

Corporate Gatekeeper Wedding Cake

How Good Governance is Won

Base Layer: Law Enforcement



Legal Enforcement Mechanisms: Courts, Prosecution

Sponge Layer: Self Regulatory Agencies



The diagram consists of two horizontal bars. The top bar is dark red and contains the text 'Bar Associations, FINRA, AICPA, Arbitrators...'. The bottom bar is also dark red and contains the text 'Legal Enforcement Mechanisms: Courts, Prosecution'. A small pink arrow points upwards from the top bar to the bottom bar, indicating a relationship or flow from the self-regulatory agencies to the legal enforcement mechanisms.

Bar Associations, FINRA, AICPA, Arbitrators...

Legal Enforcement Mechanisms: Courts, Prosecution

Conflicted Layer: External Private Watchdogs



External Auditors, Rating Agencies, Law Firms

Bar Associations, FINRA, AICPA, Arbitrators...

Legal Enforcement Mechanisms: Courts, Prosecution

Pivot Layer: Internal Controls

Internal Controllers/Auditors, Compliance

External Auditors, Rating Agencies, Law Firms

Bar Associations, FINRA, AICPA, Arbitrators...

Legal Enforcement Mechanisms: Courts, Prosecution

Soft Layer: Business Supervision Partners

Risk Managers, Human Resources

Internal Controllers/Auditors, Compliance

External Auditors, Rating Agencies, Law Firms

Bar Associations, FINRA, AICPA, Arbitrators...

Legal Enforcement Mechanisms: Courts, Prosecution

Party Spoiler: The Media

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- Information from all layers of the cake

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- Every hole in gatekeeper cake is an entry point

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- Every hole in gatekeeper cake is an entry point
- Freedom of Speech: Can be most or least honest gatekeeper
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- Combined with whistleblowers: can x-ray entire organizational structure

Party Spoiler: The Media

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- Borderless
- Combined with whi

3/17/13

Deutsche Bank: Show of strength or a fiction? - FT.com

FINANCIAL TIMES

December 5, 2012 9:39 pm

Deutsche Bank: Show of strength or a fiction?

By Tom Braithwaite, Michael Mackenzie and Kara Scannell

Three former employees tell US regulators that trades were valued in a way that hid billions in losses



Party Spoiler: The Media

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The image shows a screenshot of a news article from Handelsblatt Global. The article is titled "Deutsche Bank CEO Apologizes" and is written by John Cryan. The text describes how Deutsche Bank's CEO, John Cryan, has apologized to the German public in full-page newspaper ads for "serious errors" that cost the Frankfurt-based company its reputation and trust, as well as billions of euros. The article is dated February 6, 2017, at 11:53 am. The Handelsblatt Global logo is at the top, and navigation links for Companies, Mobility, Finance, Politics, and Opinion are visible below the logo.

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JOHN CRYAN

Deutsche Bank CEO Apologizes

In an unusual step, Deutsche Bank's CEO John Cryan has apologized to the German public in full-page newspaper ads for "serious errors" that cost the Frankfurt-based company its reputation and trust as well as billions of euros.

Handelsblatt Global Staff *February 6, 2017 11:53 am*

Sleeping Giant: Investors

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Bill Ackman Ends 5-Year Battle Against Herbalife

Israeli Investors Side with Elliot Fund, Demand Board

robed Israeli vider

Teva investor warns of rebellion as pressure mounts

Activist shareholder Benny Landa urges board changes to bolster pharma experience

led for a sweeping corporate
q, Israel's biggest telecom

28.01.18

ctivist hedge fund Elliott Associates L.P. in its
of Israel's largest telecommunication



Sleeping Giant: Investors

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- In practice: rarely interfere with management

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- Key to management reform

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- In practice: rarely interfere with management
- Activist Investors Shake Things Up
- Key to management reform
- Additional mechanisms needed for greater involvement