



Applicability of Recently Adopted SEC Sarbanes Related Rules

<i>Release Number</i>	<i>Description</i>	<i>Date Adopted</i>	<i>Commencement Date</i>	<i>Actions to be Commenced</i>
33-8176	Non-GAAP Financial Measures	1/15/03	March 28, 2003	<p>For any public announcement of a non-GAAP measure, must present the comparable GAAP measure and provide a schedule that reconciles the non-GAAP measure to the GAAP measure.</p> <p>Must “furnish” all earnings releases and similar announcements (including sales releases) of material non-public financial information regarding <u>completed</u> periods on Form 8-K within 5 business days after release (must “furnish” on Form 8-K <u>before</u> any related conference call, or the transcript of the call also must be “furnished” on Form 8-K).</p> <p>If any non-GAAP measure is included in an SEC filing, must (i) provide comparable GAAP measure with equal or greater prominence, (ii) provide schedule to reconcile non-GAAP measure to comparable GAAP measure, and (iii) provide reasons why management believes the non-GAAP measure provides useful information for investors and management's other uses, if any, for the non-GAAP measure. Prohibited from including certain non-GAAP measures in SEC filings.</p>

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33-8177	Identification of Audit Committee Financial Expert	1/24/03	Commencing with Form 10-Ks for fiscal years ending on or after July 15, 2003 (December 15, 2003 for small business issuers).	Must disclose whether it has an audit committee “financial expert” serving on its audit committee. If it does, then it must disclose the name of this person and whether he/she is independent of management. If it does not have one, it must explain why not.
33-8177	Code of Ethics	1/15/03	Commencing with Form 10-Ks for fiscal years ending on or after July 15, 2003. Commencing once the Form 10-K referenced above is filed.	Must disclose whether it has a code of ethics covering the applicable people (CEO, CFO, etc.) and, if not, why not. Copies of the code of ethics must be published on web site, filed in Form 10-K or provided when requested. Must disclose amendments to and certain waivers of the code either in a Form 8-K or on web site within 5 business days.
33-8182	MD&A disclosure of off-balance sheet arrangements and contractual obligations	1/28/03	Commencing with filings containing year-end financial statements for fiscal years ending on or after June 15, 2003. Commencing with filings containing year-end financial statements for fiscal years ending on or after December 15, 2003.	Off-balance sheet arrangements (broadly defined) must be described in a separately captioned subsection of the MD&A. Contractual obligations (not only financings and the like, but also purchase obligations) must be aggregated and summarized in a tabular format in Form 10-K, and material changes outside the ordinary course of business must be described in subsequent Form 10-Qs.

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33-8183	Auditor Independence	1/22/03	<p>Except as provided below, May 6, 2003.</p> <p>Until May 6, 2004.</p> <p>First day of fiscal year beginning after May 6, 2003.</p> <p>First day of fiscal year beginning after May 6, 2004.</p> <p>Beginning of accounting firm's first fiscal year after May 6, 2003.</p> <p>Form 10-K for the first fiscal year ending after December 15, 2003.</p>	<p>Auditors must communicate with audit committee regarding: (i) "critical accounting policies," (ii) alternative accounting treatments, and (iii) other written material communications.</p> <p>One-year "cooling off" period applies to employment of audit team members in certain financial reporting capacities.</p> <p>Audit committee pre-approval required for all audit, review, attest and non-audit services.</p> <p>Certain services prohibited.</p> <p>Prohibited services provided pursuant to contracts entered into prior to May 6, 2003, will not impair auditor independence.</p> <p>Lead partners rotation requirements effective; other audit partners rotation requirements effective.</p> <p>Concurring partners rotation requirements effective.</p> <p>Ban on compensation for "cross-selling" non-audit services.</p> <p>Expanded disclosure of accountant's fees and audit committee pre-approval policies effective.</p>

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33-8185	Implementation of Standards of Professional Conduct for Attorneys	1/23/03	August 5, 2003	Attorneys must report evidence of material violations of the securities laws, material breaches of fiduciary duty, and similar material violations of a U.S. or state law "up-the-ladder" within the public company or to a "Qualified Legal Compliance Committee."
34-47225	Insider Trades During Pension Fund Blackout Periods	1/15/03	January 26, 2003 March 31, 2003	Directors and executive officers may not trade in certain securities during "blackout periods." Must provide directors and executive officers notice of the blackout period (which must include certain information) and any material changes within specified time frames. Must file Form 8-K with respect to the blackout period not later than when notice to directors and executive officers is due and also must file Form 8-K with respect to any material changes as soon as practicable. (Until EDGAR can accommodate this filing the disclosure may be made under Item 5 of Form 10-Q.)
33-8098 (Proposed)	Disclosure of Critical Accounting Policies	N/A	Pending, not required by Sarbanes-Oxley.	Would formalize the requirement that companies describe in their MD&A the most critical accounting estimates (including sensitivity and related analysis) reflected in their financial statements as well as certain information regarding their selection of accounting principles.

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33-8090 <i>(Proposed)</i>	Form 8-K Disclosure of Certain Management Transactions	N/A	Pending, not required by Sarbanes-Oxley.	Would require additional Form 8-K disclosure for certain management transactions, including certain transactions in equity securities and loans from the company. (Might not be pursued because of Sarbanes and related changes.)
33-8106 <i>(Proposed)</i>	Additional Form 8-K Disclosure	N/A	Pending, not required by Sarbanes-Oxley.	Would add additional Form 8-K disclosure triggers and shorten disclosure deadlines.
33-8138 <i>(Proposed)</i>	Internal Controls and Procedures for Financial Reporting	N/A	As proposed by the SEC, for fiscal years that end on or after September 15, 2003.	Would require an internal control report and auditor attestation with respect to that report.
33-8160 <i>(Proposed)</i>	Amendments to Rule 10b-18 for Issuer Share Repurchases	N/A	Final rules must be adopted no later than April 26, 2003.	Would amend the safe harbor to allow issuers whose securities are less susceptible to manipulation to stay in the market for greater periods of time and adjust the current volume limitations. In addition, the rule would impose enhanced disclosure requirements for all issuer share repurchases.
33-8173 <i>(Proposed)</i>	Standards Relating to Listed Company Audit Committees	N/A	Final rules must be adopted no later than April 26, 2003.	Would regulate independence of audit committee members, selection and oversight of accountants, procedures for handling complaints, and retention and funding of advisers.

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34-46685 (Proposed)	Improper Influence on Conduct of Audits	N/A	Final rules must be adopted no later than April 26, 2003.	Would prohibit officers and directors, and persons acting under their direction, from fraudulently influencing, coercing, manipulating or misleading the auditor of the issuer's financial statements for the purpose of rendering the financial statement misleading.

This summary is intended to provide general legal information and does not render legal advice or legal opinions. Such advice may only be given when related to actual fact situations. For additional information, or for copies of our e-alerts regarding the SEC releases discussed above, contact TroutmanSanders@TroutmanSanders.com

Note: This summary does not cover the following releases which may be of interest to you:

- 33-8180 Retention of Records Relevant to Audits and Reviews (1/24/03)
- 34-47262 Certification of Management Investment Company Shareholder Reports ... (1/27/03)
- IA2106 Proxy Voting by Investment Advisors (1/31/03)
- 33-8188 Disclosures of Proxy Voting Policies ... (1/31/03)