Since her early days as a law professor, Hillary A. Sale has been fascinated by the issues of corporate scandals and the role of corporate governance in preventing them. During her March 25, 2010 installation as the Walter D. Coles Professor of Law, she aptly spoke about “The Importance of Being Public,” addressing what governance now means for public companies.

Corporate governance has traditionally been defined as the relationship among shareholders, officers, and directors of a company, but this understanding is changing, Sale says. She believes that the current financial crisis was brought on partly by “a failure of both the private sphere and the public sphere to understand the public governance space and what it means actually for a corporation to be public.”

Corporations now must operate in the public sphere, where they are subject to media scrutiny and blogging. Public expectations also have grown, and governance has come to mean substantive choices about compensation, risk, investments, and even limiting the number of directors on the board. This kind of focus, Sale says, “is here, and it’s not going away. And that means that company fiduciaries … must learn to understand the importance of being public.”

A key point in becoming a public company is that the company must be ready to accept the responsibilities, pressures, and expenses involved, she says. Once a company accepts public status, it also must be regulated. “Governing a public company,” Sale says, “means addressing the expectations of shareholders and the public about what the company can and will do, operating with public responsibilities, complying with rules and regulations in a public manner, and understanding that public has a broader meaning than just the regulations. It means that the media, bloggers, and commentators are watching and waiting.”

Sale concluded her address by observing that there are two clear realizations that public company governors must reach—first, accept their role as public, and second, understand the importance of being public in order to make decisions within that context. “This doesn’t mean that directors can’t make the right business decisions,” she says. “Instead, it means that they must make the right business decisions because the shareholders, the public, and eventually the government will hold them accountable.”

Sale’s professorship is named for law school alumnus Walter D. Coles, LLB 1889, who served as an Assistant U.S. Attorney for the Eastern District of Missouri from 1894–98. He was a lecturer at the law school from 1904–10, teaching in the areas of bankruptcy and constitutional law. In 1935, he began his first year on the bench as a judge on the Supreme Court of Missouri.

Robert B. Thompson, the New York Alumni Chancellor’s Chair in Law and Professor of Management at Vanderbilt University, introduced Sale during her installation ceremony. Thompson was a longtime faculty member and director of the Center for Interdisciplinary Studies at Washington University School of Law. Chancellor Mark S. Wrighton and Kent Syverud, dean and the Ethan A.H. Shepley University Professor, also gave remarks.

An expert in securities and corporate governance, Sale ranks among the nation’s best scholars, teachers, and leaders in corporate law. “Hillary’s substantial scholarship has become an essential part of the securities law field,” Syverud says. “She also is a talented teacher who cares deeply about her students, while demanding that they live up to the high expectations she has for them.” Indeed, Sale was named the David M. Becker Professor of the Year for 2009–10.

Sale is the author of numerous publications on securities and corporate governance issues. Two of her articles, “Delaware’s Good Faith” (2004) and “Securities Fraud as Corporate Governance: Reflections Upon Federalism” (2003), were selected by Corporate Practice Commentator as among the top 10 corporate and securities law articles published in those years. In 2005, she joined the authors of the Securities Regulation casebook, John C. Coffee, Jr. and Joel Seligman, former Washington University law dean. The 11th edition now is co-authored by Sale and Coffee. Sale also is a co-author with Coffee of the 2009 edition of Federal Securities Laws, Selected Statutes, Rules and Forms.

Among her professional affiliations, Sale is a member of the DirectWomen Executive Committee and chairs its Institute. She previously was a member of the Iowa College of Law faculty.