



[JLEP Home](#) > [Lecture Series](#)

- [Journal Description](#)
- [Board Of Advisors](#)
- [Editorial Board](#)
- [Membership](#)
- [Symposium](#)
- [Lecture Series](#)
- [Article Submission](#)
- [Subscriptions](#)
- [Contact JLEP](#)

Lecture Series

The Journal of Law, Economics, & Policy (JLEP) at George Mason University School of Law is pleased to present a panel discussion entitled:




"The Sarbanes Oxley Act: An Efficient Solution to a Public Problem?"

Note: This event was held on April 6, 2006

Lecture Series Event Summary

Coming soon...

Podcast Information:

- 1)  podnova
- 2)  XML (Note: Any podcasting client/program will work with this link)
- 3)  iTunes (Note: iTunes must already be installed on your computer)

Topic: The Sarbanes-Oxley Act was passed in response to the Enron and WorldCom corporate scandals, which shook investor's faith in the stock market. Fundamentally, the Act was an effort to establish mandatory corporate governance and accounting standards applicable to all public companies in order for them to enjoy the benefits of the public's confidence and investment. Now, several years after the passage of this legislation, we have solid data to evaluate the law's effectiveness, the cost of compliance, as well as the benefits that have accrued to the investing public. This lecture will focus on the effects of the legislation, both intended and unintended, with a focus on Section 404, the internal-controls provision, and the policies of the Public Company Accounting Oversight Board (PCAOB).

Distinguished Panelists Include::

- **Mr. Gerald Laporte**, Chief, Office of Small Business Policy, Division of Corporation Finance, U.S. Securities and Exchange Commission
- **Mr. Michael See**, Assistant Chief Counsel, Office of Advocacy, U.S. Small Business Administration
- **Mr. John Berlau**, Fellow in Economic Policy at the Competitive Enterprise Institute

Moderated by: Kristina M. Husar, 3rd Year Law Student at George Mason University and member of the Journal of Law, Economics, and Policy.

Date and Time: Thursday, April 6, 2006, from 6:30 - 8:00 p.m.

Location:

George Mason University School of Law - Atrium of Hazel Hall
3301 Fairfax Drive
Arlington, Virginia 22201

Registration: This event has already been held.

QUICK LINK



Lecture Series **Recap & Pics:** "Law and Econ Perspective of Terrorism." **New!** - Podcasts [\[more...\]](#)

QUICK LINK

Lecture Series **Recap:** "Impact of Fed Regulation on Economy & Small Business." **New!** Podcasts [\[more...\]](#)



[JLEP Home](#) > [Lecture Series](#)

- [Journal Description](#)
- [Board Of Advisors](#)
- [Editorial Board](#)
- [Membership](#)
- [Symposium](#)
- [Lecture Series](#)
- [Article Submission](#)
- [Subscriptions](#)
- [Contact JLEP](#)

Lecture Series

The Journal of Law, Economics, & Policy (JLEP)
Presented a Lecture entitled:

"The Sarbanes Oxley Act: An Efficient Solution to a Public Problem?"

This Event was held: April 6, 2006

Lecture Series Event Summary

On November 29, 2005, the Journal of Law, Economics, and Policy hosted a panel discussion on the Sarbanes Oxley Act.

The panelists included: Mr. Gerald Laporte, Chief, Office of Small Business Policy, Division of Corporation Finance, U.S. Securities and Exchange Commission; Mr. Michael See, Assistant Chief Counsel, Office of Advocacy, U.S. Small Business Administration; and Mr. John Berlau, Fellow in Economic Policy at the Competitive Enterprise Institute. Kristina Husar, a 3rd year law student at George Mason School of Law moderated the discussion.

The panel discussed the potential consequences of securities regulation/overregulation. Small companies seem to be particularly effected by new regulations, but the panel agreed that all public companies need to have internal controls to monitor their financial statements. The tragedy of Enron made it clear, to some, that internal controls are not enough. The panel diverged in their opinions of what exactly should be learned from Enron, but concluded that increased government regulation and monitoring may be an option. However, monitoring comes with costs, and the evaluation of these costs is crucial.

In the opinion of one panelist, the statistics are distorted because smaller public companies are not counted as small businesses even though they are comprised of limited numbers of employees. Small businesses, in particular, feel the impact of Section 404 compliance. For example, small companies spend roughly \$1 million a year on audit fees to comply with Section 404. Since many of these smaller companies make, at most, \$10 million a year, they suffer a 10% revenue loss with Section 404 compliance. Such a loss heavily impacts company shareholders. In addition to the fees being spent, small businesses must cope with various opportunity costs.

The panel also discussed the advisory committee's proposed recommendations for smaller public companies. Pre-section 404 regulations require companies to have internal controls for financial statements. Furthermore, the federal government requires auditors to audit the effectiveness of these internal controls. Despite the aforementioned regulations, the Enron tragedy still occurred. Also, the above regulations and audits generally apply to larger companies. Thus, Laporte concludes that there is no existing framework applicable to the auditing needs of small public companies.

In spite of their differing viewpoints, the panelists all agreed that Sarbanes-Oxley has and will provide a rich basis for discussion of modern problems in corporate governance.

QUICK LINK



Lecture Series
Recap: "The Sarbanes Oxley Act: An Efficient Solution to a Public Problem?"
New! - The Law and Economics Podcast
[\[more...\]](#)

QUICK LINK

Symposium **Recap:**
"Anticompetitive Barriers to E-Commerce: A Symposium"
featured on The Law and Economics Podcast
[\[more...\]](#)

[Click Here to return to the previous page](#)



© 2006 JLEP. All rights reserved.

[About JLEP](#) ♦ [Article Submission](#) ♦ [Subscribe](#) ♦ [Contact JLEP](#)