

HARVARD LAW SCHOOL
Program on Institutional Investors
Report of Activities, July 1, 2011 – June 30, 2012

The Program on Institutional Investors at Harvard Law School (PII), established in the summer of 2011, seeks to contribute to research, policy-making, discourse, and education with respect to institutional investors and issues of interest to institutional investors. During 2011-2012, the PII's Director was Lucian Bebchuk, Scott Hirst served as Associate Director, and Emily Lewis served as Administrative Director. Additional information regarding the Program is available on the Program's website, <http://pii.law.harvard.edu/>.

A. Institutional Investors Conference

The Program fosters conferences talks, workshops, and panels. Co-sponsored with the Program on Corporate Governance, the Program held its first Institutional Investors Roundtable on November 8-9, 2011. The event brought together prominent members of the institutional investor world to discuss a number of related issues concerning shareholder voting. The full list of participants in the conference is available at:
http://www.law.harvard.edu/programs/corp_gov/investors-conference_participants.shtml.

During the morning sessions, the roundtable discussed lessons from the first year of advisory votes on executive compensation and on how institutions should vote on compensation arrangements in the future. During the second half of the day, the roundtable discussion focused on majority voting and withhold votes, as well as on the reporting of proxy votes to beneficiaries. The event started with a keynote talk by and discussion with Larry Summers.

B. Research

The Program seeks to foster research on institutional investors and issues related to them. Articles and working papers on such issues published or released during 2011-12 by faculty associated with the Program include the following:

Bebchuk, Lucian A., Martijn Cremers and Urs Peyer, "The CEO Pay Slice," 102 *Journal of Financial Economics* 199-221 (2011).

Bebchuk, Lucian A. and Robert J. Jackson Jr., "The Law and Economics of Blockholder Disclosure," Harvard Law School Olin Discussion Paper No. 702 (July 2011).

Fried, Jesse M. and Nitzan Shilon, "Excess Pay and the Dodd-Frank Clawback," 32 *Director Notes* No. DN-V3N20 1-8 (2011).

Fried, Jesse M. and Nitzan Shilon, "Excess-Pay Clawbacks," 36 *Journal of Corporation Law* 722- 751 (2011).

Fried, Jesse M. and Nitzan Shilon, "The Dodd-Frank Clawback and the Problem of Excess Pay," 32 *Corporate Board* 15-21 (2012).

Kraakman, Reinier H. and Ronald Gilson, "Market Efficiency after the Fall: Where Do We Stand Following the Financial Crisis?" in *Research Handbook on the Economics of Corporate Law* (C. Hill and B. McDonnell, eds., Edward Elgar, 2012).

Kraakman, Reinier H. and Henry Hansmann, "Reflections on the End of History for Corporate Law," in *Convergence of Corporate Governance: Promise and Prospects* (Abdul Rasheed and Toru Yoshikawa, eds., Palgrave-MacMillan, 2012).

C. The Shareholder Rights Project

The PII operates the Shareholder Rights Project (SRP), a clinical program that provides services on a pro bono basis to public pension funds and nonprofit charitable organizations seeking to improve corporate governance. The SRP also provides students with the opportunity to obtain hands-on experience with shareholder rights work. Students participating in the clinical program were also enrolled in the Shareholder Rights Clinical Seminar. Further information about the clinic and clinical seminar are available at <http://www.law.harvard.edu/academics/curriculum/catalog/index.html?o=64841>.

The institutional investors advised and represented by the Shareholder Rights Project (SRP) during 2011-2012 include the Illinois State Board of Investment, the Los Angeles County Employees Retirement Association, the Massachusetts Pension Reserves Investment Management Board, the Nathan Cummings Foundation, the North Carolina State Treasurer, and the Ohio Public Employees Retirement System.

The SRP's 2011-2012 advisory board included Richard Breeden, Jesse Fried, Jeffrey Gordon, Reinier Kraakman, Michael McCauley, and Peter Mixon. During 2011-12, the SRP's director was Lucian Bebchuk, Scott Hirst served as Associate Director, Emily Lewis served as Administrative Director, and June Rhee served as Counsel.

D. The Harvard Law School Forum on Corporate Governance and Financial Regulation

The Program co-sponsors with the Program on Corporate Governance the widely-followed blog website entitled *The Harvard Law School Forum on Corporate Governance and Financial Regulation*. The Forum can be accessed at <http://blogs.law.harvard.edu/corpgov/>.

During the 2011-12 year the Forum featured an average of 46 articles per month. The Forum features communications about corporate governance research and practice both by individuals associated with the Program as well as posts by guest contributors. The Forum provides updates on working papers, seminars, speakers, and other activities sponsored by the Program. There are 77 academic contributors and 129 practitioner contributors. The full list of contributors is available at <http://www.blogs.law.harvard.edu/corpgov/>.