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Insider Research Bulletin

July 14, 2005

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Insider Research Bulletin describes significant insider trading behavior that we have identified at the following companies and is a summary of the first step in our research process. The next step is that these same companies will undergo a review of accounting and governance behavior, and if we identify indicative behavior in one or both areas, then a "full 3DA research report" will be published on that company. Note: Inclusion of a company in this report by itself does not necessarily mean a full research report will be published.

Insider Research Bulletin is published periodically and exclusively for 3DA Research subscribers.

Companies in this Bulletin

- Carpenter Technology Corp. (NYSE:CRS)
- Cogent Inc. (NASDAQ: COGT)
- Monsanto Co. (NYSE: MON)

Discussion of 3DAdvisors Findings

Carpenter Technology Corp. (NYSE: CRS)

A rare convergence of insider selling at Carpenter Technology has our attention as it has transpired as the shares have been trading sideways in a range well off earlier \$65 to \$70 highs for the year. The activity occurred after the release of third quarter earnings as eleven insiders dropped over 737,000 shares between April 27th and June 23rd at prices averaging \$55 each (see Figure 1 below). These sales are especially interesting in that CRS insiders are not constrained from selling by company-induced trading windows that would limit their profit taking opportunities to post-reporting periods. It is interesting that the same insiders, who chose not to sell at earlier February/March highs, decided instead to aggressively do so a few months later with the shares trading down over 20%.

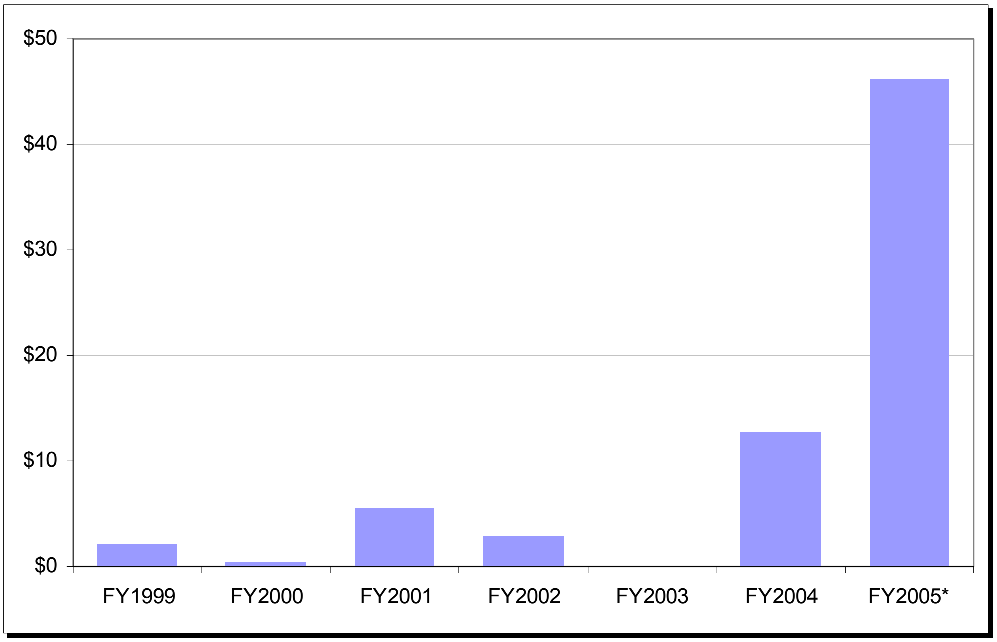
Figure 1. CRS Daily Closing Price, January 3, 2005 through July 12, 2005. Blue shaded area is where 11 insiders sold 737,000 shares. Source: Reuters and CRS SEC Filings.

While it's true that there was a convergence of insider selling at CRS back in July of 2004, the current round is much more interesting to us in that not only have they been selling into near-term weakness (the '04 convergence was into a rising stock price), the heavy recent volume tops all sales, collectively, that occurred between 1996 and 2004.

We can also report that the Section 16 insiders haven't been the only Carpenter employees cashing out, as the rank and file has been aggressively exercising their options, which more often than not is a clear indication that they have been monetizing their incentive awards. We have been monitoring insider behavior since 1982 and it has been our experience that employees typically sell most, if not all, of the underlying shares exercised for when converting their options. As you can see from Figure 2 below, option exercises are at a record high in Fiscal 2005 with only three quarters of data having been reported. Judging from the pickup of Section 16 selling in the current fiscal fourth quarter, we expect that the employee option exercises are going to be off the charts when they report later in the month.

Making this convergence of sellers noteworthy is the fact that the majority of the eleven participants have been infrequent sellers over the years and that most of them are doing so for only the first, or second, time. There's evidence of significant holdings erosion as well, with the likes of the Chairman and CEO, CFO and divisional heads

Figure 2. Cash Flows from Option Exercises (Millions $). Source: CRS SEC Filings.



* Through fiscal third quarter only

shedding between 53% and 62% of their holdings, clearing out the majority of their vested options, while exercising multiple series of long-held, non-expiring options in the process.

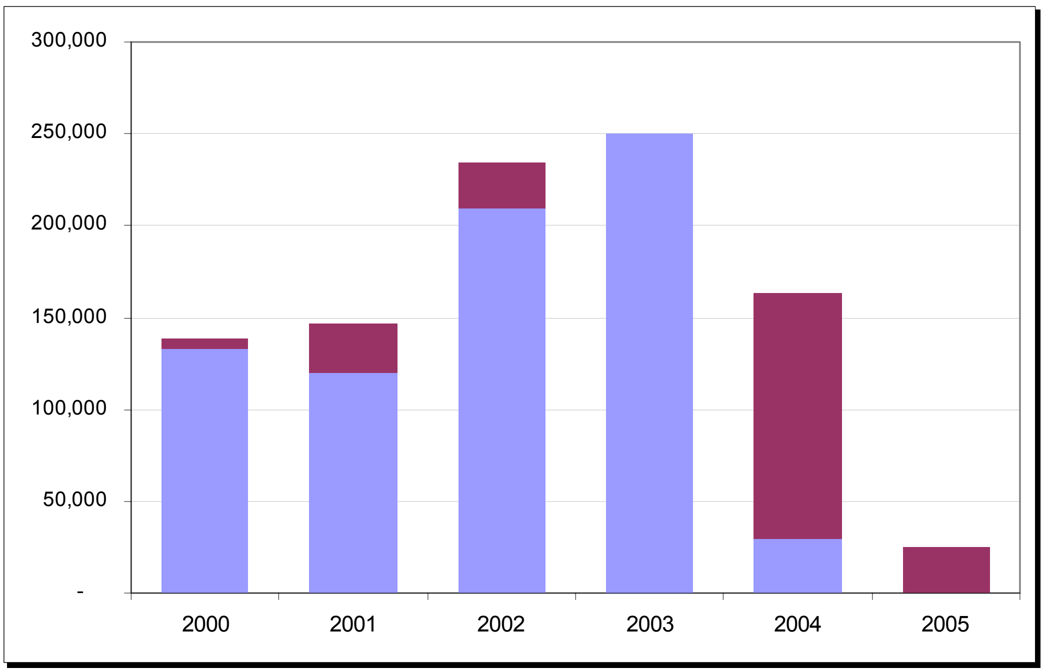
The holdings we report in the table below differ from the ownership figures disclosed in the Company's proxy statements. We are more interested in an insider's actionable holdings, which includes their vested options and common shares, as these are the only shares that they have at their disposal. Carpenter includes unvested restricted stock in their ownership figures, which inflated the reported holdings by material percentages.

Insider	Position	8/29/2003	8/27/2004	7/5/2005	YTD Reduc.
R. Torcolini	CB, Pres, CEO	173,320	181,616	108,340	**53%**
M. Shor	SVP	127,219	98,166	44,715	**62%**
T. Geremski	SVP, CFO	77,947	44,728	33,911	**54%**
A. Rossin	Ben. Owner	2,278,420	2,145,220	1,549,770	**18%**
P. Stephans	Director	--	501,608[1]	331,208[2]	**26%**
G. Pratt	Director	6,000	6,000	0	**100%**

[1] 332,826 shares are held indirectly in trusts for his wife and children
[2] 220,026 shares are held indirectly in trusts for his wife and children

There is a profound consequence to the option activity that we've seen from this group. With the exception of a new-hire grant issued to Senior V.P., Specialty Alloys Operations **Dennis Oates** in 2004, Carpenter hasn't issued stock options to its executives since 2003. The Company does award restricted stock with varying vesting schedules but two of the three grants issued since 2004 don't vest until at least 2009. So, it is quite evident that, in the current round of option exercises and sales, Carpenter execs have cleared out the majority of their options with the knowledge that they will have very few new shares vesting between now and 2009. The Figure 3 below shows the number of stock option and restricted stock awards issued to the Company's named executives since 2000.

Figure 3. Incentive Awards Granted to CRS Named Executives. Red Bars – Restricted Stock; Blue Bars – Stock Options. Source: CRS SEC Filings.



Also selling was Carpenter's largest shareholder **Ada Rossin** (8% ownership stake before her distributions), whose husband founded Dynamet, a titanium alloy products company that was acquired by Carpenter in 1997. Prior to this year, Rossin had only sold a total of 370,450 shares, all of which were disposed of between December 2003 and November 2004. She nearly matched that volume in the second quarter alone, and pared back her stake to 6% of the outstanding shares. We are even more interested in her activity because there is a strong possibility that she's in regular communication with Carpenter director **Peter Stephans**, who has a material relationship with Rossin which the Company fails to disclose in any of its recent filings.

Stephans was the president of Rossin's Dynamet when it was sold to Carpenter. In a related deal, Carpenter sold back Dynamet's Forged Products Division to Stephans for $4 million. Stephans is currently the privately held company's (renamed Trigon Inc.) chairman and chief executive, and although we couldn't uncover any business relationship between the two firms, it would certainly seem as though the two, which are in the same market and cater to the aerospace industry, would have some dealings. To top it all off, Stephans is married to Ada Rossin's daughter, so his classification as an "independent" director seems to be a stretch.

Finally, while it may be mere coincidence, we picked up on what may be some dissent on the board, especially within the Audit/Finance Committee. In October 2004, chairman of the Audit/Finance Committee **Kenneth Wolfe** resigned and **Robert Pokelwaldt**, also an Audit Committee member, retired. Then, just six months after joining the board, **C. Paul Robinson** resigned in April. And although he hasn't given any signs of stepping down, **Gregory Pratt**, a current Audit/Finance Committee member, liquidated his entire position on June 10th once the issue traded 22% off its highs. We would think that this many board defections in such a short period would warrant a reasonable explanation from the Company, but this wasn't the case. Such a shakeup, especially within the Audit Committee, is prompting us to take a closer look.

- **Robert Torcolini (53)** – Chairman, President, CEO. Torcolini, a Carpenter employee since 1973, became president of the Dynamet division when the Company acquired it in 1997. He later assumed his current position in June 2002, just after he executed his first sale of 5,060 shares. His next activity didn't occur until the third quarter 2004 when he sold a total of 33,670 shares equal to 16% of his actionable position (common stock plus exercisable options). Over the next year, the issue climbed to new all-time highs and Torcolini sold no shares, that is, until the shares began to back off their highs. From May 19th through June 17th he exercised six series of options set to expire between June 2005 and January 2012 and monetized all 123,900 shares at an average price of $55, over 20% below the highs set just months earlier. Not only did he sell into the weakness, but he **unloaded 44% of his position** in doing so. We should point out that although he did exercise one expiring series, those shares accounted for less than 10% of the aggregate distribution while the majority of options had at least four years before expiration. Following the recent activity, Torcolini now has 61,300 vested options and will only have 74,000 options and restricted shares vest by 2009 (see Appendix A).

- **Terrence Geremski (57)** – Senior V.P., Finance, CFO. Although Geremski's recent activity nearly mirrors that of his last (and only) trades, the new trades have a more noteworthy significance. In July 2004, he exercised two options series and sold the 49,326 shares at $36 and $39. At the time, the trades cut his holdings in half, but he had more options vesting down the road. More recently, between June 13th and June 15th, he cleared out three series with plenty of time remaining before expiration (expiration dates: 1/10, 6/11, 6/12) and sold the 39,667 shares at $55. Once again he **sold just over half of his actionable holdings**, only this time, the options cupboard is nearly bare. After the transaction, he only holds one option series which includes 16,667 vested options and another 16,667 options that will vest next June. In addition to the options, he'll have 13,000 restricted shares vest next year, but that's it until 2009 (see Appendix A).

- **Michael Shor (45)** – Senior V.P., Engineered Products Operation. Shor's trading history is nearly identical to his peers, having only sold back in July 2004 since becoming a registered Section 16 filer back in 2000. Last July he tapped into four options series in order to monetize 30% of his position. Now though, Shor has become more aggressive with his activity despite the slowing of incentive awards. Between April 27th and May 19th he exercised four series with expiration dates ranging between June 2006 and January 2012, clearing out three series. The sale had a more degenerative effect on his holdings than the 2004 activity, this time **trimming 62% of his position** and leaving his holdings at the lowest level in the past five years. Shor currently holds 25,067 vested options and will have another 29,667 options and restricted shares vest next June (see Appendix A).

- **Peter Stephans (61)** – Director. As mentioned above, Stephans, an independent director according to the Company, not only has fairly close ties to CRS's largest shareholder, but owns a company spun off by Carpenter. He is as familiar with the Company's business, and has just as much of a vested interest, as any top executive. In fact, his exposure to Carpenter stock is three times greater than that of CEO Torcolini, and much of it is set up in trusts for his wife and children. The point is, his activity needs to be closely monitored as insiders are typically more conservative with their children's shares. Between April 27th and June 23rd he sold 117,600 shares at an average price of $56, including 25% of the shares held in trust for his two children. Stephans' only prior sales since joining the board in 2003 occurred in November 2004, when he sold 52,800 shares at slightly lower prices ($54). His willingness to part with **26% of his holdings** off the highs, especially those held for his children, gives us a feeling that he senses near-term risk in the stock, even at these depressed levels. Stephans currently doesn't hold any vested or unvested options.

- **Gregory Pratt (55)** – Director. On June 10th Pratt, a board member since 2002 and member of the Audit/Finance Committee, cleared out all of his vested options comprised of three non-expiring series (7/12, 10/12, 10/13) and monetized the 10,000 shares at $55.29. The sale, which was his first, **wiped out his entire actionable position** and leaves him with only 3,972 stock units which aren't actionable until he retires from the board. Not only is Pratt out of all common stock, he also holds no vested or unvested stock options. Although his board term expires in October, there hasn't been any indication from the Company that he won't be standing for re-election. Carpenter directors are granted 4,000 options annually, so Pratt should have 4,000 options vest late next year.

<u>Cogent Inc. (NASDAQ: COGT)</u>

In the years leading up to the passing of Sarbanes-Oxley and Rule 10b5-1, secondary offerings were frequently used as the prime medium for insiders to distribute shares without attracting attention. Although such transactions were (and still are) reported on Form 4s and picked up by most insider data providers, they were typically categorized as inconsequential group selling and thus avoided most media attention. Nevertheless, there are offerings which we deemed to be highly significant, especially when insiders diversify away sizeable percentages of their holdings under the guise of typical secondary activity. For the first time in quite a while, this behavior has once again materialized at Cogent.

Due to a lack of insider trading history to interpret, we typically disregard insider trading at newly public companies whose insiders' lockup periods have recently expired. However, Cogent represents a unique case and one we have not seen for quite some time. The Company's IPO was in September 2004, with 20 million shares sold to the public. Following the offering, 77% of the total outstanding shares were held by Chairman, President, and CEO **Ming Hsieh**, who founded the Company in 1990. To say the issue was well-received by the market is an understatement as it climbed from $17 to $35 in the first two months of trading. Company insiders, however, were unable to capitalize on the gains, as their lock-up agreement prohibited them from selling until March 22, 2005. By the time the restrictions lapsed, Cogent's shares were trading nearly 30% off the highs at $25, but this didn't prevent them from monetizing their low-priced options. Between March 23rd and May 11th four insiders sold 782,280 shares in the open market as the issue trended down from $25 to $21.

Figure 4. COGT Daily Closing Price, October 1, 2004 through July 12, 2005. Blue diamond is the date of the COGT secondary; blue shaded area is where four insiders sold 782,280 shares. Source: Reuters and COGT SEC Filings.

As we mentioned earlier, the lock-up selling alone isn't what compelled us to highlight the trading behavior at Cogent, it's what took place after the most recent open-market sales that has grabbed our attention. On May 16th, with the issue trading at its lowest price since November, the Company filed a registration statement to sell 11 million shares. Of the total shares being offered, Cogent's top four executives were to account for 7 million (CEO Hsieh sold an additional 1.65 million shares to cover the over-allotment) with the proceeds from 4 million shares going to the Company. The offering was completed on June 21st after the issue rebounded off the bottom and insiders capitalized on the higher prices, receiving $25.50 for their shares. It seems that the motivation for the offering rested more on the executives' desire to liquidate their holdings than for the Company's capital needs.

In fact, it seems that both offerings inured rather uniquely to the benefit of Cogent CEO Hsieh. Since Cogent was initially established as an S Corporation, a final dividend of $65.5 million was paid out to CEO Hsieh using 26% of the net proceeds from COGT's initial public offering. The dividend apparently wasn't enough remuneration as he has since cashed out $221 million in stock. Hsieh's three top lieutenants reaped big rewards as well. Since the lock-up expiration, Chief Financial Officer **Paul Kim** and Executive V.P.s **Michael Hollowich** and **James Jasinski** sold 90%, 60% and 57% of their holdings, respectively, a majority of which were sold into the June secondary. It is rare to see such reductions coming out of a secondary. Equally as compelling is the fact that both Hsieh and Kim had been selling under 10b5-1 trading plans and then went outside of their plans to sell into the secondary, a move that clearly violates the spirit of the intent the safe-harbor protection afforded them by Rule 10b5-1.

Named Executive	% Reduction Before Secondary	% Reduction in Secondary
M. Hsieh	0.8%	14%
P. Kim	44%	80%
M. Hollowich	26%	46%
J. Jasinski	0%	57%

Since the holdings deterioration stemmed from option-related activity, we would typically construct vesting schedule tables to demonstrate the current options holdings of the insiders involved. Unfortunately, we were not able to do so in this case since the Company's footnote description of vesting schedules provides only that "options vest over four years." Discussions with the director of Investor Relations did confirm our suspicions that their options were front-loaded, but the Company has yet (after three conversations) to give us any more clarification on the actual vesting schedule terms. What we can say with a high degree of accuracy is that the recent activity resulted in the monetization of a majority of the vested options of the insiders involved, and there will be far less options vesting in the upcoming two years than in the prior twelve months. For example, CFO Kim had 460,156 options vest between April 2004 and April 2005, but he will only have 178,128 options vest over the subsequent 52 weeks. Not lost on us is the fact that Kim, at 37 years of age, has divested himself of 90% of his holdings, a very sizeable reduction for any CFO.

Finally, we should point out that because of Hsieh's majority ownership stake, Cogent operates with "controlled company" privileges afforded it under the NASDAQ Stock Market qualification standards, and is entitled to exemptions from certain NASDAQ Stock Market qualification standards such as a board comprised of majority independent directors. Although Cogent currently does not take advantage of these liberties, they have disclosed that they "may avail themselves of the controlled company exemptions in the future." This is the first time we've seen this type of disclosure.

- **Paul Kim (37)** – CFO. Kim joined Cogent in January 2004 after coming over from storage area network firm JNI Corp. Upon his hire, he was awarded 950,000 options that the Company reports on all of its filings are supposed to vest over four years. Although they do vest over a four-year period, the vesting was front-loaded with just under half of the options becoming exercisable within the first year. This explains how Kim was able to monetize 448,777 options under the cover of a 10b5-1 trading plan from March 23rd (the day after the lock-up expiration) through June 21st at an average price of $24.50. Of the total he's sold so far, 225,000 shares were distributed on June 21st into the secondary offering, 1,215 shares of which were his only common shares that were acquired in April under the Company's Employee Stock Purchase Plan. In all, the sales have **wiped out 90% of his position**, which will take years to replenish even at the current vesting pace of 44,532 options per quarter.

- **Michael Hollowich (58)** – Executive V.P., Operations. Hollowich has been issued five different stock option awards covering a total of 340,000 options since joining the Company in February 2001. From April 27th through May 11th he exercised a majority of his March 2011 options and sold the underlying 57,280 shares at roughly $22. These sales were just the precursor to the 75,000 shares he sold in the secondary offering on June 21st, which in all has **reduced his position by 60%**. The shares sold in June were acquired when he exercised three separate series with expiration dates ranging between March 2011 and January 2013. Hollowich currently has 87,670 vested options and will have roughly 11,000 new options vest each quarter.

- **James Jasinski (55)** – Executive V.P., Federal and State Systems. Jasinski joined Cogent in May 2002 after serving as a vice president at DynCorp for two years and the FBI for 22 years before that. Since he started at COGT, he has received four options series that cover a total of 240,000 options. Unlike the others, Jasinski didn't sell following the lock-up expiration, but then unloaded 100,000 shares, equal to **57% of his ownership stake**, in the secondary at $25.50. All that remains is 75,001 vested options and roughly 16,000 new options that will vest each quarter.

- **Ming Hsieh (49)** – Chairman, President, CEO. Hsieh founded the Company back in 1990 and is currently the largest shareholder. At the time of the IPO, Hsieh held 60 million shares equal to 76.9% of the outstanding shares, plus 600,000 vested options held for his wife. In October 2004, prior to the lock-up expiration date, Hsieh entered into a 10b5-1 trading plan to sell up to 250,000 shares per month. He executed his first sale under the plan on April 1st and sold a total of 500,000 shares by May 6th as the shares traded down from $25 to $21. Obviously, those sales barely put a dent into his sizeable position, but we can't say the same for his next distributions. On June 21st Hsieh went out of plan to sell 6.6 million shares into the secondary, including 633,750 shares acquired from exercising all his wife's vested options. Two days later he sold an additional 1.65 million shares to the underwriters at the same price of $25.50 to cover over-allotments. In all, the selling trimmed his holdings by 15%.

<u>Monsanto Co. (NYSE: MON)</u>

Occasionally, certain companies attempt to put positive spin on insider selling activity that is so misleading that we are compelled to bring it to the attention of our clients. A recent press release issued by Monsanto (see Appendix B) puts an incredibly disingenuous spin on the July 7th transactions of Chief Financial Officer **Terrell Crews.** The headline, "*Monsanto Chief Financial Officer Exercises Employee Stock Options, Surpassing Stock Ownership Requirement*" gives the impression that Crews, a

Company exec since 2000, acquired shares from the exercise of stock options, strongly implying a bullish sentiment. The reality is that this implication is far from the truth.

Although he did retain some of the shares exercised for in the transaction, the Company's disclosure clearly obfuscated the true nature of what really happened. In order to acquire the shares, Crews exercised one option series with plenty of time remaining before expiration (expiration date: October 2010) and picked up 150,000 shares at a cost of $3 million. He immediately sold 130,000 of the shares, his first sale on record, at $61, recognizing a pre-tax profit of $5.3 million. While the Company would like us to believe this was a net acquisition, the result was actually a **40% reduction of his actionable holdings** (common stock plus exercisable options), and a hefty profit at that.

This certainly isn't the first time we've come across a company that has misled the investor community with a slanted version of insider behavior, but Monsanto took it one step further. The Company attempts to sell us on the notion that this was a willing "acquisition" executed by Crews to shore up his common stock holdings to meet ownership requirements mandated by Monsanto's executive stock ownership plan enacted in 2000. The fact is Crews had no choice. When the ownership program was put in place five years ago, it was initially established with the provision that executives had a certain number of years (the Company didn't disclose the terms) to meet the targets. In 2003 the guidelines were changed to eliminate the target dates in favor of a requirement that until their targets are reached, each exec must retain a specified portion of the shares received as a result of exercising any equity-based awards.

Since Crews failed to meet his required ownership level over the past five years, he was **obligated** to hold a predetermined amount of stock acquired in his July 7th option activity. We presume this was not lost on the Compensation Committee when they reviewed each executive's holdings in April, considering Crews was only one of the two named execs to have not yet met the targets (see table below). We do find it ironic that although Crews hasn't made any effort to acquire shares over the past five years, he declared "I'm a strong proponent of stock ownership requirements because it means as a management team we are aligned with our shareowners by sharing the risks and rewards inherent in Monsanto stock."

Named Executive	Position	Target Holdings[1]	Current Holdings
H. Grant	CB, Pres, CEO	73,242	146,212
C. Burson	EVP, General Counsel	20,852	18,918
C. Casale	EVP	20,300	30,000
T. Crews	*EVP, CFO*	*21,418*	*27,000*[2]
R. Fraley	EVP, CTO	23,076	70,482

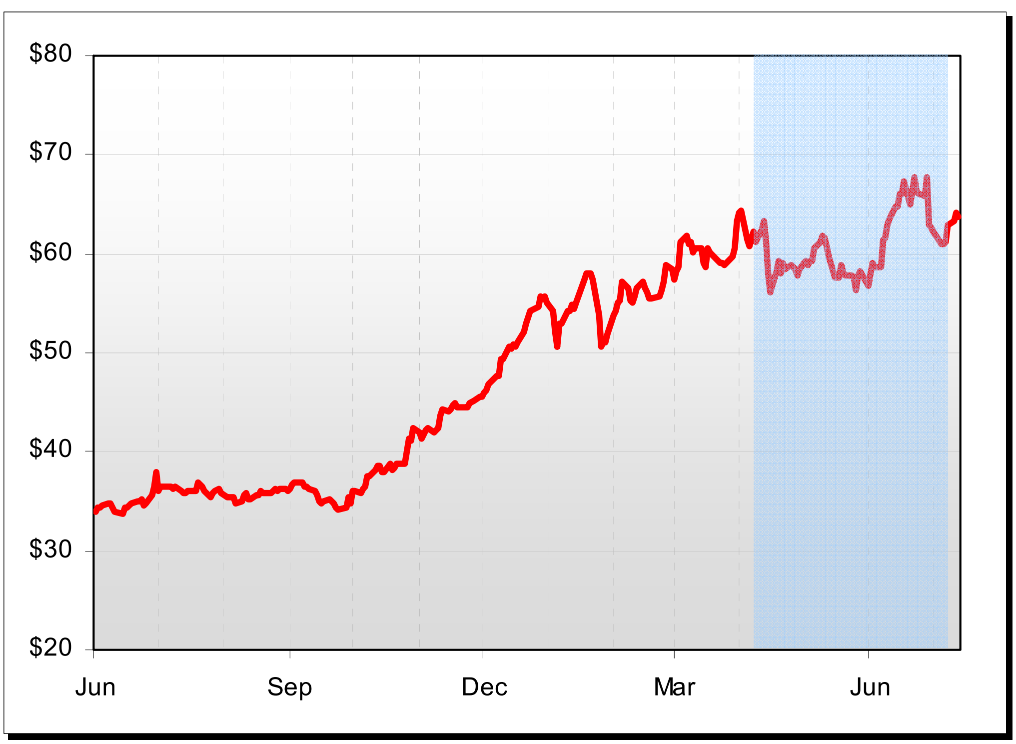
[1] Targets are based on a multiple of each executive's 2004 base salary and closing market price on 7/12/05

[2] Prior to his July 7th transaction, Crews held 7,000 shares of common stock.

It doesn't seem to be an oversight by the Company that only the activity by Crews was gift wrapped to the media. At the same time the CFO was "acquiring" shares, Executive V.P., General Counsel **Charles Burson**, the other executive yet to comply with the ownership requirements, executed a similar transaction. On July 5th, Burson exercised 116,100 options and held only 10,000 of the newly-acquired shares. The sale, his first since filing as a Section 16 insider in April 2001, resulted in a **51% reduction of his holdings**. We find it curious that the Company chose not to include Burson's 10,000-share "acquisition" in the same press release. However, after adding the new shares to his common holdings, Burson is still short of meeting his target and the Company probably didn't want to draw attention to its general counsel, who is presumably fully aware of the requirements, now being the lone named executive that has yet to fulfill his ownership responsibilities.

In addition to the selling by Burson and Crews, a number of additional key insiders have liquidated substantial amounts of their holdings over the past few months. Chairman, President, CEO **Hugh Grant** has sold 67% of his holdings under the cover of a 10b5-1 he adopted last July, including the 210,000 shares he sold on May 4th, while Executive V.P., Manufacturing **Mark Leidy**, who sold only 28% of his holdings last July, and V.P., Treasurer **Robert Paley** sold 71% and 78%, respectively, of their holdings in May. In all, eleven insiders sold 806,206 shares between April 11th and July 7th, and of the group, nine distributed over 30% of their holdings. There is unmistakable evidence that Monsanto insiders have not only accelerated their selling pace since last year, but are limiting their exposure to Company shares.

Figure 5. MON Daily Closing Price, June 1, 2004 through June 13, 2005. Blue shaded area is where 11 insiders sold 806,206 shares. Source: Reuters and MON SEC Filings.



Appendix A

Option and Restricted Stock Vesting Schedules for Selected Carpenter Technology Corp. Insiders

Grant Date	Equity Type	Options/ Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
Robert Torcolini, Chairman, President, CEO. Common stock holdings: 47,040 shares								
01/01/98	Options	11,300	$49.75	06/26/99	06/25/08	11,300	0	Fully Vested
06/26/03	Options	150,000	$16.12	06/26/04	06/26/13	100,000	50,000	06/26/06
06/23/04	R. Stock	10,000	N/A	06/23/09	N/A	N/A	10,000	06/23/09
07/22/04	R. Stock	42,000	N/A	06/30/05	N/A	N/A	21,000	06/30/06
06/30/05	R. Stock	10,500	N/A	06/30/05	N/A	N/A	10,500	06/30/10
Michael Shor, Senior V.P.,Engineered Products Operation. Common stock holdings: 19,647 shares								
01/01/98	Options	4,400	$49.75	06/26/99	06/25/08	4,400	0	Fully Vested
06/21/01	Options	20,000	$30.05	06/21/02	06/21/11	4,000	0	Fully Vested
06/26/03	Options	50,000	$16.12	06/26/04	06/26/13	33,334	16,667	06/26/06
06/23/04	R. Stock	4,000	N/A	06/23/09	N/A	N/A	4,000	06/23/09
07/22/04	R. Stock	26,000	N/A	06/30/05	N/A	N/A	13,000	06/30/06
06/30/05	R. Stock	4,500	N/A	06/30/05	N/A	N/A	4,500	06/30/10
Terrence Geremski, Senior V.P.-Finance, CFO. Common stock holdings: 17,244 shares								
06/26/03	Options	50,000	$16.12	06/26/04	06/26/13	33,334	16,667	06/26/06
06/23/04	R. Stock	4,000	N/A	06/23/09	N/A	N/A	4,000	06/23/09
07/22/04	R. Stock	26,000	N/A	06/30/05	N/A	N/A	13,000	06/30/06
06/30/05	R. Stock	4,500	N/A	06/30/05	N/A	N/A	4,500	06/30/10

Appendix B

Monsanto Chief Financial Officer Exercises Employee Stock Options, Surpassing Stock Ownership Requirement

Monday July 11, 2:58 pm ET

ST. LOUIS, July 11 /PRNewswire-FirstCall/ -- Monsanto Company (NYSE: MON - News) today filed a Form 4 (Statement of Changes in Beneficial Ownership) with the U.S. Securities and Exchange Commission on behalf of Terry Crews, the company's Chief Financial Officer in connection with his exercise of certain of his employee stock options.

Crews' stock option exercise included retaining a portion of the shares received upon exercise in order to satisfy his holdings target under Monsanto's executive stock ownership requirements. He also sold shares to cover the exercise price of his stock options, to satisfy applicable tax obligations and fees, and to diversify his personal financial portfolio.

Roughly 40 Monsanto executives have stock ownership requirements of varying levels. Monsanto established a stock ownership requirement in 2000 in connection with the company's initial public offering of stock. These guidelines were recalibrated in April 2005, keeping the dollar value requirements of stock ownership commensurate with annual salary levels and adjusting the number of held shares based on the fair market value of the company's stock.

"I'm a strong proponent of stock ownership requirements because it means as a management team we are aligned with our shareowners by sharing the risks and rewards inherent in Monsanto stock," Crews said. "It is a motivating factor for our team that keeps us focused on setting the bar higher and delivering on our commitments."

Crews' holdings after this recent exercise exceed his requirement to own Monsanto stock in an amount equal to three times his annual base salary.

Monsanto Company is a leading global provider of technology-based solutions and agricultural products that improve farm productivity and food quality. For more information on Monsanto, see: http://www.monsanto.com .