



THOR'S U.S. ECONOMIC REVITALIZATION AND CORPORATE RESPONSIBILITY PLAN

EXECUTIVE SUMMARY

Due to the severe current economic conditions, we have developed a simple, yet effective, plan to revitalize the U.S. economy, while at the same time refocusing corporations' responsibility to shareholders. One of the main problems weighing on the economy is the severe drop in the stock market over the past year. Many believe that the stock market is the "playground" of the rich. This was the case in the Great Depression, but is not today. Ordinary Americans are tied into the stock market both directly and indirectly. All citizens are tied to the stock market due to the large amount of state and local government pension plans that are invested in the stock market. Those assets have fallen significantly in value and state and local governments will either have to raise taxes or cut services to fund future pension obligations. **This is why even those on public assistance need the stock market to rise. If the market rises, they will benefit. If the stock market remains where it is or falls further, they will receive fewer benefits in the future. Contrary to popular belief, everyone has a stake in the stock market.**

The centerpiece of the plan is a reduction in the corporate tax rate to a flat 15% for publicly traded companies only.

Impact of a reduced corporate income tax rate to 15%

1. Stock market would recover as public sees more value in publicly traded companies.
2. Pressure on state and local government pension plans would abate.
3. Federal tax receipts will increase as the economy recovers and grows.
4. Employment will rise as the U.S. becomes among the **most** competitive places to invest.
5. Payroll taxes will rise as employment rises.
6. Unemployment costs to the federal government will fall as employment rises.
7. Faster GDP growth as benefits of lower taxes are reinvested in companies or paid out in dividends.
8. U.S. companies will repatriate foreign earnings back for investment in the U.S.
9. Companies will have more money to invest in infrastructure and employees.
10. Using debt as a source of funding will be less attractive since companies get a higher tax benefit from using debt financing with a higher tax rate than a lower tax rate.
11. As the U.S. grows faster, foreign investors will invest more money in the U.S. economy.
12. Net effect to government would be higher revenues that could be used for debt reduction and/or additional programs.



In order to receive that lower tax rate, those companies must agree to changes in the way executive and corporate board members are paid.

Executive pay changes to get flat 15% corporate tax rate

1. Tie executive pay to “average worker” pay.
2. Eliminate all options, deferred compensation plans, special executive retirement plans for the top executives.
3. Eliminate “golden parachutes” or make them company wide.
4. Make a significant portion of executive pay be in the form of restricted stock.
5. Restricted stock must be held for five years for preferred tax treatment.
6. Restricted stock would be subject to disgorgement if the executive is found guilty of corporate malfeasance.

Confidence in our economy and corporate America has waned. People also are upset with the excessive pay that some executives have received at the expense of long-term shareholders. It is time to use the tax code to entice these executives to do the right thing for shareholders and America. Those companies that decide not to follow this plan and continue to pay more lucrative compensation packages would be subject to the current higher corporate tax rate and a distinct competitive disadvantage. The market will reward those companies that follow the plan.