

**EDITORIALS**

**Score One For Ms. Nappier**

January 13, 2005

The Walt Disney Co.'s decision to separate the posts of board chairman and chief executive officer is a victory for state Treasurer Denise Nappier.

Over the past few years, Ms. Nappier has gained a deserved national reputation for her leadership on corporate governance issues. With oversight of \$20 billion in state employee pension assets, she has an obvious interest in the performance of corporations she invests in.

Ms. Nappier has pushed reform in the wake of widespread abuses that led to the collapse of Enron, WorldCom and other companies, where too often the CEO who ran a corporation's day-to-day affairs also served as board chairman. Boards became rubber stamps for strong-willed CEOs/chairmen.

Disney split the roles of chairman and CEO early last year under pressure from Ms. Nappier - Connecticut owns 1 million Disney shares - and others. However, when she sought a proxy vote to make the split permanent, Disney fought her.

Now the entertainment conglomerate's board has reversed course and announced it will officially separate the roles of chairman and CEO, citing the role of Ms. Nappier in pushing for reform. She called the move "a significant victory for Disney shareholders and corporate governance advocates." She's right.

Ms. Nappier has played a positive role as an aggressive advocate for change. Those changes will help restore faith in corporations after scandals in which directors sat on their hands while executives plundered some of America's largest companies.