

## Alerts and Updates

### SEC GRANTS FINAL EXTENSION FOR COMPLIANCE WITH AUDITOR ATTESTATION OF INTERNAL CONTROL REPORTS

October 7, 2009

On October 2, 2009, the U.S. Securities and Exchange Commission (the "SEC") announced that all remaining public reporting companies will be required to fully comply with the requirements set forth in Section 404 of the Sarbanes-Oxley Act ("SOX"), beginning in June 2010. Specifically, public reporting companies with a public float below \$75 million will need to comply with Item 308 of Regulation S-K, rather than Item 308T of Regulation S-K, and provide their independent registered public accounting firm's attestation report on internal control over financial reporting, as required by Section 404(b) of SOX, beginning with their annual reports for fiscal years ending on or after June 15, 2010. The effect of this action for most smaller companies, namely those with calendar-year fiscal years, is to delay the requirement to provide the attestation report until the filing of their annual report for fiscal year 2010.

Although large accelerated filers and accelerated filers have been required to provide auditor attestation reports on internal control over financial reporting under Section 404(b) of SOX for some time, the remaining public companies with public floats below \$75 million were given several extensions to permit the SEC's Office of Economic Analysis to complete and publish a study on whether additional compliance guidance provided in 2007 would be effective in reducing compliance costs for such smaller companies. The previous extension was set to expire for annual reports of companies with fiscal years ending on or after December 15, 2009. Because the study was published relatively soon before that scheduled expiration, the SEC chose to extend the deadline a final time until June 15, 2010. The SEC indicated that no further extensions will be provided. As a result, many of these smaller companies should begin their planning processes early in 2010.

#### For Further Information

If you have any questions regarding the compliance requirements described above, please contact one of the [members](#) of the [Securities Law Practice Group](#) or the lawyer with whom you are regularly in contact.