

Boulder-area CEOs' compensation in-depth

Daily Camera staff
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Name: James Q. Crowe

Age: 59

Company: Level 3 Communications Inc. (Nasdaq: LVLT) is a Broomfield-based company that offers network and Internet services.

Title and years in current position: CEO (since August 1997) and director (since June 1993)

Previous experience: President, Level 3, March 2008 to December 2008 and from October 1997 to July 2000; president and CEO, MFS Communications Company Inc., June 1993 to June 1997; chairman, WorldCom Inc., January 1997 to July 1997; chairman, MFS, 1992 to 1996.

2008 pay: \$5.2 million

Company's 2008 fiscal performance and actions: \$290 million net loss on revenue of \$4.3 billion.

Kevin O'Hara, a co-founder of Level 3 resigned. Separately, Level 3 provided its services to the Democratic National Convention, reduced its debt and net loss, and announced it would cut 8 percent of its work force because of "economic pressures, a changing business mix and a more streamlined organizational structure."

Notes on executive's 2008 pay: Crowe did not exercise any options in 2008. As of March 14, 2009, (Level 3's proxy statement was filed April 3, 2009), Crowe owned 7,883,786 shares, or less than 1 percent, of Level 3's common stock. The compensation committee noted that 2008 was a "significant year" in terms of operational improvements, financial achievements and the level of free cash flow. The committee said it felt that Crowe and the other executive officers should be compensated accordingly.

Crowe also has access to Level 3's aircraft for business and personal use. Under the time-share agreement, Level 3 received \$179,993 from Crowe for his personal use. The rate used for the first seven months of 2008 was \$1,500 per hour and the rate for the final five months was \$2,000 per hour. Level 3 does not provide pension arrangements, post-retirement health coverage or similar benefits to its executive officers.

2007 pay: \$6.5 million

Company's 2007 fiscal performance and actions: \$1.1 billion net loss on revenue of \$4.3 billion.

Level 3 sold its advertising distribution business and continued with the integration of the six companies it acquired in 2006. Crowe took a couple-week medical leave because of the operation on a tumor in his pituitary gland. The tumor was determined to be benign.

Notes on executive's 2007 pay: Crowe did not exercise any options in 2007. As of March 14, 2008 (Level 3's proxy statement was filed on April 4, 2008), Crowe owned 8,093,724, or less than 1 percent, of Level 3's common stock. No bonuses were awarded to Crowe or the other executive officers in 2007 because of financial performance. Crowe also has access to Level 3's aircraft for business and personal use. Under the time-share agreement, Level 3 received \$257,357 from Crowe for his personal use. The 2007 rate was \$1,500 per hour. Level 3 does not provide pension arrangements, post-retirement health coverage or similar benefits to its executive officers.

CEO's philanthropic endeavors: Level 3 does not disclose philanthropic contributions by its executives. Level 3, a spokeswoman said, has a deep tradition of volunteerism and community service. The company's employees have built homes for Habitat for Humanity, collected food for Food Bank of the Rockies and volunteered for the Foothills United Way Day of Caring, and have participated in many similar activities across the country.

Name: R. David Hoover

Age: 63

Company: Ball Corp. (NYSE: BLL), a Broomfield-based supplier of metal and plastic packaging to the beverage, food and household products industries worldwide and is a developer of spacecraft, sensors and instruments, radio frequency systems and other technologies for the civil, commercial and national security aerospace markets.

Title and years in current position: President and CEO (since January 2001) and chairman (since April 2002)

Previous experience: Vice chairman, president and chief operating office, Ball, April 2000 to January 2001; vice chairman, president and CFO, Ball, January 2000 to April 2000; vice chairman and CFO, Ball, 1998 to 2000; executive vice president and CFO, Ball, 1997 to 1998; executive vice president, CFO and treasurer, Ball, 1996 to 1997; director, Ball, 1996 to current. Hoover's been with Ball in various capacities since 1970.

2008 pay: \$4.9 million

Company's 2008 fiscal performance and actions: \$319.5 million net income on revenue of \$7.6 billion.

Ball, which won some NASA contracts and launched innovations such as the wide-mouth vented can, closed three metal beverage packaging plants to balance the company's capacity with market changes. Ball reduced its headcount in its aerospace sector because of a slowdown in new contract awards.

Notes on executive's 2008 pay: Hoover did not exercise any options in 2008. As of March 2, 2009 (Ball's proxy statement was filed March 13, 2009), Hoover owned 1,671,032 shares, or 1.8 percent, of Ball common stock. Hoover's share of non-cash, and more variable, elements of compensation grew to 86 percent.

2007 pay: \$5.2 million

Company's 2007 fiscal performance and actions: \$281.3 million net income on revenue of \$7.5 billion.

Ball undertook consolidation efforts, such as the closing of its aerosol can production plants. Ball said its aerospace and technologies segment had an "outstanding" year and noted the company's involvement with the construction of WorldView-2, the next-generation imagery satellite from Longmont-based DigitalGlobe.

Notes on executive's 2007 pay: Hoover earned nearly \$1.5 million from exercising stock options. As of March 3, 2008, Hoover owned 1,486,630 shares, or 1.5 percent, of Ball's common stock. Eighty-five percent of Hoover's compensation was not cash-based.

CEO's philanthropic endeavors: Hoover is a supporter of education through active involvement with his alma maters DePauw University and Indiana University, and through his philanthropic support of the University of Colorado, the Impact on Education community partnership for Boulder Valley Public Schools, DePauw and IU. Other financial support includes Boulder Community Hospital, where he's also a board member; Community Foundation, of which he was a former board member; United Way and a variety of community organizations such as the Emergency Family Assistance Association, I Have a Dream, Community Food Share and Special Transit, among others. Hoover also championed Ball's employee volunteer program, which has resulted in thousands of volunteer hours by company employees in local communities.

Name: Ronald R. Snyder

Age: 52

Company: Crocs Inc. (Nasdaq: CROX), a Niwot-based maker of footwear for men, women, and children under the Crocs brand. The company designs and sells a range of footwear, apparel, gear, and accessories that utilize its proprietary closed cell-resin, called Croslite.

Title and years in current position: Director (since June 2004) and former CEO (served as CEO from January 2005 to March 2009, when he resigned).

Previous experience: President, Crocs, June 2004 to March 2009; consultant, Crocs, October 2003 to June 2004; CEO, Vinci Corp., March 2004 to December 2004; senior executive, Flextronics, April 2000 to December 2003.

2008 pay: \$4 million

Company's 2008 fiscal performance and actions: \$185.1 million net loss on revenue of \$721.6 million.

Deloitte and Touche, Crocs' independent accounting firm wrote in the company's 2008 annual report that it had substantial doubt about the company's ability to continue as a going concern. Crocs' revenue and income took hits because of slumping sales and a weakened retail economy. Crocs closed distribution centers, its Fury business, and laid off 1,600 employees companywide. Also, a handful of lawsuits were filed against Crocs alleging that children were injured while riding escalators claiming the Crocs shoes they were wearing got caught in the machines.

In March 2009, Snyder resigned and was replaced by John Duerden.

Duerden's employment agreement calls for a base salary of \$850,000; a \$350,000 signing bonus; eligibility for awards under Crocs' cash incentive plan with a target bonus rate of 100 percent to 200 percent of his salary; 400,000 shares of restricted stock; options to purchase 400,000 shares of common stock at an exercise price of \$1.37 per share; and also relocation benefits and reimbursement of up to 12 months of housing expenses while he looks for a permanent residence in the Boulder area.

Notes on executive's 2008 pay: Snyder received nearly \$3.1 million from exercised stock options. As of March 31, 2009 (Crocs' proxy statement was filed on April 29, 2009), Snyder owned 1,916,790 shares, or 2.3 percent, of Crocs' common stock. Crocs did not award any cash incentive bonuses due to its financial performance for the year. Because Snyder resigned as president and CEO, he will be paid in September \$666,666, the vested portion of his deferred compensation. Snyder also received 317,000 stock options and 197,000 shares of restricted stock in January as an incentive to stay with the company as Crocs searched for a new CEO.

2007 pay: \$7.9 million

Company's 2007 fiscal performance and actions: \$168.2 million on revenue of \$847.4 million.

Crocs -- riding on massive expansion, acquisitions, new shoes, and new license agreements -- reported record earnings for the year. In October 2007, the company's stock lost 36 percent of its value in one day as investors became wary of inventory build-up and slowing sales.

Notes on executive's 2007 pay: Snyder received \$41.8 million from exercised stock options. As of March 31, 2008 (Crocs' proxy statement was filed on April 29, 2008), Snyder owned 1,109,579 shares, or 1.3 percent, of Crocs' common stock. The compensation committee noted a variety of financial metrics -- revenues increasing 138.9 percent; net income increasing 161.2 percent; and diluted earnings per share increasing 146.9 percent -- when determining executives' bonuses. Snyder deferred \$1.6 million of his bonus. The deferred bonuses vest ratably on a quarterly basis over a three-year period with a pro rate amount vesting on each calendar quarter.

CEO's philanthropic endeavors: Snyder has made financial contributions to Save Our Youth, which was created to transform the lives of at-risk youth through mentor relationships providing the skills for success in educational, emotional and spiritual development. Snyder has made financial contributions to Colorado UpLift, which works with more than 3,000 young people in areas where the population is primarily comprised of single-parent families living in low-income housing. Snyder also is co-owner and founder of a newly built orphanage in Haiti.

Name: Robert A. Katz

Age: 41

Company: Vail Resorts Inc. (NYSE: MTN), Broomfield-based operator of ski resorts and ancillary businesses such as ski school, lodging, dining and retail/rental operations.

Title and years in current position: CEO (since February 2006) and chairman (since March 2009)

Previous experience: Director, Vail, 1996 to June 2003; lead director, Vail, June 2003 to February 2006. Prior to CEO appointment, was associated with Apollo Management LP since 1990.

2008 pay: \$2.7 million

Company's 2008 fiscal performance and actions: Net income of \$102.9 million on revenue of \$1.2 billion.

Vail, which recorded declining visits to its ski resorts, announced in late 2008 plans for layoffs, pay cuts of 2.5 percent for seasonal employees and 10 percent for executives, and intentions to not match contributions to 401(k) plans.

After the late 2008 layoffs, Katz announced plans to cut his 2009 salary to \$0 and said he would cut it by 15 percent when it is reinstated.

Notes on executive's 2008 pay: Katz did not exercise any options in 2008. Katz received club membership at any of the clubs Vail owns or manages. As of Oct. 4, 2008 (Vail filed its proxy statement on Oct. 23, 2008), he owned 410,090 shares, or 1.1 percent, of Vail common stock. He provided a framing deposit of \$1.2 million and an additional \$1.4 million deposit for a Lodge at Vail Chalets unit he purchased in 2007. Half of Katz's bonus is paid in restricted stock units that vest annually over a three-year period. Katz also receives perquisites such as lodging, ski school privileges and discretionary spending money to spend at Vail's resorts. The perquisites total less than \$10,000.

2007 pay: \$1.9 million

Company's 2007 fiscal performance and actions: \$61.4 million net income on revenue of \$940.5 million.

Vail officials announced the \$1 billion Ever Vail project, that included condominiums, shops, restaurants and a hotel in a new gondolier-accessible village off the western foot of Vail mountain.

Notes on executive's 2007 pay: Katz did not exercise any options in 2007. As of Oct. 7, 2007 (Vail filed its proxy statement on Oct. 26, 2007), he owned 260,743 shares, or less than 1 percent, of Vail's common stock. Katz received club membership at any of the clubs Vail owns or manages. Katz executed an agreement to purchase a unit at the Lodge at Vail Chalets for \$12.5 million and provided an earnest money deposit of \$1.9 million to be used to fund the Lodge at Vail Chalets project. Katz received perquisites such as lodging, ski school privileges and discretionary spending money to spend at Vail's resorts. The perquisites totaled less than \$10,000.

CEO's philanthropic endeavors: Katz founded and is an active participant in Vail Resorts 360, which was created to further encourage employee volunteerism, community engagement, corporate giving and environmental stewardship.

Name: Robert E. Conway

Age: 54

Company: Array BioPharma Inc. (Nasdaq: ARRY), Boulder-based biopharmaceutical company focused on the discovery, development and commercialization of targeted small molecule drugs to treat patients afflicted with cancer, inflammatory and metabolic diseases.

Title and years in current position: CEO and director (since 1999)

Previous experience: Chief operating officer and executive vice president, Hill Research, 1996 to 1999; various executive positions, Corning Inc., 1979 until 1996.

2008 pay: \$749,415

Company's 2008 fiscal performance and actions: Net loss of \$96.3 million on revenue of \$28.8 million.

Array advanced four drugs into Phase 2 clinical trials and two additional drugs into Phase 1 trials. Array received an \$80 million debt commitment from Deerfield Management, reached an agreement with Celgene Corp. that gave Array in \$40 million up front and could result in payments received up to \$1 billion, and extended its collaboration with Genentech. In early 2009 (not included in 2008 fiscal year that ended on June 30, 2008), Array announced it cut 40 positions.

Notes on executive's 2008 pay: Conway gained \$621,156 from exercised stock options. As of Sept. 1, 2008 (Array's proxy statement was filed on Sept. 18, 2008), Conway owned 1,227,198 shares, or 2.5 percent, of Array common stock. The members of Array's compensation committee said they endeavor to pay the executives with a level of cash compensation that will allow them to maintain an attractive lifestyle in Boulder, which they noted has higher real estate costs. All benefits provided to Array's executives -- medical and dental insurance, 401(k) plan and employee stock purchase plan -- are made available to all other salaried employees. Conway also is reimbursed by Array for reasonable out-of-pocket expenses he incurs in connection with his job.

2007 pay: \$645,486

Company's 2007 fiscal performance and actions: \$55.4 million net loss on revenue of \$37 million.

Array raised \$85 million through an underwritten public offering and also advanced a number of drugs into clinical trials.

Notes on executive's 2007 pay: Conway gained \$2.3 million from exercised stock options. As of Aug. 10, 2007, Conway owned 1,123,244 shares, or 2.3 percent, of Array common stock. The members of Array's compensation committee said they endeavor to pay the executives with a level of cash compensation that will allow them to maintain an attractive lifestyle in Boulder, which they noted has higher real estate costs. All benefits provided to Array's executives -- medical and dental insurance, 401(k) plan and employee stock purchase plan -- are made available to all other salaried employees. Conway also is reimbursed by Array for reasonable out-of-pocket expenses he incurs in connection with his job.

CEO's philanthropic endeavors: Conway participates in a number of community activities but preferred not to disclose that information because it is personal, an Array spokeswoman said.

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