

Zachor Legal Institute Announces the Publication of our Law Journal Article Targeting UN/BDS Inspired Boycotts of Israel

The article details the legal problems with companies that include a boycott of Israel in their Corporate Social Responsibility (CSR) programs.

RED LEVEL, AL, USA, June 10, 2020 /EINPresswire.com/ -- [Zachor Legal Institute](#) is pleased to announce the

publication of our most recent article in the American University Business Law Review, researched and written by Zachor President Marc Greendorfer. The article is entitled "[Discrimination as a Business Policy: The Misuse and Abuse of Corporate Social Responsibility Programs](#)", and it details the legal problems with companies that include a boycott of Israel in their Corporate Social Responsibility (CSR) programs.



Programs that allow non-shareholder groups to impact a corporation, especially those whose goal is the destruction of commercial relations with a world business leader, must be disclosed to investors."

Marc Greendorfer, President of Zachor Legal Institute

Corporations are implementing CSR programs to introduce a variety of focuses to be considered beyond the traditional concentration on maximizing shareholder value. They oftentimes take into account stakeholders beyond shareholders, including employees, the local community and the environment. Examples of CSR programs include setting targets for reducing pollution, creating guidelines for a more ethnically diverse work environment, and avoiding partnering with those that violate human rights.

When these CSR programs compliment, or at a minimum

don't conflict with, the guiding legal requirement that a corporation focus its efforts on fulfilling the core principle of maximizing shareholder profits, then CSR programs can and do play a constructive role in allowing corporations to help shape a more socially responsible world.

However, when CSR programs conflict with the corporation's ability to maximize shareholder value, it is critical that shareholders and regulators have the ability to be fully informed as to the potential financial risks of a CSR initiative on the value of and market for their investment.



Currently, disclosure requirements from securities regulators don't obligate companies to provide disclosure, including potential risk factors that might affect the value of the investment, for specific CSR issues when they submit financial reports or offering documents for public offerings. Zachor believes that all investors should have the right to know how a corporation's CSR programs can negatively affect their investment. At present, while many corporations make public statements touting their CSR efforts, there is no legal obligation to provide details on how such CSR programs can result in financial harm to the corporation and its investors. This lack of material information on CSR programs can lead many investors to underestimate the financial risks of what otherwise sounds like a positive corporate agenda.

As the terror-backed movement to harm Israel with boycotts and sanctions grows in acceptance, certain interest groups have been demanding that corporations adopt CSR programs to promote an agenda that promotes antisemitism and attacks Israel under the wrongful allegation that Israel's policies violate human rights norms and, consequently, companies in or related to Israel should be boycotted and/or divested from.

The main sources of Anti-Israel boycotts include:

- BDS groups regularly exert pressure on corporations to boycott Israel. The most well-known case of this is Airbnb's 2018-2019 boycott of Jewish-owned properties in the "disputed" Israel territories. Only after concerted efforts by multiple organizations via PR, legal and economic pressure did Airbnb decide to renounce this discriminatory policy. BDS groups continue to pressure a wide variety of companies, and there is no reason to think that they will not succeed in convincing additional corporations to unlawfully add a boycott of Israel to their CSR programs.
- The United Nations released in early 2020 a blacklist of companies operating in the disputed Israeli territories. There is great concern that corporations will use this blacklist as a guide to add boycotts of Israel to their CSR programs, causing unprecedented economic damage to the Israeli economy and, importantly for investors, the value of any investment that is tied to Israel.

Marc Greendorfer, President of Zachor Legal Institute, stated: "As a corporate lawyer with a long history of drafting disclosure documents for securities offerings and periodic reporting, I know the importance of clear disclosure of material risk factors for both individual and institutional investors. Individuals and organizations depend on the disclosure requirements to make reasoned and fully informed investment decisions. Any program that hands the keys of the corporate franchise over to non-shareholder interest groups, especially those that have as a goal the destruction of commercial relations with one of the world leaders in many business sectors, must be disclosed to investors so they can make investment decisions as well as corporate governance decisions. For the board of directors of a public company, the pressure to comply with activist sponsored CSR programs has to be countered by legal requirements to disclose the risks of those programs, which is what we will be asking the securities regulators to adopt."

One of Zachor's core missions is to research and make available to the pro-Israel community

legal research that can be used when opposing discriminatory boycotts of Israel. In addition to our most recent article presented in this press release, Zachor has published three other scholarly articles in prestigious law journals, including:

- The BDS Movement: That Which We Call a Foreign Boycott, by Any Other Name, Is Still Illegal - https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2531130
- The Inapplicability of First Amendment Protections to BDS Movement Boycotts - https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2676307
- Boycotting the Boycotters: Turnabout Is Fair Play Under the Commerce Clause and the Unconstitutional Conditions Doctrine - https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3032646

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