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## Ex-NorthWestern CEO gets 7-figure package

### Compensation includes \$1.1 million severance

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Gary Drook walked away with a multimillion-dollar compensation package after more than two years with the once financially ailing NorthWestern Corp.

Drook, who resigned in March, was named the company's chief executive officer in January 2003 with hopes that he could restructure the troubled company out of bankruptcy court.

But with \$2.2 billion in debt, the Sioux Falls-based utility filed for bankruptcy reorganization in late 2003. Since its emergence in late 2004, NorthWestern has reinstated its dividends to its new common shareholders.

As compensation, NorthWestern rewarded Drook with \$1.1 million in severance, millions in stock options, the use of a cell phone and computer equipment he acquired through the company and relocation expenses, according to filings with the U.S. Securities and Exchange Commission.

The package, effective June 1, was negotiated by the company's board of directors and was based on performance, said Roger Schrum, company spokesman.

"It was negotiated by the board, reflecting Mr. Drook's success in restructuring the company as well as his consulting for the company," Schrum said.

Drook was not available for comment.

Ken Emme, a former shareholder of NorthWestern of Minnesota, said he is troubled that Drook received so much compensation for doing so little, particularly after many shareholders lost money during the bankruptcy.

Emme lost about \$250,000 when his stocks lost value and eventually were canceled.

"It's not hard to put a company like that through bankruptcy," he said, explaining that NorthWestern was profitable before and would have remained so had it stayed strictly a regulated utility.

"I hope that the (Securities and Exchange Commission) is giving them a good hard look," Emme said.

Severance packages typically are about twice the amount an executive would receive in yearly salary and bonuses, according to Equilar Inc., a company that analyzes executive compensation.

Drook's severance pay was well below that average. Last year, Drook was paid \$1.13 million in salary and bonuses, the same amount he received in severance.

Drook's home in southeastern Sioux Falls is on the market at a listing price of \$985,000. His moving expenses will be paid by the company, including travel expenses to and from Sioux Falls to sell the home.

"It's a common practice of relocation if homes are not able to be sold," Schrum said. "If it does not sell within the 120 days, he has the option of getting appraisals and then selling it to the company at appraised value. We haven't reached that period of time yet."

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