Further Relief From the Section 404 Requirements for Smaller Companies and Newly Public Companies

FOR IMMEDIATE RELEASE
2006-210

Washington, D.C., Dec. 15, 2006 - The Commission is adopting an extension proposed in August to further postpone the date by which smaller public companies must comply with the internal control reporting requirements mandated by Section 404 of the Sarbanes-Oxley Act of 2002. Previously, non-accelerated filers (companies that do not meet the Exchange Act definition of either an accelerated filer or a large accelerated filer) were scheduled to begin including both management's assessment and an auditor's attestation to management's assessment on the effectiveness of the filers' internal control over financial reporting in their annual reports for fiscal years ending on or after July 15, 2007. The Commission is extending the date so that a non-accelerated filer will provide management's assessment regarding internal control over financial reporting in its annual reports for fiscal years ending on or after December 15, 2007.

The Commission also is extending the date by which a non-accelerated filer must begin to comply with the auditor attestation requirement. Due to the extension, non-accelerated filers must begin to comply in their annual reports filed for fiscal years ending on or after Dec. 15, 2008. Deferred implementation of the auditor's attestation report requirement will provide smaller public companies and their auditors with additional time to consider the anticipated revisions to Auditing Standard No. 2, as well as any implementation guidance that the PCAOB plans to issue for auditors of smaller companies. The extension also should enable management of smaller public companies to focus on the internal assessment process during the first year of compliance with the internal control reporting provisions.

The extension for smaller public companies is consistent with the "next steps for Sarbanes-Oxley implementation" (SEC Press Release 2006-75) announced on May 17, 2006.

As part of the same release, the Commission is granting relief from the Section 404 requirements for companies that are new to Exchange Act reporting. The final rules provide all newly public companies with a transition period that prevents them from having to comply with the Section 404 requirements in the first annual report that they file after becoming an Exchange Act reporting company. The transition period applies to a company that has become public through an initial public offering (equity or debt) or a
registered exchange offer or that otherwise has become subject to the
Exchange Act reporting requirements. It also includes a foreign private issuer
that is listing on a U.S. exchange for the first time. The transition period is
intended to permit newly public companies to concentrate on their initial
securities offerings, in cases where they become subject to Exchange Act
reporting as a result of such an offering, and to prepare for their first annual
report without the additional burden of having to comply with the Section
404 requirements at the same time.

###

"Smaller public companies, both foreign and domestic, along with newly
public companies are all vital participants in the U.S. capital markets. The
extensions and transition relief announced today reflect the Commission's
understanding of the special burdens that Section 404 may pose for these
issuers," said John W. White, Director of the Division of Corporation Finance
at the SEC. "Section 404 plays a critical role for investors and our markets by
enhancing the reliability of financial reporting but its implementation needs to
be more efficient and cost-effective for the companies that must comply with
it. The measures the Commission has adopted, along with other efforts
underway at the Commission and at the Public Company Accounting
Oversight Board, will advance those goals and should therefore also reduce
the costs and increase the attractiveness of participating in our capital
markets for a variety of companies."

Below is a chart which summarizes the revised compliance dates and final
rules that will be in place after the effective date (dollar amounts refer to the
worldwide market value of outstanding voting and non-voting common equity
held by non-affiliates):

<table>
<thead>
<tr>
<th>U.S. Issuer</th>
<th>Accelerated Filer Status</th>
<th>Revised Compliance Dates and Final Rules Regarding the Internal Control Over Financial Reporting Requirements</th>
<th>Auditor's Attestation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Accelerated Filer OR Accelerated Filer ($75MM or more)</td>
<td>Already complying (Annual reports for fiscal years ending on or after November 15, 2004)</td>
<td>Already complying (Annual reports for fiscal years ending on or after November 15, 2004)</td>
<td></td>
</tr>
<tr>
<td>Non-accelerated Filer (less than $75MM)</td>
<td>Annual reports for fiscal years ending on or after December 15, 2007</td>
<td>Annual reports for fiscal years ending on or after December 15, 2008</td>
<td></td>
</tr>
<tr>
<td>Large Accelerated Filer ($700MM or more)</td>
<td>Annual reports for fiscal years ending on or after July 15, 2006</td>
<td>Annual reports for fiscal years ending on or after July 15, 2006</td>
<td></td>
</tr>
</tbody>
</table>
Press Release: Further Relief From the Section 404 Requirements for Smaller Companies and Newly Public Companies; 2006-210; Dec. 15, 2006

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Accelerated Filer ($75MM or more and less than $700MM)</th>
<th>Annual reports for fiscal years ending on or after July 15, 2006</th>
<th>Annual reports for fiscal years ending on or after July 15, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-accelerated Filer (less than $75MM)</td>
<td>Annual reports for fiscal years ending on or after December 15, 2007</td>
<td>Annual reports for fiscal years ending on or after December 15, 2008</td>
</tr>
<tr>
<td>U.S. or Foreign Issuer</td>
<td>Newly Public Company</td>
<td>Second Annual Report</td>
<td>Second Annual Report</td>
</tr>
</tbody>
</table>

Additional materials: Final Rule Release No. 33-8760