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SEATS OF POWER
A SPECIAL REPORT

Diverse averse

Some improvement, but it's still the same old boys' network

By
**CLAUDE
SOLNIK**

When Cablevision Systems named former U.S. Attorney Zachary Carter, partner at Manhattan-based law firm Dorsey & Whitney, to its board of directors in October, Chairman Charles Dolan praised Carter's "broad experience." But Carter brought something even more valuable to the board: diversity.

Carter is the only African American on Cablevision's 15-member board, and along with Marianne Dolan Weber (Charles' daughter and the only woman with a board seat) represents the changing face of corporate directors.

Changing, but according to many, not changing fast enough.

Ask "who's coming to the board meeting?" at Long Island's top 10 public companies by market capitalization and the answer,

See DIVERSE, Page 44A

Taub family buys 'gold' Nassau sites

Honeywell unlocks valuable
Syosset industrial space

By **CARL CORRY**

In a sale that should loosen the noose a bit on available Long Island industrial space, Honeywell Corp. has sold five Syosset buildings totaling 325,000 square feet.

The buildings were acquired for an undisclosed sum by 345 Underhill LLC, a private investment group owned by the Taub family. Honeywell, which has leased back the buildings until the end of March, will keep 55,000 square feet at 275 Oak St. for at least a year as it consolidates its Long Island operations to "several hundred thousand square feet" of space in Melville, according to 345 Underhill spokesman Michael O'Brien.

The remaining Syosset space – at 163 and 165 Eileen Way and 170 and 180 Michael Drive – will be refreshed

See TAUB, Page 43A

Fat chance

Island eateries follow NYC
lead, cutting trans fats

By **HENRY E. POWDERLY II**

Instead of clogging their patron's arteries with trans fats, major Long Island cafeteria and restaurant operators are clogging their drains with it.

On the heels of the New York City Board of Health's ruling to ban the use of hydrogenated oils in city restaurants, Lackmann Culinary Services – which runs the cafeterias at Adelphi University, Molloy College and Hofstra

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Diverse: Little change

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overwhelmingly, is “white men.” It’s a case of inside baseball, according to Hank Boerner, managing director of Mineola-based consulting firm Rowan & Blewitt.

“Baseball players know each other,” Boerner said. “If you’re inside corporate America, chances are it will be a board like this – [board members] may be independent, but they are not people of color.”

Homogenous maximus

A perfect example of this rooted-in-the-past contagion can be found at Long Island’s tech companies, which, ironically, purport to be forward-thinking. Check out CA’s 11-member board, which features one woman (former Securities and Exchange Commission official Laura Unger), one white male of Hispanic heritage and no African Americans.

In 2005, John Swainson, chief executive of the former Computer Associates, told *Directorship* magazine he wanted to balance the board – but the balance, it turned out, was about individual areas of expertise and had nothing to do with gender or ethnicity.

CA is not the only Island firm embracing this old-school composition. Melville-based Arrow Electronics’ 10-member board includes one woman, one Asian American and eight white men; Symbol Technologies in Holtsville boasts a six-member board comprised exclusively of white males.

The same can be said of Great Neck’s Kimco Realty, which has only white men on its nine-member board, and of Melville-based Reckson Associates’ nine-member board, with the exception of one white woman.

Long Island’s banking boards are no more varied. Westbury-based New York Community Bancorp, for instance, has a 15-member board comprised of one woman and 14 white men.

The best of the bunch may be North Fork Bancorp, where the 11 directors include one African-American (who joined from Greenpoint Financial when that bank was acquired in 2004) and two women, both named in 2004. But even this relative melting pot “tends to be an old-boy board,” according to Boerner, who noted that North Fork diversified in 2004 only after criticism from Calvert Asset Management.

Calvert proposed and later withdrew a resolution requiring North Fork to “take reasonable steps to ensure that women and minority candidates are routinely sought” for board seats, an idea Boerner blesses.

“Banking should have a lot of women, if you look at it from the perspective of who they serve,” he said. “Banks should be even more responsive to societal changes.”

North Fork’s board dissolved as of Dec. 1, when the bank was purchased by Capital One Financial Corp. Matthew Lee, executive director of Bronx-based banking watchdog Fair Finance Watch, said the old North Fork board was mostly “the FOK” – Friends of [CEO John Adam] Kanas. North Fork did not return calls for this article, but Katherine Heaviside – president of Huntington-based Epoch 5 Public Relations and one of the two women appointed to the North Fork board in 2004 – defended a bank that “certainly embraced diversity within their corporation.”

“To look at one aspect of the organization is a very narrow way to look at it,” she said.

More diversity can be found among Long Island’s health-care enterprises, although true equality remains an abstract notion. Melville-based Henry Schein has two African Americans and one woman on its 13-person board; East Hills-based Pall Corp. has one African American and one woman on its 12-person board, along with an even rarer Island occurrence: a foreign board member, in this case a British citizen.

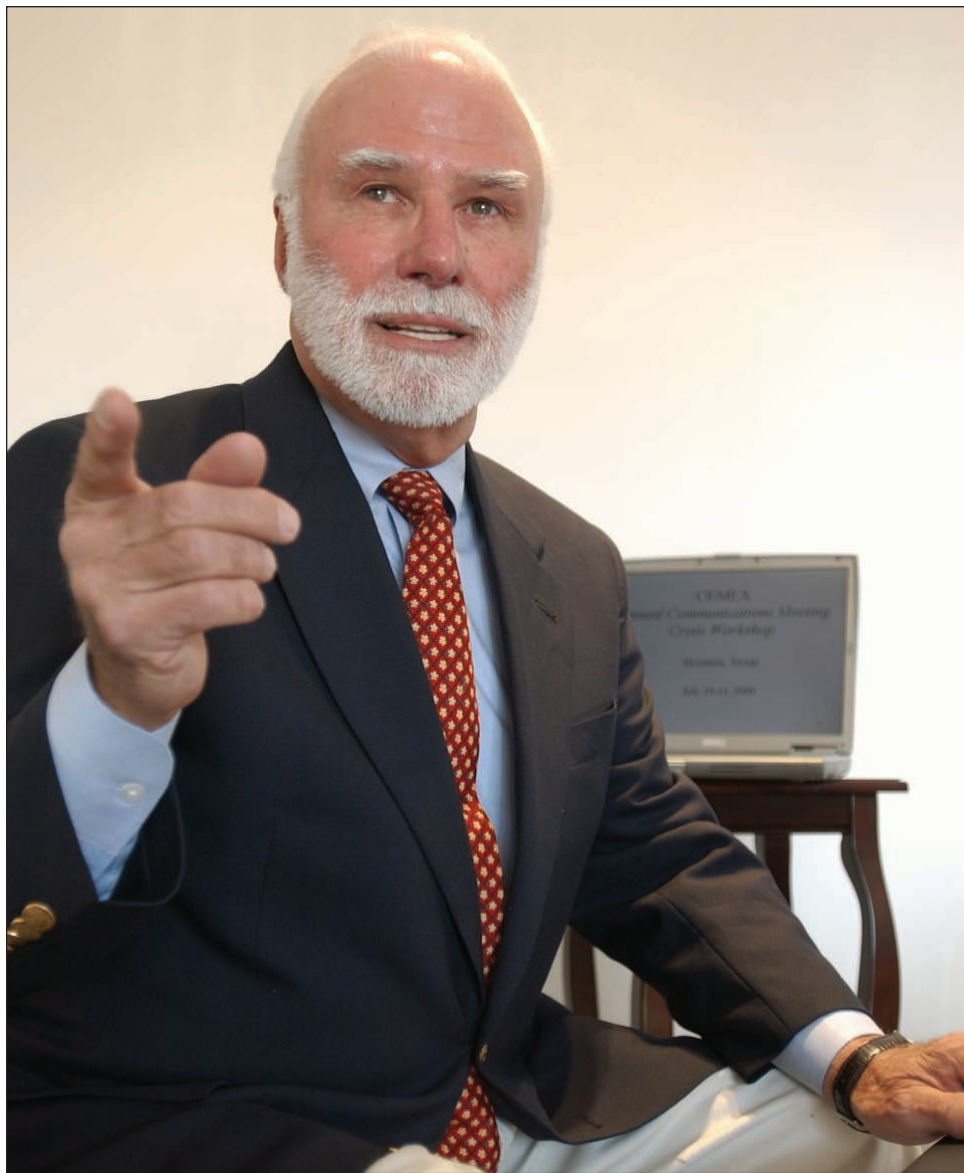
Ladies last

This is not an indigenous Long Island concern. The Island is a small part of a larger diversity desert, where talk is usually a mirage and rarely materializes into change.

International advocacy group Catalyst – which champions the role of businesswomen from its offices in New York, San Jose, Calif., Toronto and Switzerland – sees the board dilemma as a product of built-in obstacles, including women’s lack of access to informal networks and a dearth of role models.

“There is progress,” said Catalyst researcher Kate Egan, “but it’s definitely still slow.”

Women held 14.7 percent of all board of director seats at Fortune 500 companies in 2005. Of those companies, 182 boasted



IT'S WHO YOU KNOW: Hank Boerner, managing director of consulting firm Rowan & Blewitt, says most boards are still “old-boy” networks.

boards with only one woman; 189 had two women and 76 – including Brooklyn-based KeySpan – had three or more (KeySpan had three, out of 10 members).

While one-woman boards were a common Fortune 500 setup in 2005, some bristle at the suggestion that female members sometimes are just so much diversity window dressing.

“I don’t think anyone would say Katharine Plourde is a ‘token,’” said Pall Corp. spokeswoman Marcia Katz, speaking of the only woman on Pall’s 12-member board. “However, it is what it is: There is one female on the board.”

Others believe boards are becoming more receptive to diversity, especially when it comes to women, and note that female directors are gaining power – Plourde, for instance, leads Pall’s nominating committee.

“There’s been a real positive change of attitude about diversity in the boardroom,” said Julie Hembrook Daum, North American practice leader for New York-based recruiting firm Spencer Stuart, which places professionals on corporate boards. “The tone at the top is changing.”

Majority rule

The national numbers are a mixed bag for minority board members, not much different from Long Island’s numbers.

In 2005, about 10 percent of all directors nationwide were minorities – no change from 2004, but up from about 7 percent in 1999, according to Institutional Shareholder Services.

A minority breakdown shows national board members as 6.4 percent African American, 2.1 percent Hispanic and 1.5 percent Asian Americans. And while 10 percent of all board members are minorities, only 7 percent of new directors named in 2004 and

2005 were non-whites.

“Growth stagnated over the past year despite board overhauls brought on by new regulations,” ISS said in a written statement, referring to board-member-independence protocols following the Sarbanes-Oxley Act of 2002.

Michele J. Hooper, an African American woman and member of the boards at international biosciences company AstraZeneca and Wilmington, Del.-based PPG Industries, believes greater boardroom diversity will come from the fact that fewer CEOs are serving on boards. This forces corporations to hire search firms to fill seats, opening the process to larger and more varied candidate pools.

Hooper is also president of Chicago-based MJH Consulting and a managing partner at a Chicago search firm called the Directors Council; she’s the former president of the Pennsylvania-based Stadlander Drug Co. and has served on high-profile director boards at Seagram Co. and Target Corp., among others.

In an October article published by the National Association of Corporate Directors, Hooper said search firms are considering “well qualified, excellent business executives who bring not just gender and ethnic diversity, but also diversity of skill sets, perspectives and sometimes age.”

Michael Faltischek, partner at Uniondale law firm Ruskin Moscou Faltischek, said the diversity of a company’s staff is usually proportional to the company’s size.

“The bigger the company, the more likely there’s going to be diversity,” Faltischek said. “The number of minority or other people that fit the bill are a much smaller percentage of the population (at a small company).”

In the end, he added, regardless of race or gender, “good, qualified people get tapped and go on to big careers.”



PALL IN THE FAMILY: The 12-member board of Pall Corp. includes one woman and one African American.

BOARD BREAKDOWNS

Long Island's Top 10 public company boards consist of 85 percent white males, 9 percent women and 6 percent minorities.

	White Males	Women	African Americans	Asian	Hispanic
Arrow Electronics	7	2	0	1	0
*CA	10	1	0	0	1
Cablevision	14	1	1	0	0
Kimco	9	0	0	0	0
North Fork	8	2	1	0	0
NY Com. Bank	14	1	0	0	0
Pall	10	1	1	0	0
Reckson	8	1	0	0	0
Henry Schein	10	1	2	0	0
Symbol	6	0	0	0	0
TOTAL	96	10	5	1	1

*(1 white male of Hispanic heritage)

Leveling the field

Forces not necessarily devoted to diversity may coincidentally urge the headwinds of change. With numerous directors-for-hire sitting on multiple corporate boards, many firms are taking steps to limit the number of boards their directors may grace, opening boardrooms to members beyond the usual suspects.

And these days, nominating committees – rather than CEOs – propose new directors, ending the “friends of” focus. These committees, insiders say, tend to ask search firms for more diverse candidate pools.

In most cases, expertise – not ethnicity or gender

– is still most likely to guide director selections, meaning minorities may not make significant headway into boardrooms until more move up the corporate ladder. But if directors make enormous differences in the way their company – even society – functions, it goes double for minority directors.

Leon Sullivan, an African American member of the General Motors board, is credited with helping GM back out of South Africa, a move that led other powerful U.S. corporations to follow suit.

“Eventually, most American companies left South Africa,” Boerner noted, “which led to the collapse of apartheid.”

Old hands hang on

Consider it the graying of the boardroom.

Experts say more corporations than ever are imposing mandatory retirement ages for directors, but the age limit is rising – often to 75 years.

Of the companies indexed by the Standard & Poor's 500 that put mandatory retirement ages on board members, 61 percent set the bar at 72 years or older.

Cyndy Reid, spokeswoman of New York recruiting firm Spencer Stewart, which plays matchmaker for professional directors and corporate boards, said boards are raising mandatory retirement ages “in order to retain directors with valuable experience.”

Some firms, such as East Hills-based filter-maker Pall Corp., are making exceptions to let older board members serve even longer. Pall spokeswoman Marcia Katz said retired executives are a natural component of any board, because they have “the time, willingness and capacity to devote to it.”

This leads directly to an “if it ain't broke...” situation: Even as board members age, if things

are going well, why change them?

“These are people who have been important contributors to the company and to the board,” Katz said of old-timers. “They keep getting nominated and voted back on. There's longevity. They understand the company.”

When Pall board member James Watson, a Nobel Prize-winning DNA researcher, turned 75, Pall waived its retirement regulations. While Watson's qualifications – and the benefits of many older board members – are obvious, what you really want on a corporate board, according to Katz, is a combination of young and old.

“We would want that mix,” she said. “There are new ideas and thoughts. You always want some new, fresh blood.”

So why have an age restriction at all, then?

“It's the only way boards have of getting turnover,” said Spencer Stuart North American practice leader Julie Hembrook Daum. “They're not supposed to be [lifelong appointments].”

– CLAUDE SOLNIK

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