

**SalaryExpert®**  
**Preliminary For-Profit Executive Compensation**  
**Analysis and Report**  
for  
ABC Company



**Comparables**

Avco Financial Services Inc	1997
Bb&T	2010
Ccb Financial Corp.	1999
Dds Technologies Usa Inc	2005

## Position Profile

Based on the input provided, SalaryExpert file server computers, using semantic analysis and other retrieval techniques, matched the described position's data to comparable positions and organizations. These organizations are in the same industry (eSIC), similar communities, and/or with similar management functions. SalaryExpert matches input to variables found in ERI Economic Research Institute's (ERI) **Assessor Series**® software, proxy, 10-K, Form 990, and 990PF databases. It also provides four additional salary estimates, utilizing data from: PAQ's **enhanced Dictionary of Occupational Titles**®, the US Government OES survey, and other SalaryExpert databases. Input provided is used to create an assessment of skills and functions to derive a unique preliminary analysis of competitive pay for organizations of similar size in the same industry and geographic location. This report may, in a few instances, suffice as sufficient "comparability data" in order to establish a safe harbor rebuttable presumption of reasonableness for tax-exempt organizations with under \$1 million dollars of revenue per 26 C.F.R. 53.4958-6(c)(2)(ii). If used for this purpose, also review the **Non-Profit Executive** report. In order to determine if this report satisfies these requirements, please consult your tax or legal advisor. For larger organizations, this report should be considered as a "starting point" relating to comparisons of organizations that actively compete for management talent.

### Contents

#### Data & Background

- Sec. 1** Position Profile and Table of Contents
- Sec. 2** Executive Compensation Overview
- Sec. 3** ERI Compensation Software
- Sec. 4** Corporate Governance

#### Comparables and Other Survey Estimates

- Sec. 5** Comparable Organizations
- Sec. 6** Position Description and Compensation Analysis
- Sec. 7** SalaryExpert General Estimate

#### Further Planning & Review

- Sec. 8** Rebuttable Presumption Procedure

#### Further Review

- Sec. 9** Common Questions and Compensation Resources

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This report is provided by PAQ Services, Inc., d/b/a SalaryExpert

### The Position Profile

#### Inputted Data

Job Title	<b>Accountant</b>
Closest eDOT Job Title	<b>Chief Executive Officer</b>
Occupational Area	<b>Chief Executives</b>
Level in Organization	<b>02</b>
Primary Skill verb	<b>appoints</b>
Primary Function	<b>All, Total</b>
Other Skill verb	<b>appoints</b>
Function	<b>appoints</b>
Function	<b>All, Total</b>
Function	<b>All, Total</b>

Time in Position	
Level of Education	<b>Doctorate</b>
Educational Discipline	
Certifications Achieved	
Licensing Required	
Location of Interest	<b>Beaverton, OR 97006</b>

#### Comparables Organization Size

Revenue	<b>\$11,111</b>
Position Impact on Organization	<b>Slight</b>

#### Comparables Industry References

eSIC	<b>!</b>
	<b>ALL INDUSTRIES</b>
usSEC	<b>0000</b>
	<b>All Industries</b>
NAICS	<b>000000</b>
	<b>Total, All Industries</b>

#### Comparables Geographic Area

Employment Area	<b>Portland-Vancouver-Beaverton, OR-WA</b>
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*Note:* Satisfaction of intermediate sanctions "safe harbor" regulations require a user to consult with a tax advisor or legal counsel. Small tax-exempt entities may need a comparables analysis like this report each and every time an executive's pay package is changed (or new incumbents are hired).

## Executive Compensation Overview

### Management Positions

Executives are those at the top of the organizational hierarchy, usually the top one percent of the organization's workforce. Although their numbers are relatively small, their total compensation tends to be quite large because they direct the efforts of all employees and are most accountable for end results. For the first time ever in the US Tax Code, IRC § 4958 defines what constitutes reasonable pay. "Compensation for the performance of services is reasonable only if it is an amount that would ordinarily be paid for like services by like enterprises under like circumstances."

### Like Services

Most salary surveys define positions in terms of a job title. From these surveys, SalaryExpert has identified hundreds of titles that reflect varying divisions and mixes of functional responsibilities and accountabilities. Job titles alone are a poor basis of description, as they are a generalization of the functions and skills required for a position. When hiring, jobs are defined by the skills needed. When terminations occur, it often is because of lack of successful application of the skills necessary to achieve objectives. Succession plans are designed around the identification of skills; training and development have them as their focus. It is for this reason (and the inconsistency of job titles used in surveys, proxies, and 10-Ks) that ERI and SalaryExpert utilize both skill (verbs) and functions to define jobs, in addition to using traditional job titles.

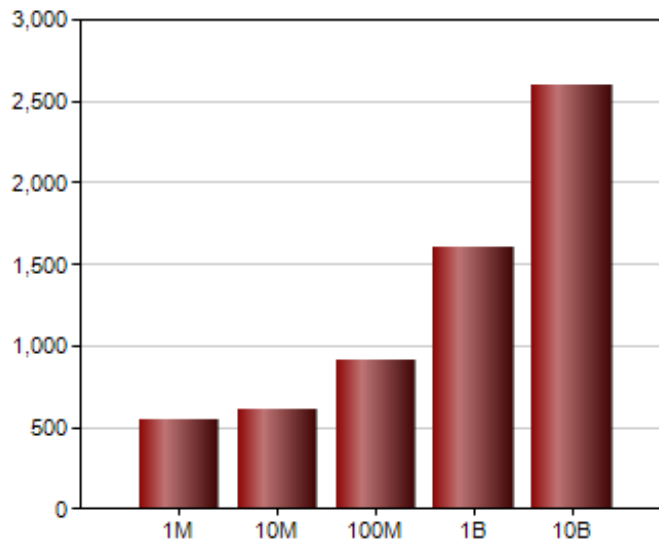
### Like Enterprises

Since most top executive positions feature single incumbents who preside over discrete broad areas (functions) of an organization, when the enterprise grows, the competitive market value of the single-incumbent executive position grows as well. The size of these functions and overall organization size itself affect pay. The type of size dimension that most significantly affects executive compensation today is "revenue." (Historically, "number of employees" and assets have been the norm, but in recent years the trend to outsourcing and contract staffing has seen a shift to revenue or its twin, fiscal year budget "FYB" or revenue.) The most important question after defining the job title (function and skills) is "how big is the enterprise?" The direct and highly predictive effect of size on executive total compensation is illustrated in the chart.

### Comparable Input

Industry: **All Industries**  
Organization Revenue: **\$11,111**

### Chief Executive Officer Competitive Total Compensation



Fiscal Year Budget  
[Compensation shown in thousands USD\$]

This size dimension is unique to every industry/eSIC group. Various industry designations will be used in this report. ("eSIC" is ERI's adopted SIC industry list, a set of definitions that the SEC maintains as a "non-statistical agency" so that it does not have to adopt the "process-focused" NAICS.)

### **Like Circumstances**

Geographic location is often less important in setting executive pay, although New York City, Los Angeles, and other major cities are exceptions to this rule. Typically, top officer pay is set in a competitive market defined on a national scale, in larger organizations it may also be a worldwide comparison.

### **Source**

The bar graph provides the first of five survey sources in this report. Its data is taken from historic trended analyses of ERI [Salary Assessor](#)<sup>®</sup> data, which is drawn from analyses of all publicly available salary and executive compensation surveys. It is not as exact as the following comparable analyses in that it blends an unknown number of for-profit organizations' data into this analysis of all available salary surveys for this industry group.

### **Total Management Compensation**

Included variables of executive compensation are:

- Salary
- Bonus
- Long-Term Incentives
- Benefits
- Deferred Compensation
- Perquisites
- Allowances

### **Other Factors that Affect Management Compensation**

Other factors that significantly affect management compensation include fiscal year budget size, number of employees, industry, and profitability.

Beyond those basic elements, the number of key executives, pay structure philosophy of the organization, position level within an organization, licenses and experience required, and potential impact on the operations of the organization all may contribute to variances in management pay (as collected in the original input).

### **Executive Compensation is Being Looked at Closely**

Never in the history of American business has there been so much attention paid to executive compensation. Sarbanes-Oxley has led the way, followed by stockholder suits, challenges and dissent.

No argument better protects a management group from criticism regarding pay levels than "business necessity." Comparison to selected comparable organizations with whom an organization might compete for management talent is part of a business necessity argument. It is the best argument.

To pay competitively is the primary objective of most pay plans. To do so allows for retention, motivation, and equity. Nothing better shows competitive rationales than a collection of comparable Summary Compensation Tables from similar organizations within one's size, area, and/or industry niche for business necessity reasons (see next pages).

## ERI Compensation Software & Other Sources

### ERI Economic Research Institute

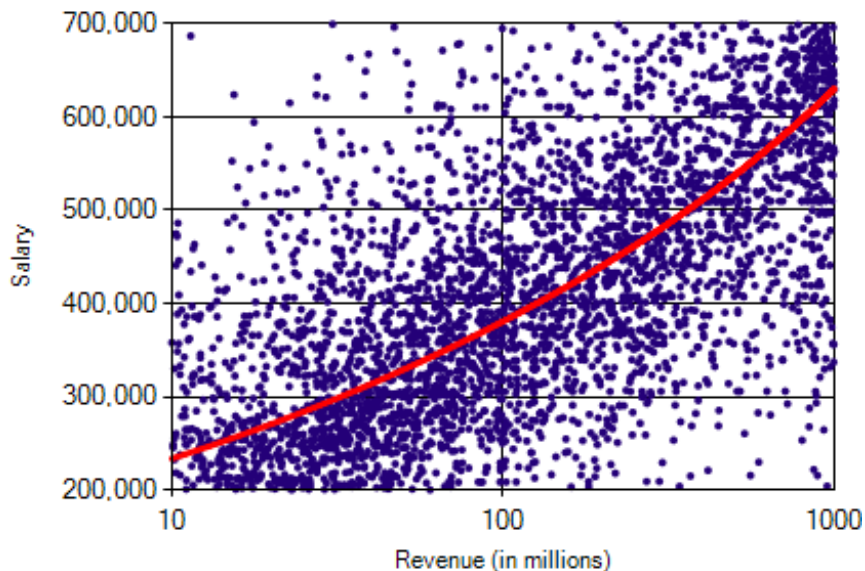
ERI provides compensation research to HR professionals via compensation survey databases and reports. Revenues for ERI are earned solely from these software and publication sales. ERI does not provide fee-for-service consulting or use commissioned sales representatives. ERI's survey of executive compensation, as found in the [Executive Compensation Assessor](#)® software allows the user to review source data (click on dots) and retrieve comparable publicly traded companies' 10-Ks, proxies, and annual reports. Derived from hundreds of thousands of public documents, it is the largest salary survey ever conducted in terms of organizations included.

### All Industry-Related Data

Your input designated the eSIC '!' ' industry of: ALL INDUSTRIES

For more information, review ERI's [Executive Compensation Assessor](#)® software, which reports competitive cash compensation levels for 400+ executive job titles. This software's data is derived from US SEC proxies and 10-Ks and UK annual reports. ERI's subscribers have successfully used the in US Tax Court proceedings for purposes of analyzing unreasonable compensation (IRC § 162(a)(1)).

all industries



This SalaryExpert report utilizes a stored procedure to automatically select up to 2 comparable organizations based on user input for industry, organization size, and location. More refined analyses require a researcher's time to review each selection, retrieve the stored source data proxy or 10-K, and review the comparable organization's financial data.

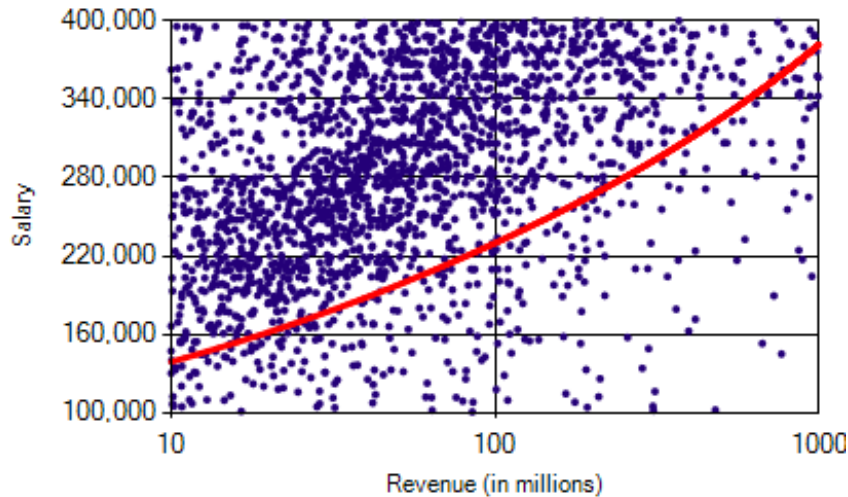
### Specific Industry Data

Section 53.4958-6 (d) (2) states that: "Appropriate data as to comparability" provides:

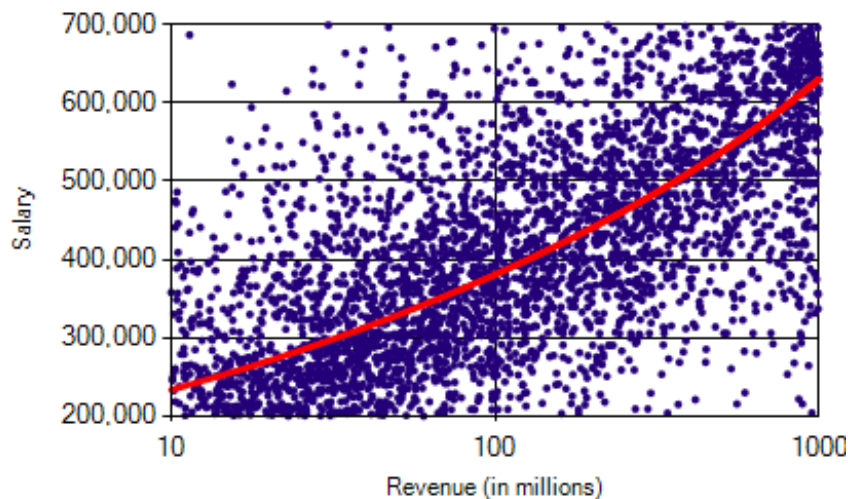
*In general...Relevant information would include, but not be limited to, compensation levels paid by similarly situated organizations, both **taxable and tax-exempt**, for functionally comparable positions; the availability of similar services in the geographic area....*

The screenshot below illustrates pay for a broad 2-digit capture of publicly traded companies within the stated Standard Industrial Classification (SIC). This represents a fraction of the over 1,200 4-digit eSIC analyses that are found in the [Executive Compensation Assessor](#) software.

### All Tax Exempt Entities



### Comparison to Private Industry Only



#### Source Data

ERI's survey of executive compensation, as found in the **Executive Compensation Assessor** software allows the user to review source data (click on dots) and retrieve comparable organizations' source data. The second graph illustrates the wide range of compensation levels found within organizations.

Obviously, approximately half the organizations pay above the mean. If your organization falls in this group, some rationale should be developed as to the reasons (performance, competitive necessity, seniority, etc.). In summary, this report has utilized the data files and file servers of:

**ERI Economic Research Institute**  
8575 - 164th Avenue NE, Suite 100  
Redmond, Washington 98052  
tel 800.627.3697  
[www.erieri.com](http://www.erieri.com)

## Corporate Governance: A View from the Regulatory Side

Many organizations have experienced an unprecedented loss of board members. Finding qualified board members (as required by Sarbanes Oxley) is more difficult than ever. Establishing a thoroughly researched compensation plan is about far more than preventing litigation and government oversight. It is good management practice; and good compensation practices start at the board level. Over the years, these "good management practices" have become evidenced in government regulations. Regarding executive compensation, it is now essential that it can be shown that the authorized body obtained and relied on appropriate data for comparability before making its determination.

*An authorized body has appropriate data for comparability if, considering the knowledge and expertise of its members, it has information sufficient to determine if the compensation is reasonable or the property transfer is at fair market value.*

*a. Compensation. If compensation, relevant information includes:*

- (1) Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions.*
- (2) The availability of similar services in the geographic area.*
- (3) Current compensation surveys compiled by independent firms.*
- (4) Actual written offers from similar institutions competing for the services of the disqualified person.*

*Treas. Reg. § 53.4958.6T(ii) - Treas. Reg. § 53.4958.6T(ii)(a.)(4)*

Documentation must also exist. This documentation must be prepared before the later of the next meeting of the decision-making body, or 60 days after the final actions of the body. In addition, the decision-making body must approve the documentation within a reasonable time after preparation. See your legal counsel or tax advisor for advice (the above regulations, while advisable to follow, are mandatory to only specific tax-exempt entities).

Sound executive compensation practices are far more than a reaction to government forces. A thorough and well-thought-out process for evaluating executive compensation is about more than merely establishing a rebuttable presumption for an IRS review. It is sound management practice. This is basic to each board member's duty of care, a duty that never ceases and must always be satisfied.

Sarbanes-Oxley, Intermediate Sanctions (IRC § 4958) and the accompanying Treasury Regulations (26 C.F.R. 53.4958) have transformed the way that reasonable executive compensation arrangements are determined in both public and private organizations. To establish the rebuttable presumption of reasonableness, a board must obtain and rely upon valid comparability data. This report is a first-step in that process that might be characterized by the following steps:

- Following the Rebuttable Presumption steps recommended by the IRS (found in this Report)
- Employing an independent compensation consultant to conduct a salary survey of comparable positions. ("Independent" means not part of the same organization as one's tax, auditing, accounting, legal, insurance, or other service providers.) We note the phenomenon of boards and management now employing their own different consulting firms.
- Seeking to establish the reasonableness of executive compensation by using market pay data, such as that reported in ERI's [executive compensation](#) software.
- Assuring that individuals who serve on a Board Compensation Committee are competent. Good data is not enough. For more information on Compensation Committee training, see the ERI Distance Learning Center's [Compensation Committee Certificate](#) (CCC) program.
- Seeking to establish the reasonableness of executive compensation by using an executive compensation report, such as this SalaryExpert report.
- Knowing that a board has responsibility to ask questions regarding executive pay. Don't be afraid to ask basic questions such as: "Is this a competitive salary?" or "How will this motivate the executive in the long term?"

For years, the IRS has relied upon ERI's research data (sources cited in this report) when analyzing issues of reasonable compensation within the for-profit arena. (IRC 162(a)(1). ) Over those years since 1989, many challenges have been seen. The bookend to unreasonable compensation is an inattentive Board of Directors. This places the burden on a board to establish procedures and to produce evidence of reasoned decision-making. Again, the above should not be considered as legal advice, but only experienced observations. Please consult your tax and/or legal advisor.

## Comparable Organizations

Based on the input provided, the following organizations' Summary Compensation Tables shown below should provide a comparison of top management pay among a comparable group of corporations in both the local area and industry group. These organizations are your selections from a filter created by your inputted personal profile information. Retrievals are made from publicly traded comparable organizations' reports (proxies and 10-Ks). Up to 4 comparable organizations (as available) may be included below. The automatic extraction of comparables that follows relies on a computer's artificial intelligence in selecting **like services** by **like enterprises** under **like circumstances**.

<p>Company Name: <b>Avco Financial Services Inc</b>            Address: COSTA MESA , CA 92628            CIK: <b>0000008795</b>            SIC: <b>6141</b>            Revenue: <b>\$0</b></p> <p>No Organization's Job Title Data Available</p>
<p>Company Name: <b>Bb&amp;T</b>            Address: Winston-Salem , NC 27101            CIK: <b>0000092230</b>            SIC: <b>6021</b>            Revenue: <b>\$0</b></p> <p>Organization's Job Title: <b>CHAIRMAN</b>            Base Direct Compensation: <b>\$937,500</b>                Incentives: <b>\$0</b>                Other: <b>\$142,443</b>            Total Compensation: <b>\$1,079,943</b></p> <p>Organization's Job Title: <b>SENIOR EXECUTIVE VICE PRESIDENT</b>            Base Direct Compensation: <b>\$462,500</b>                Incentives: <b>\$0</b>                Other: <b>\$46,562</b>            Total Compensation: <b>\$509,062</b></p> <p>Organization's Job Title: <b>SENIOR EXECUTIVE VICE PRESIDENT</b>            Base Direct Compensation: <b>\$500,000</b>                Incentives: <b>\$141,172</b>                Other: <b>\$51,010</b>            Total Compensation: <b>\$692,182</b></p> <p>Organization's Job Title: <b>SENIOR EXECUTIVE VICE PRESIDENT</b>            Base Direct Compensation: <b>\$568,500</b>                Incentives: <b>\$0</b>                Other: <b>\$64,999</b>            Total Compensation: <b>\$633,499</b></p>
<p>Company Name: <b>Ccb Financial Corp.</b>            Address: DURHAM , NC 27702            CIK: <b>0000714612</b>            SIC: <b>6022</b>            Revenue: <b>\$0</b></p> <p>No Organization's Job Title Data Available</p>

Company Name: **Dds Technologies Usa  
Inc**  
Address: Boca Raton , FL 33432  
CIK: **0001099217**  
SIC: **7389**  
Revenue: **\$0**  
No Organization's Job Title Data Available

More thorough analyses tools such as ERI's [Executive Compensation Assessor](#)<sup>®</sup> are recommended in order to satisfy IRS examinations or state regulatory challenges. Please consult you tax or legal counsel.

## Position Description and Compensation Analysis

### Job Match

The compensation analysis at the bottom of this page is the heart of this salary report. The last row in the table takes into account all questionnaire inputs. Over 400 available job descriptions and 20 executive functional responsibilities may have been analyzed to define the position described. The closest survey executive job description is provided. Please make sure this matches the job as it is performed in your organization. If it does not, please contact [SalaryExpert.com](http://SalaryExpert.com) to have a corrected report placed in your Digital Locker. Job descriptions are used with permission from PAQ's [enhanced Dictionary of Occupational Titles](#), database of 20,000+ position descriptions. If no position description is available, this report will rely upon a title match.

### **Chief Executive Officer**

Plans, develops, establishes, and oversees interpretation and implementation of policies and objectives of organization in accordance with board directives and corporation charter. Responsible for the profitability of the entire organization. Holds position of the top executive and principal organization leader in the organization. This position is distinguished from others in that it is the top ranking executive and, in most cases, is the highest paid executive in the organization. : Confers with organization officials to plan business objectives, to develop organizational policies to coordinate functions and operations between divisions and departments, and to establish responsibilities and procedures for attaining objectives. Reviews activity reports and financial statements to determine progress and status in attaining objectives and revises objectives and plans in accordance with current conditions. Directs and coordinates formulation of financial programs to provide funding for new or continuing operations to maximize returns on investments, and to increase productivity. Plans and develops industrial, labor, and public relations policies designed to improve company's image and relations with customers, employees, stockholders, and public. Evaluates performance of executives for compliance with established policies and objectives of firm and contributions in attaining objectives. May preside over Board of Directors. May serve as chairman of committees, such as management, executive, engineering, and sales.

### **OES\* Job Family**

19005 | Managerial & Administrative | General Managers and Top Executives

Top and middle managers whose duties and responsibilities are too diverse and general in nature to be classified in any functional or line area of management and administration. These managers generally work through departmental or subordinate executives.

\*"OES" is U.S. Department of Labor Bureau of Labor Statistics' Occupational Employment Statistics.

### **SOC/O\*NET\* Job Family**

11101100 | 0 | Chief Executives

Determine and formulate policies and provide the overall direction of companies or private and public sector organizations within the guidelines set up by a board of directors or similar governing body. Plan, direct, or coordinate operational activities at the highest level of management with the help of subordinate executives and staff managers.

\*"SOC" is the Standard Occupational Classification System of the U.S. Department of Labor Bureau of Labor Statistics. "O\*NET" is the Occupational Information Network system developed by the U.S. Department of Labor.

**Match & Adjustments**

The following is a summary of the information about the executive position that most closely matches the benchmark position selected via your input. This information is derived from [SalariesReview.com](http://SalariesReview.com) norms (an online survey that combines data from various industries, both for-profit and nonprofit). Data shown may or may not be equivalent to that found in ERI's [Executive Compensation Assessor](#) databases or other sources found in this report.

<b>Chief Executive Officer</b>						
<b>National Average - Unadjusted</b>						
	<b>1 Million</b>	<b>10 Million</b>	<b>100 Million</b>	<b>1 Billion</b>	<b>10 Billion</b>	<b>Projected Values at Actual Size of: 11 Thousand</b>
Salary	324,097	349,896	512,749	888,444	1,410,869	324,097
Incentives	164,241	177,315	259,844	450,233	714,981	164,241
Total	488,339	527,211	772,594	1,338,678	2,125,850	488,339
<b>Adjustment for Industry Differential - All Industries</b>						
	<b>1 Million</b>	<b>10 Million</b>	<b>100 Million</b>	<b>1 Billion</b>	<b>10 Billion</b>	<b>Projected Values at Actual Size of: 11 Thousand</b>
Salary	324,097	349,896	512,749	888,444	1,410,869	324,097
Incentives	136,320	166,676	259,844	477,247	793,628	136,320
Total	460,418	516,572	772,594	1,365,692	2,204,497	460,418
<b>Adjustment for Geographic Differential - Beaverton, OR 97006</b>						
	<b>1 Million</b>	<b>10 Million</b>	<b>100 Million</b>	<b>1 Billion</b>	<b>10 Billion</b>	<b>Projected Values at Actual Size of: 11 Thousand</b>
Salary	381,565	411,938	603,669	1,045,981	1,661,040	381,565
Incentives	160,492	196,231	305,919	561,872	934,353	160,492
Total	542,058	608,170	909,588	1,607,853	2,595,393	542,058
<b>All Adjustments: Geographic Area, Industry and Experience</b>						
	<b>1 Million</b>	<b>10 Million</b>	<b>100 Million</b>	<b>1 Billion</b>	<b>10 Billion</b>	<b>Projected Values at Actual Size of: 11 Thousand</b>
Salary	381,564	411,938	603,668	1,045,980	1,661,040	381,564
Incentives	160,491	196,230	305,918	561,871	934,351	160,491
Total	542,056	608,169	909,587	1,607,851	2,595,392	542,056

## SalaryExpert General Estimate

### SalaryExpert®

This fifth estimate derived from a foundation of datasets is derived from government data collections including: the US Department of Labor's Employment and Training Administration (ETA), the Bureau of Labor Statistics (BLS), and 54 State Employment Agencies (SESAs), all combined to report consistent prevailing wage rates to be used as the wage component of the Bureau of Labor Statistics' expanded Occupational Employment Statistics (OES) program. This SalaryExpert general estimate shows compensation based on position and geographic location only. It does not factor in the industry or company revenue size.

#### Salary Report Summary

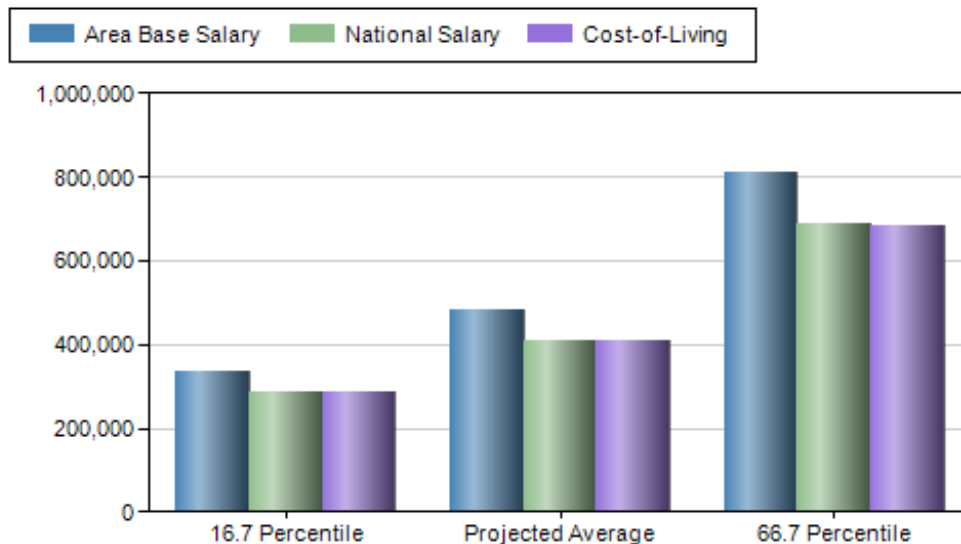
The **Chief Executive Officer** working in **Beaverton, Oregon** now earns an average annual salary of **481,251**. Half of those in this position would earn between **334,951** and **809,465** (the 17th and 67th percentiles). These numbers are derived from area-specific government survey data.

(Note: These are conservative government estimates. For competitive salary survey data based on consensus analyses of thousands of private and public salary surveys, see ERI's [Salary Assessor](#)® software.)

When benefits and bonuses are added to this salary, the average total compensation for this position would be **717,910**. See the graph and table below to learn how the cost of living in this location affects the actual value of this salary.

**More detailed information on salary, benefits, and cost-of-living is available below.**

Estimates as of 20-Oct-2011. **Currency in United States Dollars.**



#### Chief Executive Officer | Beaverton, Oregon

Low	Average	High	Bonus	Benefits
334,951	481,251	809,465	37.3%	11.9%

**Total Compensation:** 717,910

#### United States National Average

Low	Average	High	Total Compensation
284,506	408,773	687,556	642,957

**Cost of Living:** A renter's cost of living for this area would be 407,727. This cost of living is 1,046 less than the National norm of 408,773. Cost of living reflects the demand for and supply of goods and services. Salary differences reflect the demand for and supply for labor.

**Currency in United States Dollars.**

**Position Description - Chief Executive Officer**

Plans, develops, establishes, and oversees interpretation and implementation of policies and objectives of organization in accordance with board directives and corporation charter. Responsible for the profitability of the entire organization. Holds position of the top executive and principal organization leader in the organization. This position is distinguished from others in that it is the top ranking executive and, in most cases, is the highest paid executive in the organization. : Confers with organization officials to plan business objectives, to develop organizational policies to coordinate functions and operations between divisions and departments, and to establish responsibilities and procedures for attaining objectives. Reviews activity reports and financial statements to determine progress and status in attaining objectives and revises objectives and plans in accordance with current conditions. Directs and coordinates formulation of financial programs to provide funding for new or continuing operations to maximize returns on investments, and to increase productivity. Plans and develops industrial, labor, and public relations policies designed to improve company's image and relations with customers, employees, stockholders, and public. Evaluates performance of executives for compliance with established policies and objectives of firm and contributions in attaining objectives. May preside over Board of Directors. May serve as chairman of committees, such as management, executive, engineering, and sales. (Source: eDOT Job Description)

**Methodology**

All data is legally licensed and derived from real government salary surveys. Positions titles, job descriptions, and salary adjustment percentages are provided by the [eDOT Project](#). For SalaryExpert.com's Complete Statistical Methodology, [click here](#)

**Data Sources**

SalaryExpert data is derived from non-copyrighted government salary surveys from each country's [National Labor/Statistics Office](#). Premium and executive salary reports also utilize SEC filings, IRS Form 990s, [Occupational Assessor](#) position analyses, and [SalariesReview.com](#) compensation databases.

SalaryExpert results can be compared to U.S. Dept. of Labor - Occupational Employment Statistics Prevailing Wage Rates (H1-B) where the Secretary of Labor uses, or makes available to employers, a governmental survey to determine prevailing wage, such survey shall provide at least 4 levels of wages commensurate with experience, education, and the level of supervision. Where an existing government survey has only 2 levels, 2 intermediate levels may be created by dividing by 3 the difference between the two levels offered, adding the quotient thus obtained to the first level, and subtracting that quotient from the second level." Consolidated Appropriations Act, 2005 amended Section 212(p) of the INA, 8 U.S.C. 1182(p). This is a "job family" survey where the SalaryExpert® 100,000 job titles are consolidated into 801 broad job families considered to be good enough for government work. That said, it represents a sample drawn from over 600,000 employer participants.

<u>For Use In</u>	<u>Type</u>	<u>Annual Mean</u>	<u>Level 1 (I)</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 4 (II)</u>
2008-2009 OES	1	168,380	103,792	136,087	168,383	200,678
2009-2010 OES	1	181,660	113,838	147,749	181,660	215,571
2010-2011 OES	1	196,940	121,514	159,231	196,949	234,666

SalaryExpert results are derived 100% from employee provided data. Results may be "smoothed" via PAQ's C3 Job Family Matrix where an area and/or industry's data are described within the 20 job families found universally throughout the world. Data entered by web visitors has been collected, analyzed and stored in this manner since 2000, with input assigned first to broad Management, Professional, Para-Professional, TradeCraft/Labor, or Sales occupational groupings and then into more refined job families based on skills and experience (level and size for management jobs). Specific jobs within each job family sub-grouping are ranked according to the pay relationships provided by ERI Economic Research Institute (whose salary and wage data are derived exclusively from employer provided data). Data reported by national government sources (DOL Occupational Employment Statistics for the US, National Statistics Office for the UK, Statistic Canada, etc.) may be illustrated for comparison purposes (government data is sometimes neither employer provided nor employee provided). ERI comparisons are available via subscription.

## Rebuttable Presumption Procedure

### Rebuttable Presumption Procedure is Key to Easy Intermediate Sanctions Compliance

The IRS website, [www.irs.gov](http://www.irs.gov), contains a PDF article ("[Rebuttable Presumption](#)" by S. Miller) written by the then Director of Exempt Organizations outlining a simple procedure for insuring that all top officials of an tax exempt organization are in compliance. This procedure is termed "rebuttable presumption" and is advantageous in that if ever challenged, it shifts the burden of proof to the IRS and "once the process is established, following it becomes a rather routine task" so that ongoing compliance is assured. Although intended for nonprofits, SalaryExpert believes it an excellent place to start the analysis of for-profit corporations' executive pay should that not now be standard practice. The article provides a check list that is included in its entirety below:

1. Name of disqualified person: \_\_\_\_\_
  
2. Position under consideration: \_\_\_\_\_
  
3. Duration of contract (1 yr., 3 yr., etc): \_\_\_\_\_
  
4. Proposed Compensation:  
  
    Salary: \_\_\_\_\_  
    Bonus: \_\_\_\_\_  
    Deferred compensation: \_\_\_\_\_  
    Fringe benefits (list, excluding Sec. 132 fringes): \_\_\_\_\_  
    Liability insurance premiums: \_\_\_\_\_  
    Foregone interest on loans: \_\_\_\_\_  
    Other: \_\_\_\_\_
  
5. Description of types of comparability data relied upon (e.g. association survey, phone inquiries, etc.):  
    \_\_\_\_\_
  
6. Sources and amounts of comparability data:  
  
    Salaries \_\_\_\_\_  
    Bonuses: \_\_\_\_\_  
    Deferred compensation: \_\_\_\_\_  
    Fringe benefits (list, excluding Sec. 132 fringes): \_\_\_\_\_  
    Liability insurance premiums: \_\_\_\_\_  
    Foregone interest on loans: \_\_\_\_\_  
    Others: \_\_\_\_\_
  
7. Office or file where comparability data kept: \_\_\_\_\_
  
8. Total proposed compensation: \_\_\_\_\_
  
9. Maximum total compensation per comparability data: \_\_\_\_\_

10. Compensation package approved by authorized body:

Salaries \_\_\_\_\_

Bonuses: \_\_\_\_\_

Deferred compensation: \_\_\_\_\_

Fringe benefits (list, excluding Sec. 132 fringes): \_\_\_\_\_  
\_\_\_\_\_

Liability insurance premiums: \_\_\_\_\_

Foregone interest on loans: \_\_\_\_\_

Others: \_\_\_\_\_

11. Date compensation approved by authorized body: \_\_\_\_\_

12. Members of the authorized body present (indicate with X if voted in favor): \_\_\_\_\_

13. Comparability data relied upon by approving body and how data was obtained:  
\_\_\_\_\_

14. Names of and actions (if any) by members of authorized body having conflict of interest:  
\_\_\_\_\_

15. Date of preparation of this documentation (must be prepared by the later of next meeting of  
authorized body, or 60 days after authorized body approved compensation): \_\_\_\_\_

16. Date of approval of this documentation by Board (must be within reasonable time after preparation of  
documentation above): \_\_\_\_\_

## Common Questions

Five estimates of reasonable compensation have been illustrated in this report, hopefully sufficient to establish a range of reasonable salary levels. Questions commonly fielded by SalaryExpert representatives include:

**Where did this data come from?** This executive compensation data was derived from US salary surveys and online proxy analyses, which are time-series-adjusted. #VARIABLES.CompanyName# has accessed the database of

[ERI Economic Research Institute](#) to extract Summary Compensation tables. ERI's [Executive Compensation Assessor](#)® software has been used by the IRS National Appeals Office since the 1980s and is now considered the default data source in many Federal Tax Court cases.

**Information from the Internet is not reliable. Give me some details about the specific strengths and weaknesses of the sources of this information.** Full methodology, data sources, and population statistics are available for this report. The actual companies selected as comparables will create a unique standard error. Many Internet sites do not provide statistical facts to back up their data.

**Might this report suffer from user input error or exaggeration?** The results will be a reflection of the input provided by the user. If the individual selects the wrong job title or inputs an incorrect industry, the output will be skewed. However, the factual data such as average salaries for a given occupation will be accurate, even though it may not correspond with the user's actual position and organization. This report selects comparables automatically and with computer logic that is not documented. This report, again, should be considered only the first step in a Board level review process. Comparables are best selected individually, and may be done so via ERI's free [Proxy/10-K/Appraisal Norm](#) retrieval site or [executive compensation software](#).

## Sources, Courses, and Resources

### EDGAR

[www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)

The US Securities and Exchange Commission posts records for all companies, foreign and domestic. These organizations are required to file registration statements, periodic reports, and other forms electronically through EDGAR. Anyone can access and download this information for free. This report has used this data, in part, as the foundation for its analyses. One should check this data periodically for changes in practices to companies that are deemed to be comparables.

### CareerJournal

[www.careerjournal.com](http://www.careerjournal.com)

This site, brought to you by *The Wall Street Journal*, offers a number of useful features, including classifieds, salary and hiring information, executive search advice, and a database where interested parties can view one's résumé. Questions and Answers, with recruiting company executives providing interesting content are also useful. (These interviews cover various topics, including the state of the executive job market and the e-business sector.) This Report has utilized the trend lines reported in the ERI/WSJ Index found at that site as they relate to executive compensation movement (salary and bonus increases).

### ERI Economic Research Institute Sites

[www.eri-executive-compensation.com/](http://www.eri-executive-compensation.com/)

ERI Economic Research Institute provides compensation information to 80% of US Fortune 500 companies and thousands of other businesses and consultants. This website is designed specifically to cover executive compensation issues. Its free [Proxy/10-K/Appraisal Norm](#) retrieval tool facilitates research on the financial history and executive pay at publicly traded comparable organizations.

### Salary Surveys

[www.eri-salary-survey.com](http://www.eri-salary-survey.com)

Find salary survey sources by occupation and location using this website's [Salary Survey Finder](#).

### Non-Profit Salaries

[www.eri-nonprofit-salaries.com](http://www.eri-nonprofit-salaries.com)

This ERI website provides non-profit compensation data including a free demonstration download of ERI's [Nonprofit Comparables Assessor](#)® that has access to more than 2 million Form 990s. Use this site to do your own research on the executive pay and financial histories of known comparable organizations.

### Compensation Courses

[www.eridlc.com](http://www.eridlc.com)

Take free online courses on executive pay planning and salary administration at the ERI Distance Learning Center. Courses provide continuing education credit (CCP/CBP/GRP, PHR/GPHR/SPHR, and CPE) for \$24.95 per exam. A free compensation textbook, business glossary, and employment law library are also provided.

### Compensation Software

[www.eri.com](http://www.eri.com)

ERI's compensation databases provide reliable executive pay analyses. If you wish to create a report with specifically selected comparables, utilize ERI's compensation software databases and reports.

### Job Boards

Other useful data can be found on Job Boards, such as:

- <http://www.careerjournal.com/>
- <http://www.sixfigurejobs.com/>
- <http://www.execunet.com/>
- <http://www.execsearches.com/>

### Recommendations

Select comparables carefully and document the rationale for management compensation decisions, preferably before services are rendered. Rely upon your tax, financial, and legal providers. This report's estimates and comparables are provided for informational purposes only and are not intended to serve as legal or tax advice. Use them as a starting place in your planning. Neither SalaryExpert nor the organizations that provide source data in this report provide consulting services.

### Refunds & Satisfaction Guaranteed

This report should save analysts countless hours of research. We realize that approximately half of all organizations will find themselves "above average" in compensation. Should you wish to purchase a subscription to ERI's software to produce a more customized analysis, remember to mention SalaryExpert and the cost of this report will be credited against any ERI **Assessor Series**® subscription.

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If more detailed analyses of management compensation are desired, SalaryExpert recommends ERI's survey of executive compensation, as found in the **Executive Compensation Assessor** software. As part of the Agreement allowing SalaryExpert to access to ERI databanks, the price of this report will be credited to any **Assessor Series** subscription order placed. Please contact ERI directly regarding questions relating to ERI's research, products, or contribution to this report (800.627.3697). Neither ERI nor SalaryExpert provides consulting services. Please consult with your tax, legal, accounting, or compensation consulting advisor.