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Two Heads

Mary Schapiro was tapped yesterday to head the US [Securities and Exchange Commission](#) (SEC). Now chief of the [Financial Industry Regulatory Authority](#), Wall Street's self-regulator, Shapiro also led the [Commodity Futures Trading Commission](#), which many in Congress want to merge with the SEC. She has no profile on governance issues, but advocates hope she'll be an ally.

Anne Stausboll has been [named](#) CEO of the [California Public Employees' Retirement System](#) (CalPERS), filling a post vacant since June. A long-time CalPERS official, she now serves as interim CIO. **Expect her appointment to be the first of two designed to restore CalPERS to global governance leadership.** The second is due soon.

Stars '08

Each December GPW names 10 people around the world who did most to advance corporate governance and shareowner value in the previous year. Here is the 2008 'GPW 10':

Dominique Biedermann, managing director of [Ethos](#), ran a breakthrough campaign to convince Swiss financial firms to adopt advisory votes on executive remuneration. Giant [UBS](#) listened.

Frank Curtiss, head of corporate governance at [Railpen](#), led in forging innovative market-wide governance engagement in Singapore, Hong Kong and Japan.

Richard Ferlauto, [AFSCME](#)'s pensions policy czar, has been a ubiquitous voice for investors as the financial crisis unfolded in 2008.

James Gifford, head of the United Nation's [Principles for Responsible Investment](#), started an [academic network](#), rescued the [Enhanced Analytics Network](#), and spurred cross-border [shareowner engagement](#).

Keith Johnson, [Reinhart Investors](#)' governance guru, proved a driving force behind the innovative [Network](#)

for [Sustainable Financial Markets](#) and the [International Roundtable](#) on executive pay.

Mindy Lubber, head of [Ceres](#), helped shareowners address climate change, founding the [Business for Innovative Climate Change and Energy](#) and ranking corporate climate change governance practices.

Brian Molefe, CEO of the [Public Investment Corporation](#), led his fund to become the first major one in Africa to disclose its share voting record and commission governance rankings of corporations.

Tim Smith, senior VP of [Walden Asset Management](#), spearheaded a bold effort to find corporate-investor common ground on 'say on pay.'

Christian Strenger, a director of [DWS](#), led a successful rescue of the rights of investor to cooperate with each other on governance issues in Germany.

Raj Thamotheram, head of responsible investment at [AXA Investment Managers](#), was a key founder of the [Network for Sustainable Financial Markets](#), which is pioneering investor thought leadership in the crisis.

Briefings

Underwater Now don't be shocked, but many asset managers failed to dig deep enough into companies in which they invest to uncover risks that help spawn the financial crisis. So finds the [Marathon Club](#), a UK-based group representing pension funds members with some £170 billion in assets. Its [report](#), released December 2, urges pension fund trustees to scrutinize managers to make sure they can "protect them from loss of capital arising from incomplete analysis, misaligned incentives and distortions in corporate reporting." Pension funds "are duty bound to seek out 'submerged information,' not simply to be spoon-fed by companies," advises the club.

Shorting ESG [Deutsche Bank](#) (DB) has just become the latest major financial firm to slash

its environmental, social, and governance (ESG) research unit. [Citi](#) and [JPMorgan](#) led the sorry retreat (**GPW XII-45**). DB's unit has produced highly respected analyses. **But the firm must be betting that investors see ESG as a luxury in good times rather than a must-have value enhancer.**

② **Binders** Plenty of companies claim to be socially responsible in their business practices, but don't apply the idea when they act as investors. To challenge that stance, a group of activist owners led by [Walden Asset Management](#) has adopted a novel approach: **It has filed a new resolution calling on State Street to update its voting guidelines to take environmental, social and governance (ESG) factors into account.** The proposal contends that the financial giant's uniform 'no' votes on E and S resolutions fly in the face of State Street's own corporate social responsibility report, which trumpets that the company strives to "preserve the environment; create a positive work environment for our employees; and serve our communities." **If the proposal gains voting traction, expect shareowners to file similar initiatives at other firms with seemingly contradictory policies.**

③ **Counterweight** Pension funds and other institutional investors should embrace more activism at Latin America's family-dominated listed companies. So asserts a groundbreaking draft white paper circulated by the [Organization for Economic Cooperation and Development](#) (OECD) in Mexico City at an early December [meeting](#) of the Latin American Roundtable on Corporate Governance. **Investors, regulators and policy-makers reached a broad consensus that pension and mutual funds, which dominate Latin American equity markets, "can provide an informed counterbalance to controlling shareholders to safeguard against the company's board and management working for interests other than those of the company and its shareholders as a whole."** The paper is the first to emerge from OECD roundtables to focus on investor duties; and Latin America boasts potent funds, particularly in Brazil and Chile. Expect the final version of the paper to be released in February or March.

Diary

The January calendar of corporate governance events, Part 2. Click [here](#) for the entire 2009 diary at Yale's Millstein Center.

→ Jan. 22, **Quebec.** 85th Canadian Conference, [Conference Board of Canada](#). www.conferenceboard.ca/conf.

- Jan. 22, **Mumbai, India.** *Banking Tech Summit 2009*, [Confederation of Indian Industry](#). www.cionline.org/.
- Jan. 22-23, **Addis Ababa, Ethiopia.** *2009 African Private Sector Forum: Advancing Sustainability and Business Competitiveness in Africa*. [Commission of the African Union](#), [UN Global Compact](#). www.unglobalcompact.org/NewsAndEvents/event_archives/2008_AU_summit/index.html.
- Jan. 25, **Orlando.** *The 6th Annual Taft-Hartley Benefits Summit*, [Financial Research Associates](#). www.fralc.com.
- Jan. 25-27, **San Diego.** *Directors Forum 2009 - Directors, Management & Shareholders in Dialogue*, [Corporate Directors' Forum](#). www.directorsforum.org.
- Jan. 26-27, **Washington, DC.** *Special Conference Series: Rebuilding Investor Confidence*, [Council of Institutional Investors](#). <http://www.cii.org/>.
- Jan. 26-27, **New York.** *Client Servicing for Institutional Asset Management*, [Financial Research Associates](#). www.fralc.com.
- Jan. 27-Feb. 1, **Harrison Hot Springs, British Columbia.** *Pension Investment and Governance*, [SHARE](#). www.share.ca
- Jan. 27, **Brussels.** *European Financial Services Conference*, [Forum Europe](#), [Assonime](#), [Houston Consulting Europe](#), [Merrill Lynch](#). www.forum-europe.com.
- Jan. 27-28, **London.** *Corporate Governance Workshop*, [London Stock Exchange](#). www.londonstockexchange.com/corpgovworkshops.
- Jan. 28-Feb. 1, **Davos-Klosters, Switzerland.** *World Economic Forum Annual Meeting 2009*, [World Economic Forum](#). www.weforum.org/en.
- Jan. 29, **Phoenix.** *Essentials Seminar: The Basics of Corporate Governance and Beyond*, [Society of Corporate Secretaries and Governance Professionals](#). www.governanceprofessionals.org.
- Jan. 29-30, **Barcelona.** *Internal Audit*. [Marcus Evans](#). www.marcusevans.com.
- Jan. 29-30, **Berlin.** *Corporate Process Management 2009*. [Marcus Evans](#). www.marcusevans.com.
- Jan. 29-30, **New York.** *The 2009 Leadership Conference on Global Corporate Citizenship: Value-Driven Corporate Responsibility*. [Conference Board](#). www.conference-board.org.
- Jan. 29-30, **Toronto.** *2009 Enterprise Risk Management Conference*, [Conference Board of Canada](#). www.conferenceboard.ca.



Last & First

This is the last **GLOBAL PROXY WATCH** of 2008. The first of 2009, published Jan. 2, is the annual calendar look-ahead listing of events scheduled so far for the next 12 months. If you have an event to include, please email us at editor@proxywatch.com.

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