

Inside the New American College of Governance Counsel

By Adam J. Epstein

Attorneys in the United States and Canada whose work is focused on corporate governance matters have created the American College of Governance Counsel (ACGC), an association whose aim is to promote the highest professional standards in the field of governance.

Its founding president is Frank M. Placenti, a partner at Squire Patton Boggs who leads the law firm's corporate finance and corporate governance practice. He is also a vice chair of the corporate governance committee of the American Bar Association.

The ACGC is a professional, educational, and honorary association comprised of fellows who excel in governance counseling. When asked to distill the reasons for creating ACGC, Placenti said, "It was formed to recognize accomplished professionals in the U.S. and Canada who have contributed to the governance community through their practice activities, speaking, writing, and thought leadership."

ACGC has established rigorous admission standards. Fellows must have practiced law for at least 15 years and devoting at least 10 of those practice years to the field of governance. "Fellows spend a substantial amount of their time in boardrooms advising directors in a variety of circumstances such as shareholder activism and engagement, management succession, internal investigations, disclosure obligations, shareholder litigation, and a broad range of regulatory and governmental matters," Placenti said.

ACGC will not "recruit" new members per se, but will invite fellows to join. For example, Placenti notes that invita-

tions were extended initially to some 60 fellows, and nearly all of the invitees have accepted.

Placenti envisions that ACGC will hold an annual meeting at which continuing education activities will be conducted. He noted that as ACGC matures, it is possible that other activities, and perhaps governance publications, could be added; those activities would be supported by annual dues paid by the fellows.

Asked how ACGC differs from the ABA's corporate governance committee, Placenti cited the new association's exclusive focus on corporate governance. While many of the ABA's 2,500 corporate governance committee members include governance as an area of practice, its membership is also open to ABA mem-

bers who have other primary practice areas. Placenti anticipates that over the years, many ACGC fellows will have been or are active members of the ABA's highly respected corporate governance committee, "but our organizations are separate and have differing functions," he said.

Asked about current governance issues, Placenti said that "shareholder activism will increasingly challenge the 'board-centric' model of governance, and, as a result, we will continue to lurch toward a new equilibrium."

Other issues likely to be focal points for boards, he noted, include executive compensation, better management of cyber risk, and the difficult regulatory and enforcement environment that will likely press boards into service with respect to internal and governmental investigations.

As every board member will experience at some point in their governance careers, situations often arise where independent counsel is required and sought. Sometimes board members are in the unenviable position of retaining counsel with which they might not have had any prior relationship. Placenti observes, "The founders hope that over time, ACGC would help credential highly seasoned governance counsel for the benefit of potential clients."

Adam J. Epstein advises pre-IPO and small-cap boards through his firm, Third Creek Advisors LLC. He is the author of *The Perfect Corporate Board: A Handbook for Mastering the Unique Challenges of Small-Cap Companies* (McGraw-Hill, 2012).

ACGC Founding President Frank M. Placenti



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