PERINI CORP
Form DEF 14A
April 17, 2009

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the registrant x Filed by a party other than the registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under Rule 14a-12

PERINI CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box.):

x No fee required
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated, and state how it was determined.):

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(1) Amount previously paid:

(2) Form, schedule, or registration statement no.:

(3) Filing party:

(4) Date filed:

Perini Corporation

73 Mt. Wayte Avenue

Framingham, Massachusetts 01701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON May 28, 2009

TO THE SHAREHOLDERS OF PERINI CORPORATION:

NOTICE IS HEREBY GIVEN that the 2009 annual meeting of the shareholders of PERINI CORPORATION, a Massachusetts corporation (the Company) will be held at the offices of our subsidiary, Tutor-Saliba Corporation,15901 Olden Avenue, Sylmar, California, on May 28, 2009 at 10:00 a.m., local time.

At the meeting, holders of common stock, par value $1.00 per share, of the Company (the Common Stock) will consider and vote on the following matters:

1. Elect three (3) Class I Directors, to hold office for a three-year term, expiring at the Company s 2012 Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. Consider and ratify the selection of Deloitte & Touche LLP, independent registered public accountants, as auditors of the Company for the fiscal year ending December 31, 2009;

3. Consider and act upon the proposal that the Articles of Incorporation be amended to change the name of the Company to Tutor Perini Corporation;

4. Consider and act upon the proposal to approve the Section 162(m) performance goals and annual grant limitations under the 2004 Stock Option and Incentive Plan;

5. Consider and act upon the proposal regarding the 2009 General Incentive Compensation Plan; and

6. Such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 31, 2009 as the record date for the determination of the shareholders entitled to vote at the meeting. Only shareholders of record as of the close of business on the record date will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof.

A proxy is being solicited from holders of the common stock. Whether or not you plan to attend the meeting, please vote as soon as possible. Shareholders have three options for submitting their vote. You may vote by mail by executing and returning the enclosed proxy card in the enclosed envelope, which requires no postage if mailed in the United States. You may also vote electronically by logging on to the internet at www.investorvote.com/PCR and following the instructions. The third option is to call 1-800-652-VOTE (8683), and follow the recorded instructions. There is no charge for the call if initiated from the United States.

By order of the Board of Directors,

William B. Sparks, Secretary

Framingham, Massachusetts

April 17, 2009

The Annual Report of the Company, including financial statements for the year ended December 31, 2008, is being sent to shareholders concurrently with this Notice.

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Shareholders to be Held on May 28, 2009

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 as filed with the SEC, except for exhibits, will be furnished without charge to any shareholder upon written or oral request to Perini Corporation, Attn: Investor Relations Dept., 73 Mt. Wayte Ave., Framingham, MA 01701, telephone 508-628-2000.

The Annual Report of the Company, including financial statements for the year ended December 31, 2008, is being sent to shareholders concurrently with this Notice.

In order to view and/or download our 2008 Proxy Statement, 2008 Annual Report and form of proxy, go to our website at http://www.perini.com, select Investor Relations , and then select proxy online . Investors can also request a copy of these materials from our Investor Relations Department at 508-628-2000 or by going to our website at http://www.perini.com, selecting Investor Relations and then selecting Submit Info Request .

2009 ANNUAL MEETING OF SHAREHOLDERS

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ANNUAL MEETING OF THE SHAREHOLDERS

OF PERINI CORPORATION

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of PERINI CORPORATION (Company , Perini , we , us , and our") to be used at our annual meeting of shareholders to be held May 28, 2009 at 10:00 a.m., local time, and a any adjournment or postponements thereof (the Annual Meeting), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. A proxy card is being sent to holders of our common stock, $1.00 par value. If the accompanying form of proxy is executed and returned or voted electronically, it may be revoked at any time before it is voted by written notice to our Secretary, by the subsequent execution and delivery of another Proxy, or by voting in person at the Annual Meeting. The Proxy Statement, Notice of Annual Meeting and the enclosed Proxy Card are first being mailed on or about April 17, 2009 to the shareholders of record as of March 31, 2009.

SHAREHOLDERS ENTITLED TO VOTE

The Board of Directors has fixed the close of business on March 31, 2009 as the record date for the determination of the shareholders entitled to vote at the Annual Meeting. As of March 31, 2009, the Company had outstanding 48,516,555 shares of common stock. Each share is entitled to one vote.

Only shareholders on record as of the close of business on March 31, 2009 will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof. Notwithstanding the record date specified above, our stock transfer books will not be closed and shares may be transferred subsequent to the record date. However, all votes must be cast in the names of shareholders of record on the record date.

Shareholders wishing to attend the Annual Meeting can access directions on the homepage of our website at http://www.perini.com.

PROXIES AND VOTING PROCEDURES

If you are a shareholder of record, you may vote your shares over the Internet at www.investorvote.com/PCR or telephonically 1-800-652-VOTE (1-800-652-8683) or by following the instructions on the enclosed proxy card. Proxies submitted via the Internet or by telephone must be received by 2:00 a.m., eastern time, on May 28, 2009.

If the shares you own are held in street name by a bank or brokerage firm, your bank or brokerage firm will provide a vote instruction form to you with this proxy statement, which you may use to direct how your shares will be voted. Many banks and brokerage firms also offer the option of voting via the Internet or by telephone, instructions for which would be provided by your bank or brokerage firm on your vote instruction form.

SHAREHOLDER VOTES REQUIRED

Proposal 1, election of each of the nominees for director, requires the affirmative vote of a plurality of the votes cast at the Annual Meeting. You may vote FOR any or all director nominees and/or WITHHOLD your vote from any or all of the director nominees.

Proposal 2, ratification of the selection of Deloitte & Touche, LLP as the Company s independent auditors for 2009, requires the affirmative vote of the holders of a majority of the votes cast on the proposal at the Annual Meeting.

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Proposal 3, approval of the amendment to the Articles of Incorporation to change the name of the Company to Tutor Perini Corporation, requires the affirmative vote of the holders of a majority of the outstanding shares of Perini Common Stock entitled to vote at the meeting.

Proposal 4, approval of the Section 162(m) performance goals and annual grant limitations under the 2004 Stock Option and Incentive Plan, requires the affirmative vote of the holders of a majority of the votes cast on the proposal at the Annual Meeting.

Proposal 5, approval of the 2009 General Incentive Compensation Plan, requires the affirmative vote of the holders of a majority of the votes cast on the proposal at the Annual Meeting.

QUORUM

The presence, in person or by proxy, of outstanding shares of Common Stock representing a majority of the shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Shares that reflect abstentions or broker non-votes will be counted for purposes of determining whether a quorum is present for the transaction of business at the Annual Meeting.

ABSTENTIONS AND BROKER NON-VOTES

An abstention occurs when a shareholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. For purposes of establishing a quorum, abstentions in person and proxies received but marked as abstentions as to any or all matters to be voted on count as present.

Abstentions with respect to the name change proposal (proposal 3) will have the same effect as a vote against the proposal. Abstentions have no effect on the election of directors (proposal 1), the ratification of auditors proposal (proposal 2), the 162(M) proposal (proposal 4), or the plan approval proposal (proposal 5).

If your shares are held in "street name," your brokerage firm, under certain circumstances, may vote your shares for you if you do not return your proxy. Brokerage firms have authority under the rules of the New York Stock Exchange (NYSE) to vote customers' unvoted shares on some routine matters. If you do not give a proxy to your brokerage firm to vote your shares, your brokerage firm may either vote your shares on routine matters or leave your shares unvoted. All of the proposals contained herein are considered routine matters.

Regardless of whether you are a record holder of your shares or hold your shares in street name, we encourage you to provide voting instructions to your brokerage firm by returning your completed proxy. This ensures your shares will be voted at the meeting according to your instructions. Record holders may complete the proxy card enclosed with this proxy statement and return it to us. If your shares are held in street name, you should receive directions from your brokerage firm about how to submit your proxy to them at the time you receive this proxy statement.

PROXY SOLICITATION

In addition to solicitation by mail, our directors, officers, and employees may solicit proxies from Perini shareholders by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. We will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Perini has retained Innisfree M&A Incorporated, a proxy solicitation firm, to assist it in the solicitation of proxies for the Annual Meeting. Perini will pay Innisfree a fee of $10,000, for its services. In addition, Perini may pay Innisfree additional fees depending on the extent of additional services requested by Perini and will reimburse Innisfree for expenses Innisfree incurs in connection with its engagement by Perini.

REVOCATION OF PROXIES

If the accompanying form of proxy is executed and returned or voted electronically, it may be revoked at any time before it is voted by written notice to our Secretary, by the subsequent execution and delivery of another proxy, or by voting in person at the Annual Meeting. Please note that if you have instructed your broker to vote your shares, the options for revoking your proxy described above do not apply and instead you must follow the directions provided by your broker to change those instructions.

ADJOURNMENTS AND POSTPONEMENTS

Although it is not currently expected, the Annual Meeting may be adjourned or postponed, including for the purpose of soliciting additional proxies, by action of the presiding officer of the Annual Meeting in accordance with Perini s bylaws. In addition, the Perini board of directors (the Board) may postpone and reschedule the Annual Meeting prior to the meeting in accordance with Perini s bylaws. Any adjournment may be made without notice, other than by an announcement made at the Annual Meeting of the time, date and place of the adjourned meeting, regardless of whether or not a quorum is present.

Any adjournment or postponement of the Annual Meeting for the purpose of soliciting additional proxies will allow the Perini shareholders who have already sent their proxies to revoke them any time prior to their use at the Annual Meeting as adjourned or postponed.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board has nominated three (3) Class I directors to serve until the 2012 annual meeting of shareholders. In accordance with our bylaws, each director nominee will be elected to serve for a three-year term, unless he resigns, dies or is removed before his term expires, or until his successor has been duly elected and qualified.

The following individuals are the nominees for election to the Board:

Name	Age	Director Since
Class I Nominees for Election		
Robert Band	61	1999
Michael R. Klein	66	1997
Robert L. Miller	68	2004

Messrs. Band, Klein and Miller currently are members of Class I of the Board of Directors. See Corporate Governance - Nominations for Director beginning on page 10 for a discussion of the director identification, appointment and nomination process. The Board has affirmatively concluded that Messrs. Klein and Miller qualify as independent directors under the independence standards established by Section 303A of the NYSE corporate governance rules. Mr. Band, who is an executive officer and employee of the Company, does not qualify as an independent director. More detailed information about the Board s determination of director independence is provided in the section of this proxy statement titled Board of Directors - Director Independence on page 7.

The principal occupation and business experience of each director nominee for the last five years is set forth below:

Robert Band has served as a director since May 1999. He has also served as chief operating officer from March 2000 to March 2009, and as president since May 1999. He has served as president of Perini Management Services, Inc. since 1996. He has served in various operating and financial positions with Perini Corporation since 1973, including executive vice president and chief financial officer from 1997-1999. He also serves as a director of Jewish Family Services of Metrowest, a not-for-profit entity.

Michael R. Klein has served as a director since January 1997 and as vice chairman of the Board since September 2000. He is also the designated lead director. Mr. Klein, a private investor, serves as chairman of the board of directors and chairman of the Nominating Committee of CoStar Group, Inc., a publicly held provider of commercial real estate information; as chairman and CEO of the Sunlight Foundation, a non-profit organization; as chairman of Shakespeare Theatre Company, a non-profit organization; and as chairman of the board of directors of Le Paradou, LLC, a privately held company. He is also the lead director and chairman of the Governance Committee of SRA International, Inc., a publicly-traded provider of technology and strategic consulting services and solutions; and a director of AStar Air Cargo, Inc., and OZ Fitness, Inc., which are privately held. Mr. Klein was a partner of the law firm Wilmer Cutler Pickering from 1974 until 2004, and when Wilmer Cutler Pickering merged with the law firm Hale and Dorr LLP in 2004 became a partner of Wilmer Cutler Pickering Hale and Dorr LLP until his retirement in 2005.

Robert L. Miller has served as a director since 2004. In 1979, he co-founded West Venture Development Co., a homebuilding and commercial real estate company, and functioned as its president until its sale in 1991. Previously he was a construction manager with Morrison-Knudsen Inc. He was chairman of the board of Monroc Corp., a publicly held concrete and aggregate company from 1995-1998. Since 2000, he is a principal in Robert L. Miller & Assoc., Inc., a real estate development firm.

Our Corporate Governance and Nominating Committee has recommended Messrs. Band, Klein and Miller for re-election as Class I Directors. Unless otherwise noted thereon, proxies solicited hereby will be voted for the election of the director nominees to hold office until the 2012 annual meeting of shareholders, and until their successors are chosen and qualified. Each nominee has consented to being named in this proxy statement, and if elected, each nominee has consented to serve as a director until his successor is duly elected and qualified. The Board does not contemplate that any nominee will be unable to serve as a director for any reason, but if that should occur prior to the meeting, proxies solicited hereby may be voted either for a substitute nominee designated by the Board or recommended by the Corporate Governance and Nominating Committee, or the Board may determine to leave any such Board seat vacant until a suitable candidate is identified, or to reduce the size of the Board.

Board Recommendation

THE PERINI BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE BOARD OF DIRECTORS NOMINEES FOR ELECTION AS A CLASS I DIRECTOR.

BOARD OF DIRECTORS

The following table shows, as of March 31, 2009, the names and ages of our current directors and director nominees.

Name	**Age**	**Position (as of March 31)**	**Term of Office**
Ronald N. Tutor	68	Chairman of the Board and Chief Executive Officer	2010
Michael R. Klein	66	Vice Chairman of the Board, Lead Director	2009
Marilyn A. Alexander	57	Director	2011
Peter Arkley	54	Director	2011
Robert Band	61	Director, President	2009
Willard W. Brittain, Jr.	61	Director	2010
Robert A. Kennedy	73	Director	2010
Raymond R. Oneglia	61	Director	2011
Robert L. Miller	68	Director	2009
Chrysostomos L. Nikias	56	Director	2010
Donald D. Snyder	61	Director	2011

For biographical summaries of the Class I directors, Messrs. Band, Klein and Miller, see Proposal 1 above.

Ronald N. Tutor has served as our chief executive officer since March 2000, as chairman since July 1999, and as a director since January 1997. Mr. Tutor also served as chairman, president and chief executive officer of Tutor-Saliba Corporation (Tutor-Saliba), a privately held California corporation engaged in the construction industry, until Tutor-Saliba merged with the Company in September 2008. He is a member of the Board of Trustees of the University of Southern California.

Marilyn A. Alexander has served as director since 2008. She founded and has served as a principal of Alexander & Friedman LLC, a management consulting company since 2006, and prior to that was an independent management consultant since 2003. She previously served as senior vice president and chief financial officer of The Disneyland Resort since 2000. She is also a member of the board of governors of Chapman University, a not-for-profit organization; a member of the board of regents of Chapman University College, a not-for-profit subsidiary of Chapman University and the secretary of the board of directors of the Be Aware Foundation, a not-for-profit foundation.

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Peter Arkley has served as a director since May 2000. He has served as the President/CEO of AON Construction Services Group, an insurance and bonding brokerage firm, since 2006 and prior to that was Managing Principal of Aon Risk Services, Inc. since 1994. He is also a director of the Greater Los Angeles Zoo Association, a non-profit organization.

Willard W. Brittain, Jr. became a director in November 2004. He has served as chairman and chief executive officer of Professional Resources on Demand, a private senior executive staffing company, since 2003. He previously served as chief operating officer of PwC Consulting since 2000, and chief operating officer of PricewaterhouseCoopers, LLP since 1997. Mr. Brittain also serves on the board of Analysts International where he is a member of the nominating and governance committee, DaVita Corporation, and Convergys Corporation, where he serves on the audit committee. All are publicly held companies.

Robert A. Kennedy has served as a director since March 2000. He has been an independent financial consultant since 2003. From 1993 to 2003, Mr. Kennedy served in various capacities, including as vice president special projects, for The Union Labor Life Insurance Company, a provider of insurance and financial services to its union members and related trust funds.

Raymond R. Oneglia has served as a director since March 2000. Since 1997, he has also served as vice chairman of the board of directors of O&G Industries, Inc., a Connecticut corporation engaged in the construction industry, and prior to that, served in various operating and administrative capacities since 1970.

Chrysostomos L. Nikias is provost and executive vice president of the University of Southern California since 2005 and prior to that was the Dean of the University of Southern California Viterbi School of Engineering since 2001. He also serves on the executive committee of the Chadwick School, a private primary and secondary school. He has served as a director since 2008.

Donald D. Snyder has served as director since 2008. He was a director and the president of Boyd Gaming Corp. from 1997 until his retirement in 2005. He presently serves as a director of NV Energy, a publicly held utility; as the lead director and chair of the compensation committee of Western Alliance Bancorp., a publicly-held commercial bank holding company; and as a director of Switch Communications Group, LLC, a privately held company. He is presently on the board of directors of the following not-for-profit entities: Las Vegas Performing Arts Center Foundation, Nevada Development Authority, Council for a Better Nevada, University of Nevada-Las Vegas Foundation, and the Nathan Adelson Hospice.

Board Composition

The Board consists of eleven directors, as determined by the Board. In accordance with our bylaws and the requirements of the Massachusetts Business Corporations Act, the Board is divided into three classes, with each director serving for a term of three years. As a consequence, the term of only one class of directors expires each year. At each annual meeting of shareholders, the successors to one class of directors then serving are elected to serve from the time of their election and qualification until the third annual meeting following their election or until their successors have been duly elected and qualified, or until their earlier resignation, removal or death.

Under the shareholders agreement which became effective upon the September, 2008 merger of the Company with Tutor-Saliba (the Shareholders Agreement), Mr. Tutor (as the representative of the former Tutor-Saliba shareholders) has the right to designate up to two nominees for appointment to an eleven-member Board (and thereafter, for nomination for election), subject to certain limitations contained in the Shareholders Agreement. In addition, for so long as Mr. Tutor serves as our chief executive officer, the Shareholders Agreement provides that he will be nominated for election to the Board. See Shareholders Agreement page 28.

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Chrysostomos L. Nikias was appointed to the Board immediately following completion of the merger as one of Mr. Tutor s designees. The Corporate Governance and Nominating Committee reviewed his qualifications and recommended Mr. Nikias appointment to the Board which was unanimously approved by the full Board. Mr. Nikias is a Class II director and will serve until the 2010 meeting of shareholders when he will stand for reelection to the Board.

As of the date of this proxy statement, Mr. Tutor has not elected to exercise his right to nominate a second director for election, although he has not waived the right to do so in the future. Mr. Tutor has advised the Board that should he choose to designate a second person for appointment to the Board at a time when the Board already includes eleven members, he would support a temporary expansion of the board to twelve members to accommodate such additional member. Such expansion would continue until the next meeting of shareholders at which directors are elected, at which time the size of the Board would be reduced back to eleven members (as contemplated by the Shareholders Agreement) and the slate of nominees for election adjusted accordingly.

Director Independence

The Board has determined that Ms. Alexander, Mr. Arkley, Mr. Brittain, Mr. Kennedy, Mr. Klein, Mr. Miller, Mr. Oneglia and Mr. Snyder are independent in accordance with the independence standards established by Section 303A of the NYSE rules. In determining independence pursuant to NYSE standards, each year the Board determines whether directors have a direct or indirect material relationship with Perini, including its subsidiaries, that may interfere with their ability to exercise their independence from Perini.

In evaluating the independence of each non-employee director, the Board considered several factors. With respect to Mr. Oneglia, the board considered the relationship between O&G Industries, Inc., of which Mr. Oneglia is vice chairman of the board of directors and a principal shareholder, and Perini, including the construction joint ventures between Perini and O&G Industries. The Board determined that the joint ventures did not impact Mr. Oneglia s independence from Perini management because (1) the joint ventures are formed for the limited purposes of performing specific contractual requirements for owners as is commonplace in the construction business, (2) Mr. Oneglia is not personally involved in the management of these joint ventures and (3) Perini and O&G have an equal vote in the governance of such joint ventures. With respect to Mr. Arkley, the Board considered the relationship between AON Risk Services (AON), of which Mr. Arkley is President of the Construction Services Group, and Perini, an insurance and bonding client of AON. The Board has determined that his independence from Perini management is not impacted because (1) services provided by AON are supplied to Perini on terms similar to AON s other clients and (2) Mr. Arkley is not involved in the day to day management of the Perini relationship. No other independent directors had material relationships with Perini other than in their capacities as directors.

The Board found that Mr. Nikias is not independent due to his position at the University of Southern California where Mr. Tutor sits on the Executive Committee of the Board of Trustees and had influence with regard to Mr. Nikias compensation prior to Mr. Nikias appointment to the Board. Mr. Tutor plans to refrain from voting with regard to Mr. Nikias compensation in the future. Messrs. Band and Tutor, who are executive officers and employees of Perini, do not qualify as independent directors.

Communications with the Board

The Board welcomes the submission of any comments or concerns from shareholders and other interested parties. Any shareholder who wishes to communicate with the Board may submit such communication in writing to Perini Corporation, 73 Mt. Wayte Avenue, Framingham, MA 01701 and marked to the attention of the Board or any of its committees or individual directors. All comments or concerns from shareholders and other interested parties will be forwarded to the chair of our Audit Committee.

In order to facilitate communications with the independent directors, we have a secure telephone number (800-489-8689) whereby interested parties can communicate directly and confidentially with the independent directors, the Audit Committee or the Corporate Governance and Nominating Committee.

CORPORATE GOVERNANCE

Committees and Meetings of the Board of Directors

The Board met 13 times during 2008. During 2008, all of our directors attended at least 75% of (i) the total number of meetings of the Board and (ii) the total number of meetings held by all committees on which such director served. The members of the Board are encouraged to attend our annual shareholders meetings. All of the eleven current directors attended the 2008 annual shareholders meeting.

Our bylaws authorize the Board to appoint one or more committees, each consisting of one or more directors. The Board currently has three standing committees: an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee. During 2008, the Board also created a Special Committee to explore and evaluate potential strategic transactions that might be available to Perini, including in particular a business combination transaction with Tutor-Saliba. The Special Committee evaluated and negotiated the terms of our merger with Tutor-Saliba Corporation and recommended to the Board that such merger be approved and recommended to our shareholders. The Special Committee, which consisted of Messrs. Arkley, Brittain, Kennedy, and Mr. Klein (Chair), was dissolved in the fourth quarter of 2008, following the September 2008 completion of the merger.

Audit Committee

The Board has an Audit Committee, which consists of Willard W. Brittain, Jr. (Chair), Michael R. Klein, Marilyn A. Alexander, Raymond R. Oneglia and Robert A. Kennedy. Each of the members of the Audit Committee is financially literate , as defined in the NYSE listing standards and meets the independence requirements for members of an audit committee set forth in the rules of the Securities and Exchange Commission (SEC) and the listing standards of the NYSE, as affirmed by the Board. Based upon review of his qualifications, the Board has designated Mr. Brittain as an audit committee financial expert as defined by the rules of the SEC.

The primary duties and responsibilities of the Audit Committee are to:

1. Oversee the integrity of our internal controls, financial systems and financial statements;
2. Review the quarterly unaudited and annual audited financial statements with management and the independent auditor;
3. Appoint and evaluate the independent auditor and monitor and evaluate the auditor s qualifications and independence;
4. Oversee compliance with legal and regulatory requirements;
5. Meet with the independent auditor in executive session at least annually;
6. Monitor the performance of both our internal and external auditors; and
7. Annually review the Audit Committee s charter and performance.

The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee met nine times in 2008.

Corporate Governance and Nominating Committee

The Board has a Corporate Governance and Nominating Committee, which consists of Michael R. Klein (Chair), Robert L. Miller, and Peter Arkley. Each member of the Corporate Governance and Nominating Committee is an independent director, as defined by the NYSE and as affirmed by the Board. The duties of the Corporate Governance and Nominating Committee include:

1. Identifying individuals qualified to become directors and recommending to the full Board the persons to be nominated for election as directors;
2. Recommending director nominees for each committee of the Board and nominees for Chair of each committee;
3. Evaluating the independence of each director and so advising the Board;
4. Conducting a review and update as necessary of the Corporate Governance Guidelines and the Code of Business Conduct and Ethics;
5. Conducting evaluations of the performance of the Board and each committee, including a self-evaluation; and
6. Nominating a Lead Director whose duties shall include presiding at executive sessions of the non-management directors.

The Corporate Governance and Nominating Committee has the authority to retain consultants or other experts as it considers necessary to assist in the performance of its duties. The Corporate Governance and Nominating Committee met three times in 2008.

The independent directors have designated Michael Klein, chair of the Corporate Governance and Nominating Committee, to act as the Lead Director. In his capacity as Lead Director, Mr. Klein has the following duties and authority:

- chairing any meeting of the independent members of the Board in executive session;
- meeting with any director who is not adequately performing his duties as a member of the Board or any committee;
- serving as a liaison between the chairman of the Board and the independent directors;
- working with the chairman to prepare the agenda for Board meetings and determining the need for special meetings of the Board; and
- consulting with the chairman on matters relating to corporate governance and Board performance.

Compensation Committee

The Board has a Compensation Committee, which consists of Peter Arkley (Chair), Michael R. Klein and Donald D. Snyder. Each member of the Compensation Committee is an independent director, as defined by the NYSE and as affirmed by the Board.

The principal powers and duties of the Compensation Committee as established by the Board are to:

1. Review the executive compensation programs and policies and to employ outside expert assistance, if required, to analyze our compensation practices to assure that they are consistent with corporate goals and objectives, and competitive with those of comparable firms in the construction industry;
2. Review and approve corporate goals and objectives relevant to the compensation of the chairman and chief executive officer, to evaluate his performance in light of those goals and objectives, and to determine and recommend to the Board for approval his compensation level based on this evaluation;
3. Make recommendations to the Board with respect to executive officer compensation;

4. Recommend to the Board annual profit and other targets for Perini for the purpose of determining incentive compensation awards under the provisions of the Amended and Restated General Incentive Compensation Plan and the Construction Business Unit Incentive Compensation Plan (the Incentive Compensation Plan);
5. Administer the Special Equity Incentive Plan and the 2004 Stock Option and Incentive Plan (together, the Stock Option Plans) and the Incentive Compensation Plan; such administration includes power to (i) approve participants participation in the Stock Option Plans, (ii) establish performance goals, (iii) determine if and when any bonuses shall be paid, (iv) pay out any bonuses, in cash or stock or a combination thereof, as the Committee shall determine from year to year, (v) construe and interpret the Incentive Compensation Plan and the Stock Option Plans, and (vi) establish rules and regulations and perform all other acts it believes reasonable and proper; and
6. Review the investment performance of the Perini Corporation Pension Plan and make changes in investment managers and allocations, as the Compensation Committee deems necessary.

The Compensation Committee has the authority to retain special consultants to advise the committee as it considers necessary. The Compensation Committee met eight times in 2008.

Perini maintains on its website, *http://www.perini.com*, copies of the charters of each of the committees of our Board. We have also developed Corporate Governance Guidelines and a Code of Business Conduct and Ethics to outline our commitment to carefully govern the operation of our business and compliance with applicable laws and regulations, while maintaining the highest ethical standards. The Code applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. Perini s Corporate Governance Guidelines and Code of Business Conduct and Ethics are available on our website at *http://www.perini.com*. In order to access this portion of our website, click on the Corporate Governance tab. Interested parties may obtain printed copies of these documents by writing to the Investor Relations Department of the Company at 73 Mt. Wayte Avenue, Framingham, MA 01701. Any amendments to, or waivers of, the Code of Business Conduct and Ethics which apply to our directors, chief executive officer, chief operating officer, chief financial officer or any person performing similar functions will be disclosed on our website promptly following the date of such amendment or waiver.

Nominations for Director

The Board seeks candidates who are independent, possess relevant business, professional or board experience to make a significant contribution to the Board and have sufficient availability to attend to the business of our company. Annually, the Corporate Governance and Nominating Committee conducts an evaluation of the Board to determine whether it is functioning effectively, and recommends to the full Board the slate of director-nominees to be nominated for election at the next annual meeting of shareholders. Potential candidates for the Board may include candidates nominated by shareholders in accordance with our bylaws, those identified by a search firm retained for such purpose, or candidates recommended by other persons, including current directors or executive officers. Pursuant to the Corporate Governance and Nominating Committee charter, the process and criteria for considering the recommendations of shareholders with respect to candidates for election to the Board is the same as those used for candidates recommended by other parties. The minimum qualifications and specific qualities and skills required for directors are set forth in the Corporate Governance Guidelines, a copy of which is maintained on our website at *http://www.perini.com*.

A shareholder who wishes to recommend a director-nominee to the Corporate Governance and Nominating Committee for the 2010 annual meeting of shareholders should submit the recommendation in writing to Perini Corporation, 73 Mt. Wayte Avenue, Framingham, Massachusetts 01701-9160, Attn: Corporate Secretary, so it is received not less than 75 days nor more than 180 days prior to the anniversary date of the 2009 Perini annual meeting of shareholders. However, if the 2010 annual meeting of shareholders is held more than seven (7) days earlier than the anniversary date of the 2009 annual meeting then notice must be delivered or received no later than 5 p.m. eastern time on (a) the 20th day following the earlier of (i) the day on which such notice of the date of the annual meeting is mailed or (ii) the day on which public disclosure of the date of the annual meeting is made, or (b) if such date of notice or public disclosure occurs more than 75 days prior to the scheduled date of such meeting, then the later of (i) the 20th day following the first to occur of such notice or such public disclosure or (ii) the 75th day prior to such scheduled date of such meeting.

AUDIT COMMITTEE REPORT

Pursuant to rules adopted by the SEC designed to improve disclosures related to the functioning of corporate audit committees and to enhance the reliability and credibility of financial statements of public companies, the Audit Committee of the Board submits the following report.

The primary duties and responsibilities of the Audit Committee (the Committee), which met nine times during the past fiscal year, are to oversee:

1. The integrity of Perini s internal controls, financial systems and financial statements;
2. Compliance by Perini with legal and regulatory requirements; and
3. The independence and performance of both Perini s internal and external auditors.

We meet with management periodically to consider the adequacy of Perini s internal controls, as well as compliance with Sarbanes Oxley Section 404, and the objectivity of Perini s financial reporting. We discuss these matters with Perini s independent auditors and with appropriate Company financial personnel and internal auditors.

We meet privately with both the independent auditors and the internal auditors, as required, each of whom has unrestricted access to the Committee.

We also appoint the independent auditors and review periodically their performance and independence from management. As in prior years, the independent auditors are invited to be present at our annual meeting of shareholders.

The directors who currently serve on the Committee meet the independence and experience requirements of the NYSE, and have been so affirmed by the Board. In connection therewith, the Board has determined that none of us has a relationship with Perini Corporation that may interfere with our independence from Perini and its management. The Board has designated Willard W. Brittain, Jr. as an audit committee financial expert , as defined by the rules of the SEC, based on review of his qualifications.

The Board has adopted a written charter setting forth the duties and responsibilities the Committee is to perform, which we review annually and revise as appropriate.

Management has primary responsibility for Perini s financial statements and the overall reporting process, including Perini s system of internal controls, and compliance with Sarbanes Oxley Section 404.

The independent auditors, in accordance with the standards of the Public Company Accounting Oversight Board, audit the effectiveness of the internal controls over financial reporting as well as annual financial statements prepared by management, express an opinion as to whether those financial statements fairly present the financial position, results of operations and cash flows of Perini in conformity with accounting principles generally accepted in the United States and discuss with us any issues they believe should be raised with us.

This year, we reviewed Perini s audited financial statements and met with both management and Deloitte & Touche LLP, Perini s independent auditors, to discuss those financial statements. Management has represented to us that the financial statements were prepared in accordance with accounting principles generally accepted in the United States.

We reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted accounting standards. In addition, we have received from and discussed with Deloitte & Touche LLP the written disclosure and the letter required by PCAOB Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence . These items relate to that firm s independence from Perini. We also discussed with Deloitte & Touche LLP any matters requiring discussion per the standards of the Public Company Accounting Oversight Board, including those required by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended.

We have considered and determined that the provision of the non-audit services included in Fees Paid to Audit Firm on page 33 is compatible with maintaining Deloitte & Touche LLP s independence.

Based on these reviews and discussions, we recommended to the Board that Perini s audited financial statements be included in the Perini Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

AUDIT COMMITTEE
Willard W. Brittain, Jr., Chair
Marilyn A. Alexander
Robert A. Kennedy
Michael R. Klein
Raymond R. Oneglia

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) contained in this proxy statement. In reliance on those reviews and discussions, the Committee has recommended to the Board, and the Board has approved, that the CD&A be included in the 2009 proxy statement for filing with the SEC.

COMPENSATION COMMITTEE
Peter Arkley, Chair
Michael R. Klein
Donald D. Snyder

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy

Our executive compensation program is intended to attract and retain talented executive officers and key employees who will continue to contribute to Perini s long-term success. We believe that it is important to tie compensation to our operating and financial goals, thereby aligning more closely the interest of management with that of our shareholders. We are mindful of the limited pool of available talent and consider competitive conditions when determining compensation.

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In recognition of the variability of the construction industry, we have historically believed that compensation focusing on shorter-term corporate goals is more appropriate for Perini and our shareholders and more effective in retaining and motivating our key executive talent. As a result, our compensation practices for our named executive officers have emphasized annual cash compensation (base salary and annual cash incentive awards). Long-term awards have not historically been granted on a regular basis, but instead have been granted when the Compensation Committee has determined an award to be appropriate based on the circumstances prevailing at the time. The Compensation Committee, did, however grant long-term restricted stock units and stock options to members of management following the merger with Tutor-Saliba as discussed under Long-Term Incentives on page 16.

Consistent with this approach, we have historically aimed to have the target annual cash compensation for our named executive officers fall within the 50th to 75th percentile for comparable executives of our relevant competitors. The Compensation Committee slots each of our named executive officers into this range based on the Compensation Committee s evaluation of the value of that officer to Perini and the amount of compensation necessary to encourage that officer to remain employed by Perini and to appropriately focus that officer on achieving Perini s corporate goals. To ensure that a significant amount of each named executive officer s total cash compensation is at risk and earned only if Perini s goals are achieved, approximately 40-60% of each such officer s target annual cash compensation is provided in the form of an annual incentive bonus opportunity, with the balance provided in the form of a fixed base salary. This does not include Mr. Tutor whose compensation is governed by the terms of an employment agreement (see Employment Agreement , page 23). According to the terms of his employment agreement, Mr. Tutor s base salary represents approximately 36% of his target annual cash compensation.

To execute this strategy, the Compensation Committee has engaged Watson Wyatt to perform an executive compensation review with respect to Perini s named executive officers. The most recent comprehensive review was completed in 2007. Reviewing the relevant compensation data (base salary, annual bonus incentive, long-term incentives) for executives from each of Washington Group International, Shaw Group, Peter Kiewit Sons, Granite Construction, URS Corp., Aecom Technology Corp., Chicago Bridge & Iron Co., Emcor Group, Inc., Foster Wheeler, Ltd., Jacobs Engineering Group, Inc. and Tetra Tech, Inc., Watson Wyatt established a range of annual cash compensation for each of our named executive officers at the time. To carry forward the results of this study to 2008, the Compensation Committee applied the rate of compensation growth in the construction industry from the 2007 study data to update it to 2008 based on an Analytical/FMI Construction Industry study focusing on company performance and compensation growth. Using this data and consistent with the methodology described above, the Compensation Committee set the target annual cash compensation for our named executive officers (other than Mr. Tutor) to generally fall within the 50-75th percentile of annual cash compensation for comparable officers of these companies (Mr. Band s compensation falls just below the 50th percentile).

Elements of Compensation

As noted above, our executive compensation program primarily relies on annual cash compensation to retain and motivate our named executive officers. Accordingly, base salaries and annual incentive awards are the primary components of our program. In addition, the Compensation Committee has used ad hoc grants of long-term incentive awards when deemed appropriate by the Compensation Committee based on conditions prevailing at the time. Finally, Perini provides certain retirement benefits to our named executive officers to encourage long-term service with Perini.

Base Salary

The base salary of each of our named executive officers is fixed compensation that is not directly tied to the performance of Perini. We pay base salaries to fairly compensate our named executive officers for the services that they provide during the year and because we believe our executive compensation program would not be competitive and effective in retaining our named executive officers if we did not pay base salaries. With the exception of Mr. Burk, who was hired in 2007 and Mr. Tutor whose circumstances are described below, the base salaries of our named executive officers were initially established in 2004 at the time Watson Wyatt prepared an initial benchmarking study. At that time, the Compensation Committee determined the appropriate level of each named executive officer s target total annual cash compensation based on Watson Wyatt s study and the Compensation Committee s evaluation of the appropriate position for each such named executive officer within the desired range for our relevant competitors (named above). The Compensation Committee then established the base salary for each named executive officer within this range, generally determining that approximately 40-60% of the target total annual cash compensation for each named executive officer (other than as described above) was the appropriate amount for base salary.

Since this initial establishment of the base salaries of our named executive officers in 2004, the Compensation Committee has annually reviewed them to determine whether any increases are appropriate. Base salaries are generally increased in March or April of each year, with any increase reflected only prospectively. Base salaries of our named executive officers were last increased in September 2008 following completion of the merger with Tutor-Saliba. As part of the annual review process in 2008, the Compensation Committee relied on the study prepared by Watson Wyatt, most recently updated in 2007, to confirm that base salaries of our named executive officers, along with their annual incentive award, would remain within the 50-75th percentile for total annual cash compensation for comparable officers of companies included in the study. The 2007 Watson Wyatt results were carried forward to 2008 by applying to the data a factor (15.9%) representative of compensation growth in the construction industry for the period covered by the 2007 study data through 2008 derived from an Analytical/FMI Construction Industry compensation study. The Compensation Committee also continued to include 40-60% of target annual cash compensation in the performance-based annual incentive opportunity. In September 2008, the base salaries of our named executive officers were increased by the following amounts: Mr. Shaw $100,000; Mr. Band $50,000, Mr. Burk $100,000 and Mr. Caspers $100,000. The Compensation Committee will consider the off-cycle timing of the 2008 increases along with other factors when contemplating executive salary levels in 2009. Mr. Tutor was paid pursuant to a management agreement with Tutor-Saliba Corporation at the rate of $1,000,000 per year until September 2008, when Tutor-Saliba was merged with the Company. At that time, the Company entered into an employment agreement with Mr. Tutor under which he is paid a salary of $1,500,000. Determination of the level of compensation included in Mr. Tutor s employment agreement is discussed below.

The Compensation Committee determined the 2008 increases to be appropriate because of its view that Mr. Band has led the recent above average performance for both Perini as a whole and as President of Perini Management Services, Inc., and Mr. Caspers and Mr. Shaw are critical to our overall building business particularly the hospitality and gaming market. Mr. Burk s salary was set to the benchmark in the Watson Wyatt study in 2008, which was his first full year of employment with Perini.

With respect to the terms of Mr. Tutor s employment agreement which became effective upon the completion of our merger with Tutor-Saliba, the Compensation Committee consulted with Watson Wyatt. Mr. Tutor s salary was determined considering that Mr. Tutor has unique talents that have been demonstrated throughout his tenure. Given these talents and Mr. Tutor s importance to Perini (and to the combination of Perini and Tutor-Saliba Corporation), the Compensation Committee determined that his base salary should be set at a level between the 75th and 100th percentile of chief executive officers of the group of competitors identified above. Under the terms of his employment agreement, Mr. Tutor will receive a base salary of $1,500,000 per year, to be reviewed annually and increased at the discretion of the Compensation Committee. The term of the agreement is 5 years. For more information on the material terms of Mr. Tutor s employment agreement, see Employment Agreement , page 23.

At the time Mr. Burk was hired in 2007, the Compensation Committee believed that it was appropriate and important for Mr. Burk to receive a significant long-term equity award to more significantly tie his earnings to the performance of Perini, which award is discussed below. Taking this award into account, Perini established Mr. Burk s base salary at $375,000 for his first year of employment, which is between the 25-50th percentiles for base salaries of comparable officers included in the last compensation study prepared by Watson Wyatt. Mr. Burk s salary was adjusted to fall between the 50th and 75th percentile in 2008.

Incentive Compensation Plan Annual Awards

As described above, our historic executive compensation program has emphasized the importance of annual cash compensation in motivating and retaining our named executive officers. To provide appropriate incentives to our named executive officers, approximately 40-60% of their target annual cash compensation is comprised of an annual incentive bonus opportunity that is paid only if Perini achieves pre-established performance goals set by the Compensation Committee.

For 2008, the Compensation Committee established a target annual bonus for each named executive officer that was payable only if Perini achieved the applicable performance goal established by the Committee. If Perini achieved 80% of this goal, each named executive officer would receive 80% of his target annual bonus amount. If Perini achieved between 80% and 100% of this goal, each named executive officer would receive between 80% and 100% of his target annual bonus amount. Each named executive officer s annual bonus was capped at 100% of his applicable target bonus, regardless of whether Perini exceeded the applicable performance goal.

The table below shows the threshold, target and maximum bonus opportunities as a percentage of actual base compensation paid in 2008 for our named executive officers:

	Threshold	**Target**	**Maximum**
R. Tutor*	80%	100%	100%
K. Burk	60%	75%	75%
C. Shaw	80%	100%	100%
R. Band	80%	100%	100%
M. Caspers	80%	100%	100%

* Beginning September 8, 2008 Mr. Tutor s target and maximum bonus are set at 175% (the threshold is at 140%) of base salary per his employment agreement. See Employment Agreement , page 23.

The dollar amounts corresponding to these percentages are included in the table captioned Grants of Plan-Based Awards Table on page 20.

For 2008, the Compensation Committee selected Perini s pre-tax income as the applicable performance goal for the annual bonuses for our named executive officers because this goal encourages executives to both obtain new projects for Perini and to complete Perini s projects on a cost efficient basis. Due to the global financial crisis and significant deterioration in global economic conditions during the fourth quarter of 2008, Perini had to recognize a noncash impairment charge relating to goodwill and other intangible assets. To eliminate the effect on pre-tax income of the noncash impairment charge, the Committee adjusted the applicable performance goal for the annual bonuses for our named executive officers. The applicable target goal set by the Compensation Committee for 2008 was $203.4 million of pre-tax income. Because Perini exceeded this goal and

earned $204.6 million of pre-tax income in 2008 (before effect of the noncash impairment charge), each named executive officer was paid his maximum target bonus.

Long-Term Incentives

As noted earlier, regular grants of long-term incentives have not played a significant role in our executive compensation because of our historic belief that year-to-year incentives better focus our executives on achieving Perini s performance objectives. However, in 2008 the Compensation Committee, following the merger of Perini and Tutor-Saliba, believed long-term equity awards would be appropriate as an incentive to management of the combined company. The Committee considered this an important step to assure that personnel remain committed to serving the company through this period of transition. These awards, payable in shares of common stock are subject to 5-year cliff vesting. During 2008, grants of 1,022,500 restricted stock units (payable in stock, upon vesting) were made to 30 corporate and business unit officers. Among those were awards made to Mr. Band (75,000), Mr. Shaw (50,000), Mr. Caspers (125,000) and Mr. Burk (50,000). These awards are subject to five-year cliff vesting except for 75,000 of the units granted to Mr. Caspers, of which 25,000 units vested in 2008, 25,000 units vested early in 2009 and 25,000 units are scheduled to vest in 2010. (The award of 75,000 shares was made to Mr. Caspers to reflect his current position with the company versus his role in April 2006 when he was awarded fewer shares based on his position at that time.)

The Compensation Committee also granted stock options to purchase 805,000 shares of our common stock to 27 corporate and business unit officers, to more closely align the interests of management with those of the shareholders. Included in this total were awards of stock options to Mr. Band (75,000), Mr. Shaw (50,000), Mr. Caspers (50,000) and Mr. Burk (50,000). These options are subject to five-year cliff vesting.

Upon his employment in 2007, Mr. Burk received a grant of 50,000 restricted stock units, each of which represents the right to receive one share of our common stock upon vesting. Fifty percent of these awards vested on January 5, 2008; the balance vested on January 5, 2009. The Compensation Committee granted this award to Mr. Burk to immediately provide him with a significant equity stake in Perini so that his compensation would be more directly and materially tied to the performance of Perini. This award was taken into account in determining Mr. Burk s 2007 base salary and bonus opportunity.

Retirement Benefits

In addition to providing annual compensation to our named executive officers, we believe it is imperative that employees provide for their retirement years and believe that it is our obligation to contribute as well. Attractive retirement benefits are essential when competing in the marketplace for talented and qualified employees.

We have a tax-qualified Section 401(k) Retirement Plan covering all of our executive, professional, administrative and clerical employees who are over 21 years of age and who have completed three months of service with us. Employer contributions into the 401(k) plan are based on a non-discretionary match of employees contributions, as defined. The Compensation Committee reviews the employer match formula periodically, comparing the formula to that of similar companies, and improves the formula when it deems appropriate; the most recent change became effective in January 2007. Currently our 401K match formula is 100% of the employee s pretax contribution up to 4% of eligible compensation (capped at IRS maximum compensation; $225,000 for our 2008 plan year, which ended prior to December 31).

We also have a defined benefit pension plan for all of our full-time employees who were employed prior to June 1, 2004 when the plan was frozen, meaning that final average earnings and years of service will remain at the June 1, 2004 level for purposes of calculating future benefits. To

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the extent covered remuneration is limited by the Internal Revenue Code of 1986, as amended, certain pension benefits payable have been augmented through our Benefit Equalization Plan, which was also frozen at June 1, 2004. Following the freezing of the pension plan in 2004, the Compensation Committee voted to improve Perini s contribution toward employees retirement by enhancing the 401(k) match formula.

Role of Executive Officers in Setting Compensation

We believe that our chief executive officer is best positioned to evaluate both the performance of our other named executive officers and the competitive market for senior executives in our industry. Accordingly, the Compensation Committee works closely with Mr. Tutor in establishing the compensation of our other named executive officers. For 2008, Mr. Tutor recommended to the Compensation Committee the increases in base salaries and the target annual bonus amounts that he believed appropriate for our named executive officers (other than himself), all within the general framework of our compensation philosophy discussed above. After discussion with Mr. Tutor and careful evaluation of his recommendations, the Compensation Committee approved these recommendations.

Impact of Accounting and Tax Treatment

We believe that the primary goals of our executive compensation program are to attract and retain valued and important named executive officers, to clearly identify for our named executive officers the corporate goals and objectives important to Perini, to motivate our named executive officers to achieve these goals and to fairly reward our named executive officers for achieving these goals. Accordingly, the accounting and tax treatment of our executive compensation program, while important, is not a determining factor in structuring our program. We appropriately account for our executive compensation and, to the extent consonant with the goals of our executive compensation program, we attempt to structure our executive compensation program to preserve the deductibility of amounts paid to our named executive officers. In certain instances, however, we believe that it is our best interest, and that of our shareholders, to have the flexibility to pay compensation to our named executive officers that is not tax deductible in order to provide a compensation package consistent with our objectives. With respect to 2008, compensation paid to Mr. Tutor and Mr. Caspers in the amounts of $255,000 and $1,725,000, respectively, was not deductible for income tax purposes.

Summary Compensation Table

The table below summarizes the total compensation paid to or earned by each of our named executive officers for the fiscal years ended December 31, 2008, December 31, 2007 and December 31, 2006.

Name and Principal Position	Year	Salary (1)	Bonus	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (5)	All Other Compensation (6)	Total
Ronald N. Tutor	2008	$ 493,550		$ 1,051,700		$ 1,512,850	-	$ 790,600	$ 3,848,700
Chairman and Chief	2007	-		$ 3,996,300		$ 976,900	-	$ 976,900	$ 5,950,100
Executive Officer(7)	2006	-	$ 800,000	$ 9,149,500		$ 879,000	-	$ 879,200	$ 11,707,700
Kenneth R. Burk	2008	$ 413,000		$ 1,080,100	$ 9,000	$ 309,700	-	$ 124,200	$ 1,936,000
Executive Vice President, CFO, Asst. Treasurer and. Asst. Secretary (hired Sept. 2007)	2007	$ 122,600		$ 1,596,600		$ 91,950	-	$ 26,300	$ 1,837,450
Robert Band	2008	$ 576,000	-	$ 686,400	$ 13,500	$ 576,000	$ 118,900	$ 39,500	$ 2,010,300
President	2007	$ 538,500	-	$ 1,263,800		$ 538,500	$ 345,000	$ 35,800	$ 2,721,600
	2006	$ 484,100	$ 250,000	$ 947,900		$ 484,100	$ 27,800	$ 27,300	$ 2,221,200
Mark A. Caspers	2008	$ 540,400	-	$ 2,612,800	$ 9,000	$ 517,400	$ 16,000	$ 202,200	$ 3,897,800
Executive Vice	2007	$ 482,700	$ 150,000	$ 947,900	-	$ 462,200	$ 26,150	$ 56,700	$ 2,125,650
President, CEO Building Group	2006	$ 401,000	-	$ 710,900	-	$ 307,100	-	$ 79,400	$ 1,498,400