

SEC ADOPTS RULES REQUIRING EDGAR FILING OF FORMS 3, 4 AND 5

In 2002 the Securities and Exchange Commission amended its insider reporting rules to accelerate the time period in which directors, officers and principal security holders of public companies must report changes in beneficial ownership. Following on those amendments, the SEC has now adopted rules requiring:

- electronic filing of insider beneficial ownership reports on Forms 3, 4 and 5 under Section 16(a) of the Securities Exchange Act of 1934, and
- website posting of those reports by issuers with corporate websites.

The rules are effective for reports filed on or after June 30, 2003. Insiders should act now to obtain the necessary ID number and access codes to ensure they are ready to file Forms 3, 4 and 5 electronically when the rules go into effect.

Background. Section 16 of the Exchange Act applies to (i) beneficial owners of more than 10% of any class of equity security registered under Section 12 of the Exchange Act and (ii) officers and directors of the issuer of the security, typically referred to as insiders or reporting persons. Upon becoming an insider, an individual must file a Form 3 with the SEC disclosing his or her beneficial ownership of all equity securities of the issuer. A Form 4 or 5 must be filed to report changes in ownership and certain other transactions involving the equity securities. Under current SEC rules, reporting persons have had the option to file Forms 3, 4 and 5 either in paper or electronically on the SEC's Electronic Data Gathering, Analysis and Retrieval System, or EDGAR. The new rules, together with last year's accelerated filing requirements, implement requirements of the Sarbanes-Oxley Act of 2002 intended to provide quicker public access to ownership and transaction information. The new rules do not change the kind of information that must be reported on Forms 3, 4 and 5; insiders continue to be required to report the same transactions and holdings as before.

The Amendments.

A. Required Electronic Filing of Forms 3, 4 and 5. Effective June 30, 2003, insiders must file Forms 3, 4 and 5 with the SEC on EDGAR.

B. Required Website Posting of Forms 3, 4 and 5. Issuers that maintain a corporate website (i.e., a public internet site) must post on their website all Forms 3, 4 and 5 filed with respect to their equity securities by the end of the business day after filing.

C. Form Amendments. The SEC has amended Forms 3, 4

and 5, mainly to facilitate the electronic filing provisions. These forms are available at the SEC website, www.sec.gov.

D. Filing Hours. Under current rules, EDGAR filings must be made by 5:30 p.m. Eastern time to be deemed filed on the same business day. This filing deadline will be extended for Forms 3, 4 and 5, which will be deemed filed on the same business day if filed on EDGAR on or before 10 p.m. Eastern time.

E. Filing Methods. Insiders can file forms through the issuer of the relevant securities if the issuer offers to do so, through a third party filing agent or directly through the SEC website. Regardless of how an insider files the forms, he or she needs the required EDGAR ID number and access codes to submit a filing.

F. Filing Codes. Each insider needs a Central Index Key (or CIK), CIK Confirmation Code (CCC) and password code to file on EDGAR. The necessary codes can be obtained only by submitting a Form ID to the SEC by facsimile, at (202) 504-2474. A copy of Form ID is available at www.sec.gov. Only one set of codes is permitted for each insider, regardless of whether he or she is an insider of more than one company.

Recommendations. A filing date adjustment may be available from the SEC in limited circumstances where a filer attempts to timely file a document on EDGAR but the filing is delayed due to technical difficulties beyond the filer's control. However, the SEC has stated that the failure to obtain an ID number or access codes in a timely manner will not justify a filing date adjustment. Accordingly, insiders should act now to obtain the necessary ID number and access codes to ensure they are ready to report on EDGAR by June 30, 2003.

If you are an insider who does not currently have an ID number or access codes, you should check with the issuer for which you are required to file to determine if the issuer is planning to file a Form ID on your behalf and whether you will be able to file beneficial ownership reports through the issuer, or if you need to make other arrangements. If you are an insider who already has an ID number and access codes, you should keep track of those codes and, if you plan to file ownership reports through an issuer or filing agent, make sure the issuer or filing agent has your codes. Remember that you are responsible for timely filing of beneficial ownership reports regardless of who submits a filing on your behalf.

If you have any questions or would like additional information, please contact **Barbara A. Young** or **Peter H. Struzzi** of our office at (203) 222-0885.