

**The New York Times****Business Day****Gutfreund's Pay Is Cut**

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In a sign of the decline in the securities industry this year, John H. Gutfreund, the chairman and chief executive of Salomon Inc., will take a \$2 million pay cut for 1987, he has told executives at the Wall Street firm.

Mr. Gutfreund said yesterday that he told his colleagues last week that he would take no bonus for 1987, a year in which Salomon's earnings slumped. He said the compensation committee of Salomon's board had made the decision at his suggestion.

The chairman, who earned \$3.2 million in 1986, will only receive his regular salary of \$300,000 this year. In addition, he will receive \$800,000 in compensation deferred from 1984, part of a standard company policy.

"In fairness, this place has been very good to me," Mr. Gutfreund said, "and I thought it was time that I did something to make more money available to the other people here."

In lieu of a bonus, however, Mr. Gutfreund will receive 300,000 Salomon stock options, the first time he has been granted options on this basis. The options are exercisable at \$18.125, the same as Salomon's closing price yesterday.

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