



DIRECTORS' EDUCATION INSTITUTE at Duke University

MARCH 16-18, 2005

Durham, North Carolina



*Supported by the NYSE Foundation with participation by the
U.S. Securities and Exchange Commission*





DIRECTORS' EDUCATION INSTITUTE at Duke University

ENROLLMENT
IS LIMITED

PROGRAM OVERVIEW

The Directors' Education Institute (DEI) at Duke University is an intensive, innovative two-day program developed by the Duke Global Capital Markets Center (GCMC) with the support of the New York Stock Exchange to address the continuing developments in corporate governance. This program is designed for board chairs, corporate directors and senior executive officers of publicly traded companies. Through the examination of topical issues and emerging best practices, participants receive substantive instruction on the latest corporate governance issues impacting publicly listed companies and board members.

With insight from leading executives, corporate directors, policymakers, and experts from the legal and financial services industries, along with academic authorities from The Fuqua School of Business and Duke Law School, the Directors' Education Institute teaches participants how to develop a framework for making informed board decisions and exercising sound business judgment.

For additional information, please visit the DEI web site at www.DukeDEI.org.

"The outstanding law and business school faculty combined with fine outside speakers produces a terrific and highly relevant curriculum."

Robert Kamerschen, Board Member, R.H. Donnelley



Stephen M. Cutler

*Director, Division of Enforcement
U.S. Securities and Exchange Commission*



The Hon. William H. Donaldson

*Chairman
U.S. Securities and Exchange Commission*



Steve Miller

*Chairman and Interim CEO
Federal-Mogul Corporation*



Alan D. Schwartz

*President & Co-Chief Operating Officer
The Bear Stearns Companies Inc.*



The Hon. Leo E. Strine Jr.

*Vice Chancellor
Delaware Court of Chancery*

SCHEDULE

Wednesday, March 16, 2005

6:00 – 7:00 p.m. **Registration & Cocktail Reception** – *Washington Duke Inn* 4:00 – 5:15 p.m.

7:00 – 9:00 p.m. **Dinner with Keynote Speaker** – *Washington Duke Inn*

Host: Stephen Wallenstein, *Executive Director*
Duke Global Capital Markets Center

Welcoming Remarks

Keynote Address

The Hon. William H. Donaldson, *Chairman*
U.S. Securities and Exchange Commission

4:00 – 5:15 p.m.

**Audit Committee Responsibilities:
Update on 404 Compliance**

Moderator: Raymond Groth, *Adjunct Professor*
The Fuqua School of Business

Panel Participants:

Bill Gradison, *Public Company Accounting Oversight Board*

Steve Miller, *Board Member, Symantec*

Peter Scott III, *Progress Energy Service Company*

Garrett Stauffer, *PricewaterhouseCoopers*

6:00 - 7:00 p.m.

Cocktail Reception – *Washington Duke Inn*

7:00 - 9:00 p.m.

Dinner with Keynote Speaker – *Washington Duke Inn*

Host: Katharine Bartlett, *Dean*

Duke Law School

Keynote Address

The Hon. Leo E. Strine Jr., *Vice Chancellor*

Delaware Court of Chancery

Thursday, March 17, 2005

7:00 – 8:00 a.m. **Registration & Buffet Breakfast** – *Fox Student Center*

8:00 – 8:45 a.m. **Keynote Address**

Steve Miller, *Chairman and Interim CEO*
Federal-Mogul Corporation

8:45 – 10:15 a.m. **The Role of the Board in Risk Oversight
and Strategic Planning**

Moderator: Douglas Breedon, *Dean*
The Fuqua School of Business

Panel Participants:

Rhett Brandon, *Simpson Thacher & Bartlett*

Robert May, *HealthSouth Corporation*

Lanty Smith, *Board Member, Wachovia Corporation*

Matthew Szulik, *Red Hat, Inc.*

10:15 – 10:30 a.m. **Break**

10:30 – 12:00 p.m. **Breakout Sessions**

- Board Leadership in Managing Crises
- Governance Ratings: Form over Substance?
- The Board's Agenda and Effective Communication with Management
- What Directors Must Know about Financial Reporting - Part I

12:00 – 1:00 p.m. **Keynote Lunch** – *Fox Student Center*

Alan Schwartz, *President and Co-Chief Operating Officer*
The Bear Stearns Companies Inc.

1:00 – 2:30 p.m. **Challenges Facing Compensation Committees**

Moderator: James Cox, *Professor*

Duke Law School

Panel Participants:

Claude Johnston, *Pearl Meyer & Partners*

Robert Mundheim, *Board Member, eCollege.com*

Alan Schwartz, *The Bear Stearns Companies Inc.*

Brick Susko, *Cleary Gottlieb Steen & Hamilton*

2:30 – 2:45 p.m. **Break**

2:45 – 4:00 p.m. **Breakout Sessions**

- Board Leadership in Managing Crises
- The Role of the Board in Ethics and Compliance Programs
- Trends in Recruiting and Compensating Boards in Today's Environment
- What Directors Must Know about Financial Reporting - Part II

Friday, March 18, 2005

7:00 – 8:00 a.m.

Buffet Breakfast – *Fox Student Center*

8:00 – 8:30 a.m.

Keynote Address

Stephen M. Cutler, *Director, Division of Enforcement*
U.S. Securities and Exchange Commission

8:30 – 10:00 a.m.

Managing the Liability Exposure of Directors

Moderator: Michael Bradley, *Professor*

The Fuqua School of Business & Duke Law School

Panel Participants:

David Berger, *Wilson Sonsini Goodrich & Rosati*

Greg Flood, *AIG*

Jennifer Fahey, *Aon Risk Services*

Leonard Simon, *Lerach Coughlin Stoia Geller*

Rudman & Robbins

The Hon. Leo Strine Jr., *Delaware Chancery Court*

10:00 - 10:15 a.m. **Break**

10:15 – 11:45 a.m.

Breakout Sessions

- Recent Developments in D&O Insurance
- The Board's Agenda and Effective Communication with Management
- The Role of the Board in Ethics and Compliance Programs
- Trends in Recruiting and Compensating Boards in Today's Environment

11:45 – 1:00 p.m.

Hot Topics in Corporate Governance

Moderator: Stephen Wallenstein, *Professor*

Duke Global Capital Markets Center

Panel Participants:

Peter Clapman, *TIAA-CREF*

Stephen Cutler, *U.S. Securities and Exchange Commission*

Jaime Heard, *Institutional Shareholder Services*

Charles Mulaney Jr., *Skadden, Arps, Slate,*

Meagher & Flom

1:00 – 2:00 p.m.

Concluding Lunch – *Fox Student Center*

All plenary and breakout sessions will be held at The Fuqua School of Business.

Sessions and participants are subject to change. Please check the DEI web site for updates at: www.DukeDEI.org

REGISTRATION INFORMATION



Hotel Accommodations: Washington Duke Inn & Golf Club

Hotel accommodations will be provided at a discounted rate by the Washington Duke Inn & Golf Club, winner of the AAA Four-Diamond Award and the prestigious Gold Tee Award for offering excellence in hotel and golfing facilities and located directly across from the Duke University campus. When making your reservation, please call 800.443.3853 and ask for **in-house reservations**. To receive the group rate, please refer to the Directors' Education Institute.

For additional information, please visit the DEI web site at www.DukeDEI.org

Location

All program sessions will be held at Duke University's Fuqua School of Business in Durham, North Carolina.

Conference Fee

The program cost is \$3,500 per participant if registered prior to February 15, 2005. After the February 15, 2005 deadline, the cost is \$3,795. Program cost includes admittance to all conference sessions, program materials and meals. This fee does not include hotel accommodations. Early registration is encouraged due to limited space.

You may apply online at <http://www.DukeDEI.org> or fax the registration form to 919.660.8068.

Registration Confirmation

You will receive an electronic registration confirmation within three business days of the date of receipt of the registration application. Please ensure a primary email address is included on the application.

Cancellation Policy

Written notification of cancellation must be received no later than 30 days prior to the program date to receive a refund less a \$500.00 processing fee. Cancellations received after that date forfeit the entire program fee. Substitute attendees will be accepted with the approval of the program coordinator.

ISS Accredited

This conference is accredited by Institutional Shareholder Services (ISS) as a Preferred Boardroom Education Program. Directors attending this program will receive an upward adjustment to their Corporate Governance Quotient™ (CGQ™) as determined by ISS.



Continuing Legal Education (CLE) Credits

The Directors' Education Institute has received CLE accreditation from the North Carolina State Bar Association. Any participant who is not a member of the North Carolina Bar and is interested in receiving CLE credits for the program may apply for the credits to be transferred. Please contact your state bar association for the procedures it has developed for such transfer.

The Directors' Education Institute at Duke University is an ongoing series covering issues in corporate governance impacting the duties and responsibilities of directors of publicly traded companies. For all inquiries please e-mail DukeDEI@law.duke.edu, or call the program coordinator, Leah Goldsmith, at 919.660.8087.

DEI PROGRAM SPONSORS

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PLENARY & BREAKOUT SESSIONS

PLENARY SESSIONS

The Role of the Board in Risk Oversight and Strategic Planning
Challenges Facing Compensation Committees
Audit Committee Responsibilities: Update on 404 Compliance
Managing the Liability Exposure of Directors
Hot Topics in Corporate Governance

BREAKOUT SESSIONS

Board Leadership in Managing Crises

CEO resignation? SEC investigation? Bankruptcy? Unsolicited takeover bid? Directors must be prepared to take immediate action when an unanticipated event occurs, when risk management fails, and when a quick response to a crisis situation is required. Experienced directors and professionals will share warning signs, critical actions that boards should take including the appointment of a lead director, and lessons learned.

Governance Ratings: Form over Substance?

What is a governance rating? Do ratings promote the "one-size-fits-all" approach to corporate governance? To whom are rating vendors accountable? Are institutional shareholders delegating more to the rating vendors in light of new disclosure rules regarding voting by investment advisors? What impact do ratings have on buy-side analysts' stock recommendations? How will disclosure of ineffective internal control affect governance ratings?

The Board's Agenda and Effective Communication with Management

Effective communication with management is the key to good corporate governance. Management and the Board need to work together to keep the Board focused on the right issues and to assure that the Board receives the right information. This session will explore how effective communication is developed and monitored and the role of board leadership.

What Directors Must Know about Financial Reporting—Part 1

This session will cover financial reporting from the perspective of a board member who is not a member of the audit committee but who would like to understand the fundamentals of financial statements. Particular attention will

be given to the role of judgments and estimates in the preparation of financial statements and to elements that require significant judgment, including revenues, accounts receivable, loss contingencies and asset impairments/restructuring charges.

What Directors Must Know about Financial Reporting—Part 2

This session will cover financial reporting from the perspective of a board member who may or may not be on the audit committee, but who has a basic knowledge of financial reporting and would like to know more about current controversies. Specific topics to be covered include off balance sheet arrangements (particularly variable interest entities), financing arrangements that include elements of both liabilities and equity, and share-based compensation. The session will also cover the Financial Accounting Standards Board's proposals on fair value measurements and accounting for business combinations.

Trends in Recruiting and Compensating Board Members in Today's Environment

The substantial increase in time and energy required of today's board member and increasing concerns over director liability have made it more difficult to attract qualified individuals to serve on the boards of public corporations. This panel will examine current trends in how boards attract and retain effective key directors through the activities of the Nominating and Compensation Committees.

Recent Developments in D&O Insurance

This panel will review policy and coverage options, new product offerings, coverage of non-fraud restatements, insurer rescission actions on policy severability clauses, and use of special litigation committees in derivative suits. This panel will examine hidden issues and offer key insights to help insulate company directors.

The Role of the Board in Ethics and Compliance Programs

How do boards oversee legal compliance? What kind of education is effective in implementing ethics and compliance programs? The SEC now requires that corporate boards become proactive in fostering ethical practices throughout the organization and ensuring that they, and the firm's management, comply with all state and federal regulations. This session will discuss how to evaluate your company's compliance practices and culture.

FEATURED PANELISTS, FACULTY & HOSTS

FEATURED PANELISTS

David Berger

Partner
Wilson Sonsini Goodrich
& Rosati

Bob Bostrom

Partner
Winston & Strawn

Rhett Brandon

Partner
Simpson Thacher & Bartlett

Peter Clapman

Senior VP & Chief Counsel,
Corporate Governance
TIAA-CREF

George Dallas

Managing Director,
Governance Services
Standard & Poor's

Julie Daum

Consultant
Spencer Stuart

Jennifer Fahey

Managing Director
Aon Risk Services

Al Fasola

Board Member
RCN Corporation

Greg Flood

Chief Operating Officer
National Union

Bill Gradison

Board Member
Public Company Accounting
Oversight Board

Jamie Heard

Vice Chairman
Institutional Shareholder
Services

Nancy Higgins

Executive VP of Ethics
and Business Conduct
MCI

Claude Johnston

Managing Director
Pearl Meyer & Partners

Thomas Keller

Board Member
Wendy's International, Inc.

Robert May

Chairman
HealthSouth Corporation

Charles Mulaney, Jr.

Partner
Skadden, Arps, Slate,
Meagher & Flom

Robert Mundheim

Of Counsel
Shearman & Sterling

Katherine Schipper

Board Member
Financial Accounting
Standards Board

Peter Scott III

President & CEO
Progress Energy
Service Company

Stephen Sherwin

Chairman & CEO
Cell Genesys, Inc.

Len Simon

Of Counsel
Lerach Coughlin Stoia Geller
Rudman & Robbins

Lanty Smith

Chairman
Soles Brower Smith & Co.

Garrett Stauffer

Senior Partner
PricewaterhouseCoopers

A. Richard Susko

Partner
Cleary Gottlieb Steen
& Hamilton

Matthew Szulik

Chairman, CEO & President
Red Hat, Inc.

FACULTY & HOSTS

Katharine Bartlett

Dean, A. Kenneth Pye
Professor of Law
Duke Law School

Michael Bradley

F.M. Kirby Professor of
Investment Banking
The Fuqua School of Business
Professor of Law
Duke Law School

Douglas Breedon

Dean, William W. Priest
Professor of Finance
The Fuqua School of Business

James Cox

Brainerd Currie Professor
of Law
Duke Law School

Deborah DeMott

David F. Cavers Professor
of Law
Duke Law School

John Englar

Executive-in-Residence
The Fuqua School of Business

Jennifer Francis

Professor of Accounting
The Fuqua School of Business

Raymond Groth

Adjunct Professor
The Fuqua School of Business

Stephen Wallenstein

Executive Director
Duke Global Capital Markets
Center

ABOUT THE CENTER & DEI PROGRAM TESTIMONIALS

The Duke Global Capital Markets Center (GCMC) is a unique collaboration between The Fuqua School of Business and Duke Law School. Building upon the strengths of both schools, the GCMC pursues its mission through an interdisciplinary approach that encompasses business, finance, legal and public policy issues. While one of its primary research areas is corporate governance, the GCMC also performs research and curriculum development in the areas of global debt and equity capital markets, market microstructure, hedge funds and corporate finance. Over the last six years, the GCMC has sponsored more than a dozen substantive conferences, both domestically and abroad. The GCMC enjoys the continuing support of its Founding Sponsors, who have provided ongoing financial, programmatic and advisory support for the Center's activities. Sponsors enjoy a close relationship with two of the strongest professional schools in the country and are acknowledged as full partners in the GCMC's educational mission. For information regarding corporate sponsorship opportunities, please contact the GCMC's executive director, Stephen Wallenstein, by phone at 919.613.7059 or by e-mail at wallenst@law.duke.edu. For additional information about the GCMC, please visit our web site at www.gcmc.duke.edu.

"The major benefit for me was that I was able to assess where my company stands versus others on corporate governance, Sarbanes-Oxley, compensation issues, etc., and we stack up pretty well... I will recommend that other directors attend next year's session."

Thomas E. Callahan, Director, CIRCOR International

"The quality of presentations was well supplemented by active and knowledgeable interaction among the attendees."

John R. Towers, Vice Chairman, State Street Corp.

"A complete review of corporate director functions by some of the best, most equipped professionals in the U.S."

Harvey I. Klein, Director, Semco Energy, Inc.

"I will recommend this to our company for the future. We should have someone here annually."

John Lord, Director, The St. Joe Company

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at Duke University is an ongoing series covering issues in corporate governance impacting the duties and responsibilities of directors of publicly traded companies.

For additional information, please visit the DEI web site at www.DukeDEI.org



Stephen Wallenstein

Program Director, Duke Directors' Education Institute

Executive Director, Duke Global Capital Markets Center

Professor of the Practice of Law, Business and Finance, Duke Law School and The Fuqua School of Business

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