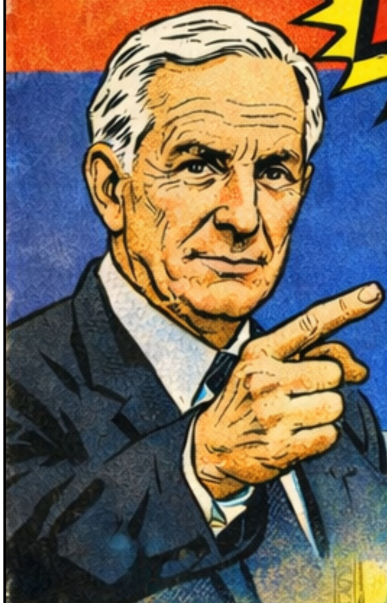


Series: A Comic History of American Corporate Law



PROFIT AND PROSPERITY

\$3



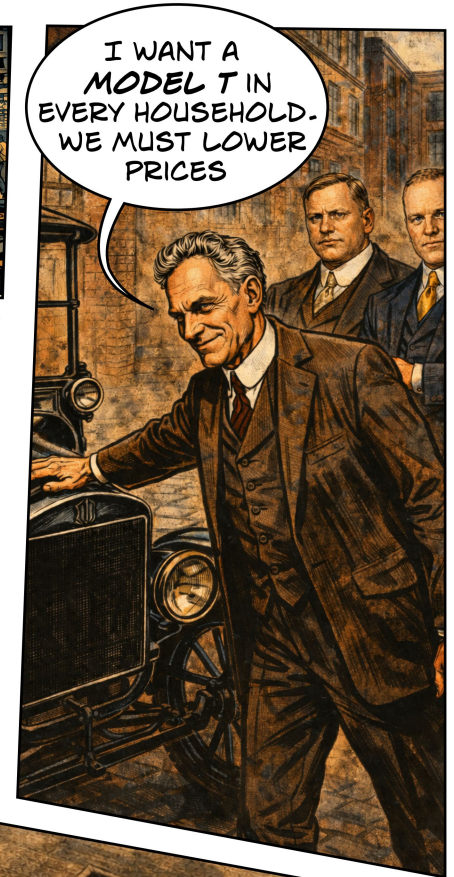
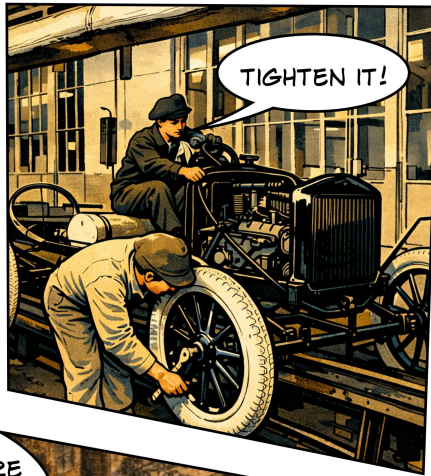
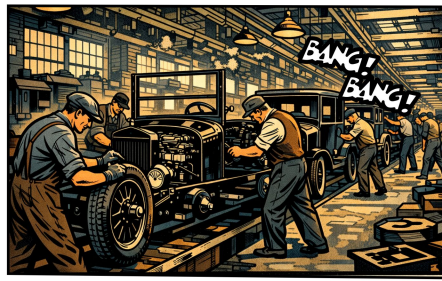
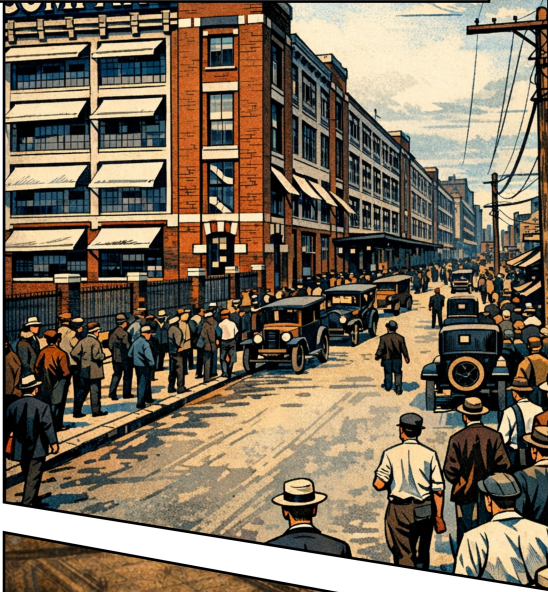
Story: Marco Ventoruzzo
Drawings: Chat GPT
Lettering: Chat GPT



From Dodge v Ford to ESG

ESG

HIGHLAND PARK FORD PLANT, DETROIT, 1916.



I WANT A MODEL T IN EVERY HOUSEHOLD. WE MUST LOWER PRICES

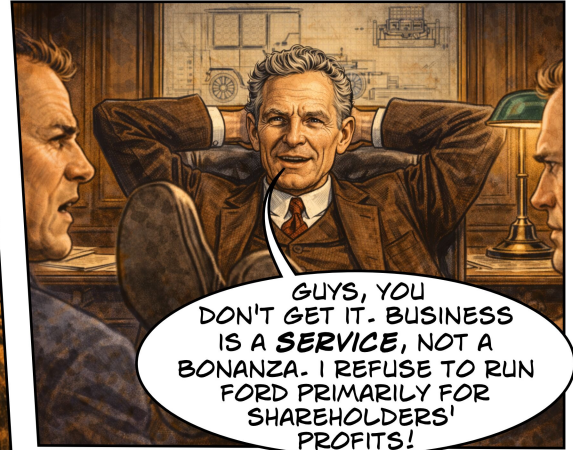
HENRY, LET'S TALK ABOUT IT. BUSINESS IS GOOD, WE ARE MAKING FAT PROFITS, BUT ALL YOU CAN THINK OF IS RAISING SALARIES, LOWERING PRICES, AND REINVESTING...



LATER THAT DAY, IN MR FORD'S OFFICE...



LISTEN, I AM ALSO SPEAKING FOR MY BROTHER JOHN HERE. WE UNDERSTAND YOU WANT TO INTEGRATE VERTICALLY BUT... AFTER THIS HUGE PROFIT WE SHOULD DECLARE A SPECIAL DIVIDEND!

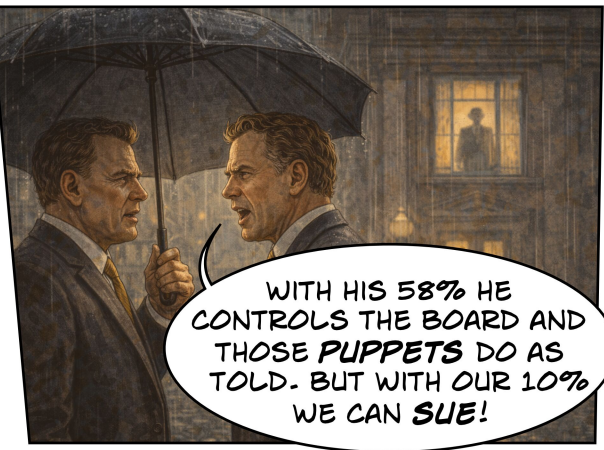


GUYS, YOU DON'T GET IT. BUSINESS IS A SERVICE, NOT A BONANZA. I REFUSE TO RUN FORD PRIMARILY FOR SHAREHOLDERS' PROFITS!



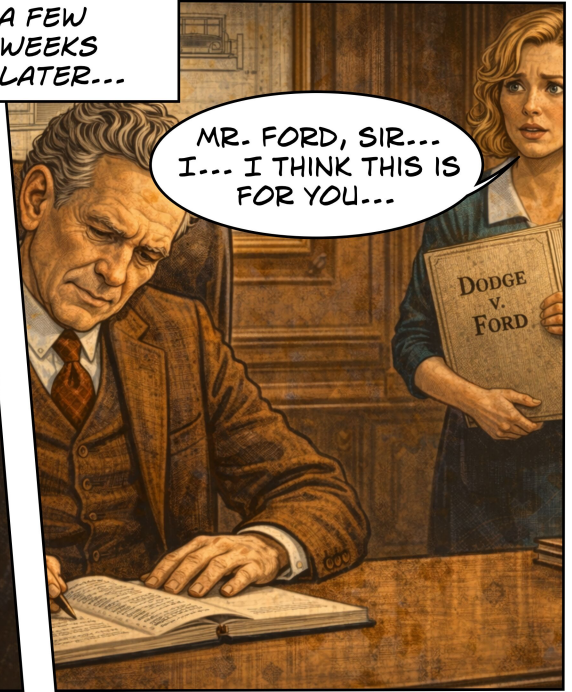
NOT ACCEPTABLE, HENRY. WE'LL LOOK INTO THIS.

SLIMY BASTARDS.
LIKE I DON'T KNOW THEY ARE
GEARING UP TO **COMPETE** WITH
ME. AND HAVE THE AUDACITY TO TRY
TO BANKROLL IT WITH MY OWN
MONEY....

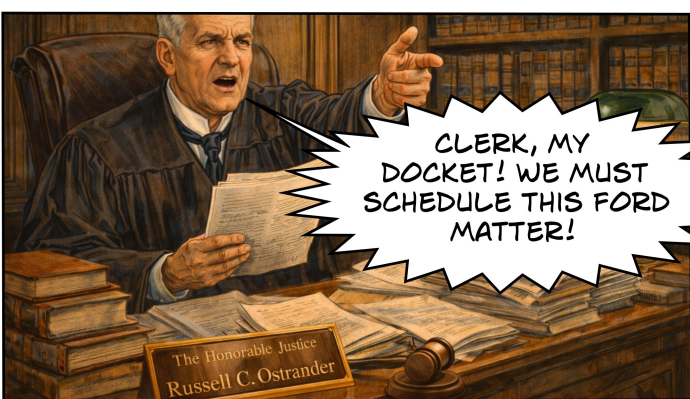


WITH HIS 58% HE
CONTROLS THE BOARD AND
THOSE **PUPPETS** DO AS
TOLD. BUT WITH OUR 10%
WE CAN **SUE!**

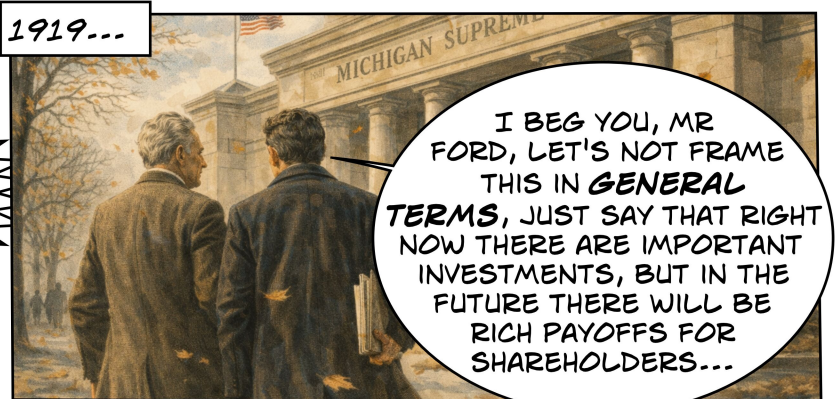
A FEW
WEEKS
LATER...



MR. FORD, SIR...
I... I THINK THIS IS
FOR YOU...



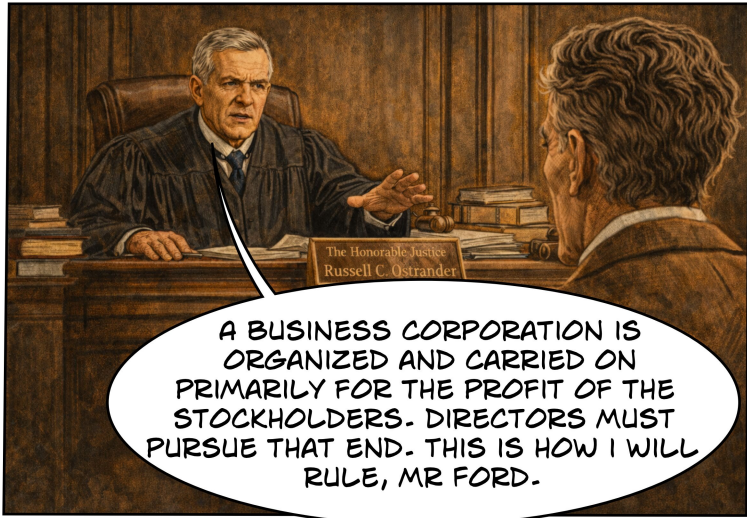
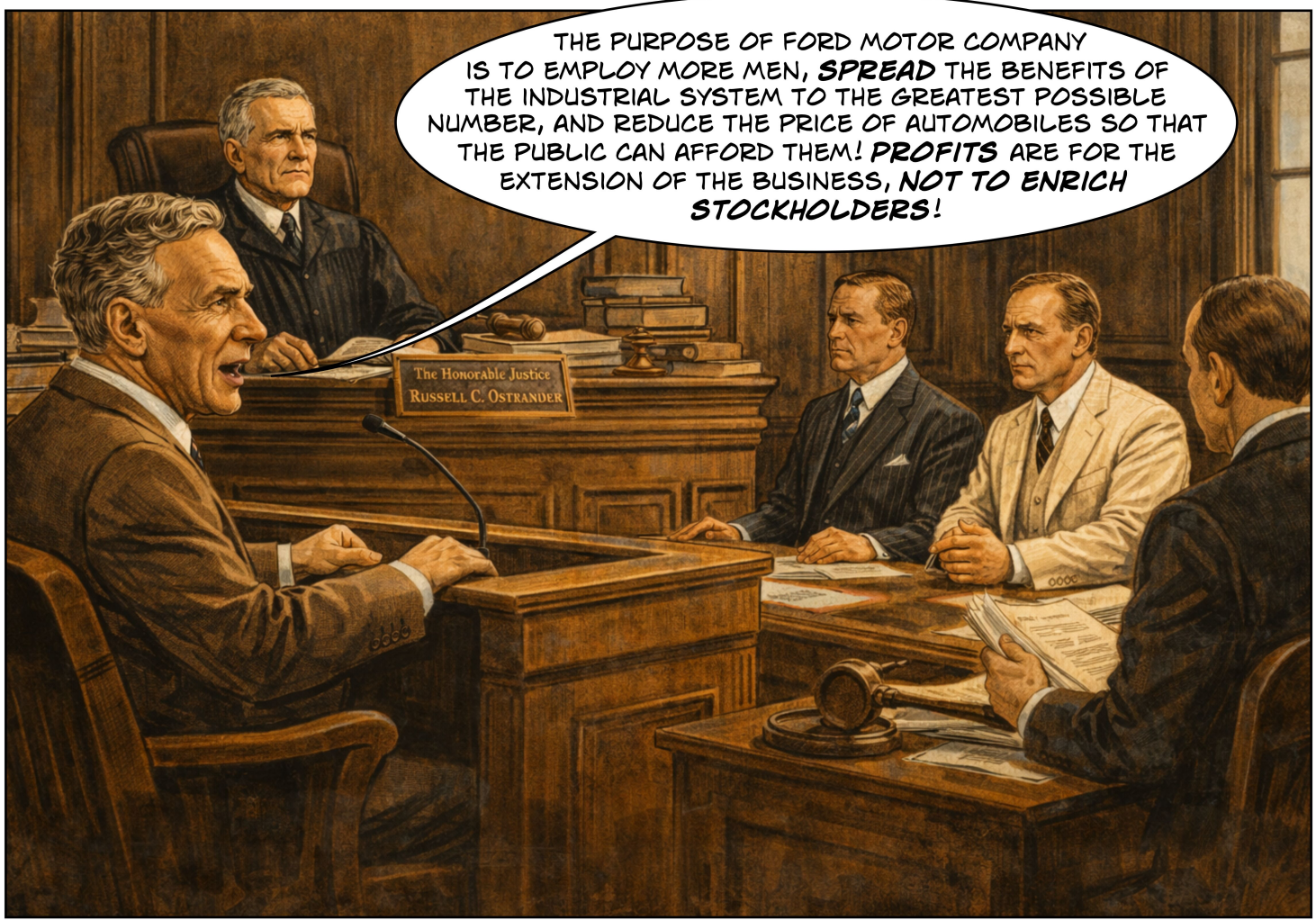
CLERK, MY
DOCKET! WE MUST
SCHEDULE THIS FORD
MATTER!



1919...

I BEG YOU, MR
FORD, LET'S NOT FRAME
THIS IN **GENERAL**
TERMS, JUST SAY THAT RIGHT
NOW THERE ARE IMPORTANT
INVESTMENTS, BUT IN THE
FUTURE THERE WILL BE
RICH PAYOFFS FOR
SHAREHOLDERS...

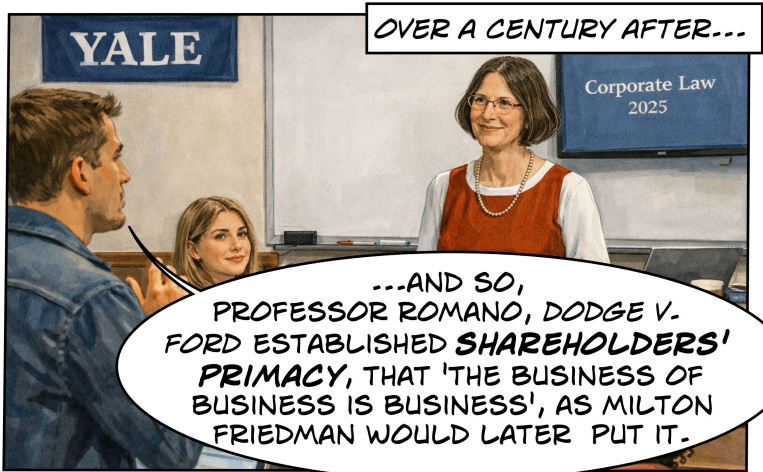
THE PURPOSE OF FORD MOTOR COMPANY IS TO EMPLOY MORE MEN, **SPREAD** THE BENEFITS OF THE INDUSTRIAL SYSTEM TO THE GREATEST POSSIBLE NUMBER, AND REDUCE THE PRICE OF AUTOMOBILES SO THAT THE PUBLIC CAN AFFORD THEM! **PROFITS** ARE FOR THE EXTENSION OF THE BUSINESS, **NOT TO ENRICH STOCKHOLDERS!**



A BUSINESS CORPORATION IS ORGANIZED AND CARRIED ON PRIMARILY FOR THE PROFIT OF THE STOCKHOLDERS. DIRECTORS MUST PURSUE THAT END. THIS IS HOW I WILL RULE, MR FORD.



GOOD, MR RICE, BUT NOT SO FAST. LISTEN TO THIS OTHER CASE, DECIDED 30 YEARS LATER...



OVER A CENTURY AFTER...

...AND SO, PROFESSOR ROMANO, DODGE V. FORD ESTABLISHED **SHAREHOLDERS' PRIMACY**, THAT 'THE BUSINESS OF BUSINESS IS BUSINESS', AS MILTON FRIEDMAN WOULD LATER PUT IT.

NEW JERSEY, 1953...

A.P. Smith Manufacturing Co.
Annual shareholders' meeting

THE
HELL I CALM DOWN!
THIS IS **OUR MONEY!** SUCH A
DONATION IS A WASTE, YOU
SHOULD PAY THIS AMOUNT IN
DIVIDENDS!

CALM DOWN, MR
BARLOW. OUR DONATION
TO PRINCETON UNIVERSITY WAS
JUST \$1,500, IT CONTRIBUTES TO
OUR GOODWILL IN THE
COMMUNITY, AND WE ALL
BENEFIT FROM HAVING GREAT
GRADUATES...

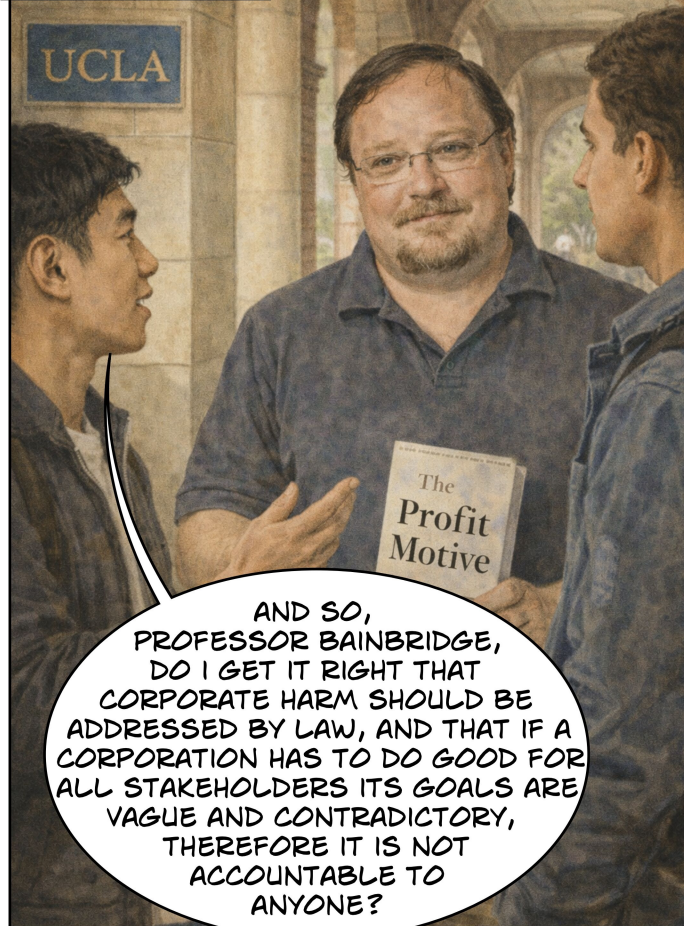
PROFIT
MAXIMIZATION DOES NOT
MEAN THAT EVERY PENNY EARNED
SHOULD BE PAID TO YOU. A REASONABLE
DONATION CAN BE IN THE BEST INTEREST OF
THE **CORPORATION** IN THE LONG RUN. IN
ANY CASE, THIS COURT WILL NOT
SUBSTITUTE ITS **JUDGMENT** TO THE
ONE OF THE DIRECTORS, IF
THERE IS NO WASTE.

THE DEBATE CONTINUES TO THIS DAY, ALL OVER THE WORLD...



CORPORATIONS SHOULD NOT IMPOSE ANY COST ON SOCIETY, EVEN IF IT'S NOT PROHIBITED BY SPECIFIC LAWS. THEY ARE **SOCIAL** INSTITUTIONS.

---IN ACADEMIC CIRCLES---



AND SO, PROFESSOR BAINBRIDGE, DO I GET IT RIGHT THAT CORPORATE HARM SHOULD BE ADDRESSED BY LAW, AND THAT IF A CORPORATION HAS TO DO GOOD FOR ALL STAKEHOLDERS ITS GOALS ARE VAGUE AND CONTRADICTIONARY, THEREFORE IT IS NOT ACCOUNTABLE TO ANYONE?

---IN BUSINESS AND FINANCE CIRCLES---



I NO LONGER LIKE THE TERM 'ESG', IT HAS BEEN POLITICIZED, BUT I STILL THINK WE SHOULD LOOK AT CO2 EMISSIONS AND SUSTAINABILITY WHEN INVESTING...

---AND IN POLITICAL ONES---



WE WANT FULL DISCLOSURE OF THE ENVIRONMENTAL FOOTPRINT AND SOCIAL IMPACT OF CORPORATE ACTIVITIES!



THE END?