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**Palm Beach Attorney Laura
Anthony Examines The
Importance Of Diverse
Perspectives In Corporate
Decision Making**

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MAKE VALUED ALLIANCES

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No two people see things the same way.

This universal trait is not a matter of bias or lack of intellect; it is a fundamental glitch in human perception. The manner in which we perceive and interpret the world around us differs from person to person.

Every individual processes data through a personalized filter – one that is comprised of previous experiences, current lifestyle, and a bevy of fears, wants, needs and desires. Additionally, conflicting interpretations of an event are often caused by one's vantage point, whether it is physical or societal.

For example: two people are on a sailboat for the first time and have been lost at sea for weeks. Provisions are running low and no help is on the way. The vessel and its passengers are at the mercy of the elements.

One passenger is on the deck of the boat, overcome by despair. The second passenger is higher up, in the crow's nest, and is elated because land is in sight. Both passengers are on the same boat in the same situation, but one is ready to throw in the towel and the other is looking forward to room service and a good night's sleep in a big, soft bed.

This disparity seems simple to resolve. The passenger in the crow's nest merely calls out to his boat mate and conveys that land is in sight. The passenger on the deck breathes a sigh of relief and is now equally elated.

In this case, the passenger in the crow's nest yells, "Land ho!" but his crew mate on the deck doubts the validity of the information and the credibility of the source. He refuses to believe land is nearby and clings to his assessment of the situation until he can actually step foot onto the shore.

In order to change his belief that all is lost he must abandon the perceived safety of the deck and climb up into the crow's nest, affording him the same vantage point as his boat mate. Since he is paralyzed with fear he refuses to do so, and the two men on the boat remain at odds.

This difference of opinion could have been easily resolved if there was a third passenger on the boat, possibly an experienced seaman who had been blown off course a few times and lived to tell the tale. This third passenger could convey his previous experience to both men and also climb into the crow's nest and verify that land is indeed just a few miles away.

Since there are just two men on the boat, the two passengers see two different things. This does not mean one of them is right and the other is wrong.

The passenger in the crow's nest sees the land. This information is valid.

The passenger on the deck does not see the land. This information is equally valid.



If the two passengers on the boat entered into a logical discourse, they would conclude that land is close, but not so close as to be able to be seen from the lower vantage point. Upon arriving at this conclusion, the two passengers would be able to approximate how far from land they really are.

For the most part, when a first-time [Pubco CEO](#) is advised to “expect the unexpected,” the message is misunderstood, misinterpreted or completely lost. This is not their fault. Expecting a newcomer, in any field of endeavor, to exercise wisdom is not plausible. Their “vantage point” is the deck of the boat, so to speak.

Wisdom is the product of experience. Since newcomers, by definition, do not possess experience it is imperative that up-and-coming [CEO's](#) surround themselves with a carefully selected, diverse group of advisers who have been down different paths many times. The advisers should hail from the deck of the boat, the crow's nest and some should have experience assessing situations from both vantage points.

The technical definition of [board of directors](#) is expansive, but one particular aspect of it is particularly pertinent. The board of directors is responsible for governing the organization by establishing broad policies and strategic objectives. The board of directors has fiduciary obligations in the performance of their duties.

To avoid the dilemma of the two men lost at sea, it is important that board members possess diverse backgrounds but all must share one common trait: experience with [publicly traded companies](#). If properly vetted, this decision-making collective can generate and execute a strategic action plan in response to virtually any eventuality. The COVID-19 pandemic and current civil unrest are two relevant examples.

Neither of these events could be anticipated, and the fact that they are in play simultaneously is even more profound. However, this twofold is happening. Corporations, the public markets, and the economy can either flourish or perish depending on how well collective decision making occurs.

Not surprisingly, given the performance history of the domestic indexes, the recent protests have had no impact on the [public markets](#). According to a recent Forbes article by Sergei Klebnikov, “*stocks have continued to rally—showing a sharp disconnect between markets and the economy—as investors look past the civic unrest and bet on a successful economic reopening from coronavirus shutdowns.*”

Collective expertise has overpowered unpredictability.

Klebnikov makes several important points:

The stock market is moving higher on optimism about reopening the economy in spite of a perfect storm of bleak developments, including the global coronavirus pandemic, record unemployment numbers and often violent upheaval over racial inequality.

Amid escalating protests, the [S&P 500](#) is still up over 1% so far this week—and up almost 3% since the unrest began on May 26.

The market's subdued reaction to widespread protests over the death of George Floyd is “consistent with the very sharp disconnect between markets and the economy,” Mohamed El-Erian, chief economic adviser for Allianz, told the Financial Times.

A crucial factor lifting stocks in 2020 is the unprecedented intervention of the Federal Reserve to support the economy: [The Central Bank](#) has injected nearly \$3 trillion into financial markets since the end of February.



The Fed has enacted a slew of emergency initiatives including rate cuts, lending programs and credit facilities that are giving investors reassurance the Central Bank will step in to save the financial system if needed.

For months people have been, to one extent or another, quarantined, homeschooling their children, subjected to curfews and barraged with conflicting information about a potentially lethal virus. Then, the very moment everyone begins a slow segue back into normalcy, luxury stores like Chanel, Apple, Rolex and Gucci are looted during a wave of civil unrest.

Even Beverly Hills and midtown Manhattan experienced turmoil. It's reasonable to say that things have gone sideways.

More than 150 major companies from Abercrombie & Fitch to Walmart have been blindsided with a one-two punch. Instead of being knocked to the canvas unconscious, the public markets got a bloody nose and never broke stride.

Klebnikov keenly attributes this economic tenacity to federal intervention. He is correct in his assessment, but there is another key contributing factor to the public markets' resiliency.

Big-name [Pubcos](#) have highly sophisticated boards of directors, the members of which possess a tremendous amount of collective business experience. When it's "go time," hard decisions can be made quickly.

To halt the spread of [COVID](#), 90 major US retailers temporarily closed bricks-and-mortar locations. The majority of these companies shifted their emphasis onto online sales platforms.

Target and Home Depot have adjusted their hours of operation as a preemptive measure to ensure the safety of their employees should future protests become violent. This was most definitely not an easy decision to make, but it was a logical one.

The examples of rock-solid [corporate decision making](#) while under fire are too numerous to mention. What can be said is that board members and other key corporate advisers have combined their conflicting opinions, varying vantage points and collective experiences to execute many effective and tactically balanced responses.

Ultimately, sound decision making on a corporate level requires input from experts with a variety of opinions. It is imperative that these experts do not unilaterally agree from inception.

In order to efficiently respond to one or more unexpected emergencies, people must first disagree, evaluate and reevaluate all available data, commit to an action plan and then implement it decisively; there is no place for half-measures.

After the fact, the effectiveness of the response must be analyzed and then revised if necessary.

Throughout this complex decision-making process, intel from the passenger in the crow's nest and the input from the passenger on the deck must be regarded as equally important.



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[Palm Beach securities attorney Laura Anthony](#) and her experienced legal team provide ongoing corporate counsel to small and mid-size private companies, OTC and exchange traded public companies as well as private companies going public on the Nasdaq, NYSE American or over-the-counter market, such as the OTCQB and OTCQX. For more than two decades [Anthony L.G., PLLC](#) has served clients providing fast, personalized, cutting-edge legal service. The firm's focus includes, but is not limited to Regulation D and Regulation S and PIPE Transactions, securities token offerings and initial coin offerings, [Regulation A/A+ offerings](#), as well as registration statements on Forms S-1, S-3, S-8 and merger registrations on Form S-4; compliance with the Securities Exchange Act of 1934, including registration on Form 10, reporting on Forms 10-Q, 10-K and 8-K, and 14C Information and 14A Proxy Statements; all forms of going public transactions; mergers and acquisitions including both reverse mergers and forward mergers; applications to and compliance with the corporate governance requirements of securities exchanges including [Nasdaq](#) and [NYSE American](#). Palm Beach attorney Laura Anthony is also the author of [SecuritiesLawBlog.com](#), the producer and host of [LawCast.com](#), Corporate Finance in Focus, and a contributor to The Huffington Post and Law360.

[Ms. Anthony](#) is involved throughout the community of Palm Beach. She is on the board of directors for the American Red Cross for Palm Beach and Martin Counties, and provides financial support to the Susan Komen Foundation, Opportunity, Inc., New Hope Charities, the Society of the Four Arts, the Norton Museum of Art, Palm Beach County Zoo Society, the Kravis Center for the Performing Arts and several other organizations. She is also a financial and hands-on supporter of Palm Beach Day Academy, one of Palm Beach's oldest and most respected educational institutions. She currently resides in Palm Beach with her husband and daughter.

Ms. Anthony is an honors graduate from Florida State University College of Law and has been practicing law since 1993.

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