Dean Linda Livingstone: One of the things I want to do is make a few introductory remarks about some of the wonderful things that are going on in the business school before I bring up our speaker this evening. And the first thing I want to do is, if on your name tag—and I don't have my name tag with me—you have a ribbon that says "Management Partners" on it, you need to say goodbye to that ribbon because we are changing the name of our alumni group for the business school, and it will now be called the Graziadio Alumni Network. So this is the very last time you will have that ribbon that says "Management Partners." In the future it will say Graziadio Alumni Network. We thought that was a much better representation of what that group was, and it explained it better to people, and so we are very excited about that change. Great credit goes to our alumni leadership councils here in Orange County and L.A. and in northern California for helping us bring about that name change so next time you're at one of our events you will have a new ribbon on your name tag.

I also want to mention we have some other fabulous speakers this year in our Dean's Executive Leadership Series. The next speaker will be on November 6th at the Malibu campus and we'll be hosting Andy Bird who is the president of Walt Disney International so we certainly hope that you'll be a part of that and look forward to our future DELs in the months that come. Also as we have done in the past we...
will have a podcast. I interviewed Deborah earlier this afternoon and so within the next couple of weeks you will be able to listen to that interview. You can get it on iTunes. You'll have access to it through our website and so we will be doing that again this year. I know some of you have listened to those in the past so we'll look forward to that this year.

A couple of other things: We have been very busy in the business school working on the programs that we offer and have actually developed a couple of new programs this year I want to mention very briefly so that you can tell others about them. And we're also looking at how we can better take the programs we have to the marketplace in the right way so a couple of things that we're doing: We had done several onsite programs at Boeing. We are doing another one for the first time at the Huntington Beach facility in January and we'll very likely do a second class there in April because we've had such high demand for that January class. We are also in April going to do our first class of our MBA program in Antelope Valley. There's been tremendous demand out there. It's an underserved area in terms of higher education and so we're looking forward to that as well so some really good opportunities.

We've also got three new degree programs that have been approved in very recent weeks, two masters of science programs, one a master of science in applied finance. It's designed for students who have non-business undergraduate degrees without work experience who really want to polish their skills and move in to entry-level jobs in the financial services industry so we're very excited about that. We're working very closely with the humanities division at Seaver College and certainly it will be open to students from other universities as well. And then our other MS program that we've approved is an MS in management and leadership. We have very strong faculty in the management and leadership area. This program is actually designed as a part-time program either at our Orange County or West Los Angeles campus or as an onsite for companies, and it's really designed for people who are technical specialists or functional specialists and want to move in to management and leadership roles. And so it's going to be a very applied, interactive, experiential program and we're really excited about that and we will begin recruiting that program very soon.

And then the last one is an interesting program for us. We just in the last few weeks have finished approvals for a bachelor of science MBA program that is a joint degree between Seaver College's business division, the undergraduate school at Pepperdine, and the business school. So it's the first time we've done a joint program with our undergraduate college at Pepperdine, and so we're really looking forward to that. The first class of that program will start in January of 2009, and so also if you have children or friends who have children that are going to be going to Seaver College let them know about the opportunity that we have there.
Well, it is- there's a lot going on as you can see in the school, lots of interesting activities and programs, and before I introduce Deborah I do want to mention that we have another event coming to Orange County. That will be on November 8th and that will be our Alumni Sharing Knowledge, ASK, reception. We have done those here for several years now. They're always enormously successful. It brings our alumni, students, friends together. It's just a great networking, mingling opportunity, and this year as I said it will be on November 8th and it's going to be at the Discovery Science Center in Santa Ana so a fun venue and we hope that you will come and let your friends know about that so we have a great turnout for that. We've had close to 300 people in the past at that event so we're looking forward to it growing this year.

Well, we're all here to hear from Deborah Platt Majoras, and you have a treat in store for you. Deborah and I just spent the last three days at the Fortune Most Powerful Women Summit here in Orange County, which was a fabulous experience, but because of that I've had the opportunity to spend a little bit of time with Deborah the last two or three days, and it's going to be a real treat to hear from her. She is a wonderful person, does very interesting work at the Federal Trade Commission, but she was sworn in as chairman of the Federal Trade Commission in August of 2004. Her tenure at the FTC has been marked by the commission's strong efforts to protect and enhance consumer welfare. She is focused on ensuring data security and protecting consumers from emerging frauds such as identity theft, spyware and deceptive spam.

Prior to serving for the Federal Trade Commission she was in the Justice Department in a couple of different roles and prior to that she was in the- worked for the antitrust division of Jones Day, a major law firm. She's also been recognized particularly in the recent years for the tremendous work that she's done in the area of identity theft, and she received the privacy- the International Association of Privacy Professionals 2007 Privacy Leadership Award. SC magazine named her one of the top five influential IT security thinkers in 2006, and this one's really impressive: The Washingtonian magazine listed her among the hundred most powerful women in Washington, which is saying a lot, so we are just thrilled to have you here tonight, Deborah. She has a law degree from the University of Virginia and lives in McLean, Virginia, with her husband, John, so it is such a pleasure to have you here. Deborah's going to share a few remarks with us, and then we're going to have a short conversation and open it up to the audience so that you can be a part of our conversation as well, so Deborah Platt Majoras.

Deborah Platt Majoras: Well, thank you so much, Linda. It's always a pleasure for me to speak to folks outside the beltway and it's definitely an honor to be part of your Executive Leadership Series. I've spent my career thus far working to defend the free market, but I'm always quick to add with people that free does not mean freedom from responsibility. Indeed, markets fail when they're plagued by cowards and cheats so I was very gratified to read Dean Livingstone's message on the website which states that the...
school focuses on developing leaders grounded in such core values as integrity, stewardship, courage and compassion. Certainly, the founders had it right.

Well, I've met plenty of people in positions of authority. Let's face it. Everybody in Washington thinks they're in some position of authority who apparently reject such a value set. I've never met a true leader who was not grounded in these values. Indeed, Theodore Roosevelt cited courage, honor, justice, truth, sincerity, and hardihood as the virtues that made America, but today I fear those are not the words that come to mind when most Americans are asked to describe their major institutions. That would be business and government. And in listening to discussions of business trends at the conference that the dean and I just attended over the past couple days, it's clear that business has a credibility crisis with the public and we all know what the poll ratings are for our government in Washington these days.

So I've spent the last six and a half years working in D.C. and I thought I'd offer to you a few observations and share some of what I think I've learned about public service and leadership. As I reflect on my three years at the Federal Trade Commission, I'm reminded of an episode from Ronald Spector's History of Naval Warfare in the Twentieth Century. Early in the 1940s, as the allies strained to defend convoys from U-boat attacks in the Atlantic many naval officers were facing new challenges of unimaginable difficulty. And as Professor Spector tells it, a relatively junior captain of a corvette was struggling unsuccessfully to maintain a proper station in a convoy, and a senior officer on another escort signaled the wayward corvette, "What are you doing?"  From the corvette came the reply, "Learning a lot."  And I think for me that really sums it up.

I've really had an interesting relationship with Washington, sort of, to tell you the truth a love-hate relationship. It's been very good to me but I've been very wary of its temptations and tried in many ways to keep my distance. I first arrived in Washington in 1985 with this fresh diploma from Westminster College in New Wilmington, Pennsylvania, in hand. That college was an hour down the road—really far from Meadville, the town of 11,000 where I had grown up. And moving to Washington, which was this city of just excellent opportunity, was really a very, very big deal. But the thing is I would soon find as I got to Washington that, hey, it seemed like the entire nation's class of 1985 had arrived with their shiny new diplomas all at the same time and they all had the same enthusiasm and fresh energy and wanted to save the world.

Worse yet, I didn't have any money so I quickly took a job as a receptionist in a law firm. I couldn't type but I figured that I knew how to talk on the phone and there was no texting back then. We were still talking on the phone. And I figured everyone who walked in the door would have to talk to me and that would be
a good thing, and I would be able to develop some of these elusive contacts that everybody said you had to have even though I didn't really know who those people would be. Well, I had a choice at that point. I could act like I was really too good for that position—it wasn't really what I wanted, it was just a wayward stop along the way to great success or I could work and try to become the best receptionist that this law firm had ever hired. And thanks to my parents, who taught me that all hard work is honorable as long as you're doing your best, I chose the latter course and three or four months later, the firm promoted me to become a paralegal.

But it's interesting 'cause I've often looked back at those four months and there's just absolutely no question in my mind that I learned more in that time period about the legal profession, about working in a professional environment, about certainly how to develop relationships with support staff than I've ever learned in any of my other legal jobs in that—in my professional life—not to mention learning how to live when you have $27 left in your checking account. My appreciation for the honor in that hard work and the contributions of support staff has remained with me today. I have zero tolerance for disrespect in the workplace, and as busy as I get, I try to remember to send e-mails of praise and thanks. Even when we lose a case, for example, when people have worked hard. Because I don't care how old you are—we all still are uplifted, are motivated by a compliment or a thank-you. They are great motivating tools.

So today in my office at the FTC we hire kids in and out of college to help us answer phones, review the mail and the like. We teach them how to work in a professional office setting and help them to grow and prepare for their next challenges. I have to say I worry today when I hear that we pay today for our children to have the finest education money can buy, but we're not requiring them to get the education that no money can buy and that is joining the workforce. Today less than 44% of teenagers work, which is the lowest number since the government started keeping track in the 1940s, this despite the fact that if you look for example at the book From the Sandbox to the Corner Office: Lessons Learned on the Journey to the Top, in which the author interviews more than 50 CEOs and leaders most said that they certainly held jobs as teens and that that work had a really lasting impact on them throughout their lives.

Well, after law school I went back to Washington, was away for three years at UVA and then went back, and I had a two-year clerkship with the Federal District Court Judge Stanley S. Harris and what a wonderful example Judge Harris was for a freshly minted lawyer. It's a profession I'm sorry to say not known for its graciousness with no offense to my fellow attorneys in the audience, but despite his honored position and lifetime tenure he treated everyone with whom he encountered with the utmost courtesy and respect. And after two really tremendous years of learning a lot from Judge Harris about the law but more importantly about life, he gave me two valuable pieces of advice as I went off to private practice. First he said, "Don't go looking for compliments or pats on the back right away when you get to the law firm. The
fact is you are expected to do excellent work and it won't always be immediately acknowledged." And then the second thing he said, which was perhaps even more important, was that I should measure success in my legal career by what my opposing counsel thought of me. And I've thought of that many, many times as I am tempted to lash out in the heat of battle, but I've thought about those words and they've become actually quite important to me.

Now despite the value endorsement of that clerkship I developed during that time I must confess to you a very negative attitude about Washington. I had been there years before as that receptionist and paralegal with a lot of idealism, but by that time I was starting to become a little more cynical and I saw hypocrisy and a really sort of unproductive place so I left and I went to Chicago and I vowed never to go back. And for most of the next eight years I would then go from Chicago to Cleveland eventually. The firm's antitrust partners tried to pull me back to Washington, and after all if you can do antitrust you ought to be in Washington. Right, but I wouldn't go and I wanted no part of what I thought was an unhealthy environment, but the lobbying did force me to think about why was I having such negative feelings about Washington, this really exciting place. It is like so many cities, really filled with high-energy, ambitious people, but it's an environment that brings out both the best and the worst in us, and so in being there at that young age I think I was just really feeling the turmoil that soul searching puts you through.

When you grow up affording automatic respect to people in positions of authority and responsibility, which I did, but then you start seeing those in positions who are choosing a road that's paved with short-term gain first, responsibility to others second, if they ever get around to it, but the truth is it's not just that you can look at that and say, "Oh, how awful." No. The fact is you look at it and you say, "Well, that's kind of a cool way to live. I sort of like that. This is sort of fun," and that I think was what I was struggling with.

Well, never say never because finally I decided with my husband that it made sense for us to go back to Washington and we were in the process of moving when I was asked to go in to the Justice Department and join the Bush administration. And I think one doesn't turn down those opportunities and one shouldn't. It's-- They're tremendous and public service is a wonderful thing. Never mind I'd never worked on a campaign. I hadn't given any money to speak of, but now I would find myself back in the city that I had avoided just even being at a law firm and now I was going to be in the heart of the business of Washington and that business of course is govern. So I had to admit this is very exciting. It's intoxicating really to be a part of and I arrived at DOJ and I was so eager.

I was the first political appointee to arrive in the Bush administration in the antitrust division and I was so eager to get to know the career staff, and I thought surely they'll be eager to meet me, one of their new
bosses. Yes. Ah, not so fast. What I encountered was a pretty fair dose of wariness and suspicion. I was offended. My goodness, I thought. Wait, you'll like me, I promise. I'm very easy to get along with. Then though I listened to another appointee in another division, and he was complaining similarly about the career staff and as I listened to him I felt myself getting very defensive for the career staff there. And I found myself doing what my mother had asked me to do so many times that it was really almost irritating, which is put yourself in their shoes. There they are in the trenches doing their jobs for the public and they have to do them no matter who's at the top. Right. And every three or four years a new group of supposed hot shots comes in and starts telling them what they're doing wrong and how they ought to do it differently. Well, no wonder they were wary. Right.

So I vowed then and there that what I needed to do was a great deal of listening and that I would do what I could do best. I couldn't convince them by words that I was worthy to be there with them but I would work hard and I would work alongside them, not lording it over them. And I learned really in a hurry that effective leadership requires more than a title. Much more importantly, it requires the respect of those we endeavor to lead and that respect has to be earned; it can't be appointed. Well, one of the other things I quickly learned at Justice when I began doing the job was how difficult it can be to discern exactly what's in the public interest because, of course, I'd been representing clients for years and the client can tell you this is what this is the objective; this is what we want. And of course within the bounds of the law we worked toward that objective, but now you're asked to do what's in the public interest.

You can look at the law and you can see that, but it's not as simple as it looks, and of course you have lots of opinions all the time from people telling you, "This is what's in the public interest," and coincidentally it happens to coincide with their own interest at the same time. Well, in no matter in which I worked at Justice were the principles more important to think through than in the department's antitrust case against Microsoft. Shortly after our new team began in 2001, the Court of Appeals in Washington ruled that yes, Microsoft had violated the antitrust laws but in far fewer ways than what the trial court had thought. So the Court of Appeals cut the case way back, threw cold water on the idea of breaking the company in half, sent it back to the trial court and said, "You need to determine a new remedy in this case."

So immediately the lobbying began in earnest. I had never seen anything like this—companies in the computer industry, members of Congress, interest groups. You name it. They were just descending on us, all telling us, "Here's what you need to do to Microsoft. Break up the company anyway," some said. "Don't worry about what the court said." Others said, "Hey, come on. Microsoft's just a successful company. Why don't you leave them alone?" Very interesting, but what we had before us was a legal decision that said Microsoft violated the antitrust laws in these ways and you need to remedy this. That
was the only option we had. Well, interestingly, in late September, less than three weeks after 9/11, we went in to court and the trial judge handed us an order and it opened with the following sentence and I quote: "In light of the recent tragic events affecting our nation, the court regards the benefit which will be derived from a quick resolution of these cases as increasingly significant," end quote. In it she ordered us to begin settlement negotiations, quote, "again meeting seven days a week and around the clock, acting reasonably to reach a fair settlement," end quote, for the next five years. Now I've pulled all-nighters before but I've had a judge order me to do it, and on a personal note I blanched sitting there in the courtroom because I was about to get married eight days later so that's a story for another time.

Well, during these settlement talks the lobbying just became more intense. One lawyer came to me and said, "Just ignore the judge's order. Refuse to settle." Another threatened that if we settled this case with Microsoft we'd never get any help ever again on anything from anyone in Silicon Valley. Others remained steadfast that we should break up the company no matter what the court had to say. So this was just crazy, and again this was all very, very new to me. The negotiations were also equally intense, and with every remedy we considered we had to think about not only the impact on Microsoft but the impact on the entire industry, this tremendously dynamic industry, and ultimately we were working for the U.S. consumer. So what do you do with this? Well, I only knew one thing to do. I was a lawyer. I wasn't a politician; I was a lawyer so I looked at it from a lawyer's perspective. If the Court of Appeals says X, what does the law say about remedying X, and we hewed as closely as we could to that. We determined quickly that politics had no place in law enforcement.

Well, as you may know we did settle and we received criticism and praise, but the criticism well--let me assure you--drowned out the praise. The anti-Microsoft lobby screamed it had been a political sell-out. Members of Congress demanded we go up to explain. It was really tough. Criticism is a fact of life when you're a public figure but, boy, that doesn't make it really any less painful. So one night I was explaining to my parents, "Well, this is what this case is all about. This is what's going on..." because everybody's always sort of interested in the case, but it's rather complicated, and I explained the whole thing and we got to the end and my father asked me just very quietly-- He said, "Deborah," which is how I knew he was serious, when he calls me Deborah, "was it the right thing to do?" And I answered, "It was," and I knew at that moment that it had been right because you can't ever lie to your parents. Well, you try when you're younger but it never works. It never did in my case, I can assure you. And so we moved on from there.

You build up these Washington-type scars, you learn that criticism is part of it, and you keep on doing the job, and later after an open public comment process in which we received a record 34,000 public comments including someone who sent us pornography the trial court not only approved the settlement
but complimented it at length. And then I had the privilege ultimately to argue in defense of the settlement in the Court of Appeals, which we won six-zero. But the thing that I learned so much through this process—and people can argue about whether we were right or wrong—but what you realize is that the process of decision making requires listening to voices on all sides, but it can't be about pleasing any one particular voice. In the end we have to make the best decision we can using all the appropriate criteria and then we have to move on, and so I really learned a great deal from that.

Now, ultimately my boss at the Justice Department resigned earlier than expected because he was offered the position of general counsel at Chevron Texaco, and it quickly became clear that the competition to replace him would come down to my good friend and a fellow deputy of mine, Hew Pate, and myself. And we each had our supporters and given that I was so close to Charles and had done so much for him in that job I endured this quiet course of "Oh, everybody knows you're going to get the job. You know you're going to get the job." And Hew and I discussed this and we agreed that whatever happened we were going to try to support each other and not fall apart over this. Well, some days prior to the separate meetings that Attorney General Ashcroft set up to tell us about the decision I saw the handwriting on the wall. I figured it out, and I knew that Hew was going to get the job and that I wasn't and I was crushed, and I cried and I got angry and I railed against the injustice of it all. People had told me I deserved that job so didn't I? And then people told me, "Well, for heaven's sake you couldn't possibly stay if you don't get the job. You've got to leave. You couldn't work for Hew." So I had my pride to protect and no way should I work for Hew.

Well, at the appointed time I met with the Attorney General together with a few others and the AG looked me in the eye and he told me that well, it had been a very touchy decision; Hew had been chosen. He then went on to tell me how much he wanted me to stay and that he really contemplated having Hew and me working together to run the antitrust division, and I looked him in the eye back and words came out of my mouth that I think I'd prayed for I couldn't really- didn't really know if it was me speaking at the time. I congratulated them on making a terrific choice and I told them that Hew was a fabulous lawyer and a great American, and I then told them that I would stay because I loved the job and the people and I believed I could still make a strong contribution. And then as I said these words I saw these stunned looks on the faces of all the gentlemen including Attorney General Ashcroft like they couldn't believe it; it was not what they had anticipated. And I shook the AG's hand and it became clear that he and I developed a bond which remains today.

Well, let's face facts. As soon as I got a safe distance from his office I completely burst into tears. I fell apart, but I knew that I was doing what was right. I hadn't deserved anything. We don't deserve these jobs. We deserve the respectful treatment that I got from the Attorney General of the United States.
Public service is just that; it's service. That's what it means. It requires sacrifice and it requires that you step up when you're called. Incidentally, the year I then spent at DOJ working as Hew's deputy was one of the most fun and rewarding of my life, and I realized that as I thought about it it's so easy to see what those people we admire have achieved. That's what's on our resume, right, all of our achievements, and we don't see the disappointments and the stumbling but they're always there. It's not true that successful people don't suffer failures but it's true that they don't allow these failures to bring them to a screeching halt, and I almost fell into that trap.

So I learned-- As my mother had once told me, I learned so vividly at that time that people will not think less of you when you stumble. They will think less of you if you act, however, without grace and dignity so that was a great- a tough but very great lesson, and I was ultimately honored to then be called to public service again in 2004 when I was nominated for this job. It was tough because two senators immediately put a hold on my nomination, and you may know I never know what people outside the beltway know about some of the goofiness in Washington but it happens to be the case that any one senator can put a hold on a nomination and keep it. And the senator can remain anonymous and doesn't have to say why the hold's put on or even who's done it. In this case Senator Ron Wyden actually 'fessed up that it was him and his view was that I needed to commit to him that I would- because of rising gasoline prices I would go in to the FTC and I would sue the oil companies to get them to bring down prices, and I wouldn't commit to it and so he held up my nomination. So ultimately I was recess-appointed and then confirmed, and the good news is that that really strengthened my resolve.

If the price-- It's very easy to say, "Fine. I'll say this to the senator and we'll move on. Does anybody in Washington really say what they mean?", but it didn't seem to me that that made any sense. If that's the price you have to pay, why is the job worth doing? And so I've really tried to hold that. On the day that I was sworn in, I stood before my staff and my fellow commissioners and I said, "I'm-- We're going to endeavor to do the right thing. That's what we're going to do here. We're going to apply law to facts, we're going to use sound economics, and we're going to try to make the right decisions—that's what's going to govern our decision making. But make no mistake about it—I will stumble and I will falter because there are a lot of pressures on all of us, and what I ask of you is that you call me out on it when it happens." And we've tried to do that for each other throughout our tenure. I recognized that much better people than I have made tremendous pledges but then they'd flip backward, and so this is why I just felt that I needed to set us all up to look after each other in this regard.

Now people will ultimately be the judges of how we succeeded in- at the Federal Trade Commission, and I'm afraid I'm a little too close to it right now to be able to comment on that. Our record will ultimately speak for itself, but I do- but I can assure you that we have worked to foster an environment in what
matters is the law and the economics. When Larry Thompson was Deputy Attorney General when I was at Justice—he's now the general counsel at PepsiCo—he used to chat with me about some things. He always said to me, "All you can do, Debbie, is call balls and strikes. That-- That's your job; you call balls and strikes," and I'm a huge baseball fan so that's an easier one for me, but when you get away from your guiding strictures, in our case law and economics, then you're really standing in sinking sand and that I have not wanted us to do.

Now one of the things that people frequently say about folks when they're in leadership positions is that we get a bully pulpit. You might say I'm using one now. I hope you don't think I'm bullying. And I'm very careful. I give a lot of speeches on mostly topics that are relevant to what we're doing at the FTC of course, but I'm very careful about the bully part of the pulpit because I know that as a government enforcer we have power and that power can be abused. And I want us to be cautious about that, but I've come to appreciate nonetheless the positive results that we can obtain by using a position to ask people to do the right thing and to find ways to get us all there so I'd just like to give you one example.

When I took office in 2004, I immediately faced calls for the FTC to do something about childhood obesity. In the U.S. today, 20% of our kids ages six to 11 are overweight and type 2 diabetes has doubled among children and youth in the past decade, and a recent Wall Street Journal poll found that 84% of U.S. adults are considering childhood obesity to be a major problem. Well, among the potential causes of this societal problem some I have identified, the marketing of unhealthy foods to kids, and they've called on the FTC to ban or restrict food advertising to children. And I realized almost immediately that we can't do that, and the first and most important reason we can't do that is because we need to abide by the First Amendment and the First Amendment protects healthy speech. And heaven knows junk food tastes really good so it's not deceptive to say that it does, and second, quite frankly, it would be practically impossible to become the food police, and there are all sorts of societal questions about whether we should.

My view was we don't know precisely what all has caused this huge problem. There's lots of reasons that we can all think of and they're- we're- we'd probably all be right so I questioned whether such an action would represent anything more than a government intrusion on parental responsibility, but nonetheless what I could tell was that parents on the one hand could use some help and that leaders in industry were actually likely willing to step up and do something. So in July of 2005, the FTC together with the Department of Health and Human Services held a joint public workshop on this issue, and we then issued a follow-up report in April of 2006 in which we urged the industry to consider a wide range of options on self-regulation and assist in combating this problem. We said, "Regardless of who's to blame here, these are our kids so let's all step up and try to be part of the solution. Let's try to do the right thing here."
Well, a number of companies, we were pleased, took the recommendation seriously so in October of last year the Walt Disney Company announced a whole new range of food guidelines aimed at giving parents and children healthier food options. And in November, the Children's Advertising Unit, CARU, which is administered by the Council of Better Business Bureaus, announced a new self-regulatory advertising initiative designed to use advertising to help promote healthy dietary choices and healthy lifestyles among our children. Twelve of the leading food companies including McDonald's, Hershey, Kraft, General Mills, are participants in the initiative, and together they account for more than two thirds of all food marketing to kids, and we had a forum in July in which they announced what they were doing. They have pledged to voluntarily restrict their advertising to children on television, radio, print and the internet.

Each of the companies committed either to limiting 100% of their advertising directed to children to food products that meet certain nutrition standards or to refrain from advertising to kids, I think three who have said, "We're not going to advertise to kids at all." Nutritional standards vary somewhat by company but all are required to be consistent with established scientific or government standards, and as part of the initiative the companies committed to restricting their use of third-party licensed characters to products that meet nutritional criteria and to web sites promoting healthy lifestyles. So today you can see that General Mills and Nickelodeon are partnering so that Dora the Explorer is now on- promoting frozen vegetables, Mickey Mouse you'll see only on healthier foods, Sponge Bob is advertising vegetables, Cookie Monster is talking about cookies as a sometimes food, and Shrek-- My view has always been for the people who say to me, "These characters get kids to eat junk food," well, if they can get kids to eat junk food then get them to eat spinach. I'm not sure Popeye got us to eat spinach but that's beside the point. Now I'm showing my age for sure. And Shrek is urging kids to get out and exercise an hour a day. So this is something that I feel very proud of and I'm very proud of this business community for stepping up, and people are cynical and they say, "Well, look. If they hadn't stepped up, maybe Congress is going to regulate them and then of course they're going to make money off these products." Well, so what. Of course, they're going to, but look. If these companies start making money off selling healthy products, that should make us all very, very happy so I just point that out to you as a place where the power of just the law coming down on these folks was not what was going to work here. What was going to work here was a group of people coming together and saying, "Hey, we've got a problem. Let's see what we can do about it."

Well, in closing I'll just tell you one last story. Two years ago I was asked to deliver the commencement address at the Owen Graduate School of Management at Vanderbilt, and I was asked the night before at a reception what I was going to talk about and I said, "I'm going to talk about personal responsibility and ethical action." And one person said, "Talking about ethics; that's dangerous," and I think he was referring to the fact that a few years before the now late Ken Lay had spoken about business ethics in a speech, but still I thought about this. We're in trouble if ethics is considered a dangerous topic especially at a
business school, but I did come to realize and have come to realize that what really is dangerous is to
discuss it without a heavy dose of humility. Acting with integrity and remaining accountable is not easy.
It's easy though to be smug when we read about the downfall of executives or politicians who cheated.

Do you really think that these high-profile executives who broke the law were just bad people who took
their jobs and said, "Oh, this is fantastic. Now I can achieve my lifelong goal of defrauding all of the
shareholders and make myself rich" or that those running for office for the first time think, "Oh, can't wait
to get in there and cheat the American people for my own personal gain."? Maybe, but I really doubt it. In
general, they're talented and ambitious, probably largely decent individuals who over time held
themselves increasingly accountable only for meeting profit targets at the expense of other objectives or
for getting reelected, which meant that they compromised and they justified and they made excuses,
shifted blame, played dumb, all of those things, which every one of us is capable of doing at one time or
another. Indeed, I looked at a Wall Street Journal story once about the downfall of WorldCom and the
former controller who had reclassified huge expenses to eliminate the impact on the bottom line. And
what this said was, in an illustration of how huge ethical lapses often begin with small steps, he justified
his actions to himself thinking WorldCom's business would soon improve. As Robin Wolaner sets forth in
her book, Naked in the Boardroom, quote, "When the stakes are enormous and the pressure is intense
even a normally ethical person can make a mistake," end of quote.

So what I think I've learned is that only by remaining humble about our own capacity for straying away
from what we know we should do will we exercise the sufficient discipline over our own actions. So I'll end
with where I began, which is that I'm still learning and I learn every day from someone I encounter and I
hope perhaps by sharing a few words with you tonight we've shared something that we can all learn from.
So I thank you very much for your attention.

##### End #####