

BLB&G Partner Mark Lebovitch Quoted in *Fortune* magazine on Business Roundtable's Repudiation of Shareholder Primacy

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On August 19, 2019 the Business Roundtable released a landmark "Statement on the Purpose of a Corporation" which sparked significant debate and controversy. A major departure from its 1997 declaration, the statement repudiates the notion that the paramount duty of management and of boards of directors is to the corporation's shareholders, effectively ending shareholder primacy. Instead, management and boards of directors should now pledge "commitments to five groups of stakeholders - customers, employees, suppliers, communities, and shareholders - without hierarchy."

In a recent interview, *Fortune's* Geoff Colvin asked BLB&G partner Mark Lebovitch for his reaction. Noting that many states have adopted "constituency statutes" which put into law what the Roundtable is pledging, in Mr. Lebovitch's analysis constituency statutes are "just a cover to avoid accountability and excuse corporate malfeasance. States with constituency statutes have had some of the worst corporate malfeasance."

Mr. Lebovitch leads the firm's Corporate Governance litigation practice, focusing on derivative suits and transactional litigation. Widely recognized as one of the nation's top securities litigators and governance experts, he has prosecuted numerous high-profile cases on behalf of institutional investors to preliminary injunctions and to trial, obtaining billions of dollars for investors and achieving unprecedented corporate governance improvements.