

## Corporate and Securities Update — November 1, 2006

### New Form 8-K Rules Become Effective on November 7, 2006

As part of its groundbreaking new executive and director compensation disclosure rules, the Securities and Exchange Commission also revised Items 1.01 and 5.02 of Form 8-K. *The new Form 8-K rules become effective on November 7, 2006.*

The principal changes are the following:

- *Item 1.01* has been amended to eliminate filings with respect to compensatory plans, contracts or arrangements with directors and executive officers. These matters will now be covered under Item 5.02.
- New *Item 5.02(e)* requires the disclosure of any material compensatory plan, contract or arrangement or a material grant or award thereunder (or a material modification or amendment to the foregoing) with respect to the principal executive officer, principal financial officer or a named executive officer. Named executive officers are those persons included by an issuer in its most recent Summary Compensation Table.
- Revised *Item 5.02(b)* now requires the disclosure of the departure of any named executive officer, as well as the principal executive officer, president, principal financial officer, principal operating officer and principal accounting officer.
- Revised *Items 5.02(c)* and *(d)* require the disclosure of any material plan, contract or arrangement or material amendment thereto, or a grant or award thereunder or a modification thereto, in connection with the appointment of a principal officer or a director (other than a director elected at a shareholders meeting).

Issuers need to review their disclosure controls and procedures to make sure that the appropriate staff in legal, financial reporting and human resources are aware of the Form 8-K changes. Prompt action is needed to insure timely Form 8-K reporting and to permit CEOs and CFOs to make their quarterly certifications as to the effectiveness of disclosure controls and procedures.

For more information on the Form 8-K changes and the new executive and director compensation disclosure rules, please see the article which is available at the Schiff Hardin web site at [www.schiffhardin.com/media/news/media.605.pdf](http://www.schiffhardin.com/media/news/media.605.pdf).

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