Morgan Stanley Timeline

October 13, 2003 -- Morgan Stanley names Stephan Newhouse president, effective Dec. 1. He succeeds Robert Scott, who resigned after 33 years with the firm amid a shakeup of duties orchestrated by CEO Philip Purcell.

December 15, 2003 -- Morgan Stanley restructures its investment-banking team, freeing up its top dealmakers to focus on courting big clients as it readies for resurgence in the business. Joseph Perella, chairman of the institutional securities group, heads the nine-member group, along with Steve Munger and Simon Robey, who were co-heads of global mergers and acquisitions; William Lewis and Richard Kauffman, who were co-heads of the firm's banking department; Michael Zaoui, who headed European M&A; and technology banker Charles Cory, capital markets banker Gerard Pasciucco, and M&A specialist Michael Tory.

February 23, 2004 -- Morgan Stanley names David Sidwell chief financial officer to replace Stephen Crawford, who assumes the newly created position of chief administrative officer.

March 4, 2004 -- Morgan Stanley announces that Mr. Purcell's total compensation grew to about $12.12 million in 2003, up about 28% from the $9.47 million he received in salary, bonus, restricted stock and other compensation in 2002. Mr. Scott, who retired in November as president and chief operating officer, received a $14.84 million bonus in 2003 -- about 2.7 times as much as his 2002 bonus. The firm announces that Mr. Scott will retire from the board and the company will reduce the size of its board by one, to 10 members. Morgan Stanley nominates Sir Howard Davies to replace Robert P. Bauman on the board.

April 22, 2004 -- Morgan Stanley appoints Sir David Walker chairman of Morgan Stanley International, with responsibility for all of the investment bank's European operations. He succeeded Mr. Newhouse, who retained the position after being promoted to president of Morgan Stanley.

December 9, 2004 -- Onetime Morgan Stanley executive and current hedge-fund manager Scott Sipprelle, in a letter to the board, says the merger of Morgan Stanley and Dean Witter had been a failure and calls for a breakup.
Dec. 13, 2004 -- Morgan Stanley announces Edward Brennan, an ally of Mr. Purcell, will return to the board, which he left in 2003 to take a temporary role as executive chairman of American Airlines parent AMR Corp. His return raised eyebrows since, at 71, he was past the board's retirement age of 70. A number of other former directors have also served past age 70.

Jan. 7, 2005 -- Mr. Sipprelle goes public with his accusations, releasing a copy of the letter sent to the board urging Morgan Stanley to sell its stock-brokerage unit, which focuses on individual investors, and other divisions that aren't core to its banking operations.

Jan. 28, 2005 -- At an investor conference, Mr. Purcell says Morgan Stanley may sell the Discover credit-card unit -- which Mr. Purcell brought with him and the rest of Dean Witter when the firms merged in 1997 -- if the business fails to grow over the next two to three years.

Feb. 4, 2005 -- A regulatory filing discloses that Mr. Purcell took home salary and bonuses totaling $22 million for 2004.

Feb. 8, 2005 -- Mr. Sipprelle takes aim at a decision by Morgan Stanley's board to award Mr. Purcell $22 million in compensation for 2004.

March 3, 2005 -- A group of eight shareholders and former members of senior management of Morgan Stanley -- not including Mr. Sipprelle -- send a letter to the Board of Directors criticizing Mr. Purcell's performance as chief executive.

March 28, 2005 -- Mr. Purcell names Stephen Crawford and Zoe Cruz as co-presidents, reporting to him and succeeding Mr. Newhouse.

March 29, 2005 -- Two of the Morgan Stanley's principal managers -- Vikram S. Pandit, president of Morgan's institutional securities business, and John P. Havens, head of its institutional equity business -- quit after Mr. Purcell named Mr. Crawford and Ms. Cruz to serve as co-presidents above them.

March 31, 2005 -- The group of eight shareholders and former members of senior management send a second letter to the Board of Directors concerning Mr. Purcell's performance as chief executive and run a full-page ad in The Wall Street Journal, warning of a possible additional "loss of talent." Morgan Stanley announces that it offered Mr. Newhouse another senior position reporting to the CEO but didn't say whether he would stay.

April 1, 2005 -- Mr. Newhouse announces he will leave Morgan Stanley.

April 4, 2005 -- Morgan Stanley said it is looking to spin off Discover, accelerating the plan announced in December. The announcement is seen as an effort to quell the turmoil around Mr. Purcell's leadership. The company also says Mr. Crawford and Ms. Cruz will join the board, which issues a letter saying it strongly endorsed Mr. Purcell and his new management team; Mr. Purcell posts a letter to employees on the firm's internal Web site.

April 5, 2005 -- The group of eight shareholders and former members of senior management put forward Mr. Scott to run Morgan Stanley, instead of Mr. Purcell. Morgan Stanley issues a statement saying that its board "is well acquainted with Mr. Scott and his record while running our Individual Investor and Discover Card businesses," and that the directors reiterated their support for Mr. Purcell.
April 6, 2005 -- Morgan Stanley discloses that the Securities and Exchange Commission is considering enforcement action against the Wall Street firm for not properly retaining e-mails. Shareholders for Morgan Stanley meet to discuss options to force change, but they also question the motives of the eight-person alumni group.

April 8, 2005 -- Another member of Morgan Stanley's institutional securities division, risk management expert Brian Leach, resigns.

April 11, 2005 -- The group of eight shareholders and former members of senior management send a third letter to the Board of Directors concerning Mr. Purcell's performance.

April 12, 2005 -- Dissident Morgan Stanley shareholders issue another letter posing a series of questions to the firm's outside directors. Among them: Why did the firm delay disclosure of a new regulatory probe of its e-mail procedures?

April 13, 2005 -- Mr. Perella, now a Morgan Stanley vice chairman, and Terry Meguid, head of the investment-banking division, resign, in a double blow to company. Michael Uva and Cordell Spencer are named co-heads of the division.

April 28, 2005 -- In the first sign that Morgan Stanley's board is acting independently of Mr. Purcell, board members hold talks with some executives who left the firm.

May 3, 2005 -- Morgan Stanley's board revamps the company's bylaws that originally held that a 75% vote was necessary to oust the chief executive.

May 5, 2005 -- The firm names David Heleniak, senior partner at Shearman & Sterling LLP since 2001, as vice chairman. He will oversee Morgan Stanley's legal and government affairs units.

May 13, 2005 -- The group of eight dissident Morgan Stanley shareholders call for a breakup of Morgan Stanley into two companies to serve institutional clients separately from individuals.

May 24, 2005 -- Raymond McGuire, one of the heads of mergers and acquisitions at the firm, announces he is leaving for Citigroup.

June 6, 2005 -- Mayree Clark, who oversees international brokerage services for high-net-worth clients, leaves the firm, not long after several high-net-worth brokers based in London depart.

June 10, 2005 -- A team of nine product specialists and traders in Morgan Stanley's equity-derivatives division resigns to join Wachovia Corp., according to people familiar with the matter.

June 13, 2005 -- Mr. Purcell agrees to retire after the lengthy battle weakened the CEO's hold on the Wall Street firm. "It has become clear that in light of the continuing personal attacks on me, and the unprecedented level of negative attention our firm -- and each of you -- has had to endure, that this is the best thing I can do for you, our clients and our shareholders," Mr. Purcell said in a statement announcing his intention to retire by next March.

Source: The Wall Street Journal

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