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Allison, former BB&T chief, to lead libertarian Cato Institute

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John Allison, retired chairman and chief executive of BB&T Corp., will take over as chief executive of The Cato Institute by year's end, the libertarian think tank said Monday.

Allison, 63, was chosen as part of a settlement of lawsuits filed by billionaire brothers Charles and David Koch against the Washington-based institute; Ed Crane, its chief executive of 35 years; and several board members.

After Crane retires, he will work with Allison as a consultant on fundraising efforts.

Another key part of the agreement is that the institute will no longer be a stockholder corporation and will be controlled by its members. It had been owned by the Kochs, Crane and William Niskanen, who died in October.

"For a majority of Cato's directors, the agreement confirms Cato's independence and ensures that Cato is not viewed as controlled by the Kochs," the institute said in a statement. "For Charles Koch and David Koch, the agreement helps ensure Cato will be a principled organization that is effective in advancing a free society."

Allison said in the statement he was "happy to assist in resolving the pending litigation and related issues." He said his goal is "to sustain Cato's efforts at moving the country toward a freer and more prosperous society."

Analysts said Allison is a natural fit to run the institute, given his libertarian, free-market beliefs.

He is a devotee of author Ayn Rand and the conservative philosophical theory called objectivism. The theory extols rational individualism, creativity, independent thinking and a limited role for government as a protector of peace.

Crane and Charles Koch touted Allison's leadership and business skills. Besides joining the Cato board, Allison will be able to nominate up to two more members.

"John Allison enjoys wide respect throughout both the business community and the free-market movement," said John Hood, president of the John Locke Foundation, a libertarian policy-research group in Raleigh. "I expect the Cato Institute to prosper under his leadership."

Tony Plath, a finance professor at UNC Charlotte, said objectivism "is a bit more radical-right than Cato because Cato tends toward the conservative/libertarian end of the spectrum. It is kind of like the difference between Mitt Romney and Ron Paul."

When Allison announced his plans to retire from BB&T in August 2008, he indicated he wanted to continue to pursue two passions — the role of values in effective leadership and the evolution of the financial system in the United States — through writing and speeches at colleges and universities participating in BB&T's Moral Foundations of Capitalism program.

In fall 2009, Allison began serving as a distinguished professor of practice at the Wake Forest University Schools of Business. He also works with the professional development programs and professors in the Babcock and Calloway business schools.

Wake Forest officials could not be reached for comment on whether Allison's role with the university could be affected by his pending duties with the institute.