City of Cambridge

R-12.

IN CITY COUNCIL

December 18, 2000

COUNCILLOR SULLIVAN
COUNCILLOR BORN
COUNCILLOR BRAUDE
COUNCILLOR DAVIS
COUNCILLOR DECKER
MAYOR GALLUCCIO
VICE MAYOR MAHER
COUNCILLOR REEVES
COUNCILLOR TOOMEY

RESOLVED: That this City Council go on record extending its congratulations to Vicki L. Sato as she assumes the position of President of Vertex Pharmaceuticals, Inc., one of the largest biopharmaceutical companies in New England; and be it further

RESOLVED: That the City Clerk be and hereby is requested to forward a suitably engrossed copy of this resolution to Vicki L. Sato on behalf of the entire City Council.

In City Council December 18, 2000.
Adopted by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy;
ATTEST:- D. Margaret Drury

D. Margaret Drury
City Clerk

R17

Councillor Sullivan

Resolved That this City Council go on record extending its Congratulations to VICKI L. SATO as she assumes the position of President OF Vertex PHARMACEUTICALS, INC., ~~the~~ one of the largest biopharmaceutical Companies in N.E.; and be it further

Res. SECY to Vicki

Sato promoted to president of Vertex Pharmaceuticals

Cambridge firm's stock soars $8.13

By Ronald Rosenberg
GLOBE STAFF

Vicki L. Sato, who 16 years ago left a Harvard University academic career for the fledgling biotechnology industry, yesterday became president of Vertex Pharmaceuticals Inc., one of New England's biggest biopharmaceutical companies.

Sato, who was the Cambridge company's chief scientific officer for eight years, takes over as president from Joshua Boger. Boger, 49, who cofounded the company, will continue to serve as chairman and chief executive.

Vicki L. Sato

"This is a great move for me," said Boger. "It frees up my time to focus on medium- and long-term strategic planning and direction. "Vicki was a natural choice for the role of president, involved in a key part of the the business planning and responsible for the vast majority of the operational side of the company."

Vertex stock soared $8.13 to close at $70.06 yesterday.

Sato becomes the the seventh woman to head a Massachusetts biopharmaceutical company. Vertex is the largest biotech company in the state run by a woman.

"Women are rising to prominence in the pharmaceutical industry, but it's less of a gender issue than in getting about the business of building companies," said Sato, 52.

She will have operational responsibility for an 11-year-old company that has more than 400 employees, a dozen proposed drugs in the pipeline, and a revenue-generating drug to treat AIDS called Agenerase, which is marketed by Glaxo Wellcome Inc. All were developed under her leadership as senior vice president of research and development.

At Vertex, Sato leads one of the most financially promising though profitless companies in the biotech industry. With revenues of $58.4 million for the first nine months, Vertex reported more than $713 million in cash and marketable securities at the end of the third quarter.

Before joining Vertex, Sato spent eight years at Biogen, where she was vice president of research and a member of the scientific board.

"She's dynamic, energetic, and a strong leader with a very sharp ability to really see through issues and get to the core very rapidly," said John Maraganore, who worked with her at Biogen and is now senior vice president of strategic product development at Millennium Pharmaceuticals Inc. "She left [Biogen] because she wanted to have a broader impact beyond being head of research."

She got that opportunity at Vertex, whose hallmark has been combining medicinal chemistry with molecular biology for more precise drug design.

"As a scientist, how could you not want to participate in something that's very exciting?" asked Sato, who grew up in Chicago before coming to Cambridge to attend Radcliffe College and earn a doctorate from Harvard, where she was an associate professor.

Sato is the mother of two teenage girls and is married to Lewis Cantley, a professor of cell biology at Harvard Medical School.

Financial journalism's weak link: conflicts of interest

CHARLES A. JAFFE

Your Money

For the past few years, James Cramer has been an almost constant target of financial journalists who have assailed him for talking up stocks that he owned.

The founder of TheStreet.com and manager of a hedge fund — not to mention a contributor to Time and other magazines as well as a popular CNBC guest (and he's about to rejoin that network after a hiatus) — has been in a pickle for

ager.

Now Cramer has crossed the line, in a good way.

He's quitting his hedge fund, "retiring" into a life of books, articles, and television appearances.

And the same people who ripped him once should now take a closer look at themselves, because in going from market maker to market "observer," Cramer shines a light on a true weakness in financial journalism today.

Journalism ethics call, quite appropriately, for writers to avoid conflicts of interest. That means that reporters and columnists shouldn't be writing about stocks and funds in which they have a vested interest. (The Boston Globe, for example, prohibits me from buying stocks and funds

sources — who may have inherent conflicts of interest that aren't visible to consumers.

"Money managers aren't up there talking because they believe in the greater good of humanity," says Dave Kansas, editor-in-chief of TheStreet.com, who has held the reins on Cramer's rants for the last few years. "They always have an agenda of some kind, but their information is valuable at some level to investors. You just need to know where they are coming from."

The vast majority of the time, consumers have no idea of the money manager's personal agenda.

Disclosure is a standard that investors should expect from all media sources.

where his mouth is and owns the stock and is disclosing that," says John Reese, chairman of Validea .com, a Web site that lets investors see the track record of investment recommendations made by so-called "financial experts."

"It's harder to judge what someone is saying when you have no idea if they have any money in the stock or not, yet that's what we're left with most of the time," he adds.

Cramer's switch highlights this weakness because no one who knows him believes his decision to take up the role of full-time journalist will alter his commentary one bit.

editorial staff out of most conflicts of interest and asks those staffers to disclose conflicts from any quoted sources. He's been a proponent of disclosure for a number of years now.

Employees of TheStreet.com have said that this occasionally makes it harder for them to find on-the-record sources, but it adds tremendously to the credibility of the reporting on the Web site.

It's a standard that investors should expect from all media sources. It's a fair expectation that media commentators should not be touting stocks they own and should not be taking money for speeches, endorsements, or commercials from entities they might someday have to cover.

As the money media increasingly becomes the mainstream

(Ironically, Validea.com statistics show that the average recommender's picks are up so little in the first week and month after the mention is made that it's not worth the time, effort, and commission to follow along.)

Yet how much faith can you actually put in an analyst's recommendation when you don't know where he or she is coming from?

Not much.

When Cramer begins his new role, he'll be described as a journalist. His opinions will be his own, shaped by years of trading experience. You'll either like him or hate him (there's no real in-between with the guy) and you can decide how to act based on that instinct, without fear that he's telling you something to make money for his clients.

DATE: 12/6/00

TIME: 11 15

COUNCILLOR: Sullivan

BIRTHDAY:

BIRTH:

DEATH:

MARRIAGE:

ANNIVERSARY:

BACKGROUND IN ____________ NEWSPAPER

NAME:

Congratulations to Sato, President of Vertex

Message taken by: Doris

CCM-101

City of Cambridge

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December 18, 2000

COUNCILLOR SULLIVAN

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1502

Resolution #12

Congratulations to Vicki L. Sato on her new position as President of Vertex Pharmaceuticals, Inc.

Councillor Sullivan

In City Council December 18, 2000

ORDER ADOPTED