

## Dear All,

We hope you and your loved ones are staying safe and in good spirits as we continue to endure the effects of the pandemic and the unrest our country is experiencing. Our L&A offices continue to function remotely as we work out plans to return to work safely. Serving our clients with the same level of commitment and quality remains a priority, and more so in times like these.

In this month's L-Blast we keep our focus around the topic of bankruptcy compensation in our original article as we see more and more household names filing as a result of the current economic downturn. In this piece we address issues concerning pre-petition retention awards that are aimed at keeping executives focused and motivated throughout the bankruptcy process to ensure a successful emergence.

The next article provides an in-depth review of the changes in executive compensation and benefits that are occurring among non-profit organizations, as well as the key governance issues for compensation committees as a result of these changes.

The final article is an interesting piece on Wells Fargo's commitment to improving diversity and specifically, adding more black leaders to its senior management team. As many corporations vow to denounce racism, Wells Fargo takes it a step further by tying these goals to executive pay packages.

We hope we are all able to return to work soon and children can start the new school year safely. Don't hesitate to reach out to us if you have concerns about your compensation programs, or if a restructuring is imminent in your organization, we are here to help. Continue to stay safe and remain optimistic.

Sincerely,



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



## Pre-Petition Retention Awards: Important Tools or Excuses for Excessive Compensation?

The concept of excessive executive compensation is a seemingly frequent topic that garners significant reaction regardless of personal viewpoints. The essence of the topic is intended to elicit a moral response, asking us to question fairness in the context of our own situations. Everyone seeks what is fair (not to be confused with equal) believing that a correlation between individual performance and realized income should be an ever-present compensation characteristic. But what happens when a company is failing or on the edge/moving toward bankruptcy?

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## Reassessing Executive Compensation and Benefits in Tax-Exempt Organizations As the COVID-19 Crisis Deepens

Hospitals, health systems and other tax-exempt organizations are responding to a longer and deeper economic crisis by making or considering significant changes to their executive compensation and executive benefit programs. The economic crisis, and these executive compensation and benefit changes, have far-reaching implications for the ongoing work of the board's compensation committee. We want to provide this review of what we see happening "on the ground" as the crisis continues.

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## Wells Fargo Ties Senior Executive Pay to Improving Diversity

Wells Fargo CEO Charlie Scharf, who vowed last month to do more to improve diversity within the firm's ranks, is tying executives' pay to their progress in doing so.

Members of the lender's operating committee will be evaluated annually on how much they have increased representation and inclusion of diverse employees in the operations they oversee and it will have an impact on their pay packages set at year-end, Scharf told staff in a memo Tuesday.

Scharf rolled out goals including doubling black leaders at the firm — currently 6% of senior management — within the next five years, and creating a new diversity and inclusion position reporting directly to the CEO.

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## Bankruptcy and Restructuring Assistance

We know many organizations are facing financial turmoil and as a result may need to restructure or file for bankruptcy. L&A is a leader in this space and is here to offer support and professional guidance through this process. In addition, we develop post-emergence plans and full compensation programs aimed at retaining and motivating the team to rebuild and generate significant shareholder value. Learn more about our restructuring capabilities, or contact us if you are ready to get started.

[LEARN MORE](#)

[GET STARTED](#)

281.378.1350

## VIRTUAL EVENTS

(Events listed are in central standard time)

[WorldatWork 2020 Total Resilience Virtual Conference and Exhibition](#)

Every Wednesday through September 2  
10:00 a.m. – 1:00 p.m.

A virtual interactive learning extravaganza designed to help HR and Total Rewards pros build total resilience in today's challenging environment. Top experts will share best practices and solutions for the new workplace/workforce normal.

[REGISTER](#)

[SHRM Webcast- The Future of the Workplace: How 2020 Will Forever Change Employees and Operations](#)

Available through October

What can we expect to see long-term in the American workforce? How do employees' finances and well-being affect the bottom line? What can HR professionals do to help? In this webcast, these questions are answered and other key topics are addressed.

[REGISTER](#)

[NACD Virtual Event- Healthcare Board Governance and COVID-19](#)

Thursday, August 20  
4:30 p.m. – 5:45 p.m.

A special interactive discussion and Q&A for healthcare board members as they prepare to make critical decisions forced by the current pandemic. See what industry thought leaders have to say and also learn more about what other healthcare system boards are doing.

[REGISTER](#)

## Let's Work Together

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

281.378.1350

[GET IN TOUCH](#)

Compensation Services  
Incentive Plan Design  
Litigation Support  
Strategic & Governance Advisory  
Restructuring Services

## Get to Know Us

**Sidney Diec**  
CONSULTANT

**Hometown:** Wichita, KS

**If you could have dinner with someone famous (dead or alive) who would it be?** James Corden and maybe we could swap dinner for carpool karaoke?

**Favorite Food:** Authentic Chinese food, which is basically anything my dad makes!

**Favorite Sports Team:** Kansas City Chiefs

**What is the last movie you saw in a theater?**

This is definitely something that feels like a thing of the past but I think Ant Man...in 2015

