

# G.M.'s Unit for Investing to Attract Pay Scrutiny

By [LOUISE STORY](#)

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They work for [General Motors](#) but pull down Wall Street-style bonuses — and that is raising some eyebrows in Washington. A group of employees in G.M.'s investment management division in New York, where top earners make \$2 million to \$3 million a year, are coming under sharp scrutiny by the Obama administration's pay czar, [Kenneth Feinberg](#).

The division, Promark Global Advisors, includes some of G.M.'s most highly paid employees and will figure prominently in Mr. Feinberg's review of compensation at the automaker. G.M. and six other companies that have received substantial federal aid are due to submit compensation plans to the [Treasury Department](#) on Friday. "The pay czar will look at these financial people inside G.M. very similar to the people at the banks," said Alan M. Levine, a partner in the [executive compensation](#) and employment benefit practice at Morrison Cohen, a law firm in New York. "But he's got to understand that the company needs to remain competitive and retain talent."

While pay at Promark pales next to that of top earners on Wall Street, as well at [GMAC](#), the auto finance company, it has nonetheless become a focus of attention as Mr. Feinberg prepares to review G.M.'s pay plans. Promark oversees \$102 billion of pension money for G.M. and its affiliates, but its traders and money managers also invest \$18 billion on behalf of other institutions. This summer, Mr. Feinberg reviewed lists of the top earners at several bailed-out companies, including General Motors. The traders at Promark accounted for many of the top 25 earners at the company, according to two people familiar with the carmaker's situation. In particular, the Promark traders made more money last year than other G.M. executives because the traders' pay was not based heavily on G.M.'s stock price.

Instead, Promark bonuses are based mostly on each worker's own performance and that of the overall investment fund, according to three people familiar with their pay structure. The formula may present a problem because Mr. Feinberg could view the pension traders as similar to the proprietary traders at banks. The Treasury's pay restrictions exempt company workers who earn their pay based on commissions, but to qualify, a worker must manage money for outside clients. In a sense, G.M.'s pension is similar to the bank capital proprietary traders use to make bets, and proprietary traders are being required to follow the rules. But some people might argue that keeping talent at G.M.'s pension fund calls for an exception. The bonus scrutiny comes at a difficult moment for the pension unit, which changed its name from General Motors Asset Management to Promark this spring.

**"There's no question if the compensation gets cut, they will leave," said Gustavo G. Dolfino, president of the WhiteRock Group, a recruiting firm in New York. "A number of them have already approached me since we entered this new era of socialist America."**

G.M. is generally considered to have a well-run pension, and Promark's leaders are credited for moving out of some [stocks](#) into bonds before the market downturn last year. The pension fund was down 11 percent, according to a G.M. spokeswoman, and that return looks golden compared with the pain at many investment firms.

Promark is led by Nancy C. Everett, who was previously the chief investment officer for the Virginia Retirement System. Other senior managers previously worked at places like [BlackRock](#), [Goldman Sachs](#) and the [Bank of New York Mellon](#).

"They're investment people, so the appropriate comparison is not our auto people in Detroit," said the spokeswoman, Julie Gibson. "It's with investment people in New York."

Ms. Gibson declined to confirm details about G.M.'s compensation filing.

It has never been clear how much money the unit makes, because Promark's results are not broken out in the automaker's financial filings. Last year as the company ran into trouble, some analysts suggested that Promark should be sold off, estimating its worth at a few billion dollars.

Part of the unit's value is its business managing money for outside pension funds. In recent years, G.M. set up separate legal structures so that the money managers could co-mingle G.M.'s pension money with outside funds. [Xerox](#) was among the companies that hired the unit, and the added scale was meant to defray G.M.'s pension costs. The pension unit also registered a multistrategy hedge fund.