

# "USING EQUITY COMPENSATION AS AN EFFECTIVE BUSINESS STRATEGY"

TUESDAY, JUNE 28, 1994  
SHERATON TORREY PINES GRANDE

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Equity compensation is emerging as a leading business strategy for companies — large and small, public and private — looking to remain competitive. Using equity compensation, companies can achieve many important business objectives, while at the same time put stock in the hands of those who can fuel the company's growth and success: the employees. Using these tools, companies can motivate and retain top performers, borrow capital on a tax-advantaged basis, create an "ownership culture," tie rewards to performance, and provide liquidity with tax deferrals for major shareholders.

## AGENDA

7:30 A.M. - 8:00 A.M.  
Continental Breakfast

8:00 A.M. - 8:45 A.M.

**Welcome:** Ronald Bernstein, F.E.D., William Otterson, CONNECT

**Opening Address:**

**"Equity Compensation As An Effective Business Strategy"**

Dr. J. Robert Beyster, President, F.E.D., Chairman & CEO, SAIC

• CONCURRENT BREAKOUT SESSIONS - 9:00 A.M. - 12:30 P.M. •

9:00 A.M. - 10:00 A.M.

### Rewarding Performance Thru Stock Awards & Deferred Compensation Techniques

William A. Allen, Partner, Price Waterhouse  
Anne Maharry, Director of Stock Programs, SAIC

• With the new tax laws and other factors, many companies are looking to replace option programs with stock issuances or bonus plans. Explore how these plans can be tailored to reward employees for meeting specific performance objectives.

### Creative Uses of Stock Options

Edward Burmeister, Partner, Baker & McKenzie  
Daniel Sullivan, Ph.D., Vice President, Human Resources, QUALCOMM Incorporated

• Stock options are one of the easiest and most flexible equity compensation methods. Learn how companies are using nonqualified and incentive stock option programs creatively to recruit top performers and incentivize employees to achieve specific business objectives.

10:15 A.M. - 11:15 A.M.

### Creating An Ownership Culture

Matt Ward, Executive Compensation Consultant,  
The Wyatt Company  
Macyl Burke, President, The AdGap Group

• For employees to truly act like owners, an equity stake must be coupled with information allowing them to provide meaningful input. This session offers examples of how companies are providing meaningful involvement.

### The Many Uses of ESOPs

Marc Schechter, Partner, Hinchy Witte Wood  
Anderson & Hodges  
Richard B. Gulley, Vice Chairman, Robert F.  
Driver Company

• ESOPs can be used to meet many corporate objectives, from financing growth to providing an exit strategy for the principal owner of private companies, while at the same time motivating employees through ownership. This session will describe the various benefits of ESOPs, including 1042 transactions.

11:30 A.M. - 12:30 P.M.

### Critical Considerations in Designing Equity Plans

Scott Adelson, Senior Vice President,  
Houlihan Lokey Howard & Zukin  
Penny Howe Gallo, Partner, Gray Cary  
Ware & Freidenrich

• Before establishing any equity plan, a company must consider numerous critical issues, including dilution of ownership & control, stock valuation, stock restrictions and securities registration. This session reviews these issues, highlighting the most common pitfalls companies should be aware of.

### Exploring Broad-Based Ownership Methods

Garth Gartrell, Partner, Pillsbury Madison  
& Sutro  
Scott Peterson, Controller, Pyxis

• This session focuses on non-ESOP methods for involving employees in company ownership. Such methods could include payroll withholding stock purchase plans, 401(K) plans and broad-based stock options.

12:30 P.M. - 2:00 P.M.

### Lunch & Keynote Address

**"Fostering Innovation and Creativity In The Workplace"**

T George Harris

A consultant to industry on innovation and creativity, T George Harris is currently working on an oral biography of Peter Drucker. He was one of the first editors of *Psychology Today*, as well as founding editor of *American Health Magazine* and editor of *The Harvard Business Review*. In addition, he has conducted extensive research on employee ownership.

### Registration Form

       *Yes*, register me for the Equity Compensation conference in San Diego on Tuesday, June 28, 1994

\$115	Registration Fee
	F.E.D. Contributors & CONNECT Members Deduct \$20
	Registration Fee Enclosed

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

ADDITIONAL ATTENDEE \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

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**THE FOUNDATION FOR ENTERPRISE DEVELOPMENT (F.E.D.)** fosters the development of highly productive, competitive enterprises worldwide based on the premise that sharing company ownership and meaningful involvement with employees is a fair and effective means of motivating the workforce and achieving many business objectives. Their activities focus on providing practical information and assistance to help companies implement equity-based compensation and strategies for involving employees in improving business operations.

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**CONNECT** is the UCSD Program in Technology and Entrepreneurship, which is dedicated to assisting high-tech entrepreneurs in San Diego and fostering better relationships between the University and local industry. Currently eight years old, **CONNECT** is entirely self-supporting, funded by membership dues from local high-tech companies and the professional service firms that support them, course fees, and underwriting to support special programs and projects.

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