

The SEC began litigating the backdating of stock options in 2006.

Another long tail: A judge orders imprisoned former Tyco International CEO **L. Dennis Kozlowski** to forfeit seven years of pay, a sum that could exceed \$100 million. The judge also rejects Kozlowski's request for tens of million of dollars in benefits that he said Tyco owed him. "His ability to satisfy [the judge's] ruling is unclear," the *NYP* dryly reports. The lawsuit between Kozlowski and Tyco began in 2002.

That makes sense: A Conference Board report titled "Corporate Misconduct and the **Market for Directorships**" documents that outside directors who become embroiled in corporate mis-



Matteo Tonello

conduct lawsuits risk losing opportunities to serve on other boards. A telling stat: 96% of directors who hold one board position in addition to the seat on the sued company's board lose the additional directorship. "This study sheds new light on the reputational risks of having your name associated with a company investigated or sued for fraud or financial misrepresentation, and reinforces the need for sound risk management,"

says **Matteo Tonello**, director of corporate governance research at the Conference Board.

Animal spirits are indeed rising as we head into the end of the year: In one of 2010's largest **private-equity buyouts**, Kohlberg Kravis Roberts & Co. agrees

to acquire Del Monte Foods Co. for \$4 billion.

Things are looking up for GM: **General Motors** posts a \$2 billion profit in its most recent quarter and, in an even more dramatic development, makes a rousing return to NYSE trading. Its IPO raises \$23 billion — an offering that "is bigger and more ambitious than had once seemed possible," the *NYT* marvels. The head of capital markets for one Street firm tells the *WSJ*, "In many respects, the GM transaction was an IPO of the United States and a major vote of confidence in this country from an economic and market perspective."

DECEMBER

Concerned that there may be a tidal wave of **whistleblower complaints**, the SEC says it will delay setting up its whistleblower office. The agency wants more funding from Congress to carry out this and other Dodd-Frank-directed initiatives. More than 250 legal officers collaborate in signing a letter to the SEC warning that paying bounties will turn into a "gold mine" for employees.

A little kumbaya: President Obama meets with 20 major corporate CEOs in an effort to mend fences and spur more hiring. According to the *Los Angeles Times*, both sides indicate that the four-hour "working meeting" does pave the way for better cooperation. Leaders in attendance include Cisco's John Chambers, GE's Jeffrey Immelt, Intel's Paul Otellini, and PepsiCo's Indra Nooyi (see her article on page 6).

Proxy voting moves to the next generation: Broadridge Financial Solutions Inc. announces that its proxy voting platform will be available on mobile data devices such as smartphones and tablets in early 2011. The firm notes that email delivery of proxy materials is "growing exponentially." *IR Magazine* reports that 35 companies held virtual shareholder meetings in 2010.

Catalyst reports that women's representation did not grow significantly in



Financier Bennett LeBow, who invested \$25 million in Borders Group Inc. in 2010 and became chairman and CEO of the troubled bookseller, is pictured (at podium) at the announcement in November 2010 of his gift of \$45 million to Drexel University. The gift, the largest by an individual in the university's history, will help fund construction of a new academic center for the university's LeBow College of Business (home of Drexel's Center for Corporate Governance). Pictured with LeBow is George Tsetsekos, dean of the business school. Bennett LeBow received a degree in electrical engineering from Drexel in 1960.