

Business

CEO pay-ratio rule likely to heat up debate

By DEAN STARKMAN
Los Angeles Times

The Securities and Exchange Commission voted Wednesday to require public companies to publish the gap between the pay of the chief executive and the average worker — a controversial measure that is sure to stoke the heated debate about income inequality in the United States.

The commission voted 3-2 along partisan lines, with Democratic appointees arguing that the measure will help shareholders hold corporate boards accountable in setting executive pay and Republicans saying the proposal is burdensome, an exercise in showmanship and a misuse of securities laws.

"The ratio will provide valuable information to investors about how a company uses human capital," said Kara M. Stein, a Democratic appointee.

The new rule, required under the 2010 Dodd-Frank financial reform law, would require the nation's 4,000 publicly traded companies to disclose the ratio of the annual total compensation of the CEO to the median of the annual total compensation of the company's employees.

Under the new rule, public companies would disclose median worker pay and its relationship to CEO pay for the first time, alongside the actual pay of the CEO and four other top positions, which have long been disclosed. The rule applies to reporting for financial statements for 2017 and beyond, meaning the first disclosures will appear in the spring of 2018.

The rule is part of a series of SEC rules to expand executive compensation disclosure and shareholder rights under Dodd-Frank, including a 2011 rule that requires corporations to give shareholders a right to approve executive compensation packages, the so-called "Say on Pay" measure.

Republican Michael S. Piwowar said the measure was a thinly veiled attempt to cut CEO pay and advance other objectives backed by organized labor and its ideological allies that are outside the agency's mandate.

"Today's action is nothing more than a sad example of surrendering the commission's agenda to politically connected special interests and acquiescing to the bullying tactics of their political allies," he said.

The proposal has triggered a highly charged debate among business and public interest groups and others that inundated the SEC with more than 280,000 comments and 1,500 unique letters, SEC Chair Mary Jo White said.

"To say that this proposal has been hotly debated would be an understatement," said White, who voted for the measure.

Wednesday's vote triggered responses from groups across the political spectrum.

"We finally have an official yardstick for measuring CEO greed," said Sarah Anderson, an analyst for the Institute for Policy Studies, a left-leaning Washington think tank. "This is a huge victory for ordinary Americans who are fed up with a CEO pay system that rewards the guy in the corner office hundreds of times more than others who add value to their companies."

Business groups assailed the measure. "Congress added this disclosure to Dodd-Frank as a favor to union lobbyists who misguidedly think it will help their organizing efforts," said

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Online booking debuts at S. New Hampshire Medical Center

◆ **National trend:** The medical center is joining a growing number of hospitals nationwide offering online electronic booking systems.

By KIMBERLY HOUGHTON
Union Leader Correspondent

NASHUA — Patients at Southern New Hampshire Medical Center now can book appointments online.

Patients can visit the hospital's website and immediately access doctor schedules in real time, giving them instant options for scheduling future appointments. "Southern New Hampshire

Health System providers are proud to be at the forefront of consumer friendly health care," said Susan DeSocio, president and chief executive officer of Foundation Medical Partners and senior vice president of Southern New Hampshire Health System.

The free service not only enables patients to book appointments, but it also allows them to find providers, read patient reviews and study physician qualifications

to find the best provider for their needs, according to a release.

"People need easy, convenient access to information — primary care providers, patient reviews and most importantly, the ability to schedule appointments online and on their own time, without the challenges of back and forth phone calls to match their schedules with provider ability," DeSocio said in a statement.

Southern New Hampshire Medical Center is joining a growing number of hospitals nationwide offering online electronic booking

systems.

According to a recent survey by Accenture Health, it is predicted that by 2019, 66 percent of U.S. health systems will offer digital self-scheduling, and 64 percent of patients will book appointments using digital tools, according to Accenture's website.

"Over the next five years, digital self-scheduling usage will spike dramatically," states the study's analysis. "On average, a health system that offers self-scheduling will provide the ability to self-

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Peterborough roundtable



Amy Bassett, deputy district director of the New Hampshire district of the U.S. Small Business Administration, addresses a group of more than 20 women entrepreneurs at a round-table in Peterborough Wednesday morning. MEGHAN PIERCE

SBA official tells women entrepreneurs: Negotiate

By MEGHAN PIERCE
Union Leader Correspondent

PETERBOROUGH — Women need to learn how to negotiate and not be afraid to apply for business loans, an official with the Small Business Administration says.

"Women are less likely to negotiate," says Erin Andrew, director of SBA's Office of Women's Business Ownership. "If women don't negotiate their first and their second job they lose over half a million dollars over their lives."

That was one of the takeaways during a roundtable for women entrepreneurs Wednesday morning hosted by the SBA and the Greater Peterborough Chamber of Commerce at the Monadnock Center

for History and Culture.

Topics ranged from the challenges of motherhood as an entrepreneur to more general issues small business owners face such as a possible minimum wage hike and the burden federal regulations can be to the small business owner.

Seth Goodall, SBA's New England regional administrator, led the discussion with Andrew. Her focus at the agency is to promote the growth of women-owned businesses through advocacy and programs that provide business training and counseling, access to credit and capital, and business and networking opportunities.

Andrew does this through managing a nationwide network of women's business centers, which

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Thirsty Moose Taphouse to open in Queen City

By MICHAEL COUSINEAU
New Hampshire Union Leader

MANCHESTER — Brian Ward took a year to find the right home for the Thirsty Moose Taphouse.

He plans to open its third New Hampshire location in the former J.W. Hills space on Elm Street around Oct 1.

"It's just the perfect location," Ward said this week. "It's right in the heart of the city," said Ward, who signed a lease two weeks ago and already is renovating the building, a few blocks from the Verizon Wireless Arena.

J.W. Hills closed in May after calling the corner of Elm and Merrimack streets home for the past decade.

"J.W. Hills did not close because of a lack of business," said Norri Oberlander, who runs North End Properties in Manchester and whose father, Bernard Gasser, owns the building.

"I think they were a staple in downtown," she said. "I congratulate them for 10 years of success."

J.W. Hills owners Kathleen and Clark Standish of Manchester declined to comment through Oberlander.

"It wasn't a landlord issue," Oberlander said. She welcomed another bar/restaurant moving to that space.

"They're successful in two other locations in Portsmouth and Dover," she said. "Hopefully, other restaurants will follow."

Oberlander, a board member of Intown Manchester, said she visited both Thirsty Moose locations.



The Thirsty Moose is opening at the site of J.W. Hills at the corner of Elm and Merrimack streets in Manchester. DAVID LANE/UNION LEADER

"It's not just what's good for my building, but what was good for downtown," she said.

Ward, who lives in Portsmouth, said the bar expects to offer up to 100 beers on tap (the Portsmouth location boasts 116).

"They can try tons of beers you normally can't find in bars," Ward said.

The company is pouring in more than \$200,000 for renovations, including a new floor and bar top. The beer tap system and refrigeration alone cost \$70,000, Ward said.

The taphouse won't offer live entertainment, but will present trivia nights and other events. The biggest food seller? Smoked chicken wings.

Green tech. companies to take center stage

MANCHESTER — Renewable energy and green technology companies in New Hampshire will showcase their work at a special edition of New Hampshire Innovation Nights tonight.

Innovation Nights have been hosted on an occasional basis since November at the AlphaLoft, a business incubator designed to help startups.

Hosted by Environment New Hampshire and the Innovation Nights organization, the event runs from 6 to 8:30 p.m., at the AlphaLoft, 844 Elm St., and is sponsored by the New Hampshire Clean Tech Council, Milly's Tavern and Stark Brewing Co., the Bridge Cafe, the League of Conservation Voters, Sierra Club, Union of Concerned Scientists, Mom's Clean Air Force and National Wildlife Federation.

At 7 p.m. the top exhibitors, as voted by the audience, will pitch their products to the crowd. Exhibitors include LighTec, Therma-Hexx, Ground Energy Support, SolarUP NH, Energy LB Resources, Bosch Heating and Cooling, Revision Energy and Anar Solar.

The event has been scheduled to celebrate the announcement of the Clean Power Plan by President Obama on Monday. The plan calls for significant reductions in carbon emissions from power plants between now and 2030.

Judge denies request to move case to federal court

CONCORD — A federal judge turned down LPL Financial's request to move a dispute to federal court, according to state officials.

State securities regulators are seeking a \$3.6 million judgment against one of the largest investment firms in the nation, accusing it of selling high-risk real estate investments to elderly investors.

"It is unfortunate that LPL chose to tie this matter up in federal court and delay resolution of what we believe to be significant outstanding issues," said Barry Glennon, New Hampshire Bureau of Securities Regulation director.

Glennon added that "hopefully now the bureau and LPL can regain focus on the administrative

hearing process and ultimately remedy the harm that LPL's actions have caused to the New

Hampshire investing public."

The state is seeking restitution of \$2.4 million for what it says are unlawful transactions going back to 2007, a \$1 million fine and \$200,000 to cover investigation costs.

An LPL executive said the investment firm and the state tried to reach a settlement.

Restaurants betting on 'Breakfastarians' for growth

By LISA BAERTLEIN
Reuters

LOS ANGELES — Call it the rise of the "Breakfastarians" — the dining tribe that craves breakfast food morning, noon and night.

Sales of morning standards such as coffee, pancakes and doughnuts are feeding restaurant traffic growth, outpacing lunch and dinner items. The trend is driven by an improving U.S. job market, with more Americans on the go in the morning and willing to spend on meals outside the home.

It has prompted companies from fast-food leader McDonald's Corp. to North Carolina-based buffet chain Golden Corral to experiment with all-day breakfast. They are joining chains like Denny's Corp., IHOP, Jack in the Box and Sonic Corp., which for years have offered breakfast anytime.

Taco Bell took the morning plunge about a year ago, and breakfast now accounts for 7 percent of sales. Dunkin' Donuts sells breakfast sandwiches all day and says they are a growth driver.

"When people work, they eat out more often. Fast-food chains are the first to benefit because (people



A Starbucks cafe is seen in Los Angeles, on March 26. Starbucks Corp. reported a higher quarterly profit last month, as new drinks like the "flat white" and food such as breakfast sandwiches and bistro boxes helped heat up sales in its dominant Americas region.

REUTERS/LUCY NICHOLSON/FILES

entering or returning to the workforce) are going to go for the more affordable stuff," said Malcolm Knapp, whose Knapp-Track service keeps tabs on restaurant sales and guest counts.

"It's hard to screw up breakfast ... everything goes well with bacon," he added.

Breakfast visits were up 4 percent for the year ended May 2015, largely due to

gains at fast-food chains, while lunch and dinner visits were flat, according to research firm NPD Group.

There is no official tally of how many Americans consider themselves Breakfastarians, a term that popped up on the Internet a few years ago and was embraced by IHOP ads.

A 2014 survey by the National Restaurant Association showed 72 percent of

scale, it can be very profitable, said Sanford Bernstein analyst Sara Senatore. She estimates that breakfast accounts for about 25 percent of McDonald's sales and roughly 40 percent of profit in the United States.

Still, not every chain will win at breakfast.

"Consumers are generally reluctant to make changes to their morning routine," Senatore said. Beyond that, egg prices have soared since a U.S. bird flu outbreak forced producers to cull millions of chickens.

Starbucks said it got a sales bump from its bakery expansion, new drinks like the "flat white," an Australian import made with whole milk and more concentrated espresso.

Panera's breakfast business grew faster than lunch and dinner during the latest quarter, but breakfast sales came with a lower margin.

McDonald's, which dominates the fast-food breakfast category and is working to end a U.S. sales slump that has persisted for more than a year, said its breakfast business has proven resilient to the industry's intense competition.

Chief Executive Steve Easterbrook expects McDonald's third-quarter



McDonald's Bacon, Egg and Cheese McGriddle is part of a breakfast lineup that the fast-food chain is considering making available all day.

TRIBUNE NEWS SERVICE FILE

global sales at established restaurants to grow, but warned that all-day breakfast is no silver bullet.

Some franchisees are concerned over the additional cost of serving breakfast all day, while others worry it could dent sales if diners opt for lower-priced Egg McMuffins over higher-priced burgers.

Elsewhere, privately held Golden Corral is considering extending or making permanent its traffic-boosting summer "Breakfast for Lunch and Dinner" promotion. Denny's, whose breakfasts are legend with the late-night party crowd, is in turnaround mode and has seen its traffic rise for the last three quarters.

Pancake chain IHOP, which has been in the business of all-day breakfast for more than 57 years, in May took direct aim at the movement, launching an ad campaign "celebrating Breakfastarians."

Pay

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David Hirschmann, president and CEO of the Chamber of Commerce's Center for Capital Markets Competitiveness. "When disclosure is used to advance special interest agendas rather than provide investors with better information, it is a step in the wrong direction."

While the rule is intended

to give company shareholders more information when considering CEO compensation, the politically charged initiative comes amid wider concerns about growing wealth and income gaps between top earners and the middle class.

Proponents hope the bill will spur shareholders to

force corporate boards to curb executive pay and disperse corporate revenue more broadly.

Larry Mishel, president of the Economic Policy Institute in Washington, said the proposal should help highlight what he called both the sharply increasing pay levels for executives, dispari-

ties with the rank-and-file, and a growing disconnect between executive pay and performance.

Further, he said, the rule's influence should impact the wider economy by forcing pay levels down.

"I used to think this was symbolic," he said. "But the fact is, the pay of people in

publicly held companies drives the executive pay market — for people in privately held firms, for universities, for hospitals."

Others said the measure addresses a problem that doesn't exist.

Steven N. Kaplan, a University of Chicago professor of finance and economics,

said the new rule is "largely irrelevant" and "purely political."

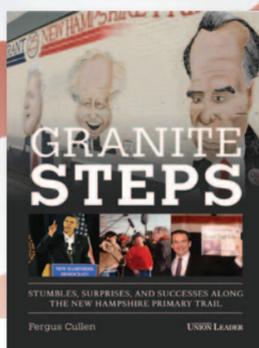
He said the rule, while required by Dodd-Frank, is far removed from the law's purpose of preventing future financial crises.

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Booking

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schedule 80 percent of its appointment volume."

Patients at Southern New Hampshire Medical Center can now view and select family physicians, pediatricians, internists and specialists at SNHMC, and Massachusetts General Hospital physicians who see patients in southern New Hampshire.

The new service is powered by ZocDoc, one of the nation's premiere consumer

resources for online physician scheduling, according to a release. Patients will also have the option of receiving text message reminders about upcoming appointments booked through ZocDoc, and will have access to hospital forms they can download and complete prior to their appointments.

"Southern New Hampshire Health Systems is proud to unite our modern patients and doctors with

this cutting edge technology, and to deliver the great health care experience our patients expect and deserve," added DeSocio.

The free service is available at www.snhhs.org by selecting the book online icon. SNHMC is one of the first hospitals in New Hampshire to offer this service, along with Dartmouth-Hitchcock Medical Center.

koughton@newstote.com



Carol Nelson, left, owner of the Peterborough Community Theatre; and Neely Cohen, owner of Vicuña Chocolate Factory & Café in Peterborough, are seen at the roundtable.

MEGHAN PIERCE

Roundtable

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provide training, counseling and mentoring to hundreds of thousands of entrepreneurs.

"I want you all to leave here with the information that you need," Andrew told the group of more than 20 women.

The conversation started with one business owner asking if there are any entrepreneurial training opportunities for young women.

Andrew said very often people with learning disabilities are natural entrepreneurs so these abilities should be identified and honed early on, especially in young women.

One business owner told a story about a friend who had closed her business when she had a child, because she didn't have the ability to take time off.

Andrew said women can look for opportunities to continue their business

even when they take time off for motherhood.

They could take out a small business loan to pay hired help or take on a business partner. It's also important to have input from another women entrepreneur that has been down that road before.

"It's a struggle," Andrew said.

Carol Nelson, owner of the Peterborough Community Theatre, said she is concerned about the possible rise in the minimum wage.

Andrew said the SBA supports an increase in the minimum wage because it supports working families.

Nelson, who recently advertised a part-time position well above the minimum wage at \$13 an hour said, "If they make it \$15 an hour, that's going to be a huge stumbling block."

Nelson said she is also concerned about new feder-

al credit card and nutrition labeling regulations.

Andrew said the SBA can help business owners understand or navigate federal regulations.

Beth Alpaugh-Cote said she has run a successful business for more than 20 years, but was recently turned down for a business loan that she wanted in order to take the business in a slightly new direction.

Andrew encouraged her to contact the SBA, which could help her identify a lender suited to her business or goals.

Not every bank understands or gets what a business wants to do, she said.

In the end, the women agreed that starting a women's business association in the area would benefit women entrepreneurs through resources, mentoring and networking.