Zuckerberg and Musk Expose Silicon Valley's Poor Corporate Governance



Photo by Brian Solis

A company's board of directors is supposed to act in the best interests of shareholders, but that doesn't always seem to be the case in Silicon Valley, where some chief executives are capable of driving boards to act in their own interests, according to a **commentary in MarketWatch**.

As an example of worrisome corporate governance in the tech mecca, writers Therese Poletti and Jeremy C. Owens point to new information that shows the relationship between a Facebook Inc. board member and Chief Executive Mark Zuckerberg. Reports cover recently unsealed documents in a shareholder lawsuit that contends Facebook's recent stock split with a new class of nonvoting stock is tantamount to "granting Zuckerberg billions of dollars in equity, for which he will not pay anything."

The reports also reveal that board member and venture capitalist Marc Andreessen helped Zuckerberg prepare for questions from a Facebook special committee of the board that reviewed the three-way stock split.

Read the MarketWatch article.