



Compensation & Benefits Advisory Services, LLC



David Chang, CPA

President/Founder

Compensation & Benefits Advisory Services, LLC

CAREER HISTORY

Tax Consultant/Senior Tax Consultant/Tax Computer Specialist, KPMG LLP

After graduating with a B.S. (magna cum laude) in Accounting and Economics from the New York University, Leonard N. Stern School of Business (“Stern”) in January of 1993, David began his career as a Tax Consultant in the Personal Financial Planning group at KPMG LLP (New York Office), where he was responsible for the preparation of individual, partnership, and corporate tax returns for high net-worth individuals. David displayed a natural aptitude for using the new technology being developed and implemented at the time, and he was able to develop spreadsheets to increase the quality and efficiency of the tax return preparation process. He quickly gained the trust of his managers and was given the additional position of Tax Computer Specialist. As a Tax Computer Specialist, David was tasked with teaching colleagues of all levels from Tax Consultants to Partners the use of the firm’s hardware and software. David was also entrusted with administrative privileges to the groups computer servers so that he could manage individual access rights.

Half-way through his second year with KPMG, David enrolled in Sterns’ full-time MBA program while also continuing to work full-time. After two years as a Tax Consultant, David was promoted to Senior Tax Consultant, and after a year and a half of course work, David graduated from Stern with an MBA in Taxation and Finance (with distinction).

Senior, Deloitte Tax LLP

Upon graduating, David accepted an offer to join Deloitte Tax LLP’s (New York Office) Employee Benefits Tax Group as a Senior. Initially, David’s main responsibility was to assist in managing the day-to-day operations of the group’s biggest tax compliance engagement, preparing Unrelated Business Income Tax Returns (“UBIT”) for one of the country’s largest pension funds. However, David was also given the opportunity to develop his consulting skills in addition to his compliance skills.

For his first major consulting project, David was tasked with creating a stand-alone (i.e., fully independent of any other software on the user’s computer) program for a financial services company which would analyze and compare the net after-tax benefit of contributing to two different types of retirement plans (a traditional Individual Retirement Account (IRA) and a Roth IRA) to be used by the client’s retirement plan account executives. Over the course of the six month project, David self-taught himself how to program using Visual Basic; learned how to create and design graphical user interfaces; became an expert on the tax treatment and requirements for IRAs and Roth IRAs; generated thousands of lines of coding to perform the cash flow and tax computations; identified add-in programs to generate the end results of the computations in a user friendly format and which would provide detailed computations that could be tested; and developed separate spreadsheets to test and validate the results of the program.

Manager/Senior Manager, Deloitte Tax LLP

After one year as a Senior at Deloitte, and with four years of total work experience, David was given an early promotion to Tax Manager. As a Tax Manager, David’s responsibilities for the daily management of the UBIT engagement continued to increase. In addition, as a result of the successful completion of the software development project and his ability to combine technical tax knowledge, perform complex computations, and create and design programs and spreadsheets, David was selected to attend special “Golden Parachute”



(Internal Revenue Code (“IRC”) Sections 280G and 4999) training at Deloitte’s National Office in Washington, DC. As part of the intensive two-week training, David learned from the firm’s foremost experts, and at the same time, he developed the template and framework for the firm’s Golden Parachute Calculator. Although some modification and customizations have been made to it over the last 20 years, the core functionality of the calculator has withstood the test of time and is still being used by current and former Deloitte practitioners.

David became responsible for the Tri-State Region’s (New York, New Jersey, and Connecticut offices) golden parachute engagements, and due to the types of issues that were encountered during these engagements, David was also assigned to work with the Senior Manager in charge of “Executive Compensation”, mainly dealing with equity compensation (restricted stock, restricted stock units, non-qualified stock options, incentive stock options and employee stock purchase plans), IRC Section 162(m), and deferred compensation issues. When the Senior Manager left Deloitte soon thereafter, David took over the lead for Executive Compensation and was again given the opportunity to work directly with and learn from the firm’s experts in the National Office.

In response to the growing demand for executive compensation consulting services, the group formed the “XComp Task Force”. As a leader on the task force, David was responsible for training staff and disseminating information on new developments through monthly presentations and quarterly newsletters.

Even before the terms “counseling” and “mentoring” began to be widely used, David had always been involved with the development of staff and colleagues on many different levels, not just technical training and engagement supervision. Sensing discord at the staff levels with management and certain processes (mainly stemming from a rapid expansion in the number of staff) such as allocation of work and the perception of “silos” being built, David was able to get management buy-in to create an upward evaluation process. David created upward evaluation forms which were submitted by staff directly to him, created reports summarizing the results, and developed recommendations for change. Although only a Manager at the time, the staff trusted him to keep the feedback and commentary anonymous, and management trusted him to use the results in a positive manner and to avoid the process turning into a “complaint session”.

In recognition of his client service and leadership skills, the breadth of expertise being developed and the scope of his overall responsibilities, David was given another early promotion to the position of Senior Manager after being a manager for only two years.

In 2001, David was asked to transfer to the Stamford, CT office to lead the group’s efforts in the Connecticut marketplace. In addition to maintaining all of his other client service responsibilities, David was tasked with building internal relationships with the firm’s other tax, audit and consulting professionals; building external client relationships; and managing the group’s staff in the Stamford and Hartford offices.

Corporate Compensation Manager, Alcoa, Inc.

In 2004, David accepted the position of Corporate Compensation Manager at Alcoa, Inc. Interestingly, the position resided in Alcoa’s human resources department and not the tax department, but it was aligned with David’s desire to continue to broaden his experience and provided him the opportunity to work for a publicly traded, Fortune 100 company. David’s main responsibilities included working with the head of Recruiting to develop and approve compensation packages for executive level candidates; approving compensation packages for global personnel assignments and overseeing the Global Mobility Manager; managing compensation processes (annual salary increases, short-term incentive allocations, long-term equity grant allocations); performing analytics on the company’s top 1,200 executives’ total compensation; and preparing materials for compensation committee meetings and proxy disclosures.



David's most significant contributions resulted from the design/re-design, implementation, and administration of the company's short and long-term incentive compensation plans and a broad-based rewards and recognition plan.

Short-Term Incentives:

During the annual bonus allocation process, David identified a design issue which was causing a significant misalignment between actual corporate performance and expected plan payout. David created a new payout formula, performed pro-forma calculations to compare payouts under the new formula in comparison to the old formula on a historic basis, and prepared all materials required for Compensation Committee Approval of the changes to the plan.

Long-Term Incentives:

David was instrumental in the design and implementation of the company's Equity Choice Program, which allows plan participants to elect between grants of stock options or restricted stock units based upon a specified exchange ratio. David worked with the Finance Group to analyze the financial statement impact of different exchange ratios; created a participant survey to gauge responses on the perceived value of different types of awards as well as the impact of different vesting schedules; analyzed the tax impact of offering participants a choice in the US and foreign countries; assisted the company's stock plan administrator with designing the administrative portal to be used by participants to make elections; created administrative procedures and tools for all aspects of the grant and election process; prepared communication materials; held multiple training webinars for business unit human resources groups in each major global region; and held separate participant webinar sessions for each major global region.

Broad-Based Rewards and Recognition:

David was also instrumental in the design and implementation of the company's "You Make a Difference Awards" which could be given to employees who were not otherwise eligible for stock award incentives. David designed a poker chip with the company's logo to be handed out directly by business unit presidents. The awards, which represented ten (10) restricted stock units to be settled in cash after a vesting period of one year, were intended to motivate employees to deliver results in their job every day by instantly recognizing and rewarding exceptional performance and results. David also created the policies and procedures required to administer the plan (tracking and recording grants, coordinating with the Finance Group for financial statement expensing and share counting, and coordinating with Payroll for award payout). The program was highly successful as evidenced by the business unit presidents' requests for more chips shortly after launching the program.

Director, Deloitte Tax LLP

After a short but highly productive two years with Alcoa, David returned to Deloitte as a Director in the Global Employer Services (GES) Group (a combination of the Compensation and Benefits (formerly Employee Benefits Tax), International Assignment Services, and International Human Resources groups) (Parsippany, NJ Office). He immediately resumed his duties as the lead for executive compensation and was also named the lead for the group's tax accounting services (FAS 123(R), FAS 109, and FIN 48) in the North East Region. This allowed David to enhance his knowledge on audit policies, procedures, and requirements, and it provided him the opportunity to work closely with audit teams from all of the Big Four and other large accounting firms. Additionally, David was asked to help expand the group's presence in the Philadelphia marketplace similar to what he had done for the Connecticut market. As a Director, David consulted on an average of 175 client engagements per year.



In response to client needs, David developed several innovative compensation vehicles including “synthetic incentive stock options” (using non-qualified stock options but providing employees the same tax advantages as incentive stock options) and the “Employee Grantor Trust” (alternative to deferred compensation arrangements which are subject to Internal Revenue Code Section 409A).

When the partner responsible for international compensation and benefits (ICB) issues retired, David was named the head of a newly developed service line for ICB; not because of his expertise in the field (which he quickly developed), but because of his ability to lead and organize teams, develop client service tools, train staff, and create and implement long-term strategies.

During this time, David continued to broaden his involvement with internal human resource issues. He took over the lead role for the Compensation and Benefits practice within the GES Talent Committee which was responsible for setting policies for the group’s goal setting and evaluation processes as well as developing and administering rewards and recognition programs for staff. As the Compensation and Benefits practice realigned from a regional reporting structure to a national structure, David was assigned the role of National Talent PPD (Partner/Principal/Director) for the practice and was responsible for setting the internal technical training curriculum; talent development; creating and implementing rewards and recognition programs for the entire National Practice; and creating a SharePoint site to facilitate information sharing amongst the practice.

David became extremely involved with the GES group and the overall firm’s training initiatives. He received Deloitte Faculty Excellence certification for live instruction, virtual instruction, and coaching. David was a frequent instructor and taught the following in many venues:

- Executive Compensation Hot Topics (162(m), 409A, 280G)
- International Compensation and Benefits
- Foreign Pension Reporting
- Partnership Allocations
- Moments that Matter

David also created project based training for the practice’s staff in India and instructed live in Hyderabad in 2012 and 2013.

- IRC Section 280G - Beginners
- IRC Section 280G - Advanced
- Foreign Pension and Treaty Review
- FAS 123(R)
- IRC Sections 162(m), 83, 409A and 457

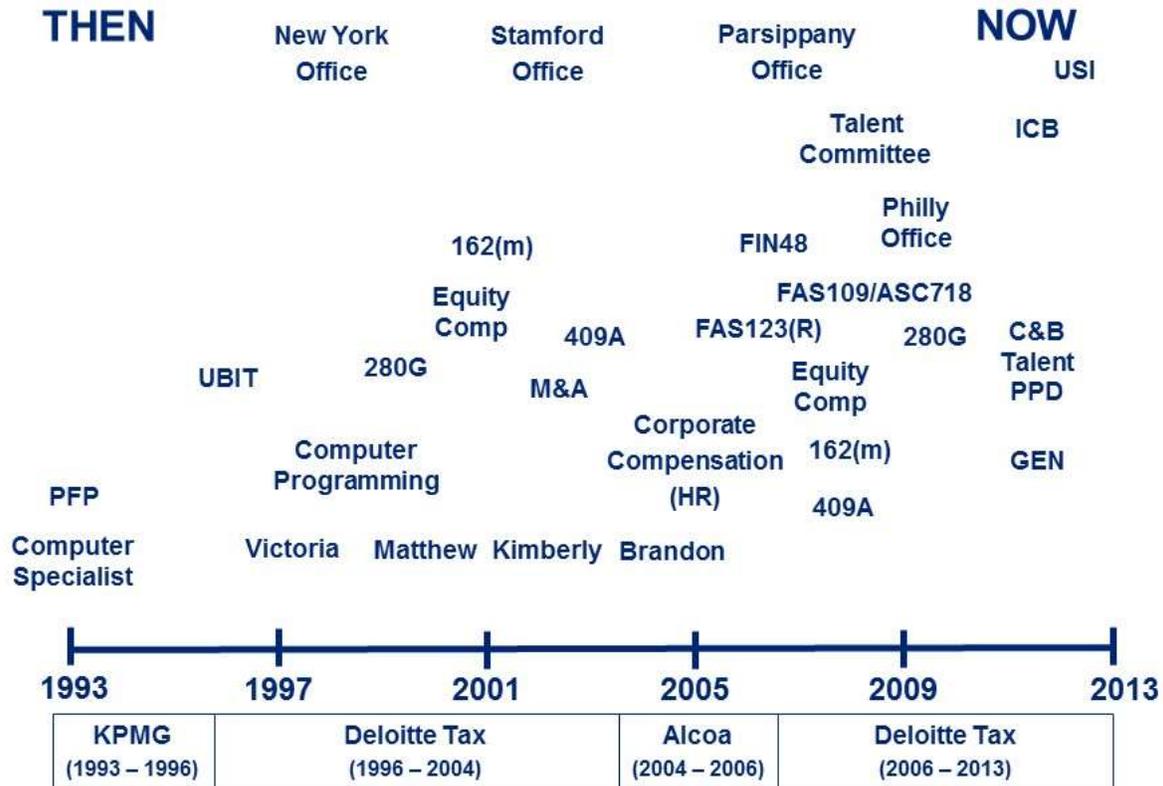
In December of 2012. The North East Region GES group started the “Grow Your Career Series” which was a series of presentations aimed at helping staff advance in their careers. David kicked off the first “Get to Know Your PPD” segment with a presentation entitled “Then and Now” which highlighted his personal career development and discussed keys to success as well as “Things I Wish I Did Better”. The key Themes of the presentation were:

- Take chances and look for new opportunities (“the road less travelled”)
- Help your manager get promoted so that you can get promoted
- Develop your staff so that you don’t end up doing the same work when you get promoted (“don’t fear being replaced”)
- Be flexible
- Take charge of YOUR career



Below is a snap shot of his Career Timeline which was used during the presentation.

Career Timeline



Managing Director, Golden Parachute Tax Solutions LLC and ExeComp Solutions LLC

In October of 2013, David became a Managing Director at Golden Parachute Tax Solutions LLC (GPTS), a boutique firm which offers IRC Section 280G Computations & Advisory Services. His main responsibilities included, Section 280G analysis, reasonable compensation analysis, creating payroll schedules, and drafting opinion letters. During each of the two full calendar years that David worked for GPTS, he handled the day to day operations on over 50 transactions and provided support as a subject matter expert on many others. He worked in partnership with all of his clients' internal departments (Tax, HR, Legal, Finance/Accounting, Payroll) as well as external consulta

At the same time, due to his unique qualifications, David also became a Managing Director of ExeComp Solutions LLC (a wholly owned subsidiary of GPTS), a full service executive compensation consulting practice which works collaboratively with boards and management on executive compensation issues facing public and private companies and tax exempt organizations. David was responsible for compensation planning and design; peer group selection and competitive analysis; tax and accounting consulting; reasonable compensation analysis for tax-exempt organizations; and litigation support services.



External Presentations and Speeches

During his career David has given speeches and presentations on the following:

- Audit Insurgency: Revenue Recognition, Audit Guidelines & Executive Compensation (23rd Annual NASPP Conference & Exhibition)
- Section 162(m) (Deloitte Dbriefs)
- SEC Executive Compensation Disclosures (Institute of Internal Auditors)
- FAS 123(R), FAS 109, and FIN 48 Technical Training (Deloitte Client Seminar)
- Market Trends and Executive Compensation Techniques (Sonneschein Venture Technology Group – CEO Boot Camp)
- Key Employee Compensation and Benefits Tax Issues in Turbulent Times (Deloitte Client Seminar for Emerging Growth Companies)
- NQSOs and ISOs and Section 280G (Tax Executive Institute and Deloitte Client Seminars)
- Employee Benefits Legislative Updates (Deloitte Client Seminars)
- Taxation and Reporting and Withholding Requirements for Equity Compensation (American Payroll Association)
- Current Issues in Executive Compensation (The Conference Board Seminar)
- Foreign Pension Reporting (Wall Street Tax Association and Deloitte Global Employer Net|Work)
- Impact of the American Taxpayer Relief Act of 2012 on Equity Compensation (Wall Street Tax Association and NY/NJ NASPP)

David was also a contributing author for the Deloitte publication “Adding Value in a Time of Volatility – Tax Topics for the Financial Services Industry”.

David is a Certified Public Accountant and a member of the AICPA.

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