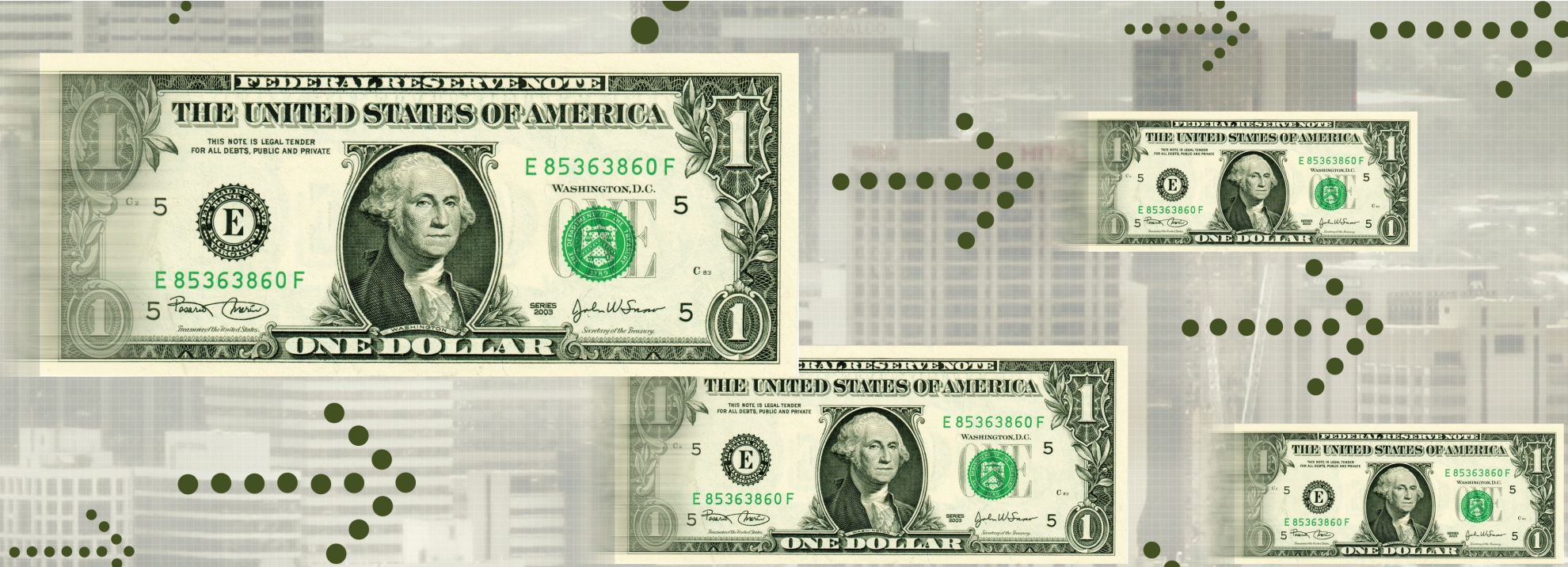




ON WKYT: CHAMBER PRESIDENT DETAILS
BUSINESS COMMUNITY PERSPECTIVE ON
Pension & Tax Reforms

In an interview with Lexington news station WKYT's Kentucky Newsmakers segment, Kentucky Chamber President and CEO Dave Adkisson discussed what the business community would like to see out of reforms to the state's pension and tax systems.

As a group that has been outspoken for many years about the state's growing pension crisis, Adkisson said the Chamber is watching the situation carefully. Furthermore, they are working to help policymakers find solutions to the persistent problems within the state's retirement systems.

Because of this, Adkisson noted the Chamber's Pension Task Force has sent a five-page memo with potential solutions to the Bevin administration, as requested by the State Budget Director John Chilton.

In discussing what the business community would like to see out of reforms to the systems, Adkisson stated many would like to see the state move more toward retirement plans that are seen in the private sector for future hires.

Adkisson also noted retirement age as a key point of

the memo, stating retirement starts in the mid-60's for many across the country now, and he also cited the increased life expectancy of Americans, with figures showing people living an average 16 years longer than when the state pension plans were created.

Fixing the **pension crisis** will require structural changes for future hires as well as more money being placed into the systems.

— **Dave Adkisson**, Kentucky Chamber CEO

Fixing the pension crisis will require structural changes for future hires as well as more money being placed into the systems, Adkisson said.

On the subject of taxes, Kentucky Newsmakers host Bill Bryant asked what the business community would like to see out of reforms. Adkisson replied by saying the Chamber will be looking to see if a new tax code makes the state more competitive, whether it

will produce more revenue for the state, and is made simpler.

Kentucky Newsmakers host Bill Bryant and Chamber President Adkisson also discussed the state of business in Kentucky under the Bevin administration and a GOP legislature, workforce issues facing employers, and federal healthcare.

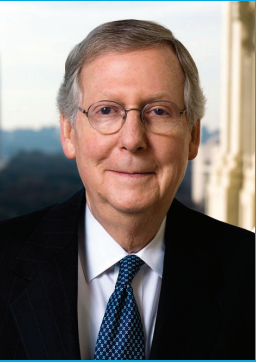
Find the full segment of Kentucky Newsmakers on www.wkyt.com.

**SENATE MAJORITY
LEADER MITCH
MCCONNELL TO GIVE
KEYNOTE ADDRESS AT
KENTUCKY CHAMBER
2ND ANNUAL**

*Congressional
Forum*

The Kentucky Chamber of Commerce is set to host its 2nd Annual Congressional Forum on August 28 in Louisville to give Kentuckians a new way to interact with their representatives by bringing members of Kentucky's federal delegation back home to talk issues.

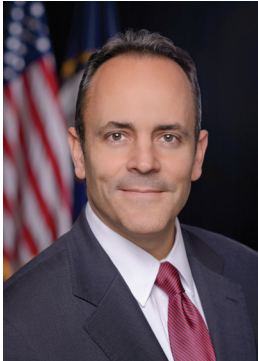
Featured speakers will include Kentucky U.S. Sen. Mitch McConnell, U.S. Rep. Andy Barr of Lexington, U.S. Rep. John Yarmuth of Louisville, U.S. Rep. James Comer of Tompkinsville, Brett Guthrie of Bowling Green, and other special speakers.



Mitch McConnell
SENATE MAJORITY
LEADER

SEE CONGRESSIONAL FORUM, PAGE 3

GOV. BEVIN TO KEYNOTE
Inaugural Tax Summit



Matt Bevin
GOVERNOR

The Kentucky Chamber of Commerce is set to host its inaugural Tax Summit, presented by Frost Brown Todd LLC on **Thursday, September 14 at the Marriott Griffin Gate in Lexington** to provide thoughtful discussion on improving Kentucky's competitiveness through tax reform. The summit will allow business leaders, advocates, and citizens an opportunity to hear from and interact with local, state, and federal policy makers.

TAX Summit

With Governor Bevin highlighting the need for tax reform, and the potential for a special legislative session this fall, taxes are at the forefront of discussions in Frankfort.

Further, recent announcements at the federal level have signaled that Congress will begin federal tax reform talks later this fall. In addition to discussion on state and federal taxes, the summit will include panel discussions on local tax implications and infrastructure investment.

The Chamber is partnering with national experts including the Tax Foundation, Council on State Taxation, Council on State Chambers and others to provide assessments on Kentucky's current tax code and examples for improving Kentucky's competitiveness while also meeting the need for investment.

REGISTER TODAY

Make sure you are registered for the Tax Summit by visiting the event's website at kychamber.com/events.



KENTUCKY CHAMBER WORKFORCE CENTER *Launches Employer Network*

FOR WORKFORCE DEVELOPMENT AND SUPPORT

The Workforce Center at the Kentucky Chamber has recently created a statewide network which will help to serve as the Workforce Connection for Business, providing workforce development and needed support to Kentucky. This new network will also include our key partners in the education, public and non-profit sectors. Within days of the network’s launch, the number of connections climbed to 1700 and is still growing.

It’s goal is to pull any entity that plays a key role in creating a strong workforce into one conversation. Often, employers are trying to solve the workforce problems of their regions without the resources to recognize the similar problems of employers

across the commonwealth. This tool will allow for open communication, updates, and calls to action concerning workforce. This Workforce Connection for Business will also help to support the efforts of employer representatives by ensuring consistency and collaboration across Kentucky.

JOIN THE NETWORK

If you are interested, please contact **Beth Davisson** at **bdavisson@kychamber.com** and join us in creating a stronger workforce Kentucky.

LEGISLATIVE LEADERS PRESENTED WITH *Chamber MVP Award*

In July, the Kentucky Chamber of Commerce presented the Chamber MVP Award to the leader of each chamber of the legislature, House Speaker Jeff Hoover and Senate President Robert Stivers.

Speaker Hoover and President Stivers have always been strong friends to the Chamber and business community, and this was never more evident than in the historic 2017 legislative session. President Stivers and Speaker Hoover both maintained a clear business focus during the 2017 session and ensured that many Chamber priorities, which had been on the back burner for many years, saw passage.



“Not only were President Stivers and Speaker Hoover essential in passing pro-business bills like right to work, repeal of the prevailing wage, medical review panels and charter schools, they always have an open door for the Chamber and the business community,” said

Kentucky Chamber President and CEO Dave Adkisson. “In this historic year the Chamber awarded 12 MVP awards. None of the success of this past session would have occurred without the strong leadership from Senate President Robert Stivers and Speaker Jeff Hoover.”

In addition to monitoring the progress of bills that directly relate to the strength of the Commonwealth’s business community, the Chamber tracks how each legislator votes on these bills. The Chamber’s MVP award recipients display more than just a business-friendly voting record, but also go out of their way, and at times across party lines, to support or oppose issues critical to the business climate in Kentucky. To see how these and other legislators voted on business issues during the 2017 Kentucky General Assembly view the Chamber’s Results for Business publication.



Political & Business News

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FROM THE FRONT PAGE

Congressional Forum

The Kentucky Chamber's Congressional Forum will give the business community access to legislative leaders and a chance to hear detailed accounts of the issues happening at the federal level without leaving the comfort of Kentucky.

This Forum is set for **Monday, August 28 at the Galt House in Louisville** beginning at 8:30 am and concluding after a luncheon with Senate Majority Leader Mitch McConnell as the keynote speaker.

The Kentucky Chamber will also be unveiling a federal agenda detailing the issues most important to Kentucky's business community.

FIND OUT MORE

Make sure you are registered for the Forum by visiting the event's website. If you are interested in sponsoring this key event visit kychamber.com/events.



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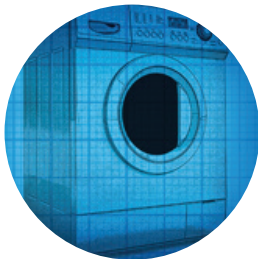
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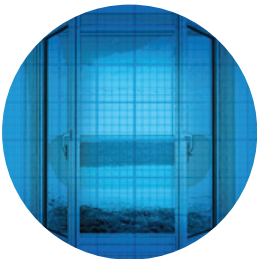
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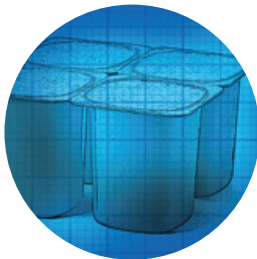
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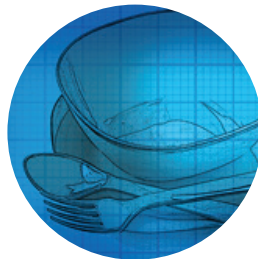
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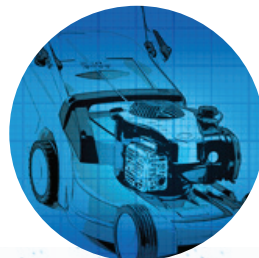
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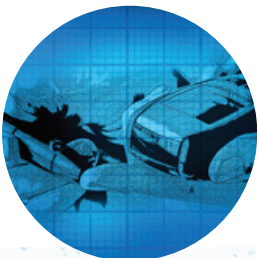
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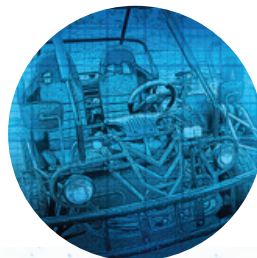
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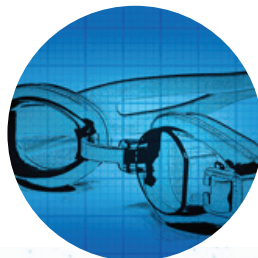
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Pictured Above: Carl Bernstein, Keynote Speaker



Pictured Above: Mark Halperin, Keynote Speaker



Pictured Above: Dave Adkisson, President and CEO, Kentucky Chamber of Commerce



Pictured Above: Scott Jennings, Moderator, Co-founder and Partner, RunSwitch PR



Pictured Above: Rusty Justice, Co-founder and Managing Member, Bit Source LLC



Pictured Above: Mark Halperin and Bill Lear



Pictured Above: Kentucky Chamber Past Chair Elizabeth McCoy and House Speaker Jeff Hoover at Annual Dinner



Pictured Above: Doug Bowling, Executive Vice President and Chief Operating Officer, Hitachi Automotive Systems Americas, Inc., Kurt Krug, Vice President – Human Resources, Communications & Governmental Affairs, INOAC USA, Inc., and Dave Tatman, Executive Director, Kentucky Automotive Industry Association



Pictured Above: Tierra Kavanaugh Wayne, CEO, TKT & Associates, Inc. and G. Garvin Brown IV, Chairman of the Board, Brown-Forman Corporation



VIEW MORE PICTURES

Go online and visit www.kychamber.com/BSAM for more event photos and to learn more about the Business Summit.

POLITICS FROM BOTH SIDES: PROMINENT DEMOCRATIC AND REPUBLICAN OPERATIVES

Discuss Future of Politics

IN KENTUCKY CHAMBER BUSINESS SUMMIT

In a discussion on the future of Kentucky politics at the Kentucky Chamber Business Summit, former State Auditor Adam Edelen said he will not run for governor on the Democratic side in 2019, while Kentucky's most well-known conservative commentator says the Democrats will have a hard time finding someone to put up against Gov. Matt Bevin in the next gubernatorial election.

Kentucky Chamber Director of Communications Jacqueline Pitts closed the first day of the Chamber's 2017 Business Summit with a session focusing on state politics featuring CNN political consultant, Republican Scott Jennings and former state Auditor, Democratic Adam Edelen.

When asked about Governor Bevin's performance, Jennings said he does not know a Republican that is upset with the Governor. He said he has done everything he has promised to do, passed pro-business policy and through this created a national profile. Edelen was not as complimentary, but did note that Bevin has had much success in passing policy, but only for a narrow economic class. He noted that Kentucky has implemented policies, that in the short term, may be good for business, but are not good for Kentucky in the long term. Edelen said that Kentucky needs to develop a different economic strategy that he says will drive economic prosperity.

When asked if Bevin will run and be elected for a second term, Jennings replied absolutely the Governor will run and win re-election. He said the current Republican momentum in Kentucky cannot be stopped and as long as the Republicans in the House continue to deliver on their promises, voters will continue to send them to Frankfort.

Pitts stated there is much speculation with Edelen's New Kentucky Project and asked if he plans to run for Governor. Edelen stated that he is enjoying the private sector and making an impact with initiatives such as his solar project but said "who knows what the future holds" on a possible run.

When asked about the current Democratic landscape, Edelen said that he does not see Democrats taking back the state House for quite some time but complimented Speaker Hoover on his leadership. He said the Governor's race in 2019 will be

competitive and will be interested if Bevin can achieve tax reform. Edelen said that Republicans are not happy nationally and many state Democrats will run for governor because they are very motivated by the current climate.

Jennings replied that Edelen is "absolutely" running and there may be a competitive race, but Republicans will retain control because there are not many Democrats in the state that could win such a tough race, noting that Democrats have no leader in their party, are out of ideas, and this is not going to change in 2018. Jennings said Republicans are having success in the state because they are taking creative ideas from other states that are working and that is refreshing to voters.



Pictured Left to Right: Scott Jennings, Co-founder and Partner, RunSwitch PR, Jacqueline Pitts, Director of Communications, Kentucky Chamber of Commerce, and Adam Edelen Edelen, Founder, Strategic Ventures

READ MORE

Read more about the panel's discussion on the future of Kentucky politics and see video coverage on kychamberbottomline.com.



Pictured Above: Jack Uldrich, Global Futurist



Pictured Above: Rusty Cheuvront, Brown-Forman Vice President, Director State and Local Government Relations, and Matt Capozzoli, Vice President, UPS Flight Operations, UPS Airlines



Pictured Above: Garvin Brown IV, Tierra Kavanaugh Wayne, Paul Varga, and Bill Lear Garvin Brown IV was presented with an Old Forester bottle-shaped birthday cake



Pictured Above: Bill Lear, Kentucky Chamber Chair and Vice President, Chairman Emeritus, Stoll Keenon Ogden PLLC

CHAMBER SUPPORT FOR STRICTER DUE PROCESS LIMITS ON *Punitive Awards*

When courts scrutinize punitive damage awards, the ratio between the punitive award (the numerator) and the compensatory damages (the denominator) is the central feature in a due process analysis. Courts must ensure – as a matter of substantive due process – that the measure of punishment is both reasonable and proportionate to the amount of compensatory damages recovered. The Supreme Court has thus held: “When compensatory damages are substantial, then a lesser ratio, perhaps only equal to compensatory damages can reach the outermost limit of the due process guarantee.” *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 425 (2003).

Since *State Farm*, a number of jurisdictions, including the Sixth Circuit, have reduced punitive damages to a 1 to 1 ratio, or less, when the parties are sophisticated, the compensatory damages are substantial and the harm is purely economic. This trend makes sense. Large compensatory damage awards can serve to punish. And as some courts have realized, piling on with punitive awards in some instances can chill participation in the underlying economic activity.

Our Commonwealth may be moving toward the trend. Kentucky courts have observed that a punitive award more than four times the amount of compensatory damages may be close to the line of constitutional violation. *McDonalds Corp. v. Ogborn*, 309 S.W. 3d 274, 299-300 (Ky. 2009). But a case currently on appeal asks the Kentucky Supreme Court to consider application of a 1 to 1 ratio.

In *William Yung, et al. v. Grant Thornton, LLP*, former clients sued an accounting firm alleging fraud and negligence based on tax and accounting services that the

firm provided for the clients to take advantage of a tax shelter. The accounting firm gave a “more likely than not” opinion that a court would uphold the tax strategy if the IRS disallowed it. The IRS subsequently did so and imposed penalties. The client settled with the IRS and sued the accounting firm. The trial court awarded \$20 million in compensatory damages reflecting all taxes, interest, and penalties (and essentially allowing the client to keep the benefit of the tax shelter). The Court also awarded \$80 million in punitive damages.

The accounting firm appealed. The Chamber filed an amicus brief in the Court of Appeals to support limitations on punitive damages to at least a 1 to 1 ratio in commercial disputes between sophisticated parties where compensatory awards are substantial. Consistent with the deterrence goal of punitive damages, the Court of Appeals applied a 1 to 1 ratio analysis and reduced the punitive award from \$80 million to \$20 million, equal to the amount of compensatory damages. The Kentucky Supreme Court accepted discretionary review and will consider the test for punitive damages. The Chamber, the Kentucky Defense Counsel, Inc., and the Kentucky Bankers Association jointly moved for leave to file an amicus brief to support a 1 to 1, or even lower, ratio in business disputes where compensatory damages are high. The Court recently granted this motion.



Virginia Snell
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Pictured Above: Local Chambers from Kentucky celebrated Paducah's win

LOCAL CHAMBERS RECOGNIZED AT *National Conference,* KCCE TO HOST BOOT CAMP

The Paducah Area Chamber of Commerce was awarded Chamber of the Year in July at the Association of Chamber of Commerce Executives Convention in Nashville. Winning Chamber of the Year is a great accomplishment for Kentucky and its thriving business community. Congratulations to Sandra Wilson and the entire Chamber staff in Paducah. In addition to Paducah, the Bowling Green Area Chamber of Commerce was a finalist for 2017 Chamber of the Year.

Kentucky brought home chamber membership sales awards as well, with Jennifer Adams of the Kentucky Chamber of Commerce receiving a Bronze Lifetime Sales Achievement Award and Kelly Bates of Commerce Lexington Inc. receiving a Silver Lifetime Sales Achievement Award.

Kentucky Chamber of Commerce Executives (KCCE) will host the annual conference August 23-25 in Frankfort. The conference will kick off with a New Professionals Boot Camp, an intensive course designed for chamber executives and staff that have been on the job two-years or less and want a greater insight and answers to questions related to chamber operations. The Annual Excellence Awards from KCCE will be presented on Thursday August 24.

Looking forward to October 1, incoming KCCE board members and officers will assume their positions.

Thank you for your investment.

The following is a list of new members of the Kentucky Chamber. Please help us thank these companies for investing in the Chamber's mission by giving them your business.

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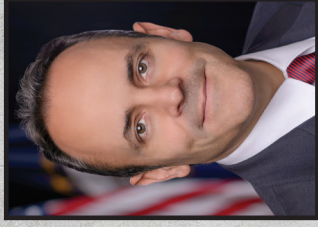
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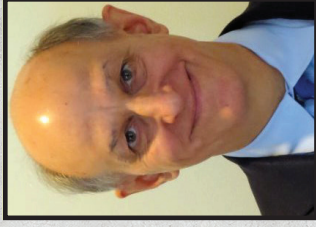
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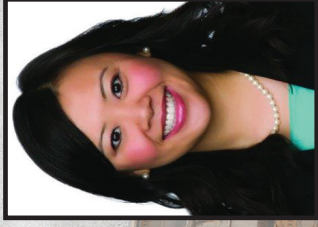
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