

Client Alert

An informational newsletter from Goodwin Procter LLP

SEC Adopts Sweeping Changes to Executive Compensation Disclosure Rules

Introduction

The Securities and Exchange Commission recently published new rules that will effect sweeping changes to its disclosure requirements for executive and director compensation. These changes will affect how compensation is disclosed, which executive officers are included in the compensation tables and what companies disclose about their compensation policies and procedures, among other things. At the same time, the SEC issued new rules changing requirements concerning disclosure of transactions with related persons, corporate governance matters and pledges of company securities by executive officers and directors, and Form 8-K reporting of executive compensation. These are summarized in Goodwin Procter's *Client Alert* "SEC Amends Related Person Transaction, Corporate Governance and Form 8-K Disclosure Requirements" at www.goodwinprocter.com/getfile.aspx?filepath=/Files/Publications/CA_Governance_Rules_9_11_06.pdf, which we are circulating with this Client Alert.

The new rules concerning executive compensation apply to Annual Reports on Form 10-K for fiscal years ending on or after December 15, 2006 and to proxy and information statements and registration statements filed with the SEC on or after December 15, 2006 that are required to include executive compensation disclosure for fiscal years ending on or after December 15, 2006. Additional information on effective dates and compliance is contained in the section captioned "Effective Dates" at the end of this Client Alert.

The text of the 436-page SEC release adopting the new rules is available on the SEC Web site at www.sec.gov/rules/final/2006/33-8732.pdf.

The Impact of the New Rules – Key Action Items

In adopting the new rules, the SEC intended to replace disclosure requirements that have been criticized as rigid and out of date with principles-based requirements. These sweeping changes to executive compensation disclosure will require companies to examine thoroughly their executive compensation programs or risk unfavorable disclosure. The next several months, therefore, provide a valuable opportunity for companies to review their current compensation policies and practices. Companies should begin now by:

- Educating managers and compensation committee members on the new disclosure requirements. Share this Client Alert with the compensation committee.
- Evaluating compensation policies, practices and controls.

- Identifying company personnel that will be responsible for drafting the new disclosures. They should start now to outline the new Compensation Discussion and Analysis section.
- Preparing a mock-up of the new Summary Compensation Table, which will include a “total” compensation figure, based on estimated information for each executive officer. Avoid surprises by reviewing the results with the compensation committee before the end of the year.
- Implementing controls (if not already established) to track compensation items that will need to be disclosed in detail and required little disclosure before now (for example, perquisites, pension benefits, and severance and change of control benefits).
- Evaluating procedures for granting options and other equity awards, and changing them if needed.

(Please also see our Observations and Practical Tips throughout this Client Alert and our Summary of Key Changes at the end of this Client Alert.)

Compensation Discussion and Analysis

Among the most significant of the new compensation requirements is the new “Compensation Discussion and Analysis” (CD&A). This section will be included in a company’s proxy statement for its annual meeting of stockholders (or in its Annual Report on Form 10-K, if not incorporated by reference from the proxy statement). CD&A replaces the disclosure that is currently required in the compensation committee report and significantly expands its coverage. CD&A is a narrative overview explaining the material elements of compensation for the company’s named executive officers. Overall, CD&A should focus on the material principles underlying the company’s executive compensation policies and decisions and the most important factors relevant to analysis of those policies and decisions. CD&A should reflect the individual circumstances of the company, and boilerplate language, repetition and immaterial disclosures regarding executive compensation should be avoided. CD&A must be written in plain English, which we discuss in the section captioned “Plain English Disclosure” at the end of this Client Alert.

More specifically, CD&A must describe:

- the objectives of the company’s compensation programs;
- what the compensation program is designed to reward;
- each element of compensation;
- why the company chooses to pay each element;
- how the company determines the amount (and, where applicable, the formula) for each element to pay; and
- how each compensation element and the company’s decisions regarding that element fit into the company’s overall compensation objectives and affect decisions regarding other elements.

Additionally, the new rules include the following non-exclusive list of examples of material information that companies may need to disclose in CD&A:

- the company’s policies for allocating compensation between:

- long-term and currently paid out compensation,
- cash and non-cash compensation (and among different forms of non-cash compensation), and
- different forms of long-term compensation awards (for example, the relationship of the award to the achievement of company long-term goals, the executive's exposure to downside equity performance risk, and costs and benefits to the company);
- how the determination is made as to when awards are granted, including awards of equity-based compensation such as options;
- what specific items of corporate performance are taken into account in setting compensation policies and making compensation decisions;
- how specific elements of compensation are structured and implemented to reflect company and individual performance, including:
 - whether discretion can be or has been exercised either to award compensation even if performance targets are not attained or to change the size of an award, and
 - company policies regarding the adjustment or recovery of awards if such awards are reduced because of a restatement or other adjustments to performance measures;
- factors considered in any decision to materially change compensation;
- whether the company has stock ownership guidelines and policies regarding the hedging of its stock;
- how compensation or amounts realizable from prior compensation are considered in setting other elements of compensation (for example, how gains from prior option or stock awards are considered in setting retirement benefits);
- the company's reasons for selecting certain triggers for severance and change of control arrangements (for example, single trigger vs. double trigger);
- the impact of accounting and tax treatments on the form of compensation used (for example, equity-classified awards vs. liability-classified awards under FAS 123(R));
- whether the company engaged in any benchmarking of total compensation, or any material element of compensation identifying the benchmark and, if applicable, its components (including component companies); and
- the role of executive officers in determining executive compensation.

Option Grant Timing

One area of focus in CD&A is disclosure concerning the timing of stock option grants. The SEC made it clear that companies must fully disclose the existence of any plan or practice to time option grants to executives in coordination with material non-public information, including any plan or practice in existence since the beginning of the last fiscal year or during the current fiscal year and how the compensation committee takes such information into account when determining whether to make awards and the amount of awards. Examples of such coordination include timing option grants to occur just before the release of favorable material non-public information as well as timing a

release of unfavorable material non-public information to occur just before option grants (practices that have been referred to as “spring loading” option grants). The SEC also indicated that a plan or practice of setting option exercise prices based on the stock’s price on a date other than the actual grant date must be disclosed in CD&A. In general, these disclosure requirements are intended to provide greater transparency regarding option-granting practices in light of the recent focus on springloading and backdating of options.

Disclosure of Performance Targets

The new rules will not require companies to disclose specific performance targets if disclosure would result in competitive harm to the company (for example, disclosure of trade secrets or confidential commercial or financial information). This standard is the same standard applied by the SEC’s staff in reviewing confidential treatment requests. Under this standard, if a performance target has been publicly disclosed (for example, as part of a company’s earnings guidance), non-disclosure in CD&A would not be permitted. If a target is not disclosed, however, the company will be required to discuss how difficult it will be for an executive or the company to achieve that target. In the release, the SEC emphasized that filings containing CD&A will be subject to review by the SEC and its staff. Companies that elect not to disclose performance targets, therefore, should consider taking steps that will facilitate a response if the SEC later requires the company to justify its position.

In addition, the disclosure of target levels in CD&A that are non-GAAP financial measures will not be subject to the existing disclosure requirements applicable to non-GAAP financial measures. Instead, companies must disclose how the number is calculated from the company’s audited financial statements.

“Filed” Status

CD&A will be considered “filed” with the SEC, subjecting the company to a higher level of securities law liability than the currently “furnished” compensation committee report. Because it will be “filed,” CD&A will be covered by the CEO and CFO certifications required by Sarbanes-Oxley, although the CEO and CFO will be able to rely on the revised compensation committee report discussed below in providing their certifications.

Observations and Practical Tips

CD&A is intended to provide stockholders with insight into a company’s compensation policies and decision making process. It is expected that CD&A will be the primary focus of next year’s proxy statement. CD&A will also be the most challenging section to draft. Companies must identify all of the issues required to be addressed in CD&A early in the process and must be prepared to explain every material aspect of their compensation policies and philosophy. Companies, for example, may wish to consider the following questions so as to best position themselves to make the appropriate disclosures: What are the objectives of the company’s compensation policies? What incentives do the company’s policies provide, and what elements of compensation are used to advance these policies? Who is responsible for making and/or implementing these policies? To what extent are the company’s executive officers involved? What is the nature and scope of services provided by outside compensation consultants? How did the company make the compensation decisions reached this year, and what was the basis for those decisions?

We also recommend that both management and the compensation committee be involved in the process of preparing the CD&A. Understanding the disclosure requirements of CD&A may prompt some companies to implement new policies, such as stock ownership guidelines and performance-based incentive programs. Companies that have not done so should also formalize their option grant practices and consider making option grants on pre-determined dates outside of any pre-scheduled earnings black-out periods.

It is important for companies to start the CD&A preparation process in the near future and not delay starting it until next spring. Therefore, personnel responsible for the initial drafting of a company's annual proxy statement should start gathering the documents that will form the basis for next year's CD&A now, including compensation committee meeting minutes, board packages, internal benchmarking reports prepared for management and the compensation committee, engagement letters with any compensation consultants and reports of any compensation consultants. It may take considerable time and effort to gather sufficient information to paint a full and complete picture of a company's executive compensation arrangements, in many cases requiring company personnel to document decision making processes that occurred starting more than a year before the publication of the 2007 proxy statement containing CD&A.

Compensation Committee Report

The new rules require that the compensation committee report state that the compensation committee has reviewed and discussed CD&A with management and, based on its review and discussions, recommended to the board of directors that CD&A be included in the company's proxy statement. This report will be similar to the audit committee report currently required to be included in the proxy statement.

Tabular and Narrative Disclosure

In addition to the CD&A section, the new rules will require more detailed tabular and narrative disclosure than is currently required relating to (i) total compensation, (ii) holdings of equity-related interests, and (iii) retirement and other post-employment compensation. Companies will be required to include seven separate tables presenting specific information under these broad categories, each of which must be followed by a narrative description of material factors necessary to an understanding of the disclosure in the table. The narrative description should focus on providing specific context to the quantitative data disclosed in the tables.

1. Total Compensation

The Summary Compensation Table will continue to serve as the principal disclosure vehicle regarding executive compensation by presenting compensation data for the company's named executive officers for each of the company's last three completed fiscal years. Under the new rules, the named executive officers will consist of the company's principal executive officer (PEO), principal financial officer (PFO) and the three most highly compensated other executive officers calculated on a total compensation basis but excluding from compensation any increases in pension values and nonqualified deferred compensation.

The SEC did not adopt its original proposal to require narrative disclosure of the compensation paid to up to three additional employees, who are not executive officers or directors but whose compensation exceeds that of any named executive officer (the so-called "Katie Couric Rule"). The SEC is requesting additional comment on a revised

proposal to require companies that are large accelerated filers to disclose the total compensation, job description and, subject to a related SEC proposal, the names of highly compensated employees who hold significant policy-making positions. In its revised proposal, the SEC also gave examples of employees who generally do not have significant policy making responsibility, including salespeople, traders, portfolio managers, actors, singers and professional athletes, who, therefore, would not be the subject of the proposed disclosure requirement.

The format of the new Summary Compensation Table will be as follows:

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
PEO	Year 1 Year 2 Year 3								
PFO	Year 1 Year 2 Year 3								
NEO #1	Year 1 Year 2 Year 3								
NEO #2	Year 1 Year 2 Year 3								
NEO #3	Year 1 Year 2 Year 3								

In addition to disclosure of salary and bonus paid in the three most recent fiscal years, the revised Summary Compensation Table will require:

- A new column to the far right side of the table that sums up all other columns and discloses one number – a single bottom line figure – for total annual compensation.
- A dollar value for all stock-based awards measured at grant date fair value computed pursuant to Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment* (“FAS 123(R)”).
- A dollar value for all non-equity incentive plan compensation, which encompasses all cash incentive awards.
 - For purposes of the Summary Compensation Table, non-equity incentive plan compensation is reported in the year in which such compensation is *earned*, unlike stock-based awards, which are reported as compensation for the year in which such awards are *granted*.
 - To supplement the Summary Compensation Table, companies are required to include a separate Grants of Plan-Based Awards Table

detailing specific terms of (i) estimated future payouts under non-equity incentive plan awards, (ii) estimated future payouts under equity incentive plan awards and (iii) all other stock-based awards, in each case for awards in the most recent fiscal year on a grant by grant basis. If the exercise price or base price of a stock-based award is less than the market price on the grant date, this table must include an additional column showing the market price on the grant date.

- A separate column reporting the above-market or preferential portion of nonqualified deferred compensation earnings and the aggregate increase in actuarial value of defined benefit and actuarial plans accrued during the year.
- An “all other compensation” column disclosing all other compensation not reported in other columns, including:
 - perquisites if they exceed \$10,000 in the aggregate and footnote disclosure of any individual perquisite exceeding the greater of \$25,000 or 10% of the total amount of perquisites;
 - amounts paid or accrued in connection with a termination of employment or a change of control;
 - securities purchased from the company at a discount not generally available to stockholders or salaried employees; and
 - tax gross-ups or reimbursements, company contributions to defined contribution plans and life insurance premiums paid by the company.

Companies will not be required to “restate” compensation disclosures for prior fiscal years prepared under the current rules. For the 2007 proxy season, companies will need to include information only for the 2006 fiscal year in the Summary Compensation Table. By the 2009 proxy season, companies will be required to include disclosure for each of the three most recently completed fiscal years in the Summary Compensation Table.

Observations and Practical Tips

The purpose of the revisions to the Summary Compensation Table, especially the addition of the total compensation column, is to allow stockholders to do an “apples-to-apples” comparison of executive compensation across companies and over time. It should be noted, however, that the amounts disclosed will not necessarily reflect the amounts actually realized by the executives. For example, the value included for equity awards will be the “fair value” determined under FAS 123(R) on the grant date and will not reflect forfeitures and future price movements. The amount reported for perquisites will remain the incremental cost to the company and not the amount actually includible in the executive’s taxable income. There will also be a general timing disconnect as equity incentive compensation will be valued upon *grant* while cash incentive compensation will be valued at the time *earned*.

Because the Summary Compensation Table will require disclosure of information not required under current rules, we urge companies to begin to gather the required information and prepare mock-ups of the new Summary Compensation Table now. This is especially important in light of the possibility that the named executive officers may change from prior years as a result of the change in how these officers are determined under the new rules.

Perquisites

The new rules will also lower the threshold for disclosure of perquisites and provide some guidelines for companies to determine whether an item is a disclosable perquisite. A two-step analysis will be required. Companies should initially determine whether an item is “*integrally and directly related to the performance of the executive’s duties.*” If the answer to this inquiry is “yes,” the analysis ends, and the item does not have to be disclosed as a perquisite. If the answer is “no,” the benefit is disclosable if it “*confers a direct or indirect benefit that has a personal aspect, without regard to whether it may be provided for some business reason or for the convenience of the company.*” Examples of perquisites include personal travel using company-owned vehicles or aircraft, housing and other living expenses (including relocation assistance and payment for an executive to stay at his or her personal residence), security provided at personal residences, personal financial and tax planning services and commuting expenses. We urge companies to step back and identify all benefits provided to their executives and in the near future conduct the analysis necessary to determine whether they are disclosable perquisites. Administrative processes should also be put in place to track and collect the necessary cost data. It is expected that many more perquisites will need to be disclosed under the new rules.

Disclosure Will Highlight Pay-for-Performance

It should also be noted that under the new Summary Compensation Table, cash bonuses will be disclosed under two separate columns. Performance-based cash bonuses will be reported in the Non-Equity Incentive Plan Compensation column while discretionary and contractual bonuses will be reported in the Bonus column. This is an indication of the SEC’s bias towards pay-for-performance and will likely put more pressure on companies to adopt formal performance-based cash bonus programs if they have not done so already. This same bias can be found in the Grants of Plan-Based Awards Table, where the new rules will require separate disclosure of awards under performance-based incentive plans (both cash and equity) and time-based awards. As in the past, companies will be required to provide estimates of the value of future payments under performance plans. Separate information, however, will need to be provided for both cash and equity performance grants. In the case of performance plans that are not structured to provide threshold, target and maximum levels of awards, companies will be required to report a single estimated payout based on the performance of the previous fiscal year.

Option Grant Practices

Companies should also be aware that, in light of the recent controversy over option “backdating” and “springloading,” the Grants of Plan-Based Awards Table will require disclosure of the closing market price of a company’s stock on an option grant date, if the closing market price is higher than the option exercise price, and the date on which the compensation committee took action to award an option, if that date is not the same as the grant date for accounting purposes.

Director Compensation Table

In addition to the Summary Compensation Table, companies will be required to include a Director Compensation Table, similar to the Summary Compensation Table, and related narrative disclosing director compensation for the most recently completed fiscal year. For most companies, this will not be a difficult table to prepare. Companies that provide perquisites and director legacy or charitable awards programs, however, should be aware that the new rules will highlight these arrangements. If a company has agreed

to make future charitable donations on behalf of a director, for example, the annual cost of the donations must be included in the table.

2. Equity Interests

The new rules will require the inclusion of two tables relating to holdings of equity-related interests: one disclosing the outstanding equity awards held by each named executive officer at year-end and the other disclosing the value realized upon exercise or vesting of stock-based awards during the most recently completed fiscal year.

- In the Outstanding Equity Awards at Fiscal Year End Table, the company will be required to disclose the following with respect to options and stock awards held by the named executive officers at the end of the fiscal year:
 - For options: the number of vested and unvested securities underlying each award, the number of unearned securities underlying the award, the exercise price and expiration date, with separate disclosure for time-based and performance-based awards.
 - For stock awards: the number of vested and unvested shares, the number of unearned and unvested shares, and the market or payout value of unearned and unvested shares, with separate disclosure for time-based and performance-based awards.
 - The disclosure regarding options and stock awards in the Outstanding Equity Awards at Fiscal Year End Table must be made on an award-by-award basis rather than on an aggregate basis.
- In the Option Exercises and Stock Vested Table, the company will be required to disclose amounts actually realized by named executive officers on equity compensation during the most recently completed fiscal year as a result of option exercises and the vesting of stock awards.

Observations and Practical Tips

The purpose of these two tables is to provide an overall picture of the value of equity awards to executives, from grant to vesting and finally to realization. Again, the SEC drew a distinction between time-based and performance-based vesting, and separate disclosure is required. These new disclosure rules, combined with FAS 123(R), which no longer imposes variable accounting for performance-based vesting, will cause many companies to consider providing equity awards only on a performance vesting basis.

3. Post-Employment Compensation

Retirement Benefits. The new rules will require the inclusion of two new tables relating to retirement and other post-employment benefits:

- The Pension Benefits Table will require disclosure on a plan-by-plan basis of (i) the actuarial present value of accumulated benefits under the plan, (ii) the number of years of credited service and (iii) the dollar amount of payments and benefits paid to the named executive officer during the fiscal year.
 - Actuarial present value must be calculated using the same assumptions and as of the same pension plan measurement date used for the company's audited financials.

- The Nonqualified Deferred Compensation Table will require disclosure of the year-end balances, executive contributions, company contributions, earnings and withdrawals for the year.
 - Footnote disclosure stating the extent to which amounts reported in the table are included in the executive's compensation in the Summary Compensation Table will also be required.

Observations and Practical Tips

The new rules have simplified the calculation of an executive's accrued benefit in all defined benefit plans by requiring estimates to be based on the executive's current compensation and the same assumptions used for financial reporting purposes. The revised Pension Benefits Table along with the new Nonqualified Deferred Compensation Table will allow stockholders to gain a much better understanding of the aggregate amount of deferred compensation owed to executives. Companies should coordinate with their plan actuaries and record keepers regarding the preparation of these two tables.

Post-Employment Benefits. If a company provides severance, retirement or change of control benefits to a named executive officer, the new rules will require narrative disclosure specifying the material terms of the arrangements and quantifying the estimated payments (or an estimated range of payments) for *each separate triggering event*. The SEC stated that for purposes of providing estimates, a company may assume that the event triggering the payments occurred on the last business day of the fiscal year and that the price per share of the company's securities is the closing market price on such date.

Observations and Practical Tips

The new post-employment benefits disclosure requirements will impose significant administrative burdens on companies to calculate the projected severance or change in control payments under all potentially applicable scenarios. The numbers will likely be highly speculative and could vary significantly if the underlying factual assumptions change. Many companies will find it difficult to prepare these calculations internally without outside expert assistance, particularly if the related agreements provide for tax gross-up payments. The new rules, however, do provide some clarity by requiring change in control payments to be calculated using year-end share price and current levels of compensation. In light of the plain English requirement, it is anticipated that many companies will prefer to provide such information in a tabular form.

Performance Graph

The existing requirement to include a performance graph showing the company's total return to stockholders over the last five years will be retained, but will be required to be presented only in a company's annual report to security holders (rather than the company's proxy statement or Annual Report on Form 10-K).

Plain English Disclosure

The new rules will require executive and director compensation disclosures contained in or incorporated by reference into a Securities Exchange Act report to satisfy the SEC's plain English rules. In particular, the SEC has encouraged companies to use tables to report things such as post-termination compensation.

Observations and Practical Tips

Although many companies have revised their proxy statements in recent years to be easier to read and understand, the new disclosure rules adopted by the SEC and the new requirements that specified sections of the proxy statement comply with the plain English rules provide a good opportunity to focus on drafting in plain English as a part of the proxy statement preparation process. Generally, information should be presented in clear, concise sentences using everyday words. Descriptive headings, subheadings and bullet point lists should be used to organize complex information. Companies also should evaluate whether other sections of the proxy statement could benefit from the SEC's encouragement to use tables where possible.

Effective Dates

Companies must comply with the new disclosure requirements for proxy statements that are filed on or after December 15, 2006 for fiscal years ending on or after that date. Registration statements that are required to include compensation disclosure will also be required to comply with the new rules if they are filed on or after December 15, 2006. The new rules will apply prospectively, and therefore phase in over the next three fiscal years. The SEC's interpretive guidance for determining what is a perquisite is currently effective.

The SEC is expected to issue interpretive guidance that will permit companies to voluntarily comply with the new rules before the compliance dates above at any time after November 7, 2006. Companies that elect to do so must comply with *all* of the new rules (executive compensation, related person transactions, corporate governance and the other new rules).

Small Business Issuers, Foreign Private Issuers and Investment Companies

This Client Alert is intended to cover the new rules that are applicable to domestic public companies, other than small business issuers. The applicability of the new rules and their effective dates may vary for other companies, such as small business issuers, foreign private issuers and investment companies. Please contact your regular Goodwin Procter attorney or any of the individuals listed at the end of this Client Alert for information on how the new rules will affect these companies.

Summary of Key Changes

<i>Subject</i>	<i>Summary of New Requirements</i>	<i>Next Steps & Practical Suggestions</i>
Compensation Discussion & Analysis (CD&A) (pp. 2-5)	<ul style="list-style-type: none"> requires disclosure of specific aspects of the company's compensation philosophy and policies 	<ul style="list-style-type: none"> carefully consider how the company compensates its executives and why it takes that approach reassess compensation setting policies and procedures clearly defining the roles of executives and the compensation committee consider the use of industry benchmarking in setting compensation
Option Grant Timing (pp. 3-4 and 8)	<ul style="list-style-type: none"> requires disclosure of any practice of timing option grants based on releases of material non-public information requires disclosure if an exercise price other than the closing price on the grant date is used 	<ul style="list-style-type: none"> consider formalizing option grant practices and making option grants on a predetermined date (for example, outside of pre-scheduled earnings blackout periods or on the last day of the month for new hires)
Bonus Targets (p. 4)	<ul style="list-style-type: none"> requires disclosure of specific performance targets for incentive compensation 	<ul style="list-style-type: none"> be prepared to disclose targets or defend the decision not to disclose
Named Executive Officers (NEOs) (pp. 5-6)	<ul style="list-style-type: none"> now includes principal executive officer, principal financial officer and 3 most highly compensated other executives (not counting increases in pension and deferred compensation plans) 	<ul style="list-style-type: none"> prepare calculations of compensation with and without increases in pension and deferred compensation plans consider who the NEOs will be, accounting for perquisites and other items of compensation
Compensation Tables (including perquisites) (pp. 5-10)	<ul style="list-style-type: none"> requires disclosure of total compensation, equity awards (using FAS 123(R) fair value), non-equity awards, value of deferred compensation and defined benefit plans (and increases in such values) sets new standards for perquisites disclosure, including a \$10,000 threshold 	<ul style="list-style-type: none"> begin tracking each item required to be disclosed in the summary compensation table identify all benefits to executives to determine if they constitute perquisites under the new rules
Severance & Change of Control Agreements (p. 10)	<ul style="list-style-type: none"> requires narrative and quantitative disclosure of projected severance and change of control payments 	<ul style="list-style-type: none"> collect data regarding potential payments and consult experts to prepare calculations

The securities and corporate finance attorneys at Goodwin Procter keep current on these matters. We are available to help advise public companies and their officers and directors on specific issues as well as to provide educational presentations to help them understand and meet their responsibilities under both current and proposed rules and regulations. Please contact your regular Goodwin Procter attorney or any of the individuals listed below if we may be of assistance.

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