

Long Island Business NEWS

Dec. 8-14, 2006

Where Business Gets Down To Business

Vol. 53 No. 58 • \$1.50



TESE:
A busy body.

SEATS OF POWER

A SPECIAL REPORT

GOING OVERBOARD

For directors like Vincent Tese,
there's no such thing as too much

Think you're busy to the point your schedule resembles a forced march? You probably have nothing on Vincent Tese.

The cable TV pioneer sits on 11 boards of directors, six of publicly traded companies, including Bethpage-based Cablevision Systems Corp. and financial giant Bear Stearns. Tese, a Cuomo administration official and former commissioner of the Port Authority of New York and New Jersey, also sits on three private company boards. Throw in his work for two not-for-profit entities, New York

University and New York Presbyterian Hospital, and you'd think Tese, 63, might be a tad overextended.

By
**AMBROSE
CLANCY**

But no, says Tese, noting that his time commitment to the boards fills only 25 percent of his schedule.

This, even though Tese would be a very busy man if he attended all the meetings of the boards he sits on – 159 in total for the six publicly traded firms Tese was on in 2005, according to a Long Island Business News analysis of Securities and Exchange Commission filings.

See OVERBOARD, Page 44A

Revamped planning board homes in on new leader

Michael White would replace
ousted Lee Koppelman

By **JEREMY HARRELL**

The Long Island Regional Planning Board is preparing to make environmental attorney Michael White its next executive director.

If White, a partner of Jaspan Schlesinger

Hoffman in Garden City, is selected, the regional planning board has found a home-grown replacement for Lee Koppelman, a disciple of Robert Moses who, until he was forced to resign earlier this year, served as executive director since the board's creation in the 1960s.

Perhaps more important, the panel's leaders have also decided not to choose a pure planner to serve as the board's guiding force. Instead, the board would be tapping an environmentalist and attorney versed in

working with town governments, which control the lion's share of Island zoning power, according to a source familiar with the board's thinking.

White, who also has experience working in both counties, got his start in environmental science before earning a law degree from Touro Law School. He has held top environmental posts with Suffolk County and the Town of Huntington.

White led Jaspan Schlesinger's class-

See WHITE, Page 42A



Michael White



Lee Koppelman

BREAKING BUSINESS NEWS AT LIBN.COM

Overboard: Multiple seats add up to hefty compensation

From Page 1A

Busy or not, the pay was sweet. Tese, who also heads his own firm, Wireless Cable International, pulled down \$739,500 in total compensation last year from the six public companies. There is no information available on what he's paid by Custodial Trust Co., Magfusion Inc. and Xanboo Inc., the private companies.

Tese is not alone in serving on multiple boards, or, in the industry jargon, "overboarding."

The class of excess

Other board members of the Island's biggest 10 public companies who fall under the overboard category include: Lewis Ranieri, non-executive chairman of CA Inc.; Roger King of Melville-based Arrow Electronics; Douglas Crocker II of Reckson Associates Realty Corp.; and Louis Sullivan of Melville-based Henry Schein. Each person served on five boards apiece in 2005, and all were well compensated. Except for Tese, all refused to comment for this story.

Ranieri's total paycheck approaches the money Tese received, netting \$707,000 in 2005 for his board work. The former Salomon Brothers bond market wunderkind, who now runs Ranieri & Co., a private investment and management consulting firm in Uniondale, sits on the boards of two local firms: software maker CA Inc. and Uniondale-based Reckson Associates.

In 2005, Ranieri was responsible for attending a total of 88 board and committee meetings. There's no information available on how much he makes or what committees he's on with Roots Market Inc., a private company.

Sullivan, dean emeritus of Morehouse School of Medicine in Atlanta, sits on the boards of five publicly traded companies, including Henry Schein Inc., the Melville-based medical and dental supply firm. For his board work, Sullivan made \$495,000 in 2005.

Roger King, founder of Oriental Data

Systems, has been on the board of Arrow Electronics since 1995. He made a total of \$185,000 for his work with the Melville firm and Orient Overseas (International) Limited. Crocker, a retired apartment REIT executive, sits on a total of five boards, including Uniondale's Reckson Associates Realty Corp. His compensation in 2005 was \$327,850.

Kevin M. Sheehan, distinguished visiting professor in the Adelphi School of Business, doesn't think those payouts are out of whack with shareholders' interests. He noted that the men mentioned were engaged in work that is "not far from a full-time job and their compensation is what they were probably making in their prior roles."

Enough time to do the job right?

Compensation aside, overboarding begs some questions: what kind of focus can an individual bring to the serious work of a corporate board? And when does sitting on a corporate board stop being a position of wise counsel, a human vehicle of financial checks and balances representing stockholders, and become a full-time and extremely well-paid job? Can individuals devote the necessary time and energy to do a creditable job?

The questions gain added relevance if you consider that Tese, for example, is on the audit and executive compensation committees, where the most important work is done, of Cablevision, Bear Stearns, and Gabelli Asset Management, which is also Cablevision's biggest shareholder aside from the controlling Dolan family.

Tese said the nine corporate boards he serves on receive his full attention. "A lot depends on what you do for a living," he said. "If you have a full-time job you can't devote the time, but I don't have a full-time job." Wireless Cable International is a company that "holds wireless licenses and is not an operating company," Tese said.

He also noted that International Shareholder Services, a respected corporate governance advisory organization, encourages board members to sit on no more than



SHEEHAN: The pay for overboarders is fine, but the commitment is excessive.

LEADERS OF THE PACK			
Directors	Public boards	Private boards	Public board Compensation
Vincent Tese	Cablevision Systems Corp., Bear Stearns, Bowne & Co., Gabelli Asset Management, Mack-Cali Realty Corp., Intercontinental Exchange	Custodial Trust Co., Magfusion, Inc., Xanboo, Inc.	\$739,500
Lewis Ranieri	CA Inc., Reckson Associates, American Financial Realty Trust, Capital Lease Funding Inc., Franklin Bank Corp.	Root Markets, Inc	\$707,000
Louis Sullivan	Henry Schein, 3M, CIGNA, Bristol-Meyers Squibb, United Therapeutics	None	\$495,275
Douglas Crocker II	Reckson Associates, Wellsford Real Properties, Inc., Ventas, Inc., Post Properties, Acadia Realty Trust	None	\$327,850
Roger King	Arrow, Orient Overseas (International) Limited	China Lot Synergy Holdings, TNT N.V., Sincere Watch (Hong Kong)	\$185,473

Source: Securities and Exchange Commission filings.

six boards to ensure meaningful work.

But the Corporate Library, a watchdog organization that rates board directors' performances, cautions against serving on more than three corporate boards and recommends limiting participation on only two for active CEOs.

"With the amount of workload that directors are having to take on, it's very, very difficult for a director to do the job properly," Paul Hodgson, a senior research associate with the Corporate Library, said.

Sheehan draws the line at serving on three boards. "Beyond that, you're probably pushing yourself, especially with the committee meetings," he said. "It's a lot of work."

Not as easy as it used to be

The show-up-and-cash-checks atmosphere of board participation is a thing of the past, most observers agree, due to a combination of legislation, shareholders who have found their voices and the media probing into the workings of corporate boards.

Shirley Westcott, managing director of policy with Proxy Governance Inc., a shareholder advisory firm, said her organization raises flags on participation on more than

six boards but also tries to make a nuanced judgment. "We take a look at how expansive the commitment is," she said, adding that an individual is judged on the number of meetings attended, committees chaired and if the person is on multiple audit and compensation committees.

Westcott refused to pass judgment on individuals, but in May Proxy Governance urged shareholders to withhold their votes for Tese because of his role on the compensation committee of Gamco Investors, the parent company of Gabelli Asset Management.

Mario Gabelli, the company's chief executive, took home \$55.5 million in 2005 even though assets fell 7 percent and Gamco's stock took a 10 percent dive. Proxy Governance's analysis found that Mario Gabelli's pay was 4,607 percent above the median of CEOs of peer companies, Westcott said.

Tese said his work for the boards is rewarding but he never forgets that his role "is a duty to the shareholders."

NEXT WEEK: Minorities and women are being added to the traditionally white-male domain of public company boards, but at a glacial pace.

Alfonse D'Amato
Former U.S. Senator
Partner, Park Strategies
Board member, CA Inc.



D'Amato, 69, brings his Washington and New York connections. The company, formerly known as Computer Associates International, pays the former "Senator Pothole" \$175,000 annually. He served 18 years in the Senate, emerging from relative obscurity as a Huntington Town supervisor to become a member of what is often described as the world's most exclusive club. D'Amato now runs Park Strategies, his own consulting firm with offices in New York, Washington, Albany and Long Island.

Guy Molinari

Former U.S. Congressman and Staten Island borough president
Board member, New York Community Bancorp



Molinari, 78, was for many years a Republican power in mostly Democratic New York City politics. He's credited with being a major player in launching fellow Republican Rudolph Giuliani into the mayor's mansion. A staunch conservative, Molinari was the only member of the New York congressional delegation to vote

BOARD STARS

The Who's Who of Long Island's Public Companies

against the Martin Luther King holiday. His legacy continued with the election of his daughter, Susan, to his House seat. Molinari is paid \$87,500 for his work on the board of New York Community Bancorp, headquartered in Westbury.

Peter Quick

Former American Stock Exchange president and co-founder of Quick & Reilly
Lead director, Reckson Associates Realty

Quick, 50, has been at the heart of a maelstrom that encompassed Reckson Associates after corporate activist Carl Icahn last month proposed a hostile takeover of the company to sideswipe CEO Scott Rechler's efforts to take Reckson private. Icahn lost. Quick, who sold his discount brokerage firm in 1997 to Fleet Bank, now Bank of America, was paid \$124,500 for his work as Reckson's lead independent director in 2005. Quick left the Amex in May 2005 in what was described as "a mutual agreement with the exchange."



Quick had been notified that he was the subject of a Securities and Exchange Commission investigation.

Lewis Ranieri

Former Salomon Brothers vice chairman
Chairman, CA Inc.

Rising from the mail room at Salomon Brothers Inc. to vice chairman of the Wall Street giant, Lewis Ranieri, 59, virtually invented the idea of converting home loans into bonds which could be sold worldwide. He now heads his own firm, Ranieri & Co, a private investment and management consulting firm in Uniondale. The legendary college dropout is the chairman of the boards of CA Inc., American Financial Realty Trust, Capital Lease Funding and Franklin Bank Corp. He also sits on the board of Reckson Associates. Total Compensation for Ranieri in 2005? A mere \$707,000, although that includes in-kind payment for ready access to a CA corporate jet.



John R. Ryan

Chancellor, State University of New York
Board member, Cablevision Systems Corp.

At the helm of the State University of

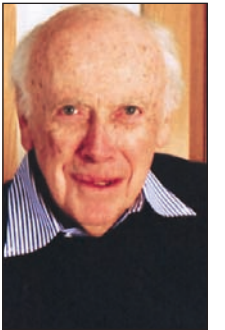
New York, the largest comprehensive system of higher education in the nation, former U.S. Navy Vice Admiral John R. Ryan, 61, brings organizational and human resources skills to the board of Cablevision Systems. Ryan's navy career included a stint as superintendent of the U.S. Naval Academy in Annapolis. He was paid \$152,000 by Cablevision for his board work in 2005.



James Watson

Nobel Laureate
Board member, Pall Corp.

Watson, 78, was awarded the Nobel Prize in 1962 for his work in unraveling the double-helix structure of DNA. Pall's CEO Eric Krasnoff says Watson, who earned \$41,500 last year as a board member of the East Hills filtration company, "has been a peripatetic ambassador for Pall and just recently returned from our China facility where he wowed employees and customers alike with his unique brand of intellect and charm."



— AMBROSE CLANCY

Where can you find a group of smart, talented, successful, enterprising women that are willing to share their information, contacts, resources and energy???



Women on the Fast Track
an unbelievably fabulous
networking organization
for business and
professional women.

No speakers. No hidden agendas. This is Networking at its best.

Please join us for our Nassau County Meeting on Monday, January 8th.
6:30 p.m.-SHARP.

At the offices of Simply Vibrant, 927 Franklin Avenue, Garden City.
(There is parking on Franklin Avenue as well as in the back parking lot)

-OR-

Join us for our Suffolk County Meeting on Tuesday, January 9th
6:30 p.m.- SHARP

at the offices of the Business Development Group, Inc.
1593 Locust Avenue, Bohemia

You MUST RSVP to attend- please call 516-222-0236
Bring Yourself, bring your business cards, bring your mind... see you there!

Please share this invitation with your friends!