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Marco Consulting Group

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Positive Developments In The Corporate Governance Arena

The recent avalanche of corporate/accounting scandals at Enron, WorldCom, Tyco and other companies that have caused so much turmoil in the stock market has had one silver lining--it has led to the enactment of a number of corporate governance reforms long advocated by the MCG.

For more than a decade, MCG has voted to withhold authority from insider nominees to boards of directors that did not have a majority of independent outsiders. MCG has also supported shareholder proposals seeking to have the key nomination, compensation and audit committees consist solely of independent outsiders.

The New York Stock Exchange has now proposed that all companies must have a majority of independent outsiders on their boards and completely independent nomination, compensation and audit committees.

In 2001, MCG was the first proxy-voting agent to start voting against auditors (including Arthur Andersen at Enron) at companies that paid accountants such substantial amounts for "other" work that it represented a conflict of interest with their "independent audit" work. Studies by the Wall Street Journal, Investor Responsibility Research Center and MCG showed that on the average companies paid their accountants three times as much for "other" work as for "independent audit" work.

President Bush signed into law in July, 2002, legislation that severely limits the type of "other" work accountants can perform at companies where they are also auditors.



Anne C. Maloney Joins Marco Consulting Group

Anne C. Maloney, who has 23-years of experience in the consulting and investment business, has joined the Marco Consulting Group ("MCG").

"As our clientele continues to grow, it is vital that we have enough experienced consultants to make sure that every client receives the same high quality of service," stressed MCG President Ian W. Jones. "Anne not only brings decades worth of general investment experience to our firm, but she is also very familiar with the MCG philosophy and practices from having previously worked with our founder, Jack Marco."

Jack Marco, who is chairman of MCG, was Ms. Maloney's supervisor when she worked at A.G. Becker and SEI Consulting Services from 1979 to 1985. In 1985, Ms. Maloney moved to Columbus Circle Investors, where she eventually became Vice President for Marketing and Client Servicing.

This Bear vs. Last of This Size

The current bear market compared with past ones for each index (a bear market is declared when an index falls at least 20%)

	THIS BEAR		
	Dow	Nasdaq	S&P
All Time High Date	11722.98 1/14/00	5048.62 3/10/00	1527.46 3/24/00
Recent Low Date	7702.34 7/23/02	1229.05 7/23/02	797.70 7/23/02
% Decline From Peak to Trough	-34.3%	-75.7%	-47.8%

	LAST COMPARABLE BEAR		
	Dow	Nasdaq	S&P
All Time High Date	2722.42 8/25/87	136.84 1/11/73	120.24 1/11/73
Recent Low Date	1738.74 11/19/87	54.87 10/3/74	62.28 10/3/74
% Decline From Peak to Trough	-36.1%	-59.9%	-48.2%

Source: WSJ/MCG

Mark Your Calendars!

MCG 2003 Client Conference
January 24-29th
The Westin Diplomat Resort and Spa
Hollywood, FL

