Global Regulatory and Ethical Framework

Henry Ordower
Saint Louis University School of Law

Follow this and additional works at: https://scholarship.law.slu.edu/faculty

Recommended Citation

This Article is brought to you for free and open access by Scholarship Commons. It has been accepted for inclusion in All Faculty Scholarship by an authorized administrator of Scholarship Commons. For more information, please contact ingah.daviscrawford@slu.edu.
Global Regulatory and Ethical Framework


Henry Ordower
Saint Louis University - School of Law

Date Written: July 20, 2014

Abstract

This chapter reviews statutory and court sanctioned private regulatory frameworks affecting the creation of private equity (PE) funds and their primary activity of acquiring corporate enterprises. The chapter reviews U.S. legislation regulating securities, investment companies, and tender offers, state antitakeover legislation, state court decisions on hostile corporate takeovers and “poison pill” defenses, as well as European Union directives on takeovers and alternative investment fund managers. It concludes that regulation in the United States has shifted the balance of power in corporate acquisitions to incumbent management. The chapter also examines the diametrically opposed ethical views of PE funds as investment entities that either (1) acquire and destroy corporations, harm communities, and eliminate employment or (2) enhance corporate value by rooting out corporate inefficiency, increasing employment, and enhancing community value.

Keywords: Investment companies, private equity, securities regulation, investment company regulation, corporate takeovers, poison pills, tender offers

Suggested Citation: