 328
 developing economies 93, 416, 435, 446–8, 458–64
 Dial 212
 directors 9, 251–345
 authority 333–5
 boards 13, 251–345, 350, 476–7
 accountability 16
 active corporate governance 432–3
 agenda 263, 266–7, 281–3
 Anglo-Saxon corporate structure 403

- Buffett on 254
- CalPERS activism 178–9, 180, 181–2
- CEO contracts 391
- communication with shareholders 264–5
- compensation and incentives 266, 319–24, 333
- conflicts of interest 348
- corporate crime 34–5
- corporate democracy 140
- denial of minority representation 142
- diversity 264
- dual board systems 409, 427
- duties 280–1
- election of 117, 246 n158, 324–30, 331–3
- Embraer 423, 424–5
- evaluation of 336
- ex-CEOs as directors 306–7, 344 n68
- executive compensation 388
- executive session meetings 336–7
- failures of 353
- Germany 442
- GMI research 446
- history of 255–6
- Honeywell 210
- information checklist 303–4
- information flow 295–301
- inside/outside mix 257–60, 294, 304, 334
- Institutional Shareholders Committee 188
- international differences 426–7
- legal framework 267–81
- limits to oversight 295, 301–2, 318–19
- meetings 263, 264, 349
- nominations 309–18, 325–8, 335, 340, 483
- North Dakota law 46–7
- occupational safety 455, 456
- performance measurement 48
- Poland 464
- qualifications 261
- regulatory neglect 482
- separation of chairman/CEO role 47, 304–6, 334, 433
- shareholder activism 211, 212–17, 230
- succession planning 308–9, 312–13, 337, 340
- TIAA-CREF 200
- crisis management 291–4
- “designated” 336
- duty to shareholders 6, 50, 51–2
- Hermes programmes 232
- Institutional Shareholders Committee 187
- Isetan 438, 439
- lead directors 215, 261–3, 305–6, 313, 334
- limited liability 20
- majority voting 46
- mutual fund support for management nominees 148
- nonexecutive 315–18, 325, 335, 438, 483
- Pennsylvania law 52–3
- perpetual directorships 13
- removal of 34
- resignation of 151–2, 212, 308
- stakeholder laws 51
- disclosure 62, 91, 257
- charitable contributions 61
- climate change 183
- consultant fees 373
- Daimler-Benz 77
- Embraer 425
- ERISA fiduciaries 329
- executive compensation 324, 381–2, 388
- ICGN Principles 434, 480
- Sarbanes-Oxley Act 392
- TIAA-CREF 200
- voluntary 73
- discount options 374
- discrimination 11, 14
- Disney
 - board of directors 257, 314
 - consultants 151
 - Crawford’s shares in 230
 - director liability 277
 - Disney World theme park 70
 - executive compensation 369, 390
 - Ovitz* case 268–71, 339
 - separation of chairman/CEO role 334, 433
 - shareholder activism 212, 214
- Disney, Roy 212, 221
- Disney, Walt 10
- diversification 121, 123, 155, 167, 168, 205, 431
- divestment 10, 174, 175, 188–9, 430–1
- Djankov, Simeon 111
- Dodd, David L. 213–14
- Dodd, E. Merrick 189
- Dodd-Frank Act (2010) 213, 246 n158, 338, 394
 - executive compensation 133, 150, 151, 208, 379, 382, 394
 - insurance companies 243 n97
 - proxy access 117, 324–5, 327, 394
- Dodge v. Ford Motor Co.* 56–7, 98 n67
- Dollar Tree Stores, Inc. 180
- Donaldson, William 77
- Douglas, William O. 105
- Dow Chemical 196
- Dow Corning 91
- Dow Jones 84, 237, 355, 426
- Dowling, James 166
- Drexel Burnham Lambert 24–5, 31
- Dreyfus Corporation 330
- Drucker, Myra 204
- Drucker, Peter 47, 155, 291, 295
- Du Pont, Pierre 223–4, 225
- dual board systems 409, 427
- dual-class structures 135–6, 137, 139, 144, 213, 237, 437, 483
- Dubai 416

- Dubreville, Anthony 278–9
 Dukakis, Michael 19
 Dunlap, Al 225, 294, 337, 349
 Dunn, Patricia 357–8
 DuPont 183, 223–4, 360
 duty of care 268, 270–1, 273, 277–9, 282, 339
 duty of loyalty 268, 270, 273, 276–9, 284–5, 287, 339
 DWS Scudder 330
- earnings 63–8, 74
 directors' compensation 320–1
 manipulation of 383
 pension funds 203–4
 stock options 377–8
- earnings per share (EPS) 70–1
 Easterbrook, Frank H. 13, 137
 Eastern Europe 110–11
 Eastman Kodak 74, 235, 292, 359, 360
 Eaton, Peter 28
 Ebbers, Bernard 21, 382–3
 Ebner, Martin 436
 Eccles, Robert G. 84
 Eckbo, B. Espen 431, 473 n8
 economic value added (EVA) 71–2
 economically targeted investments (ETIs) 189–93, 205–6
 Edison Electric 208
 Edmondson, David 356–7
 Edvinsson, Leif 73
 efficiency 10–11, 134
 Egypt 447, 458
 Eisenberg, Melvin Aron 124, 125
 Eisner, Michael 66, 212, 257, 269–71, 274–6, 314, 369, 433
 El-Erian, Mohammed 150
 Electricidad de Caracas 419
 Electronic Data Systems (EDS) 203, 320
 Eli Lilly & Co. 22, 179, 196
 Ellis, Charles D. 132
 Ellison, Larry 358, 366
 Emap 315–18, 340
 Embraer 420–6
 Emerson Electric 259
 Emmett, Martin F. C. 297–8
 employee-owned enterprises 403–9
 Employee Retirement Income Security Act (ERISA, 1974) 130, 164, 168, 201–2, 208, 226, 229
 administration of 247 n188
 conflicts of interest 167
 diversification 155
 enforcement 235
 ESOPs 400
 fiduciary restraint 205
 “Fundamental Contradiction” 128
 insurance companies 149, 249 n212
 shareholder activism 186
 voting disclosure 329
 employee stock ownership plans (ESOPs) 121–2, 284–5, 300, 399–401
 employees 14, 85, 155, 351, 395–401, 411
 criminal liability 28–9
 economically targeted investments 189
 Embraer 424
 General Electric 362
 global pay differences 417
 Malden Mills 57–8
 Mondragón cooperatives 406–8
 pension plans 156, 160, 161–2
 temporary 402
 Wal-Mart 430
 enforcement 234–5, 478, 479, 483, 484
 Engel, David 87, 92
 Enron 5, 90, 359, 392, 432
 bailout attempt 39
 board of directors 291, 295, 296, 299–300, 302, 331, 340
 destruction of documents 31
 failure of leadership 348
 Joint Energy Development Investment LP 169
 prison sentences 21
 retirement fund 349
 “special purpose entities” 12
 Entine, John 194
 environmental issues 22, 56, 83, 116, 183, 184–5
 BP 430–1
 Global Carbon Project 464–5
 IKEA 61
 Norwegian Government Pension Fund 431
 One Report system 84
 sustainability reporting 465–7
 environmental, social and corporate governance (ESG) 83–7, 184–6, 426
 Epstein, Edward Jay 130, 326
 equality 107
 equilibrium 79–83
 equity securities 196, 197, 198, 220
 Ericsson 437
 Esrey, William 386
 Esser, Klaus 443
 Estes, Ralph 87
 ethical contract 54
 ethical issues 82, 184–6, 430, 431
 ethnic minorities 189, 264
 European Aeronautical Defence and Space (EADS) 448
 European Bank for Reconstruction and Development (EBRD) 419
 European Commission (EC) 478–9
 exchange offers 135, 136, 139, 144
 executive compensation 150–1, 243 n107, 348–9
 backdating options 271–3
 boards of directors 280, 281, 295
 CEOs 354–5, 363–88, 389, 410
 Disney 268–71
 Dodd-Frank Act 394

- financial services sector 133
- International Corporate Governance Network 234
- international differences 426
- mutual funds' proxy voting 329–30
- Nathan Cummings Foundation 485
- shareholder activism 207, 208, 211, 213, 214, 215
- TIAA-CREF 199–200
- Wiederhorn 59
- see also* compensation
- executive session meetings 336–7
- Exel 466
- expenses 297, 356, 358
- externalities 79, 116, 128, 468
- externalization 50, 116, 117, 428
- Exxon 22, 92, 213, 360, 361, 384, 452
- Exxon Mobil 418, 453, 454, 477

- F&C 123
- failed owners 128, 143
- “fair price provisions” 290
- Fairchild 368
- Fanto, James 219
- Fastow, Andrew 300
- Faulk & Co. 257
- Favaro, Ken 309
- Federal Election Campaign Act (FECA) 40
- Federal Election Commission (FEC) 40
- Federal Employees' Retirement System (FERS) 197–9
- Federal Employees' Retirement System Act (FERSA) 157, 197, 198, 226
- Federal National Mortgage Association (Fannie Mae) 10, 107, 152
- Federal Reserve 39
- Federal Trade Commission (FTC) 138
- Federated Investors 148, 330
- Feinberg, Kenneth 370
- Ferris, Edward 309
- Feurstein, Aaron Mordecai 57–8
- Fidelity Investments 114, 148, 188–9, 330
- fiduciaries 102, 121, 126, 127, 429
 - “bad governance” discount 128
 - ERISA 229, 329
 - ICGN Principles 434
 - non-neutral 168, 201, 205, 233–4
 - ownership rights 130, 131
 - pension funds 154, 164, 168, 172, 201–2, 205, 233–4, 484
- fiduciary duty/obligation 6, 51–2, 121–4, 429, 486
 - directors 268, 269, 273, 284
 - institutional investors 142
 - investment advisers 103–4
 - pension funds 168, 192, 194, 196, 226
 - Topps/Upper Deck case 275
- fiduciary standard 102–3, 145, 164, 476, 482
 - directors 284–5, 337
 - pension funds 234, 235
- Fifth Third Bancorp 196
- Financial Accounting Standards Board (FASB) 46, 49, 62, 66–9, 73, 383, 469
- financial crisis 4, 5, 13, 476, 478
 - AFSCME resolution 195
 - bank failures 359
 - CEO bonuses 348
 - failure of accountability 17
 - FASB ruling 62
 - separation of chairman/CEO role 306
 - shareholder activism 213
- Financial Executives Institute/Financial Executives International (FEI) 49, 72
- “financial experts” 322, 333
- financial services sector 133, 417
- financial statements 62, 67, 280, 303, 394, 463, 469
 - see also* reporting
- fines 20–3, 25, 29–31, 89, 96 n26, 394
- Finland 447
- Finmeccanica 430
- Fiorina, Carly 218, 219, 356, 357–8, 359, 384
- First Amendment 8, 17, 21, 41
- Fischel, Daniel P. 13, 137
- FleetBoston 379
- flip-in/flip-over plans 288
- Flora, Joe 290
- Focus Funds 222, 231, 232, 233
- Fog Cutter Capital Group Inc. 59, 258
- Ford Foundation 149, 150, 429
- Ford, Henry 4, 10, 56–7
- Ford Motor Company 38, 56–7, 98 n67, 113–14, 135, 320, 360
- Foreign Corrupt Practices Act (FCPA, 1977) 22–3, 283, 358, 393
- Foshee, Douglas L. 61
- Foss v. Harbottle* 117–18
- foundations 149–50, 153, 429–30, 485
- Fouse, William 132
- FPL Group 387
- France 427, 447
- Franklin Electronics Publishers 53
- Franklin Funds 330
- fraud 21–5, 31, 35–6, 63, 392, 417
 - AmSouth Bancorporation 276–8
 - backdating options 272–3
 - Cendant 265
 - Fog Cutter 258
 - Hewlett-Packard 390
 - obstacles to restitution 387
 - pension funds 165, 176
 - Refco 140
 - Sunbeam 225
 - tax havens 428
 - UNH scandal 183
 - whistleblowers 186
 - see also* corruption; scandals

- Freddie Mac 107
 Free Enterprise Fund 393
 free rider problem 143–4, 167, 199, 201, 234, 235
 Freedom of Information Act 8
 freedom of speech 11, 41, 92, 109
 Freeport McMoRan Copper and Gold 431
 Freidheim, Cyrus F., Jr. 70–1
 Freston, Thomas E. 384–5
 Friedman, Milton 82, 83, 85
 Friedman, Thomas 416
 Fromstein, Mitchell 65, 402
 Fuji Bank 360
 Furr's/Bishop's 210
 Future Tech International (FTI) 40
- G7 nations 459
 Galbraith, John Kenneth 370
 Galli, Joseph 369
 Gates, Bill 10, 120, 363–4
 Gates Foundation 149, 150, 429
 Geneen, Harold 304
 General Accounting Office 234–5
 General Dynamics 368
 General Electric (GE) 51, 74, 360, 397
 CEO 348, 350, 361–2, 387, 389
 directors' retainers 320
 false billing scandal 24
 institutional investors 144
 price fixing 20, 88–90
 General Mills 132–3
 General Motors (GM) 173, 356, 359, 360, 482
 board of directors 13, 291, 313, 331, 334, 349, 353
 CEO resignation 212, 292
 directors' retainers 320
 DuPont 223–4
 failure of governance 363
 government bailout 38
 hedge funds 221
 pension fund 13–14, 203
 reputation 5
 separation of chairman/CEO role 334
 shareholder activism 206, 212, 230
 Generally Accepted Accounting Principles (GAAP) 47, 62, 65–6, 71, 73, 79, 84, 280, 469–70
 Genovese, Kitty 92
 Germany 225, 427, 442–3, 446, 447
 Ghana 458
 Gheit, Fadel 419
 Gibbs, Sir Roger 122
 Gifford, John 272
 Gilbert brothers 206, 211
 Gilead Sciences 366
 Gillett, George 325
 Gillette Co. 19, 224
 Gillmor, Paul 61
- Gilson, Ronald J. 335, 336
 Ginsburg, Douglas H. 29, 30, 34, 35
 Gitano Group 25
 Glass-Lewis 148, 393
 Glass-Steagall 226
 Glaxo 122, 360
 Glaxo Wellcome 351
 GlaxoSmithKline 41
 Global Carbon Project (GCP) 464–5
 Global Corporate Governance Forum 93, 435, 458
 Global Crossing 307, 348, 349, 359, 369, 389, 390
 Global Reporting Initiative (GRI) 84, 86–7, 465
 Goizuetta, Roberto 71, 365
 “golden coffins” 196
 “golden hellos” 386
 “golden parachutes” 151, 394
 Goldfields of South Africa 446
 Goldman Sachs 23–4, 41, 44, 45, 140, 196, 220, 261, 381
 Goldstein, Michael 390
 Gompers, Paul 139, 291
 Goobey, Alastair Ross 231, 487 n10
 good faith 277, 278–9, 282
 goodwill 63, 65, 99 n76
 Goodyear 74, 75
 Google 5, 10, 139, 237, 360
 Google Finance 84
 Gore, Al, Jr. 40
 Gould, Andrew 366
 Governance for Owners 233, 438
 GovernanceMetrics International (GMI) 445–9
 backdating scandals 385
 board interlocks 258, 259
 CEO contracts 389
 director database 302, 328, 344 n68
 directors' compensation 266, 319, 320
 directors with minority support 325
 ex-CEOs as directors 306
 executive compensation 369, 370
 majority voting 333
 mutual funds 148
 shareholder resolutions 147
 government 18–20, 476, 482, 484
 Anglo-Saxon corporate structure 403
 bailouts 36–8, 39–40
 intervention 338, 462
 government sponsored enterprises (GSEs) 107
 Graham, Benjamin 213–14
 Grant Thornton LLP 140
 Gray, William 301
 Greece 446, 447
 Green Tree Financial 64–5, 265
 Greenburg, Les 217

- greenmail 287–8
- Greenspan, Alan 13, 353, 376–8, 481
- Greider, William 12
- Greville, Sir Fulke 359
- Grinstein, Yaniv 385
- Griswold, Benjamin H. 218
- Gross, Daniel 32, 123
- gross-ups 196, 374, 387
- Grove, Andrew 305, 348
- Grundfest, Joseph 75–6, 331
- guaranteed bonuses 380–1, 389

- Haeckel, Ernst 440
- Halberstam, David 113–14
- Halliburton 23, 384, 416, 477
- Halperin, Michael 72
- Hamilton, Alexander 255–6, 267
- Hammergren, John H. 366
- Handlon, David 71–2
- Handy, Charles 402
- Hanks, James J., Jr. 51
- Hanson, Dale 172, 212, 310, 345 n88
- Harrigan, Sean 176
- Harrison, Matthew 402
- Hartford Financial Services Group 197
- Hartmarx 289
- Harvard University 149, 150, 152, 429
- Hausbank 225
- Havel, Vaclav 110–11
- Hawaii 190
- Hawley, Philip M. 258
- Hayek, F. A. 50, 52
- Hayward, Tony 41, 56, 174, 353–4
- HCA 22
- Health, Safety and Environmental Management (HSE) 450–1, 455
- HealthSouth 21–2, 90, 296, 348, 359
- Heard, Jamie 334
- Hearst, William Randolph 103
- hedge funds 220–1, 235, 241 n9, 481
- Helliwell, Arthur L. 238 n8
- Helmley, Leona 387
- Hemsley, Stephen J. 366
- Henderson Global Investors 465–7
- Henderson, Nina 263
- Henrikson, Magnus 436
- Herald of Free Enterprise* tragedy 26–8
- Hermes 144, 221–2, 231–3, 482, 487 n10
- Hershey Candy 122–3
- Hershey, Milton 122
- Hevesi, Alan 177
- Hewlett-Packard (HP)
 - AFSCME proposal 213
 - board of directors 292
 - CEO goals 368
 - directors' retainers 320
 - executive compensation 380–1, 384
 - Foundation 123
 - merger with Compaq 148, 217–20, 328
 - scandals 128, 295, 314, 340, 356, 357–8, 359, 390
 - separation of chairman/CEO role 334
- Hewlett, Walter 217–19
- Hiatt, Arnold 60
- Hicks, Tom 325
- Hilbert, Stephen 383
- HIM Governance 438, 439
- Hirsch, Leon 375
- Hirschman, Albert O. 240 n62, 363
- Hitachi 360
- Hodgson, Paul 320–2
- Hollinger 139, 296, 299
- Home Depot, Inc. 227, 295, 303–4, 384
- Honeywell International 209–10, 430
- Hong Kong 448
- Horton, Odell 25
- Hoskyns, Sir John 315–17
- Hospitality Properties Trust 179
- Houston Firemen's Relief Retirement Fund 166
- Hoyos, Carole 452
- HSBC 485
- Huff, John R. 266
- human capital 63, 72–3, 74
- human rights 189, 200, 207, 485
- humanistic firms 398–9
- Hungary 417
- Hurd, Mark 295, 357–8, 359, 368, 380–1, 390
- Hurst, James Willard 98 n67, 124
- Hurwitz, Charles 153

- i2 Technologies, Inc. 278–9
- Iacocca, Lee 36, 379–80
- IBM 80, 356, 360
 - AFSCME proposals 196
 - antitrust case 361
 - board of directors 291
 - CEO resignation 212, 292
 - failure of governance 363
 - outsourcing 402
 - pension fund 203
 - shareholder activism 212, 230
- Icahn, Carl 132, 147, 175, 210, 221, 235, 288, 328
- identity, corporate 11
- IKEA 61
- Illinois 157, 166, 176, 188, 189, 190
- ImClone 36
- Imcor 402
- Immelt, Jeffrey 362, 384
- immunity from prosecution 36
- Imperial Chemical Industries 283
- imprisonment 21, 25, 36, 59, 88, 140, 394
- imputed years of service 384
- incorporation 45–6, 96 n16, 109, 112, 114

- Ind. General Electric Co. (UK) 360
- independence
 directors 235, 257–9, 261, 283–4, 308, 324, 333–7, 340, 426–7, 438–9
 World Bank goals 93, 472
- index funds 132, 134, 226–7, 480, 484, 487 n10
 FERS 198–9
 Hermes 222
 pension funds 165, 167
- India 427, 447
- Indiana 189, 197
- Indonesia 417, 431, 448, 458, 459
- Industrial Bank of Japan 360
- Industrial Rayon 138
- Infinity Broadcasting 265
- inflation 63
- information flow 295–301
- information technology (IT) sector 417
- In re Caremark International Inc. Derivative Litigation*
 277–8, 282
- Initial Public Offerings (IPOs) 15, 32, 96 n11, 140
- Inland Steel 258
- innovation 73
- Institute for Policy Studies 150
- Institute of Chartered Accountants in England and Wales (ICAEW) 469–70
- institutional investors 123, 125, 144–50, 234, 237, 478, 484–6
 active money management 132
 activism 208, 211, 215, 217, 222–3, 226–8, 231–3, 480–1
 climate change 183
 conflicts of interest 124
 divestment initiatives 188–9
 economically targeted investments 189–93, 205–6
 election of directors 328, 329–30
 executive compensation 373
 failure of 476
 FERS 197–9
 GMI ratings 445
 growth of 130, 134
 Hermes 144, 221–2, 231–3, 482, 487 n10
 ICGN Principles 433–4
 “ideal owner” concept 229, 235
 international governance 428, 429
 level of ownership 166–7
 market for independent directors 335
 responsibilities 142
 voting 483
see also pension funds; shareholders
- Institutional Investors Group on Climate Change 466
- Institutional Research Group 426
- Institutional Shareholder Services, Inc. (ISS) 209, 212, 218, 306, 317, 333, 334, 335
- Institutional Shareholders Committee (ISC) 187–8, 231, 479
- insurance companies 144, 149, 226, 243 n97, 249 n212, 483
- intangible assets 73, 74, 98 n75
- Intel 144, 305, 348
- Interfaith Center on Corporate Responsibility 206
- internal controls 282, 393, 394, 455–6
- Internal Revenue Service 162, 203, 402
- International Accounting Standards Board (IASB) 69, 93, 232
- International Corporate Governance Network (ICGN)
 93, 234, 333, 373–4, 433–4, 478, 479–80
- International Financial Reporting Standards (IFRS)
 469–70
- international governance 415–73
 common language for accounting 468–70
 Global Carbon Project 464–5
 Global Corporate Governance Forum 435
 Governance Metrics International 445–9
 ICGN Principles 433–4
 sustainability reporting 465–7
 World Bank country assessments 458–64
- International Monetary Fund (IMF) 458, 459
- International Paper 199
- internet 216, 217, 235, 301, 442, 463
- Interpublic Group of Companies Inc. 180
- investment
 active money management 132, 133
 decision to invest 396
 defined-contribution pension plans 156
 directors’ concerns 282
 economically targeted 189–93, 205–6
 executive compensation 388
 limited liability 6, 7–8, 116
 Sharia-compliant 184, 185
 socially responsible 83–5, 169, 194, 237
 sustainable and responsible 485–6
 Volkswagen 193–4
see also institutional investors; shareholders
- investment advisers 103–4
- Investment Company Act (1940) 103–4, 138, 140, 146, 220, 226
- Investment Management Association (IMA)
 187, 479
- Investor AB 436–7
- Investor Network on Climate Risk 183
- Investor Responsibility Research Center 333, 379
- “invisible hand” 16, 106, 155, 156
- Irani, Ray R. 366, 369
- Ireland 447
- Isdell, Neville 320, 457–8
- Isetan 438–40, 441
- Ishii, Joy L. 139, 291
- Islam 184
- Israel 427, 448
- Italy 427, 447
- ITT Corp. 211, 212, 304, 322, 362, 368

- J. C. Penney 222
Jackson, Shirley 260, 261
Jacobs, Michael 74
Jakobsson, Ulf 436
Janklow, Bill 19
Janus Capital Group 330
Japan 418, 444–5
 CEO resignations 35
 cost of capital 77
 employee ownership 398
 GMI rating 447, 448
 institutional investors 484
 IT sector pay 417
 keiretsu 427
 Merck antibiotics program 351
 relationship investing 225
 US debt to 473 n3
 voluntary restraint agreement 38–9
Japan Airlines 35
Japan Atomic Power Company 35
Jay, John 65
Jensen, Michael C. 125, 368
JetBlue Airways Corporation 179
“Jewish dentist” takeover defense 290
Jobs, Steve 10, 386
Johnson & Johnson 80–1, 87, 360
Johnson, Alan 381
Johnson, F. Ross 102, 125, 297, 298
Johnson, James 319
Johnson, Norman 63
Joint Energy Development Investment LP
 (JEDI/JEDI II) 169
joint-stock companies 108
Jones, Sir John Harvey 283
Jordan 460–1
Jordan, Vernon 322–3
Jouvenel, Bertrand de 130
JP Morgan Chase 44, 196, 220, 227, 330, 360
Juno Lighting 257

K-Mart 230, 380
Karlsson, Per-Ola 309
Karmazin, Mel 370
Karpoff, Jonathan M. 53, 98 n64
Kay, Ira 379
Kaysen, Carl 16–17
Kazimi, A. J. 366
KB Homes 379, 385
KBR, Inc. 23, 185
Kean, Thomas 319
Kefauver, Estes 88
Kellogg Brown & Root LLC 23
Kelso, Louis O. 399
Kennedy, Anthony 41
Kennedy, Edward 234
Kennedy, John F. 197

Kerr-McGee 221
Kerry, John 40
“Kew Gardens” principle 92
Khodorkovsky, Mikhail B. 441
Khurana, Rakesh 308, 349, 353
Kidder Peabody 361
killing, corporate 27–8
King Pharmaceuticals 132
King Report (2002) 470–1
Kinnear, Jim 288
Kinsley, Michael 40
Kirkorian, Kirk 221
Kjaer, Knut 431
KKR 170
Klein, Ezra 42
KLM 23
knowledge capital 74
Knowledge@Wharton 139
Knowlton, Winthrop 295, 326
Kogan, Richard J. 390
Kopper, Michael 299
Koppers 173
Korea 427, 432, 446, 448, 459
Korn/Ferry 256, 266, 267, 304, 307, 310, 336–7
Korologos, Ann 319
Kotick, Robert A. 366
Kozlowski, Dennis 314, 383, 390
Kraakman, Reinier 335, 336
Kramer, Orin 157–8
Kravis, Henry 102, 125
Krepps, Juanita 86
Krzus, Michael P. 84
Kuwait Investment Company 290

La-Z-Boy Incorporated 178–9
Laborers’ International Union of North America 212
Ladish Company 58
Land, Edwin 55
Langbein, John 168
Lapides, Morton M. 24
late trading 147
Law Commission, United Kingdom (UK) 27–8
Lawndale Capital Management 223
lawsuits 15–16, 117–18, 331
 AFSCME 196
 AmSouth Bancorporation 277–8
 CalPERS 183
 “Delaware regulars” 214
 Disney-Ovitz case 268–71
 PCAOB oversight 393
 pension funds 191
Lay, Kenneth 21, 299
Layne Christensen Corporation 85
lead directors 215, 261–3, 305–6, 313, 334
The Learning Company 355
Lederer, Jack L. 298

- legal personality 7, 8, 102
 Legg Mason Funds 330, 379
 Lego, Paul 306–7
 Lehman Brothers 275, 296, 319, 359
 LeMay, Ron 386
 Lennar 379
 Lens 235
 Lessig, Lawrence 43
 Lev, Baruch 73, 74
 Levi Strauss 60
 Levin, Carl 291
 Levitt, Arthur 48–9, 68–9, 138–9, 242 n80, 305
 Lewis, Drew 258
 Lewis, Kenneth 380
 LG Display 23
 liability
 criminal 20, 28–9, 35, 456
 directors 277, 282, 331
 limited 4, 6, 7–8, 20, 105, 115–16, 129, 237
 pension funds 160–1
 Lichtenstein, Warren G. 445
 Lie, Erik 272, 385
 Lieberman, Joseph 68
 Liener, Gerhard 77–8
Liggett Co. v. Lee 8, 397
 limited liability companies (LLCs) 95 n2
 Lincoln Financial International 197
 Lindblom, Lance E. 485
 Lipton, Martin 46, 262, 290, 301, 313
 liquidity 121, 129, 131, 143, 146, 282
 Livedoor 448
 Livent 48, 214
 Liverpool Football Club 325
 loans 36–7, 382–3, 394
 lobbying 91, 117
 Locke, John 106
 Lockheed Corporation 36–7, 400
 Lockheed Martin 387
 Lone Star Industries 297
 Long, Russell 399, 400–1
 Long-Term Capital Management (LTCM) 39
 long-term strategy 47, 48, 50–5, 92–3
 Loomis, Carol 13
 Lord Abbett 330
 Lorsch, Jay W. 262, 301, 313, 334
 Lower Saxony 193–4, 427
 loyalty, duty of 268, 270, 273, 276–9, 284–5, 287, 339
 Luby's 217
 Lucent 380
 Lusk, Edward J. 72

 MAC Fund 445
 MacDougall, Alan 486
 Mace, Myles 326
 Madoff, Bernard 36, 239 n46
 Magee, Mark 348
 Magus Corp. 290

 Maine 188
 Maine Public Employees Retirement System (MePERS)
 159–63
 Maine State Retirement System (MSRS) 172
 majority voting 46, 213, 325, 331–3, 337
 Makihara, Ben 398
 Malatesta, Paul M. 53, 98 n64
 Malaysia 447, 459
 Malden Mills 57–8
 Mali 457–8
 management 332, 348
 accountability 129, 135
 BP 456
 centralized 7, 9, 129
 Mannesmann 443
 Manning, Bayless 128–9, 283, 284, 409
 Manpower, Inc. 402
 manslaughter, corporate 26–8
 Marathon/Ashland 361
 Marbach, Carl B. 212
 Marcus, Bernard 303–4
 Marcus, Lucy P. 301
 market test 40, 47–8, 285, 337
 market timing 147
 market value 69–70
 marketing 61
 Markopolos, Harry 36
 Marston Investment Partners 177
Marquette Nat. Bank of Minneapolis v. First of Omaha Service Corp. 19
 Marshall, John 109
 Martha Stewart Omnimedia 139
 Martin, John C. 366
 Martin Marietta 290
 Marx, Karl 107, 252, 395–6
 Mason, Edward 54
 Massachusetts 11, 176, 190, 328
 Matsushita Electric 360
 Mattel 212, 222, 292, 355, 384, 390
 Maxim Integrated Products, Inc. 272–3
 Maxwell, Hamish 375
 Maxxam 153
 McCain, John 91
 McCall, H. Carl 173
McCullough v. Maryland 109
 McDonald's 221, 416
 McEntee, Gerald W. 196
 MCI 391
 McKesson 366
 McKinnell, Hank 385
 McNealy, Scott G. 266
McPadden v. Sidhu 278
 Means, Gardiner C. 120, 124, 126, 350
 media and journalists 14, 282
 meetings 118, 263, 264, 336–7, 349
 mega-grants 349, 369–70, 375
 Mellon, Andrew 120

- Mellon Capital Management 132
 Mellon Financial Corporation 181
 Mentor Graphics Corporation 289
 Merck 15, 351–2, 360
 Mercury Finance 265
 Meredith, David R. 298
 mergers *see* acquisitions and mergers
 Meriwether, John 39
 Merrill Lynch 173, 174, 183, 272, 330, 402
 Merton, Robert 39
 Metrick, Andrew 139, 291
 Metro-Goldwyn-Mayer 369
 Mexico 448
 Meyer, Jack 150
 Meyer, Pearl 298
 MFS Investment Management 330
 Michigan 189, 190, 336
 Mickelthwait, John 5
 Microsoft 90, 120, 144, 185, 360, 363–4, 402
 MicroStrategy 49
 Milken, Michael 24–5, 31
 Miller, Robin 315–16
 Millstein, Ira M. 229, 293, 326, 338, 342 n22, 350
 Minnesota 176
 Minnesota Mining and Manufacturing Company 5, 360
 minority shareholders 142, 435, 438–40, 484
 Minow, Nell 230
 Mirabilis 49
 Mitsubishi 360, 398
 Mittelman, David R. 152
 Mobil 360, 361
 Mokhiber, Russell 21, 36
 Mondragón 403–9
 monitoring 132, 292
 - institutional investors 187, 228, 234
 - investment managers 342 n26
 - by shareholders 124, 140–1, 229, 235, 432
 - see also* oversight
- Monks, Robert A. G. 110–11, 211, 213, 325–6, 453–4
 monopolies 107
 Monsanto 72
 Monster Worldwide 322
 Moody's 74, 384
 Moore, Richard 173
 moral hazard 133
 Morales, Jennifer 166
 morality 14, 141, 470
Moran v. Household International, Inc. 288
 morbid capital 413 n53
 Morgan Stanley 40, 148, 220, 246 n158, 330, 380, 437
 Moritz, Michael 37
 “mortmain” statutes 397
 Moss, David A. 481
 Motley Fool 301
 Motorola 227, 402
 Movie Gallery 319
 Moxy Vote 217, 330
 Mueller, Robert K. 303
 Murakami, Yoshiaki 445
 Muravyev, Alexander 139
 Murdoch, Rupert 42–3, 223
 Murningham, Marcy 43
 Murphy, Kevin J. 368
 mutual funds 114, 123, 144, 146–9, 245 n139
 - activism 226
 - hedge fund comparison 220–1
 - proxy voting 329–30
 - Slovakia 460
 - stewardship principles 483
- Mylan 132, 196
 Myners, Paul 186, 231
 Nabisco 134
 Nabors 196
 Nader, Ralph 35, 206
 Nafus, Edward C. 325
 Nakagawa, Toshiaki 440
 Nardelli, Robert 384
 Nash, John 334
 Nathan Cummings Foundation 42–3, 256, 328, 484–5
 National Association of Corporate Directors (NACD) 265, 305, 323, 324, 334, 335, 336, 337
 National Association of Pension Funds (NAPF) 187, 232, 479
 National Grid 183
 NBC 361, 362
 NCR 355
 Neff, Tom 352
 Neilson, Gary L. 309
 Nesbitt, Stephen L. 223, 248 n205
 Nestlé 61, 123, 185–6
 NetChannel 49
 Netherlands 447, 484
 New Deal legislation 11, 140
 New Jersey 174, 176, 188, 237
 New York 158, 166, 169–70, 173, 177, 192, 206, 229, 230
 New York City Employees' Retirement System (NYCERS) 207
 New York Public Library 150
 New York State Common Retirement Fund 173–5
 New York State United Teachers Fund 173
 New York Stock Exchange (NYSE) 114, 131, 223, 265
 - audit committees 284
 - “broker vote” rules 330
 - certified financial statements 62
 - Daimler-Benz 77, 78
 - directors 261, 333, 338
 - Embraer 421, 422, 425
 - executive compensation 152
 - Hermes 232
 - non-voting stock 242 n80
 - voting rights 135–6, 138–9, 241 n75, 241 n78

- New York Times Company 237
 New Zealand 447
Newark Morning Ledger v. US 98 n75
 Newmont Mining 390
 News Corp. 42–3
 Nike 200, 384
 Nippon Tel. & Tel. 360
 Nocera, Joseph 45–6
 Nokia 5
 nominating committees 264, 309–10, 325, 335
 non-voting stock 242 n80
 nonowners 128
 nonprofits 149–50
 Norges Bank 430–3, 472
 Norris, William Charles 55–6
 North Carolina Public Employees' Retirement System 173–4
 North Dakota 46–7
 Northern 148
 Northrup Grumman 430
 Northwestern 70
 Norway 447, 477
 Norwegian Government Pension Fund 430–3, 472
 Norwich Union 479
 Novak, David C. 366
 Novell Inc. 182
 Novo Mercado 419–20, 422, 425
 Nuevo Energy 61

 Obama, Barack 150, 370, 394
 O'Barr, William M. 163–4, 202
 “obligation of significant ownership” 124
 O'Brien, Justus 309
 Ocado 259
 Occidental Petroleum 50, 212, 292, 366, 369, 375
 occupational safety 86, 450–1, 453–4, 455–6
 Oceaneering International 266
 O'Clairacain, Carol 154, 207
 O'Connell, Kathleen 204
 Odland, Steve 386
 Ogden, Dayton 352
 Ohio 189
 Olds, Irving S. 326
 Olson, John 263
 Omnibus Budget Reconciliation Act (OBRA) 98 n75
 Omnicom Group 197
 One Report system 84
 one share, one vote 134–9, 141, 237, 241 n75, 442, 478
 OpenSecrets 43, 44
 Oppenheimer Funds 330
 Oracle 185, 356, 358, 360, 366
 Oregon 188
 Organization for Economic Co-operation and Development (OECD) 93, 458, 459, 461, 478

 organizational structure 72, 355, 456
 Ortiz, Juan 40
 outsourcing 59, 402, 417
 overpayments 387
 oversight 12–13, 482
 bad faith 277
 dereliction of duty of 278
 Enron 300
 government 427
 ICGN Principles 479–80
 limits to 295, 301–2, 318–19
 PCAOB 392–3
 see also monitoring; regulation
 Ovitz, Michael 269–71, 339
 ownership 8, 105–11, 134
 directors 266
 employees 395–401, 411
 executive compensation 373–4
 FERS 198
 fractionated 9, 125–9
 “ideal owner” concept 228–34
 “obligation of significant” 124
 pension funds 166–9, 202
 separation of ownership and control 118–25, 126, 129–34
 SCEs in Poland 462–4
 Sweden 436
 see also shareholders
 Ozaki, Robert 398–9

 P&O 26–7, 466
 Packard, David 217–18
 “PacMan” takeover defense 290
 Pagell, Ruth A. 72
 Pakistan 417
 Pampered Chef 59
 Pantry Pride 286
 Paramount Communications, Inc. 230, 290, 313
 Parents Television Council 206–7
 Parker, Hugh 305
 Parker, Jeffrey 21
 Parmalat 296, 432
 partnerships 7, 9, 95 n6, 115, 116
 Paterson, David A. 158
 Patterson, D. Jeanne 189
 “pay to play” arrangements 175, 177
 peer group manipulation 384
 Penn Central Railroad 36
 Pennant-Rea, Rupert 476
 Pennon 466
 Pennsylvania 11, 52–3, 98 n64, 123, 211
 Pennzoil Co. 248 n199
 Pension and Welfare Benefits Administration (PWBA) 168
 Pension Benefit Guarantee Corporation (PBGC) 166
 pension funds 13–14, 123, 154–69, 245 n139, 349, 484

- active corporate governance 432
- active money management 132
- activism 169–70, 173–88, 229, 230, 482
- AFSCME 195–7
- diversification 121
- economically targeted investments 189–93, 205–6
- ERISA 130
- FERS 197–9
- Fog Cutter Capital Group 59
- General Mills 132–3
- Hermes 221–2
- “ideal owner” concept 233–4
- international governance 429
- as investors 164–6
- Norwegian Government Pension Fund 430–3, 472
- as owners 166–9
- Poland 461
- private 144, 155, 156, 157, 163–4, 167, 168, 201–6, 226, 233
- public 144, 155, 157–8, 159–64, 167, 169–200, 226–7, 233
- Slovakia 460
- socially responsible investing 194
- stewardship principles 483
- Sweden 436
- tax incentives 155
- pension plans 55, 130, 154
 - defined-benefit 127, 128, 156, 159–63, 170, 204
 - defined-contribution 156–7, 162, 163, 175, 197
- Pension Protection Act (2006) 156
- Pensions Investment Research Consultants (PIRC) 486
- PepsiCo 184, 445
- performance
 - CEO contracts 390
 - compensation linked to 151, 182, 203, 292, 320–3, 364–5, 371–3, 376, 379, 382
 - Embraer 425
 - occupational safety 455
 - pension funds 163
 - performance measurement 47–8, 70–1, 72, 92, 355
- Perot, Ross 173
- perpetual rights 397
- perquisites 371, 372, 382, 387, 389, 426
- Perry, Richard 132
- Pershing Square Capital Management 221
- Personnel Corporation of North America (PCA) 297–8
- “persons”, corporations as 4, 6, 11, 12
- Peterson, Peter 305
- PetroChina 360, 419, 428
- Peyer, Urs 385
- Pfizer, Inc. 22, 295, 351, 385
- PG&E 25, 183, 322
- pharmaceutical corporations 91
- Pharmacia & Upjohn Company 22
- Phelan, John J. 135, 136
- Philip Morris 200, 360, 369, 375
- Philippines 417
- phony cuts 386
- Pickens, T. Boone 207, 290
- Pilgrim, Gary 147
- Pinera, Jose 106
- Pirate Capital 221
- Pitt, Harvey 207
- plan sponsors 202
- Planned Parenthood 58, 59
- Plato 395
- Plender, John 204, 445
- Pohl, Gerhard 111
- “poison pills” 8, 119, 199, 202, 213–14, 229, 286, 288–9, 342 n37, 343 n38
- Poland 417, 446, 447, 461–4
- Polaroid 55, 114, 290, 300, 400
- police pension funds 173
- policy 14, 232
- political action committees (PACs) 40, 42, 44
- politics 13, 82–3, 91–2, 418, 484
 - China 444
 - corporate contributions 40–5, 68
 - pension funds 170, 171, 175, 177
- Porter, Michael 228, 235
- Portugal 447, 448
- Pound, John 350
- power 108, 112, 252, 281
 - discretionary 253, 339
 - limitation of 16–17
 - “obligation of significant ownership” 124
- Powers, William, Jr. 299–300
- PPG Industries 203
- Premark 72
- Premier Pacific Vineyards Inc. 171
- price fixing 20, 30, 34, 88–90
- PriceWaterhouseCoopers (PWC) 262, 263
- Principles for Responsible Investment 83–4
- prisoner’s dilemma 143–4, 429
- Pritzker, Jay 285
- Private Equity Conference 125
- privatization 106–7, 158, 238 n18
 - Czechoslovakia 110–11
 - developing economies 458, 459
 - Embraer 420
 - Poland 462
 - United States 427
- pro forma reports 65–6
- PRO NED 335–6
- Procter & Gamble 360
- profit maximization 50, 53, 54, 82, 83, 130, 398
- profit-sharing plans 424
- property 7, 106–9, 143
 - morbid capital 413 n53
 - “mortmain” statutes 397
- separation of ownership and control 119, 120, 126

- Proudhon, Pierre-Joseph 107
proxies 117, 125, 145–6, 234, 282
 AFSCME 196, 197
 confidential voting 329
 Dodd-Frank Act 394
 election of directors 324, 327, 329–30, 331–3
 ERISA funds 201, 202, 203, 208
 Harvard University 150
 insurance companies 149
 investment managers 342 n26
 mutual funds 147, 148
 North Dakota law 47
 Pennzoil case 248 n199
 shareholder activism 213, 215, 217
Proxy Democracy 217
Proxy Governance Inc. 212
prudence 164–5, 192, 201
Public Company Accounting Oversight Board (PCAOB)
 392–3
public interest 167, 201, 206, 429
Public Utility Holding Company Act (1935) 138, 140,
 242 n80
Pulte Homes 197
Putin, Vladimir 441
Putnam Investments 330
- Qiao Liu 444
Quaker Oats 72, 292, 355
Quattrone, Frank 22
Quickturn Design Systems, Inc. 289
Qwest 348, 359, 379
- R. J. Reynolds 134, 298
R. P. Scherer Corporation 146
“race to the bottom” 11, 19, 45, 79, 96 n16, 114, 417, 428,
 471, 477
Radio Shack 356–7, 411
Radler, F. David 299
Ramada Inc. 125
Rand, Ayn 5
Rappaport, Alfred 70
ratings agencies 74
rational ignorance 144, 172
Raymond, Lee 384
Raytheon 197, 357, 410–11
re-load provisions 374
Reader's Digest 153
Reagan, Ronald 38
Refco 140
Regan, Edward V. 47, 157, 170, 174–5, 189, 213, 229–30
Regions Financial 196
regulation 11, 13, 18–20, 46, 50, 338
 China 444
 environmental 83, 451, 466
 financial 33
 insurance companies 149
 one share, one vote 138–9
 Pennsylvania 52–3
 Poland 461
 regulatory neglect 482
 shareholders 140–1
 Thailand 461
 see also Dodd-Frank Act; Employee Retirement Income
 Security Act; oversight; Sarbanes-Oxley Act;
 Securities and Exchange Commission
- Reich, Robert 168
Relational Investors 221, 222–3
relationship investing 225
remuneration *see* compensation
reporting
 climate change 183
 Embraer 425
 Global Reporting Initiative 84, 86–7, 465
 international 468, 469–70
 Poland 463
 sustainability 84, 85, 465–7
Reports on the Observance of Standards and Codes
 (ROSC) 459
Republican Party 40, 43, 44
reputation 5, 51, 184, 282
research analysts 32
responsibility 6, 80, 105
 directors 280–1, 302–3, 315, 337
 pension funds 164
 shareholders 105–6, 126–7, 141–3, 482
 see also accountability; liability; social responsibility
restricted stock grants 364, 368, 379–80, 381
restructuring charges 63–4
retirement packages 372, 381, 384, 387, 389
return on equity (ROE) invested 64
Revlon 275, 276, 284, 286–7
Rigas, John 22, 382–3
rights 12, 17, 21
 China 444
 ownership 105, 124, 130–1, 144, 202, 234, 235, 463–4
 perpetual 397
 property 108–9, 120
 shareholder 117–18, 119, 129, 213–14, 229, 253
- Ripley, William Z. 137–8
Ripplewood Holdings LLC 153
risk 131, 165, 237, 282, 319, 396
 cash balance plans 162
 executive compensation 364
 externalization of 116
 foundations 153
 moral hazard 133
 pension funds 154, 157, 168
 risk management 255, 363, 477
- Rite Aid 322
RJR Nabisco 50, 102, 296–7, 298
Roberts, George 102
Roberts, Leonard 357
Robinson, James D., III 227, 258, 292
Rockefeller, John D. 113, 120

- Roe, Mark 205, 226
- Rose Foundation for Communities and the Environment 153
- Rosen, Ben 293–4, 338
- Ross, Stan 198
- Ross, Steve 365
- Rott, Roland 442–3
- Rove, Karl 44
- Royal Bank of Scotland (RBS) 325
- Royal Dutch/Shell 360, 361, 418–19, 452
- Ruback, Richard 137
- Rudman, Warren 305
- Rumsfeld, Donald 40, 91
- Russia 107, 139, 432, 440–1, 484
 - GMI rating 448
 - government policy 427
 - IT sector pay 417
 - Sakhalin Energy Investment Corp. 418–19
- Russo, Pat 380
- safety issues 450–1, 453–4, 455–6
- Safeway 176, 196
- SAFRAN 430
- Sakhalin Energy Investment Corp. 418–19
- Saks Inc. 379
- Salomon Brothers 224, 226, 330, 338, 375, 480
- Salvage, Lynn 298
- Samuels, Maurice 152
- San Diego employees' pension system 176
- Sandland, Mike 479
- Sanmina-Sci 379
- Sanwa Bank 360
- Sara Lee Corporation 180
- Sarbanes-Oxley Act (2002) 35, 79, 217, 296, 338, 392–4
 - audit committees 265
 - backdating options 385, 449
 - board independence 235, 258
 - compliance costs 267
 - departure of directors 314
 - Embraer 424
 - financial experts 322
 - loans 383
 - Section 404, 393
 - violations 358
- SBC Communications 259
- scandals 17, 296–300, 302, 305, 392, 417, 432
 - audit 48–9, 214, 265
 - backdating options 272–3, 385, 449
 - CEOs 356–7
 - conflicts of interest 61
 - Hewlett-Packard 128, 340
 - Madoff 239 n46
 - mutual funds 147
 - pension funds 170, 171–2, 175–7
 - price fixing 88–90
 - private equity firms 125
 - Refco 140
 - UNH 183
 - see also* corruption; fraud
- Scherer, Karla 146
- Schering-Plough 22, 390
- Schlumberger 360, 366
- Schmookler, Andrew B. 91–2
- Scholes, Myron 39
- Schwab 148, 196, 330
- Schwarzenegger, Arnold 175, 365
- Schwarzman, Stephen 150
- Scott Paper 212, 292
- Scottish & Southern Energy 466
- Scottish Power 466, 467
- Scrusby, Richard 21–2
- Seagram 343 n38
- Seaman, Barrett 37
- Sears, Roebuck & Co. 235, 356, 359, 360
 - ESOP 400
 - executive compensation 369
 - failure of governance 363
 - Monks' board contest 211, 325–6
 - separation of chairman/CEO role 334
 - shareholder activism 212
- Securities Act (1933) 140, 220, 477
- securities analyst settlement 32
- Securities and Exchange Act (1934) 140, 468, 477
- Securities and Exchange Commission (SEC) 18, 36, 48, 86, 468
 - accounting rules 62, 65–6, 469, 470
 - AOL accounts 49
 - audit committees 265
 - boards of directors 338
 - "circuit breakers" 131
 - classified boards 328
 - climate change 183
 - compensation disclosure 381–2, 388
 - consultant fees 373
 - director nominations 310
 - disclosure requirements 77, 257
 - FASB recommendations 67
 - Hermes 232
 - market for independent directors 335
 - mutual funds 148
 - nonfinancial performance data 73
 - PCAOB oversight 393
 - Pennzoil case 248 n199
 - pension fund scandals 175, 176
 - proxies 197, 217, 248 n195, 329, 331
 - securities analyst settlement 32
 - shareholder proposals 207, 208, 211, 215, 368
 - succession practices 309, 392
 - Sunbeam 225
 - UNH scandal 183
 - voting rights 135, 136, 137, 138
- Securities Exchange Act (1934) 272
- Segal, Harvey H. 112
- self-interest 120, 130, 133

- self-regulation 17, 32–3, 67, 86, 135, 443
- severance agreements 295, 372, 384–5
- CalPERS activism 181–2
 - Disney-Ovitz case 270–1
 - Hewlett-Packard 356, 359, 390
 - Institutional Shareholders Committee 187
 - Tambrands 298
 - Warnaco 299, 367
 - Westinghouse 307
- Shaheen, George 369
- Shamrock Capital Advisors 221
- shareholders 101–249, 350, 477
- activism 169–70, 177–88, 200, 202–3, 206–20, 222–35, 364–5, 480–1, 484
 - AFSCME resolution 195–7
 - alignment of CEO's interests with 363, 376
 - American Law Institute principles 82
 - change of control 391
 - China 444
 - “choice” 115
 - Citizens United* case 17
 - communication with 264–5
 - consent 124–5
 - corporate crime 20, 33–4
 - directors as 301–2, 337
 - directors' duty to 50, 51–2, 253
 - disclosures to 61
 - disenfranchisement of 125, 131, 136
 - Disney-Ovitz case 270–1
 - Dodd-Frank Act 394
 - election of directors 324–30, 331–3
 - Embraer 421–3
 - executive compensation 364–5, 368, 379, 388
 - fiduciary standard 102–3
 - financial reporting 469
 - Ford Motor Company 113
 - fractionated ownership 9, 125–9
 - Hermes 222
 - Hollinger 299
 - “ideal owner” concept 228–34
 - interests 54–5
 - Isetan 438–40
 - Japan 444–5
 - lawsuits 15–16
 - limited liability 6, 8, 105, 129, 237
 - maximization of returns to 58, 71
 - monitoring by 124
 - North Dakota law 46–7
 - oversight by 12–13, 339
 - passivity 478–9, 484
 - Pennsylvania law 52–3
 - “poison pills” 288–9
 - prisoner's dilemma 143–4
 - profit maximization 83
 - removal of directors 34
 - resolutions on governance 148–9
 - responsibility 105–6, 126–7, 141–3, 482
 - rights 117–18
 - separation of ownership and control 118–25, 126, 129–34
 - Slovakia 460
 - stakeholder laws 51, 54
 - stewardship principles 482–3
 - SUM 255–6
 - takeovers 285, 286–7
 - voting rights 134–9
 - “Wall Street rule” 129, 318–19
 - see also* institutional investors
- Shareholders Education Network 217, 330
- shares 67, 68, 131
- dual-class 135–6, 137, 139, 144, 213, 237, 437, 483
 - Embraer 421–3, 425
 - ICGN policies 374
- Shaviro, Daniel 32
- Shearson Lehman Hutton 173
- Sherman Act 89
- Sherman, Howard D. 306
- Shlensky v. Wrigley* 15–16
- Shorin, Arthur 274, 275
- Sibson & Co. 72
- Siedle, Edward 165–6
- Siemens AG 22–3
- Sierra Club 61
- Silvester, Paul J. 175
- Simmonds, Ken 315–17
- Simmons, Ruth 261
- Simpson, Anne 123–4
- Simpson, O. J. 265, 319
- Singapore 438–40, 446, 447
- Singapore Technologies 200
- Singer, Joseph W. 57–8
- Sirius XM Radio Inc. 370
- Six Flags theme park 70
- Skandia 73
- Skilling, Jeffrey 21, 300
- Sloan, Alan 147, 383
- Slovakia 460
- Smith, Adam 106, 108, 154, 252–3
- Smith Barney Asset Management 330
- Smith, Sandy 351
- Smith v. Van Gorkom* 284, 285–6
- SmithKline Beecham 351
- Snapple 355
- Snow, John 305, 319, 384
- Snow, William 319
- social accounting 86, 87
- social investing 83–5, 169, 189–93, 194, 237
- Social Investment Forum 185, 485
- social responsibility 14, 15–16, 60–1, 83–7, 194, 206
- Cadbury paradigm 80
 - Institutional Shareholders Committee 187
 - international operations 457

- Mondragón cooperatives 407
- Nathan Cummings Foundation 485
- shareholder influence 184–6
- Social Security 157, 161–2, 197, 199
- socialism 155, 171, 198, 395–6, 416, 440
- Society for Establishing Useful Manufactures (SUM) 255–6
- “soft dollar” industry 247 n187
- solicitation expenses 197
- Sonenshine Partners 279
- Sonnenfeld, Jeffrey 308, 391–2
- Soss, Wilma 206
- Sotheby’s 314
- South Africa 55, 58, 206, 427
 - divestment from 174–5, 237
 - GMI rating 446, 447
 - King Report 470–1
 - Triple Trust Organization 86
- South Dakota 19
- Sovereign Bank 222–3, 290, 321–2
- Sovereign Wealth Funds (SWFs) 477, 482
- Spadoni, Charles B. 175
- Spain 406, 446, 448
- “special purpose entities” 12, 169, 300, 302
- specialization 109
- Spencer Stuart
 - boards of directors 256, 257, 261, 266, 284
 - CEOs 212, 352
 - China 444
 - directors’ compensation 319, 322
 - succession planning 308
 - women directors 264
- Spitzer, Eliot 32, 173
- spring-loading 385
- Sprint 72, 379, 386, 391
- Stack, Christopher A. 175
- staggered boards of directors 327–8
- stakeholder laws 51, 52–3, 54
- Standard & Poor (S&P) 74, 132, 157, 165, 198, 204, 266, 267, 301, 449
- Standard Brands Inc. 298
- Standard Oil Company 112–13
- standards 18, 92
 - accountability 82, 83
 - accounting 49, 63, 64
 - environmental 56, 86
 - see also fiduciary standard
- Stanley, Albert 23
- Star 361
- State of Wisconsin Investment Board (SWIB) 214–15
- state-owned enterprises (SOEs) 443, 462–4
- State Street 148
- Steel Partners Japan Strategic Fund 445
- Steffen, Christopher J. 74
- Steiner, Jeffrey 368
- Steiner, Ken 208
- Steiner, William 323
- Stern, Joel 70
- Stern Stewart 70, 71, 267
- Sterndent 290
- Stevens, John Paul 41
- Stevens, Ted 198
- stewardship 482–4, 486
- Stewart, James 297
- Stewart, Thomas 350
- Stiglitz, Joseph 238 n18, 476
- stock market 47, 113–14
- stock options 46, 49, 63, 150–1
 - accelerated vesting of 374, 383
 - backdating 271–3, 368, 385, 386, 449
 - CEOs 349, 365, 367, 368–70, 372, 374–9, 381, 389
 - directors 266, 319, 320, 323, 333
 - disclosure 382
 - phony cuts 386
 - re-pricing 68, 203, 368, 369, 374, 375, 382
 - Tambrands 298
 - valuation of 66–9
- stock prices 71–2, 129, 272, 323, 368, 377, 379
- Stoller, Martin 216
- Stone & Webster 5, 13, 121
- Stone, Christopher D. 35
- Stone, Harlan Fiske 236, 486
- Stone v. Ritter 277
- Stoncipher, Harry C. 356
- strategic planning 337
- Strauss, Robert L. 297
- Streep, Meryl 365
- Stride Rite Corporation 59–60
- succession planning 308–9, 312–13, 337, 340, 348, 391–2
 - Emap 315–16
 - Institutional Shareholders Committee 187
 - lead directors 263
- Sudan 188, 428, 485
- Sumitomo Bank 360
- Summers, Larry 13
- Summit Bank 391
- Sun Microsystems 183, 266, 383
- Sunbeam 48–9, 212, 214, 225, 265, 294, 337, 349
- SunTrust 196
- Supreme Court 12, 19, 109, 477–8
 - Citizens United case 11, 17, 41, 43
 - ERISA 249 n212
 - fiduciary duty 104
 - Newark Morning Ledger v. US 98 n75
 - political contributions 40
- sustainability 84, 85, 184–6, 426, 465–7
- sustainable and responsible investment (SRI) 485–6
- Swanson, William H. 357
- Sweden 435–7, 446, 447
- Switzerland 447
- Sykes, Allen 483
- Symantec Corporation 118
- Syse, Henrik 431

- T. Rowe Price 147, 148, 330
 Taiwan 416, 448
 Taiwan Semiconductor Manufacturing 446
 Takagi, Yasumoto 35
 takeovers 129–31, 284–91, 327
 anti-takeover laws 11, 19, 52–3, 211
 Germany 442
 stakeholder laws 51
 two-tier tender offers 134
 see also acquisitions and mergers
 Tambrands Inc. 297–8
 Tan Lye Huat 438, 439
 Taney, Roger B. 112
 Target 45
 tax incentives 11, 45, 155, 162, 400
 taxation 150, 159, 387, 428–9, 438–9
 Taylor, William 223–4
 Teachers Insurance and Annuity Association–College Retirement Equities Fund (TIAA-CREF) 169–70, 188, 199–200, 208, 210, 305, 330, 482
 Telerate 355
 Templeton Funds 330
 temporary employees 402
 Tenneco, Inc. 203
 Tennessee Valley Authority (TVA) 88–9
 termination of CEOs 390
 Teslik, Sarah A. B. 296
 Texaco 147, 175, 287–8, 360, 361
 Texas City industrial accident (2005) 450, 452, 453–6
 Thailand 417, 432, 447, 458, 459, 461
 Thatcher, Margaret 106
 Thiesfield, Lisa A. 175
 Thomas H. Lee Partners 140
 Thomas, Simon 468
 Thurlow, Edward, First Baron 20
 Tibet 200
 Tillerson, Rex 454
 Timberland 384
 Time Warner 230, 286, 290
 AOL deal 391, 413 n44
 CalPERS lawsuit 183
 competition with Disney 70
 executive compensation 365
 hedge funds 221
 “poison pill” 119, 343 n38
 police pension funds 173
 political contributions 40
 Tokarz, Michael 260
 Tontine Associates LLC 220
 “too big to fail” concept 36–8, 39
 Topps Company 274–6
 Toronto Stock Exchange 139, 437
 Tosco 361
 Total 361
 Towers Watson (formerly Towers Perrin) 151, 369
 Toyota 360
 Toys-R-Us 390
 Trade Services Corporation (TSC) 278–9
 trade unions 155
 Trades Union Congress (TUC) 486
 Trans Union 284, 285, 331
 transaction bonuses 386–7
 transferability 7, 8, 105, 118–19, 124, 229
 consequences for corporations 134
 “poison pills” 213–14
 separation of ownership and control 129, 131
 transparency 78, 217, 235
 Embraer 426
 global corporate governance 457, 459, 468–9
 ICGN Principles 373, 434, 480
 Poland 463
 sustainability reporting 85
 World Bank goals 93, 472
 Travelers’ Insurance Company 172, 212, 322
 Tribune Company 322
 Triple Trust Organization (TTO) 86
 Trollope, Anthony 252
 Trucost 465–7
 Trump Hotels 65–6
 trustees 103–4, 112, 121–2, 126, 429
 accountability 229
 AFSCME 195
 bank trusts 145–6
 conflicts of interest 127
 FERS 198
 foundations/universities 149–50
 non-neutral 201
 pension funds 154–6, 167–8, 170, 171, 192, 202, 234, 484
 R. P. Scherer Corporation 146
 stewardship principles 483
 trusts 112, 113, 145–6, 400
 Tsai, Gerry 114
 Tucker, Lawrence 323–4
 Turkey 448
 Turnbull, Shann 396, 399, 400
 Turner, Lynn 385
 Turner, Ted 348
 Turteltaub, Adam 363
 Twain, Mark 431
 Twitter 301
 two-tier tender offers 134
 Tyco 19, 359, 390, 392
 board of directors 296, 302, 314
 failure of leadership 348
 loans 383
 Tylenol 80–1
 Ultramar Diamond Shamrock 361
 Union Pacific Corp. 258, 383
 Unisys 212
 Unitarian Universalist Association 188–9

- United Airlines 122, 368, 401
- United Arab Emirates 416, 477
- United Companies Financial (UC) 215–16, 235
- United Food and Commercial Workers Union 176
- United Kingdom (UK)
 - accounting standards 468–70
 - boards of directors 255–6, 259, 261, 264, 293, 304, 325, 334
 - derivative lawsuits 117–18
 - executive compensation 370–1
 - financial crisis 476
 - GMI rating 445, 446, 447
 - goodwill 65
 - governance as private contract 427
 - government oversight 427
 - Hermes 144, 221–2, 231–3, 482, 487 n10
 - institutional investors 484
 - Institutional Shareholders Committee 187–8, 479
 - joint-stock companies 108
 - occupational safety 455–6
 - political contributions 44
 - privatization 106
 - shareholder activism 186
 - stewardship principles 482
- United Nations (UN) 185, 458, 464, 476, 485
- United Natural Foods 379
- United Shareholders Association (USA) 207–8, 368
- United States (US)
 - accounting standards 468–70
 - boards of directors 255, 283–4, 304
 - debt to China 418, 473 n3
 - derivative lawsuits 117
 - environmental laws 83, 86
 - evolution of the corporation 111–14
 - executive compensation 370
 - FERS 197–9
 - GMI rating 445, 446, 447
 - goodwill 65
 - governance as private contract 427, 435
 - institutional investors 144, 434
 - IT sector pay 417
 - legal jurisdiction 477–8
 - politics 91
 - property rights 108–9
 - Sovereign Wealth Funds 477
- United States Steel Corporation 113
- United States Synthetic Fuels Corporation 10
- United Technologies 84, 290, 430
- UnitedHealth Group (UNH) 183, 359, 366, 379, 385
- universities 149–50, 429–30
- Unocal 51, 200, 284, 361
- Unruh, Jesse 287
- The Upper Deck Company 274–6
- US Surgical 375
- USAir 224, 345 n88, 368
- Vagelos, Roy 15, 351–2
- Valero Energy Corporation 196
- value 47, 62–72
 - of cash 74–7
 - externalities 79
 - human capital 72–3, 74
 - long-term 93
 - Topps Company 275–6
 - value chains 73
- Van de Kamp, Andrea 314
- Van Gorkom, Jerome William 285–6
- Van Kampen Investments 330
- Vanderbilt, Cornelius 120
- Vanguard 132, 148, 330
- Venezuela 419
- venture capital 168, 189
- “vest fleecing” 383
- vestigial owners 128
- Viacom Inc. 383, 384–5
- Vietnam 458
- Villalobos, Alfred 171–2
- Virginia 176
- Virginia Company of London 255
- Virginia Company of Plymouth 255
- Visual InfoSoft/MaterialExpress.com (VIS/ME) 278–9
- Vodafone 360, 443
- Volkswagen AG 193–4, 427
- voluntary restraint agreements (VRAs) 38–9
- voting 129, 229, 241 n78
 - CalPERS activism 178–82
 - confidential 145
 - directors 324–30, 331–3
 - Dodd-Frank Act 394
 - dual-class stock 483
 - Embraer 420, 422
 - GMI research 446
 - institutional investors 483
 - Institutional Shareholders Committee 188
 - Investor AB 436–7
 - majority 46, 213, 325, 331–3, 337
 - Mondragón cooperatives 406, 407
 - one share, one vote 134–9, 141, 237, 241 n75, 442, 478
 - shareholder activism 212–13, 214
 - Slovakia 460
 - see also* proxies
- W. R. Grace & Co. 227
- Wachner, Linda 298–9, 367
- Waksal, Sam 36
- Wal-Mart Stores 25, 120, 207, 360, 430
- Walden Asset Management 85, 185
- Walker report 482
- “Wall Street rule” 129, 318–19
- Wallace, David 297
- Wallace Foundation 153

- Wallman, Steven M. H. 73
Walton, Sam 120
Wang 135
Warnaco 298–9, 367
Washington Post Company 69, 135, 254
Waste Management 5, 48–9, 214, 265, 359
 CEO departure 212, 292, 307
 fraud judgment 25
 “golden hellos” 386
 separation of chairman/CEO role 334
 shareholder activism 222
wealth creation 10, 416, 427
Webvan 369
Wedoff, Eugene 401
Weidner, David 24
Weill, Sandy 386
Weinstock, Lord 74
Weissman, Robert 36
Welch, Jack 348, 361–2, 381, 387, 389
Wellcome Trust 122
Wellpoint 197
Wells Fargo 19, 196, 198, 360
Wells, Frank 269
Wendt, Gary 349, 381, 386
Westinghouse Electric Corp. 204, 306–7, 362
 CEO resignation 292
 ESOP 400
 price fixing 20, 88–90
 restructuring charges 64
 separation of chairman/CEO role 334
 shareholder activism 212, 230
Westly, Steve 175
Weyerhaeuser Co. 182
whistleblowers 35, 186, 394
white knights 224, 290
Whitehead, John C. 338
Whitworth, Ralph 223
Wiederhorn, Andrew 59, 258
Wierton Steel 401
Williams, Harold 388
Wilshire Associates 53, 98 n64, 223
Wilson, Pete 175
Wilson, Tylee 296–7
Wilson, Woodrow 114
Winokur, Herbert S., Jr. 300
Wisconsin 173, 189, 214–15, 230
Wolfensohn, James D. 416, 459
Wollock, Richard 171
women 189, 264, 458
Wood, Kimba 207, 248 n195
Wooldridge, Adrian 5
World Bank 93, 416, 458–64, 472
World Wildlife Fund (WWF) 61
WorldCom 5, 90, 359, 392, 432
 board of directors 296, 331
 executive compensation 380
 failure of leadership 348
 loans 382–3
 prison sentences 21
WPP 380
Wrigley Corporation 15–16
Wriston, Walter 307
Wyman, Tom 349
Xerox 114, 204, 359, 360
XTO Energy 196
Yahoo! 216, 379
Yahoo Finance 301
Yeltsin, Boris 441
Yerger, Ann 151
Yermack, David 387
Ying Fang 444
Young, Owen D. 397–8
Young, Shirley 259
Young, Whitney 55
Yucaipa, Co. 171
Yukos 441
Yum! Brands, Inc. 366
Zion, David 204
Zuckerberg, Mark 10