

PRESIDENT'S MESSAGE

Strategic Innovation for 2022



My term as Pacific Southwest Chapter President/CEO began on July 01, 2021, for a 3 year term succeeding Larry Taylor, who is now Board Chair.

I am looking forward to this opportunity to lead our chapter into the future, and to continue to build our presence, relevance and NACD reputation to directors and organizations across Arizona, Nevada, and Southern California.

In 2020, we were challenged in ways no one expected. In March 2020, we immediately created and pivoted to online delivery of director education programs, member networking programs, and a series of new NACD member programs, until the pandemic receded. We are now in the 2021 Holiday Season, the pandemic effects are still with us, and many people are not yet comfortable in traveling or resuming congregating in public groups. Members have told us in surveys that they largely appreciate the convenience of our virtual director education programs, and the opportunity to meet other NACD members at our various virtual programs spanning our chapter region, and around the US and world. We appreciate your feedback.

Our board has adopted the strategic theme of innovation for 2022. We are working on initiatives to continue to build on the successful marketing and member engage-

ment strategies which were executed over the past two years, creating new opportunities for member and sponsor interaction and engagement, and continuing to deliver world class educational programs on interesting risk management and oversight topics for directors, that are unique from other content sources. We will also be using data more strategically, to help us source subject matter experts and board leaders in our chapter region for future director education programs, and for higher value member outreach and engagement.

“We continue to build on successful marketing and member engagement strategies...”

I welcome your outreach to me, or our Executive Director, Anne Ettley, at any time with your feedback and suggestions on how we can continue to improve NACD member and chapter sponsor value.

Finally, I look forward to virtually seeing you at one of our director education programs soon. In the meantime, I wish you Happy Holidays, and stay safe and healthy. 🍷

Richard Munro, *President*
NACD Pacific Southwest Chapter

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For more information visit our website at pacificsouthwest.NACDonline.org

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FROM THE CHAIRMAN



Welcome to our 2021-22 chapter leadership team. Effective July 1, 2021 Richard Munro assumed the role of chapter president. Further, on that date, Jeff Hoffman and Karen Bogart assumed the committee chairperson positions of the Member Engagement and Programs Committees, respectively.

Lisa Quateman, Les Sussman, and Kim Hunter remain in their respective roles as chairpersons of the Marketing and Communications, Sponsorship and Nominating/Governance Committees. Christie Chu and Christine Scheuneman remain in their roles as chapter ambassador coordinator and treasurer. In addition to assuming chapter board chairman position, I remain the chairperson for the Corporate Social Responsibility Committee. Board members who remain in their roles to oversee our three advisory boards include Rafael Pastor, Karen Bogart, Rose McKinney-James, Michael Gillmore, Jacque Sokolov. Lawrence Taylor has joined this group to assist Jacque in overseeing the Arizona Region Advisory Board. I want to recognize Erin Selleck who has stepped down from a leadership role.

Special thanks to David Rosenblum who served as our Board Chairman for the past four years. Also, I want to thank Sung Sohn and Robert Zukis who have termed off the chapter board after serving three consecutive three-year teams on our board. Each of them now has emeritus status.

Lastly, I want to recognize the winners of our student ESG Essay Challenge. Hamza Aziz, a junior at Long Beach City College, our first place winner, was the recipient of a \$2,500 cash award and an NACD PSW internship. Natalie Mendoza of Pierce College is our second place winner and was the recipient of a \$1,500 cash award. Both will participate as panelists on our December 1, 2021 Workforce Readiness program. I encourage all corporate directors to go to www.nacdpswcsr.org to learn more about our chapter's CSR initiative. We hope you elect to support this initiative that is designed to help educate our youth about corporate governance and responsibility.

I look forward to another fantastic year. Please stay safe and healthy. 🙏

Larry Taylor
Chairman, NACD Pacific Southwest Chapter

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 DIRECTORSHIP
CERTIFICATION

NACD recognizes the need for a pipeline of strong, diverse, and highly qualified professionals to serve as tomorrow's directors.

WHY PARTICIPATE?

The NACD Accelerate Program provides you with an understanding of the expectations and opportunities that are intrinsic to directorship. Becoming NACD Directorship Certified[™] further distinguishes you as a director candidate, demonstrating a commitment to staying current on governance issues and trends that allows you to effectively influence boardroom decisions.

ABOUT NACD

NACD is the recognized authority on leading boardroom practices and is the largest membership organization of corporate directors — more than 21,000.

For more information, contact us at accelerate@nacdonline.org.

NACD Accelerate is a unique two-year program that creates a pathway for executives with little or no experience in the boardroom to prepare for board service. Participants will be provided with the tools, resources, and exposure that—along with excellent business judgment—are essential to launching a successful career as a director. NACD Accelerate is the only NACD program that does not require current board service.

PROGRAM BENEFITS



Recommended resources and programming across a two-year membership to help participants become board ready



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Digital access to NACD research and analytics



Enrollment in NACD's Virtual Director Professionalism[®] foundation course for new and rising directors



Guidance on how to improve your board candidacy



Enrollment in NACD's Directorship Certification[®] program



Networking opportunities through NACD national and local chapter programming



Webinars and podcasts with business leaders and directors on emerging and trending issues

"NACD Directorship Certification[®] is particularly helpful for first-time board members. The program provides an all-encompassing view of what it means to be a director, and how to effectively contribute to the boardroom."

-ANNA FIELER
Director, Shake Shack, Inc., Quinstreet, Inc.;
NACD Directorship Certified[™]

INVESTMENT

*Get all of the benefits of the NACD Accelerate Program for \$5,700.**

FALL 2021/2022

NOVEMBER	10	<u>NACD PSW/USC Marshall Corporate Directors Symposium (Virtual)</u> 7AM - 12PM PT
NOVEMBER	16	<u>Member-Only Drop-In Networking Event (Virtual)</u> 12PM - 1PM PT <i>Speaker: Christopher Hetner, NACD Cyber Security Officer</i>
NOVEMBER	30	<u>Fireside Chat with Steve Odland (Virtual)</u> 8AM - 9:30AM PT
DECEMBER	1	<u>Enhancing Workforce Readiness Program (NACD PSW's CSR Initiative)</u> (Virtual) 7:45AM - 9:30AM PT
JANUARY	5	<u>The Unicorn Director (Virtual)</u> 7:45AM - 9:30AM PT <i>Speakers: Michael Chambers, Interim CEO – Maxygen Inc; Jeffrey Le Bengier, Board Chair and CEO – Summit Health; Jacque Sokolov, Chairman and CEO – SSB Solutions</i>
JANUARY	13	<u>Member-Only Drop-In Networking Event (Virtual)</u> 8AM - 9AM PT <i>Speaker: Sophia Velastegui, Chief Technology Officer, AI of Microsoft - Microsoft Corporation</i>
JANUARY	26	<u>Emerging Leadership Requirements for Business Success (Virtual)</u> 7:45AM - 9:30AM PT <i>Speakers: Sabrina Kay, Founder/CEO - Fremont Private Investments; Susan Sandlund, Director - Peckman Industries; David Swinford, President and CEO - Pearl Meyer</i>
FEBRUARY	23	<u>India: Opportunities (Virtual)</u> 7:45AM - 9:30AM PT <i>Registration Opening Soon</i>
MARCH	9	<u>Energy Industry Trends (Virtual)</u> 7:45AM - 9:30AM PT <i>Registration Opening Soon</i>
MARCH	10	<u>Aspiring Director Program (Santa Barbara)</u> 6PM - 8PM PT <i>Registration Opening Soon</i>
MARCH	16	<u>Member-Only Drop-In Networking Event (Virtual)</u> 5PM - 6PM PT
MARCH	24	<u>NACD PSW/USC Marshall Corporate Directors Symposium</u> <i>The California Club, L.A. 7AM - 5PM PT</i>
APRIL	6	<u>Future of Water in the Pacific Southwest (Virtual)</u> 7:45AM - 9:30AM PT <i>Speakers: Pat Mulroy, Board Director - Wynn Resorts; David Rousseau, President - Salt River Project; Erin Selleck, Independent Director - Lending Club</i>
APRIL	20	<u>Minority Business Investment and Growth (Virtual)</u> 7:45AM - 9:30AM PT <i>Registration Opening Soon</i>
MAY	11	<u>Market M&A, IPO Trends (Virtual)</u> 7:45AM - 9:30AM PT <i>Registration Opening Soon</i>
MAY	17	<u>Women In the Boardroom: Pathways to a Board Seat (In partnership with International Women's Forum Nevada and UNLV Boyd School of Law)</u> (UNLV BOYD SCHOOL OF LAW) 7:30AM - 2PM PT <i>Registration Opening Soon</i>
MAY	19	<u>Member-Only Drop-In Networking Event (Virtual)</u> 8AM - 9AM PT
JUNE	1	<u>Healthcare Uncertainty Caused Economic Uncertainty: What Will Be the New Normal and When Will We See It? (Virtual)</u> 7:45AM - 9:30AM PT <i>Registration Opening Soon</i>
JULY	13	<u>Member-Only Drop-In Networking Event (Virtual)</u> 5PM - 6PM PT

VIRTUAL PROGRAM EVENT RECAPS



- September 2, 2020** [Real Estate Industry Outlook: Insights, Impacts and Opportunities](#) *(click to access)*
- September 17, 2020** [Black Chapter Leaders' Perspectives on Remedies for Racial Disparities](#) *(click to access)*
- September 30, 2020** [Education Industry Outlook: Insights, Impacts, and Opportunities](#) *(click to access)*
- October 21, 2020** [Healthcare Industry Outlook: Insights, Impacts and Opportunities](#) *(click to access)*
- October 27, 2020** [Ask the Experts: Hot Topics in Corporate Governance](#) *(click to access)*
- November 12, 2020** [Media/Entertainment Industry Outlook](#) *(click to access)*
- November 18, 2020** [NACD Pacific Southwest/USC Marshall Corporate Directors Symposium](#) *(click to access)*
- November 24, 2020** [SPACs: A Popular Alternative to IPOs - A Primer for Directors](#) *click to access)*
- December 8, 2020** [Post-Election Policy Outlook: What Directors Need to Plan for in 2021](#) *(click to access)*
- January 7, 2021** [Financial Services Industry Outlook](#) *(click to access)*
- January 27, 2021** [Hospitality and Travel Industry Outlook](#) *(click to access)*
- February 9, 2021** [Disruptive Risks: Then and Now](#) *(click to access)*
- February 25, 2021** [Semiconductor Sector Trends and Implications](#) *(click to access)*
- April 14, 2021** [Private Company Governance: Challenges and Rewards](#) *(click to access)*
- April 29, 2021** [Section 230 Debate](#) *(click to access)*
- May 5, 2021** [ESG: Essential to Corporate Risk Oversight](#) *(click to access)*
- May 18, 2021** [Women In The Boardroom: Pathways to a Board Seat](#) *(click to access)*
- June 2, 2021** [International Trade and Commerce: Shifting Alliances and Opportunities](#) *(click to access)*
- June 23, 2021** [Data Privacy: An International Forest of Regulation](#) *(click to access)*
- September 28, 2021** [Serving on Non-Profit Boards](#) *(click to access)*
- October 13, 2021** [Ask The Experts: Hot Topics in Corporate Governance](#) *(click to access)*

Marketing and Communications Committee Update

Submitted by Lisa Quateman, Marketing and Communications Committee Chair

Last year, like all of the board members we serve, your chapter and its Marketing and Communications Committee needed to do a fast pivot, to stay relevant and connected during the COVID pandemic. I am pleased to report that committee participation continues to increase.

We have initiated robust virtual networking opportunities after every education program, and separate events with guest conversation leaders. Topics range from the “E” in ESG, to cybersecurity, to maximizing your social media identity. Keep an eye out for invitations to our Member-Only

Networking Drop-In sessions.

We established a dedicated LinkedIn page for the chapter, where we highlight news about our members, sponsors, and programs, and updates from the NACD National office. The chapter’s “Three Questions for Board Directors” series on LinkedIn has gained a large following and that is not a surprise. Directors from around our community have participated enthusiastically, responding to questions on hot topics in the boardroom. Please visit the page to view all the interviews.

The committee is responsible for pro-

duction of this newsletter, which is made possible via a collaborative effort with our executive director, board members, and other committee chairs. We also appreciate the support of chapter sponsor Financial Profiles, whose team contributes event recaps for the chapter. Thank you all!

This year we will work to continue innovating for our members, and your ideas are welcome. We will harness and evaluate data to better serve you, we will review and refresh the Committee’s Charter, and we will set and hopefully achieve new goals. 📌

Member Engagement Committee Update

Submitted by Jeff Hoffman, Member Engagement Committee Chair

While virtual meetings have been effective and efficient, it has become very apparent that over the last 19 months our members have missed the opportunity to meet one another informally around our in-person programs. As a result we have seen strong participation in the both the After Virtual Program Networking time and the Member Drop-In Meetings. This was also confirmed through one of the initiatives that the Member Engagement Committee undertook, led by committee mem-

ber John Hotta, to better understand ways to interact and gain insights from our members.

After we could no longer meet in person, we started to have virtual Orientations to ensure that new members feel welcomed, have the information they need to take full advantage of their membership, and get connected with fellow directors. Led by committee member Vicky Carlson, participants not only hear from chapter leaders, they have an opportunity to

hear the board journey of one of our seasoned members as well as an opportunity to share their own experience with the group.

The Member Engagement Committee thanks Erin Selleck for chairing the group over the last three years. She started out strong with efforts to deepen the relationship with members and then quickly pivoted efforts as the chapter turned virtual. We are thankful that we will continue to receive her good counsel. 📌

Congratulations!

SOUTHERN CALIFORNIA

Susan Anhalt

Global Clean Energy (OTCMKTS: GCEH) board – Founder, SLAE Law Firm

Susan Bracey

Gan Ltd (NASDAQ: GAN) board – former EVP & CFO, Village Roadshow Entertainment

Nicole Neeman Brady

California Resources (NYSE: CRC) board – CEO, Sustainable Development Acquisition Corp.

Dan Chandler

PS Business Parks (NYSE: PSB) board – President & CEO of the Company

Cornelia Cheng

LTC Properties (NYSE: LTC) board – Managing Director, Brightwood Capital Advisors

Michael Chiao

Velocity Financial (NYSE: VEL) board – Managing Director, PIMCO

Halim Dhanidina

Fidelity National Financial (NYSE: FNF) board – Justice, California Court of Appeals, Second District

Tracey Doi

Quest Diagnostics (NYSE: DGX) board – CFO, Group Vice President, Toyota Motor North America

Dorene Dominguez

Douglas Emmett (NYSE: DEI) board – Chair and CEO, Vanir Group; BM, KB Home

Ms. Nori Ebersole

Sientra (NASDAQ: SIEN) board – CHRO, Prometheus Biosciences (San Diego)

Alison Hawkins

Quotient Technology (NYSE: QUOT) board – Managing Principal, Artemis Real Estate Partners

Susan Heystee

ChargePoint (NYSE: CHPT) board – Board Member, Ouster

Sue Klug

Bashas' (private) board – former Board Member, Gelson's

Ms. Ofelia Kumpf

Frontier Group (NASDAQ: ULCC) board – VP, Long Beach Field Office, McDonald's USA

Kristina Leslie

Sunstone Hotel Investors (NYSE: SHO) – Chair, Blue Shield of CA; BM, CVB Financial; and former CFO, Dreamworks

Gregory Levin

BJ's Restaurants (NASDAQ: BJRI) board

Karla Lewis

Goodyear Tire & Rubber (NASDAQ: GT) board – President, Reliance Steel & Aluminum

Brian Niccol

KB Home (NYSE: KBH) board – Chairman & CEO, Chipotle Mexican Grill

Irene Oh

PS Business Parks (NYSE: PSB) board – EVP & CFO, East West Bancorp

Loretta Sanchez

Universal Technical Institute (NYSE: UTI) board – CEO, Datamatica and former member US House of Representatives, CA

Ms. Kim Sentovich

Wrap Technologies (NASDAQ: WRAP) board – Board Member, One Stop Systems

John Sheridan

Acutus Medical (NASDAQ: AFIB) board – CEO, Tandem Diabetes Care (San Diego)

Cesar Soriano

eHealth (NASDAQ: EHTH) board – CEO, Confie Corp

Catherine Szyman

Outset Medical (NASDAQ: OM) board – VP, Critical Care, Edwards Life Sciences

Gregory Trojan

Casey's General Stores (NASDAQ: CASY) – CEO, BJ's Restaurants

Peggy Turner

PRA Group (NASDAQ: PRA) – VP, Toyota Motor North America

Katherine Verner

Velocity Financial (NYSE: VEL) board – EVP, PIMCO

David White

Resources Connection (NASDAQ: RGP) board – Former National Executive Director, Screen Actors Guild

Bonnie Wongtrakool

Western Asset Mortgage Capital (NYSE: WMC) board – promoted to CEO

ARIZONA

David Adame

Grand Canyon Education (NASDAQ: LOPE) board – CEO, Chicanos Por La Causa

Georges Antoun

Marathon Digital (NASDAQ: MARA) board – Chief Commercial Officer, First Solar; Board member, Ruckus Wireless

Catharine Ellingsen

Daseke (NASDAQ: DSKE) board – EVP, Chief Legal Officer, Republic Services

Jeff Kukowski

Wrap Technologies (NASDAQ: WRAP) board – CEO, Cloudbolt Software

Jon Vander Ark

Republic Services (NYSE: RSG) board

NEVADA

Annette Alvarez-Peters

Crimson Wine Group (OTCMKTS: CWGL) board – Retired AVP, Costco Beverage Alcohol (Reno)

Ernest Maddock

Avnet (NASDAQ: AVT) board – former CFO, Micron Technology; Board Member, Ultra Clean Holdings

Chapter Board Leadership

Karen Bogart, Chair - Programs Committee;
Co-Chair - Southern California Region Advisory Board
 Fielding Graduate University,
 Michelman, Inc., Mohawk Industries, Inc.

Christie Chu, Treasurer
 Hanmi Financial Corporation,
 Korean American CPA Society of SC

Fred Clayton, Director
 Berkhemer Clayton, Inc, Caltech

Beverly Cole, Director
 Bank OZK, Founders First Capital Partners LLC,
 LIFT Development Enterprises In

Mike Gillmore, Co-Chair - Nevada Region Advisory Board
 TPG RE Finance Trust, Inc.

Jeff Hoffman, Chair - Member Engagement Committee
 Points of Light ,LLC

Kim Hunter, Chair - Nominating Committee
 CalPrivate Bank Community Advisory Board,
 The LAGRANT Foundation (TLF)

Rose McKinney-James, Co-Chair - Nevada Region Advisory Board
 MGM Resorts International, Toyota Financial Savings Bank, loneer, ClearResult, Finite Solar Finance Fund, US Energy Foundation, ACORE

Brenda Morris, Director
 Boot Barn Holdings Inc, Duluth Holdings, Inc,
 Ideal Image, iHerb.com, The Better Being Body,
 Xponential Fitness

Richard Munro, President
 UST, LLC, California Receivers Forum LA/OC Chapter, Invenz Inc

Rafael Pastor, Co-Chair - Southern California Region Advisory Board
 Ensignt, Rosetta Books, UC San Diego Rady School of Management, UC San Diego School of Global Policy & Strategy

Hoshi Printer, Director
 Lantronix, Transient Plasma Systems

Lisa Quateman, Chair - Marketing and Communications Committee
 Western Asset Mortgage Capital Corp.,
 Indiana Toll Road Concession Co.,
 Scherzer International Corp.,
 UCLA Ziman Center for Real Estate,
 City of Hope Board of Governors

Christine Scheuneman, Chair - Ambassador Program
 Farmers & Merchants Bank of Long Beach,
 Girl Scouts of Orange County, Serenbetz Institute for Women's Leadership, Simpluris, Inc,
 Social Responsibility and Global Awareness,
 UCI Merage Center for Real Estate,
 United Way of Orange County

Erin Selleck, Director
 LendingClub Corporation

Jacque Sokolov, Co-Chair - Arizona Region Advisory Board
 Intrepid Health Alliance,
 Lucid Diagnostics Inc,
 MedCath Corporation,
 NeuLife Neurological Services,
 Phoenix Children's Hospital,
 Veterans Accountable Care Group,
 Zoonie LLC

Les Sussman, Chair - Sponsor Committee
 Braille Institute of America,
 East West Bancorp Inc

Larry Taylor, Chair
 All Sports Television Network, Inc,
 Claremont Graduate University,
 Guided Compass Technologies,
 The Creighton Group Inc.

Mike Tully, Director
 CopperPoint Insurance Company, OralKleen,
 Valley of the Sun United Way

Anne Ettley, Executive Director

Jamie Ettley, Administrator

Pacific Southwest Chapter

DIRECTORSHIP[®] CERTIFIED MEMBERS

George Ball
 Richard Barager
 Sarah Bazey
 Steve Berkebile
 Karen Bogart
 Keith Dorsey
 Rob Douglas
 Sophal Ear
 Shelly Esque
 Brad Feldmann
 Josh Ford

Suzanne Fradette
 Dean Glover
 Mike Goodwin
 James Grogan
 Jeff Hoffman
 Renee Hornbaker
 Kelly Huang
 John Iino
 Danko Jevtovic
 Paul Keglevic
 Lara Lee

Susan Mallory
 Brenda McCabe
 Linda Medler
 Richard Munro
 John Nendick
 John Paglia
 Paul Pearigen
 Kerry Philipovitch
 Janet Roemer
 David Rosenblum
 Carlo Sampson

Rick Sanborn
 Henry Sauvagnat
 Byron Scott
 Chris Selecky
 Erin Selleck
 Martha Spano
 Michael Splinter
 Larry Taylor
 Mike Tully
 Maya Yazdi
 Bob Zukis

KATHLEEN BROWN

Interview

By Lisa Quateman, Chapter Board Member and Marketing and Communications Committee Chair



“Be mindful of special skills for the roles you want — whether operational, financial, technology, etc. and the importance of gaining your colleagues’ trust.”

On September 21, 2021, as part of the chapter’s “Three Questions for Board Directors” LinkedIn series, I had the opportunity to interview one of our chapter’s most prominent members, Honorable Kathleen Brown. Ms. Brown is currently a partner at the law firm Manatt, Phelps & Phillips LLP. She is an active board director, serving as Lead Director for Stifel Financial Corp. (NYSE: SF), and on the Boards of Directors of Five Point Holdings, LLC (NYSE: FPH) and Sustainable Development Acquisition Corp. (NASDAQ: SDACU). She also is an Advisory Board Member for Meridiam Infrastructure North America. Previously Ms. Brown served as California’s elected State Treasurer, and as a senior executive with Goldman Sachs and Bank of America.

On the question of guidance for board directors who wish to move into leadership roles on their boards, Ms. Brown advised patience, and getting to know the company, its culture, the fellow directors, and, ideally, to find a mentor. And then, be mindful of special skills for the roles you want — whether operational, financial, technology, etc. and the importance of gaining your colleagues’ trust. Study the governance documents and committee charters so that you are familiar with their provisions and the goals of the company, and be mindful of the wishes of investors. Once you have taken those steps, express your interest in pursuing a leadership role.

Talking about how board directors can best support their companies through a seemingly endless pandemic, Ms. Brown discussed how leadership must be flexi-

ble, adaptable, and nimble, with a focus on health and wellness of employees, customers, and clients as the first priority. She observed that despite so many hardships, directors can nevertheless support management in seeking opportunities to expand, innovate, and grow.

Talking about the federal infrastructure legislation (which was still pending as of the date of the interview), as a former public official and public finance investment banker, Ms. Brown is encouraged to see bipartisan effort towards such a critical infrastructure investment, both to address aging infrastructure, but also to address emerging needs such as for broadband access and electric vehicle charging. She views this legislation as an important tool — an opportunity for the private sector to support the public sector, via public-private partnerships. Board members can help to identify and prioritize projects that will leverage public funds to have the greatest impact and benefit. Ms. Brown recommends that board directors pay special attention to the political and management hurdles in implementing public-private partnerships. She also advises to focus on lifecycle costs. Beyond the ribbon-cutting and groundbreaking ceremonies, be sure to factor in ongoing costs over the useful lives of infrastructure assets, and to heed the lessons of the current supply chain disruptions.

The NACD Pacific Southwest Chapter appreciates Kathleen Brown’s participation in our LinkedIn series and values her membership in our chapter. 📌



The CSR Initiative Update

“The goal of our chapter’s CSR Committee Initiative is to educate our young about the good works of our corporate governance professionals.”

The goal of our chapter’s CSR Committee Initiative is to educate our youth about the good works of our corporate governance professionals. We want young people to enter the workforce with a balanced and fair understanding of the private sector workplace. To that end, we seek to provide supplemental content to workforce readiness programs that are conducted by the hundreds of schools, workforce development organizations and youth job centers in our geographical footprint. Our educational content (i.e., videos, programs, and essays) about the economy, jobs market, corporate media and governance practices is provided at no charge to these educational organizations.

In August, the 2021 ESG Essay Challenge for students in the Pacific Southwest was completed. The first place winner was Hamza Aziz, a junior at Long Beach City College. His essay was on the sustainability work of Waste Management, Inc. The second place winner was Natalie Mendoza, a second-year student at LA Pierce College. Her essay was on the work being done by Honeywell. The third-place winner was David Franco, an employee at ITM Power. His essay was about their work with hydrogen energy fuels, addressing climate change. Each won cash prizes. In addition, Hamza has an eight-

week internship with our Pacific Southwest Chapter which ends in December 2021.

On December 1, 2021, we will host our second one-hour virtual workforce readiness program for hundreds of students. The program outline includes a short 8-minute video covering the basics of the economy, the jobs market, corporate media, and corporate governance. The video will be followed by a panel comprised of two seasoned corporate directors—Rafael Pastor and Karen Bogart—and two students. The students are the ESG Essay Challenge winners, Hamza Aziz and Vanessa Ramiez of Ascending Lights. The panel discussion will illuminate the content of the video. The program will end with 20 minutes of questions and answers from the student attendees.

Please view the CSR Committee website at www.nacdpswcsr.org. It has been updated with additional material. You are encouraged to support this initiative by:

- Volunteering to speak to our youth at various forums, and/or
- Making a financial donation so that we can continue to provide cash prizes to future challenge winners. Remember, our young students will soon become our employees, suppliers or colleagues. 

NEWS FROM OUR SPONSORS

Three steps that can help your endowment or foundation shine

Creating a legacy is one of the most satisfying roads we can take, whether it's in the form of running a successful business, providing for our loved ones or making a more personal contribution to the world. However, when we leverage some of that work for the general good, it carries an additional reward — a sense that we've made a mark that will benefit others, possibly for generations to come.

Maybe that's why so many successful people serve on the boards of nonprofits. Whether it's combating hunger, enriching culture or providing for the families of first responders, involvement in endowments and foundations provides a chance to directly promote worthy causes.

But despite the dizzying range of goals such organizations pursue, they all face the same fundamental question: How can we effectively fund our mission?

[Access full article](#)



KPMG Board Leadership Center: Boardroom climate competence – Getting ahead of the curve

The clamor for attention to climate change as a financial risk has become more urgent, and boards of all companies, irrespective of size or industry, need to take note. The urgency is driven by a confluence of factors, most visible of which are the accelerating physical impacts—manifested in increasingly frequent and severe floods, wildfires, rising sea levels, and droughts—as well as concern by many experts that the window for preventing more dire long-term consequences is rapidly closing. Investors are keenly interested in understanding whether boards have the knowledge and processes to oversee management's navigation of climate-associated financial risks and to provide informed, proactive guidance as stewards of long-term value.

Other stakeholders, including employees, customers, and communities, are voting with their wallets and their feet against companies they perceive as contributing to the problem. And spurred by increasing public demand, both U.S. and international regulatory bodies are working to drive change.

[Access full article](#)



How boards can help companies advance on the path to sustainability

With boards facing increased scrutiny from stakeholders regarding their oversight of company sustainability, directors are evolving their understanding and approach.

To ask better questions and help management weigh the options, boards are looking to others who are further along the path. Here we share insights we have gleaned over the course of nearly 20 years of EY sustainability efforts that may serve others and help accelerate meaningful progress and oversight.

In brief:

- Engaging multiple stakeholders, keeping focus on strategy and building confidence with a phased approach helped EY differentiate its sustainability journey.
- Elevating sustainability requires a multi-stakeholder materiality assessment be conducted.
- Directors should set the right tone at the top and ensure their management teams are prepared by asking these 8 next level questions.

[Access full article](#)

Visit the [EY Center for Board Matters](#) for more on current boardroom issues.



Activist Investors: Setting the Pace on ESG

This report follows up a similar study published by Diligent (formerly CGLytics, A Diligent Brand) in July 2020 and examines activities of activist investors and the characteristics of the companies they targeted in the first eight months of 2020.

In this report, Diligent Institute sought to learn more about the steps companies are taking to become better prepared for shareholder activism. The paper evaluates the number of companies that faced activism in 2020 and 2021, while attempting to draw the comparison between the two years. Our data suggests that activist investor momentum will continue throughout the rest of 2021 and into 2022. The paper also touches on some of the governance characteristics and fundamentals of targeted companies. Additionally, we undertook a case study of three oil companies that received extensive press, as they were the targets of successful activism campaigns in 2021. The goal of the case study provides instructive insights on how shareholder activism is evolving and how issuers can best prepare.

Methodology

To better understand current practices, we worked with the Diligent CGI research team to analyze the governance data of companies targeted by investor activists from January 1, 2020, through September 6, 2021. The data of 726 companies that engaged with investors was included in our sample.

For the purposes of this report, we looked at targeted companies' "governance fundamentals," which includes board diversity, director skill sets, executive compensation and company performance. The research focused solely on investor activism campaigns that were either successful, unsuccessful, settled and/or withdrawn. Any campaigns that were still ongoing as of September 6, 2021, were excluded from the study.

[Access full article](#)



Data Show Boards Are Taking Steps on Diversity, Equity, and Inclusion

We are in a state of evolution when it comes to tracking, reporting, and goal-setting for diversity, equity, and inclusion (DE&I) measures.

A recent Pearl Meyer On Point survey asked more than 400 directors and c-suite executives if and how they are tracking and reporting DE&I factors, and to what degree DE&I goals are reflected in executive incentive plans.

The survey clearly indicates that most companies are focused on tracking DE&I, which makes sense given that EEO-1 reporting was introduced in 1965 and includes total number of employees by gender and by race. As a result, companies have historically placed importance on "matching" the overall racial and gender demographics of the labor market. More than 92 percent of our survey respondents say they track overall diversity, as well as the diversity of their management teams and senior leadership.

However, what companies track is broadening in scope, as is what they do with that information. In addition to traditional lagging measures (95 percent of respondents track these), turnover rates (79%) or engagement (78%), which look at things that have already happened, more companies are beginning to follow "activity" measures. Examples include tracking new hires (77%) and promotions into management (52%) and top leadership (55%) ranks. These metrics can indicate what is happening currently within an organization so that action can be taken when situations are out of sync with strategic goals.

[Access full article](#)

Pearl Meyer



LinkedIn Interviews

Check out these recent interviews and [follow our chapter LinkedIn page](#) for future interviews and other great information

[Three Questions for David Rosenblum](#), Chair Emeritus of the NACD Pacific Southwest Chapter board (interviewed by Lisa Quateman, Director, Western Asset Mortgage Capital Corporation, Indiana Toll Road Concession Company, Scherzer International, and NACD Pacific Southwest Chapter).

[Three Questions for Jeff Hoffman](#), Founding Leader of the Institute for Corporate Citizenship & Philanthropy, ESG Center - The Conference Board (interviewed by Mary J. Machado Schammel, CEO of M&A Advisory Firm Venture Advisors Business Sales and Acquisitions).

[Three Questions for Rafael Pastor](#), who is a member of various for-profit and not-for-profit Boards of Directors (interviewed by Jennifer Povlitz, Division Director for UBS Wealth Management).

[Three Questions for Dick Poladian](#), EVP and COO of Lowe Enterprises Real Estate Group, Inc. (retired) and Board Director - Lowe, Occidental, Public Storage, Western Asset Management (interviewed by Moira Conlon, Founder and President of Financial Profiles, Inc., a strategic communications firm).

[Three Questions for Jeff Sakaguchi](#), Lead Independent Director for TrueBlue Inc., and Independent Director for Eccentex and ThinkIQ (interviewed by Brenda McCabe, Independent Director for Versatope Therapeutics, and NACD Governance Fellow).

[Three Questions for Margie Traylor](#), CEO of Audacious Studios (interviewed by Christobel Selecky, Corporate Board Member and Board Chair).

[Three Questions for Rose McKinney-James](#), Chair/Corporate Social Responsibility for MGM Resorts International, Independent Director for CLEARresult, and Independent Director for Loneer and Toyota Financial Savings Bank (interviewed by Fay Feeny, NACD PSW Board Emeritus, and NACD Board Governance Fellow).

[Three Questions for George Ball](#), Chief Financial Officer for Parsons and board director for Cornerstone Building Brands (interviewed by Lisa Quateman, Chapter Board Member and Chair, Marketing and Communications Committee, NACD Pacific Southwest Chapter).

[Three Questions for Jannies Burlingame, CPA, CRMA](#), Director of Risk Assurance for Blythe Global Advisors and President of IIA Los Angeles (interviewed by Lester Sussman, Director of East West Bancorp, Braille Institute and Board Member of NACD Pacific Southwest Chapter. Lester Sussman is also a retired Deloitte partner and Governance, Risk and Compliance practice leader at RGP).

[Three Questions for Christobel Selecky](#), Corporate Board Member (interviewed by Brenda McCabe, Independent Director for Versatope Therapeutics).

[Three Questions for Larry Taylor, PhD.](#), Chairman of the NACD Pacific Southwest Chapter (interviewed by Karen Smith Bogart, Director, Mohawk Industries and Michelman, Inc, Fielding Graduate University, and NACD Pacific Southwest Chapter).

[Three Questions for Susan Thronson](#), Independent Director of Trulieve (interviewed by Bob Zukis, CEO of Digital Directors Network and USC Marshall Adjunct Professor).

[Three Questions for Lorraine Segil](#), Chair & CEO of The Exceptional Women Awardees Foundation, Board Director of Calprivate, Chair of Nom, Gov & Comp, Board Emerita NACD Pacific Southwest Chapter (interviewed by Christobel Selecky, Corporate Board Member).

[Three Questions for Richard Munro](#), President of the NACD Pacific Southwest Chapter, Independent Director, UST, LLC (interviewed by Christine Scheuneman, Director, Farmers and Merchants Bank of Long Beach, Advisor, Simpluris, Inc., and Director, NACD Pacific Southwest Chapter).

[Three Questions for Christie K. Chu](#), Treasurer of the NACD Pacific Southwest Chapter, President of CKG Accountancy Corp, and Board Member, Compensation Committee Chair of Hanmi Bank (interviewed by Brenda McCabe, Board Director of Versatope Therapeutics, and Zimbali Networks).

The NACD Pacific Southwest Chapter

Ambassador Program

Submitted by Christine Scheuneman, Ambassador Program Chair

Ambassadors are nominated from the NACD membership by the chapter board members to participate in the Chapter Ambassador Program. The objective of the program is to engage more NACD members in chapter leadership activities and obtain quality volunteer assistance to our board committees. The Ambassadors are recognized as valuable resources to the chapter.

These board committees are assisted by Ambassadors:

- Member Engagement
- Programs
- Marketing/Communications
- Corporate Social Responsibility
- Sponsorship

In addition, ambassadors can elect to support the chapter advisory boards (organized in various regional areas).

The benefits of Ambassador Program participation include:

- Acknowledgment at chapter events and in chapter newsletter
- Discounts at select chapter events
- Invitations to select chapter private receptions
- Increased networking opportunities
- Visibility as a contributor to our governance community

2021-2022 Ambassadors

Jannies Burlingame
Vicky Carlson
Latonia Coleman
Anne DeClouette

John Hotta
Ramsey Jay, Jr.
Mary Machado-Schammel

Brenda McCabe
Linda Peterson
Jennifer Povlitz

Christobel Selecky
Susan Thronson
Tabassum Zalotrawla



LinkedIn Interviews *Continued...*

Check out these recent interviews and [follow our chapter LinkedIn page](#) for future interviews and other great information.

[Three Questions for Lester Sussman](#), Director of East West Bancorp, Braille Institute and Board Member of NACD Pacific Southwest Chapter. Lester Sussman is also a retired Deloitte partner and Governance, Risk and Compliance practice leader at RGP. Lester Sussman was interviewed by Jennifer Povlitz, CFA, Division Director for UBS Wealth Management.

[Three Questions for Hoshi Printer](#), Independent Director of Lantronix Inc. (interviewed by Susan Thronson (she/hers) Independent Director of Trulieve).

[Three Questions for Karen Smith Bogart](#), Director, Mohawk Industries and Michelman, Inc, Fielding Graduate University, and NACD Pacific Southwest Chapter (interviewed by Hoshi Printer, Independent Director of Lantronix Inc.).

[Three Questions for Kathleen Brown](#), Partner, Manatt, Phelps & Phillips (interviewed by Lisa Quateman, Director, Western Asset Mortgage Capital Corporation, Indiana Toll Road Concession Company, Scherzer International, and NACD Pacific Southwest Chapter).

[Three Questions for Bob Zukis](#), CEO of Digital Directors Network and USC Marshall Adjunct Professor (interviewed by Brenda McCabe, MBA, NACD DC, NACD (National Association of Corporate Directors) Board Certified, Board Director of Versatope Therapeutics, and Zimbali Networks).

NACD PSW Southern California Region Advisory Board

The NACD PSW Southern California Region Advisory Board last met on August 2nd. This Board meets quarterly to discuss chapter committee initiatives related to chapter programming, member engagement, marketing, and CSR. Advisory Board members provide invaluable advice and insights regarding needs and resources both during and outside our meetings. They also actively invite corporate directors to join our programming and our chapter.

Southern California Region Advisory Board Members

George Ball	Paul Hudson	Glenn Richards
Karen Bogart	Bala Iyer	David Rosenblum
Ed Bryant	Mike LeRoy	Lorraine Segil
Vicky Carlson	Amy Lunzer	Erin Selleck
Hilda Echeverria	Kristen McCarthy	Sung Sohn
Mike Esser	Ed Merino	Larry Taylor
Rudy Estrada	Richard Munro	Wendy Webb
Fay Feeney	Rafael Pastor	Dan Wetzel
David Hill	Dick Poladian	Bob Zukis

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NACD PSW Arizona Region

Advisory Board

The NACD PSW Arizona Region Advisory Board is restarting and welcoming new members under the co-leadership of Dr. Jacque Sokolov and Lawrence Taylor. The advisory board plans to meet in January 2022 to discuss regional objectives which align with the NACD Pacific Southwest Chapter. Future meetings of the Arizona Advisory Board, after the January 2022 meeting, will be planned quarterly. If you are an NACD member living in Arizona and would like to contribute your ideas for future director education programs, and provide feedback to improve the NACD Pacific Southwest chapter, please email Anne Ettley at anne@nacdspw.org. We welcome your participation and input.

NACD PSW Nevada Region

Advisory Board

The members of the NACD PSW Nevada Region Advisory Board, co-chaired by Mike Gillmore and Rose McKinney-James, convened in August to discuss planning for the next few quarters. Based on data gathered by the Member Engagement Committee, the Board sees an opportunity to identify potential new members. The Board is focused on expanding the current membership and increasing participation in NACD sponsored activities. The planning also includes an effort to revamp and refresh the popular Women on Boards event as well as increased emphasis on activities in Northern Nevada. This signature event has provided the Nevada Board with a foundation for programming to date. Discussions and planning will continue with a goal of establishing sub committees taking responsibility for execution.

Pacific Southwest Nevada Region Advisory Board Members

Fred Clayton

Latonia Coleman

Dennis Cuneo

Anne DeClouette

Bob Eash

Hilda Echeverria

Mike Esser

Mike Gillmore

Valerie Glenn

Edie Hofmeister

Kevin Karo

Rose McKinney-James

Maureen Mullarkey-Miller

Pat Mulroy

Richard Munro

Julie Murray

Dave Rosenblum

Jeff Spivack

Larry Taylor

FULL-BOARD MEMBER COMPANIES



- | | | |
|-----------------------------------|--|--|
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| AECOM | Encore Capital Group Inc | Pacific Life Insurance Co. |
| Aerojet Rocketdyne Holdings, Inc. | Everi Holdings Inc. | Pacific Mercantile Bancorp |
| Alteryx, Inc. | Footprint International HoldCo, Inc. | Pacific Premier Bancorp Inc. |
| AMERCO | Freeport-McMoRan Inc. | Pinnacle West Capital Corp. |
| American Business Bank | General Finance Corporation | PS Business Parks |
| Amgen Inc. | Glaukos Corporation | Public Storage |
| Amkor Technology, Inc. | Halozyme Therapeutics Inc. | Republic Services Inc. |
| Amphastar Pharmaceuticals Inc. | Hanmi Financial Corporation | ResMed, Inc. |
| Arena Pharmaceuticals, Inc. | Healthcare Trust of America | Rincon Research Corporation |
| Avnet, Inc. | Healthpeak Properties, Inc. | SCAN Health Plan |
| Axon Enterprise, Inc. | Herbalife Nutrition Ltd. | SeaSpine Holdings Corporation |
| Banc of California Inc | Hudson Pacific Properties Inc. | Sempra Energy |
| Benchmark Electronics, Inc. | ICANN (Internet Corporation for Assigned
Names and Numbers) | Southwest Behavioral & Health Services |
| Beyond Meat, Inc. | Insight Enterprises Inc. | Spectrum Pharmaceuticals Inc. |
| Boot Barn Holdings Inc | Jack In The Box Inc. | Sprouts Farmers Market Inc. |
| Cable One, Inc. | Kaiser Aluminum Corporation | STAAR Surgical Company |
| CalAmp Corp. | Las Vegas Sands Corp. | Steadfast Apartment REIT Inc. |
| CalOptima | Limelight Networks, Inc. | Switch, Inc. |
| Capstone Turbine Corporation | LPL Financial Holdings Inc. | Taylor Morrison Home Corporation |
| CarParts.com, Inc | Mercury General Corp | Teledyne Technologies Incorporated |
| CO-OP Financial Services Inc | MGM Resorts International | Teradata Corp |
| CopperPoint Insurance Company | Mitek Systems, Inc. | TPI Composites, Inc. |
| Cubic Corporation | Mobile Mini Inc. | Traverse Therapeutics, Inc. |
| Dare Bioscience, Inc. | Molina Healthcare, Inc. | TrueCar Inc. |
| Delta Dental of Arizona | Motorcar Parts of America, Inc | TTM Technologies, Inc. |
| District Medical Group, Inc. | NACD Pacific Southwest Chapter | USAA Savings Bank (USB) |
| East West Bancorp Inc | Neurocrine Biosciences, Inc. | Western Alliance Bancorporation |
| Edwards Lifesciences Corp. | NextGen Healthcare Inc | Western Asset Mortgage Capital Corp. |
| El Pollo Loco Holdings, Inc. | ON Semiconductor Corporation | Wynn Resorts, Limited |
| Emmaus Life Sciences, Inc. | | Xencor, Inc. |

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Maria Contreras-Sweet



Rafael Pastor



Rose Mckinney-James



Warren Phelps

Interview with Al Osborne



Lifetime Achievement Award Winner

Richard Munro, the NACD Pacific Southwest Chapter President, recently interviewed **Alfred (Al) Osborne**, recipient of the annual NACD B. Kenneth West Lifetime Achievement Award. This award recognizes a director whose distinguished boardroom service throughout their career best exemplifies the characteristics modeled by the former NACD CEO for whom the award is named. Honorees are recognized for their dedication to effective leadership, the improve-

ment of corporate governance, and the demonstrable impact they have had in their communities and throughout their boardroom service to public, private, or nonprofit entities.

Please click on the graphic above to view the interview, where the following questions were asked of Mr. Osborne.

1. How long have you been serving on boards? What was your first board seat and how did you get it? How many boards do you currently sit on?
2. Over the period of time you have been an active Director, what are a couple of the major changes in corporate governance and expectations of directors that you have observed, and how has your membership of NACD supported your success as a director?
3. If you had to give one piece of advice to an aspiring board director or one looking for their next board seat, what would that be?

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– **DAVID HILL,**
*Partner, West Region SEC Practice
Leader RSM US LLP*



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Kristen McCarthy, Managing Partner, Assurance / kmccarthy@bdo.com

Kevin Karo, West Regional Managing Partner, Assurance / kkaro@bdo.com

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The Changing Nature of Compensation



Peter Lupo, senior managing director at Pearl Meyer and head of the firm's Atlantic Region, offers his perspectives on the changing nature of compensation.

Q: As we look to 2022, what trends are taking shape that compensation committees should be aware of?

Pete Lupo: It all comes down to some pretty significant changes emerging in how executives get paid. We don't yet know what the long-term results will be in terms of pay practices, but I believe many corporations are sensing they need to go head to head with private equity firms, which administrate equity very differently. They may give a sizable chunk of equity on day one and although the executive may not realize value for five to seven years, it is an equity award with significant potential value exceeding typical public company practices. This trend also goes beyond the CEO. There are overall concerns about retaining executives through substantially more aggressive pay practices, and can the economics of the business support elevated equity grants? This is a hot topic I don't see abating anytime soon.

Q: Is this also being influenced by the tech industry?

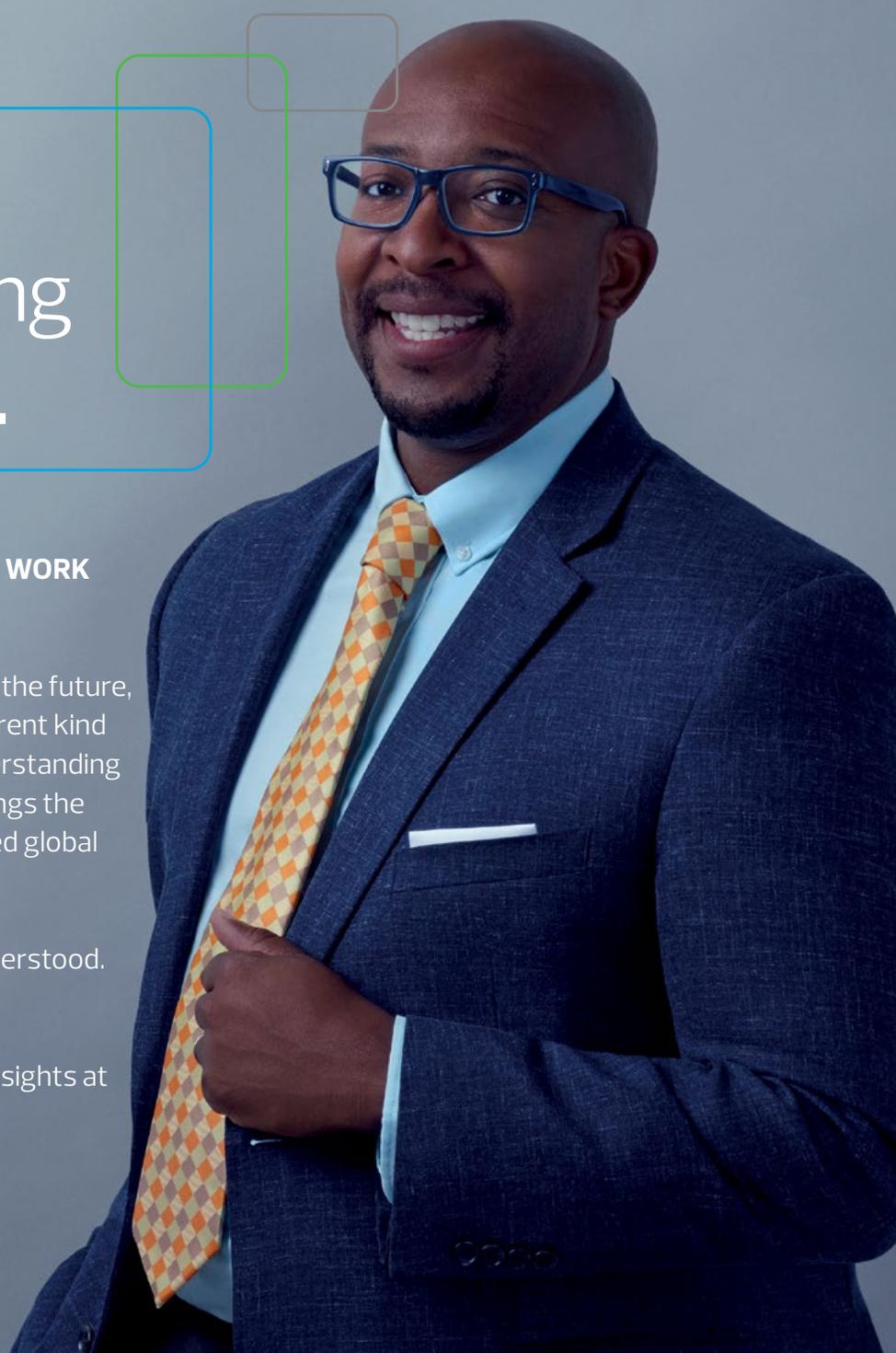
Pete Lupo: I am seeing many companies work hard to make transformative changes, particularly related to their technology. We know tech pay practices, even for public companies, can be heavily weighted to equity even for junior positions. For example, there may be smaller bonus opportunities, with all employees eligible for equity grants. For this reason, more traditional industries are having a very hard time understanding how to create a company-wide pay philosophy when technology pay practices vary so much from the mainstream. Do organizations that acquire technology companies need to create bifurcated pay philosophies?

Q: How are directors successfully dealing with these emerging issues?

Pete Lupo: These changes and challenges I'm describing are so new that, frankly, we're in uncharted territory. I foresee compensation and human capital committees having to partner much more closely with the senior HR executives to arrive at solutions unique to each company.

Ultimately, we come back to our recurring advice to each and every client: spend sufficient time to deliberate and truly understand if the design of the compensation plan is aligned with the long-term, evolutionary business and leadership strategies of the organization.

"There are overall concerns about retaining executives through substantially more aggressive pay practices."



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