

December 21, 2007

Morgan's Helping Hand in China

Ardent Mack Aide From Beijing Lends Stature, Local Ties

By **JASON LEOW** and **RICK CAREW**
December 21, 2007; Page C3

BEIJING -- **Morgan Stanley's** landmark deal to sell a \$5 billion stake in itself to China marks a bold move by Chief Executive John Mack. If it pans out, it also will owe some of its success to the long experience and local ties of Wei Sun Christianson, Mr. Mack's steadfast lieutenant and point woman in China.

The surprise deal, announced Wednesday, gives the state-owned **China Investment Corp.**, or CIC, a stake of as much as 9.9% in Morgan Stanley at a time when the U.S. investment bank is staggering under a multibillion-dollar write-down. While initiated by Mr. Mack, the agreement also helps solidify Ms. Christianson's status as one of China's premier deal makers, and perhaps the country's most prominent female investment banker.



**Wei Sun
 Christianson**


The 51-year-old Ms. Christianson, born in Beijing, hails from a pioneering generation of Chinese who went abroad to study in the early years of China's economic overhauls and later returned to help reshape the country's financial system. Among the fellow Chinese she met in New York while studying at Columbia University School of Law in the late 1980s was Gao Xiqing, a Duke University-trained lawyer who later helped found China's stock markets. Mr. Gao today is president and chief investment officer of CIC, which was founded in September to manage \$200 billion of China's \$1.4 trillion in foreign-exchange reserves.

It isn't clear precisely what role Ms. Christianson and Mr. Gao, both of whom were in New York for Wednesday's announcement, played in the deal. Ms. Christianson declined to comment, and Mr. Gao couldn't be reached. But their involvement in the tie-up reflects the rising profile of their generation of Chinese in global finance, as China becomes an important force in world markets.

The CIC investment could prove a boon to both CIC and Morgan Stanley, although it also risks feeding suspicions among some U.S. politicians that the Chinese fund is seeking to obtain control of strategic assets -- something CIC officials have long denied. For Morgan Stanley, it provides an infusion of capital, while for CIC the bet could prove lucrative if the U.S. investment bank is able to successfully emerge from its current woes.

CIC's strategy under Mr. Gao and his boss, Lou Jiwei, a former Chinese vice minister of finance, appears to be a mix of opportunistic big bets and more restrained portfolio investment. Mr. Gao and his colleagues have shown an appetite for prominent deals with the Morgan Stanley stake and a \$3 billion

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit:

www.djreprints.com.

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

stake in Blackstone Group LP earlier this year.

Ms. Christianson has spent much of her career working with Mr. Mack, following him when he left Morgan Stanley in 2002 to join **Credit Suisse Group**, departing from Credit Suisse when he was ousted in 2004, then rejoining Morgan Stanley in early 2006 after Mr. Mack's return there. In between, she spent 14 months as **Citigroup Inc.**'s lead investment banker in China.



Gao Xiqing

Ms. Christianson didn't set out to be a banker. Growing up during the Cultural Revolution, a period of chaos from 1966 to 1976 when much of China ceased to function, she was unable to go to college until the late 1970s. When she could, she enrolled at a language institute in Beijing to study English and was on track to become a translator at the foreign ministry.

Eager to attend graduate school, she jumped at a chance to go to the U.S. in the 1980s. She graduated with honors in 1985 from Amherst College in Massachusetts, becoming the school's first China-born graduate, before attending Columbia's law school on a scholarship. It was at Columbia that she met her husband.

New York at the time was home to a small and tight-knit group of Chinese students studying law and finance -- subjects almost completely alien to a generation that had grown up with Maoism. Mr. Gao, who had graduated from Duke in 1986, was working at the now-defunct law firm Mudge Rose Guthrie Alexander & Ferdon.

"At the time, most Chinese going overseas were aiming to study science," said Li Xiaoming, a friend of Mr. Gao's who graduated from Duke's law school in 1990 and is now managing partner of White & Case's Beijing office. "There were probably about ten Chinese lawyers then at Wall Street firms, making it a close group." Ms. Christianson and Mr. Gao remained friends as she climbed the investment-banking ladder and he rose through the ranks of China's bureaucracy.

After helping found the stock markets, Mr. Gao became vice chairman and chief executive officer of Bank of China's investment-banking arm and later served as vice chairman of the country's securities regulator and its national social-security fund.

Ms. Christianson briefly served as a regulator at the Hong Kong Securities and Futures Commission. After her third child was born, she decided she wanted a career switch and jumped into finance. Morgan Stanley gave Ms. Christianson her first break in 1998. "I was willing to try and ready to fail," she said in an earlier interview.

Today, Ms. Christianson, Mr. Gao and others of their generation are perpetuating the tradition they helped establish, by recruiting Chinese talent from overseas. CIC, for example, recently hired Li Yingru, a young Chinese who studied in the U.S. and had spent about a year and a half working at the California Public Employees' Retirement System.

Write to Jason Leow at jason.leow@wsj.com¹ and Rick Carew at rick.carew@dowjones.com²

URL for this article:

<http://online.wsj.com/article/SB119820060870543903.html>

Hyperlinks in this Article:

(1) <mailto:jason.leow@wsj.com>

(2) <mailto:rick.carew@dowjones.com>

Copyright 2007 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

RELATED ARTICLES AND BLOGS

Related Articles from the Online Journal

- [In Bloodletting on Street, Cruz Is Latest Casualty](#)

Blog Posts About This Topic

- [China buys into Morgan Stanley, cue ominous rumbling](#) news.imagethief.com
- [China buys more of Wall Street](#) piaohaoreport.sampasite.com

[More related content](#) Powered by *Sphere* 