DOWNLOAD PDF CONFLICT OF INTEREST LAURIE BURNS

Chapter 1 : Los Angeles Times - We are currently unavailable in your region

Written by some of today's leading science fiction writers, these tales sweep us into a world where the only laws are cunning, force, and powerâ€"and only the bravest, craziest, and deadliest dare to tread.

An actual or potential conflict between a board member and a company is called a tier-I conflict. A company is normally considered as a separate legal entity that is independent from its directors, executives and shareholders. Powerful directors such as founders or dominant shareholders can be accused of misappropriating company assets if they are found stealing from their own company; directors who trade on the basis of material, non-public information can be sued for insider trading; those caught accepting bribes or working for competing companies may be asked to resign; directors who sign agreements on behalf of the company that mainly contribute to their own enrichment may be charged with self-dealing. For example, the well-known case of Guth vs. When board members fail to dedicate the necessary effort, commitment and time to their board work, it can result in a conflict between the board member and the company. Directors often serve on multiple boards in order to benefit from several compensation packages. This can often complicate matters for the respective directors, as they may not be able to allocate sufficient time to governing any one company. They extracted, at random, a paper, formulated a trick question and entered the meeting room ready to fire. After all, board work is a power game. It is well understood that tier-I conflicts arise when directors take advantage of their positions. However, when directors lack commitment and dedication to their duties, the conflict of interest is somewhat more subtle and much less obvious. Companies can self-assess their exposure to tier-I conflicts by asking the following questions: Has the company experienced situations in which individual directors have taken advantage of the company through compensation, self-dealing, stealing, insider trading, accepting bribes or appropriating opportunities for personal benefit? How could negligence of board work or lack of commitment present a conflict of interest? Would signing a code of conduct at the time of appointment be helpful? For example, directors might declare that they owe their duty of loyalty to shareholders, the company itself, certain stakeholders or other board members. The idea of maximizing shareholder value came from Milton Friedman, who proposed that executives and directors should focus solely on creating value for shareholders. Others argue that since the directors and executives are paid by the company, they are employees of the company â€" not of the shareholders â€" so they should thus focus on the interests of the company rather than on those of the shareholders. According to Lynn Stout, a distinguished professor of corporate and business law at Cornell Law School, shareholder value maximization is a choice, not a legal requirement. The assumption that shareholders are principals and that directors are their agents is legally incorrect. Corporate law clearly states that shareholders cannot control directors or executives. They have the right to vote on the positions of the directors of the board and recover damage compensation from directors and executives if they are found to have stolen from the company but they have no right to tell executives how to run the company. Being loyal to shareholders is, in any case, easier said than done. Shareholders come and go and their interest in the company is limited to their shareholding period. Given the many types of shareholders, reaching a consensus for all of them is a daunting task. Ordinary individuals and families who invest for their retirement or to fund future expenses are often represented by institutional investors such as sovereign wealth funds, banks, hedge funds, pension funds, insurance companies and other financial institutions. These powerful representatives interact with board members frequently and exercise most of the pressure, but when they put personal interest before that of the ultimate shareholders, interests could be misaligned. For example, the representatives may be striving for short-term personal gain or compensation while the ultimate investors may want the same as all other stakeholders: If maximizing shareholder value is a widely accepted norm, then board members would be better positioned if they announced that their loyalty lay with the ultimate shareholders. This would lead them to become stewards of the company and refrain from being distracted by proposals that generate immediate stock returns but endanger the long-term prospects of the company. This principle is universally accepted and undisputed across the 27 EU countries. All board members, including shareholder representatives, are required to balance the interests of all stakeholders with the long-term prospects of the company. To balance the interests, composition and independence of the board of directors are often defined in the corporate governance codes. The Code also states that a majority of the members of the board should be independent of the company and its management. The ties with various stakeholder groups potentially create divided loyalties for directors. The laws of some countries require stakeholder representatives on boards to serve the interests of their respective principals in some situations. For example, banker directors, who are only appointed as board members when a company is in financial distress, must be loyal to their bank, which lent money to the company in question. When the company nears insolvency, the duty to shareholders or to promote the success of the company will be modified by the obligation to act in the interest of the creditors. While it may be perfectly legal for such interested parties to be members of the board, it can help if each stakeholder group puts their ultimate objectives on the table before starting negotiations. This allows minority shareholders and minor stakeholders to have their perspectives heard, which may incite majority shareholders to be more inclined to balance their own interests with those of others. Influence of domineering board members on others Both independent and interested directors can potentially be influenced by powerful CEOs, chairpersons or other directors through compensation, favors, relationships or psychological manipulation. Board members may also forsake their institutional duties out of personal loyalty to the CEO or chairperson. Even if a board comprises primarily independent directors, it may not be able to remain truly independent from the management. The social connections between directors and CEOs or chairpersons cannot always be thoroughly checked. Or the CEO may invite close friends to join the board as directors. In both cases, the directors in question may be influenced by a sense of loyalty or duty to the chairperson or CEO, even if the CEO or chairperson is not acting in the best interests of the company or its shareholders or other stakeholders. Independent directors would be reluctant to contradict the views of a CEO or chairperson to whom they felt they owed their loyalty, so rather than do so they may either comply or step down from their role. Boardrooms are dynamic places where heated discussions occur. Those occupying positions of power, such as the CEO and the chairperson, may manipulate directors into agreeing with their preferred decisions using psychological tactics such as tone of voice and eye contact to dominate the discussion, rebuff criticism, or intimidate others for their personal gain. In some cases, board members may feel as though they are being victimized or manipulated while those dominating the discussion may just think that they are leading a dynamic interaction. Such unbalanced dynamics, including superiority and inferiority complexes, reduce the effectiveness of board discussions and prevent independent directors from exercising their duty as directors. Board directors organized as a self-interested stakeholder group Regulators and researchers have argued that boards should comprise a greater number of independent directors to ensure that business decisions are not disproportionately influenced by powerful stakeholders. Independent directors can form a distinct stakeholder group. Such coalitions are growing in power and authority as independent board members increasingly remain loyal to each other in the boardroom, subjugating the interests of the organizations they are supposed to represent to their own. In other words, these stakeholder groups have their own motives and interests and the strategic decisions they make benefit themselves rather than the organizations they are paid to serve. In certain countries, unless specified otherwise, directors decide what their salary, shares and options will be. If no independent body such as a shareholder committee or a regulator oversees the compensation of directors, this can easily lead to a conflict of interest with the company. In the case of Calma v. The court determined that the entire decision process for compensation was unfair because the awards to the outside directors were decided by the recipients themselves. An exceptionally destructive scenario might consist of two stakeholder groups â€” the executive directors group vs. We can see that high compensation does not always have as positive an effect as it was intended to. The more compensation directors receive, the greater their personal desire to be re-elected becomes, so they increasingly focus on remaining on the board, enjoying their status and fame, boosting their compensation further, and obtaining more directorships on other boards. According to the German Corporate Governance code, the compensation of supervisory board directors consists of a combination of cash and shares and is linked to individual background and involvement in board and committee functions. In China, not all board members receive compensation from the company they serve. This means that state owners oversee the compensation of both executive directors and independent directors, which effectively eliminates the possibility of self-dealing. At ICBC, the modest pay still attracts high-quality independent members to the board, especially those with positive character traits such as conscientiousness, integrity, competence, judgment, focus, and dedication, which cannot be motivated or demotivated solely with money. In your legal system, to whom do board members owe their duty of loyalty? Can you define whether in your specific context loyalty to shareholder or loyalty to company is primary? Are there minority shareholders to be concerned about? If a director claims to owe his or her duty of loyalty to shareholders, would one be able to specify who the shareholders are, i. Can a director be fully independent when the CEO or chairperson decides on the compensation and succession of the directors? If a director is independent, could you specify who they are independent from i. Have you experienced a situation in which domineering directors felt as though they were having a heated discussion while others felt as though they were being suppressed? In Germany duty of care is a legal obligation. The trust placed in directors gives them maximum autonomy in decision making, and decisions are not questioned unless they are deemed irrational. This business judgment rule protects directors from potential liabilities, as their decisions are not tainted by personal interest. Though directors are not allowed to act in their own interests, they can promote the interests of a particular stakeholder group against the company, or the interests of one group of stakeholders against another, or they can favor one subgroup over another within the same stakeholder group. It is up to directors to make wise decisions when stakeholders are in conflict. If a board is composed of interested directors who remain loyal to their respective stakeholders, then it is necessary for stakeholder representatives to cooperate and find the optimal coalition to address common interests. Directors on boards must keep in mind the interests of weak or distant stakeholders to ensure their interests are not overlooked. Conflicts of interest between stakeholders and the company A company is an aggregation of stakeholders bound together by economic interest. All stakeholders expect to receive a sizable slice of the pie in exchange for their input. Each group of stakeholders has a different contractual arrangement with the company and distinct motives that means they will be more likely to push for decisions that benefit themselves first and foremost. Employees receive cash compensation plus benefits. By negotiating above-average compensation for workers, unions put the profitability of the company at risk. Many companies have gone bankrupt as a result of out-of-control labor costs. GM and Chrysler declared bankruptcy whereas Ford Motor Company managed to survive without bailout funds. Eventually, all three recovered by adjusting labor costs to be more or less in line with competitors, which they did by creating private trusts to finance the benefits of future retirees. The first major company in the United States to elect a union leader to its board was Chrysler in Board members representing unions have a delicate balancing act to play and they need to be aware of the potential conflicts of interest inherent in their role. On the one hand, if they push for high wage increases they could lead the company into bankruptcy and negatively affect all stakeholders in the long run. On the other hand, if they agree to substantial wage reductions they could lose the trust of the workers they are supposed to defend and represent. Weak corporate governance could open the door for management to take excessive risks. When the bonuses and incentives of top management are linked to quarterly earnings and profits, managers may be more inclined to focus on the short term, which sometimes leads to hazardous environmental and social impacts. Consumers and customers depend on companies for the reliable supply of products and services. When a company changes its pricing strategy, depending on the product it can potentially have serious repercussions on consumers. For some patients, treatment became unbearably expensive, and hospitals were forced to use less-effective alternatives to limit costs. In conflict situations, customers can hurt companies, and companies can harm the interests of customers. Closely involved stakeholders such as creditors, employees, top management or shareholders all have motives to push for decisions that benefit themselves but that may potentially hurt the interests of the company in the long run.

Chapter 2 : Laurie Burns | Wookieepedia | FANDOM powered by Wikia

Conflict of Interest is a short story written by Laurie Burns that was originally published in Star Wars Adventure Journal 13 by West End Games in May It was later published in Tales from the New Republic.

This is in essence a tax collected by a nongovernmental agency: It is a cost imposed on consumers by governmental decisions, but never considered in any of the standard data on tax collections. This, however, does not include the cost of lobbying. Lessig cites six different studies that consider the cost of lobbying with campaign contributions on a variety of issues considered in Washington, D. Lessig notes that clients who pay tens of millions of dollars to lobbyists typically receive billions. Lessig insists that this does not mean that any legislator has sold his or her vote. He notes that if any money perverts democracy, it is the large contributions beyond the budgets of citizens of ordinary means; small contributions from common citizens have long been considered supporting of democracy. This practice is called the " revolving door ". Former legislators and regulators are accused of a using inside information for their new employers or b compromising laws and regulations in hopes of securing lucrative employment in the private sector. This possibility creates a conflict of interest for all public officials whose future may depend on the revolving door. In , the total U. However, the financial sector made a profit in those years, which made its percentage negative, below 0 and off the scale in this plot. Between and , it averaged From through , it averaged Some of this increase is doubtless due to increased efficiency from banking consolidation and innovations in new financial products that benefit consumers. However, if most consumers had refused to accept financial products they did not understand, e. Stiglitz [25] argued that the Lates recession was created in part because, "Bankers acted greedily because they had incentives and opportunities to do so". They did this in part by innovating to make consumer financial products like retail banking services and home mortgages as complicated as possible to make it easy for them to charge higher fees. Consumers who shop carefully for financial services typically find better options than the primary offerings of the major banks. However, few consumers think to do that. This explains part of this increase in financial industry profits. There is hardly any place outside politics with such a high return on investment in such a short time. Critics of the profession argue, for example, that it is no coincidence that financial economists, many of whom were engaged as consultants by Wall Street firms, were opposed to regulating the financial sector. A conflict of interest exists when a party to a transaction could potentially make a gain from taking actions that are detrimental to the other party in the transaction. This is when a stockbroker who owns a security artificially inflates the price by upgrading it or spreading rumors, and then sells the security and adds short position. They will then downgrade the security or spread negative rumors to push the price back down. This is an example of stock fraud. It is a conflict of interest because the stockbrokers are concealing and manipulating information to make it misleading for the buyers. The broker may claim to have the "inside" information about impending news and will urge buyers to buy the stock quickly. Investors will buy the stock, which creates a high demand and raises the prices. This rise in prices can entice more people to believe the hype and then buy shares as well. The stockbrokers will then sell their shares and stop promoting, the price will drop, and other investors are left holding stock that is worth nothing compared to what they paid for it. In this way, brokers use their knowledge and position to gain personally at the expense of others. Executives participated in an elaborate scheme, falsely reporting profits, thus inflating its stock prices, and covered up the real numbers with questionable accounting ; 29 executives sold overvalued stock for more than a billion dollars before the company went bankrupt. Most media, when reporting a story which involves a parent company or a subsidiary , will explicitly report this fact as part of the story, in order to alert the audience that their reporting has the potential for bias due to the possibility of a conflict of interest. The business model of commercial media organizations i. Many major advertisers test their ads in various ways to measure the return on investment in advertising. Advertising rates are set as a function of the size and spending habits of the audience as measured by the Nielsen Ratings. Media action expressing this conflict of interest is evident in the reaction of Rupert Murdoch , Chairman of News Corporation , owner of Fox , to changes in data collection methodology adopted in by the Nielsen Company to more accurately measure viewing habits. The results corrected a previous overestimate of the market share of Fox. Murdoch reacted by getting leading politicians to denounce the Nielsen Ratings as racists. Commercial media organizations lose money if they provide content that offends either their audience or their advertisers. The substantial media consolidation that occurred since the s has reduced the alternatives available to the audience, thereby making it easier for the ever-larger companies in this increasingly oligopolistic industry to hide news and entertainment potentially offensive to advertisers without losing audience. If the media provide too much information on how congress spends its time, a major advertiser could be offended and could reduce their advertising expenditures with the offending media company; indeed, this is one of the ways the market system has determined which companies won and which either went out of business or were purchased by others in this media consolidation. Similarly, commercial media organizations are not eager to bite the hand that feeds them. Advertisers have been known to fund media organizations with editorial policies they find offensive if that media outlet provides access to a sufficiently attractive audience segment they cannot efficiently reach otherwise. The commercial media have a conflict of interest in anything that could make it easier for candidates to get elected with less money. This change has been tied to substantial changes in law and culture in the United States. To cite only one example, researchers have tied this decline in investigative journalism to an increased coverage of the "police blotter". Beyond this, virtually all commercial media companies own substantial quantities of copyrighted material. This gives them an inherent conflict of interest in any public policy issue affecting copyrights. McChesney noted that the commercial media have lobbied successfully for changes in copyright law that have led "to higher prices and a shrinking of the marketplace of ideas", increasing the power and profits of the large media corporations at public expense. One result of this is that "the people cease to have a means of clarifying social priorities and organizing social reform". If their censorship becomes too egregious, they lose audience, which in turn reduces their advertising rates. However, the effectiveness of this mechanism has been substantially reduced over the past quarter century by "the changes in the concentration and integration of the media.

Chapter 3 : Conflict of interest - Wikipedia

A conflict of interest is a situation in which an individual has competing interests or loyalties. Conflicts of interest involve dual relationships; one person in a position in one relationship and a relationship in another situation.

STATUTE Alabama A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs. A conflict of interest shall exist when a member of a legislative body, public official, or public employee has a substantial financial interest by reason of ownership of, control of, or the exercise of power over any interest greater than five percent of the value of any corporation, company, association, or firm, partnership, proprietorship, or any other business entity of any kind or character which is uniquely affected by proposed or pending legislation; or who is an officer or director for any such corporation, company, association, or firm, partnership, proprietorship, or any other business entity of any kind or character which is uniquely affected by proposed or pending legislation. Refer to Alaska Stat. Arizona A conflict of interest exists if a public officer has "a substantial interest in any contract, sale, purchase or service to such public agency. California "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest. Subsequent statutory sections provide additional details and prohibitions regarding conflicts of interest. Colorado A member who has a personal or private interest in any measure or bill proposed or pending before the general assembly, shall disclose the fact to the house of which he is a member, and shall not vote thereon. Connecticut A conflict of interest exists if a legislator "has reason to believe or expect that he, his spouse, a dependent child, or a business with which he is associated will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity. No conflict of interest exists if he or she "does not have an interest which is in substantial conflict with the proper discharge of his duties in the public interest and of his responsibilities as prescribed by the laws of this state, if any benefit or detriment accrues to him, his spouse, a dependent child, or a business with which he, his spouse or such dependent child is associated as a member of a profession, occupation or group to no greater extent than any other member of such profession, occupation or group. Delaware Conflict of interest exists if a legislator has a personal or private interest in any measure or bill pending in the General Assembly or if a "personal or private interest in a measure or bill Florida A conflict of interest exists if there is "any matter that the officer knows would inure to his or her special private gain or loss. Guam Conflict of interest may exist when an official action directly effects: Hawaii Prohibition on conflicts of interest prohibit legislators from assisting "any person or business or act[ing] in a representative capacity before any state or county agency for a contingent compensation in any transaction involving the State Illinois Illinois prescribes a four-factor test to determine whether a conflict of interest exist, referred to as a "conflict situation. Indiana A public servant commits "conflict of interest" if he or she "knowing or intentionally: Kentucky Definitions of a conflict of interest include: Louisiana A conflict of interest exists if a legislator has a "personal substantial economic interest" in a transaction that involves a governmental entity. Receiving compensation or reimbursement not authorized by law for services, advice or assistance as a Legislator; D. Appearing for, representing or advocating on behalf of another before the Legislature, unless without compensation and for the benefit of a citizen; E. Michigan A conflict of interest may exist if a legislator is "interested directly or indirectly in any contract with the state or any politial subdivision thereof. Mississippi The code section dealing with conflicts of interest, in the statement of policy section, refers to "any effort to realize personal gain through official conduct, other than as provided by law, or as a natural consequence of the employment position. More specifically, "No public servant shall use his official position to obtain, or attempt to obtain, pecuniary benefit for himself other than that compensation provided for by law, or to obtain, or attempt to obtain, pecuniary benefit for any relative or any business with which he is associated. Missouri Prohibition on conflict of interest prevents a legislator from acting or refraining "from acting in any capacity in which he is lawfully empowered to act as such an official or employee by reason of any payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value paid or payable, or received or receivable, to himself or any third person, including any gift or campaign contribution, made or received in relationship to or as a condition of the performance of an official act, other than compensation to be paid by the state or political subdivision. Nebraska "A member of the Legislature who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public. New Mexico A conflict of interest is the use of powers or resources of public office to "obtain personal benefits or pursue private interests," as opposed to using those powers or resources "only to advance the public interest. New York A conflict of interest exists if a legislator has any interest or engages in any business, transaction, or professional activity, or incurs any obligation, which is in substantial conflict with the proper discharge of his or her duties in the public interest. North Dakota A conflict of interest occurs if a legislator "has a direct and substantial personal or pecuniary interest in a matter before that Oklahoma Generally, a conflict of interest is when a member of the legislature engages in activities or has interests which "conflict with the proper discharge of their duties and responsibilities. The term does not include an action having a de minimis economic impact or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the public official or public employee, a member of his immediate family or a business with which he or a member of his immediate family is associated. Puerto Rico "Conflict of interest. South Carolina A conflict of interest may exist if a legislator makes, participates in making, or attempts to use public office "to influence a governmental decision in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest. South Dakota A conflict of interest may exist if a public officer has an interest in or derives a direct benefit from any contract 1 with the state agency to which the public officer is attached for reporting or oversight purposes that requires the expenditure of government funds; 2 with the state that requires the approval of the authority, board, or commission and the expenditure of government funds; or 3 with a political subdivision of the state if the political subdivision approves the contract and is under the regulatory oversight of the authority, board, or commission, or the agency to which the authority, board, or commission is attached for reporting or oversight purposes. Tennessee In lieu of defining a conflict of interest, Tennessee law requires legislators and candidates to disclose various economic interests. Generally, a conflict of interest may exist if a public official knowingly and intentionally uses his or her office or the prestige of his or her office for private gain or gain of another, excluding incidental gains. Wyoming A conflict of interest occurs if a legislator "requests or receives any pecuniary benefit, other than lawful compensation, on any contract, or for the letting of any contract, or making any appointment where the government employing or subject to the discretion or decisions of the public servant is concerned. Virgin Islands A conflict of interests exists if a legislator "will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his official activity.

Chapter 4 : The four tiers of conflict of interest faced by board directors

Laurie Burns wrote several short stories for the Star Wars Adventure Journal. This article is a stub about an author. You can help Wookieepedia by expanding it.

Chapter 5 : Conflict of Interest | Wookieepedia | FANDOM powered by Wikia

Retreat from Coruscant - Laurie Burns. Old Corellian: A Guide for the Curious Scholar Conflict of Interest - Laurie Burns.

Chapter 6 : Conflict of Interest by Laurie Burns - FictionDB

DOWNLOAD PDF CONFLICT OF INTEREST LAURIE BURNS

A conflict of interest causes an employee to experience a struggle between diverging interests, points of view, or allegiances. Conflicts of interest are generally forbidden in company codes of conduct and/or employee handbooks.

Chapter 7 : Conflict of Interest - Harvest: Greg Laurie

Tales. Hardcover compilation from the Sci-fi Book Club: collects Tales from the Mos Eisley Cantina, Tales from Jabba's Palace and Tales of the Bounty Hunters.

Chapter 8 : 50 State Table: Conflict of Interest Definitions

Letter of Concern Regarding the Virginia Executive Order for Conflict-of-Interest Reporting () OR laurie OR burns OR mcrobbie OR bicentennial OR professship.

Chapter 9 : Cover Gallery Anthologies West End Games

October 26, The following statement outlines certain potential conflicts of interest as at October 26, which may arise between you, as an account holder, and us, BMO Nesbitt Burns Inc., as a Canadian investment dealer.