



NYU  POLLACK CENTER FOR LAW & BUSINESS
NYU SCHOOL OF LAW AND LEONARD N. STERN SCHOOL OF BUSINESS

REPORT OF ACTIVITIES 2005-2007

Letter from the Director



The NYU Center for Law & Business officially became the NYU Lester Pollack Center for Law & Business last year. We celebrated the generosity of Lester and Geri Pollack in February 2006 with a wonderful dinner marked by an insightful speech by Paul Volcker, the former Chairman of the Federal Reserve Board. This charitable gift is just the latest act of generosity by Lester Pollack, who for years has given of his time and his treasure to help his alma mater achieve its great success.

The NYU Pollack Center has continued to be very active along its three primary dimensions: service to professionals, service to students and service to scholars. This report briefly summarizes many of these activities. We have tried to throw in a number of photographs so our friends are able to get a sense not only of the activities we engage in but the human interest, benefit and sometimes joy that these events produce.

In addition to the Pollack family, I wish here to place on the record, so to speak, my personal thanks to all those whose help and support have made the Pollack Center such a wonderful success. Primary among these are Associate Director Hilary Peck, a graduate of the NYU School of Law, and Danise Malqui our Program Coordinator. Both women have been dedicated in their effort to have the Center's programs succeed.

Among others whose help must be gratefully acknowledged, the first is Martin Lipton whose assistance as our earliest and most continuous supporter has been essential. Marty acts as the co-organizer of the Center's annual NYU Directors' Institute, and in

that way alone makes a remarkable contribution to the Center's success. Also essential has been warm support from Dean Richard Revesz of the NYU School of Law and Dean Tom Cooley of the Stern School of Business. Both of these leaders early recognized and continue to push the advantages of building bridges along many dimensions of the training and the scholarship of these two great schools. The Center is one result of that vision, and we hope an important and beneficial one. Finally my faculty colleagues – especially Professors Yakov Amihud, Kose John, Marcel Kahan, Helen Scott and Jerry Rosenfeld – have been most generous with their time and energy in supporting and initiating Center programs. Thanks to all.

Together with my colleagues at the Pollack Center, I am proud of the contributions that the Center has been able to make to the education of the next generation of professionals and of its efforts to facilitate interactions among scholars and professionals. We hope when you have a chance to review this latest report of activities, you will agree that while there remains much to do, we have developed a leading model for bridging law and business – in the classroom and in the world. We would welcome any comments you might like to share.

Sincerely yours,

A handwritten signature in black ink, appearing to read "William T. Allen".

William T. Allen

Honorees Geri and Lester Pollack



Keynote speaker Paul Volcker, former Federal Reserve Board Chairman



Lester Pollack and Pollack Center Director William T. Allen



"This evening celebrates my ambitions to give back to the school that gave so much to me."

Lester Pollack

Center Dedicated to Lester Pollack

To honor Lester Pollack for more than 25 years on the Law School's Board of Trustees, the last eight as Chairman, the NYU Center for Law & Business was renamed the NYU Lester Pollack Center for Law & Business.

Mr. Pollack served from 1965 to 1979 as Executive Vice President and Member of the Board of Loews Corporation, and was the close advisor to Laurence Tisch, late Chairman of the NYU Board of Trustees. Mr. Pollack, Chairman and Founder of Centre Partners Management LLC, has been an active Limited Managing Director of Lazard Frères & Co. LLC since 2001. Mr. Pollack was a founding General Partner of Odyssey Partners from 1982 to 1986. Prior to that, he was General Partner and Vice President of Oppenheimer & Co. and Vice-Chairman and Co-Chief Operating Officer of United Brands from 1979 to 1981. Mr. Pollack is a graduate of Brooklyn College and earned an LL.B. from the NYU School of Law, where he serves as Chairman of the Board of Trustees. Mr. Pollack is also a member of the University's board.

At the dedication dinner in February 2006, Paul Volcker, former Federal Reserve Board Chairman, shared his insight on the interaction of business and law as it related to the United Nations Iraqi Oil for Food scandal. In 2004, the UN asked Mr. Volcker to research possible corruption in the program. "There was a shortage of auditors, and the organization lacked transparency," he explained. "This investigation is at the crux of business and law. Are we so inured to corruption that we've lost the energy to deal with it? A little corruption leads to more corruption – and a higher degree of cooperation is necessary to eradicate corruption."

Advanced Professional Certificate in Law & Business (APCLB) students Ping-Chuan Chou, Rafal Pruchniak, Maria Cargiulo and Dana Butunoi



NYU LAW
New York University School of Law

NYU STERN
NEW YORK UNIVERSITY LEONARD N. STERN SCHOOL OF BUSINESS

JD/MBA students meet with General Electric senior management in Brazil



Center Programs for Students

“The Advanced Professional Certificate in Law and Business program proved to be one of the best reasons for attending NYU. The program challenged my intellectual abilities by expanding my horizon beyond the strictly legal and into the business world. The summer session served as a necessary cornerstone, and without a doubt gave me an edge when it came time to take business-related courses during the Fall and Spring semesters both at Stern and at the Law School. Not only does the APCLB program give you a better understanding of legal and business issues, but it is also a tool and an asset when it comes to job recruiting. The law firms are definitely interested in students who have a comprehensive set of skills and who have an understanding for business as well as legal concepts that are applied during the course of transactions.”

Jorge Montano, APCLB student

(Clockwise from top left)

Student Luncheon speaker David Heleniak, Vice President, Morgan Stanley

JD/MBA student Andy Klein with Student Luncheon speaker Charles Klein, Managing Director, American Securities Capital Partners

APCLB students with Professors Bruce Skoorka, William T. Allen and Gary Simon, NYU Stern School of Business

Student Luncheon speaker Sara Moss, General Counsel, Estee Lauder Companies



Certificate Program a Continuing Success

The Advanced Professional Certificate in Law & Business (APCLB) has been created specifically for business lawyers. It is designed to provide undergraduate and graduate law students with the analytical tools necessary to understand the finance and economics that underlie the transactions and the business structures that business lawyers design, negotiate and implement.

In the months of June and July, law students take three Stern classes specially designed for them, including Financial Accounting and Reporting, Statistics and Data Analysis, and Foundations of Corporate Finance. Students complete additional electives during the Fall and Spring semesters, and they graduate with an Advanced Professional Certificate in Law and Business. In the summers of 2005 and 2006, students from Austria, Brazil, Canada, China, Columbia, Germany,

Malaysia, Mexico, Panama, Romania, Spain, the U.S. and Venezuela enrolled in the Certificate program.

The John L. Vogelstein Scholars Program

This program was made possible by a generous gift from John L. Vogelstein, Vice Chairman of Warburg Pincus LLC, a member of the Stern School Board of Overseers and of the Board of Advisors of the Center.

The Scholars chosen each year demonstrate high academic and professional achievement as well as dedication to the field of corporate law.



Student Luncheon speaker John Parker, Jr, Senior Vice President, Strategic Initiatives for North America, Coca Cola Enterprises

APCLB students Ana Delgado and Ying-chen Chen with Pollack Center Director William T. Allen

NYU Journal of Law & Business Holds First Symposium on Executive Compensation

In March 2007, the NYU Journal of Law & Business, a student edited journal now in its third year, sponsored its first conference on the important topic of Executive Compensation. The event, held in the Law School's Greenberg Hall, included numerous expert speakers, including Justice Jack Jacobs of the Delaware Supreme Court, Martin Lipton, Chair of the NYU Board of Trustees, and Melvyn Weiss of Milberg Weiss & Bershad, a leading representative of shareholder interests. The daylong event, which was well attended, started with a review of empirical studies of compensation levels from 1933 to 2003 by Professor William T. Allen, Director of the Pollack Center.

Innovative Approach to Teaching Professional Responsibility

In the Fall of 2006, Adjunct Professors Gerald Rosenfeld and Simon Lorne developed a course for law and business students on the topic of professional responsibility. The insight upon which the course is predicated is that in the real world of corporate practice, problems of compliance in law, business and legal ethics, and good business practice do not come in separate compartments. Four lectures were devoted to Professional Responsibility in Corporate Practice and Professional Service firms, and two classes focused on team presentations on recent business situations involving professional responsibility issues. Additionally, there was one Sunday workshop with outside lawyers and business people.

(Clockwise from top left)

APCLB students Manuela Ampuero and Maria Cargiulo

Gerald Rosenfeld, NYU School of Law, with students

Student Luncheon speaker Roy Katzovicz, General Counsel, Pershing Square Capital Management

Student Luncheon attendee

Student Luncheon speaker Robert Kindler, Vice Chairman Investment Banking, Morgan Stanley

Student Luncheon attendees



Center Initiates “Transition to Practice” Course

In the Spring of 2005, the Center initiated a “transition to practice” course for graduating students of law and business. The course is designed to allow young professionals to transition more rapidly and more effectively from the University environment to the world of practice. The course is taught by Adjunct Professor Gerald Rosenfeld, CEO of Rothschild North America, and Professor William T. Allen. The course is built around a detailed analysis of eight recent large corporate transactions, based upon the documents of each such transaction. The lawyers and bankers who completed the deal act as consultants to the student teams that analyze their transaction. The course was offered again in the Spring of 2007.

Student Luncheons Focus on Financial Institutions

In the Spring of 2007, the student luncheon lecture series looked to alternative investment vehicles, and participants spoke about the growing influence of hedge funds and private equity. Speakers included: Roy Katzovicz, General Counsel, Pershing Square Capital Management; Alan Chesick, General Counsel, Fortress Investment Group; and Mitchell Presser, Managing Director, Fox Paine Management.

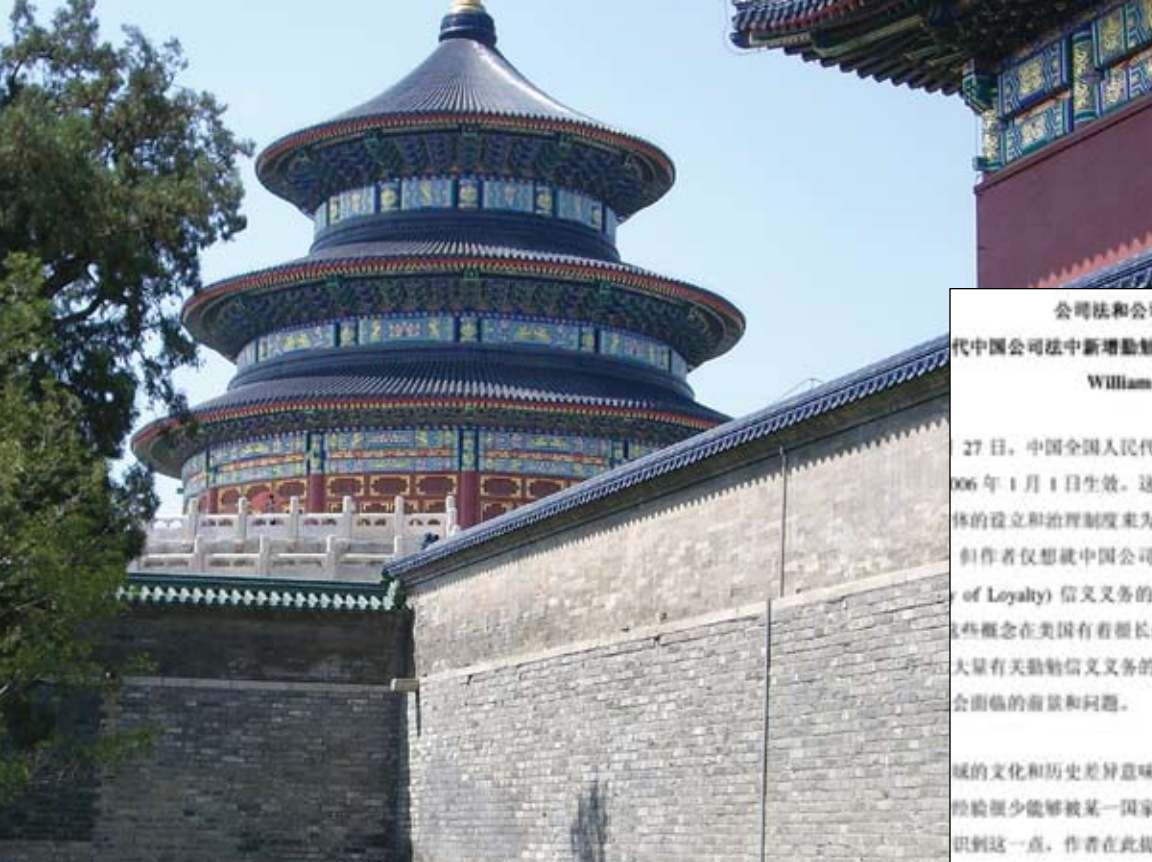
In the Fall of 2006, the series followed the theme of “Lawyers Turned Bankers,” and participants who had spent years as corporate lawyers spoke of making the transition to banking. Speakers included: Michael Schell, Vice Chairman - Global Banking, Citigroup; Robert Kindler, Vice Chairman - Investment Banking, Morgan Stanley; and Dennis Hersch, Global Chairperson, JP Morgan Securities.



The lecture series is designed to provide students with direct exposure to distinguished practitioners in corporate law and in business. Recent past speakers, in addition to those mentioned above, include: Alan C. ("Ace") Greenberg, Chairman of the Executive Committee, Bear Stearns; David Heleniak, Vice President, Morgan Stanley; and Sara Moss, Executive Vice President, General Counsel & Secretary, The Estee Lauder Companies. The series will continue in the Fall of 2007.

Cross-Registration Offerings Grow

The Center continues to expand the list of cross-registration courses available to students of the Stern School and the NYU School of Law. This initiative is the most direct way to achieve the Center's goal of enriching the professional education of NYU students. Law School students choose from a list of classes including Bankruptcy and Reorganization, Entrepreneurial Leadership, Investment Banking, Mergers & Acquisitions, and Topics in Corporate Finance, among many others. Stern students can register for classes in Corporations, Securities Regulation, Corporate Bonds, Developing Issues in Financial Reporting, International Economic Transactions, and Tax Policy.



公司法和公司治理初论：
代中国公司法中新增勤勉信义义务的前景和问题
William T. Allen¹

27日，中国全国人民代表大会通过了新的《中
2006年1月1日生效。这项重要且旷日持久的立
体的设立和治理制度来为中国私有经济的发展服
但作者仅想就中国公司法中引入的公司董事
(of Loyalty) 信义义务的概念以及作为上述义务
这些概念在美国有着很长的历史。在过去很长一
大量有关勤勉信义义务的案件，其中很多案件反
会面临的前景和问题。

域的文化和历史差异意味着我们通常可以从外国
的经验很少能够被某一国家直接引用，即使能被引
识别这一点，作者在此提出以下推论，简要介绍

NYU China Law & Business Forum
organizing committee: Deniz Coskun,
Qian Xu, Professor William T. Allen,
Han Shen, Mingxin Wang and Yuexi Yao



Coordenadores
Eclio Perin Junior
Daniel Kalansky
Luis Peyser

DIREITO EMPRESARIAL

Aspectos atuais de Direito Empresarial brasileiro e comparado

Alvaro Lora Arnaldo Mota Arnaldo N. & Raul Baurat Franco Carlos Fereschi Eben Faria Junior Fabio Ottoni Junior Tarciso S. Diniz Haroldo W. Coutinho Junior Guilherme Lahrman Jonathan R. Mares Jorge Lobo	Jose Carlos Dias Figueira Jose Roberto Ladeira Flavio A. Jheri Leo Pagan Luis Francisco Ribeiro de Paula Luis Guilherme Carilho Luiz H. Bello Marcelo G. Nogueira Marcos Vinicius Strassack Mauricio Schimron Mauricio M. Rodrigues de Lima Nelson Bentes	Norman de Lencastre Nelson Diniz Wilson Ladeira-Filho, Jr. Norma Joseane Peixer Paulo Cesar Aragao Paulo Roberto Pereira Renato Siqueira Roberto A. Peixer Rodrigo Gomes de Paula Tago Peixer William T. Allen Xiang Pengfei
--	--	---

METODO

Center Focuses on International Issues

China Law & Business Forum on Private Equity

In March 2007, the Center helped organize together with the Stern Global Business Institute a successful forum on private equity in China. Discussions focused on the micro-dynamics of locating potential business opportunities, negotiating with officials, overcoming impediments, and reaching a deal. Panelists included: Jerome Cohen, NYU School of Law; Winston Ma, Barclays Capital; Yiping Fei, CITIC; Robin Roberts, Jayhawk China Fund; Michael Nocera, Barrow Street Advisors; Bernard Y. Yeung, Interim Director, Global Business Institute and Director of NYU China House; William T. Allen, Director, NYU Pollack Center for Law & Business; Paul Shim, Cleary Gottlieb; George Sampas, Sullivan & Cromwell; James Yong Wang, Kirkland & Ellis; Stephen Rooney and Frank Zhang, LeBoeuf Lamb; and Zhiwei Gao, Hawkhigh Law Firm.

Development of Commercial Arbitration in Brazil

In November 2006, the Center together with the Brazilian Institute of Business Law (IBRADEMP) participated in a comparative analysis of arbitration in Brazil. The event coincided with the publication of "Arbitration Law of Brazil: Practice and Procedure," a book designed as a reference tool for international practitioners and arbitrators to understand the Brazilian arbitral framework.

U.S./China Conferences on the Legal Institutions of the Modern Economy

The Center is in the early stages of planning jointly with the Stanford Rock Center and Peking University and Tsinghua University in China a series of conferences on the legal institutions of the modern economy. At these conferences, world class scholars and government officials and practitioners will discuss current issues of legal regulation of the economy with special attention paid to the U.S. and China.



2006 Directors' Institute panel on the Developments in the General Counsel's Role



The following is the list of 2007 panelists:

William T. Allen
Nusbaum Professor of Law and Business and Director, NYU Pollack Center for Law & Business

William R. Berkley
Chairman and CEO, W. R. Berkley Corp.

J. Michael Cook
Retired Chairman and CEO, Deloitte & Touche LLP; Chairman, Audit Committee, Comcast, International Flavors & Fragrances; Director, Dow, Eli Lilly, Northrop Grumman

Marsha Johnson Evans
Former President and CEO, American Red Cross; Retired Rear Admiral, U.S. Navy; Director, Office Depot, Lehman Brothers Holdings, Weight Watchers Int'l

Michael Helfer
General Counsel and Corporate Secretary, Citigroup

Kenneth Langone
Chairman and CEO, Invenmed Assoc. L.L.C.; Co-founder and Lead Director, Home Depot; Director, Choicepoint, Yum! Brands, Inc.



Center Programs for Practitioners

Directors' Education

Martin Lipton

Senior Partner, Wachtell, Lipton,
Rosen & Katz

Simon Lorne

Vice Chairman, Millennium Fund;
Former General Counsel, Securities
Exchange Commission

Patrick McGurn

Executive Vice President and
Special Counsel, Institutional
Shareholder Services

Robert Morvillo

Partner, Morvillo, Abramowitz,
Grand, Iason & Silberberg

Donald F. Parsons, Jr.

Vice Chancellor, Delaware Court
of Chancery

Walter G. Ricciardi

Deputy Director, SEC Division
of Enforcement

Joseph S. Tracy

Executive Vice President and
Director of Research, Federal
Reserve Bank of New York

Michael Young

Partner, Willkie Farr & Gallagher

Each year, the Center hosts the Directors' Institute, a director education program designed to strengthen the corporate governance practices of boards of directors. The program is an intensive one-day event open to experienced and new directors, as well as general counsels and corporate secretaries. The event is accredited by Institutional Shareholder Services (ISS), and attorneys who are admitted in New York are eligible to receive Continuing Legal Education (CLE) credit for their attendance.

The Institute in 2007 will be structured around several panel discussions. This year's program, "Corporate Governance: The State of the Art," will focus on highly topical issues including options back-dating, monitoring the challenge of financial restatements, and the significance of changing rules and practices in corporate voting. We will also visit perennial topics such as the board's role in strategy, crisis management, and CEO selection and compensation. William Ackman, Managing Member of Pershing Square Capital, will give the luncheon keynote address.

At the 2006 Institute, Laurence Fink, Chairman and CEO of BlackRock, Inc. and an NYU Trustee, opened the event with a dinner keynote address on macro forces likely to affect investment returns in the intermediate future. Mr. Fink underscored the need for global economic policies: "We shouldn't set policy simply based on what is going on here [in the U.S.], but respect what is happening globally. Global policies will determine whether the future holds sunny skies or violent storms."



(Clockwise from top left)

2006 Directors' Institute attendees

2005 Directors' Institute attendees

John Snow, Former Secretary of the Treasury with Kenneth Langone and Martin Lipton, University Trustees

Directors' Institute panel on the Critical Governance Role of the General Counsel

Chuck Prince, Chairman and CEO, Citigroup

Laurence D. Fink, Chairman and CEO, BlackRock Inc.

Lawrence A. Bossidy, Retired Chairman, Honeywell International



Mr. Fink predicted that the U.S. will endure grey skies because American policies have tended to be short-sighted. He pointed to the current accounts deficit and the record level of foreign investment in U.S. securities. Mr. Fink urged Americans to reverse the trend in household savings, set policies that allow for incentives in long-term savings, and constructively address the issue of old-age dependency.

The luncheon keynote address was delivered by Honeywell International Inc.'s retired Chairman Lawrence A. Bossidy, who spoke about the impact of the Sarbanes-Oxley Act on investors and businesses. Mr. Bossidy criticized the Act – particularly the most costly provision of the Act, Section 404 – as doing little to curb intentional fraud: "I remain unconvinced that all the work and cost of these new regulations have brought their intended consequences or

improved things for companies and their investors." Mr. Bossidy said the cost of compliance with Section 404 has been enormous and 30 times more than the SEC initially expected. The cost has been especially burdensome for smaller companies who spend 11 times more than their larger counterparts. He also pointed out that, despite new regulations, companies can still commit fraud because the financial information auditors and audit committees review is provided by company management.

At the 2005 Institute, Former Secretary of the Treasury John Snow gave the dinner keynote to a large audience. In his address, Secretary Snow underscored the need for balance in enforcing the Sarbanes-Oxley Act: "The American corporation has been and continues to be an extraordinary engine for economic development, innovation and change. Sarbanes-Oxley was a much needed



and timely tool for keeping that engine on track and running properly. We need to make sure it is not inadvertently applied in a way that cripples that engine.”

The following day, William R. Berkley, Chairman and CEO of W. R. Berkley Corporation, Chairman of the NYU Stern Board of Overseers and NYU Trustee, introduced a key and recurring theme throughout the Institute. In his welcoming remarks, Mr. Berkley cautioned boards to guard against becoming risk averse, a common reaction to the Sarbanes-Oxley Act and the aggressive enforcement environment of the immediate past.

The luncheon keynote address was delivered by Citigroup CEO Chuck Prince, who spoke about Citigroup's efforts to establish a better balance between short-term and long-term thinking. Mr. Prince said rules are not enough to ensure that employees comply with the law. He explained that for Citigroup, compliance and

controls serve as safety nets only, whereas common principles and values should set the tone and behavior for the organization's nearly 300,000 employees. The company has begun to emphasize a principles-based approach to governance, and has developed other initiatives over the years, such as employee stock ownership and business practices committees that encourage employees to think for the long-term.

NYU/Stanford Auction Theory Roundtable

In October 2006, the Center hosted jointly with the Stanford Rock Center a daylong roundtable on Economic Theory of Auctions and M&A Practice. Participants included leading M&A lawyers, investment bankers, law school academics and economists. The roundtable included a presentation by Jeremy Bulow, Stanford Graduate School of Business, on what theory



(Clockwise from top left)

William T. Allen, Pollack Center Director;
Felix Rohatyn, Rohatyn Associates; John
Rosenwald, Jr., Bear Stearns; and Louis
Cabot, Cabot-Wellington at the Ethics in
Investment Banking conference

NYU/Stanford Auction Theory roundtable

SEC Historical Society panel on
Enforcement Remedies

AAAS Ethics in Investment Banking
conference

Thomas Cooley, Dean, NYU Stern School
of Business

Jeremy Bulow, Stanford Graduate School
of Business

Guhan Subramanian, Harvard Law School

William R. Berkley, W. R. Berkley Corp.



can teach practice with respect to M&A auctions. A loosely structured conversation among practitioners and academics concerning current practices and trends in selling companies engaged the group for the remainder of the afternoon.

Ethics in Investment Banking

In December 2005, the Center hosted leading scholars, regulators and senior practitioners from investment banking, law, journalism and business at NYU for a discussion of ethics in investment banking. This workshop, "The Investment Banking Professional: Firm Culture and Training and Industry Standards," was co-sponsored by The American Society of Arts & Sciences (AAAS). Participants discussed questions regarding the power of "firm culture" to shape the behavior of professional staff, how firms are training for ethical conduct by

employees, and internal and external expectations regarding investment banking behavior.

SEC Panel on Enforcement Remedies

In October 2005, the Center, in partnership with the SEC Historical Society, hosted a panel on the development and use of enforcement remedies by the U.S. Securities and Exchange Commission (SEC) to oversee the securities industry. Panelists focused on the history and evolution of the SEC's remedies in enforcement proceedings and offered current perspectives and commentary on recent trends and judicial developments involving the Commission's remedial powers. Panelists Linda C. Thomsen, director of the SEC's Division of Enforcement; Ralph C. Ferrara of LeBoeuf Lamb Greene & MacRae LLP; William R. McLucas of Wilmer Cutler Pickering Hale & Dorr LLP; and Mary L.



Schapiro of NASD engaged in a lively debate on the use of injunctions, civil penalties, bars on officers and directors, and limitations on business. Theodore A. Levine of Wachtell Lipton Rosen & Katz moderated the discussion.

Ms. Thomsen commented on the rationale behind the SEC's enforcement remedies, saying that all remedies have multiple purposes, including punishment, protection and prevention. Harsher sanctions will deter other companies and officers because: "If the choice is to steal or starve, most will steal," she said.

Institutional Investors as Owners

In February 2005, the Center participated in the "Institutional Investors as Owners" conference, one of several initiatives under NYU Stern's Citigroup Leadership and Ethics Program. Participants,

including financial business leaders, regulators, academics and law and business students and alumni, discussed the impact institutional investors have on corporate governance and the financial markets. In his keynote address, John H. Biggs, former Chairman, President & CEO of TIAA-CREF, expressed his views on recent corporate governance reforms: "Clearly we want both strong management and strong boards. I would argue that most of the recent regulatory changes have strengthened boards without fundamentally weakening management." He warned, however, that we should avoid reforms that are simply designed to weaken the American CEO model, such as separating the Chairman and CEO roles: "Forcing the separation inappropriately on a company weakens management, creating possible conflicts, making decisive action to redirect a company much more difficult," Mr. Biggs said.



Vikramaditya Khanna, University of Michigan Law School and Bernard Black, University of Texas Law School at the NYU/Penn Conference on Law & Finance

$$d - \frac{\alpha + \gamma}{2} d$$

Marcel Kahan, NYU School of Law



Center Programs for Faculty

Law & Finance Seminar Series

Each Spring, the Center invites professors from leading universities to discuss their recent academic works relating to the fields of law and business. The following is a list of our Spring 2007 papers and presenters:

“Liquidation Values and the Credibility of Financial Contract Renegotiation: Evidence from U.S. Airlines” Efraim Benmelech, Harvard University;
Co-author: Nittai K. Mergman, MIT

“To be or not to be (public)” Amy Dittmar, University of Michigan;
Co-author: Sreedhar T. Bharath, University of Michigan

“Politically Connected CEOs and Corporate Outcomes: Evidence from France” David Thesmar, ENSAE-CREST and CEPR; Co-authors: Marianne Bertrand, University of Chicago, NBER and CEPR; Francis Kramarz, ENSAE-CREST and CEPR; Antoinette Schoar, MIT Sloan, NBER and CEPR

“Corporate Governance and Firm Performance” Sanjai Bhagat, University of Chicago; Co-author: Brian Bolton, University of Colorado

All papers can be downloaded from our website: www.stern.nyu.edu/clb.

Corporate Governance Luncheons

The Center and Professor David Yermack of Stern’s Finance Department collaborate each Spring to bring together leading academics in the field of corporate governance. These professors present their research to a group of faculty and students from the Stern School and the Law School. Each presentation is followed by informal discussion and Q&A. Recent speakers presenting cutting edge research have included: Heitor Almeida, Kose John, Diana Knyaseva, Thomas Philippon, Avri Ravid, Elif Sisli, Alexei Tchisty, and David Yermack.

(Clockwise from top left)

Lucian Arye Bebchuk, Harvard Law School; Reinier Kraakman, Harvard Law School; Michal Barzuza, University of Virginia School of Law; and Richard Revesz, Dean, NYU School of Law at the NYU/Penn Conference on Law & Finance

Lawrence Hamermesh, Widener University School of Law

Daniel Wolfenzon, NYU Stern School of Business and Alexander Dyck, University of Toronto Rotman School of Management



NYU/PENN Conference on Law & Finance

In February 2007, the Center hosted the Third Annual Corporate Law & Finance Conference, a joint initiative between NYU Stern and the NYU School of Law and the University of Pennsylvania's Wharton School of Business and Law School. Featuring sessions on topics such as proxy voting, predatory lending, executive compensation, and whistle blowers on corporate fraud, the conference included experts from the host schools as well as from Columbia University, Fordham University, Harvard University, Michigan State University, Northwestern University, Stanford University, University of Chicago, University of Michigan, and Yale University.



NYU POLLACK CENTER FOR LAW & BUSINESS
NYU SCHOOL OF LAW AND LEONARD N. STERN SCHOOL OF BUSINESS

Of note, NYU Stern Professor Daniel Wolfenzon presented his research, co-authored with Venky Nagar of the Ross School of Business at the University of Michigan and Kathy Petroni with the Eli Broad College of Business at Michigan State University, on governance problems, particularly expropriation, in close corporations. Below is a list of the law and finance papers presented at the conference:

The Short and Puzzling Life of the “Implicit Minority Discount” in Delaware Appraisal Law

Chair: **Stephen J. Choi**, NYU Law School

Author & Presenter: **Michael L. Wachter**, University of Pennsylvania Law School

Co-author: **Lawrence A. Hamermesh**, Widener Law

Commentator: **David L. Yermack**, NYU Stern School of Business

Governance Problems in Close Corporations

Chair: **William T. Allen**, NYU Stern School of Business, NYU Law School

Author & Presenter: **Daniel Wolfenzon**, NYU Stern School of Business and NBER

Co-authors: **Venky Nagar**, Ross School of Business, University of Michigan; **Kathy R. Petroni**, Eli Broad College of Business, Michigan State University

Commentator: **Jill Fisch**, Fordham University and University of Pennsylvania (visiting professor)

Institutional Investors and Proxy Voting: The Impact of the 2003 Mutual Fund Voting Disclosure Regulation

Chair: **William T. Allen**, NYU Stern School of Business, NYU Law School

Author & Presenter: **Roberta Romano**, Yale Law School

Co-author: **Martijn Cremers**, Yale School of Management

Commentator: **Joy Ishii**, Stanford School of Business

Predatory Lending in a Rational World

Chair: **Andrew Metrick**, Wharton School, University of Pennsylvania

Author & Presenter: **Philip Bond**, Wharton School, University of Pennsylvania

Co-authors: **David K. Musto**, Wharton School, University of Pennsylvania; **Bilge Yilmaz**, Wharton School, University of Pennsylvania

Commentator: **Michael Barr**, University of Michigan

Pay Distribution in the Top Executive Team

Chair: **Andrew Metrick**, Wharton School, University of Pennsylvania

Author & Presenter: **Lucian Arye Bebchuk**, Harvard Law School

Co-authors: **Martijn Cremers**, Yale School of Management; **Urs Peyer**, INSEAD and University of Chicago Graduate School of Business (visiting professor)

Commentator: **Steve Kaplan**, University of Chicago Graduate School of Business

Corporate Financing Decisions When Investors Take the Path of Least Resistance

Chair: **Edward B. Rock**, University of Pennsylvania Law School

Author & Presenter: **Malcolm Baker**, Harvard Business School and NBER

Co-authors: **Joshua Coval**, Harvard Business School and NBER; **Jeremy C. Stein**, Harvard University, Economics Department and NBER

Commentator: **Robert M. Daines**, Stanford Law School

Did Reform of Prudent Trust Investment Laws Change Trust Portfolio Allocation?

Chair: **Edward B. Rock**, University of Pennsylvania Law School

Author & Presenter: **Robert H. Sitkoff**, NYU Law School

Co-author: **Max M. Schanzenback**, Northwestern University School of Law

Commentator: **William N. Goetzmann**, Yale School of Management

Who Blows the Whistle on Corporate Fraud?

Chair: **Kose John**, Stern School of Business

Author & Presenter: **Luigi Zingales**, University of Chicago Graduate School of Business, NBER and CEPR

Co-authors: **Alexander Dyck**, Rotman School of Management, University of Toronto; **Adair Morse**, University of Michigan

Commentator: **Jeffrey N. Gordon**, Columbia Law School

The conference location alternates between the NYU campus and the University of Pennsylvania campus. The Spring 2008 conference will be held at the University of Pennsylvania.

Research

“The NYU Pollack Center for Law & Business is a great place to develop and execute a research agenda. I found its interdisciplinary seminars, workshops and colloquia stimulating venues for exploring a broad range of topics in law, finance and economics. NYU offers an incredibly supportive environment for any young academic working in the area of law and business.”

Florencia Marotta-Wurgler

Assistant Professor of Law, NYU School of Law; Former Wagner Fellow

Fellowships

The Center awards research support each year to two graduate students in finance or corporation law. Our past fellows have gone on to pursue careers in academia, professional practice and government service.

Graduate Fellow



Our current graduate fellow, Lise Pedersen, is engaged in research focusing on corporate directors' fiduciary duties as well as on the legal and economic aspects of financial contracting, particularly with respect to hedge funds. Ms. Pedersen received her LL.M from

the NYU School of Law in May 2004, and holds law degrees from Stockholm University and the University of Copenhagen.

Wagner Fellow

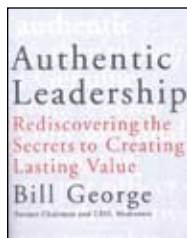


Thanks to a generous grant of the Leonard Wagner Testamentary Trust, the Center offers a research fellowship to help develop future academics with an interest in the social control of business institutions and the social responsibility of business. We are very pleased to report that Florencia

Wurgler, the Center's most recent Wagner Fellow, has been appointed Assistant Professor of Law at NYU Law School. Ms. Wurgler's research interests include Commercial Law, Contracts, E-Commerce and Law & Economics. Ms. Wurgler received a J.D. from the NYU School of Law in 2001 and a B.A. in Economics from the University of Pennsylvania in 1996. In 2003-04,

Ms. Wurgler was the corporate Fellow at the Center for Corporate, Securities and Financial Law at Fordham Law School, where she taught Corporations. From 2001-03, she was an associate in the Corporate group at Davis Polk & Wardwell. The Center is currently accepting applications for the 2007-08 Wagner Fellowship.

Corporate Governance Working Papers



The Center compiles academic working papers on a variety of topics related to law, business, finance and economics, with a special focus on corporate governance. All papers can be downloaded from our website: www.stern.nyu.edu/clb.

“From Club to Market: The Evolving Role of Business Lawyers” Geoffrey Miller, 2005

“Jurisdictional Competition for Trust Funds: An Empirical Analysis of Perpetuities and Taxes” Robert H. Sitkoff and Max Schanzenbach, 2005

“Restoring Trust in American Business” Edited by Jay W. Lorsch, Leslie Berlowitz and Andy Zelleke, 2006

“Destruction of Value in the New Era of Chapter 11” Barry E. Adler, Vedran Capkun and Lawrence A. Weiss, October 2006

“A Powerful Coalition: Workers and Owners vs. Managers” John H. Biggs, June 2006

“Perpetuities or Taxes? Explaining the Rise of the Perpetual Trust” Max M. Schanzenbach and Robert H. Sitkoff, 2006

- "Trust as 'Uncorporation': A Research Agenda" Robert H. Sitkoff, 2005
- "An Agency Costs Theory of Trust Law" Robert H. Sitkoff, 2004
- "Trust Law, Corporate Law, and Capital Market Efficiency" Robert H. Sitkoff, 2003
- "A Simple 'Market Value' Bargaining Model for Weighted Voting Games: Characterization and Limit Theorems" Guillermo Owen, Ines Lindner and Scott L. Feld, 2007
- "Trading Incentives to Meet the Analyst Forecast" Sarah McVay, Venky Nagar and Vicki Wei Tang, 2006
- "Governance Problems in Close Corporations" Venky Nagar, Kathy Petroni and Daniel Wolfenzon, 2006
- "Design of Corporate Governance: Role of Ownership Structure, Takeovers, and Bank Debt" Kose John and Simi Kedia, December 2006
- "CEO Compensation and Private Information: An Optimal Contracting Perspective" Roman Inderst and Holger M. Mueller, December 2006
- "What Do Independent Directors Know? Evidence from Their Trading" Enrichetta Ravina and Paola Sapienza, December 2006
- "Institutions, Markets and Growth: A Theory of Comparative Corporate Governance" Kose John and Simi Kedia, November 2006
- "Family Firms, Paternalism, and Labor Relations" Holger M. Mueller and Thomas Philippon, November 2006
- "Incentive Features in CEO Compensation: The Role of Regulation and Monitored Debt" Kose John, Hamid Mehran and Yiming Qian, October 2006
- "Hedge Fund Activism" April Klein and Emanuel Zur, October 2006
- "Legal Institutions, Sectoral Heterogeneity, and Economic Development" Rui Castro, Gian Luca Clementi and Glenn MacDonald, September 2006
- "The Economics of Fraudulent Accounting" Simi Kedia and Thomas Philippon, September 2006
- "You Can't Take It with You: Sunset Provisions for Equity Compensation When Managers Retire, Resign, or Die" Sandeep Dahiya and David Yermack, September 2006
- "Information Disclosure and Regulatory Compliance: Economic Issues and Research Directions" Anindya Ghose, July 2006
- "Hedge Funds in Corporate Governance and Corporate Control" Marcel Kahan and Edward B. Rock, July 2006
- "Why Has CEO Pay Increased So Much?" Xavier Gabaix and Augustin Landier, July 2006
- "Curb Your Innovation: On the Relationship Between Innovation and Governance Structure" Mariagiovanna Baccara and Ronny Razin, March 2006
- "Street Earnings and Board Independence" Richard Frankel, Sarah McVay and Mark Soliman, January 2006
- "Optimal Dissent in Organizations" Augustin Landier, David Sraer and David Thesmar, November 2005
- "Bottom-Up Corporate Governance" Augustin Landier, David Sraer and David Thesmar, October 2005
- "Understanding the Relationship between Founder-CEOs and Firm Performance" Renee B. Adams, Heitor Almeida and Daniel Ferreira, September 2005
- "The Good, the Bad and the Lucky: CEO Pay and Skill" Robert Daines, Vinay B. Nair and Lewis Kornhauser, August 2005
- "The Economic Incentives for Sharing Security Information" Esther Gal-Or and Anindya Ghose, June 2005
- "Pay Me Later: Inside Debt and Its Role in Managerial Compensation" Rangarajan K. Sundaram and David L. Yermack, May 2005
- "The Family Behind the Family Firm: Evidence from Successions in Danish Firms" Morten Bennesen, Kasper Nielsen and Daniel Wolfenzon, February 2005
- "The Political Economy of Corporate Fraud: A Theory and Empirical Tests" Bruce Bueno de Mesquita and Alastair Smith, September 2004

Mission

Center's Mission

The NYU Pollack Center for Law & Business is a joint venture of the NYU School of Law and the Stern School of Business that aims to bring together legal scholars, thoughtful professionals and experts in business and finance to advance our understanding of the ways in which legal rules affect business behavior and to improve professional education in law and in business.

Board of Advisors

Adrienne Arsht
Chairman of the Board, Total Bank

William R. Berkley
Chairman and CEO, W. R. Berkley Corp.

Henry Kaufman
President, Henry Kaufman & Co.

Martin Lipton, Esq.
Wachtell, Lipton, Rosen & Katz

George T. Lowy, Esq.
Cravath, Swaine and Moore, LLP

Jack Nusbaum, Esq.
Willkie Farr & Gallagher, LLP

Gerald Rosenfeld
CEO, Rothschild North America

John L. Vogelstein
Vice Chairman, E. M. Warburg Pincus & Co., LLC

Academic Board

William T. Allen
Jack Nusbaum Professor of Law and Business
Director, NYU Pollack Center for Law & Business

Yakov Amihud
Ira Leon Rennert Professor Entrepreneurial Finance
Stern School of Business

Jennifer Arlen
Norma Z. Paige Professor of Law
NYU School of Law

Kose John
Charles William Gerstenberg Professor of
Banking and Finance
Stern School of Business

Marcel Kahan
Crystal Eastman Professor of Law
NYU School of Law

Geoffrey Miller
William T. and Stuyvesant P. Comfort Professor of Law
NYU School of Law

David Yermack
Associate Professor of Finance,
Stern School of Business

Center Staff

William T. Allen - Director
Hilary Peck - Associate Director
Danise Malqui - Program Coordinator

To contact the Center, please call
212.998.0565 or visit our website
www.stern.nyu.edu/clb.

NEW YORK UNIVERSITY



NON-PROFIT ORGANIZATION
U.S. POSTAGE PAID
NEW YORK UNIVERSITY
NEW YORK, NY

NYU Pollack Center for Law & Business
44 West Fourth Street, KMC 9-53
New York, NY 10012

www.stern.nyu.edu/clb