



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPIER**

---

# NEWS

**FOR IMMEDIATE RELEASE  
Tuesday, February 27, 2007**

**Statement by Connecticut State Treasurer Denise L. Nappier  
Re: Morgan Stanley's Decision Regarding Independence of Compensation  
Consultants**

"I commend Morgan Stanley for joining other companies in instituting a formal policy on compensation consultant independence. Impartial advice from the compensation consultant is a key ingredient in aligning executive pay with company performance and long-term shareholder value."

Last October, a coalition of institutional investors representing \$849.5 billion called on the top 25 companies in the S&P 500 to disclose policies and practices regarding independence of the compensation consultant. Shareholders also requested that companies consider implementing a formal policy to end the practice of board-hired compensation consultants also doing work for company management.

Morgan Stanley responded to the inquiry in November 2006, at which time they indicated they would discuss adopting a formal policy at the next compensation committee meeting. The company recently announced that they would be retaining a new compensation consultant in fiscal year 2007 that did not currently provide consulting services to the company. In addition, the board will be instituting a formal policy to require that the compensation committee sign off on any consulting work (when fees exceed \$25,000) that the compensation consultant does for company management.

CONTACT: **ROBYN BELEK**  
**DEPUTY DIRECTOR OF COMMUNICATIONS**  
(860) 702-3013 FAX (860) 702-3043  
[ROBYN.BELEK@PO.STATE.CT.US](mailto:ROBYN.BELEK@PO.STATE.CT.US)

---