Executive compensation is once again in the news. Multiple news outlets have reported the Securities and Exchange Commission ("SEC") will soon propose rules requiring companies to disclose the ratio between what their average worker is paid and what their CEO is paid. The disclosure is required by the Dodd-Frank Act. Both the Washington Post and CNN discussed some of the reasons why it has taken the SEC so long to propose the rule. View the Washington Post article here and the CNN article here. The complexity of the calculations is made clear in this Economic Policy Institute report and in this comment letter submitted to the SEC by a student at Stanford Law School, who also happens to be a doctoral candidate in Stanford's Department of Management Science and Engineering.

Writing for the D&O Diary, Kevin LaCroix highlighted current trends in the areas of directors' and officers' liability and D&O insurance. Among other things, LaCroix discussed the implications of the SEC's new policy requiring admissions as part of any settlement.

The Harvard Law School Forum on Corporate Governance and Financial Regulation posted a summary of an article written by three finance and accounting professors on how blockholders of a company's shares can affect corporate governance when they sell, or threaten to sell, those shares.

Finally, the Securities Litigation and Regulatory Enforcement Blog posted M. Todd Scott's thoughts on director liability for failing to exercise proper oversight. Scott summarizes a recent Delaware Chancery Court opinion which reiterates the proposition that directors generally cannot be held liable for failing to exercise proper oversight without evidence that the director had a conscious disregard for their responsibilities.