TIMELINE ARISING UNDER THE SARBANES-OXLEY ACT OF 2002 - PROVISIONS EFFECTIVE JULY 30, 2002

- Chief executive and financial officers are required to certify periodic financial reports and are subject to criminal penalties based on such certifications;
- Chief executive and financial officers are required to forfeit certain bonuses and profits if their companies issue an accounting restatement as a result of misconduct;
- Issuers are generally prohibited from extending personal loans to executives;
- The standard applicable to barring officers and directors is lowered to "unfitness" and the SEC is granted authority to obtain such bars administratively;
- SEC Rule of Practice 102(e) is codified;
- SEC shall review the periodic disclosures of each issuer at least once every three years;
- SEC authority to sanction brokers, dealers, and investment advisers is enhanced;
- SEC may seek to temporarily freeze assets;
- SEC shall establish requirements for recognizing a body to establish GAAP (no timeframe specified);
- SEC shall issue rules regarding management assessment of internal controls (no timeframe specified);
- SEC shall issue rules regarding real time issuer disclosures (no timeframe specified);
- Civil penalties obtained by the SEC may be added to disgorgement funds for the benefit of securities fraud victims;
- Whistle-blower protections are enhanced;
- The statute of limitations for securities fraud is extended;
- New criminal securities fraud statute is created;
- Maximum penalties for willful violations of the securities laws are increased to fines of up to $5,000,000 and imprisonment of up to 20 years;
- Maximum term of imprisonment of 20 years for mail and wire fraud;
- Maximum term of imprisonment of 20 years for destroying documents in a Federal investigation or bankruptcy;
- Maximum term of imprisonment of 10 years for any accountant who fails to maintain audit work papers for 5 years;
- Criminal penalties for intentional interference with an official proceeding are enhanced;
- Maximum penalties for ERISA violations are increased;
- Debts related to violations of the securities laws may not be discharged in bankruptcy; and
- Federal courts may impose penny stock bars.

TIMELINE ARISING UNDER THE SARBANES-OXLEY ACT OF 2002 REGARDING PROPOSAL AND ADOPTION OF RULES

July 30, 2002

- Date of Enactment.

August 29, 2002

- SEC Rules Regarding Principal Executive and Financial Officer Certification Effective; and
- Disclosure of Transactions Involving Management and Principal Stockholders Amendment Requiring Disclosure Within Two Business Days Effective.

October 13, 2002 (Sunday)

- Pension Fund Blackout Period Interim Final Rules Shall be Promulgated by Secretary of Labor.

October 28, 2002

- Appointment of Initial Board Members of the Public Company Accounting Oversight Board (the "Board");
- SEC Shall Propose Rules Regarding Improper Influence on the Conduct of an Audit;
- SEC Shall Propose Rules Regarding Code of Ethics for Senior Financial Officers; and
- SEC Shall Propose Rules Regarding Audit Committee Financial Experts.

January 26, 2003 (Sunday)

- SEC Shall Issue Rules Regarding Auditor Independence;
- SEC Shall Issue Rules Regarding Pension Fund Blackout Periods;
- SEC Shall Issue Rules Regarding Professional Responsibility for Attorneys;
- SEC Shall Issue Rules Regarding Disclosure of Material Off-Balance Sheet Transactions;
- SEC Shall Issue Rules Regarding Presentation of Pro Forma Financial Information;
- SEC Shall Issue Rules Regarding Retention of Audit Records;
- USSC Shall Review and Amend Federal Sentencing Guidelines for Obstruction of Justice;
- USSC Shall Review and Amend Federal Sentencing Guidelines for Securities and Accounting Fraud; and
- USSC Shall Review and Amend Federal Sentencing Guidelines in General to Implement the Provisions of the Sarbanes-Oxley Act.

April 26, 2003 (Saturday)

- SEC Determination Regarding Board's Organization and Capacity. By this Date of Determination, the Board Shall Have:
  - Established First Annual Budget;
  - Established Initial and Transitional Professional Standards; and
  - Proposed Initial Rules of the Board.
- SEC Shall Issue Rules Prohibiting the Listing of any Security of any Issuer that does not Comply with the Amended Audit Committee Rules.

July 30, 2003

- Disclosure of Transactions Involving Management and Principal Stockholders Amendments Effective;
- SEC Shall Issue Rules Regarding Analyst Conflicts of Interest; and
- SEC Shall Issue Rules Regarding Disclosure of Analyst Conflicts of Interest.

October 23, 2003 (or sooner should the SEC determination regarding the Board's capacity to function occur before April 26, 2003)

- Public Accounting Firms Must be Registered with the Board; and
- Once a Public Accounting Firm Registers with the Board, the Firm Must Comply with the Following Provisions:
  - Prohibitions on Providing Certain Non-Attest Services to Audit Clients;
  - Audit Committee Pre-Approval and Issuer Disclosure of Auditor Services;
  - Mandatory Audit Partner Rotation Every Five Years;
  - Providing Audit Committees with Detailed Reports;
  - Enhanced Conflicts of Interest Rules; and
  - Financial Reports Must Reflect All Material Correcting Adjustments.

TIMELINE ARISING UNDER THE SARBANES-OXLEY ACT OF 2002 REGARDING THE SUBMISSION OF REPORTS

July 30, 2002
- Date of Enactment.

July 30, 2003
- SEC Shall Submit a Report to Congress Based on a Study of the Adoption by the United States Financial Reporting System of a Principles-Based Accounting System;
- GAO Shall Submit a Report to Congress Based on a Study of the Potential Effects of Requiring the Mandatory Rotation of Registered Public Accounting Firms; and
- GAO Shall Submit a Report to Congress Based on a Study of the Factors that Have Led to the Consolidation of Public Accounting Firms Since 1989.

January 26, 2003 (Sunday)
- SEC Shall Submit a Report to Congress Based on a Study of Enforcement Actions Involving Violations of Reporting Requirements and Restatements of Financial Statements;
- SEC Shall Submit a Report to Congress Based on a Study of Matters Where Securities Professionals Have Been Found to Have Aided and Abetted a Violation of the Securities Laws but Were Not Sanctioned or Disciplined, and Those Who Have Been Found to Have Been Primary Violators;*
- SEC Shall Submit a Report to Congress Based on a Review and Analysis of Enforcement Actions Over the Preceding Five Years to Identify Methods to Provide Restitution to Injured Investors;
- SEC Shall Submit a Report to the President and to Congress Based on a Study of the Role and Function of Credit Agencies; and
- GAO Shall Submit a Report to Congress Based on a Study of Whether Investment Banks and Financial Advisers Assisted Public Companies in Manipulating Their Earnings and Obfuscating Their True Financial Condition.

* This report is technically due "6 months" from the date of enactment, whereas the other reports are due not later than "180 days" from the date enactment. The 6 month mark is January 30, 2003.

January 26, 2004
- SEC Shall Complete a Study of Filings by Issuers and Their Disclosures to Determine the Extent of Off-Balance Sheet Transactions and the Use of Special Purpose Entities, and Whether GAAP Results in Financial Statements that Reflect the Economics of Such Transactions in a Transparent Fashion and Shall Submit a Report to the President and to Congress Based on the SEC's Study Not Later Than 6 Months After the Date of Completion of the Study.