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SEC Orders the Filing of Sworn Statements Pursuant to Section 21(a)(1) of the Securities Exchange Act of 1934 (File No. 4-460)

Overview

On June 27, 2002, in light of recent reports of accounting irregularities at certain large and seemingly well-regarded public companies, the Securities and Exchange Commission announced that it has commenced an investigation pursuant to Section 21(a) of the Securities Exchange Act of 1934 to ascertain facts, conditions, practices and other matters relating to the financial statements and accounting practices of certain large publicly traded companies.

As part of this investigation, the SEC issued an order requiring written statements, under oath, from senior officers of nearly 1,000 publicly traded companies regarding the accuracy of their companies' financial statements and their consultation with the companies' audit committees. The companies identified by the SEC as being required to submit these sworn statements had revenues last year of greater than \$1.2 billion and filed reports with the SEC pursuant to the Exchange Act.

A copy of the order, the text of the sworn statement and list of subject companies can be found online at www.sec.gov/rules/other/4-460.htm. The officers of the subject companies also should receive from the SEC by mail a copy of the order.

Sworn Statement

The principal executive officer and the principal accounting officer of each company identified in the order must either:

(a) file a statement in writing, under oath, in the prescribed form (as outlined below); or

(b) file a statement in writing, under oath, describing the facts and circumstances that would make such a statement incorrect.

In either case, the sworn statement also must state whether or not the contents of the statement were reviewed with the company's audit committee or, in the absence of an audit committee, the independent members of the company's board of directors.

Delivery Requirements

The sworn statements must be delivered for publication in written form to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. The sworn statements should not be filed on the EDGAR system; however, the SEC has indicated that the statements will be made public.

The sworn statement must be delivered by the close of business on the first date that a Form 10-K or Form 10-Q of such company is required to be filed with the SEC on or after August 14, 2002. **Thus, commencing August 14, 2002, the principal executive officer and principal financial officer of each company identified on the list must deliver the sworn statement the same day the company is required to file a quarterly or annual report** (which date may be extended by a properly filed Form 12b-25).

Covered Reports

The sworn statement is required to be delivered in connection with the following "covered reports":

- the most recent annual report on Form 10-K;
- any of the following filed with the SEC after the most recent Form 10-K:
 - reports on Form 10-Q;
 - reports on Form 8-K;
 - definitive proxy materials; and

- any amendments to any Form 10-K, Form 10-Q, Form 8-K or definitive proxy materials.

Certifications

The prescribed form of sworn statement is essentially a Rule 10b-5 certification and includes the following statements:

- To the best of such officer's knowledge, based upon a review of the covered reports of the company, and, except as corrected or supplemented in a subsequent covered report:
 - no covered report contained an untrue statement of a material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed); and
 - no covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed).

- Such officer [has/has not] reviewed the contents of the statement with [the company's audit committee][in the absence of an audit committee, the independent members of the company's board of directors].

Companies should consider whether their existing systems of internal controls are sufficient to substantiate the required sworn statements and whether any additional steps should be taken to support the statements.