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SEC ORDERS IMMEDIATE EFFECTIVENESS OF CEO/CFO CERTIFICATIONS OF RECENT SEC REPORTS OF CERTAIN DOMESTIC REPORTING COMPANIES

In remarks delivered by SEC Chairman Harvey Pitt following the SEC's statements concerning WorldCom, the Chairman announced immediate steps to help restore faith in the U.S. capital markets and also indicated that the SEC would shortly propose for the first time additional responsibilities for audit committees. These immediate steps were outlined in an order issued June 27 and clarified in a "frequently asked questions" release issued July 1.

CEO/CFO Certifications

Effective immediately, the SEC will require that the principal executive officer and principal financial officer of certain reporting companies file certifications with respect to:

- the accuracy and completeness of their company's latest periodic reports (covering the most recent 10-K and any intervening 10-Qs, 8-Ks and definitive proxy materials, and any amendments thereto) and
- consultation with their audit committee concerning the contents of such certifications.

The list of 945 affected companies is attached to the SEC order (www.sec.gov/rules/other/4-460.htm) and generally covers reporting companies with annual revenues in excess of \$1.2 billion.

The principal executive officer and the principal financial officer of such covered companies will each be required to provide a written certification, under oath, in the form of Annex A to the SEC order (reprinted as Annex A below) or file a statement in writing, under oath, describing the facts and circumstances that would make the statements in such certification incorrect. In addition, in either case, such officers each must further declare in such certification or statement, under oath, whether or not the contents of the certification/statement have been reviewed with the company's audit committee or, in the absence of the audit committee, the independent members of the company's board of directors. The statements must be separate; the officers may not file joint statements.

1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

1615 L Street, NW
Washington, DC 20036-5694
(202) 223-7300

Alder Castle, 10 Noble Street
London EC2V 7JU England
(44-20) 7367 1600

2, rue du Faubourg Saint-Honoré
75008 Paris, France
(33-1) 53.43.14.14

Fukoku Seimei Building 2nd Floor
2-2, Uchisawaicho 2-chome
Chiyoda-ku, Tokyo 100, Japan
(81-3) 3597-8120

2918 China World Tower II
No. 1, Jianguomenwai Dajie
Beijing 100004, People's Republic of China
(86-10) 6505-6822

12th Fl., Hong Kong Club Building
3A Chater Road, Central
Hong Kong
(852) 2536-9933

The sworn certifications/statements are to be delivered in written form to the Secretary of the SEC by the close of business on the first date that a Form 10-K or 10-Q is required to be filed (including any extension that may be granted under Rule 12b-25) on or after August 14, 2002. EDGAR filings are not permitted. The SEC intends to make the statements public, but has not indicated how or when.

This order in effect would accelerate, for the covered companies, certifications proposed earlier this month, albeit with a different standard. These appear to be one-time certifications. If adopted, the certifications proposed last month presumably would cover reports for subsequent periods. Such proposal would require the principal executive officer and principal financial officer of a domestic reporting company to certify, with respect to the company's quarterly and annual reports, that:

- he or she has read the report;
- to his or her knowledge, the information in the report is true in all important respects, as of the last day of the period covered by the report; and
- the report contains all information about the company of which he or she is aware that he or she believes is important to a reasonable investor (or, in the case of a quarterly report, important to a reasonable investor in light of the subjects required to be covered by a quarterly report) as of the last day covered by the report.

Upcoming Proposals

Later this summer, the SEC intends to propose for the first time that public companies vest in fully independent audit committees the sole authority to hire, fire and retain auditors. These rules would also vest in audit committees, not senior management, sole authority whether, when and how to hire outside auditors to perform non-audit services.

* * *

This memorandum provides only a general overview of the recent SEC order. It is not intended to provide or constitute legal advice, and no legal or business decision should be based on its contents. Any questions concerning the foregoing should be addressed to members of the Paul Weiss Securities Group (see below). In addition, memoranda on related topics may be accessed under Securities Group publications on our web site (www.paulweiss.com).

Mark S. Bergman	(44 20) 7367 1601	Paul D. Ginsberg	(1) 212-373-3131
Richard S. Borisoff	(1) 212-373-3153	John C. Kennedy	(1) 212-373-3025
Andrew J. Foley	(1) 212-373-3078	Edwin S. Maynard	(1) 212-373-3024

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1285 Avenue of the Americas, New York, NY 10019-6064

Exhibit A
(Corrected by SEC)

**STATEMENT UNDER OATH OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER REGARDING FACTS AND
CIRCUMSTANCES RELATING TO EXCHANGE ACT FILINGS**

I, [Name of principal executive officer or principal financial officer], state and attest that:

(1) To the best of my knowledge, based upon a review of the covered reports of [company name], 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).

(2) I [have/have not] reviewed the contents of this statement with [the Company's audit committee] [*in the absence of an audit committee*, the independent members of the Company's board of directors].

(3) In this statement under oath, each of the following, if filed on or before the date of this statement, is a "covered report":

- [identify most recent Annual Report on Form 10-K filed with the Commission] of [company name];
- all reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials of [company name] filed with the Commission subsequent to the filing of the Form 10-K identified above; and
- any amendments to any of the foregoing.

[Signature*]

[Name]

[Date]

Subscribed and sworn to
before me this ____ day of
_____ 2002.

/s/ _____

Notary Public

My Commission Expires:

[* Separate statements to be signed by each of the Principal Executive Officer and the Principal Financial Officer.]