

OVERVIEW OF EXECUTIVE COMPENSATION CONSULTING RELATED TO LEGAL MATTERS

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JAMES F. REDA
& ASSOCIATES, LLC

Overview

How We Can Assist Your Legal Practice...

James F. Reda & Associates, LLC (“JFR” or the “Firm”) is a nationally recognized executive compensation consulting firm with extensive experience in the areas of equity awards, incentive programs, and the performance evaluation and goal-setting process. We have particular expertise in all matters relating to the compensation committee, including organization and process.

Our capabilities include expert witness testimony and litigation support in connection with reasonable compensation, bankruptcy, regulatory compliance, estimation of earnings potential employment agreement provisions, wrongful termination, and death. We are listed as an expert witness by Martindale-Hubbell and are court-qualified as experts for Federal and several State jurisdictions (GA, NJ, NY, and CA). We also assist with arbitration, SEC, and IRS proceedings as well as state agencies, public service commissions, and city councils.

Compensation and Special Committee Advisory Services

- Appropriate incentive arrangements
- Stock award process
- Reasonableness of compensation
- Executive compensation benchmarking
- Change-in-control and severance analysis
- Review of benefits & perquisites

Expert Witness & Litigation Support Services

- Employment & severance agreements
- Reasonable compensation levels
- Stock valuation
- Appropriate performance measures and payouts

Golden Parachute Services (IRC Section 280G)

- Total cost analysis on executive termination packages triggered by a change of control
- Golden Parachute (IRS Code Section 280G) computations and analysis, including cost, technical guidance, and tax mitigation strategies
- For private companies, assist with computations and drafting necessary computation tables for IRC Section “shareholder approval vote”.
- Assist with CD&A computations and termination tables
- 280G compliant non-competition valuations

Valuation Services

- Valuation of non-competition/solicitation agreements and provisions
- Reasonable compensation studies
 - Independent assessments of compensation reasonableness from market-based and hypothetical investor perspectives, typically in situations involving IRS exclusions or shareholder derivative lawsuits
 - Prepare report of findings and testify as to those findings in court, as necessary

Firm Capabilities

JFR is an independent compensation and corporate governance consulting firm. Our principal consultants have over 50 years of combined experience in compensation consulting and are quoted frequently in leading media publications such as BusinessWeek, Forbes, Fortune, The New York Times, and The Wall Street Journal.

Many of the top 100 law firms in the United States rely upon our executive compensation experience for expert witness testimony and litigation support.

What Makes James F. Reda Uniquely Qualified to Assist your Legal Practice?

- We are an independent compensation consulting firm and we invest in the most current surveys and electronic research tools to maintain a substantial and thorough library covering all facets of executive compensation.
- We have relationships and leadership roles with major professional organizations and academic institutions.
- Our consultants have a wide variety of skills and are thus capable of handling a full array of executive compensation tasks.

Expert Witness Jurisdiction Qualifications:

- US Federal Court (GA, NY & IL), State Court (NJ, CA, GA & NY), Arbitration - AAA (GA), Arbitration -National Association of Securities Dealers (NY).
- This list includes those jurisdictions in which Mr. Reda has testified in-person, in front of a jury, judge or panel. This list **does not** include all jurisdictions in which expert reports, affirmations, affidavits or depositions were filed.

Expert Witness Testimony Experience:

- Provided an expert witness affirmation on the reasonableness of an employee change of control severance plan.
- Provided an expert report on the reasonableness of a supplemental executive retirement plan ("SERP").
- Provided expert witness affidavit on the reasonableness and typicality of a deferred compensation plan for the CEO of an international wireless company.
- Provided expert report on the reasonableness of compensation paid to the Chairman of a national not-for-profit organization.
- Provided expert report and testimony for a terminated hedge fund manager who sought remuneration for his projected cumulative loss of compensation from the date of his termination from the Company through retirement age.
- Provided expert report and testimony on the valuation of stock options granted to a former telecommunications company executive to determine their proper value at the time of a change in control.
- Provided expert report and testimony for an executive officer who received non-competition payments in connection with certain agreements containing employment restrictions.
- Provided expert report for a committee that aims to preserve shareholder value on the reasonableness of compensation paid to the CEO of a regional bank, allocation of awards under the bank's incentive plan, and the bank's retirement provisions for their board of directors.

Below is a select list of law firms that we have worked with on various matters. We will provide specific references from these firms upon request.

beckerglynn

BECKER, GLYNN, MELAMED & MUFFLY LLP

IRELL & MANELLA LLP

PROSKAUER ROSE

ALSTON + BIRD^{LLP}

BLANK  ROME^{LLP}
COUNSELORS AT LAW

DICKSTEINSHAPIRO^{LLP}

pillsbury

CAHILL GORDON & REINDEL LLP

OLSHAN

SULLIVAN & CROMWELL LLP

Morgan Lewis

WILLIAMS & CONNOLLY^{LLP}

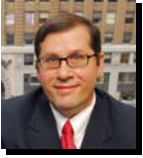
JAMES F. REDA
& ASSOCIATES, LLC

Corporate Client List (Selected)

We are a full-service executive compensation consulting services firm. In addition to providing legal support services to law firms, we are also practicing consultants and advise compensation committees of companies on a variety of matters. We draw upon this consulting experience when assisting with complex and controversial litigation matters that require knowledge on the custom and practice of designing and delivering compensation and benefits.

A selected list of corporate clients is below.





James F. Reda

Founder & Managing Director

(646) 367-4466, jfreda@jfreda.com

Experience

Jim works with both public and private organizations in planning, creating, and implementing incentive programs. Jim also advises companies on incentive strategy, including long- and short-term senior executive employment arrangements, change-in-control metrics, business combinations, shareholder rights, and corporate governance issues. He is a recognized expert in the area of integrating incentive and corporate strategies. Jim has more than 21 years of experience specifically in the area of senior executive compensation.

Jim has published two books on executive compensation entitled, *Pay to Win: How America's Successful Companies Pay Their Executives* (Harcourt 2000), and *The Compensation Committee Handbook* (John Wiley, 2001, 2004, and 2008).

Prior to forming his own firm, Jim worked at three major executive compensation consulting firms. He began his executive compensation consulting career at a small boutique firm based in New York City in 1987, where he worked for nine years.

Education

Jim has a B.S. in Industrial Engineering from Columbia University and an S.M. in Management from the Massachusetts Institute of Technology, Sloan School of Management.



Kimberly A. Glass

Principal

(770) 335-0575, kaglass@jfreda.com

Experience

Kim is a Principal at JFR in Atlanta, Georgia, and has over thirteen years of experience in the executive compensation field. Kim has consulted with clients in various industries, including manufacturing, service, retail, and utility companies.

Kim consults in many areas of executive compensation, including competitive benchmarking, incentive program design (cash and equity), compensation disclosure (including issues related to the CD&A and required tables), outside director compensation strategy and design, change-in-control and general severance design, and board and compensation committee governance.

Education

Kim graduated from the University of Virginia and started her career as a C.P.A. at a large accounting firm and continued at a large benefits compensation consulting firm prior to joining JFR.



David M. Schmidt

Senior Consultant

(646) 367-4462, dschmidt@jfreda.com

Experience

Dave has over 20 years of experience and functional expertise in economics, sales management, and customer research. Dave has 13 years of consulting experience and 30 years of professional work experience. Prior to joining James F. Reda & Associates, Dave was Vice President of Sales Operations at Peterson's, a division of the Thomson Corporation, and was also Vice President of Marketing Services at McGraw-Hill's Construction Information Group. Dave's areas of expertise include the valuation of stock-based compensation arrangements, the review of senior executive compensation packages, modeling for FAS 123R purposes, and the design of special situation incentives and change-in-control programs.

Education

Dave earned a BS in Mathematics and an MA in Economics from Western Illinois University.



Laurence I. Wagman

Consultant

(646) 367-4464, lwagman@jfreda.com

Experience

Laurence is a Certified Public Accountant with over 11 years of "Big 4" public accounting experience. His experience includes:

- Managing golden parachute excise tax engagements for major U.S. companies, including Fortune 100 organizations.
- Leading the firm-wide effort to enhance KPMG's golden parachute tax calculator to reflect updated IRS regulations.
- Researching technical taxation issues relating to executive compensation.

In addition to executive compensation tax applications, Laurence also has a wide variety of practical tax experience, including the preparation of tax returns for individuals, partnerships, and corporations as well as related income tax research. Laurence works with clients on golden parachute computations, preparation of the Compensation Discussion & Analysis disclosure, executive compensation research and plan design, and other tax related inquiries.

Education

Laurence earned a BS in Business and Economics from Lehigh University and an MS in Taxation from Seton Hall University.

Nationally Recognized Credentials

Quoted Articles

- *The New York Times* - "If the Pay Fix Is in, Good Luck Finding It" by Gretchen Morgenson, featuring James F. Reda. September 7, 2008.
- *The New York Times* - "Boards More Likely to Oust Underperforming Chief Executives, a Study Finds" by Erick Dash, featuring James F. Reda. Tuesday, May 22, 2007.
- *The New York Times* - "Making Managers Pay, Literally" by Erick Dash, featuring James F. Reda. Sunday, March 25, 2007.
- *The New York Times* - "Hire by the Contract Now, Risk a Big Regret Later" by Erick Dash, featuring James F. Reda. Friday, January 12, 2007.

Published Articles

- *NACD Director's Monthly* - "Compensation Disclosure: Covering All the Bases" by James F. Reda. November 2008.
- *Financial Executive* - "Taking Aim at Performance Targets" by James F. Reda and David M. Schmidt. September 2008.
- *NACD Director's Monthly* - "Compensation Disclosure: Covering All the Bases" by James F. Reda. November 2008.

- *WorkSpan* - "The Case for Performance Shares" by David M. Schmidt of James F. Reda & Associates. July 2006.
- *The Corporate Board* - "How 'Independent' Is Your Compensation Advisor?" by James F. Reda. March/April 2008.

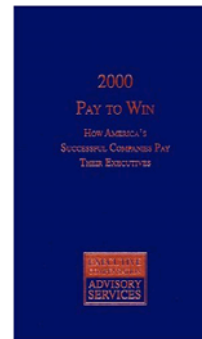
Books

- *The Compensation Committee Handbook* (John Wiley, 1st ed. 2001, 2nd ed. 2004, 3rd ed. 2007)
- *Pay to Win: How America's Successful Companies Pay their Executives* (Harcourt 2000)

Research Studies

- *2007 CEO Perquisites and Supplemental Retirement Benefits Study*
- *2007 Analysis of Severance Practices*
- *2007 Analysis of Change in Control Severance Practices*

The New York Times



BusinessWeek

CRAIN'S
CHICAGO BUSINESS

FINANCIER
WORLDWIDE

Directors
& Boards
THOUGHT LEADERSHIP
IN GOVERNANCE SINCE 1976



workspan

FORTUNE

THE WALL STREET JOURNAL.