

# The Sustainable Corporation



Alan Palmiter  
Wake Forest School of Law  
Business Law Symposium  
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Are we wasting our time?

## Scenario 1 (“life is good”)

- Net income: \$1 million
- Growth rate: 3%
- Discount rate: 12%

## Scenario 2 (“future is dicey”)

- Net income: \$1 million
- Growth: 3% (then negative)
- Discount rate: 12%

## Scenario 3 (“future is bleak”)

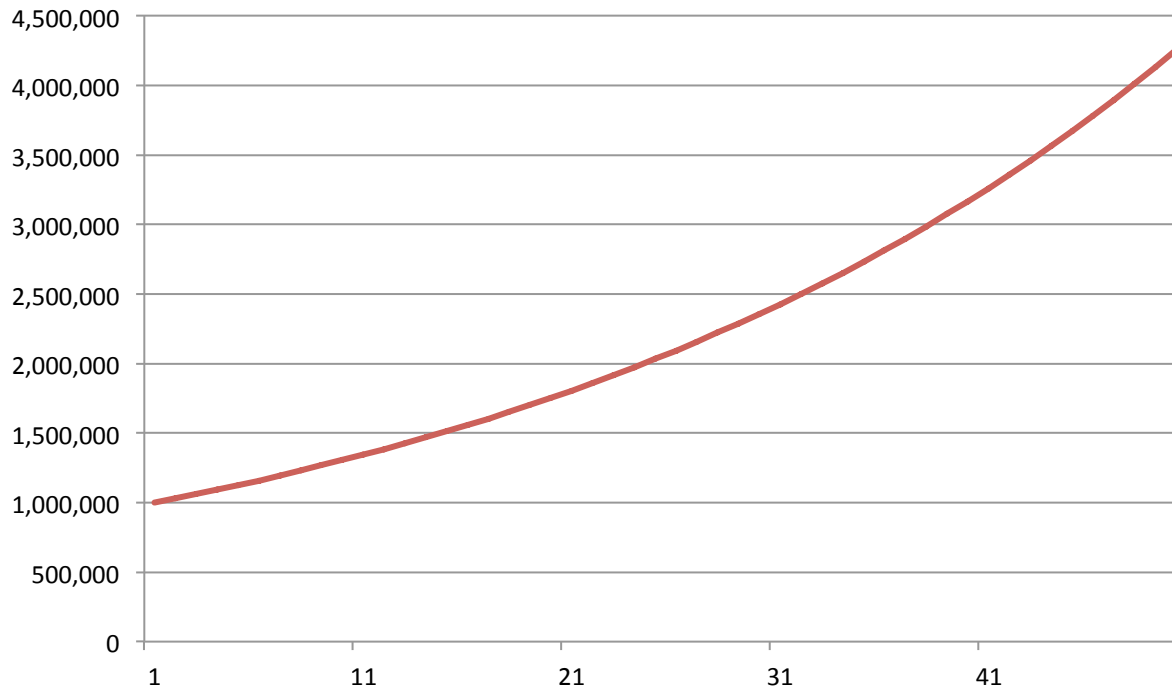
- Net income: \$1 million
- Growth: 3% (then plummets)
- Discount rate: 12%

# Three valuation scenarios

# Scenario 1

(“life is good”)

**Net income**



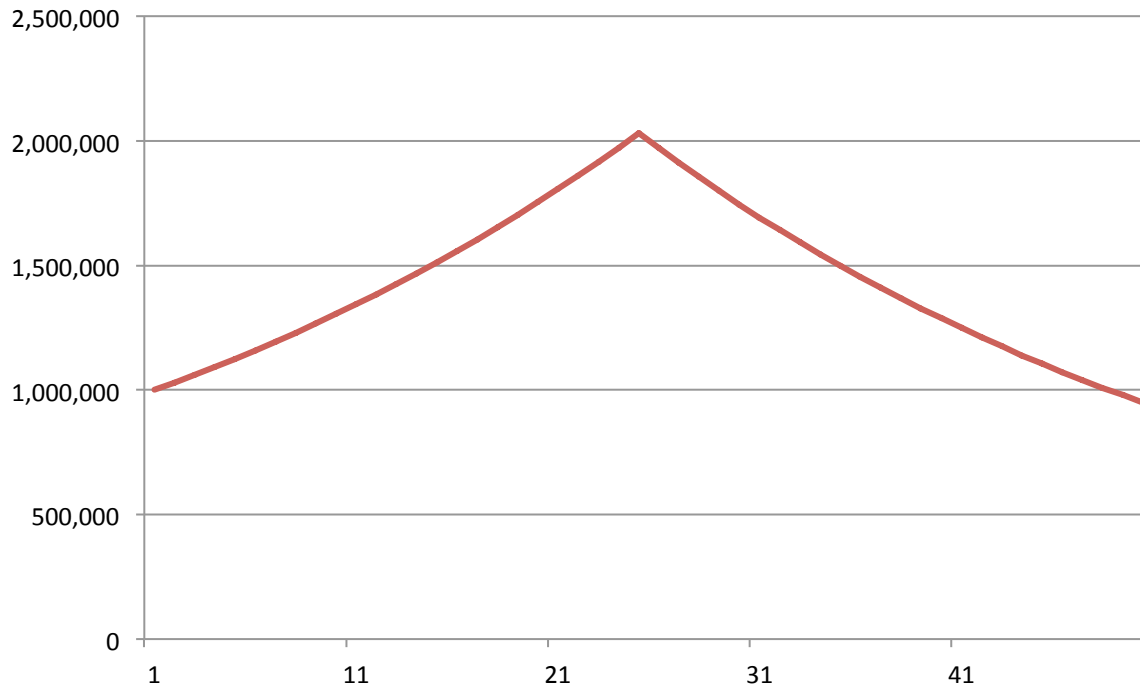
Present value  
\$ 10,942,565

[spreadsheet](#)

# Scenario 2

("future is dicey")

**Net income**

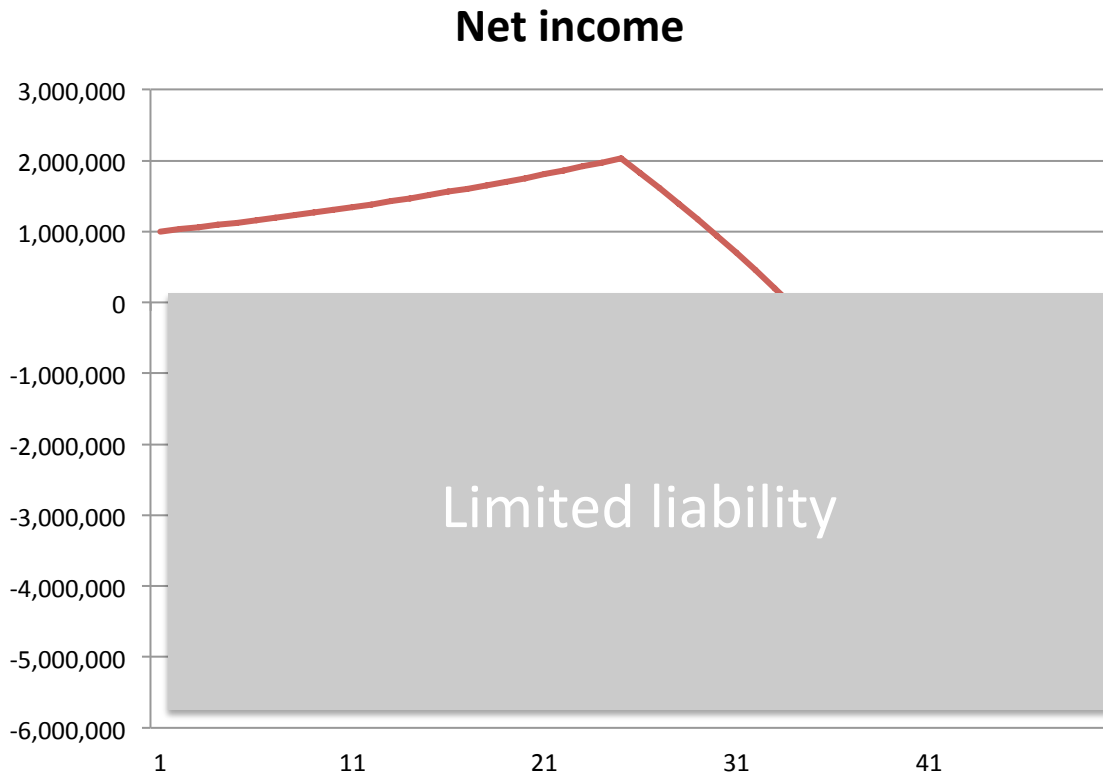


Present value  
\$ 10,494,649

[spreadsheet](#)

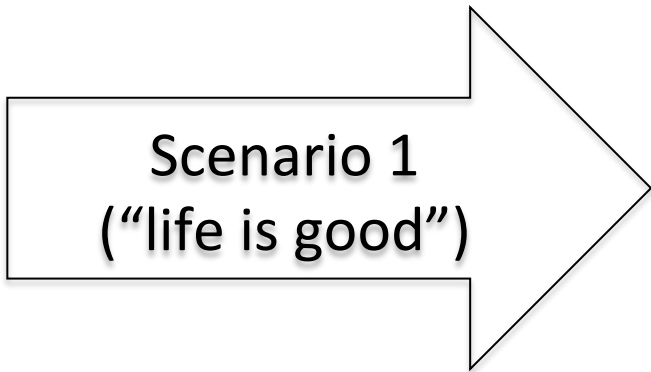
# Scenario 3

("future is bleak")

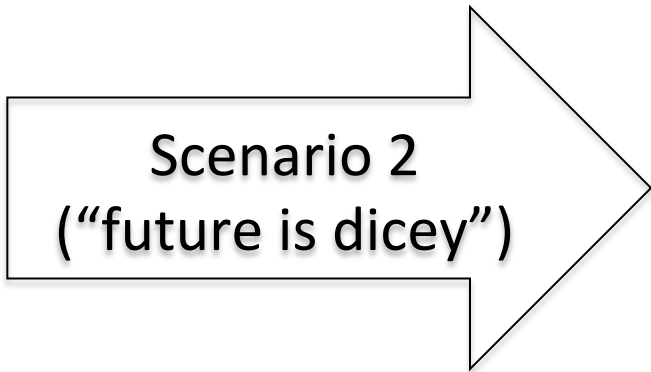


Present value  
Present value  
(w/o Ltd Liab)  
\$ 10,085,600  
\$ 9,795,181

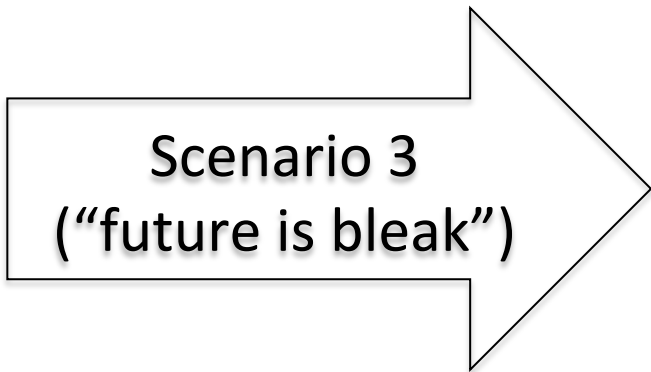
[spreadsheet](#)



Present value  
\$ 10,942,565



Present value  
\$ 10,494,649



Present value  
~~\$ 19,785,180~~  
\$ 10,785,180



The Corporation ... Sustainable?



# Symposium Schedule

## MORNING

8:30-8:45	Breakfast
8:45-9:00	Welcome - Dean Blake Morant
9:00-9:15	Prof. Alan Palmiter (and moderator)
9:15-10:30	Prof. Judd Snierson Prof. David Millon Prof. Dana Reiser Brakman
10:30-10:45	Break
10:45-12:00	Prof. Brett McDonnell Prof. Steve Ferrey Prof. Beate Sjafjell

## AFTERNOON

12:00-1:30	Lunch
1:30-2:20	Prof. Kent Greenfield (moderator) Prof. Wendy Wagner Prof. José Gabilondo
2:20-2:35	Break
2:35-3:25	Prof. David Yosifon Prof. Matt Bodie
3:25-3:30	Closing remarks