# SEC Chief Accountant Conrad Hewitt to Leave SEC

**FOR IMMEDIATE RELEASE**
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*Washington, D.C., Nov. 25, 2008* — The Securities and Exchange Commission announced today that Chief Accountant Conrad W. Hewitt will leave the agency in January 2009 following two-and-a-half years of public service devoted to increasing the accuracy and usefulness of financial reporting.

Mr. Hewitt has been integral to the Commission's efforts to increase transparency and reduce the complexity of financial disclosure. For example, he led the Commission's issuance of management guidance under Section 404 of the Sarbanes-Oxley Act of 2002 to help companies focus their internal controls reviews on the matters most important to investors. He also worked to improve the auditor requirements under Sarbanes-Oxley, culminating in the Commission's approval of a new risk-based audit standard to increase reliability while reducing unnecessary costs.

Most recently, Mr. Hewitt has helped lead the SEC's efforts to increase investor confidence and promote market integrity in response to the current turmoil in the credit markets. He also has championed the potential for increasing the accuracy and comparability of financial reports through the use of interactive data and high-quality international financial reporting standards.

"As Chief Accountant, Conrad Hewitt has dedicated his broad experience as a leader in the accounting profession, a banking regulator, and an outside director of several public companies to solving the problems that challenge today's markets," said SEC Chairman Christopher Cox. "His outstanding contributions to the Commission and, more importantly, to the nation's investors have served our nation well. On behalf of the Commissioners and the agency's professional staff, I can say that he has been much admired and will be sorely missed."

Mr. Hewitt added, "It has been a privilege to work with the highly motivated and extremely talented staff in the SEC's Office of the Chief Accountant that has exceeded my every expectation, and it also has been an honor to serve under Chairman Cox. I'm proud of our office's accomplishments and the steps we have taken to improve financial reporting transparency in these difficult economic times. I'm also pleased with the close collaboration our office has had with the FASB and the PCAOB, and I will miss the relationships we have forged while working together to solve a number of difficult problems."

Mr. Hewitt joined the SEC in August 2006 with more than 30 years of experience as a distinguished leader in the accounting profession and as the former chief financial regulator in California. As the SEC's Chief Accountant, he has been responsible for overseeing accounting interpretations, international accounting matters, and professional practice issues.

He has been a strong proponent of efforts to improve the transparency of off-balance sheet arrangements, and led development of the staff's January

2008 guidance on accounting for loan modifications, and critical guidance on other-than-temporary impairments during the peak of the credit crisis. Most recently, Mr. Hewitt has led the SEC's efforts to improve guidance for preparers and auditors valuing securities in illiquid markets.

Among Mr. Hewitt's other notable achievements and contributions during his service at the SEC:

- Helped guide SEC approval of rule amendments under which financial statements from foreign private issuers in the U.S. will be accepted without reconciliation to U.S. GAAP if they are prepared using IFRS as issued by the International Accounting Standards Board.
- Helped develop a proposed Roadmap setting out several milestones that, if achieved, could lead to the use of IFRS by U.S. issuers if the Commission decides in 2011 that adoption of IFRS is in the public interest and would benefit investors.
- Led SEC staff coordination with the SEC's Advisory Committee on Improvements to Financial Reporting, which provided the Commission, FASB, and PCAOB with recommendations to make financial information more useful and understandable to investors.
- Issued a letter to preparers and auditors discussing certain of the existing accounting guidance related to grants of stock options and addressing issues around the backdating of stock options. Additionally, Mr. Hewitt's efforts contributed to significant progress toward the identification of a suitable market-based approach to valuing employee share-based payment awards.
- Has been heavily involved with the continuing work of implementing the use of interactive data in financial reporting to improve investors' use and analysis of financial information. Mr. Hewitt's contributions helped make possible the Commission's proposed schedule that would require approximately 500 of the largest companies make financial disclosures using XBRL next year.

While at the Commission, Mr. Hewitt has been a member of the SEC's Financial Management Oversight Committee, and he chaired the Diversity Communications Committee.

Prior to his work at the SEC, Mr. Hewitt served as a captain in the U.S. Air Force, Strategic Air Command Headquarters. Following his military service, Mr. Hewitt was the Managing Partner of Ernst & Young, and its predecessor firm, Ernst & Ernst, in the Northern California, Northwest, and Hawaii-Pacific regions. During his public accounting career, he specialized in financial institutions and technology companies.

Upon retiring from public accounting, Mr. Hewitt became the Superintendent of Banking for the state of California and later California's first Commissioner of the Department of Financial Institutions. Mr. Hewitt also was a member of the Napa County, Calif., Twenty-Year General Plan Committee.

After public service in California, Mr. Hewitt served on 10 corporate boards of directors of both private and public companies. He was the chairman of 10 audit committees and two compensation committees, in addition to serving on various nominating committees. Also, Mr. Hewitt served as a trustee of two pension plans and as a trustee of a San Francisco charitable foundation.

Mr. Hewitt earned a B.S. in finance from the University of Illinois and performed post-graduate work at the University of Southern California. He also attended the Stanford University Executive Program, the Kellogg School of Business Executive Program, and the Aspen Institute.

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