

## Dear All,

It's hard to believe the holidays are around the corner, but what an exciting time for our great city of Houston once again as the Astros compete for their second World Series title! We had a rough start but are now in the lead, just one win away from the championship! This is baseball at its best. And champions or not, we are proud of our team. Go Astros!

In this month's L-Blast, we have some great articles to share with you all. The first piece is a timely L&A article focusing on director compensation programs. As many companies are entering the time of year to review director pay plans, we thought it would be appropriate to share our insights, trends and considerations on the topic.

The second piece is a great article highlighting today's key issues in regards to corporate governance. It provides a very thorough discussion covering a multitude of topical corporate governance issues, and we hope it aids our community of corporate directors navigating such challenges in real time.

The final article is an interesting piece that dives into a recent proposal by Senator Bernie Sanders to regulate executive compensation, the "Income Inequality Tax Plan." The proposal focuses on the idea that the government should raise taxes on companies with "exorbitant" pay gaps between executives and median workers. Enjoy the author's views on why previous plans have not worked and why this one will likely not work either.

As always, let us know if there is a particular subject you'd like to learn more about or if you have any questions about the topics touched in this L-Blast.

Sincerely,



Brent Longnecker and the L&A Team  
Chairman and CEO  
Longnecker & Associates



## The Discussion on Director Pay

Not to be left out of the transformative world we are living in today, corporate governance norms, board compositions, and board compensation are undergoing material change. As many companies are entering the time of year where they review their director pay programs, we thought it timely to touch on this topic, review some trends taking hold and put forth some thoughts to consider. In an homage to the fast approaching election season – can you imagine this topic being addressed on the political debate stage?!

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## A Guide to the Big Ideas and Debates in Corporate Governance

Corporate governance has become a topic of broad public interest as the power of institutional investors has increased and the impact of corporations on society has grown. Yet ideas about how corporations should be governed vary widely. People disagree, for example, on such basic matters as the purpose of the corporation, the role of corporate boards of directors, the rights of shareholders, and the proper way to measure corporate performance. The issue of whose interests should be considered in corporate decision making is particularly contentious, with some authorities giving primacy to shareholders' interest in maximizing their financial returns...

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## Using Taxes To Cap Executive Compensation Doesn't Work

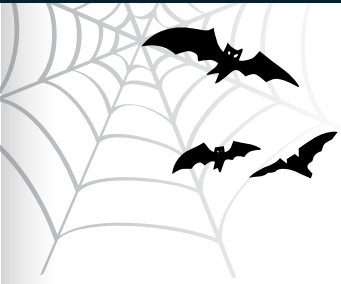
This week, Democratic presidential hopeful Bernie Sanders proposed raising the tax rates for large corporations where there are "exorbitant" pay gaps between top executives and rank-and-file workers. It is just the latest of many recent attempts to use the tax code to limit executive compensation. And, if past experience is any guide, it won't work as Sanders hopes.

His "Income Inequality Tax Plan," would raise corporate tax rates by 0.5 percentage points for firms where the highest-paid executive made 50-times median worker pay, gradually increasing to 5 percentage points where the gap is 500 times.

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## A little trivia...

### Did you know?



#### WHAT IS THE REAL MEANING OF HALLOWEEN?

The word itself means "hallowed evening," and was previously known to early European celebrators as All Hallows' Eve. All Hallows' Eve and All Saints' Day (November 1) both paid homage to saints ("hallows"= saints). Hundreds of years ago, people dressed up as saints and went door to door, which is the origin of Halloween costumes and trick-or-treating.



## JOIN US AT UPCOMING EVENTS

**NACD Houston Breakfast - Investor Prospective - Straight Talk From Leading Proxy Voters**

**Friday, November 8, 2019  
7:00 a.m. – 9:00 a.m.**

Junior League of Houston  
1811 Briar Oaks  
Houston, TX 77057

Hear from governance expert Sarah Teslik and panelists as they discuss the increasing role Environmental, Social and Governance ("ESG") risks are playing in investor decisions, along with insights, perspective of what matters most, and some colorful do's and don'ts based on real life examples.

[REGISTER](#)

**NACD Austin Luncheon - #MeToo: A Board Perspective**

**Thursday, November 14  
11:00 a.m. – 1:00 p.m.**

The Junior League of Austin  
5330 Bluffstone Lane  
Austin, TX 78759

Join us for a discussion on the issues and consequences the #MeToo movement has had on corporate governance across industries and learn what the board's role and responsibilities should be in the face of a MeToo revelation.

[REGISTER](#)

**HR Virtual Summit**

**Thursday, November 14  
10:00 a.m. – 4:00 p.m.**

Join the largest virtual conference dedicated to uplifting the HR industry, featuring sessions from over 60 industry experts. Virtual presentations packed with the best tools and insights you can enjoy from the comfort of your own office! Registration is FREE!

Don't miss our own Brent Longnecker and his presentation highlighting the many competing demands on today's HR team that are forging a new evolution in total rewards.

[REGISTER](#)

## Let's Work Together

We know what it takes to attract, retain and motivate key talent. Contact us to develop a plan that works for your business.

[GET IN TOUCH](#)

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Restructuring Services

## Get to Know Us

### Chanel Wilson

MARKETING COORDINATOR

**How long have you been with L&A?** 9 years

**Children (names and ages):** Memphis (5) and Murphy (5 months)

**What is the last movie you saw in a theater?** Rambo: Last Blood

**If you could have dinner with someone famous who would it be?** Michael Jordan

**Favorite Song:** Rescue by Lauren Daigle

**Favorite Movie:** Gladiator

**Favorite Book:** The Screwtape Letters by C. S. Lewis

