

## **Boardroom Hot Topics: ESG, Purpose And Stakeholders**

In 2019, investors saw the bizarre and unprecedented unraveling of WeWork Co. Inc. in the lead-up to its abandoned initial public offering. A series of related-party transactions suggested a lack of internal controls and inadequate oversight of WeWork's CEO, Adam Neumann.

Some of the more egregious transactions included Neumann's personal ownership of buildings leased by WeWork, the purchase by WeWork of the trademark to the word "We" from a company controlled by Neumann, several of Neumann's family members doing business with or being employed by WeWork, and several low-interest loans extended to Neumann by the company.

Losses by SoftBank Group Corp.'s Vision Fund on its investment in WeWork caused SoftBank to scale back its high-risk investment strategy and undertake a new focus on improving corporate governance at its portfolio companies.

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