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March 17, 2009

The Honorable Timothy F. Geithner
Secretary
Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

As you recall from my letter of March 3, 2009, I am concerned about reports of creatively-titled bonus payments at firms that have received taxpayer money through TARP. I am writing you to point out the similarities between the \$3 billion in so-called "retention award" payments announced last month by Morgan Stanley and the retention payments for which AIG is now under well-justified scrutiny and to urge you to undertake the same type of effort to stop the payouts at Morgan Stanley as you are at AIG.

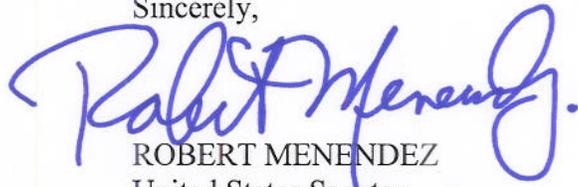
This week's public outrage over AIG's announcement of \$165 million in retention bonuses is entirely warranted. I am glad to know that you are examining every legal means at your disposal to stop these payments from being made, and I fully support those efforts.

As I explained in my previous letter, Morgan Stanley plans to pay out \$3 billion in retention awards and went to great lengths to ensure that such payouts are not labeled as "bonuses," presumably because of the negative connotations associated with that title ("Bailed-Out Firms Distributing Cash Rewards: 'Please Do Not Call It A Bonus', February 11, 2009). The retention payments at AIG and Morgan Stanley are both essentially the same form of extra compensation, and they are not fully necessary to retain executives in this tough financial market. I urge you to use every legal means available to stop these retention awards at Morgan Stanley, so long as those firms are in receipt of taxpayer dollars.

These payouts constitute misuse of taxpayer money and are an insult to hardworking families who are saving every penny and changing their way of life just to keep their heads above water. Some on Wall Street don't understand that they, more than anyone, cannot be permitted to carry on with business as usual. These times demand shared sacrifice, and since it seems that they will never take it upon themselves, we have to bring them to such an understanding.

I look forward to your response and to action by the administration. I thank you for the strong action on the AIG situation that you announced yesterday and for your continued work toward creating an economic recovery for American families. I look forward to continuing our work together.

Sincerely,

A handwritten signature in blue ink that reads "Robert Menendez." The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail on the "z".

ROBERT MENENDEZ
United States Senator