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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

IN RE WELLS FARGO & COMPANY  
SHAREHOLDER DERIVATIVE  
LITIGATION

Lead Case No. 3:16-cv-05541-JST

**DECLARATION OF MICHAEL A.  
SANTORO IN SUPPORT OF  
APPROVAL OF DERIVATIVE  
SETTLEMENT**

The Honorable Jon S. Tigar

1       **I. Introduction**

2           1. This declaration provides my opinion and reasoning that certain corporate  
3 governance reforms (the “Corporate Governance Reforms”) undertaken by Wells Fargo &  
4 Company (“Wells Fargo” or the “Company”) to address and correct the corporate governance  
5 failures that allegedly contributed to the Improper Sales Practices, defined *infra*, will benefit the  
6 Company and its shareholders in several important respects. The Corporate Governance Reforms  
7 are detailed in Exhibit A to the Parties’ Stipulation and Agreement of Compromise, Settlement  
8 and Release (the “Stipulation”).

9           2. The above-captioned case (the “Action”) alleges, among other things, that the  
10 Company, undertook a long-running, systemic and fraudulent practice of opening millions of  
11 customer accounts by thousands of Wells Fargo employees without customer knowledge or  
12 authorization (the “Improper Sales Practices”). The Action further alleges that some of the  
13 Individual Defendants may have been aware of “red flags” concerning the Improper Sales  
14 Practices as far back as 2007 and that certain of the Individual Defendants breached their  
15 fiduciary duties to Wells Fargo in connection with those Improper Sales Practices by not only  
16 failing to prevent them, but also by encouraging them through various compensation practices  
17 and personally profiting from them through their salary compensation and insider stock sales.

18           3. To prepare this declaration, I reviewed: the Consolidated Amended Verified  
19 Stockholder Derivative Complaint (Dkt. No. 83) (the “Complaint”), the Stipulation and its  
20 Exhibits, the Court’s Motion to Dismiss Rulings (Dkt. Nos. 129, 174), the Office of the  
21 Comptroller of the Currency’s (“OCC”) 2016 Consent Order, the OCC’s 2018 Consent Order,  
22 OCC’s 2018 Consent Order for a Civil Money Penalty, the Federal Reserve’s Order to Cease and  
23 Desist Issued Upon Consent Pursuant to the Federal Deposit Insurance Act, as Amended (“Fed.  
24 Reserve Order”), and the “Leadership and Governance” information on Wells Fargo’s website.

25           4. In my opinion, the Corporate Governance Reforms will help to detect, prevent, and  
26 mitigate the types of illegal and unethical activities that have been alleged to be at the heart of this  
27 litigation, including those that directly affect consumers in Wells Fargo’s Community Banking  
28 business unit. As a whole, the Corporate Governance Reforms represent a major step forward for

1 Wells Fargo's overall corporate governance that not only creates substantial and sustainable value  
2 for the Company and its shareholders, but also helps to protect the public and the Company's  
3 customers from future abuse and wrongdoing.

4 5. Accordingly, for reasons I will describe more particularly below, in my opinion,  
5 the Corporate Governance Reforms provide substantial value to Wells Fargo, and the \$20 million  
6 value ascribed to the Reforms in the Stipulation is eminently reasonable.

7 **II. Qualifications**

8 6. I am a Professor of Management and Entrepreneurship at the Leavey School of  
9 Business at Santa Clara University. Previously, I was a Professor at the Rutgers Business School  
10 at Rutgers, The State University of New Jersey. I have conducted research and taught courses in  
11 business ethics for nearly three decades dating back to my doctoral studies. I have also taught  
12 courses in business ethics at the University of Zurich, the Shanghai Advanced Institute of Finance  
13 at Shanghai Jiao Tong University, and the University of Notre Dame.

14 7. I am a member of the Society for Business Ethics and serve on the Editorial Board  
15 of *Business Ethics Quarterly*, as well as the *Journal of Human Rights*. I am a Founding Co-  
16 Editor of *Business and Human Rights Journal* published by Cambridge University Press and Co-  
17 Founder and the first President of the Global Business and Human Rights Scholars Association.

18 8. My most recent book is *Wall Street Values: Business Ethics and the Global*  
19 *Financial Crisis*.<sup>1</sup> In *Wall Street Values*, I address the role of corporate governance and executive  
20 compensation in the banking industry and the role each plays in managing ethical and business  
21 risk.

22 9. I received my Ph.D. in Public Policy from Harvard University in 1997. During my  
23 time as a doctoral student, I also served as a Research Associate at Harvard Business School  
24 where I co-wrote case studies and teaching notes in business ethics. I was a Fulbright Fellow at  
25 the University of Hong Kong during the 1993-94 academic year during which time I helped  
26 organize the first ever conference on business ethics in the Asia Pacific region. I received a J.D.

27  
28 <sup>1</sup> Santoro, Michael A. and Strauss, Ronald J. 2013. *Wall Street Values: Business Ethics and the Global Financial Crisis*. Cambridge: Cambridge University Press.

1 from New York University School of Law in 1981 and an undergraduate degree from Oberlin  
2 College in 1976. After working as an associate at a New York law firm, I served as general  
3 counsel to one of the first publicly held biotechnology companies and, after that, as general  
4 counsel of one of the largest (at the time) private equity investment companies.

5 10. I served as an expert witness on corporate governance in *Fagin v. Scolnick, et al.*  
6 (New Jersey Superior Ct. Dkt. No. ATL-L-3406-07-MT), a shareholder-derivative suit against  
7 corporate officers and directors of Merck & Co., Inc. which the *New York Times* called a  
8 potentially “pivotal moment in the corporate governance arena.”<sup>2</sup> As part of the *Fagin*  
9 settlement, Merck agreed to adopt a far-ranging series of corporate governance reforms which I  
10 helped to design, including the appointment of its first Chief Medical Officer. The rationale  
11 behind and intended effect of these reforms are described in a peer-reviewed article<sup>3</sup> (that I  
12 published in the journal of the Association of Clinical Research Professionals following my  
13 testimony in the *Fagin* case).

14 11. My full C.V. is attached hereto as Exhibit 1.

15 **III. Corporate Governance “Hardware” and “Software” Failures**

16 12. Corporate governance failures can be classified as “hardware” or “software”  
17 failures. “Hardware” problems occur when necessary information does not flow to the correct  
18 persons or clear lines of responsibility do not exist for responding to risk. For example, board  
19 members may fail to act because information about ethically problematic issues does not flow up  
20 the company chain of command so that they can be managed effectively or there might not be a  
21 board committee or subcommittee with the clearly delineated responsibility for managing an  
22 aspect of the business that presents substantial risk. In other instances, corporate governance  
23 failures consist of “software” problems. A company may fail to properly monitor, prevent, and  
24 manage corporate risk of ethical behavior because of a general “corporate culture” pervasive in an  
25 organization or what is sometimes called “tone at the top,” referring to the seriousness (or lack

26 \_\_\_\_\_  
27 <sup>2</sup> Natasha Singer, “Does Merck Agreement Pave a Road Toward Change,” *The New York Times*  
(April 3, 2010), available at <http://www.nytimes.com/2010/04/04/business/04stream.html?dbk>  
(accessed Feb. 27, 2019).

28 <sup>3</sup> Michael A. Santoro, “Corporate Governance Reform at Merck: A Pharmaceutical Industry  
Standard for the 21st Century,” *The Monitor* (Sept. 2010), pp. 63-67.

1 thereof) with which a company's top executives communicate about ethical and compliance  
2 issues. A corrupt or risk-insensitive corporate culture will often be accompanied by  
3 compensation practices that result in misalignment between executive and employee behavior and  
4 the interest of the company and shareholders in risk management, legal compliance, and ethical  
5 behavior.

6 13. As alleged, Wells Fargo's corporate governance failures consisted of both  
7 hardware and software problems and, accordingly, the Corporate Governance Reforms address  
8 both. The hardware reforms consist of, among other things: new oversight responsibilities and  
9 amended charters for Committees charged with risk management and legal compliance. The  
10 software reforms address corporate culture (including the appointment of a new group of  
11 independent directors and an overhaul of top management) and the alignment of economic  
12 incentives with risk mitigation, good governance, and long-term sustainability. The Corporate  
13 Governance Reforms, for the reasons detailed below, unequivocally provide substantial value for  
14 shareholders, customers, regulators, employees and the general public.

15 14. The alleged corporate governance, risk management, and compliance failures at  
16 Wells Fargo can be classified into three categories—(1) Board-Level Hardware Problems; (2)  
17 Corporate Culture and Tone at the Top Software Issues; and (3) Software Failures Triggered by  
18 Branch Employee Compensation. The first two categories concern Board-level and executive  
19 failures. The third category encompasses operational level failures at the Community Bank level.  
20 I will review each category of corporate governance failures and evaluate the adequacy and  
21 effectiveness of the Corporate Governance Reforms that Wells Fargo has adopted to address these  
22 failures. As with any corporate governance reforms, their efficacy will also depend upon their  
23 implementation over time.

#### 24 **A. Board-Level Hardware Problems**

##### 25 *i. Board-Level Risk Management Responsibility and Control*

26 15. One hardware problem at the heart of the alleged corporate governance failures at  
27 Wells Fargo was the lack of clear delineation of responsibility among various Board-level  
28 Committees. No fewer than five Board-level Committees—Audit and Examination, Corporate

1 Responsibility, Governance and Nominating, Human Resources, and Risk—possessed  
2 jurisdiction, spelled out in the charters of these Committees, over various (in some cases,  
3 overlapping) aspects of the customer relations, compliance oversight, and risk management issues  
4 at the heart of the Improper Sales Practices. (Compl. ¶¶ 100-15).

5 16. Moreover, despite the multiple and overlapping responsibilities of various Board-  
6 level Committees, there was no single, efficacious locus of responsibility and control over the  
7 risks faced throughout the Company’s diverse business units. Federal banking examiners and  
8 regulators were quite pointed in criticizing the Company’s failure to have in place an effective  
9 enterprise-wide risk control function. The OCC, for example, found that Wells Fargo “lacked an  
10 Enterprise-Wide Sales Practices Oversight Program.” (2016 OCC Consent Order, at 2). The  
11 Board of Governors of the Federal Reserve System (the “Board of Governors”) found that Wells  
12 Fargo “pursued a business strategy that emphasized sales and growth without ensuring that senior  
13 management had established and maintained an adequate risk management framework  
14 commensurate with the size and complexity” of the Company’s operations and ordered it “to  
15 adopt an improved firmwide risk management program designed to identify and manage risks  
16 across the consolidated organization.” (Fed. Reserve Order, at 1).

17 *ii. Hardware Reforms to Address Board-Level Responsibility and Control Issues*

18 17. The Company has adopted a number of Corporate Governance Reforms designed  
19 to better delineate and strengthen Board and managerial responsibility and control over  
20 enterprise-wide risk and compliance.

21 18. The Risk Committee’s oversight responsibilities have been enhanced “to focus on  
22 a key area of enterprise risk, with new subcommittee formed for oversight of compliance.” (Stip.  
23 Ex. A, at 5). Four Board members – the majority of this Committee – possess relevant experience  
24 in “identifying, assessing, and managing the risk exposures of large financial firms.” (*Id.*).

25 19. The Company also created a Conduct Management Office that reports to the Risk  
26 Committee. (*Id.* at 7). According to Exhibit A, the Conduct Management Office “improves upon  
27 the prior corporate structure in two key ways: (1) it is a centralized unit outside the control of any  
28 business line that has a direct reporting line to the Risk Committee and the Board through the

1 Chief Risk Officer, who is to provide periodic reports...; and (2) it focuses on conduct  
2 management sales practices issues.” (*Id.*).

3 20. The new charge to the Risk Committee and the creation of the Conduct  
4 Management Office create precisely the kind of enterprise-level risk assessment capability that  
5 the Federal Reserve and OCC found lacking. As such, this is a critically important Corporate  
6 Governance Reform that will help the Company more effectively detect, prevent, and correct  
7 consumer-facing fraud or irregularities such as Improper Sales Practices. The Risk Committee  
8 charge centralizes responsibility for this risk control and the Conduct Management Office  
9 provides the means of managerial execution of the control, as well as a conduit for information to  
10 flow upward to a specific Board sub-group responsible for controlling enterprise-wide risk.

11 21. In my opinion, the hardware reforms that have been enacted by the Company are  
12 appropriate and adequate to the task of preventing the hardware failures that allegedly contributed  
13 to the Improper Sales Practices. They provide significant value to the Company and to  
14 shareholders by introducing a previously nonexistent locus of responsibility and means of  
15 exercising managerial control over risk and compliance issues.

16 *iii. Lack of Board Independence and Critical Distance from Management*

17 22. A second significant hardware problem contributing to the corporate governance  
18 failures at Wells Fargo was the alleged absence of independent and critical scrutiny by the Board.  
19 One important check over management is the oversight of qualified, independent, and vigilant  
20 directors who stand at arm’s length from management to safeguard the interests of shareholders.  
21 Board independence was a matter of concern for some Wells Fargo shareholders going back over  
22 a decade. Attempting to interject greater independent judgment into the Wells Fargo Board, from  
23 2005 to 2016 shareholders proposed resolutions to separate the Wells Fargo CEO from the  
24 Chairman of the Board. In each year, the Board recommended against separating the two  
25 positions and the proxy vote was defeated. (Compl. ¶ 119).

26 23. Further contributing to the Board’s inadequate arm’s-length review of  
27 management policies and practices was its low turnover rate. While stability and familiarity are  
28 valuable, in Wells Fargo’s case, as of March 2016, nine of the Company’s twelve Board members

1 had served since at least 2008, and this lack of turnover arguably contributed to the Board's  
2 alleged failure to meet its fiduciary duties and adequately oversee the Company's operations.

3 24. Then-CEO and Board Chairman John Stumpf not only failed to prevent Improper  
4 Sales Practices from occurring, through his compensation and insider sales of stock, he also  
5 arguably profited from them. Indeed, Stumpf made insider stock sales totaling over \$343 million  
6 during the time period when the Improper Sales Practices took place, which further underscores  
7 the conflict of interests that can arise when a corporate board, as a whole, lacks adequate  
8 independence from management. (*Id.* at ¶ 383).

9 25. The combination of a lack of separation of the CEO/Chairman roles, low Board  
10 turnover, and insider trading by CEO/Chairman Stumpf added up to a significant corporate  
11 governance hardware problem. The Board's institutional structures and practices deprived the  
12 Company of the robust, arm's-length scrutiny by directors that is an indispensable characteristic  
13 of good corporate governance.

14  
15 *iv. Reforms to Bolster Board Independence and Create Critical Distance from  
Management*

16 26. A number of the Corporate Governance Reforms directly address issues related to  
17 Board independence and critical distance from management.

18 27. *First*, in October 2016, the Board separated the roles of Board Chairman and CEO,  
19 and a month later the Board required the Board Chairman and Vice Chairman, if any, to be  
20 independent, non-employee directors. (Ex. A, at 5). This Corporate Governance Reform  
21 constitutes a significant advance in the ability of the Wells Fargo Board to maintain independence  
22 from, and retain a critical arms-length relationship with, management.

23 28. *Second*, since 2017, nine Board members have left the Company, (*id.*), and seven  
24 new directors have been elected.<sup>4</sup> As of the Company's latest annual shareholder meeting in  
25 April 2018, a majority of Wells Fargo's independent directors were new to the Board. New  
26 directors have been appointed to serve and chair the Risk Committee, Human Resources  
27

28 <sup>4</sup> Karen Peetz, Juan Pujadas, Celeste Clark, Maria Morris, Theodore Craver, Wayne Hewett, and  
Ronald Sargent.



1 Committee, and the Governance and Nominating Committee. These new directors bring a fresh  
2 perspective and approach to overseeing the issues confronting the Company.

3 29. *Third*, in 2017, the Board adopted a new policy limiting to four (including the  
4 Wells Fargo Board) the number of public boards on which a Wells Fargo Board member can  
5 serve. (Ex. A, at 5). This too is a useful Corporate Governance Reform as it gives due  
6 recognition to the level of time, effort and attention required to be an effective fiduciary of such a  
7 large and complex company as Wells Fargo.

8 30. *Fourth*, Wells Fargo has rebuilt its senior management ranks. The Company has  
9 appointed a new CEO, head of its Community Bank, General Counsel, Chief Auditor, and Chief  
10 Risk Officer, and has established the new roles of Head of Stakeholder Relations and Head of  
11 Regulatory Relations. (*Id.* at 5). As the Company attempts to turn the page, it is critical that the  
12 current Board and management team do not have any vested interest in defending past practices,  
13 but rather that they are able to soberly assess what needs to be changed. The sheer number of  
14 new appointees in the senior management ranks, and the depth of their experience and  
15 qualifications, when combined with the wholesale changes on the Board, provide Wells Fargo  
16 with a reinvigorated leadership team with minimal ties to the previous management group.

17 31. *Fifth*, in 2018, the Board lowered the threshold (from 25% to 20% of the common  
18 stock) for Wells Fargo shareholders to call for a special meeting, thus, according to Exhibit A,  
19 “making it significantly easier for several of the Company’s major investors to convene a special  
20 meeting.” (*Id.* at 5). This provides an additional check on the potential for the Board to fall into  
21 the complacency which arguably contributed to the Improper Sales Practices, by making it easier  
22 for a critical mass of shareholders to demand Board accountability.

23 32. *Sixth*, the Board “clawed back” compensation or stock or reduced compensation  
24 from executives that failed to prevent the Improper Sales Practices.<sup>5</sup> Moreover, the Board  
25 awarded new CEO Timothy J. Sloan no incentive compensation for 2017. The compensation  
26 actions and withholding of incentive compensation represent another important Corporate  
27 Governance Reform. They are in line with the standard prevailing in the banking industry to tie

28 \_\_\_\_\_  
<sup>5</sup> These compensation actions are detailed in Exhibit B of the Stipulation.

1 the financial remuneration of executives to sustainable long-term performance rather than short-  
2 term profits that may prove illusory if unethical or illegal business practices underpinning those  
3 profits are later discovered and lead to an unravelling of those profits for shareholders.

#### 4 **B. Corporate Culture and Tone at the Top—Software Issues**

5 33. The Complaint alleges that the Individual Defendants had knowledge of or  
6 consciously disregarded the Improper Sales Practices, and they “turned a blind eye to numerous  
7 red flags that began appearing even before 2011, as far back as 2007—nearly a decade before the  
8 fraud was finally revealed in 2016.” (Compl. ¶¶ 21-46).

9 34. As alleged in the Complaint, the failure of the Board and top management to act  
10 on so many “red flags” demonstrates that Wells Fargo had a serious and pervasive corporate  
11 culture problem. The frequency, variety, and intensity of these “red flags” are notable.  
12 Information concerning the Improper Sales Practices allegedly reached various Individual  
13 Defendants for nearly a decade and from multiple sources, including from Wells Fargo’s  
14 EthicsLine reports, anonymous letters from employees, wrongful termination lawsuits, newspaper  
15 reports, and regulatory actions. Stumpf himself admitted in Senate testimony in September 2016  
16 that he and the Board knew of the Improper Sales Practices as early as 2013, although the  
17 Complaint alleges that Stumpf’s actual knowledge of the Improper Sales Practices dates back to  
18 2007. (*Id.* at ¶¶ 16, 22).

19 35. As detailed in paragraphs 141 to 219 of the Complaint, the Individual Defendants  
20 allegedly received information about “cross selling” data, quotas, and complaints from multiple  
21 internal sources and information systems, including Wells Fargo’s EthicsLine, StoreVision  
22 platform, and reports from the Company’s Internal Investigations group and the Sales and Service  
23 Oversight Team. Approximately 5,300 Wells Fargo employees who participated in the Improper  
24 Sales Practices were fired as a result of these internal investigations.

25 36. In addition, as alleged in paragraphs 171 to 238 of the Complaint, the Board was  
26 made aware of the Improper Sales Practices via numerous legal and regulatory channels including  
27 investigations by three government agencies—the Los Angeles City Attorney, the Financial  
28 Industry Regulatory Authority, and the OCC. In December 2013, the *Los Angeles Times*

1 published an article entitled “Wells Fargo’s Pressure-Cooker Sales Culture Comes At A Cost,”  
2 that reported on the unchecked employee pressure tactics at Wells Fargo leading to unethical  
3 practices against customers.

4 37. In sum, as alleged in the Complaint, a considerable amount of credible, material,  
5 and (what should have been) alarming information about the Improper Sales Practices from  
6 multiple internal and external sources was allegedly getting to top management, the Board, and to  
7 various Board-level Committees.

8 38. Any failure to act on the Improper Sales Practices was a significant failure of the  
9 corporate governance function at Wells Fargo that can in large measure be attributed to a  
10 software, or corporate culture, problem.

11 39. The Company has adopted a number of Corporate Governance Reforms to address  
12 the corporate-culture issues that contributed to the Improper Sales Practices.

13 40. *First*, the Company has engaged Mary Jo White, former SEC Chair, to facilitate  
14 annual self-examination by the Board. Ms. White is a respected and credible figure in law and  
15 the securities industry. Her engagement with the Board on a project involving regular self-  
16 assessment provides a layer of assurance for shareholders, employees, customers, and the public  
17 that complacency will not settle in over the reconstituted Board.

18 41. *Second*, the Board has transferred oversight of employee ethics matters to the  
19 Human Resources Committee and enhanced that Committee’s role to include “human capital  
20 management and culture.” (Ex. A, at 7).

21 42. *Third*, the Board has instituted “new reporting programs so that the Board receives  
22 reporting on various actions taken by the Company to assess, strengthen, and measure the  
23 Company’s culture.” (*Id.*). These reports include a 2017 Company-wide “culture assessment  
24 survey.” (*Id.*). According to Exhibit A, the full Board “receives reporting on conduct and culture  
25 matters at least twice per year.” (*Id.*) The Audit and Examination Committee and the Risk  
26 Committee also receive “regularly scheduled” reports which are sometimes conducted in sessions  
27 not attended by senior management. (*Id.*).

28 43. *Fourth*, the Risk Committee’s charter was amended to charge it with overseeing

1 the “risk components of the Company’s culture.” (*Id.*). To that end, the Risk Committee formed  
2 a Compliance Subcommittee which meets monthly to oversee compliance risk, including risk  
3 related to culture.

4 44. Taken together, the aforementioned measures constitute an appropriate and  
5 adequate response to the corporate culture problem that allegedly contributed to the Improper  
6 Sales Practices.

### 7 **C. Software Failures Triggered by Branch Employee Compensation**

8 45. Businesses commonly use financial incentives to spur sales. Standard good and  
9 ethical business practices across all industries from hardware stores to health care couple financial  
10 incentives with checks and balances to assure that the rights and interests of customers are not  
11 overlooked in the zeal to increase sales.<sup>6</sup> The checks might consist of audits to assure that laws,  
12 regulations and policies are not overlooked. The balances might consist of consumer surveys to  
13 assure that customer service is not compromised by the performance incentives in place. In the  
14 case of Wells Fargo, incentivizing “cross-selling” should have come with particular scrutiny and  
15 careful checks and balances, given the sensitivities associated with consumer-facing commercial  
16 banking. Instead, the OCC found, Wells Fargo “lacked a comprehensive customer complaint  
17 monitoring process that impeded” the Company’s “ability to assess customer complaints,  
18 adequately monitor, manage, and report on customer complaints...and analyze and understand the  
19 potential sales practices risk.” (Compl. ¶ 377(c)).

20 46. The fact that “cross selling” was, as described in the Company’s 2006 Annual  
21 Report, the “foundation of [the Company’s] business model and key to [its] ability to grow  
22 revenues and earnings” should have triggered the creation of numerous “hardware” mechanisms.  
23 Instead, as alleged throughout the Complaint, these checks and balances were obviously  
24 inadequate. (*Id.* at ¶ 126).

25 47. The primary mechanism of internal control over sales practices that failed at Wells  
26 Fargo was the compensation system. As part of the Improper Sales Practices, some Wells Fargo

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27 <sup>6</sup> For a classic example in U.S. business history of the problems that arise when sales quotas and  
28 incentives are not accompanied by checks and balances, *see* Michael A. Santoro and Lynn Sharp  
Paine, “Sears Auto Centers (A),” Case Study 3-394-009, Harvard Business School (1993).

1 employees engaged in “simulated funding” whereby they transferred funds from consumers’  
2 authorized accounts to temporarily fund the unauthorized accounts in a manner sufficient for the  
3 employee to obtain credit under the incentive compensation program. (*Id.* at ¶ 162).

4 48. The Corporate Governance Reforms adopted by the Company completely  
5 eliminate the sales incentives that encouraged employees to defraud customers. The Company  
6 also adopted a new compensation system emphasizing customer service and satisfaction metrics.  
7 Both of these Corporate Governance Reforms, taken together with expanded oversight  
8 responsibilities for Committees tasked with monitoring or managing risk, represent a major  
9 change for the Company that will go a long way toward preventing future improper activities  
10 involving customer accounts.

11 49. Specifically, three Corporate Governance Reforms address the failure of internal  
12 controls:

13 (a) Effective January 1, 2017, Wells Fargo announced that it would end product  
14 sales goals within its retail banking business. (Ex. A, at 6).

15 (b) The Company implemented new controls (including customer alerts and  
16 “mystery shopper” programs) to help assure that new accounts have been authorized.  
17 (*Id.*).

18 (c) In January 2017, Wells Fargo confirmed that it had “recently launched a new  
19 compensation plan in [the Company’s] Retail Bank focused on customer service, growth  
20 in primary customers, household relationship growth and risk management.” It also raised  
21 the minimum hourly wage and enhanced benefits for U.S.-based employees. (*Id.*).

22 50. The aforementioned Corporate Governance Reforms appropriately and adequately  
23 address the compensation incentives that contributed to the Improper Sales Practices. Instead of  
24 rewarding employees for meeting volume quotas, employees are now rewarded on the basis of  
25 customer satisfaction. Most importantly, these goals are balanced by other metrics that help  
26 assure customers are dealt with fairly and employees are properly incentivized.

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28

1 **IV. Conclusion: The \$20 Million Value the Parties Ascribe to the Corporate Governance**  
2 **Reforms Is Eminently Reasonable**

3 51. It is well established that strong corporate governance adds significant value to a  
4 corporation, reduces significant risk, and is an important safeguard for shareholders. This value  
5 only increases with the size and market capitalization of a company. The Improper Sales  
6 Practices demonstrate the potential liabilities a company faces when it lacks proper corporate  
7 governance.

8 52. The Corporate Governance Reforms enacted to address the alleged failures of top  
9 management and the Board to act when confronted with knowledge of, or red flags regarding, the  
10 Improper Sales Practices consist of a synergistic mix of hardware fixes to address how Board-  
11 level responsibilities are allocated and managed (including the new Subcommittee of the Risk  
12 Committee and a Conduct Management Office, and enhanced channels of information flow) and  
13 software fixes to assure that top executives and Board members have the right qualifications,  
14 incentive structures, and training in ethics, compliance, and risk management to assess and act on  
15 the information when it is provide to them. These Board-level Corporate Governance Reforms  
16 are accompanied by a mix of hardware and software reforms enacted at the branch level,  
17 embodied in the completely reformed branch employee evaluation and compensation practices.  
18 The Board has put in place the policies and institutions to enable the self-assessment and  
19 vigilance that are the hallmarks of good corporate governance.

20 53. For the reasons described above, the Corporate Governance Reforms constitute an  
21 appropriate and adequate remedy for the alleged corporate governance failures at Wells Fargo. In  
22 my opinion, the Corporate Governance Reforms are sufficient to prevent the recurrence of the  
23 Improper Sales Practices or similar misconduct in the Company's Community Bank sector. The  
24 Corporate Governance Reforms also provide value in helping restore confidence and trust in the  
25 Company which in turn could have a substantial impact on its current economic performance and  
26 long-term sustainability.

27 54. Based on the foregoing analysis, it is my opinion that the \$20 million value the  
28 settling parties ascribe to the Corporate Governance Reforms is eminently reasonable.

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Michael A. Santoro

Michael A. Santoro

February 27, 2019

Santa Clara, California

**EXHIBIT 1**



*Curriculum Vitae*

**Michael A. Santoro**

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**Education**

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Ph.D., Harvard University, Public Policy (1997)  
Fulbright Fellow, University of Hong Kong (1993-94)  
M.P.A., Harvard University, Kennedy School of Government (1990)  
J.D., New York University School of Law (1981)  
B.A. Government, Oberlin College (1976)

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**Academic Appointments**

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**SANTA CLARA UNIVERSITY**

2016-Ongoing, Professor, Management and Entrepreneurship Department, Leavey School of Business

**RUTGERS UNIVERSITY**

2010-2016 Professor, Department of Management and Global Business, Rutgers Business School  
2005-2006 Acting Department Chair, Rutgers Business School  
2003-2010 Associate Professor with Tenure, Rutgers Business School  
1996-2003 Assistant Professor, Rutgers Business School

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**Visiting Appointments**

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**UNIVERSITY OF NOTRE DAME**, Executive MBA Program, Mendoza College of Business (2015)

**SHANGHAI JIAOTONG UNIVERSITY**, Shanghai Advanced Institute of Finance (2013, 2014)

**ZURICH UNIVERSITY**, Institute for Organization and Administrative Science (2010)

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**Editorial Boards**

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2014-ongoing, Co-Founder and Co-Editor, *Business and Human Rights Journal* (Cambridge University Press)

2015 Guest Editor, *Journal of Human Rights* Special Issue on Business and Human Rights, Vol. 31, No. 4

2008-ongoing *Journal of Human Rights*

2008-ongoing *Business Ethics Quarterly*

2008-2009 *Journal of Corporate Disclosure and Governance*

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**Other Academic Appointments**

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**HARVARD KENNEDY SCHOOL OF GOVERNMENT**

1996 **Adjunct Lecturer** Government Ethics

1996 **Lecturer** Microeconomics

1990-1993 (Various Terms) **Teaching Assistant and Teaching Fellow** Microeconomics, Statistics, and Public Management

**HARVARD BUSINESS SCHOOL**

1990-95 (Various Terms) **Research Associate**

**NEW YORK UNIVERSITY SCHOOL OF LAW**

1979 **Research Assistant**, First Amendment Law

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## Fellowships, Honors, and Awards

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2017-18 Faculty Fellow, Markkula Center for Applied Ethics, Santa Clara University  
2013-2016 Fellow, Rutgers Business School Teaching Excellence Center  
2013 Professor of the Year, Rutgers MBA Program  
2010-2011 General Electric Teaching Fellow, Rutgers Business School  
2010 With Ronald J. Strauss, Best Paper in Ethics Award, American Accounting Association Annual Meeting  
1997-2017 University-wide merit salary increase in every year of eligibility, Rutgers  
1994 Institute for the Study of World Politics Dissertation Fellowship, Harvard University  
1993-1994 Fulbright Fellow, University of Hong Kong  
1981 Articles Editor, *Annual Survey of American Law*, New York University  
1976 Starr-Comfort Prize in Social Science, Oberlin College  
1975-76 Co-Editor-in Chief, *Undergraduate Journal of Philosophy*, Oberlin College  
1975 Elected to *Phi Beta Kappa* in Junior Year, Oberlin College

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## Organizing and Chairing Activities

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### Participation in Organizing or Chairing Conferences, Workshops, and Organizations

2018-ongoing Co-Organizer with Black Women's Health Imperative on Public/Private Partnerships to use Technology to Reduce Healthcare Disparities  
2015-17 Co-Organizer, Business and Human Rights Scholar's Association Conference  
2010-2011 Organizer, Interdisciplinary Faculty Seminar on Business Ethics  
2005-2008 Organizer, Interdisciplinary Faculty Working Group on Social Impacts of International Trade and Investment.  
2002 Organizer, Symposium on Global Labor Practices.  
1998 Co-organizer, Conference on Corruption and Human Rights.  
06/1994 Co-organizer, Inaugural Conference of the Centre for the Study of Business Values, University of Hong Kong.

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## Funding

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2017 (Grant Amount: \$3,000) NYU Stern Business and Human Rights Center to support Global Business and Human Rights Scholars Association Conference at Santa Clara University, September 2017.  
2012-2016 Aresty Scholars Grant to Supervise Undergraduate Research, Rutgers  
1999-2013 Research Resources Committee Funding (1999, 2002, 2007, 2008, 2011, 2012, 2013), Rutgers  
2003 Organizer, "The Grand Bargain," conference on Ethics in the Pharmaceutical Industry; raised \$53,000 in external funding.  
2000 (Grant Amount: \$33,000) Awarded by Aspen Institute's Initiative for Social Innovation through Business.  
2006 Awarded University-Wide Academic Excellence Fund Grant, Rutgers.  
2005 Awarded University-Wide Global Initiatives Grant, Rutgers.  
2000 Awarded grant for entrepreneurship research, Rutgers.

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## Courses Taught

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### Santa Clara University

Management 6 "Business Ethics"  
MGT 3200 ONLINE "Ethics for Managers"  
MGT 3200 "Ethics for Managers"

### Rutgers Business School

"Legal, Regulatory, and Ethical Issues in the Pharmaceutical Industry", MBA  
"Business Ethics," Undergraduate  
ONLINE "Ethics in Business", MA in Governmental Accounting  
"Business, Ethics & Society", MBA  
"MNCs and Global Social Responsibility", MBA  
"Law and Legal Reasoning", MBA  
"Human Rights in the Global Economy", MBA  
"Ethical Issues in Public Policy and Administration", MA in Governmental Accounting

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## Publications

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### Books

Michael A. Santoro and Ronald J. Strauss, *Wall Street Values: Business Ethics and the Global Financial Crisis* (Cambridge University Press, 2013)

Michael A. Santoro, *China 2020: How Western Business Can-and Should-Influence Social and Political Change in the Coming Decade* (Cornell University Press, 2009)

Michael A. Santoro and Thomas M. Gorrie (eds.), *Ethics and the Pharmaceutical Industry:* (Cambridge University Press, 2005)

Michael A. Santoro, *Profits and Principles: Global Capitalism and Human Rights in China* (Cornell University Press, 2000)

### Published Proceedings

1994 Sally Stewart, Gabriel Donleavy and Michael A. Santoro (eds.), *Proceedings: Inaugural Conference of the Centre for the Study of Business Values* (June 1994, The University of Hong Kong)

### Book Chapters

Santoro, Michael A. "Ethics and Systemic Global Financial Risk." In *Handbook on Ethics in Finance*, Eds. Leire San-Jose, Jose Luis Retolaza and Luc Van Liedekerke (forthcoming, Springer) (Being Prepared for Submission)

Santoro, Michael A., "Reforming Financial Industry Executive Compensation Practices to Manage Risk, Build Long-Term Value, and Assure Legal Compliance: Lessons of the 'London Whale' Trade for Volcker Rule Implementation", in Enderle, G. and Murphy, P. (eds.) *Ethical Innovation in Business and the Economy* (Edward Elgar, 2015)

Santoro, M. A. and Strauss, R. J. (2012). "Too Big to Fail: Ethical Breakdown of Governance of the U.S. Financial System" in *Capital, Credit, and Responsibility in Crisis: What Concepts, Systems, and Ethics are Needed for Future Wealth Creation*, Eds. Xiaohe Lu and Daryl Koehn (Shanghai Academy of Social Sciences Press, 2012)

Michael A. Santoro and Caitlin Liu, "The Threat to Global Health Posed by China's Underdeveloped Drug Regulation Regime," *Health Care in the Asia Pacific Region* (K. Eggleston, ed.) (Brookings Institution Press, 2009)

Michael A. Santoro and Changsu Kim, "Asynchronous Political and Economic Development and the Asian Financial Crisis: A Preliminary Analysis," in H. Peter Grey (ed.), *Extending the Eclectic Paradigm in International Business: Essays in Honor of John Dunning* (Elgar 2003)

Michael A. Santoro, "The Cooperative Edge: How NGOs and MNCs are Working Together to Improve Global Labor Conditions," in Laura Hartman, et al. (eds.) *Rising Above Sweatshops: Innovative Management Approaches to Global Labor Challenges* (Quorum 2003)

Michael A. Santoro and Changsu Kim, "Political Risk after the Asian Financial Crisis: A Proposal to Consider the Significance of Uneven Political and Economic Transformation," in Haley, Usha C.V. and Frank-Jurgen Richter (eds.) *Asian Post-Crisis Management: Corporate and Governmental Strategies for Sustainable Competitive Advantage* (Palgrave 2002)

### Book Reviews

"Business and Human Rights: From Principles to Practice," *Business Ethics Quarterly*, Vol. 27, No. 4 (2017)

"Ethics and the Business of Biomedicine," *Business Ethics Quarterly* Vol. 19, No. 4 (2009)

## Articles

- 2019 Anita Ramasastry, Penelope Simons, Michael A. Santoro, and Florian Wettstein, "Business and Human Rights," *Oxford Bibliographies Online--Law* (Being Prepared for Submission)
- 2019 Michael A. Santoro and Robert Shanklin, "Google Re-Enters China: A Pragmatist Moral Analysis," In Submission
- 2019 Florian Wettstein, Michael A. Santoro, Anita Ramasastry, and Penelope Simons, "Business and Human Rights," *Oxford Bibliographies Online--Management*, August 2018 (Revision of 2014 Article), In Submission
- 2019 Michael A. Santoro, "Step Therapy and the Ethical Duty to Practice Evidence-Based and Cost-Effective Medicine," *Business and Professional Ethics Journal*, Conditional Acceptance
- 2015 Santoro, Michael A., "Business and Human Rights in Historical Perspective," *Journal of Human Rights*, Vol. 14, No. 2
- 2015 Parker-Lue, Sara, Michael A. Santoro, and Greg Koski, "The Ethics and Economics of Pharmaceutical Pricing," *Annual Review of Pharmacology and Toxicology*, Vol. 55
- 2014 Michael A. Santoro and Florian Wettstein, "Human Rights", *Oxford Bibliographies Online*, January 2014
- 2012 Michael A. Santoro and Ronald J. Strauss, "Too big and too interconnected to fail: historical and ethical analysis of sustainability risk to U.S. financial system" *International Journal of Sustainable Economy* (Vol. 4, No. 4, 2012).
- 2012 Michael A. Santoro, "Sullivan Principles or Ruggie Principles? Applying the Fair Share Theory to Determine the Extent and Limits of Business Responsibility for Human Rights," *Notizie di Politeia*, XXVIII, 106, 2012, pp. 171-179
- 2010 Michael A. Santoro, "Corporate Governance Reform at Merck: A Pharmaceutical Industry Standard for the 21st Century?", *The Monitor*, Vol. 24, No. 5 (September 2010), pp. 1-5.
- 2010 Jonathan Doh, Bryan Husted, Dirk Matten, and Michael A. Santoro, "Ahoj There: Toward Greater Congruence and Synergy Between International Business and Business Ethics Theory and Research," *Business Ethics Quarterly*, Vol. 20, No. 3
- 2010 Michael A. Santoro, "Post-Westphalia and its Discontents: Business, Globalization and Human Rights in Political and Moral Perspective," *Business Ethics Quarterly*, Vol. 20, No. 2
- 2009 Dan Palmon, Michael A. Santoro, and Ronald Strauss, "Pay Now Lose Later: The Role of Bonuses and Non-Equity Incentives in the Financial Meltdown of 2007-2008," *Open Ethics Journal*, Vol. 3, No. 1
- 2008 Qiang Sun, Michael A. Santoro Qingyue Meng, Caitlin Liu, and Karen Eggleston, "Pharmaceutical Policy in China," *Health Affairs* Vol. 27, No. 4
- 2006 Michael A. Santoro, "Human Rights and Human Needs: Diverse Moral Principles Justifying Third World access to Affordable HIV/AIDS Drugs," *North Carolina Journal of International Law and Commercial Regulation* Vol. 31, No. 4
- 2003 Michael A. Santoro, "Beyond Codes of Conduct and Monitoring: An Organizational Integrity Approach to Global Labor Practices," *Human Rights Quarterly*, Vol. 25, No. 2
- 2003 Michael A. Santoro, "Defending Labor Rights: On the Barricades and in the Boardroom," *Brown Journal of World Affairs*, Vol. IX, No. 2
- 2003 Wayne Eastman and Michael A. Santoro, "Voting for Your Boss: Making Workplace Democracy Workable," *University of Pennsylvania Journal of Law and Social Change*
- 2003 Wayne Eastman and Michael A. Santoro, "Value Diversity in Corporate Life," *Business Ethics Quarterly* Vol. 13, No. 2
- 2000 Michael A. Santoro, "Global Capitalism and the Road to Chinese Democracy," *Current History*, Vol. 99, No. 638
- 1998 Michael A. Santoro, "Engagement with Integrity: What We Should Expect Multinational Firms to Do About Human Rights in China," *Business & the Contemporary World*, Vol. X, No. 1, 25-54
- 1995 Michael A. Santoro, "The WTO and Workers' Rights," *Harvard Journal of World Affairs*, Vol. III, No. 1

1980 Michael A. Santoro, "Commercial Law," *Annual Survey of American Law*, pp. 483-96

1976 Michael A. Santoro, "Thomas Hobbes's Theory of Obligation," *Undergraduate Journal of Philosophy*, Vol. VII, No. 1

### **Published Case Studies (partial list)**

- 2008 Michael A. Santoro, The Job Negotiation, in A. Gini and A. Marcoux (eds.) *Case Studies in Business Ethics*, 6th Ed. (Upper Saddle River, NJ: Pearson Prentice Hall 2008)
- 2008 Michael A. Santoro, "Chrysler and Gao Feng: Corporate Responsibility for Religious and Political Freedom in China" in A. Gini and A. Marcoux (eds.) *Case Studies in Business Ethics*, 6th Ed. (Upper Saddle River, NJ: Pearson Prentice Hall 2008)
- 1996 Richard Rosenbloom and Michael A. Santoro, *The Impact of Digital Standards on the Emergence of the Interactive Multimedia Personal Computer*, Harvard Business School Case No. 9-396-XX, (Boston: Harvard Business School Publishing Division 1996)
- 1994 Lynn Sharp Paine and Michael A. Santoro, *Sears Auto Centers*, Harvard Business School Case No. 9-394-009, (Boston: Harvard Business School Press 1994), reprinted in *Ethical Issues in Business: A Philosophical Approach*. Thomas Donaldson and Patricia H. Werhane, (eds.). Englewood Cliffs, NJ: Prentice Hall, Prentice Hall, 1999.
- 1994 Lynn Sharp Paine and Michael A. Santoro, *Forging the New Salomon*, Harvard Business School Case No. 9-395-046, (Boston: Harvard Business School Press 1994)
- 1994 Lynn Sharp Paine and Michael A. Santoro, *Federal Sentencing Guidelines for Organizations*, Harvard Business School Case No. 9-393-060, (Boston: Harvard Business School Publishing Division 1994)
- 1994 Lynn Sharp Paine and Michael A. Santoro, *Corporate Criminal Fines*, Harvard Business School Case No. 9-394-101, (Boston: Harvard Business School Publishing Division 1994)
- 1994 Lynn Sharp Paine and Michael A. Santoro, *Note on Individual and Corporate Liability*, Harvard Business School Case No. 9-394-145 (Boston: Harvard Business School Publishing Division 1994)
- 1993 Lynn Sharp Paine and Michael A. Santoro, *Note on Securities Firm and Management Accountability for Insider Trading*, Harvard Business School Case No. 9-393-044, (Boston: Harvard Business School Publishing Division 1993)
- 1992 Lynn Sharp Paine and Michael A. Santoro, *Proposed Reforms of the Fair Credit Reporting Act*, Harvard Business School Case No. 9-392-097 (Boston: Harvard Business School Publishing Division 1992)
- 1992 Lynn Sharp Paine and Michael A. Santoro, *Pfizer: Protecting Intellectual Property in a Global Marketplace*, (Harvard Business School Press 1992), reprinted in *Manager in the International Economy*. Raymond Vernon, Louis T. Wells and Subramanian Rangan (eds.) Englewood Cliffs, NJ: Prentice-Hall, 1996.

### **Op-Eds and Blogs (partial list)**

"Business Responsibility for Freedom of Expression: Should Google Re-enter the Chinese Search Market?" Cambridge University Press Website, November 2018 (With Robert Shanklin)

"The Avocado Toast on the Wall: The Paradox of China's Rise," Pacific Council on International Policy Website, May 15, 2018 (With Robert Shanklin)

"'Trickle in' economics: How Dems should talk about infrastructure investment," *The Hill*, January 5, 2018

"The Business School Case for Business and Human Rights: A Conscientious Capitalism Approach," Cambridge University Press Website, November 2016

"Outside-In and Inside-Out Human Rights Measurement Tools: How Numbers Can Become the Lingua Franca of Business and Human Rights." *London School of Economic and Political Science Forum Series*, September 2015

"It's Time for Johnson & Johnson to Challenge the Credo...Again," *Medical Media & Marketing*

"Why the JPMorgan Settlement Falls Short," *The New Yorker Online*, September 18, 2013

"Would Better Regulations Have Prevented the London Whale Trades?," *The New Yorker Online*, August 21, 2013

"Big Fish, Little Fish, and the S.E.C.," *The New Yorker Online*, August 2, 2013

"Why Haven't the S.E.C.'s Lawyers Held Wall Street Accountable?," *The New Yorker Online*, July 31, 2013

"'Moral Hazard,' the SEC and the Restoration of Wall Street Values," *The Huffington Post*, July 2, 2013 (With Ron Strauss)

"Google Out of China? Well Not Really," *The Huffington Post*, March 23, 2010

"If Google leaves China, Will Microsoft Become Beijing's Favorite Capitalist Tool?" *The Huffington Post*, March 15, 2010 (With Wendy Goldberg)

"Hillary in China: Winning Friends--But Not Influencing People," *The Huffington Post*, February 26, 2009 (With Wendy Goldberg)

"Hillary Clinton Visits China: What Should Be On The Table," *The Huffington Post*, February 18, 2009 (With Wendy Goldberg)

"Fair Trade Suffers When China Censors the Internet," *The Huffington Post*, January 8, 2009 (With Wendy Goldberg)

"Should LDCs Love MNCs?" *Foreign Policy* (January/February 2002)

"China, the WTO and Human Rights," *China Online*, April 2000.

"Make Way For China's 'Meritocracy Cadre'," *The Asian Wall Street Journal*, May 18, 1999, p. 12.

"Promoting Human Rights in China is Good Business," *The Wall Street Journal*, June 29, 1998, p. 14.

- "Doing Good While Doing Well in China," *The Asian Wall Street Journal*, June 1, 1998, p. 12. (longer version of the WSJ piece).
- "The Pressure on China Needs Flexibility and Focus", *International Herald Tribune*, March 11, 1994, p.6
- "Ideology getting in the way of the GATT", *South China Morning Post*, April 15, 1994, p. B8
- "Compromise on MFN a tough task for Clinton", *South China Morning Post*, April 27, 1994, p. B6
- "Leaders carry the torch in ethics battle", *South China Morning Post*, May 3, 1994, p. B8
- "Chasms loom on projects with private sector funds", *South China Morning Post*, May 9, 1994, p. B5
- "How to make an infrastructure a superstructure", *South China Morning Post*, May 16, 1994, p. B6
- "Clinton Needs Flexible Trade Freeze With China", *International Herald Tribune*, May 17, 1994, p.6
- "China Rights: Euros See No Evil..." *The Asian Wall Street Journal*, May 31, 1994, p.8
- "Goal posts shift on human rights", *South China Morning Post*, June 7, 1994, p. B6

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## Conference Presentations and Public Lectures

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- 2018 "Praise, Blame etc.: A Pragmatist Taxonomy of Business Ethics," Society for Business Ethics, August 2018, Chicago, IL (With Robert Shanklin)
- 2017 "Medical Science, FDA Regulation, and the First Amendment," Academy of Physicians in Clinical Research
- 2017 "The First Amendment and FDA Regulation," Center for Law and Biosciences, Stanford Law School
- 2016 "Drug Pricing: Emerging Fairness and Taboo Issues," Emory University Center for Ethics
- 2015 "The Chinese Model of Corporate Social Responsibility," Joint Rutgers-Jilin University Conference
- 2015 "Business and Human Rights: Practical Applications," United Nations Global Forum on Business and Human Rights, Geneva
- 2015 "Business and Human Rights: Future Directions of the Field," Academy of Management, Social Issues in Management Division, Vancouver, Canada
- 2015 "Business and Human Rights Symposium," Society for Business Ethics, August 2015, Vancouver, Canada
- 2014 "China's Censorship of the Big Bang Theory: Economic, Ethical, and Political Perspectives," Trans-Atlantic Business Ethics Conference, University of Notre Dame, October 2014
- 2014 "Teaching Business and Human Rights With Case Studies," Teaching Business and Human Rights Workshop, Columbia University, May 2014
- 2014 "Pharmaceutical Industry Ethics," Wharton Bioethics Club, University of Pennsylvania, April 2014
- 2014 "Ethical Reform in the Banking Industry: Future Prospects." Federal Reserve Bank of New York, April 2014
- 2013 "Setting the Value Bar High: Aligning Incentives, and Ethics at Banking Institutions." The Clearing House, New York, NY, November 2013
- 2013 "The Case Method of Teaching," Rutgers Business School Teaching Excellence Center, October 2013
- 2013 With Ronald J. Strauss, "Wall Street Values" Harvard Club of New York, July 2013
- 2013 With Ronald J. Strauss, "The Ethical Causes of the Financial Crisis," Washington, DC, March 2013
- 2012 With Ronald J. Strauss, "Mirror, Mirror: Applying a Milton Friedman Standard of Corporate Social Responsibility to Wall Street," Society for Business Ethics Annual Meeting, Boston, August 2012.
- 2012 "The Economic Causes of Drug Shortages," Emory University, June 2012
- 2012 "Steve Jobs's Apple: US, Indian, and Japanese Influences," Japan-U.S. Research Institute, Washington, DC, March 2012
- 2011 "A Fair Share Theory of Corporate Responsibility for Human Rights," Politeia, University of Milan, December 2011
- 2011 "China and the 2012 New Hampshire Republican Presidential Primary," World Affairs Council, Manchester, NH, Nov. 2011
- 2011 With Ronald J. Strauss, "Government's Role in the Economic and Moral Transformation on Wall Street in the Past 30 Years," Society for Business Ethics Annual Meeting, San Antonio, Texas, August 2011
- 2011 "Economic and Political Risk in China," London School of Economics, January 2011
- 2010 "Government's Role in Making Wall Street Firms 'Too Big To Fail,'" Shanghai Academy of Social Sciences, October 2010
- 2010 "Ethical Responsibility of Foreign Lawyers in China to Promoting the Rule of Law," International Legal Ethics Conference, Stanford Law School, July 2010
- 2010 "Corporate Responsibility for Human Rights: Applying the Fair Share Theory to Google," European Business Ethics Network, Lisbon, Portugal, July 2010
- 2010 "Which Confucius? Traditional Values in Modern China," George Washington University School of Business, June 2010
- 2010 "Human Rights and the General Agreement on Trade and Services," American Society of International Law, March 2010
- 2010 "Google and Human Rights in China," The Commonwealth Club, San Francisco, March 2010
- 2009 "Economics and Safety: Can the United States Compete in Pharmaceutical Manufacturing?" Germantown, Wisconsin, 2009
- 2008 "Internet Freedom in China: Ethical and Political Solutions," University of Redlands, October 2008
- 2008 "China 2.0: Promise and Illusion Behind the Great Firewall," Pomona College, October 2008
- 2008 "Multinational Corporations and the Rule of Law in China," Society for Business Ethics, Anaheim, California, August 2008.
- 2008 "Flight of the Toxic Dragon: The Global Threat to Safety Posed by China's Pharmaceutical Industry," Stanford University, Shorenstein Asia-Pacific Research Center, March 2008.
- 2008 "Google's For Profit Philanthropy," Oberlin College, February 2008.
- 2008 "Ideological and Pragmatic Approaches to the Anti-Sweatshop Movement," Columbia University, February 2008.
- 2007 "What We Have Learned in A Decade of the Anti-Sweatshop Movement, presented at a Symposium on Social Change to honor the Inauguration of President Marvin Krislov, Oberlin, October 2007.
- 2007 "Is there a Human Right to HIV/AIDS Drugs, Keck Institute, March 2007.
- 2006 "Foreign Direct Investment and the Rule of Law in China," Tuck Business School, Dartmouth, May 2006.
- 2006 "Compliance with the Patriot Act and the Ethical Obligations of Grants Managers," Grant Managers Network, Affinity Group of the Council of Foundations, April 2006.
- 2006 "HIV/AIDS and Global Patent Rights," University of North Carolina Law School, March 2006.
- 2006 "Pharmaceutical Patents and International Trade, Rutgers Interdisciplinary Faculty Working Group on Social Impacts of International Trade and Investment, March 2006.
- 2006 "Renegotiating the Grand Bargain between the Pharmaceutical Industry and Society," Academy of Pharmaceutical Physicians and Investigators, October 2005.

- 2005 "Corporate Responsibility for Labor Rights in China: Recent Developments," Cornell University School of Industrial and Labor Relations, April 2005.
- 2005 "Corporate Social Responsibility in Angola," NetImpact Conference, Columbia Business School, November 2004.
- 2005 "ISCT and International Business Research," Wharton School, University of Pennsylvania, Panelist, November 2004.
- 2004 "Recent Developments in Intellectual Property," Oberlin College Conference on Liberal Arts and the Law, November 2003.
- 2004 "Negotiation Ethics," Copyright Society of the United States, New York Chapter, September 2003.
- 2003 "From the World's Delivery Room to the World's Factory Floor: Population Control and Global Labor Trends in China," Columbia University, Weatherhead East Asian Institute, April 2003.
- 2003 "Political Dissidents in China: Meeting the Challenge of the Nouveau Bourgeoisie," Tufts University, February 2003.
- 2002 "Human Rights in China: Two Years After WTO," East Asian Studies Department, Princeton University, December 4, 2002.
- 2002 "The Global Labor Rights Movement: Recent Trends and Future Directions," School of International and Public Affairs, Columbia University, November 6, 2002.
- 2002 "The UN Global Compact and Corporate Responsibility for Human Rights," International Law Day, Association of the Bar of the City of New York, October 25, 2002.
- 2002 "New Developments in Global Labor Compliance," Society for Business Ethics Annual Meeting, Denver, Colorado
- 2003 With Wayne Eastman, "Workplace Democracy," Society for Business Ethics, Annual Meeting, Denver, Colorado, August 2002.
- 2002 "Global Monitoring of Manufacturing Facilities: What Have We Learned from the First Independent Audits?" The College of New Jersey, April 2002.
- 2002 "Corporate Culture and Human Rights," The Prudential Lecture in Business Ethics, April 2002.
- 2002 "Teaching by the Case Method," Rutgers Business School Faculty Seminar, December 2001.
- 2002 With Wayne Eastman, "Value Diversity in Moral Free Space," Society for Business Ethics, Annual Meeting, Washington, DC, August 2001.
- 2001 "Culture and Business Ethics," Prudential Insurance Company, Newark, NJ, March 2001.
- 2001 "Culture and Human Resource Management," Rutgers-Newark Managers Group, April 2001.
- 2001 Panel Chair, "Globalization and Human Rights," New Jersey Medical School, February 2001.
- 2001 "Multinational Corporations and Political Change in China," Tufts University, February 2001.
- 2001 "A Strategic Human Rights Approach to Global Sourcing," Columbia University, December 2000.
- 2001 "What Exactly is a Sweatshop?" The Ethical Culture Society of Bergen County, September 2000.
- 2001 "Good Companies and Good Consumers: How to Solve the Sweatshop Problem," Society for Business Ethics, Annual Meeting, Toronto, Canada, August 2000.
- 2000 "The Absence of Independent Trade Unions in China: Human Rights Implications," National Association of Collegiate Licensing Administrators, Nashville, Tennessee, May 2000.
- 2000 "Corporate Responsibility, Human Rights, and China Trade: Irreconcilable Differences?" Economic Strategy Institute, Washington, D.C., April 2000.
- 2000 "Democratic Implications of China's Admission to the WTO," Progressive Policy Institute, Washington, DC April 2000.
- 2000 "Multinational Corporations and Human Rights in China," The Brookings Institution, Washington, D.C., April 2000.
- 2000 "Human Rights and China's Entry into the WTO," Asia Society, Washington, D.C., April 2000.
- 2000 "Ethical Lessons from the New York City Fiscal Crisis," New Jersey Conference on Public Governmental Accounting, December 1999.
- 2000 "The Living Wage in Developing Nations," Collegiate Initiative for Responsible Manufacturing, Chicago, Illinois, November 1999.
- 2000 With Julie Yoo, "Praise, Blame, etc.: Toward a More Precise Language of Moral Judgment in Business Ethics," Society for Business Ethics, Annual Meeting, Chicago, Illinois, August 1999.
- 1998 "Behavior Matters: Corporate Responsibility for Human Rights in China," Society for Business Ethics, Annual Meeting, Boston, Massachusetts, August 1997.
- 1998 "Toward a New Concept of Professionalism in Law," American Bar Association Annual Meeting Conference on Professionalism, Hastings College of the Law, San Francisco, California, August, 1997.
- 1998 "The Ethics of Teaching Ethics," Rutgers University Graduate School of Arts and Sciences, August 1997.
- 1997 "Milton Friedman and The Multinational Firm," New Jersey Institute of Technology, April, 1997.



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## Service

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### Service to Civil Society and the Public

2015 Business Ethics Adviser, International Foundation for Autoimmune Arthritis  
2011-2013 Board of Directors, National Association of State Boards of Accountancy, Center for the Public Trust  
2009-2011 Business Ethics Adviser, African Malaria Bed Net Project, Global Business Coalition for HIV/AIDS, Malaria, and Tuberculosis  
2000 Testified on Human Rights Implications of China's Entry into the WTO, March 23, 2000, United States Senate, Committee on Finance.

### Service to the Academic Profession

2017-ongoing President, Global Business and Human Rights Scholars Association  
2014-ongoing Advisory Panel, Columbia University Business and Human Rights Teaching Forum

### Service to Santa Clara University

2018-Present, Leavey School of Business, Graduate Program Committee  
2018-Present, Academic Adviser, MBA Healthcare Club  
2017-Present, Academic Adviser, MBA Net Impact Chapter  
2016-2017 Sustaining Excellence, Academic Structure Subcommittee

### Service to Rutgers University

2014-2016 Advisory Board, Rutgers Center for Chinese Studies  
2013-2016 Founder and Faculty Adviser, RU Ethical Undergraduate Student Organization in New Brunswick  
2010-2016 Founder and Faculty Adviser, Rutgers Business School Net Impact MBA Chapter  
2015-2016 Research Resources Committee  
2014-2015 President's 100 Days Initiatives Academic Symposia Proposal Review Committee  
2014-2015 Member, Rutgers Business School Accreditation Advisory Committee  
2014-2014 Member, Administrator Review Panel  
2013-2014 Chair, Rutgers Business School Research Resources Committee  
2013-2014 New Brunswick Undergraduate Admissions Committee  
2011-2013 Founder and Faculty Adviser, Rutgers Business School Chapter of Center for the Public Trust  
2011-2012 Undergraduate Teaching Award Selection Committee  
2011-2012 Department of Management & Global Business Advisory Board Briefing Memorandum  
2008-2011 Conflict of Interest Management Committee  
2010-2011 Rutgers Business School Research Resources Committee  
2011-2011 Department PhD Admissions Committee  
2011-2011 Undergraduate Awards Committee  
2006-2010 Undergraduate Policy Committee  
2009-2010 Rutgers Business School Ethics Courses of Study Committee  
2005-2008 Committee on Sustainability. Culminated in the issuance of the the university's first public Sustainability Report  
2007-2007 "Langhorne Committee" on Newark Undergraduate Curriculum  
2004-2005 Earth Day Newark Community Service Program, Co-Organizer  
2002-2004 Chair, Research Resources Committee, 2003-04; Member 2002-03  
2001-2002 Courses of Studies Committee  
2000-2003 Committee on Sweatshop Issues  
2000-2001 Committee on Law, Ethics and Science  
2000-2001 Curriculum Committee  
1998-1999 Computer Policy Committee  
1997-1998 Strategic Plan Subcommittee of Accreditation Committee

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## **Doctoral Students Supervised at Rutgers University**

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### Doctoral - Primary

2011 Ronald J. Strauss, Accounting

2008 Jorge Arevalo, Division of Global Affairs

### Doctoral - Committee

2007 C. Cenap, Division of Global Affairs

2006 H. Kim, Division of Global Affairs

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## **Business and Legal Experience Prior to Entering Academe**

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**1987-88 INTERLAKEN CAPITAL (FORMERLY FINEVEST)**, Greenwich, CT

**General Counsel** Responsible for legal affairs of holding company managed by W.R. Berkley with \$2 billion in annual sales. Managed environmental, labor, and sex discrimination litigation. Coordinated multi-state product recall due to microbiological contaminant, including responsibility for public announcements and negotiations with FDA and state authorities. Negotiated settlement with Justice Department and state Attorneys General regarding antitrust investigation of price-fixing in school milk contracts. Managed legal aspects of numerous multi-million-dollar mergers and acquisitions.

**1985-1986 BIOTECHNICA INTERNATIONAL**, Cambridge, MA

**General Counsel.** Coordinated legal and regulatory affairs of one of the first publicly held biotechnology firms. Made all periodic and special SEC filings. Negotiated joint ventures for agricultural research with the venture capital fund for the Canadian province of Alberta and with an Italian state-owned firm. Negotiated and drafted research and development agreements, joint ventures, and technology licensing agreements with multi-national firms (e.g. Seagram and Monsanto) in diverse industries. Negotiated and structured private share offering of diagnostic testing subsidiary through London merchant bank.

**1981-1985 WEBSTER & SHEFFIELD**, New York, NY.

**Associate** Trained broadly in corporate department to work with companies ranging from start-up companies to large public companies. Worked on leveraged buyouts, bank financings, and diverse securities offerings.

**1980 SHEARMAN & STERLING**, New York, NY.

**Summer Associate** Worked with corporate takeover group. Received permanent offer.

**1979-1981 SKADDEN ARPS SLATE MEAGHER & FLOM**, New York, NY.

**Law Clerk** Part-time clerkship during last two years of law school. Researched and wrote first drafts of treatise on U.S. election law.

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## **Professional Licenses**

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Member of the Bar, State of Connecticut, 1991 (Retired)

Member of the Bar, State of Massachusetts, 1988 (Retired)

Member of the Bar, State of New York, 1982 (Active)