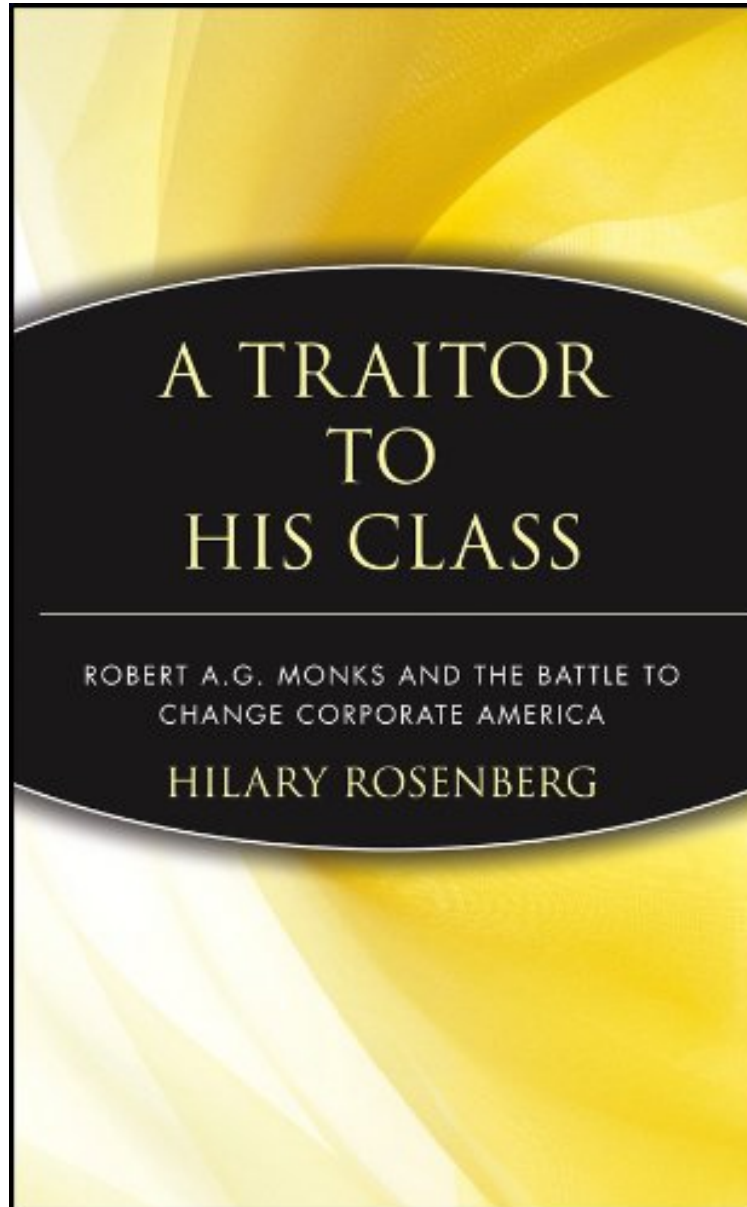


A Traitor to His Class: Robert A.G. Monks and the Battle to Change Corporate America

Hilary Rosenberg

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Hilary Rosenberg : A Traitor to His Class: Robert A.G. Monks and the Battle to Change Corporate America before purchasing it in order to gage whether or not it would be worth my time, and all praised A Traitor to His Class: Robert A.G. Monks and the Battle to Change Corporate America:

0 of 1 people found the following review helpful. Well, economists beware!By Bonnie C. TrujilloThis story is

enlightening especially is one has done the homework and has become familiar with the corporate infighting and jostling for power. It would have been better had I done some background reading before I tackled it. 5 of 6 people found the following review helpful. Changing the world, one CEO at a time By A Customer A minister's son takes on the corporate establishment in this illuminating and exciting story of business, politics, and the power of ideas. Robert Monks says, "I've got this beautiful place, a beautiful wife, more than anyone can ask for. What else should I do with my time but think about big important issues?" He does much more than think -- as he also says, "You were not put on earth to be a spectator." His thoughts about big, important issues like corporate governance and accountability have transformed the behavior of every corporate director, every CEO, and every institutional investor in America. His adventures in breaking up Sears, replacing eight directors and three CEOs at Stone Webster, and running in a roller coaster senatorial campaign read like a Tom Wolfe novel. Monks confronts CEOs (even picking one up and threatening to throw him through a window), takes out a full-page ad in the Wall Street Journal calling the Sears board "non-performing assets," and runs as an opposition candidate for one seat on the board of Sears. The lively and perceptive writing matches the lively and engaging subject. Must reading for anyone in the corporate world as a manager, director, or shareholder. 6 of 7 people found the following review helpful. Tribute to the power of an idea- what it takes to make it work By A Customer A Traitor to His Class, Robert A.G. Monks and the Battle to Change Corporate America, John Wiley Sons, Inc. by Hilary Rosenberg Consider a book about a large man who built a small fortune in order to carry out a big idea. This biographical work extends the lessons of Robert Monks' previous books, Power and Accountability (1993) and Corporate Governance (1995), about the need for reform of American corporate governance and together they constitute the best source for the intellectual origins and history of that movement, a subject (now after twenty years) part of every business school syllabus. To those who know him, Mr. Monks is a large man, not just in physical power but in the energy of his mind and vision. It must have taken more than rowing in the Harvard and Cambridge eights to generate the qualities needed to put his ideas on the national agenda. The words relentless, persistent, methodical, demanding, resilient, self-questioning, optimistic, risk-taking occur to many of his allies and opponents in the struggle. Experience counts, too. Along the way Mr. Monks is observed in various roles: lawyer, real estate businessman, CEO, venture capitalist, fund manager, director, politician (unsuccessful) and public servant. The battle plan appears to be to surround the problem and attack from every angle. Not every engagement is a victory. Time and again he bounces back. There are plenty of numbers in the book for the specialist reader. You learn about how to take over a company without putting up any money, rather as a chef uses egg whites to conjure up a soufflé. The essence of the problem is that there are 800,000 pension funds governed by the Department of Labor's ERISA program. They own publicly traded shares to a value of \$1.25 trillion or 25% of the U.S. equity market. The power of their ownership, until Mr. Monks and a few others came along, was unrepresented and therefore ignored by American corporations. Left unsaid is that the financial press must have been asleep for a few generations, accepting press handouts from corporations rather than responsibility to report on corporate America. When you think about it, the idea is a big one. It dawned as an epiphany on Mr. Monks in 1977 when he chanced upon a proxy form of a large paper company which he knew to be polluting a river in Maine with its discharge. Why are corporations not accountable to their shareholding owners, what are the requirements of corporate governance? He becomes the Pensions Administrator at the Department of Labor where he is able to change some rules of the game. He goads major pension funds into recognizing their power and responsibility. He establishes the leading company in the field of proxy management. All the time he is amassing information, advocating his cause in any and every forum, writing the text book, girding for war. Chance favors the prepared mind, said Louis Pasteur. Mr. Monks was ready to take the battle to corporate America. Sears, Westinghouse, American Express, Eastman Kodak, Stone and Webster and other poorly managed, undervalued companies became the targets. The names have a ring to them, like the names of Napoleon's battles. Mr. Monks called for better financial management, strategic planning and corporate governance. He asked for confidential shareholder voting, the addition of independent directors, the elimination of staggered boards, accountability to shareholders and (usually) the spin off of unprofitable businesses. The aim was to create greater value for shareholding owners through better management. The CEO's and the boardrooms didn't like it. Many of them slammed the door in Mr. Monks' face or kept him waiting for hours as a deliberate insult. Most of them could not survive. It was left for their successors to follow Mr. Monks' recommendations and watch the value of their shares rise. A good feature of the book is that the opposing CEOs were given a chance to have their say. Some of them preferred to keep quiet. Mr. Monks is better off for it, and so are we. But most of all this book is a tribute to the power of an idea and what it takes to make it work. George Herrick

A fascinating biography of the visionary behind the shareholder activist movement "Bob Monks is a truly rare creature, not only a businessman turned political activist, which is rare enough, but an activist in and on behalf of business, which makes him virtually unique." -Nelson W. Aldrich, Jr. author, Old Money: The Making of America's Upper Class. "A Traitor to His Class is a fascinating account of an idealistic visionary in action." -Ben Makihara, Chairman, Mitsubishi Corporation. "A superbly written book that provides a fascinating and candid insight on the brilliant but complex Bob Monks. A must read for any director, corporate shareholder, or employee of a public

enterprise." -L. Dennis Kozlowski, Chairman and CEO, Tyco International Ltd. "One of the most interesting players in the development of corporate governance has been (the often controversial) Bob Monks. This well-written and lively biography puts him and his role in perspective-scholars, for information, and CEOs, for survival, ought to read it." - John Biggs, Chairman, President and CEO, TIAA-CREF. "An interesting story of one of the early proponents of changes in corporate governance and a formidable personal opponent in several corporate battles." -Martin Lipton, Esq., Wachtell, Lipton, Rosen Katz. Ask anyone who knows Robert Monks to describe him, and words such as "visionary," "determined," and "passionate" will surface. He is, in fact, all this and much more. At six-foot-six, he is a formidable presence, but the respect he demands has less to do with his physical stature than with his influential status as a driving force behind the shareholder activist movement - an initiative that began as a self-proclaimed "mission" to improve corporate governance and accountability, and that is now an integral part of contemporary business and investing. Now, the remarkable history of the movement and one of its pioneers is told. Though born into a wealthy and powerful Boston family whose roots were established in New England before the Revolution, Robert Augustus Gardner Monks was never intent on simply leading a life of privileged luxury. Driven by a deep desire to make himself "useful to the world," he took steps to meet this end. He graduated from Harvard University -Phi Beta Kappa, magna cum laude-and Harvard Law School, and subsequently joined Boston's second largest law firm where he became one of its youngest partners ever. Monks then embarked on a new path which led him towards his ultimate goal of far-reaching public service. Vividly tracing his extraordinary journey, *A Traitor to His Class* follows Monks's experiences as businessman, corporate attorney, venture capitalist, regulator, and finally, shareholder activist. Written with exclusive access to Monks himself, as well as his collection of notes, speeches, and correspondence, it covers his numerous accomplishments -as well as a few defeats. Included are his term as the Department of Labor's pensions administrator; his bid for the Sears board of directors, a run that won him recognition as "the leader of the battle to reform American corporate governance"; and his three attempts at the Senate, all of which were invaluable training for the guerrilla war he would wage on big business. Instrumental to his battle is his brainchild, Institutional Shareholder Services (ISS), which today handles voting for hundreds of corporate and government pension funds and represents a deciding factor in many contentious proxy votes at large companies both here and abroad. *A Traitor to His Class* intricately details ISS's growing impact, as well as that of the Lens Fund, whose forays into poorly managed corporations have set new precedents for shareholder activism. The biography of a man who dared to demand that Corpor

From Library Journal Robert A.G. Monks spearheaded the shareholder activism movement, demanding that shareholders be treated as owners of corporations. As an investor and as manager of the Lens Fund, he has been active in pushing corporations to reorganize their boards of directors, using the proxy process, running for boards himself (notably Sears), and organizing large institutional shareholders behind his efforts through his company, Institutional Shareholder Services. He has ambitious goals for the role of corporations in society, which he pursues through his business ventures; he also worked as pension administrator in the Department of Labor and ran for the U.S. Senate three times. This biography highlights his activities in the 1980s and 1990s. Rosenberg is an editor at Institutional Investor and author of *The Vulture Investors* (LJ 8/92). Recommended for all public and academic libraries?A.J. Sobczak, formerly with California State Univ., Northridge Copyright 1999 Reed Business Information, Inc. "Read historically, it's the story of an original voice who reminded boards and managements that they had shareholders to whom they were accountable, a reminder that drives modern corporate governance. Read personally, it's the portrait of an idealistic driven man on a mission, impaired at times by ego and wants common to all human beings. Read closely, it's the fascinating detail of the frustrations and exhilaration of exercising good faith shareholder activism."-Ira M. Millstein, Esq., Weil, Gotshal Manges From the Back Cover A fascinating biography of the visionary behind the shareholder activist movement "Bob Monks is a truly rare creature, not only a businessman turned political activist, which is rare enough, but an activist in and on behalf of business, which makes him virtually unique." -Nelson W. Aldrich, Jr. author, *Old Money: The Making of America's Upper Class*. "A Traitor to His Class is a fascinating account of an idealistic visionary in action." -Ben Makihara, Chairman, Mitsubishi Corporation. "A superbly written book that provides a fascinating and candid insight on the brilliant but complex Bob Monks. A must read for any director, corporate shareholder, or employee of a public enterprise." -L. Dennis Kozlowski, Chairman and CEO, Tyco International Ltd. "One of the most interesting players in the development of corporate governance has been (the often controversial) Bob Monks. This well-written and lively biography puts him and his role in perspective-scholars, for information, and CEOs, for survival, ought to read it." -John Biggs, Chairman, President and CEO, TIAA-CREF. "An interesting story of one of the early proponents of changes in corporate governance and a formidable personal opponent in several corporate battles." -Martin Lipton, Esq., Wachtell, Lipton, Rosen Katz. Ask anyone who knows Robert Monks to describe him, and words such as "visionary," "determined," and "passionate" will surface. He is, in fact, all this and much more. At six-foot-six, he is a formidable presence, but the respect he demands has less to do with his physical stature than with his influential status as a driving force behind the shareholder activist movement - an initiative that began as a self-proclaimed "mission" to improve corporate governance and accountability, and that is

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