



RICHARD H. MOORE
STATE TREASURER

North Carolina Department of State Treasurer

325 NORTH SALISBURY STREET
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August 12, 2002

For Immediate Release
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STATE TREASURER RICHARD MOORE CO-HOSTS NATIONAL SUMMIT IN EXPANDED EFFORT TO PROTECT INVESTORS

NEW YORK CITY - In a growing bi-partisan, national effort to protect investors, State Treasurer Richard Moore, along with New York State Comptroller H. Carl McCall and California State Treasurer Philip Angelides today brought together public financial leaders from 17 states and the District of Columbia to expand the drive for improving corporate accountability and restoring integrity to the financial markets. New York State Attorney General Eliot Spitzer, who was instrumental in developing the conflict of interest principles in the agreement reached with Merrill Lynch earlier this year, addressed the group on conflict of interest issues and federal changes.

Representatives at today's investor summit included fiduciaries for more than \$1 trillion of assets invested on behalf of tens of millions of pensioners and taxpayers. As North Carolina's State Treasurer, Richard Moore manages a \$54 billion pension fund, which is the 10th largest public pension fund in the country and 24th largest in the world.

The primary goal of today's summit was to mobilize large investors to use the power of the purse to demand corporate integrity, strengthen accountability to investors, and ensure that recently enacted reforms are fully implemented and aggressively enforced. Treasurer Moore joined McCall and Angelides in urging their peers to adopt the Investment Protection Principles that demand higher standards of scrutiny and disclosure from money management firms and investment banks, and discuss possible additional actions by States to address developments that have impacted the value of all of these funds' holdings.

Today's meeting marked the beginning of a renewed era of activism by public institutional shareholders. The group considered action on the following fronts:

- *CONFLICTS OF INTEREST* – adopting principles to eliminate conflicts of interest between stock research analysts and investment banks, so that investors will have true and accurate information, and to ensure that money managers adhere to the highest standards of ethics and disclosure.
- *CORPORATE ACCOUNTABILITY* – mobilizing as major shareholders to help ensure that recently enacted reforms – by the federal government, the New York Stock Exchange and NASDAQ – are fully and promptly implemented and enforced to achieve maximum impact.
- *EXPATRIATE CORPORATIONS*– condemning the practice where publicly held U.S. corporations relocate offshore, in name only, to avoid taxes and weaken shareholder protections, and will take appropriate action to thwart this egregious conduct.

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"Today, we as trustees of pension funds for millions of public workers, are joining together to make a strong commitment in helping to bring about change in the marketplace," said Treasurer Moore. "We are exercising our rights of ownership, not only to insure the safekeeping of public retirement monies invested in the marketplace, but to also bring about reforms that will benefit the more than 80 million Americans who participate in these public markets. Additionally, we are pursuing new and more direct lines of communication with corporate boards of directors. They work for us, and we need to give them better information as to what we expect from them."

Last month, in the first coordinated action of its kind by public institutional investors, Treasurer Moore teamed up with McCall and Angelides to impose Investment Protection Principles in their respective states. The Principles call for elimination of conflicts of interest and higher standards of disclosure by investment banking firms and money managers that do business with the states. Requiring these firms to adhere to these Principles will benefit all investors, not just pension funds.

Attached is a list of attendees at today's meeting.

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Investors' Summit Participants August 12, 2002

Hon. Phil Angelides
Howard Bicker
Adam Blumenthal
Carol Boykin
Hon. Anthony Calhoun
Jack Ehnes
Hon. Tom Gallagher
Peter Gilbert
Laurie Hacking
Joseph Jardine
Hon. John Kennedy
Steve Kornumpf
Hon. Carl McCall
Hon. Jonathan Miller
Meredith Miller
Hon. Richard Moore
Hon. Kathleen Palm
George Philip
Richard Spiegelman
Hon. Eliot Spitzer
Coleman Stipanovich
Ann Yerger

Treasurer, California
Minnesota State Board of Investment
New York City Comptroller's Office
State Retire. & Pension System of Maryland
Treasurer, District of Columbia
California State Teachers' Retire. System
Treasurer, Florida
Pennsylvania State Employees Retire. System
Ohio Public Employees Retirement Association
Office of the Pennsylvania State Treasurer
Treasurer, Louisiana
New Jersey Division of Investment
Comptroller, New York
Treasurer, Kentucky
Connecticut State Treasurer's Office
Treasurer, North Carolina
Treasurer, Hartford
New York State Teachers' Retire. System
Pennsylvania Auditor General's Office
Attorney General, New York
Florida State Board of Administration
Council of Institutional Investors

By Phone:

Hon. Dale McCormick
Hon. Douglas Roberts
Hon. Randall Edwards
Mike Travaglini
Meredith Williams

Treasurer, Maine
Treasurer, Michigan
Treasurer, Oregon
Office of the Massachusetts State Treasurer
Colorado Public Employees Retire. System

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