



# Verizon Retirees To Fight High Exec Pay

BellTel Calls on Former Workers to Vote Against Certain Compensation Items

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Verizon Communications Inc. (VZ) retirees are pressing shareholders to force a change in the way the company pays management.

Verizon's annual meeting is scheduled for May 6 and former workers, led by the Association of BellTel Retirees, say it's time to ensure executive compensation is "better aligned with shareholder interests."

To that end, the group wants shareholders to vote against the "management's executive compensation guidance" item in Verizon's proxy statement. BellTel also wants shareholders to vote for a threshold that would limit large performance stock unit payouts. That way, the organization said in a statement on Wednesday, Verizon's performance has to equal at least that of its peers', a status that would then merit the big awards.

"We believe that large pay-outs for below-median performance – as low as the bottom 26th percentile – does not adequately align pay with performance," said C. William Jones, president of the BellTel Retirees group, in a prepared statement. Verizon's performance stock units "begin paying out even if the company performs at the bottom of its industry or as low as 25th among the 34 related Dow peers," Jones explained.

But Verizon contends its compensation is fair and, in its proxy statement filed with the Securities and Exchange Commission, said imposing "arbitrary and subjective limitations" on the company's human resources decisions would not "best address the interests of the company and its shareholders."

BellTel retirees disagree, citing CEO Ivan Seidenberg's target award for the 2009-2011 performance stock unit payout as an example of what they're fighting. Seidenberg, the group said, is up for an \$11 million stock grant. He would receive half of that if Verizon ranks as low as 25th among its 34 Doe peers, and 200 percent, or \$22 million, of the target if the company ranks among the top four.

Jones called the requirement a "low performance bar."

BellTel leaders also want Verizon to scale back its "expensive windfall termination benefits," Jones said. For example, Seidenberg stands to receive a \$33.1 million severance if he is fired or retires.

In 2009, Seidenberg made \$17.5 million in compensation and bonuses. That was \$2.7 million less than the year before.