

# **CORPORATE GOVERNANCE LESSONS FROM THE 2008 FINANCIAL CRISIS:**

Assessing the Effectiveness of Corporate Governance  
Through a Look at Troubled Companies

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# Presenter

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# THE BLAME GAME

- Directors
- Executives
- Regulators
- Sales Force
- Shareholders
- HR Consultants
- Auditors
- Everyone / No one

# DID CORPORATE GOVERNANCE FAIL?

- 2000 vs. 2008 Crises
- Procedures in Place – Implementation Weak in Many Cases
- No Need for Widespread Reform

# Acceptable Performance

- Audit Committees and Financial Experts
- CEO/CFO Certifications
- Auditor Independence/Review
- Reactionary Director Independence

# Neutral Performance

- Splitting Chairman and CEO
- Independent Board Advisors
- Legal Liability
- Institutional Shareholder Activism
- Shareholder Rights

# Deficient Performance

- Robust Risk Analysis
- Enhancing Director Qualifications
- Proactive Director Independence
- Regulatory Supervision

# Recommendations

- Periodically Conduct a Robust Risk Analysis with Challenging Assumptions
- Consider Appointment of a Separate Risk Committee of the Board
- Consider Appointment of an Independent Chief Risk Officer
- Strengthen Board Qualifications, Training, Evaluation
- Periodically Evaluate Board Independence



# Recommendations (cont'd)

- Consider Splitting Chairman and CEO
- Evaluate Compensation Programs in Light of Risk Impact
- Evaluate Severance Arrangements in Light of Risk Impact

# Rick Lieberman



**If you would like more information or assistance, please contact Richard Lieberman at 602-262-5935 or email him at [rlieberman@jsslw.com](mailto:rlieberman@jsslw.com)**

Mr. Lieberman is Chair of the firm's Corporate, Securities and Finance Department. He has extensive experience in a broad range of business law issues, including securities, corporate governance, mergers and acquisitions, finance and banking, employment, executive compensation, bankruptcy and corporate restructuring, litigation and legislation. Mr. Lieberman is listed in *Best Lawyers in America*® 2007-2010 published by Woodward/White, Inc. in three categories, "Corporate Governance and Compliance," "Mergers and Acquisitions," and "Securities."

He has served as in-house General Counsel and outside counsel to a variety of companies, ranging in size from start-ups to Fortune 500 companies. Mr. Lieberman has counseled boards and senior management on issues pertinent to growing companies as well as those experiencing a wide variety of crisis situations.

Mr. Lieberman represents companies in securities and other regulatory compliance, capital market transactions, contract negotiations, company policy and plan development, and ethical compliance. He was General Counsel to an international commercial finance company. He served as counsel to the company in its finance and treasury operations, negotiated debt agreements and offerings in excess of \$7 billion.

In litigation and dispute resolution matters, Mr. Lieberman has broad experience in arbitrations, mediations, settlement negotiations, litigation, early case assessments and internal investigations. He counsels clients in evaluating the merits and risks of potentially litigious situations and tailors his dispute resolution strategies to the needs of his client, so that the matter may be resolved more efficiently and favorably.

In addition to his law degree, Mr. Lieberman is a Certified Insolvency and Restructuring Advisor, awarded by the Association of Insolvency and Restructuring Advisors.

# Questions & Answers

