

Despite Pay Cuts It's Still Good To Be A Texas GC

By: Vanessa Vidal

A recent article by Texas Lawyer has reported that Lone-Star GC's have seen their paychecks shrink despite being among the highest-paid executives at the state's largest corporations. Don't pull out the handkerchiefs yet. If these GC's compensation has taken a hit, they are still pulling in the kind of cash that many of their law firm counterparts can only dream of. Despite pay cuts it's still good to be a Texas GC.

According to Texas Lawyer, pay packages for top legal officers at the 50 largest Texas companies are down by 11.6 percent. What does this mean in terms of dollars and cents? The average pay package was valued at:

\$1,760,327, total cash compensation (2008)

\$1,991,410, total cash compensation (2007)

Not too shabby, especially you compare those figures to the average profits per partner in 2008 at the 25 highest-grossing firms in Texas, which averages \$794,000, as reported in Texas Lawyer's Annual Report on Firm Finance.

The real question is, are they worth it?

They are if they landed in the right industry. GC compensation packages are still heavily comprised of equity compensation, which can include time and performance based restricted stock awards and stock options. The equity is reported as a dollar value in those above-stated averages. If you are, let's say working for an oil company, you should be pulling in the big buck, which is exactly what has happened for Charles W. Matthews, vice president and general counsel of Exxon Mobil Corp.

Matthews, unsurprisingly, heads the list of the best-paid general counsel in Texas. His pay package totaled:

\$9,700,227 in 2008, including equity with a fair market value of \$5,490,643.

Previously, Matthews was not among the five highest-paid executives at Exxon Mobil, so his compensation wasn't reported in proxy statements his company filed with the U.S. Securities and Exchange Commission.

The opposite is also true. Therefore, GC's in industries that have been more heavily hit by the economic downturn, such as such as auto and steel or real estate, are seeing their compensation packages take bigger hits than the 11.6 percent reported, from packages that already started at a lower value.

How are top Texas GC's faring nationally?

According to a July 2009 survey conducted by Corporate Counsel, it appears that Texas GC's are doing quite well, with another Texas counsel at the top, Gregory Doody*, a bankruptcy expert hired to lead the Calpine Corp. out of bankruptcy, Corporate Counsel reports in a separate story. He took home \$9.7 million in cash and bonuses last year; he has since left the company.

Here is the list of the 10 top-paid general counsels (total cash compensation), according to Corporate Counsel:

1. Gregory Doody, Calpine Corporation, TX, \$9,743,621 *
2. Donald Rosenberg, Qualcomm Incorporated, CA, \$9,676,940
3. Brackett Denniston III, General Electric, CT, \$7,050,200
4. Charles Wall, Philip Morris International Inc., NY, \$4,194,538
5. Alan Braverman, The Walt Disney Company, CA, \$4,032,885
6. Gary Lynch, Morgan Stanley, NY, \$3,469,000
7. Paul Cappuccio, Time Warner Inc., NY, \$3,050,000
8. Russell Deyo, Johnson & Johnson, NJ, \$2,988,896
9. Carrie Dwyer, The Charles Schwab Corp., CA, \$2,974,399
10. Louis Briskman, CBS Corporation, NY, \$2,905,000

While Texas GC's, may have seen their package take a hit, make no mistake about it, these top company general counsels are still handsomely compensated for their hard work.

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