

MSCI INC.

FORM 8-K (Current report filing)

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Address	88 PINE STREET NEW YORK, NY 10005
Telephone	212-804-3990
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Industry	Investment Services
Sector	Financial
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 29, 2012

MSCI Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33812
(Commission
File Number)

13-4038723
(IRS Employer
Identification No.)

One Chase Manhattan Plaza, 44th Fl, New York, NY 10005
(Address of principal executive offices) (Zip Code)

(212) 804-3900
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 30, 2012, MSCI Inc. (“MSCI” or the “Company”) announced that Mr. Robert Qutub will join the Company, effective on or about July 16, 2012. As part of an orderly transition, Mr. Qutub will succeed Mr. David M. Obstler as the Company’s Chief Financial Officer immediately after the filing of the Company’s Quarterly Report on Form 10-Q for the period ending June 30, 2012. Mr. Qutub will also succeed Mr. Obstler as MSCI’s designated principal financial officer and principal accounting officer for Securities and Exchange Commission reporting purposes. Mr. Obstler has agreed to continue as an employee of MSCI until August 31, 2012.

Mr. Qutub, 50, has been at Bank of America since 1994 and has served in several senior finance positions with his most recent role as Chief Financial Officer of Consumer and Business Banking, a position he has held since April 2011. From 2008 to 2011, Mr. Qutub served as the Chief Financial Officer for Global Banking and Markets, Global Sales and Trading and the Merrill Lynch Transition. Prior to that he served as Chief Financial Officer for Global Wealth, Investment Management and Corporate Infrastructure from 2006 to 2008. He also served on Bank of America’s Global Corporate Diversity and Inclusion Counsel as well as numerous external advisory boards. Prior to Bank of America, he was a Manager in the Financial Services Group for PriceWaterhouse LLP from 1988 to 1994. He also served in the U.S. Marine Corps from 1981 to 1987. Mr. Qutub earned a Bachelor of Science degree in Accounting with summa cum laude honors from the University of North Carolina - Charlotte. He is also a member of the American Institute of Certified Public Accountants.

In connection with Mr. Qutub’s appointment as Chief Financial Officer, on May 25, 2012, the Company entered into an offer letter agreement with Mr. Qutub (“Offer Letter”). Under the Offer Letter, Mr. Qutub will be paid an annual base salary of \$500,000 and a guaranteed 2012 bonus of \$1,600,000 to be split between cash and long-term incentive compensation as determined by the Compensation Committee of the Board of Directors. Mr. Qutub will also receive a one-time (i) \$325,000 cash payment for relocation expenses and (ii) \$1,000,000 restricted stock unit (“RSU”) grant, with the number of RSUs granted to be determined based on the closing price of the Company’s common stock on the day prior to his hire date to compensate him for equity awards that he forfeited at his current employer as a result of his resignation. Such RSUs will be granted under and subject to the terms, definitions and provisions of the RiskMetrics Group, Inc. 2007 Omnibus Incentive Compensation Plan. Mr. Qutub’s one-time RSU grant will vest in three equal installments on each of the first three anniversaries of his hire date.

Mr. Qutub will be eligible to participate in other compensation plans or arrangements available to MSCI’s U.S.-based employees. The foregoing description of the Offer Letter is qualified in its entirety by reference to the full text of the Offer Letter, a copy of which is filed herewith as Exhibit 10.1 and incorporated by reference.

There is no family relationship between Mr. Qutub and any of our other executive officers and directors. There are no related person transactions (within the meaning of 404(a) of Regulation S-K) between Mr. Qutub and MSCI or any of its subsidiaries.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter, executed May 25, 2012, between MSCI Inc. and Robert Qutub
99.1	Press Release of MSCI Inc. dated May 30, 2012

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

By: /s/ Henry A. Fernandez
Name: Henry A. Fernandez
Title: Chief Executive Officer, President
and Chairman

Date: May 30, 2012

INDEX TO EXHIBITS

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99.1	Press Release of MSCI Inc. dated May 30, 2012

**SUBJECT TO APPROVAL OF MSC INC. BOARD OF DIRECTORS**

May 24, 2012

Robert Qutub
2200 Brookwood Road
Charlotte, NC 28211

Dear Bob:

I am pleased to extend to you a formal offer of employment at MSCI Inc. ("MSCI" or the "Firm"). Those of us who had the opportunity to meet with you look forward to your joining us. Your position will be that of Managing Director, Chief Financial Officer of MSCI Inc. in the New York office.

For MSCI's fiscal year 2012, your target annualized Total Reward will be \$2,100,000. For 2012, your annualized Total Reward will consist of an annual base salary of \$500,000 prorated from the date you commence employment and paid in semi-monthly installments. Your 2012 Total Reward will also consist of a year-end bonus of \$1,600,000. This amount will be guaranteed to you unless you voluntarily resign from the Firm or are terminated by the Firm for cause prior to the date of payment of any cash portion of the year-end bonus and the date of award of any long-term equity-based incentive portion of your year-end bonus, respectively. Any long-term equity-based incentive award is further contingent upon your remaining employed through the vesting dates of the long-term equity-based incentive award and your compliance with the restrictions, cancellation provisions and other provisions of the long-term equity-based incentive award. All payments are subject to applicable withholdings and deductions.

The year-end bonus may be paid partially in cash and partially in a long-term equity-based incentive award (including, without limitation, restricted stock units, stock options, or performance units). The form and timing of your year-end bonus award, including the split between any cash and any long-term equity-based incentive award portions, will be consistent with the form and timing of the year-end bonus for other United States-based Named Executive Officers (excluding the CEO) of the Firm. Historically, year-end bonus awards have been made after the end of the fiscal year to which they relate.

All components of your 2012 Total Reward are contingent upon satisfactory performance and conduct. Future Total Reward and year-end bonuses will be payable within the sole discretion of the Firm and will continue to be payable, at the discretion of the Firm, partially in cash and partially in the form of long-term incentive compensation, which may consist of an equity-based award under one of the Firm's compensation plans.

You will receive a one-time equity-based award of MSCI restricted stock units valued at \$1,000,000 to compensate you for performance-based compensation you will be forfeiting at your current employer as a result of your resignation. The number of restricted stock units you will receive will be determined by dividing the award value by the closing price of MSCI common stock on the day prior to your hire date. Your restricted stock unit award will vest in three equal installments on each of the first three anniversaries of your hire date. This equity-based award is subject to verification of your forfeited award from your current employer, to your continued employment with MSCI through the respective vesting dates of the award and to your compliance with the restrictions and provisions of the award. All payments are subject to applicable withholdings and deductions.

In addition to the foregoing, you will receive a one-time cash payment of \$325,000 (the "Sign-on Bonus") less applicable withholdings and deductions and payable generally with your first paycheck. This payment is contingent upon your commencing employment with the Firm. You agree that in the event you do not commence employment with the Firm or if you voluntarily terminate or are terminated for cause within twelve (12) months of your effective start date, you are required to repay this entire Sign-On Bonus at the time you give or receive notice of termination.

All personal compensation information is strictly confidential and is not to be divulged to any of your colleagues at MSCI or its subsidiaries. The Firm's Code of Conduct prohibits the disclosure of any confidential information and the strictest measures including disciplinary action may be taken in the event of violation of this Code of Conduct.

In addition, if any provision of this offer letter fails to comply with Section 409A of the Internal Revenue Code or any regulations or Treasury guidance promulgated there under, or would result in your recognizing income for United States federal income tax purposes with respect to any amount payable pursuant to this offer letter before the date of payment, or in your incurring interest or additional tax pursuant to Section 409A, the Firm reserves the right to reform such provision; provided that the Firm shall maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A.

Each calendar year you work for MSCI, you will be eligible for 6 weeks of vacation, pro-rated from your date of hire.

For detailed benefits information, review the enclosed enrollment materials. Health and welfare benefits (medical, dental, vision, life, accident and disability insurance) are generally available retroactive to the date you commence employment provided benefits are elected within the 31-day enrollment period.

You may enroll in benefits coverage approximately seven days following your hire date. Upon your date of hire, you will be automatically enrolled in the MSCI 401(k) Retirement Savings Plan offered to eligible employees and be eligible to receive a Company Match. To opt out of the Plan prior to your start date, complete the enclosed Opt Out Form and return it with your offer letter.

We remind you that this offer is contingent upon a number of additional steps in the employment process including, but not limited to, background and reference checking. You are also required to show appropriate proof of authorization to commence work in the United States. We ask that you complete Part 1 of the Form I-9, on or before your first day of work (see, in the attached packet, a list of the type of documentation we will need). This is a requirement of the Immigration Reform and Control Act of 1986. If you are not legally able to work for the Firm in the United States in the position offered you, or if any part of the screening process proves unsatisfactory to the Firm or you are unable to complete Part 1 of the Form I-9, the Firm reserves the right to rescind any outstanding offer of employment or terminate your employment without notice or severance benefits and rescind any stock unit or stock option awards described herein. Further, this offer is contingent on your having all licenses and registrations as MSCI shall determine necessary for your position. You must also bring with you a government-issued photo identification, in a form acceptable to MSCI (such as a valid passport or a driver's license). Also in the enclosed packet, please find personnel forms that need to be completed and brought with you on your first day of work.

You acknowledge that in the course of your employment with the Firm, you are not permitted to make any unauthorized use of documents or other information that are the confidential, trade secret or proprietary information of another individual or company ("Confidential Information"). Likewise, you may not bring onto Firm premises any Confidential Information, whether documents or other tangible forms, relating to your prior employers' businesses.

You understand and agree that as a condition of employment, unless you are granted a waiver in writing by the Legal and Compliance Department you may be required, upon the commencement of employment, to transfer any brokerage/securities accounts that you may influence or control to a designated institution for surveillance and review by the MSCI Legal and Compliance Department.

Nothing in this letter should be construed as a guarantee of any particular level of benefits, of your participation in any benefit plan, or of continued employment for any period of time. You should understand that your employment will be “at will,” which means that the Firm may terminate your employment for any reason, with or without cause, at any time. During your employment, subject to applicable law and in accordance with MSCI’s Drug, Alcohol and Controlled Substance Usage Policy, you may be subject to drug testing, including for reasonable suspicion of use of controlled substances. MSCI reserves the right to amend, modify or terminate, in its sole discretion, all benefit and compensation plans in effect from time to time.

This offer letter constitutes the entire understanding and contains a complete statement of all agreements between you and MSCI and supersedes all prior or contemporaneous verbal or written agreements, understandings or communications (including, without limitation, any term sheet or other summary writing relating to your employment). You acknowledge that you have not relied on any assurance or representation not expressly stated in this offer letter. If there is any conflict with the benefit information included in this letter or any verbal representation and the Plan documents or insurance contracts, the Plan documents or insurance documents control.

We are looking forward to your joining MSCI. Please report to New Hire Orientation on your start date. At that time you will have your benefits explained in more detail. If you have questions regarding the above, please feel free to call Alexis Daur at (212) 981-1094.

We ask that you confirm your acceptance by signing and dating this offer letter in the area designated below and returning this letter to Alexis Daur at MSCI Inc., Human Resources, 88 Pine Street, New York, NY 10005. Your signature below confirms that you are subject to no contractual or other restriction or obligation that is inconsistent with your accepting this offer of employment and performing your duties. Please retain the additional copy of this offer letter for your reference.

Very truly yours,

/s/ Richard G. Powell
Richard G. Powell
Managing Director
Human Resources

Offer Accepted and Agreed To:

Signed: /s/ R. Qutub

Date: May 25, 2012



Press Release

MSCI Inc. Announces Appointment of New Chief Financial Officer

New York, May 30, 2012 —MSCI Inc. (NYSE:MSCI), a leading provider of investment decision support tools worldwide, including indices, portfolio risk and performance analytics and corporate governance services, announced today that David M. Obstler, Chief Financial Officer, is leaving the Company to pursue other interests. The Board of Directors has appointed Robert Qutub to serve as MSCI's new Chief Financial Officer. In order to facilitate an orderly transition, this appointment will be effective immediately after the filing of MSCI's Quarterly Report on Form 10-Q for the period ending June 30, 2012. Mr. Obstler has agreed to continue as an employee of MSCI until August 31, 2012.

"We are very excited to have Bob Qutub join MSCI. He will be a close advisor to me and an important member of MSCI's senior leadership team as we continue to expand globally and execute our growth strategy," said Henry A. Fernandez, Chairman and Chief Executive Officer of MSCI. "We are confident that his leadership, finance and accounting experience will benefit MSCI and its employees and shareholders. I look forward to a smooth transition ahead and developing a close and productive working relationship with Bob," he added.

Mr. Qutub has been at Bank of America since 1994 and has served in several senior finance positions with his most recent role as Chief Financial Officer of Consumer and Business Banking. Over his career at Bank of America, Mr. Qutub has been the Chief Financial Officer for Global Banking and Markets, Global Sales and Trading, the Merrill Lynch Transition, Global Wealth, Investment Management and Corporate Infrastructure, and Technology. He also served on Bank of America's Global Corporate Diversity and Inclusion Counsel as well as numerous external advisory boards. Prior to Bank of America, he was a Manager in the Financial Services Group for PriceWaterhouse LLP from 1988 to 1994. He also served in the U.S. Marine Corps from 1981 to 1987. Bob earned a Bachelor of Science degree in Accounting with summa cum laude honors from the University of North Carolina -Charlotte. He is a member of the American Institute of Certified Public Accountants.

Mr. Obstler joined MSCI in June 2010 as Chief Financial Officer following the acquisition of RiskMetrics Group, Inc. ("RiskMetrics"), where he had served as Chief Financial Officer since January 2005. "David Obstler played a critical role in leading our successful integration efforts following the acquisition of RiskMetrics in 2010, as well as in other financing and corporate activities, including our recent refinancing of \$880 million of outstanding debt," commented Mr. Fernandez. "David has made significant contributions to MSCI and RiskMetrics over the past seven years and we thank him for his dedication, commitment and leadership," he added.

-Ends-

About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.



The company's flagship product offerings are: the MSCI indices with approximately USD 7 trillion estimated to be benchmarked to them on a worldwide basis ¹; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS governance research and outsourced proxy voting and reporting services; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world. MSCI#IR

¹As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.

For further information on MSCI, please visit our web site at www.msci.com

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue”, or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and filed with the Securities and Exchange Commission (SEC) on February 29, 2012, and in quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this release reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.