

The Realities Behind Corporate Executives' Golden Parachutes

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The *Houston Chronicle* publishes Gray Reed attorney Terry Sabom as he explains the reality behind corporate executives' high-dollar severance payouts.

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Terry uses his experience as an outside counsel (17 years) and as in-house counsel (15 years) to help business owners who would like to sell their business outright, transition ownership of the business to family or management, or expand the existing business. Most if not all of these transactions first require the grooming of the company, financially and operationally, and the raising of outside capital. Terry can accomplish these tasks, guide the owner through the legal documentation phase and the closing of the transaction, and fill the general counsel role for the surviving entity. Most recently, Terry has completed two \$5 million bank loans, a \$25 million management buyout of an advertising and communications company, and a \$12 million sale of an instruments company to a foreign buyer. In the area of employee incentives and pension/profit sharing plans, Terry has been working in this area since the passage of the landmark ERISA law on Labor Day, 1974. He is able to offer a one-stop service that takes the process from design to implementation to operation. In addition to recently setting up several tax qualified 401k and profit sharing plans, restricted stock plans, and employee stock option plans, and guiding several plans through the IRS compliance resolution process, Terry helped an executive successfully appeal a pension determination by a former employer and secure a lifetime benefit increase for his client of over \$200,000.

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