Fifth Annual
VIRGINIA LAW & BUSINESS REVIEW SYMPOSIUM

BUSINESS ETHICS
AND CORPORATE
SOCIAL RESPONSIBILITY

FEBRUARY 25, 2011
The business crises of the last decade — from the Enron bankruptcy in 2001 to the recent upheavals in the banking and investment industries — have also been crises of ethics. As a result, the somewhat vague and undefined notion of an “ethical corporation” has been subjected to intense scrutiny, both by the media and the government, and has been found wanting. Corporations have responded by attempting to create a more substantive definition of what business ethics really means, and this symposium explores the different factors influencing this discussion.

The symposium focuses on four major topics: broadly defining corporate social responsibility, examining what influence the structure of a business organization has on its values, considering the compensation factor (how salary and bonuses affect management decisions), and lastly, exploring the complicated intersection between corporate ethics, personal ethics and social responsibility.

The Law and Business Review is pleased to bring this timely discussion within the walls of the Law School. To this end, we have brought together several prominent business leaders and distinguished scholars of law and business to speak about these issues with you. We invite your participation in what we are sure will be a stimulating and illuminating dialogue.

Sarah Chase-Levenson ’12
Symposium Director
SCHEDULE

9 A.M. OPENING REMARKS
Sarah Chase-Levenson ’12

9:05 A.M. INTRODUCTION
George Geis, Professor of Law; Director, Program in Law & Business, University of Virginia

9:10 A.M. KEYNOTE
Ted Mathas ’92, Chairman, President and CEO, New York Life Insurance Company

10 A.M. PANEL | ALIGNING THE STRUCTURE OF BUSINESS INSTITUTIONS WITH THE VALUES OF SOCIETY
Moderator: Professor R. Edward Freeman, University of Virginia Darden School of Business

11 A.M. PANEL | THE COMPENSATION FACTOR: HOW SALARY AND BONUS FORMULAS IMPACT HOW YOU DO BUSINESS
Moderator: George Rutherglen, Professor of Law, University of Virginia

12 P.M. LUNCH

1 P.M. PANEL | CREATING ALIGNMENT: CORPORATE ETHICS, PERSONAL ETHICS AND SOCIAL RESPONSIBILITY
Moderator: Ted Mathas ’92, Chairman, President and CEO, New York Life Insurance Company

2 P.M. CLOSING REMARKS
Sarah Chase-Levenson ’12
PARTICIPANTS

WALTER W. BARDENWERPER
Vice President, General Counsel and Secretary, Towers Watson & Co.

Towers Watson is a global professional consulting firm providing solutions to large enterprises in the areas of employee benefit programs and risk and capital management, including insurance and reinsurance. Walter Bardenwerper manages the company’s legal department, deployed in the United States, United Kingdom, Germany, Netherlands, Hong Kong and South Africa. In 2000, he led the legal team in the company’s IPO after 55 years as a private firm; in 2010, he managed the $3.2 billion merger with competitor Towers Perrin. He is a director of Professional Consultants Insurance Company, and a past director of the Association of Management Consulting Firms. Bardenwerper previously was an attorney with Cadwalader, Wickersham & Taft and assistant general counsel of Satellite Business Systems. He is a member of the District of Columbia, Vermont, Kentucky and Virginia bars, as well as the Association of Corporate Counsel. Bardenwerper also serves on the Finalist Selection Committee for Jefferson Scholars at the University of Virginia.

Bardenwerper received his B.A. with honors in economics from the University of Virginia, Phi Beta Kappa, and a J.D. from the University of Virginia. After graduating, he was a law clerk for U.S. District Judge Albert W. Coffrin of the District of Vermont.

WILLIAM P. CARMICHAEL
Chairman, Columbia Funds

Carmichael is a director of Cobra Electronics Corporation, The Finish Line and McMoRan Exploration Co.; chairman of the Columbia
Funds (four Bank of America-advised registered investment companies recently sold to Ameriprise); and chairman of B of A Funds Series Trust (money market funds). He previously served on the boards of Simmons Bedding Company, Spectrum Brands, Avis, Playtex, Electrolux, Health-o-meter/Mr. Coffee, Opta Food Ingredients, the Golden Rule Insurance Company, Kubin-Nicholson Corporation and the Hain Food Group.

Carmichael co-founded The Succession Fund in 1998 to provide an exit strategy to the owners of privately held companies. The fund was sold in 2007. Carmichael continues to provide consulting advice to fund owners. He has also served as an expert witness in trials on financial matters and on mergers and acquisitions. Prior to forming The Succession Fund, Carmichael worked for Price Waterhouse for four years and has 26 years of experience in various financial positions with global consumer product companies. He has served as senior vice president of Sara Lee Corporation, senior vice president and chief financial officer of Beatrice Foods Company, and vice president of Esmark. His experience includes all financial functions, strategic planning, and substantial merger and acquisition work.

Carmichael’s charitable activities include serving on the Mergers and Acquisition Committee of the Chicago Minority Business Development Council, the board of directors of the Infant Welfare Society of Chicago, the Business Advisory Council of the University of Virginia School of Law, the advisory board of the Indiana University Art Museum, the Dean’s Advisory Council of the Indiana University Kelley School of Business, and the board of directors of the Indiana University Foundation, where he served as treasurer and chairman of the Investment Committee. He is also an adjunct professor of finance for the Kelley School of Business.

Carmichael graduated with a B.S. in accounting from Indiana University in 1965 and a J.D. from the University of Virginia.
In 1974, with only $1,000 in capital, Bill Crutchfield founded Crutchfield Corporation in his mother’s basement. Since then, Crutchfield Corporation has grown into one of the nation’s largest specialty direct retailers, receiving multiple awards for its catalog and website design and BizRate’s highly coveted Circle of Excellence Award for the past 11 consecutive years. In 2002, Crutchfield Corporation was awarded the Governor’s One Virginia Technology Award in recognition of its innovative use of technology to serve Virginia’s citizens. In its December 2005-08 and 2010 issues, Consumer Reports magazine ranked Crutchfield.com as one of the top online consumer electronics retailers in the nation.

Crutchfield has received many awards throughout his career, including Ernst & Young’s 1999 Master Entrepreneur of the Year for Virginia. In 1999, Crutchfield was also selected as a finalist for the Ernst & Young international Entrepreneur of the Year award — only the second Virginian in the program’s history to be so honored. In 2007 he was inducted into the Consumer Electronics Association’s Hall of Fame.

Crutchfield has served on numerous local, regional and national boards, commissions and councils, including at the University of Virginia, where he served as chairman of the McIntire School of Commerce Alumni Advisory Board and was its 1992 executive-in-residence. He also served as a director of the University’s Health Services Foundation from 1993 to 1999 and was twice appointed by the governor to serve on the University of Virginia Board of Visitors. In recognition of his service to the University, he was elected in 1993 to the Raven Society and in 1997 was presented with the Raven Award — one of the highest honors given an alumnus. Crutchfield currently holds an appointment as a visiting lecturer at the Darden School of Business.
Crutchfield is a 1965 graduate of the University of Virginia’s McIntire School of Commerce.

TIM FERGUSON
Founder, Chair and Managing Partner, Next Street Financial

Tim Ferguson is the founder, chair and managing partner of Next Street, a merchant bank providing a range of management and advisory services and customized finance to urban small businesses and entrepreneurs across the United States. Prior to founding Next Street, he served as head of investments at Putnam Investments, as CEO of HSBC Asset Management and as CEO of County NatWest Securities. Ferguson serves on the leadership council of the Brookings Institution’s Metropolitan Policy Program and on the board of directors for the Initiative for a Competitive Inner City and for the School of Social Science, Urban Affairs and Public Policy at Northeastern University. He is a trustee of the Institute of Contemporary Art and a director of the Boston Center for Community and Justice and of the Boston Children’s Chorus. Ferguson holds a B.A. in politics, economics and law from the University of Buckingham.

R. EDWARD FREEMAN
University Professor, Elis and Signe Olsson Professor of Business Administration; Academic Director, Business Roundtable Institute for Corporate Ethics, University of Virginia Darden School of Business

In addition to serving as a professor at the Darden School of Business, R. Edward Freeman is professor of religious studies and a faculty advisor to the University’s Institute for Practical Ethics, and an adjunct professor of Stakeholder Management at the Copenhagen Business School in Denmark. Prior
to coming to Darden, Freeman taught at the University of Minnesota and The Wharton School of the University of Pennsylvania. He has received a number of awards for teaching excellence from The Wharton School, Darden and the Carlson School of Management at the University of Minnesota. In 2005 he received the Outstanding Faculty Award from the Virginia State Council on Higher Education. In 1991, 1998, 2002, 2004 and 2007, he was selected by the graduating class of Darden to be a faculty marshal.

Freeman’s new book, “Managing for Stakeholders: Survival, Reputation and Success” (Yale University Press), enables current and future business leaders to develop a critical competency for our globalized economy — the ability to successfully manage stakeholder relationships. “Stakeholder Theory: The State of the Art” (Cambridge University Press) is a report on how academics and executives can adopt a stakeholder approach to understanding the institution of business. He is the author or editor of over 20 volumes and 100 articles in the areas of stakeholder management, business strategy and business ethics. Freeman is perhaps best known for his award-winning book: “Strategic Management: A Stakeholder Approach,” published in 1984, in which he suggested that businesses build their strategy around their relationships with key stakeholders.

Freeman has a Ph.D. in philosophy from Washington University and a B.A. in mathematics and philosophy from Duke University. He is a lifelong student of philosophy, martial arts and the blues.

GEORGE S. GEIS
John V. Ray Research Professor of Law; Director, Program in Law & Business, University of Virginia

George Geis joined the Virginia Law faculty in 2008, after visiting at the school during the 2007-08
academic year. Geis previously taught at the University of Alabama, where he received numerous teaching awards and was selected by the student body as the outstanding faculty member in 2007. He teaches contracts, corporations, agency and partnership, and corporate finance. Geis also chairs the Law & Business Program and is faculty advisor for the J.D./M.B.A. dual-degree program. After graduating from the University of Chicago, Geis spent five years as a management consultant with McKinsey & Company, where he advised clients on corporate strategy, mergers, marketing and other issues. He has also worked with the law firms of Wachtell, Lipton, Rosen & Katz in New York and Munger, Tolles & Olson in Los Angeles.

Dean W. Krehmeyer
Executive Director, Business Roundtable Institute for Corporate Ethics, University of Virginia Darden School of Business

Dean Krehmeyer is the executive director of the Business Roundtable Institute for Corporate Ethics, an independent entity established in partnership with Business Roundtable — an association of CEOs of leading U.S. companies. He is co-author of the report “Breaking the Short-Term Cycle: Discussion and Recommendations on How Corporate Leaders, Asset Managers, Investors and Analysts Can Refocus on Long-Term Value,” and facilitates seminars for boards of directors and senior corporate executives. Krehmeyer, who worked previously with A.T. Kearney and Deloitte & Touche, has an M.B.A. from Darden and an M.S. in accounting and B.S. in commerce from the University of Virginia.
MARY ANN LEEPER  
Founder, The Female Health Company

Mary Ann Leeper is the senior strategic advisor for the Female Health Company, after serving as its president and chief operating officer for over 10 years. She is a member of the FHC board and is chair and board member of the Female Health Foundation, which she founded in 1994. She is co-founder of the Business Woman’s Initiative against HIV/AIDS. Leeper serves on the board of Neenah Paper, a manufacturer and distributor of paper products, and is chair of its Nominating and Governance Committee. She received the prestigious Woman Entrepreneurship award from Temple University’s School of Business in November 2003, and a recognition award in 2005 by U.N. and global health agencies for her pioneering efforts in the work of women’s health, particularly relating to female protection and reproductive health. Leeper gives lectures and presentations at various colleges and universities across the country and has also contributed to book publications regarding global entrepreneurship, gender biases, corporate social responsibility and women’s issues in the developing world, and prevention programs against HIV/AIDS. Leeper has worked as a biochemist for Wyeth Laboratories and McNeil Laboratories, held senior management positions with Wisconsin Pharmacal and G. D. Searle & Company, and held a faculty position at Temple University. She has been an adjunct faculty member of the Darden School of Business since 2001.

Leeper received a B.S. from Drexel University, an M.S. from Temple University, an M.B.A. from Northwestern University and a Ph.D. from Temple University.
Ted Mathas is chairman of the board, president and CEO of New York Life Insurance Company, the nation’s largest mutual life insurer. As chief executive, Mathas is responsible for running all aspects of the company, including all domestic and international business operations. The domestic business includes life insurance, retirement income, investment management, long-term care insurance and related businesses, as well as the company’s career agency system. The international business includes operations in Asia and Latin America.

In July 2007, Mathas was named president by the board of directors. He became chief executive officer on July 1, 2008. On June 1, 2009, Mathas became chairman of the board of directors, retaining the title of president and CEO.

Mathas has been a director of the company since July 2006. He also serves on the boards of the American Council of Life Insurers, the U.S. Chamber of Commerce and the American Museum of Natural History.

Mathas graduated with an A.B. from Stanford University, with distinction, in 1989. He received a J.D. from the University of Virginia in 1992, where he was a member of the Virginia Law Review and the Order of the Coif.

Charlie Rappold is vice chairman and chief operating officer of ConvergEx Group. In his current role, Rappold’s responsibilities include oversight of the credit, compliance, finance, human resources, legal, opera-
tions and technology divisions of ConvergEx Group. Additionally, he is responsible for budgeting, capital planning, and mergers and acquisitions, including due diligence and post-acquisition integration. Prior to the formation of ConvergEx Group, Rappold served as executive vice president of The Bank of New York and chief operating officer of BNY Securities Group. He joined the company in 1986. During his tenure with the bank, Rappold’s positions also included head of corporate development, chief administrative officer, chief trust officer and chief legal officer and secretary. His previous experience includes senior vice president of Commercial Union Capital Corporation from 1981 through 1986 and associate attorney at Cadwalader, Wickersham & Taft from 1977 through 1981. Rappold holds his A.B. from Marshall University, where he graduated maxima cum laude, and his J.D. from the University of Virginia, where he was a member of the Order of the Coif and received the Alumni Association Award for Academic Excellence.

GEORGE RUTHERGLEN
John Barbee Minor Distinguished Professor of Law, University of Virginia

George Rutherford joined Virginia’s law faculty in 1976. He teaches admiralty, civil procedure, employment discrimination and professional responsibility. While he was a student at the University of California at Berkeley School of Law, Rutherford was articles editor of the California Law Review and a member of the Order of the Coif. After graduation, he clerked for Judge J. Clifford Wallace of the U.S. Court of Appeals for the Ninth Circuit in San Diego, and Justices William O. Douglas and John Paul Stevens of the U.S. Supreme Court. Rutherford has chaired the advisory committee on Fourth Circuit Rules and served as director of the Graduate Program for Judges at the Law School.