

Public Company Insider Compensation and Stock Holdings: Interpreting the Numbers Correctly for Philanthropic Capacity

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Introduction

Who am I?

- Librarian and Researcher for 20+ years
- Nonprofit donor/foundation research consultant since 2017
- Conducted workshops about using SEC.gov site to find public company insider donors (on website)
- Wrote articles about finding employee compensation data and Census data (on website)

Poll Question

Have you worked with public company insider compensation or stock holding data before?

Yes

No

What is a Public Company Insider?

Three Types:

- Top executive (usually top 5)
- Director on company Board
- Individual owner >10% company stock

Types of Variables

Compensation (Annual) - *Salary, Bonus, Non-Equity Compensation, Dividends?, Stock Sales?*

Note: Would expect to see if increase over time - Look at trends for each component

Stock Holdings (Accumulated)- Stock Ownership from Stock Awards, Stock Options, *Dividends Re-invested?*

Acquire/Sell

Types of Stock - Class A and B (Can be defined multiple ways - often more voting influence per share for insiders)

Direct/Indirect - Sum up? Depends

General Note: Donation amounts can also be found here sometimes. Other may contain Matching Gift Information and Stock Sales may indicate charitable outright stock gifts.

Types of Variables – Direct/Indirect – Example

<p>1. Name and Address of Reporting Person <u>Swift Christopher</u></p> <hr/> <p>(Last) (First) (Middle) <u>ONE HARTFORD PLAZA</u></p> <hr/> <p>(Street) <u>HARTFORD CT 06155</u></p> <hr/> <p>(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol <u>HARTFORD FINANCIAL SERVICES GROUP, INC. [HIG]</u></p> <hr/> <p>3. Date of Earliest Transaction (Month/Day/Year) <u>03/29/2021</u></p> <hr/> <p>4. If Amendment, Date of Original Filed (Month/Day/Year)</p>	<p>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p><input checked="" type="checkbox"/> Director 10% Owner</p> <p><input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u></p> <hr/> <p>6. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/29/2021		M		148,448	A	\$20.63	286,370.68	D	
Common Stock	03/29/2021		S ⁽¹⁾		148,448	D	\$65.9135 ⁽²⁾	137,922.68	D	
Common Stock								43,179	I	By Spouse
Common Stock								41,515	I	Swift Family Gift Trust
Common Stock								110,390	I	Swift Family Legacy Trust

Types of Stock Variables

Stock Awards vs. Stock Options (employees usually work a few years at company before eligible)

- Stock Awards – Don't pay for.
- Stock Options – Buy in future at certain price should be lower than actual stock price at time.

Types of Deferred Stock Types

Stock Awards - RSUs (Restricted Stock Units)

- Non-transferrable
- Vesting period of several years
- Taxed as Income once vested, not when initially awarded

Source: <https://www.investopedia.com/terms/r/restricted-stock-unit.asp>

Types of Deferred Stock Types

Stock Awards - PSUs (Performance Share Units)

- Incentive based stock for executives based on achieving earnings targets over several years and good employee behavior
- NOT guaranteed even if fully vested, unlike RSUs
- Unit = 1 share of common stock if converted upon successful completion of goals
- Taxed once receive, not when initially awarded
- Receive either stock awards or stock options

Sources:

- <https://www.investopedia.com/terms/p/performanceshares.asp>
- <https://www.fidelity.com/products/stockoptions/aboutpafaq.shtml>

Stock Awards

Stock Awards – Donor Considerations

- **Count when received (converted to common stock), not year awarded
- If sold, usually after one year when taxed at Capital Gains rate < compensation rate
- If given as stock, usually 1+ year (LT Capital Gain) after exercised – can deduct full amount and pay no taxes
- ST Capital Gain – can only deduct cost basis as deduction
- NO Capital Loss considerations since insider does not pay for stock

Types of Variables

Stock Options – Donor Considerations

- Count when exercised (bought as common stock), not year awarded
- Limited to \$100K in first year can be exercised; not available to those owning 10% company stock
- Can only be given away directly as donation if donor passes away before exercised
- If sold, usually after one year when taxed at CG rate < compensation rate
- If given as stock, usually 1+ year after exercised – can deduct full fair market amount and pay no taxes
- If given <1 year, can only deduct cost basis as deduction
- If Loss, may want to sell and donate cash instead

Types of Deferred Stock Types

Derivatives (Form 4 - Part II) – Complex!

- An umbrella terms for Stock Awards, Stock Options, and many other complex financial instruments
- Based on an underlying asset value which comes to fruition at a future date
- ** NOT common stock

Source: <https://www.investopedia.com/terms/d/derivative.asp>

Stock Ownership – Evaluating and Computing

Use SEC Forms 4, 3, and 5

- Look at recent (3 years or less) acquisitions and sales
 - Percent of current holdings
 - Tie into possible patterns of giving
 - Make prediction about donor's capacity for your nonprofit??

Example: Derivatives in Form 4, Part II may be an indicator of future short to intermediate term stock wealth

- Compute **TOTAL CURRENT COMMON** shares owned x current stock price

SEC Forms

Compensation: Def. 14-A (Proxy Statement)

- Once per year though can be amended
- Table with components and going back multiple years

Note: Stock Ownership Table at end fiscal year.

Stock:

4 – Individual Transactions (within 10 days)

3 – Initial purchase

5 – End of year summary (some companies don't file)

SEC Forms

Def. 14-A (Proxy Statement) - Compensation - Executives Table (IBM)

2020 SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Salary (b)	Bonus (c)	Stock Awards ⁽¹⁾ (d)	Option Awards ⁽²⁾ (e)	Non-Equity Incentive Plan Compensation (f)	Change in Retention Plan Value ⁽³⁾ (g)	Change in Pension Value ⁽⁴⁾ (h)	Nonqualified Deferred Compensation Earnings ⁽⁵⁾ (i)	All Other Compensation ⁽⁶⁾⁽⁷⁾ (j)	Total ⁽⁸⁾ (k)
A. Krishna, CEO⁽⁹⁾										
2020	\$1,352,591	\$0	\$13,159,118	\$0	\$2,181,000	N/A	\$ 42,806	\$0	\$274,167	\$17,009,682
V.M. Rometty, Executive Chairman⁽¹⁰⁾										
2020	\$1,600,000	\$0	\$12,728,348	\$0	\$4,250,000	\$100,604	\$1,500,327	\$0	\$883,314	\$21,062,593
2019	1,600,000	0	11,610,046	0	5,000,000	109,106	967,778	0	873,935	20,160,865
2018	1,600,000	0	10,801,392	0	4,050,000	0	0	0	1,100,826	17,552,218
J.J. Kavanaugh, Senior VP and CFO										
2020	\$ 899,000	\$0	\$ 7,416,931	\$0	\$1,176,300	\$94,229	\$0	\$0	\$159,836	\$ 9,746,296
2019	787,500	0	5,063,127	0	1,064,000	83,877	11,804	0	129,884	7,140,192
2018	713,000	0	4,263,851	0	814,050	0	23,343	0	82,901	5,897,145
J.M. Whitehurst, President⁽⁹⁾⁽¹¹⁾										
2020	\$1,173,864	\$2,000,000	\$22,418,228	\$0	\$1,455,813	N/A	N/A	\$0	\$130,562	\$27,178,467
J.E. Kelly III, Executive Vice President⁽¹²⁾										
2020	\$ 868,000	\$0	\$ 6,029,248	\$0	\$820,400	\$376,478	\$233,063	\$0	\$129,314	\$ 8,456,503
2019	868,000	0	5,237,877	0	703,200	677,321	53,005	0	184,864	7,724,067
2018	860,000	0	4,629,243	0	644,600	0	56,273	0	226,336	6,415,452
M.H. Browdy, Senior VP and General Counsel⁽⁹⁾										
2020	\$ 830,000	\$0	\$ 4,211,031	\$0	\$1,109,520	N/A	N/A	\$0	\$124,112	\$ 6,274,663
2019	744,500	0	3,753,766	0	982,300	N/A	N/A	0	107,504	5,588,070

Note: For assumptions used in determining the fair value of stock and option awards, see Note A (Significant Accounting Policies - Stock-Based Compensation) to IBM's 2020 Consolidated Financial Statements.

- (1) Amounts in this column reflect the total Performance Share Units (PSUs), retention Performance Share Units (RPSUs), and Restricted Stock Units (RSUs). Amounts include the aggregate grant date fair values of PSUs and RPSUs (subject to performance criteria) at the Target number (described in the 2020 Summary Compensation Table Narrative), calculated in accordance with accounting guidance; these amounts reflect an adjustment for the exclusion of dividend equivalents. At the Maximum number, these values for Mr. Krishna would be: 2020: 14,540,788; for Mrs. Rometty: 2020: \$21,638,238; 2019: \$12,829,069; 2018: \$11,935,509; for Mr. Kavanaugh: 2020: \$8,195,713; 2019: \$5,694,668; 2018: \$4,711,494; for Mr. Whitehurst: 2020: \$21,145,386; for Dr. Kelly: 2020: \$6,662,318; 2019: \$5,787,591; 2018: \$5,115,348; for Ms. Browdy: 2020: \$4,653,236; 2019: \$4,147,858.
- Amounts also include the aggregate grant date fair values of RSUs grants, if applicable, calculated in accordance with accounting guidance; these amounts reflect an adjustment for the exclusion of dividend equivalents.
- (2) There were no option awards granted to any of the named executive officers in the years shown in the 2020 Summary Compensation Table.
- (3) Assumptions can be found immediately after the 2020 Retention Plan Table. Although accruals under the Retention Plan stopped on December 31, 2007, changes in Retention Plan Value can occur based on changes to participants' ages and actuarial assumptions. For 2018, 2019 and 2020, Change in Retention Plan Value for the eligible named executive officers was due to their age, changes in the discount rate, interest crediting rate, and mortality table. The change in Retention Plan Value for the eligible named executive officers resulted in negative amounts in 2018 for Mrs. Rometty \$(100,116), Mr. Kavanaugh \$(53,653) and Dr. Kelly \$(606,446).



Public Company Insider - Executive

SEC Forms - Example

IBM Senior VP and CFO, J.J. Kavanaugh



SEC Forms - Example

2020 SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards ⁽¹⁾ (\$) (e)	Option Awards ⁽²⁾ (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	Change in Retention Plan Value ⁽³⁾ (\$) (h)	Change in Pension Value ⁽⁴⁾ (\$) (h)	Nonqualified Deferred Compensation Earnings ⁽⁵⁾ (\$) (h)	All Other Compensation ⁽⁶⁾⁽⁷⁾ (\$) (i)	Total ⁽⁸⁾ (\$) (i)
J.J. Kavanaugh, Senior VP and CFO										
2020	\$ 899,000	\$0	\$ 7,416,931	\$0	\$1,176,300	\$94,229	\$0	\$0	\$159,836	\$ 9,746,296
2019	787,500	0	5,063,127	0	1,064,000	83,877	11,804	0	129,884	7,140,192
2018	713,000	0	4,263,851	0	814,050	0	23,343	0	82,901	5,897,145

SEC Forms - Example

Def. 14A - Compensation Kavanaugh

Kavanaugh's Compensation - Count? YES:

- Salary = \$899,000

- Bonus = \$0

- Non Equity Incentive Plan Compensation = \$1,178,300

TOTAL = \$2,077,300

WHAT ABOUT? Stock Awards = \$7,416,931

Count? NO, not yet

Note: Monitor form 4 going forward to see if in a couple of years when/how much exercised or converted to common stock (footnote usually lists year(s) stock award given).

SEC Forms - Example

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Rst. Stock Unit	\$0.00 ⁽¹⁾	06/07/2020		M ⁽²⁾			3,761	(1)	(1)	Common Stock	3,761	\$0.00	11,285	D	
Rst. Stock Unit	\$0.00 ⁽²⁾	06/08/2020		A ⁽³⁾		22,020		(3)	(3)	Common Stock	22,020	\$0.00	22,020	D	
Rst. Stock Unit	\$0.00 ⁽¹⁾	06/08/2020		M ⁽²⁾			2,113	(1)	(1)	Common Stock	2,113	\$0.00	0.00	D	
Rst. Stock Unit	\$0.00 ⁽¹⁾	06/08/2020		M ⁽²⁾			2,000	(1)	(1)	Common Stock	2,000	\$0.00	2,000	D	
Rst. Stock Unit	\$0.00 ⁽¹⁾	06/08/2020		M ⁽²⁾			2,871	(1)	(1)	Common Stock	2,871	\$0.00	5,743	D	

Explanation of Responses:

- These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- Release of restricted stock units.
- Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 5,505 of these units on 06/08/2021, 5,505 of these units on 06/08/2022, 5,505 of these units on 06/08/2023, and 5,505 of these units on 06/08/2024

Remarks:

D. Condrea on behalf of J. J. Kavanaugh

06/09/2020

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

SEC Forms - Example

1. Name and Address of Reporting Person* <u>KAVANAUGH JAMES J</u>			2. Issuer Name and Ticker or Trading Symbol <u>INTERNATIONAL BUSINESS MACHINES CORP [IBM]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <div style="text-align: right; margin-top: 10px;">Sr. VP and CFO</div>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 06/07/2020					
IBM CORPORATION NEW ORCHARD ROAD			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(Street)								
ARMONK	NY	10504						
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/07/2020		M		3,761	A	\$0.00	75,764.8498	D	
Common Stock	06/07/2020		F		1,822	D	\$132.985	73,942.8498	D	
Common Stock	06/08/2020		M		2,000	A	\$0.00	75,942.8498	D	
Common Stock	06/08/2020		F		969	D	\$134.075	74,973.8498	D	
Common Stock	06/08/2020		M		2,113	A	\$0.00	77,086.8498	D	
Common Stock	06/08/2020		F		1,026	D	\$134.075	76,060.8498	D	
Common Stock	06/08/2020		M		2,871	A	\$0.00	78,931.8498	D	
Common Stock	06/08/2020		F		1,391	D	\$134.075	77,540.8498	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3 and 4)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security	9. Number of derivative Securities	10. Ownership Form: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial
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SEC Forms - Example

<u>KAVANAUGH JAMES J</u>			<u>INTERNATIONAL BUSINESS MACHINES CORP [IBM]</u>			(Check all applicable)	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			<input checked="" type="checkbox"/> Director	10% Owner
IBM CORPORATION NEW ORCHARD ROAD			02/01/2020			<input checked="" type="checkbox"/> Officer (give title below)	Other (specify below)
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)	
ARMONK	NY	10504				<input checked="" type="checkbox"/> Form filed by One Reporting Person	
(City)	(State)	(Zip)				<input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/01/2020		A ⁽¹⁾		13,372	A	\$0.00	77,431.5144	D	
Common Stock	02/01/2020		F		5,458	D	\$142.42	71,973.5144	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

1. These shares result from performance share units which vested at the end of the performance period (2017-2019) and were payable in cash or the company's common stock on the transaction date shown.

Remarks:

D. Condrea on behalf of J. J. Kavanaugh

02/04/2020

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC Forms - Example

Def. 14-A (Proxy Statement) – Common Stock Table (IBM)

Common Stock and Stock-based Holdings of Directors and Executive Officers

The following table sets forth the beneficial ownership of shares of IBM's common stock as of December 31, 2020, by IBM's current directors and nominees, the executive officers named in the 2020 Summary Compensation Table, and such directors and all of IBM's executive officers as of December 31, 2020, as a group. Also shown are shares over which the named person could have acquired voting power or investment power within 60 days after December 31, 2020. Voting power includes the power to direct the voting of shares held, and investment power includes the power to direct the disposition of shares held.

IBM's current non-management directors had beneficial ownership of a total of 241,715 shares of common stock and DCEAP shares as of December 31, 2020, an increase of 15% year to year. In the aggregate, these shares were valued at more than \$30 million as of December 31, 2020, or an average of more than \$2.5 million for each of IBM's non-management directors as of December 31, 2020.

Name	Common Stock ⁽¹⁾	Stock-based Holdings ⁽²⁾	Acquirable within 60 days		Value of Common Stock shares at Fiscal Year End (\$) ⁽⁵⁾
			Options And RSUs ⁽³⁾	Directors' DCEAP Shares ⁽⁴⁾	
Michelle H. Browdy	70,310	100,953	0	N/A	8,850,623
Thomas Buberl	0	0	0	1,805	227,213
Michael L. Eskew	0	0	0	41,161	5,181,347
David N. Farr	7,508 ⁽⁶⁾	7,508	0	12,108	2,469,262
Alex Gorsky	4,232	4,232	0	15,987	2,545,168
Michelle J. Howard	0	0	0	4,367	549,718
James J. Kavanaugh	77,591 ⁽⁷⁾	126,430	0	N/A	9,767,155
John E. Kelly III	73,792 ⁽⁸⁾	131,682	0	N/A	9,288,937
Arvind Krishna	86,186 ⁽⁹⁾	249,303	0	N/A	10,849,094
Andrew N. Liveris	2,655	2,655	0	24,357	3,400,271
F. William McNabb III	9,250	9,250	0	3,214	1,568,968
Martha E. Pollack	0	0	0	5,062	637,205
Virginia M. Rometty	334,817	448,714	1,500,000	N/A	42,146,764
Joseph R. Swedish	5,261 ⁽¹⁰⁾	5,261	0	4,986	1,289,892
Sidney Taurel	28,798	28,798	0	43,763	9,133,979
Peter R. Voser	0	0	0	14,990	1,886,941
Frederick H. Waddell	3,763	3,763	0	8,448	1,537,121
Jim Whitehurst	148,806	436,852	4,990	N/A	18,708,523
Directors and executive officers as a group	891,108⁽¹¹⁾	1,672,661	1,504,990⁽¹¹⁾	180,248⁽¹¹⁾	

(1) This column is comprised of shares of IBM common stock beneficially owned by the named person. Unless otherwise noted, voting power and investment power in the shares are

SEC Forms - Example

Def. 14-A (Proxy Statement) – Common Stock Table (IBM)

Common Stock and Stock-based Holdings of Directors and Executive Officers

The following table sets forth the beneficial ownership of shares of IBM's common stock as of December 31, 2020, by IBM's current directors and nominees, the executive officers named in the 2020 Summary Compensation Table, and such directors and all of IBM's executive officers as of December 31, 2020, as a group. Also shown are shares over which the named person could have acquired voting power or investment power within 60 days after December 31, 2020. Voting power includes the power to direct the voting of shares held, and investment power includes the power to direct the disposition of shares held.

IBM's current non-management directors had beneficial ownership of a total of 241,715 shares of common stock and DCEAP shares as of December 31, 2020, an increase of 15% year to year. In the aggregate, these shares were valued at more than \$30 million as of December 31, 2020, or an average of more than \$2.5 million for each of IBM's non-management directors as of December 31, 2020.

Name	Common Stock ⁽¹⁾	Stock-based Holdings ⁽²⁾	Acquirable within 60 days		Value of Common Stock shares at Fiscal Year End (\$) ⁽⁵⁾
			Options And RSUs ⁽³⁾	Directors' DCEAP Shares ⁽⁴⁾	
James J. Kavanaugh	77,591 ⁽⁷⁾	128,430	0	N/A	9,767,155

Stock Holdings Sale

Other Income – Count? :

Stock Holdings – Sold – Ex. 13,372 shares x \$142 approx. per share = \$1,898,824 – Count 2020? – Maybe (1099 income)

Note: If stock given as a gift to a charity or foundation, may be footnoted when there is a Stock Price of \$0; you may NOT want to include as Income.

Stock Holdings Sale

1. Name and Address of Reporting Person* <u>Allen Charles W</u>			2. Issuer Name and Ticker or Trading Symbol <u>BTCS Inc. [BTCS]</u>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <u>Chief Executive Officer, CFO</u>	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>12/31/2015</u>		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
1901 N MOORE ST, SUITE 700			4. If Amendment, Date of Original Filed (Month/Day/Year)			
(Street)						
<u>ARLINGTON</u>	<u>VA</u>	<u>22209</u>				
(City)	(State)	(Zip)				

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	W	Amount	(A) or (D)	Price			
Common Stock ⁽¹⁾	12/31/2015		G		181,819	D	\$0.00	41,565,601	D	
Common Stock ⁽²⁾	12/31/2015		G		90,910	D	\$0.00	41,565,601	D	
Common Stock ⁽³⁾	12/31/2015		G		272,728	D	\$0.00	41,565,601	D	
Common Stock ⁽⁴⁾	12/31/2015		G		90,910	D	\$0.00	41,565,601	D	
Common Stock ⁽⁵⁾	01/04/2016		G		127,273	D	\$0.00	41,565,601	D	
Common Stock ⁽⁶⁾	01/04/2016		G		127,273	D	\$0.00	41,565,601	D	

Explanation of Responses:

1. This transaction represents a gift / charitable donation effective December 31, 2015, to the Digital Asset Institute. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.
2. This transaction represents a gift / charitable donation effective December 31, 2015. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.
3. This transaction represents a gift / charitable donation effective December 31, 2015. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.
4. This transaction represents a gift / charitable donation effective December 31, 2015. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.
5. This transaction represents a gift effective January 4, 2016. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.
6. This transaction represents a gift effective January 4, 2016. This is not a market transaction, thus no price has been reported. No value was received for the gifted shares.

Dividends

Other Income – Count? :

Count 2020 (If they exist for a company) – Maybe (1099 income)

- Count as other income or re-invested as additional stock shares? Many times don't know (not required to be footnoted in Form 4).
- Solution: Count as BOTH at higher end in a range

Dividends

Computing

- Find the quarterly payout dates (may be received a few days afterwards) and amounts.
- Figure out stock price to compute number of re-invested shares (if done)
- **Counting:** Try to figure out the exact number of shares owned for each quarterly payout, multiply by dividend, and sum up (If not sure with an acquisition or sale happening around that time, go with a lower number (be conservative).)

Dividends

Method : 2020 IBM Quarterly Dividend Dates, Dividend Amounts, # Shares, Dividend Payout, Daily Share Close Price:

- Mar. 10, 2020 = $\$1.62 \times 71,933$ shares = \$116,531; Price = \$124.77
- Jun 10, 2020 = $\$1.63 \times 77,540$ shares = \$126,390; Price = \$129.87
- Sept. 10, 2020 = $\$1.63 \times 77,540$ shares = \$126,390; Price = \$120.56
- Dec. 10, 2020 = $\$1.63 \times 77,540$ shares = \$126,390; Price = \$124.86

TOTAL 2020 Dividends: \$495,701 (Common stock tables shows 77,591 shares Dec. 31, 2020 but difference of 51 shares negligible)

Re-invested Dividends

Method: 2020 IBM Quarterly Dividend Dates, Total Dividend Amounts/Current Price = # New Re-invested Shares:

- Mar. 10, 2020 = $\$116,531/\$124.77 = 933$ shares.
- Jun 10, 2020 = $\$126,390/\$129.87 = 973$ shares
- Sept. 10, 2020 = $\$126,390/\$120.56 = 1,048$ shares.
- Dec. 10, 2020 = $\$126,390/\$124.86 = 1,012$ shares

TOTAL 2020 Shares Reinvested: 3,966

Final Count of Kavanaugh's Compensation

Kavanaugh's Compensation/Income (Just for IBM):

- Salary = \$899,000
- Bonus = \$0
- Non Equity Incentive Plan Compensation = \$1,178,300
- Stock Sales = \$1,898,824 (If not given as stock to nonprofit)
- Dividends = \$495,701 (if not re-invested)

TOTAL = \$2,077,300 - \$4,471,825

Final Count of Kavanaugh's Stock Holdings

Kavanaugh's Stock Holdings (Just for IBM) on Dec. 31,
2020:

- Total Common Shares: 77,591

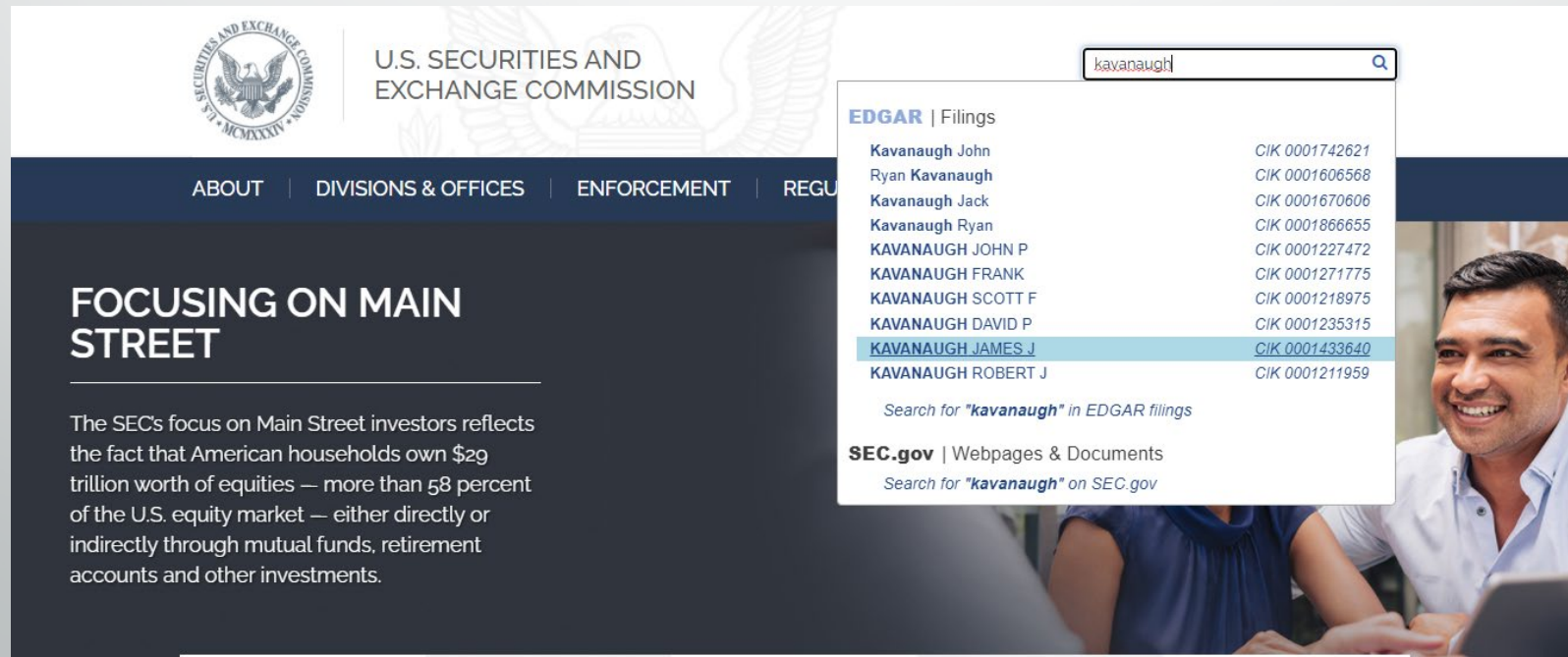
- Total Reinvested Shares (2020) - IF ADDED: 3,966

TOTAL = 77,591 – 81,597 shares x Dec. 31, 2020 Share Price \$125.88 =
\$9,767,155 - \$10,271,430

Is Kavanaugh a Public Company Insider Elsewhere?

How to Find Out:

- 1.) Search for biography that mentions other public company service. (No executives' biographies in Def. 14-A form as for Directors.)
- 2.) Search on name (see below) in SEC.gov for forms, 3, 4, and 5 and click on forms to see if any other companies mentioned in recent years.



The screenshot shows the U.S. Securities and Exchange Commission (SEC) website. The search bar at the top right contains the name 'kavanaugh'. Below the search bar, the results are categorized under 'EDGAR | Filings'. The results list the following individuals and their CIK numbers:

Name	CIK Number
Kavanaugh John	CIK 0001742621
Ryan Kavanaugh	CIK 0001606568
Kavanaugh Jack	CIK 0001670606
Kavanaugh Ryan	CIK 0001866655
KAVANAUGH JOHN P	CIK 0001227472
KAVANAUGH FRANK	CIK 0001271775
KAVANAUGH SCOTT F	CIK 0001218975
KAVANAUGH DAVID P	CIK 0001235315
KAVANAUGH JAMES J	CIK 0001433640
KAVANAUGH ROBERT J	CIK 0001211959

Below the search results, there is a search bar for 'SEC.gov | Webpages & Documents' with the text 'Search for "kavanaugh" on SEC.gov'.



Public Company Insider - Director

SEC Forms - Example

Def. 14-A (Proxy Statement) – Compensation for IBM Director, Michael Eskew





Michael L. Eskew

Retired Chairman and Chief Executive Officer, United Parcel Service, Inc., a provider of specialized transportation and logistics services

Director since: 2005

Age: 71

Committees:

-  Audit (Chair)
-  Executive

Qualifications

- Global business and technology experience as chairman and chief executive officer of United Parcel Service, Inc.
- Outside board experience as a director of Allstate Corporation, Eli Lilly and Company and 3M Company
- Chairman of a charitable organization

Relevant experience

Mr. Eskew, 71, is IBM's independent Lead Director. Mr. Eskew joined United Parcel Service in 1972. He was named corporate vice president for industrial engineering in 1994, group vice president for engineering in 1996, executive vice president in 1999, vice chairman in 2000, and he was chairman and chief executive officer from 2002 until his retirement at the end of 2007. Mr. Eskew remained on the board of United Parcel Service until the end of 2014. He is a director of Allstate Corporation, Eli Lilly and Company and 3M Company. In addition, he is chairman of the Annie E. Casey Foundation.

SEC Forms - Example

Def. 14-A (Proxy Statement) – Compensation for IBM Director, Michael Eskew

Eskew's Compensation:

- IBM (Public), Director = \$395,000
- Allstate Corp. (Public), Director = \$155,000? – Deferred into Common Share Units - NO
- Eli Lilly (Public), Director = \$134,000
- 3M (Public), Director = \$170,000? – DSUs - No
- Casey Foundation, Chairman = \$0 (2017 990PF)

TOTAL = \$529,000

Forms - Example

Eskew Compensation - IBM

Def. 14-A (Proxy Statement) - Compensation for IBM
Director, Michael Eskew

2020 Director Compensation Table

	Fees Earned or Accrued	All Other Compensation	Total
Michael L. Eskew	395,000	246,667	641,667

(1) Amounts in this column include the following: for Mr. Eskew: \$246,591 of **dividend equivalent payments on PFS**; for Mr. Farr: \$69,975 of dividend equivalent payments on PFS ...

Forms - Example

Eskew Compensation - IBM

Def. 14-A (Proxy Statement) - Compensation for IBM Director, Michael Eskew

Source:

https://www.ibm.com/annualreport/assets/downloads/IBM_Proxy_2021.pdf

Under the IBM Deferred Compensation and Equity Award Plan (DCEAP), 60% of the total annual retainer is required to be deferred and paid in Promised Fee Shares (PFS). Each PFS is equal in value to one share of IBM's common stock. When a cash dividend is paid on IBM's common stock, each director's PFS account is credited with additional PFS reflecting a dividend equivalent payment. With respect to the payment of the remaining 40% of the annual retainer, directors may elect one or any combination of the following: (a) deferral into PFS, (b) deferral into an interest-bearing cash account, and/or (c) receipt of cash payments on a quarterly basis during service as a Board member. IBM does not pay above-market or preferential earnings on compensation deferred by directors.

Forms - Example

Eskew Compensation - Allstate

Name	Leadership Roles Held During 2020	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	Total (\$)
Donald E. Brown		20,719	90,436	111,155
Kermit R. Crawford	Audit Committee Chair	160,000	155,045	315,045
Michael L. Eskew	Compensation and Succession Committee Chair	155,000	155,045	310,045
Richard T. Hume		69,025	142,115	211,140
Margaret M. Keane		125,000	155,045	280,045
Siddharth N. Mehta	Risk and Return Committee Chair	160,000	155,045	315,045
Jacques P. Perold		125,000	155,045	280,045
Andrea Redmond	Nominating, Governance and Social Responsibility Committee Chair	145,000	155,045	300,045
Gregg M. Sherrill		125,000	155,045	280,045
Judith A. Sprieser	Lead Director	175,000	155,045	330,045
Perry M. Traquina		125,000	155,045	280,045

(1) Under the 2017 Equity Compensation Plan for Non-Employee Directors, directors may elect to receive Allstate common stock in lieu of cash compensation. ... Subject to certain restrictions, amounts deferred under the plan, together with earnings thereon, may be transferred between accounts and are distributed after the director leaves the Board in a lump sum or over a period not in excess of ten years in accordance with the director's instructions. For 2020, Messrs. Eskew and Traquina elected to defer their cash retainer into common share units. The accumulated amount of Allstate common share units as of December 31, 2020, for directors previously electing to defer their cash retainer, is reflected in the table below.

Forms - Eskew Compensation - Allstate

More Footnotes:

(2) Grant date fair value for restricted stock units granted in 2020 is based on the final closing price of Allstate common stock on the grant date, which in part also reflects the payment of expected future dividend equivalent rights. (See note 18 to our audited financial statements for 2020.) Messrs. Brown and Hume each received a prorated award when they joined the Board in 2020. The final grant date closing price was \$99.07, except with respect to the prorated awards granted to Messrs. Brown and Hume, which were \$88.75 and \$95.70, respectively. The values were computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. **Each restricted stock unit entitles the director to receive one share of Allstate common stock on the conversion date (see footnote 3).**

(3) the following table provides outstanding restricted stock units as of December 31, 2020, for each director. The value of the restricted stock units is based on the closing price of our common stock of \$109.93 on December 31, 2020

Forms - Example

Eskew Compensation - Eli Lilly

2020 Compensation for Non-Employee Directors

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ¹	All Other Compensation and Payments (\$) ²	Total (\$) ³
Mr. Alvarez	\$131,000	\$175,000	\$0	\$306,000
Dr. Baicker	\$131,000	\$175,000	\$0	\$306,000
Dr. Bertozzi	\$119,000	\$175,000	\$0	\$294,000
Mr. Eskew	\$134,000	\$175,000	\$0	\$309,000
Mr. Fyrwald	\$119,000	\$175,000	\$55,600	\$349,600
Mr. Jackson	\$137,000	\$175,000	\$0	\$312,000
Dr. Kaelin	\$134,000	\$175,000	\$5,000	\$314,000
Mr. Luciano	\$163,000	\$175,000	\$0	\$338,000
Dr. Runge	\$119,000	\$175,000	\$0	\$294,000
Ms. Seifert	\$116,000	\$175,000	\$20,841	\$311,841
Mr. Tai	\$122,000	\$175,000	\$60,000	\$357,000
Ms. Walker	\$119,000	\$175,000	\$20,000	\$314,000

² This column consists of amounts donated by the Eli Lilly and Company Foundation, Inc. (Foundation) under its matching gift program, which generally available to U.S. employees as well as non-employee directors. Under this program, the Foundation matched 100 percent of charitable donations over \$25 made to eligible charities, up to a maximum of \$30,000 per year for each individual. The Foundation matched these donations via payments made directly to the recipient charity. The amounts for Mr. Fyrwald, Ms. Seifert, and Mr. Tai include matching contributions for donations made at the end of 2019 (Mr. Fyrwald - \$28,000; Ms. Seifert - \$4,000; and Mr. Tai - \$30,000) for which the match contribution was not paid until 2020.

³ Directors do not participate in a company pension plan or non-equity incentive plan.

Forms - Example

Eskew Compensation - 3M

The table below shows the amounts earned by our non-employee directors (other than Mr. Fitterling) in 2020. As Mr. Fitterling joined the Board on February 5, 2021, he did not earn any director compensation during 2020.

Non-Employee Directors	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Thomas "Tony" K. Brown	135,000	170,000	421	305,421
Pamela J. Craig	135,000	170,000	5,329	310,329
David B. Dillon*	160,000	170,000	845	330,845
Michael L. Eskew*	170,000	170,000	293	340,293
Herbert L. Henkel	155,000	170,000	665	325,665
Amy E. Hood	135,000	170,000	889	305,889
Muhtar Kent*	155,000	170,000	772	325,772
Edward M. Liddy (retired from the Board, effective May 12, 2020)**	48,956	170,000	—	218,956
Dambisa F. Moyo	135,000	170,000	886	305,886
Gregory R. Page*	155,000	170,000	694	325,694
Patricia A. Woertz	135,000	170,000	1,691	306,691

* Lead Director or Committee Chair during all or a portion of 2020.

Non-Employee Directors	Cash Fees Paid in Common Shares or DSUs at Director's Election	3M Common Shares or DSUs Received
Thomas "Tony" K. Brown	—	—
Pamela J. Craig	—	—
David B. Dillon	—	—
Michael L. Eskew	170,000	1,053
Herbert L. Henkel	155,000	961
Amy E. Hood	—	—
Muhtar Kent	155,000	961
Edward M. Liddy	48,956	318
Dambisa F. Moyo	—	—
Gregory R. Page	—	—
Patricia A. Woertz	135,000	837

Forms - Example

Eskew Compensation - 3M

Security ownership of management

The following table includes all 3M stock-based holdings, as of March 1, 2021, of the directors and the Named Executive Officers set forth in the Summary Compensation Table, and the directors and executive officers as a group.

Common stock and total stock-based holdings

Name and principal position	Stock ⁽¹⁾	Restricted Stock Units ⁽²⁾	Deferred Stock ⁽³⁾	Total ⁽⁴⁾	Percent of Class
Thomas "Tony" K. Brown, Director	1,198	—	7,006	8,204	(5)
Pamela J. Craig, Director	—	—	2,237	2,237	(5)
David B. Dixon, Director	1,200	—	5,612	6,812	(5)
Michael L. Eskew, Director	—	—	46,528	46,528	(5)
James R. Fitzmaurice, Director	6,300	—	252	6,552	(5)
Herbert L. Henkel, Director	—	—	40,550	40,550	(5)
Amy E. Hood, Director	24	—	3,417	3,441	(5)
Muhtar Kent, Director	—	—	16,139	16,139	(5)
Dambisa F. Moyo, Director	1,468	—	1,307	2,775	(5)
Gregory R. Page, Director	4,000	—	6,550	10,550	(5)
Patricia A. Woertz, Director	2,580	—	3,090	5,670	(5)
Michael F. Roman, Chairman of the Board and Chief Executive Officer	462,138	—	44,244	506,382	(5)
Monish Patolawala, Senior Vice President and Chief Financial Officer	—	30,691	—	30,691	(5)
Eric D. Hammes, Executive Vice President, Enterprise Operations	99,102	2,973	3,135	105,210	(5)
Mojdeh Poul, Executive Vice President, Health Care Business Group	72,750	2,973	—	75,723	(5)
Michael G. Vale, Executive Vice President, Safety and Industrial Business Group	313,934	—	39,060	352,994	(5)
Nicholas C. Gangestad, Former Senior Vice President and Chief Financial Officer	361,934	—	21,316	383,250	(5)
All Directors and Executive Officers as a Group (23 persons)	1,662,217	47,076	259,899	1,969,192	(5)

FOOTNOTES TO COMMON STOCK AND TOTAL STOCK-BASED HOLDINGS TABLE

(1) This column lists beneficial ownership of 3M common stock as calculated under Securities and Exchange Commission rules. Unless otherwise noted, voting power and investment power in the shares are exercisable solely by the named person, and none of the shares are pledged as security by the named person. In accordance with Securities and Exchange Commission rules, this column also includes shares that may be acquired pursuant to stock options that are or will be exercisable within 60 days of February 28, 2021, as follows: Mr. Roman — 442,212 shares; Mr. Hammes — 95,583 shares; Ms. Poul — 70,498 shares; Mr. Vale — 300,254 shares; and Mr. Gangestad — 344,517 shares. This column includes the following shares over which the named person shares voting and/or investment power. Mr. Gangestad — 10,032 shares held jointly with a family member.

Sources

- Form 4 Blank - <https://www.sec.gov/files/form4.pdf>
- Form 4 Instructions - <https://www.sec.gov/files/form4data%2C0.pdf>
- Gifts of Long Term vs. Short Term Capital Gain Property - <https://www.gordonfischerlawfirm.com/gifts-of-long-term-versus-short-term-capital-gain-property/>
- Stock Options and Charitable Giving – Do They Mix - <https://www.adlercolvin.com/wp-content/themes/adlercolvin/pdf/Stock-Options-and-Charitable-Giving-Do-They-Mix.pdf>

Summary of Takeaways

- When you find a strange term, look it up on both the company's website and generally.
- Don't ignore the INDIRECT stock holdings held by a spouse, other family member, trust, etc.
- May want to compute stock sales if we don't believe the shares were gifted directly to a nonprofit.
- May want to compute the Dividends (if they exist as they are income/tock holdings data also).
- Try to find an executive/board member's bio (in Def. 14a form for all companies where director) to see if a public company insider at other companies.
- Pay attention to recent large stock acquisitions and sales as they could impact your nonprofit in near future.
- Question: Can we predict from looking at multiple years of a donor's Form 4s when donors may get a large windfall such as restricted stock units or options converting to common stock, etc.?

Thank You

Let's Keep in touch!

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