

ADVERTISEMENT

Freep.com • Weather • Jobs • Cars • Real Estate • Apartments • Shopping • Classifieds • Dating



Search Detroit:

[Emails](#) | [RSS](#) | [Text Me Freep](#) | [Mobile](#)

[Subscribe to the Free Press](#) | [Manage My Account](#) | [Place an Ad](#) | [Contact Us](#)



- [LOCAL NEWS](#)
- [NATION/WORLD](#)
- [SPORTS](#)
- [ENTERTAINMENT](#)
- [BUSINESS](#)
- [AUTOS](#)
- [FEATURES](#)
- [TRAVEL](#)
- [OBITUARIES](#)
- [OPINION](#)

[TWIST](#)

[Freep.com](#)

MANAGEMENT COMPENSATION

## Execs got millions for work on sale of Chrysler

German publications report bonuses

October 2, 2007

BY TIM HIGGINS and SARAH A. WEBSTER  
FREE PRESS BUSINESS WRITERS

At a time when Chrysler LLC is trying to win historic concessions from the UAW, news broke over the weekend in Germany that Chrysler President Tom LaSorda and former Chief Operating Officer Eric Ridenour were paid bonuses worth millions for their help with the sale of the Auburn Hills automaker earlier this year.

Erich Klemm, the top German labor representative on DaimlerChrysler AG's supervisory board, is quoted in a German newspaper calling the bonuses "unreasonably high." The exact amounts of the bonuses were unknown.

ADVERTISEMENT

The report of LaSorda's bonus comes on the heels of Chrysler hiring other high-powered executives with undisclosed compensation packages and only a year after Ford hired Alan Mulally as CEO with a \$28-million package.

LaSorda is leading the automaker's negotiations with the UAW over a new labor contract, but it is unclear how it affects the talks, which like those at Ford Motor Co. slowed when the UAW picked General Motors Corp. as the lead negotiating partner on Sept 13.

"This could hardly help the talks at Chrysler. Autoworkers are deeply concerned about a dual standard. If you're asking for sacrifice, serving caviar before the meeting isn't the way to go," Harley Shaiken, a labor expert from the University of California-Berkeley, said. "What makes it problematic is that this is something talked about in plant cafeterias to start with."

The subject of executive compensation was on the lips of General Motors workers striking last week before GM and the UAW reached a tentative deal Wednesday.

Asked moments after his members took to the picket line last week if the UAW was asking executives to make sacrifices along with hourly workers, UAW President Ron Gettelfinger responded: "We've pointed that out to them on more than one occasion. But that has been in the past -- and continues to be -- an exercise in futility."

Executive compensation could become an issue at Ford. Mark Fields, Ford's president of the Americas, caused a stir among the rank and file when it was reported by a local TV station that he spent more than half a million dollars commuting home to Florida on a corporate jet last year. He now flies commercial.

Ford CEO Mulally, who was recruited from Boeing Co. in September 2006, was paid more than \$28 million to help turn around the struggling auto company, which lost \$12.6 billion last year.

While his annual salary was set at \$2 million, the rest of the package included compensation for use of a corporate aircraft, housing and a \$7.5-million hiring bonus and another \$11 million to offset stock options and other compensation he forfeited when he left Boeing.

Soon after taking the role of CEO at Chrysler, Bob Nardelli indicated that Gettelfinger already had brought up his \$210-million severance package for leaving his job at Home Depot.

[Email This Story](#)   [Forums](#)   [A+](#)   [A-](#)   [RESET](#)  
[Printable Format](#)   [RSS](#)   [Homepage](#)

### RELATED STORIES

[Vote begins on tentative UAW contract with GM](#)

### RELATED NEWS FROM THE WEB

- [Cadillac](#)
- [Saturn](#)
- [GMC](#)
- [Pontiac](#)
- [Oldsmobile](#)
- [Auburn Hills, MI](#)
- [Discuss Auburn Hills, MI](#)

Powered by [Topix.net](#)

### REAL ESTATE - sponsored by [Centex Homes](#)



#### HOMES FOR SALE

• Search New Construction and Existing Homes across metro Detroit and Michigan.  
• Mortgage rates from lenders nationwide.



#### RENTAL PROPERTIES

• Find apartment communities, corporate housing, and senior living developments.

### BUSINESS DIRECTORY

#### Business Professionals

Find a Business Professional

[Click here to add your business](#)

### SHOPPING



Find the best sales and deals at major retailers near you. [Start Shopping!](#)



#### Free Press Bookstore

[Click here](#) for sports books and posters, sports wearables, cookbooks and more!

### MORE ON FREEP.COM

#### Most Popular:

- [Dr. Ruth has advice on sex after 50](#)
- [Three killed on I-94 while helping stranded driver](#)
- [MICHAEL ROSENBERG: Bell's complaint has a familiar ring to it](#)
- [Ellen DeGeneres in the doghouse after giving away pooch](#)
- [LEADERS OF UAW LOCALS CONVENE: Chrysler deal meets some sharp resistance](#)

#### Latest Updates:

It is unclear how much Nardelli is earning as the top executive; it is also unknown how much Nardelli's new hire, Jim Press, who shares the title president and vice chairman with LaSorda, earns.

Chrysler is the first privately owned major U.S. automaker in more than 50 years and its financial statements are not made public.

Last month, Business Week, citing sources close to Chrysler, reported that Press' compensation package is worth at least \$50 million and could go much higher later. Presumably Chrysler had to spend big to land Press, who had been the highest-ranking non-Japanese executive at Toyota.

The magazine article said an estimated 5% of Chrysler's equity is set aside for the top 75 managers with the automaker.

A Chrysler spokesman declined comment regarding LaSorda's bonus and Press' compensation.

Han Tjan, a DaimlerChrysler AG spokesman, confirmed that LaSorda and Ridenour were given bonuses for their work during the Chrysler sales process but declined to say the amount. The sums should be included in the next annual report issued by Daimler AG, as the company likely will be renamed at its shareholder meeting on Thursday.

In its most recent annual report issued in February, DaimlerChrysler said LaSorda, then Chrysler's CEO, received nearly \$5.2 million in total compensation, including a \$1.1-million annual bonus and \$2 million worth of phantom shares that had a scheduled payout in 2010 and that could change in value. It is unclear how the change in Chrysler's ownership would affect those shares.

The Wall Street Journal, quoting the publication Frankfurter Allgemeine Zeitung, said Klemm, chairman of DaimlerChrysler's Corporate Works Council and the top labor representative on the company's supervisory board, called the bonuses "unreasonably high."

Private-equity firm Cerberus Capital Management acquired majority ownership of Chrysler from DaimlerChrysler in August.

Michael Whitty, a labor relations professor at the University of Detroit Mercy, said he doesn't believe LaSorda's latest bonus will affect the UAW negotiations, even though such things are controversial.

"Executive compensation is a big sore spot with rank-and-file union members and leaders, and I think the general public feels we're back in a gilded age with ... greed ruling supreme," he said.

Contact **TIM HIGGINS** at 313-222-8784 or [thiggins@freepress.com](mailto:thiggins@freepress.com).

- SITE
- INDEX
- NEWS
- Front
- Community
- Metro
- Detroit
- Wayne
- Oakland
- Macomb
- Michigan
- Nation/World
- Roadwork & Traffic
- Weather
- Obituaries
- Death
- Notices

- Student suspended for long hair is reinstated - 4:27 pm
- Smartphone offers cool new camera - 4:26 pm
- Father and family tell of help, hurt and healing - 4:20 pm
- U-M recommends more oversight of medical industry relationships - 4:16 pm
- MCM Grand agrees to negotiate beyond strike deadline, other 2 unions in talks - 4:16 pm
- U-M
- Tigers/MLB
- Pistons/NBA
- Shock/WNBA
- U-M
- MSU
- Roadwork & Traffic
- Weather
- Obituaries
- Death
- Notices
- Arts
- Michigan
- Medical Industry
- My Market Watch
- Air Travel
- Technology
- Real Estate
- TV & Radio
- Sports & Games

**Hot Careers**

Preps

- CAREER FAIR - Find a new job today!
- Finance/Management
- Engineering
- Info Tech
- - Healthcare
- - Manufacturing
- - Education
- - Sales/Marketing
- - Construction/Skilled Trades
- - Out of State
- Social Work
- Nursing
- Nursing
- Network Engineer
- ->CAREER TRAINING - FIND OUT MORE<-

[BUY A LINK HERE](#)

**RECENT COMMENTS**

[Post a Comment](#) [View All Comments](#)

**Irish and Pink**

Is a Louisville slugger still made in Louisville sorry to get all tomboy on ya but Ultimate wouldn't it be more enjoyable to smack em with an American made product rather than hurt a foot cause I'm thinking if you hurt your foot kickin a VEBA rep you might not be covered. I promise to bail us out after we are done when Our non signing bonus comes in. Or our welfare check whichever comes first.

Pink

Posted: Tue Oct 02, 2007 8:47 pm

**Ultimate Patriot**

"it'd be fun" not "it's be fun"

Posted: Tue Oct 02, 2007 8:00 pm

**Ultimate Patriot**

I'd like to line them all up and kick them in the nads, repeatedly. I know it sounds unmanly, but I am not about to bust up my hand punching these idiots. Besides, it's be fun permanently relocating their manhood.

Posted: Tue Oct 02, 2007 7:59 pm

**whotheFRU**

Ok time for all the suck up to the rich types to pontificate how they are 'better educated' and deserve this money.

Posted: Tue Oct 02, 2007 7:56 pm

**Irish and Pink**

p.s. Does anyone at the FREEP read these forums if so please get me in contact with Gettlefingler I have a few questions for him before Thursday(our vote day)

Pink

Posted: Tue Oct 02, 2007 7:50 pm

[Post a Comment](#) [View All Comments](#)

Partners: Jobs: [CareerBuilder.com](#) • Cars: [Cars.com](#) • Apartments: [Apartments.com](#) • Shopping: [ShopLocal.com](#)

[Customer Service](#) [Terms of Service](#) [Send feedback](#) [Subscribe Now](#) [Jobs In Journalism](#)

Copyright ©2007 the Detroit Free Press. All rights reserved. Users of this site agree to the [Terms of Service](#) and [Privacy Policy/Your California Privacy Rights](#) (Terms updated March 2007)

[USA Today](#) [USA Weekend](#) [Gannett Co. Inc.](#) [Gannett Foundation](#)