



General Counsel Under Attack
**Criminal and Enforcement Proceedings, Investigations,
and the Travails of In-House Counsel**

*Committee on Corporate Counsel
American Bar Association, Section of Litigation*

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General Counsel Under Attack¹

Company	Name and Position	Options-Related	Events and Sources	Disposition
Altera Corporation	<p>1. C. Wendell Bergère</p> <p>Vice President, General Counsel and Secretary</p>	✓	<p>11/1/01:</p> <p>Altera Corporation announced that Mr. Bergère was retiring.</p> <p>Altera Corporation press release, <i>Altera Names New General Counsel</i> (Nov. 1, 2001): http://www.altera.com/corporate/news_room/releases/releases_archive/2001/corporate_partners/pr-kate_schuelke.html</p> <p>10/16/06:</p> <p>Altera Corporation announced <i>inter alia</i> that a special committee of independent board members had completed its review of the company’s historical stock option practices and that the company would restate prior financial statements and record pre-tax charges including a \$17.8 million adjustment related to stock option grant measurement date errors from December 1996 through February 2001. Altera also said that with respect to five grant dates in December in each of the years 1996 to 2000, “instead of granting options on the date intended by the compensation committee, our former CEO and former General Counsel chose as the grant date the date with the lowest closing price in December” and that the former general counsel prepared minutes that “did not reflect the grant date intended by the compensation committee but rather falsely indicated that the</p>	Retired in 2001.

¹ The information in the “Company”, “Name and Position”, “Events and Sources” and “Disposition” columns is taken from publicly-available sources. The information in the “Company” and “Name and Position” columns is intended to reflect the company and position of the individual at the time of the first relevant charge or other event. In addition, wherever possible, the date in the “Events and Sources” column reflects the date of the reported event. In some cases, however, the date of the event is not available from the sources reviewed or is unclear, in which case the date reflects the date of the source report(s). The “Options-Related” column refers primarily to events connected, or coincidental, with allegations, findings or admissions of improper dating of stock option grants, but also includes several instances related to the registration or exercise of stock options.

This table is based on an examination of a broad range of Web-based primary sources (e.g., *Wall Street Journal*, *New York Times*, *Washington Post*, Securities and Exchange Commission press releases and litigation releases). The primary (though not exclusive) focus is publicly-reported federal government/agency actions against, or otherwise involving, the senior-most in-house legal officer following the adoption of the Sarbanes-Oxley Act of 2002. The table also includes *inter alia* information about publicly-reported changes in the employment status of in-house counsel of companies involved, at or around the time of the status change, in internal investigations, federal government/agency inquiries or other actions or proceedings. There are a total of 77 in-house lawyers identified in this table, including 28 associated with options-related events.

Please note that this table is not intended to make any judgments, or suggest or draw any conclusions, regarding the merits of any of the reported events. We welcome any and all corrections, updates, comments and suggestions regarding this table and the data contained herein.

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			<p>actual grant date was the date with the lowest December closing price in each of the years 1996 to 2000.”</p> <p>Altera Corporation press release, <i>Altera Completes Option Review; Anticipates Submitting Related SEC Filings by October 26, 2006</i> (Oct. 16, 2006) (Ex. 99.1 to Altera Corporation Form 8-K (filed Oct. 16, 2006)): http://www.sec.gov/Archives/edgar/data/768251/000119312506208463/dex991.htm</p>	
Amkor Technology, Inc.	<p>2. Kevin J. Heron</p> <p>General Counsel, chief insider trading compliance officer and corporate secretary</p>		<p>11/30/06:</p> <p>A Philadelphia grand jury indicted Mr. Heron on four counts of securities fraud in connection with his alleged trades of Amkor securities while in possession of material, non-public information including <i>inter alia</i> the company’s financial condition, proposed mergers and/or acquisitions, and potential litigation exposure.</p> <p>Jeff Blumenthal, <i>Former Amkor counsel charged with insider trading</i>, Philadelphia Business Journal (Dec. 1, 2006): http://philadelphia.bizjournals.com/philadelphia/stories/2006/11/27/daily35.html?surround=lfm</p> <p>U.S. Attorney’s Office (E.D. Pa.) news release (Dec. 5, 2006): http://www.usdoj.gov/usao/pae/News/Pr/2006/dec/heron.html</p> <p>4/18/07:</p> <p>The SEC filed a civil injunctive action against Mr. Heron charging that he engaged in a pattern of insider trading by trading in Amkor securities prior to five Amkor public announcements relating to financial results and company business transactions.</p> <p>SEC Litigation Release No. 20079, <i>SEC Charges Former General Counsel of Amkor Technology, Inc. with Insider Trading</i> (Apr. 18, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20079.htm</p> <p><i>SEC v. Kevin J. Heron</i>, Case 2:07-cv-01542-HB (E.D. Pa. Apr. 18, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20079.pdf</p>	DOJ and SEC charges pending.
Andrx Corporation	<p>3. Scott Lodin</p> <p>Vice President and General Counsel</p>		<p>5/6/03:</p> <p>Mr. Lodin consented to the institution of cease-and-desist proceedings and to the entry of a cease-and-desist order arising from accounting improprieties in connection with a joint venture between Andrx Corp. and Cybear, Inc. to sell Andrx distributed products over</p>	Ordered to cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 13a-13 and 12b-20 thereunder.

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			<p>Cybear's Website, and books and records violations regarding Andrx's accounts receivable balances between 1999 and 2002. The SEC found that Mr. Lodin was a cause of Cybear's violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-13, and ordered him to cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 13a-13 and 12b-20 thereunder.</p> <p><i>In the Matter of Andrx Corp. et al.</i>, Exchange Act Release No. 47803 (May 6, 2003) (Order Instituting Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/34-47803.htm</p>	
<p>Apple Computer, Inc. (now known as Apple Inc.)</p>	<p>4. Nancy Heinen General Counsel</p>	<p>✓</p>	<p>5/12/06:</p> <p>The Recorder reported that Ms. Heinen was no longer employed by Apple Computer, Inc.</p> <p>Petra Pasternak, <i>Getting to the Core of Apple GC's Mysterious Departure</i>, The Recorder (May 12, 2006): http://www.law.com/jsp/article.jsp?id=1147338329872</p> <p>4/24/07:</p> <p>The SEC filed charges against Ms. Heinen alleging that she had caused Apple to backdate two large options grants to senior Apple executives, including a December 2001 grant of 7.5 million options to Apple CEO Steve Jobs, and altered company records to conceal the fraud.</p> <p>SEC Litigation Release No. 20086, <i>SEC Charges Former Apple General Counsel for Illegal Stock Option Backdating</i> (Apr. 24, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20086.htm</p> <p><i>SEC v. Nancy R. Heinen et al.</i>, C-07-2214 (N.D. Cal. Apr. 24, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20086.pdf</p> <p>9/20/07:</p> <p>Bloomberg reported that the SEC had subpoenaed Apple CEO Steve Jobs for a deposition in the SEC's action against Ms. Heinen.</p> <p>Karen Gullo and David Scheer, <i>Apple's Jobs Subpoenaed for Deposition, People Say</i>, Bloomberg (Sept. 20, 2007): http://www.bloomberg.com/apps/news?pid=20601087&sid=aDqOnJPg5PPg&refer=home</p>	<p>SEC charges pending.</p>

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Apple Computer, Inc. (now known as Apple Inc.)	5. Wendy Howell In-house counsel	✓	<p>12/29/06:</p> <p>Apple Computer, Inc. reported <i>inter alia</i> that a 10/19/01 option grant to CEO Steve Jobs “was originally approved at a Board meeting on August 29, 2001, with an exercise price of \$17.83. The terms of the grant, however, were not finalized until December 18, 2001. The grant was dated October 19, 2001, with an exercise price of \$18.30. The approval for the grant was improperly recorded as occurring at a special Board meeting on October 19, 2001. Such a special Board meeting did not occur.”</p> <p>Apple Computer, Inc. Form 10-K for the fiscal year ended Sept. 30, 2006 (filed Dec. 29, 2006) at 5: http://www.sec.gov/Archives/edgar/data/320193/000110465906084288/a06-25759_210k.htm</p> <p>1/8/07:</p> <p>The Recorder reported that “late last year” Ms. Howell “became the lone person to lose her job as a result of [Apple’s] company’s well-publicized options problems” and that “she was the person who filled out the paperwork on a 2001 option award to Jobs that has grown infamous since just after Christmas, when Apple acknowledged that the value of the grant was artificially pumped up via a set of fabricated meeting minutes.”</p> <p>Justin Scheck, <i>Apple Quietly Canned Lawyer Who Backdated</i>, The Recorder (Jan. 8, 2007): http://www.law.com/jsp/ca/PubArticleCA.jsp?id=1167991338429</p> <p>4/24/07:</p> <p>The New York Times reported that “Ms. Howell’s lawyer, Thomas F. Carlucci, said yesterday that his client ‘had no personal reason whatsoever, financial or otherwise, to prepare the subject documents.’ He emphasized that ‘Ms. Howell was a line attorney at Apple who prepared documents at the request of her superiors’ and that ‘at no time did she act alone, or without direction from Apple management.’”</p> <p>John Markoff and Eric Dash, <i>Ex-Officers of Apple Await Suit</i>, New York Times (Apr. 24, 2007): http://www.nytimes.com/2007/04/24/technology/24apple.html?ex=1188532800&en=24a99d015731ebbf&ei=5070</p>	Terminated.
Arthur Andersen LLP	6. Nancy A. Temple		10/12/01:	Not charged.

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	In-house counsel		<p>Ms. Temple sent an email to Michael C. Odom noting that “[i] t might be useful to consider reminding the engagement team of our documentation and retention policy. It will be helpful to make sure that we have complied with the policy. Let me know if you have any questions.”</p> <p><i>Destruction of Enron-Related Documents by Andersen Personnel: Hearing Before the Subcomm. on Oversight and Investigations of the H. Comm. on Energy and Commerce, 107th Cong., at 45:</i> http://energycommerce.house.gov/reparchives/107/letters/a.pdf</p> <p>1/24/02:</p> <p>Ms. Temple testified before the Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee regarding Arthur Andersen LLP’s document retention policy and the destruction of Enron-related documents.</p> <p><i>Destruction of Enron-Related Documents by Andersen Personnel: Hearing Before the Subcomm. on Oversight and Investigations of the H. Comm. on Energy and Commerce, 107th Cong., at 30, 36, 118-150, 154, 161-172 (Jan. 24, 2002) (testimony of Nancy Temple):</i> http://energycommerce.house.gov/reparchives/107/letters/a.pdf</p> <p>12/17/02:</p> <p>In a letter to Attorney General John Ashcroft, House Energy and Commerce Committee Chairman Billy Tauzin (R-LA), ranking member John Dingell (D-MI) and others asked the U.S. Department of Justice to investigate whether Ms. Temple committed perjury during her testimony before the Committee.</p> <p>House Energy and Commerce Committee news release, <i>Committee Sends Nancy Temple Criminal Referral to Justice</i> (Dec. 17, 2002): http://energycommerce.house.gov/reparchives/107/news/12172002_764print.htm</p> <p>Letter to Attorney General John Ashcroft from House Energy and Commerce Committee Chairman Billy Tauzin (R-LA), ranking member John Dingell (D-MI) and others (Dec. 17, 2002): http://energycommerce.house.gov/reparchives/107/letters/12172002_763.htm</p>	
Atmel Corporation	7. Mike Ross	✓	8/5/06:	Terminated.

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	General Counsel		<p>Mr. Ross was terminated for cause following an investigation into the misuse of corporate travel funds.</p> <p>Atmel Corporation press release, <i>George Perlegos, Gust Perlegos and Two Additional Atmel Officers Terminated; Atmel Board of Directors Appoints Steven Laub President and CEO</i> (Aug. 7, 2006) (Ex. 99.2 to Atmel Corporation Form 8-K (filed Aug. 7, 2006)): http://www.sec.gov/Archives/edgar/data/872448/000095013406015049/f22804exv99w2.htm</p> <p>Atmel Corporation press release, <i>Atmel Corporation Reports Findings of Audit Committee Investigation of Historical Stock Option Practices</i> (Apr. 30, 2007) (Ex. 99.1 to Atmel Corporation Form 8-K (filed Apr. 30, 2007)): http://www.sec.gov/Archives/edgar/data/872448/000095013407009541/f29735exv99w1.htm</p> <p>4/30/07:</p> <p>Atmel Corporation announced that the audit committee of its board of directors had substantially completed its investigation regarding the timing of the company's past stock option grants and concluded <i>inter alia</i> that "[t]he individuals who were primarily responsible for directing the backdating of stock options were George Perlegos, the Company's former Chief Executive Officer, and Mike Ross, the Company's former General Counsel."</p> <p>Atmel Corporation press release, <i>Atmel Corporation Reports Findings of Audit Committee Investigation of Historical Stock Option Practices</i> (Apr. 30, 2007) (Ex. 99.1 to Atmel Corporation Form 8-K (filed Apr. 30, 2007)): http://www.sec.gov/Archives/edgar/data/872448/000095013407009541/f29735exv99w1.htm</p>	
BEA Systems, Inc.	8. Robert Donahue General Counsel	✓	<p>12/4/06:</p> <p>BEA Systems, Inc. announced that the Audit Committee of the company's Board of Directors had determined that the actual measurement dates for certain stock options differed from the recorded measurement dates for those stock options.</p> <p>BEA Systems, Inc. Form 8-K (filed Dec. 4, 2006): http://www.sec.gov/Archives/edgar/data/1031798/000119312506246233/d8k.htm</p> <p>2/14/07:</p> <p>BEA Systems, Inc. announced that Mr. Donahue will no longer serve as General Counsel, but will remain at the company as a vice president in the legal department, and that his</p>	Transferred to position as a vice president in the legal department.

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			<p>outstanding stock options will be re-priced to the price associated with the correct measurement dates of those grants as determined by the Audit Committee.</p> <p>BEA Systems, Inc. press release, <i>BEA Provides Principal Conclusions of Stock Option Review</i> (Feb. 14, 2007): http://www.bea.com/framework.jsp?CNT=pr01771.htm&FP=/content/news_events/press_releases/2007</p> <p>Stacy Cowley, <i>BEA Finds Options Abuse, Demotes Several Execs</i>, CMP Channel (Feb. 15, 2007): http://www.crn.com/software/197006404</p>	
<p>Beazer Homes USA, Inc.</p>	<p>9. Kenneth J. Gary</p> <p>Executive Vice President and General Counsel</p>		<p>2/12/07:</p> <p>Mr. Gary was “terminated for cause, under the terms of his employment agreement, for a pattern of personal conduct which includes violations of company policies.”</p> <p>Beazer Homes USA, Inc. Form 8-K (filed Feb. 14, 2007): http://www.sec.gov/Archives/edgar/data/915840/000118811207000396/t13058_8k.htm</p> <p>3/28/07:</p> <p>Beazer Homes USA, Inc. reported that it had received a grand jury subpoena from the U.S. Attorney’s Office (W.D.N.C.) seeking the production of documents, focused on the company’s mortgage origination services, and that the subpoena was issued upon application of the Office of Housing and Urban Development, Office of Inspector General.</p> <p>Beazer Homes USA, Inc. Form 8-K (filed March 29, 2007): http://www.sec.gov/Archives/edgar/data/915840/000110465907023606/a07-9445_18k.htm</p> <p>5/1/07:</p> <p>Beazer Homes USA, Inc. received notice that the SEC “is conducting an informal inquiry to determine whether any person or entity related to Beazer Homes has violated federal securities laws.”</p> <p>Beazer Homes USA, Inc. Form 8-K (filed May 3, 2007): http://www.sec.gov/Archives/edgar/data/915840/000118811207001338/t14184_8k.htm</p>	<p>Terminated.</p>

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			<p>6/27/07:</p> <p>Beazer Homes USA, Inc. announced that Michael T. Rand, the company's Senior Vice President and Chief Accounting Officer, had been "terminated for cause, under the terms of his employment agreement, due to violations of the Company's ethics policy stemming from attempts to destroy documents in violation of the Company's document retention policy."</p> <p>Beazer Homes USA, Inc. Form 8-K (filed June 27, 2007): http://www.sec.gov/Archives/edgar/data/915840/000118811207001968/t15059_8k.htm</p> <p>7/20/07:</p> <p>Beazer Homes USA, Inc. received a formal order of private investigation issued by the SEC to determine whether any person or entity related to the company has violated federal securities laws.</p> <p>Beazer Homes USA, Inc. Form 8-K (filed July 23, 2007): http://www.sec.gov/Archives/edgar/data/915840/000118811207002201/t15234_8k.htm</p>	
Biogen Idec Inc.	10. Thomas J. Bucknum General Counsel		<p>3/1/05:</p> <p>USA Today reported that Mr. Bucknum sold thousands of shares of Biogen Idec Inc. stock shortly before the company's multiple sclerosis drug, Tysabri, was withdrawn from the market because of safety concerns.</p> <p>Julie Schmit, <i>Biogen execs sold shares before drug was yanked</i>, USA Today (Mar. 1, 2005): http://www.usatoday.com/money/industries/health/drugs/2005-03-01-biogen-usat_x.htm</p> <p>3/9/05:</p> <p>Biogen Idec Inc. announced that Mr. Bucknum had resigned effectively immediately.</p> <p>Biogen Idec Inc. press release, <i>Biogen Idec Announces Management Change</i> (Mar. 9, 2005): http://www.biogenidec.com/site/news-archive.html</p> <p>1/12/06:</p>	Permanently enjoined from committing future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; disgorgement of \$1,938,465, pre-judgment interest of \$102,005, and a civil penalty of \$969,232; prohibited from acting as an officer or director of any publicly-traded company for five years.

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			<p>The SEC filed a settled enforcement action charging Mr. Bucknum with insider trading in the stock of Biogen Idec Inc. Without admitting or denying the allegations in the SEC's complaint, Mr. Bucknum consented to the entry of a final judgment permanently enjoining him from committing future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Mr. Bucknum also agreed to pay disgorgement in the amount of \$1,938,465, pre-judgment interest thereon in the amount of \$102,005, and a civil penalty of \$969,232, for a total payment of \$3,009,720. Mr. Bucknum was also prohibited from acting as an officer or director of any publicly-traded company for five years.</p> <p>SEC Litigation Release No. 19528, <i>SEC Files Settled Insider Trading Action Against Former General Counsel Of Biogen Idec Inc.</i> (Jan. 12, 2006): http://www.sec.gov/litigation/litreleases/lr19528.htm</p> <p><i>SEC v. Thomas J. Bucknum</i>, C.A. No. 06-10065 PBS (D. Mass. Jan. 12, 2006) (Complaint): http://www.sec.gov/litigation/complaints/comp19528.pdf</p> <p>John Hechinger, <i>Biogen Former General Counsel Settles Insider-Trading Charges</i>, Wall Street Journal (Jan. 13, 2006): http://online.wsj.com/public/article/SB113708107316144903-93gQrMrccB8wYiM0yhciXCCOjT0_20060120.html</p> <p>8/31/07:</p> <p>The SEC announced the distribution of approximately \$3 million to investors in connection with a settled insider trading action brought against Mr. Bucknum.</p> <p>SEC Litigation Release No. 20262, <i>SEC Announces \$3 Million Fair Fund Distribution to Purchasers of Biogen Idec Common Stock</i> (Aug. 31, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20262.htm</p>	
Biomet, Inc.	11. Daniel P. Hann General Counsel	✓	<p>3/30/07:</p> <p>Biomet, Inc. announced that a special committee of its board of directors investigating the company's stock option grants "reported that members of senior management were aware of the practice of dating options on a date other than the date on which final action regarding the option occurred, and that certain members of senior management, namely the Company's Chief Financial Officer and General Counsel during the period, were or should have been aware of certain accounting and legal ramifications, respectively, of</p>	Retired.

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			<p>issuing an option with an exercise price lower than the fair market value on the date of issuance.” The company also reported that Mr. Hann – who had previously served as Interim President and Chief Executive Officer, and Senior Vice President, General Counsel and Secretary of the company – had retired effective immediately as Executive Vice President of Administration and a Director of the company.</p> <p>Biomet, Inc. Form 8-K (filed Mar. 30, 2007): http://www.sec.gov/Archives/edgar/data/351346/000110465907024445/a07-9490_18k.htm</p> <p>5/25/07:</p> <p>Biomet, Inc. announced that the special committee had completed its final report and had found <i>inter alia</i> that the company “failed to receive appropriate legal or accounting advice from its former General Counsel and Chief Financial Officer related to its stock option program and, as a result, legal and accounting rules were not followed” and that “certain members of senior management, namely the Company’s Chief Financial Officer and General Counsel during the period, were or should have been aware of certain accounting and legal ramifications, respectively, of issuing an option with an exercise price lower than the fair market value on the date of issuance.”</p> <p>Biomet, Inc. Form 8-K (filed May 25, 2007): http://www.sec.gov/Archives/edgar/data/351346/000119312507123821/d8k.htm</p>	
Biopure Corporation	12. Jane Kober Senior Vice President, General Counsel and Secretary		<p>9/14/05:</p> <p>The SEC filed a civil fraud action charging Ms. Kober with violating or aiding and abetting violations of the antifraud and reporting provisions of the federal securities laws in connection with materially misleading statements between April and December, 2003 related to Biopure’s receipt of negative information from the FDA regarding the company’s synthetic blood product Hemopure.</p> <p>SEC Litigation Release No. 19376, <i>SEC Charges Massachusetts Biotechnology Company and Executives with Securities Fraud</i> (Sept. 14, 2005): http://www.sec.gov/litigation/litreleases/lr19376.htm</p> <p><i>SEC v. Biopure Corp. et al.</i>, 05-CA-11853-WGY (D. Mass. Sept. 14, 2005) (Complaint): http://www.sec.gov/litigation/complaints/comp19376.pdf</p> <p>9/8/06:</p>	Permanently enjoined from aiding and abetting future violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11 and 13a-13 thereunder; civil penalty of \$40,000.

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			<p>A final judgment by consent was entered against Ms. Kober permanently enjoining her from aiding and abetting future violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11 and 13a-13 thereunder and imposing a civil penalty of \$40,000.</p> <p>SEC Litigation Release No. 19825, <i>SEC Settles Civil Injunctive Action Against Biopure Corporation and Its General Counsel</i> (Sept. 12, 2006): http://www.sec.gov/litigation/litreleases/2006/lr19825.htm</p> <p>Sheri Qualters, <i>Gatekeeper GCs Increasingly Becoming Targets for Liability; An SEC fine of \$40K against a general counsel illustrates increased scrutiny</i>, The National Law Journal (Sept. 29, 2006): http://www.law.com/jsp/article.jsp?id=1159347928394</p>	
Boston Communications Group, Inc.	13. Alan Bouffard General Counsel	✓	<p>10/12/06:</p> <p>Boston Communications announced that it and its Audit Committee concluded that the Company will need to restate historical financial statements in connection with past option grants and that Mr. Bouffard “has decided to accelerate his retirement effective immediately”.</p> <p>Boston Communications Group, Inc. Form 8-K (filed Oct. 12, 2006): http://www.sec.gov/Archives/edgar/data/1012887/000119312506206601/d8k.htm</p>	Retired.
Bristol-Myers Squibb Company	14. Richard K. Willard Senior Vice President and General Counsel		<p>9/12/06:</p> <p>Bristol-Myers Squibb announced that at a 9/11/06 board of directors meeting, “the Board received reports from the company's outside counsel on issues relating to the PLAVIX® patent litigation with Apotex Inc. and Apotex Corp. . . . [T]he Board also heard from former Federal Judge Frederick B. Lacey, the Monitor under the company's deferred prosecution agreement with the office of the U.S. Attorney for the District of New Jersey, who made his own preliminary recommendation to the Board that the employment of both Mr. Dolan [CEO Peter R. Dolan] and Mr. Willard be terminated.” The company also announced <i>inter alia</i> that Mr. Willard would leave the position of Senior Vice President and General Counsel effective immediately.</p> <p>Bristol-Myers Squibb Co. news release, <i>Bristol-Myers Squibb Board of Directors Announces Departure of Peter R. Dolan as CEO and Appointment of James M. Cornelius as Interim CEO</i> (Sept. 12, 2006): http://newsroom.bms.com/index.php?s=press_releases&item=187</p>	Left the company.

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			<p>Brooke A. Masters, <i>Bristol-Myers Ousts Its Chief at Monitor's Urging</i>, Washington Post (Sept. 13, 2006): http://www.washingtonpost.com/wp-dyn/content/article/2006/09/12/AR2006091200578.html</p> <p>6/11/07:</p> <p>Bristol-Myers Squibb pleaded guilty to making false statements to the Federal Trade Commission. Pursuant to the plea agreement, the United States agreed <i>inter alia</i> that “[u]pon the Court’s acceptance of the guilty plea called for by this Plea Agreement and the imposition of the recommended sentence . . . , the United State will not bring criminal charges against any current or former director, officer, or employee of the Defendant or its related entities for any act or offense committed before the date of the Plea Agreement and while that person was acting as a director, officer, or employee of the Defendant or its related entities relating to conduct surrounding the settlement of litigation with Apotex concerning the validity of the PLAVIX® patent . . . , except that the protections granted in this paragraph shall not apply to Peter Dolan, Richard Willard, and Andrew Bodnar.”</p> <p><i>U.S. v. Bristol-Myers Squibb Co.</i>, Criminal No. 07-140 (RMU) (D.D.C. June 11, 2007) (Plea Agreement): http://www.usdoj.gov/atr/cases/f224000/224017.pdf</p> <p>Stephanie Saul, <i>Bristol-Myers fined \$1 million after plea in Plavix case</i>, International Herald Tribune (June 12, 2007): http://www.iht.com/articles/2007/06/12/business/bristol.php</p>	
Broadcom Corporation	15. David A. Dull Senior Vice President and General Counsel	✓	<p>8/8/07:</p> <p>Mr. Dull received a Wells notice from the SEC in connection with the SEC’s ongoing investigation of the company’s historical option granting practices.</p> <p>Broadcom Corporation Form 8-K (filed Aug. 14, 2007): http://www.sec.gov/Archives/edgar/data/1054374/000129993307004916/htm_22154.htm</p>	SEC investigation pending.
Busybox.com, Inc.	16. Jon M. Bloodworth Vice President, General Counsel		<p>6/24/05:</p> <p>The SEC charged Mr. Bloodworth and others with fraud in connection with the June 2000 initial public offering of Busybox.com, Inc.</p>	Permanently enjoined from violating Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; ordered to pay \$105,936 in disgorgement and \$35,680 in prejudgment interest; barred from

Company	Name and Position	Options-Related	Events and Sources	Disposition
	and Secretary		<p>SEC Litigation Release No. 19284, <i>SEC Sues Former Top Officers of Busybox.com for IPO Fraud</i> (June 24, 2005): http://www.sec.gov/litigation/litreleases/lr19284.htm</p> <p><i>SEC v. Patrick A. Grotto et al.</i>, Civil Action No. 05-CV-5880 (GEL) (S.D.N.Y. June 24, 2005) (Complaint): http://www.sec.gov/litigation/complaints/comp19284.pdf</p> <p>2/27/06:</p> <p>Mr. Bloodworth consented to the entry of a final judgment permanently enjoining him from violating Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, ordering him to pay \$105,936 in disgorgement and \$35,680 in prejudgment interest, and barring him from acting as an officer or director of a public company for a period of five years. In a related administrative action, Mr. Bloodworth also consented to the entry of an SEC order suspending him from practicing before the SEC as an attorney.</p> <p>SEC Litigation Release No. 19609, <i>Court Enters Final Judgment Against Former Busybox General Counsel Jon M. Bloodworth For IPO Fraud Scheme</i> (Mar. 16, 2006): http://www.sec.gov/litigation/litreleases/lr19609.htm</p>	acting as an officer or director of a public company for five years; suspended from practicing before the SEC as an attorney.
Capital City Bank	17. Clinton Odell Weidner II President, Chief Executive Officer and General Counsel		<p>11/7/02:</p> <p>A grand jury indicted Mr. Weidner for allegedly approving a \$1.5 million increase in the personal line of credit of former Westar Energy CEO David Wittig so that Mr. Wittig could lend the money to Mr. Weidner for a real estate investment in Scottsdale, Arizona.</p> <p><i>Web site offers inside look at Wittig mansion</i>, Kansas City Business Journal (Nov. 27, 2002): http://www.bizjournals.com/kansascity/stories/2002/11/25/daily29.html</p> <p><i>Weidner's statement</i>, The Topeka Capital Journal (Feb. 27, 2004): http://www.cjonline.com/stories/022704/loc_weidner5.shtml</p> <p>6/30/03:</p> <p>Mr. Weidner pleaded guilty to two counts.</p> <p><i>Weidner's statement</i>, The Topeka Capital Journal (Feb. 27, 2004):</p>	Sentenced to five years in prison.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>http://www.cjonline.com/stories/022704/loc_weidner5.shtml</p> <p>7/14/03:</p> <p>Mr. Weidner was convicted of other counts by a jury, which also ruled that he must forfeit any "real property" linked to the loan.</p> <p><i>Weidner's statement</i>, The Topeka Capital Journal (Feb. 27, 2004): http://www.cjonline.com/stories/022704/loc_weidner5.shtml</p> <p>2/26/04:</p> <p>Mr. Weidner was sentenced to 6-1/2 years in prison for his part in a federal loan-conspiracy case stemming from two transactions at Capital City Bank.</p> <p>Margaret Stafford, <i>Ex-Westar Energy Boss Wittig Gets 4 Years</i>, Associated Press (Feb. 27, 2004): http://www.washingtonpost.com/wp-dyn/articles/A12329-2004Feb27.html</p> <p>2/16/06:</p> <p>The Court of Appeals for the Tenth Circuit vacated Mr. Weidner's sentence and remanded to the district court for resentencing.</p> <p><i>U.S. v. Clinton Odell Weidner, II et al.</i>, Nos. 04-3084, 04-3118 (10th Cir. Feb. 16, 2006): http://www.kscourts.org/CA10/cases/2006/02/04-3084.htm</p> <p>4/24/06:</p> <p>Mr. Weidner was resentenced to five years in prison.</p> <p>Robert Boczkiewicz, <i>Court won't hear appeal from Wittig loan source</i>, The Topeka Capital Journal (Dec. 5, 2006): http://findarticles.com/p/articles/mi_qn4179/is_20061205/ai_n16896685</p> <p>12/4/06:</p> <p>The Court of Appeals for the Tenth Circuit rejected Mr. Weidner's effort to overturn his guilty pleas.</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Robert Boczkiewicz, <i>Court won't hear appeal from Wittig loan source</i>, The Topeka Capital Journal (Dec. 5, 2006): http://findarticles.com/p/articles/mi_qn4179/is_20061205/ai_n16896685</p> <p>12/20/06:</p> <p>The Court of Appeals for the Tenth Circuit affirmed Mr. Weidner's sentence.</p> <p><i>U.S. v. Clinton Odell Weidner, II</i>, No. 06-3204 (10th Cir. Dec. 20, 2006): http://www.kscourts.org/ca10/cases/2006/12/06-3204.htm</p>	
Chiquita Brands International Inc.	18. Robert Olson General Counsel		<p>4/24/03:</p> <p>Roderick M. Hills, then-head of Chiquita Brands International Inc.'s audit committee, and other Chiquita representatives informed the DOJ that the company had been making illegal payments to a violent Colombian group, branded by the U.S. as terrorists, in an effort to protect the employees of its Colombian subsidiary, Banadex.</p> <p>Laurie P. Cohen, <i>Chiquita Under the Gun; After Disclosing Payments to Colombian Terrorists, Prominent Ex-Director Faces Legal Jeopardy</i>, Wall Street Journal (Aug. 2, 2007): http://online.wsj.com/article/SB118601669056785578.html?mod=Earnings</p> <p><i>U.S. v. Chiquita Brands International, Inc.</i>, Crim. No. 07-055 (RCL) (D.D.C. Mar. 14, 2007) (Information): http://online.wsj.com/public/resources/documents/Hillscomplaint-0802.pdf</p> <p>3/14/07:</p> <p>The U.S. Attorney (D.D.C.) filed an Information charging Chiquita Brands International Inc. with engaging in transactions with Autodefensas Unidas de Colombia, a foreign organization designated by the U.S. Secretary of State as a Foreign Terrorist Organization pursuant to 8 U.S.C. § 1189, including allegations that the company continued making payments to the group after Chiquita's 4/24/03 disclosure to the DOJ.</p> <p><i>U.S. v. Chiquita Brands International, Inc.</i>, Crim. No. 07-055 (RCL) (D.D.C. Mar. 14, 2007) (Information): http://online.wsj.com/public/resources/documents/Hillscomplaint-0802.pdf</p> <p>3/07:</p>	DOJ reportedly decided not to seek charges.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Chiquita pleaded guilty to engaging in transactions with a terrorist group and agreed to pay \$25 million in fines.</p> <p>Laurie P. Cohen, <i>Chiquita Under the Gun; After Disclosing Payments to Colombian Terrorists, Prominent Ex-Director Faces Legal Jeopardy</i>, Wall Street Journal (Aug. 2, 2007): http://online.wsj.com/article/SB118601669056785578.html?mod=Earnings</p> <p>8/2/07:</p> <p>According to news reports, a federal grand jury was looking at Mr. Olson's role, and that of other high company officials, in continuing the company payments to the Colombian group for almost another year after the 4/24/03 meeting with the DOJ.</p> <p>Carol D. Leonnig, <i>In Terrorism-Law Case, Chiquita Points to U.S.; Firm Says It Awaited Justice Dept. Advice</i>, Washington Post (Aug. 2, 2007): http://www.washingtonpost.com/wp-dyn/content/article/2007/08/01/AR2007080102601.html?hpid=topnews</p> <p>Laurie P. Cohen, <i>Chiquita Under the Gun; After Disclosing Payments to Colombian Terrorists, Prominent Ex-Director Faces Legal Jeopardy</i>, Wall Street Journal (Aug. 2, 2007): http://online.wsj.com/article/SB118601669056785578.html?mod=Earnings</p> <p>9/12/07:</p> <p>According to news reports, the DOJ had decided not to seek terrorism-related charges against Mr. Olson or four other former officials of Chiquita Brands International Inc.</p> <p>Laurie P. Cohen, <i>Chiquita Ex-Officials Won't Face Charges</i>, Wall Street Journal (Sept. 12, 2007): http://online.wsj.com/article/SB118960240072225072.html?mod=hps_us_whats_news</p> <p>Carol D. Leonnig, <i>Ex-Chiquita Execs Won't Face Bribe Charges</i>, Washington Post (Sept. 12, 2007): http://www.washingtonpost.com/wp-dyn/content/article/2007/09/11/AR2007091102504.html?hpid=moreheadlines</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
CNET Networks, Inc.	19. Sharon LeDuy General Counsel	✓	<p>10/11/06:</p> <p>CNET Networks reported that a special committee of the company’s board of directors looking into the company’s option granting practices had found <i>inter alia</i> that there were deficiencies with the process by which options were granted at CNET, including some option grant backdating, from the company’s 1996 IPO through at least 2003. The company also announced that Ms. LeDuy had resigned and that the special committee found that “a number of executives of the Company, including the former CFO and the recently resigned CEO, General Counsel and SVP of Human Resources, bear varying degrees of responsibility for these deficiencies [in the option granting process].”</p> <p>CNET Networks, Inc. press release, <i>CNET Networks Special Committee Reports Findings and Recommendations of Stock Options Investigation</i> (Oct. 11, 2006) (Ex. 99.3 to CNET Networks, Inc. Form 8-K (filed Oct. 11, 2006)): http://www.sec.gov/Archives/edgar/data/1015577/000119312506206248/dex993.htm</p> <p>9/4/07:</p> <p>The SEC informed CNET Networks and three former executives, including Ms. LeDuy, that the SEC’s investigation had been terminated and that no enforcement action had been recommended.</p> <p>Justin Scheck, <i>CNET Escapes SEC Net on Backdating: Online publisher pushed out three top executives and had to restate earnings</i>, The Recorder (Sept. 5, 2007): http://www.law.com/jsp/article.jsp?id=1188896557354</p>	Resigned; SEC terminated its investigation without recommending any enforcement action.
Computer Associates International, Inc.	20. Steven Woghin Senior Vice President and General Counsel		<p>4/8/04:</p> <p>Computer Associates International, Inc. announced <i>inter alia</i> that three former executives of the company had pleaded guilty to conspiracy to obstruct justice and conspiracy to commit securities fraud charges, the company’s audit committee was nearing completion of its investigation, and the company had terminated Mr. Woghin’s employment, effective immediately.</p> <p>Computer Associates International, Inc. press release (Apr. 8, 2004): http://investor.ca.com/phoenix.zhtml?c=83100&p=irol-newsArticle&ID=513262&highlight</p> <p>9/22/04:</p>	<p>Permanently enjoined from violating the antifraud reporting, books and records and internal control provisions of the federal securities laws; officer and director bar; suspended from appearing or practicing before the SEC as an attorney.</p> <p>Sentenced to two years in prison and three years of supervised release.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Mr. Woghin pleaded guilty to securities fraud conspiracy and obstruction of justice charges.</p> <p>U.S. Department of Justice press release, <i>Former Computer Associates Executives Indicted on Securities Fraud, Obstruction Charges; Former General Counsel Pleads Guilty, Company Enters Into Cooperation Agreement</i> (Sept. 22, 2004): http://www.usdoj.gov/opa/pr/2004/September/04_crm_642.htm</p> <p><i>U.S. v. Steven Woghin</i>, 04-CR-847 (ILG) (E.D.N.Y. Sept. 21, 2004) (Information): http://f11.findlaw.com/news.findlaw.com/nytimes/docs/ca/uswoghin904inf.pdf</p> <p>9/22/04:</p> <p>The SEC filed securities fraud charges against Mr. Woghin and others alleging <i>inter alia</i> that from 1998 to 2000, Computer Associates routinely kept its books open to record revenue from contracts executed after the quarter ended in order to meet Wall Street quarterly earnings estimates, that Mr. Woghin approved backdated contracts, including drafting a contract with misleading dates, and that during the SEC's investigation, Mr. Woghin encouraged several Computer Associates employees to make false and misleading statements to the SEC and/or Computer Associates' outside counsel. Mr. Woghin agreed in a partial settlement to a permanent injunction prohibiting him from violating the antifraud reporting, books and records and internal control provisions of the federal securities laws, and to an officer and director bar, with the SEC's claims for disgorgement and civil penalties to be decided at a later date.</p> <p>SEC Litigation Release No. 18891 (Sept. 22, 2004): http://www.sec.gov/litigation/litreleases/lr18891.htm</p> <p><i>SEC v. Steven Woghin</i>, 04 Civ. 4087 (ILG) (E.D.N.Y. Sept. 22, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18891-wog.pdf</p> <p>11/10/04:</p> <p>Mr. Woghin consented to the entry of an Order Instituting Administrative Proceedings pursuant to which he was suspended from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of Steven Woghin</i>, Exchange Act Release No. 50653 (Nov. 10, 2004) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/34-50653.htm</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>1/16/07:</p> <p>Mr. Woghin was sentenced to two years in prison and three years of supervised release.</p> <p>Stephen Taub, <i>Ex-CA Lawyer Gets Two Years</i>, CFO.com (Jan. 16, 2007): http://www.cfo.com/article.cfm/8546432</p>	
Comverse Technology, Inc.	21. William F. Sorin General Counsel	✓	<p>Note: Some press reports describe Mr. Sorin as the “outside” General Counsel. <i>See, e.g.,</i> Jill Nawrocki, <i>Fraud Charges Proceed Against Ex-Comverse GC Over Options Backdating</i>, Corporate Counsel (Sept. 25, 2006) (“Comverse spokesperson Paul Baker says that Sorin ‘billed [the company], as opposed to being on salary.’”).</p> <p>5/1/06:</p> <p>Comverse Technology, Inc. announced <i>inter alia</i> that Mr. Sorin had resigned and would cooperate with the special committee of the board of directors in its previously announced review relating to the company’s stock option grants.</p> <p>Comverse Technology, Inc. press release, <i>Comverse Technology Announces Changes to Senior Management and Board of Directors</i> (May 1, 2006) (Ex. 99.1 to Comverse Technology, Inc. Form 8-K (filed May 4, 2006)): http://www.sec.gov/Archives/edgar/data/803014/000090951806000467/jd5-1ex99_1.txt</p> <p>8/9/06:</p> <p>Officials from the DOJ and SEC announced <i>inter alia</i> that Mr. Sorin and others had been charged by criminal complaint filed in the Eastern District of New York with conspiracy to commit securities fraud, mail fraud and wire fraud in connection with an allegedly fraudulent option backdating scheme.</p> <p>U.S. Department of Justice press release, <i>Former Executives of Comverse Technology Inc. Charged with Backdating Millions of Stock Options and Creating a Secret Stock Options Slush Fund</i> (Aug. 9, 2006): http://www.usdoj.gov/opa/pr/2006/August/06_odag_517.html</p> <p>8/9/06:</p> <p>The SEC filed a civil injunctive action against Mr. Sorin alleging that he engaged with others in a decade-long fraudulent scheme to grant undisclosed, in-the-money options to</p>	<p>Permanently enjoined from violating Section 17(a) of the Securities Act, Sections 10(b), 13(b)(5), 14(a), and 16(a) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2, 14a-9, and 16a-3 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder; officer-and-director bar; \$1,670,915.03 in disgorgement, \$817,509.07 in prejudgment interest thereon, and a \$600,000 civil penalty; suspended from appearing or practicing before the SEC as an attorney</p> <p>Sentenced to one year and one day in prison and ordered to pay \$51.8 million in restitution.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>himself and to others <i>inter alia</i> by backdating stock option grants to coincide with historically low closing prices of Converse common stock.</p> <p>SEC Litigation Release No. 19796, <i>SEC Charges Former Converse Technology, Inc. CEO, CFO, and General Counsel in Stock Option Backdating Scheme</i> (Aug. 9, 2006): http://www.sec.gov/litigation/litreleases/2006/lr19796.htm</p> <p><i>SEC v. Jacob "Kobi" Alexander et al.</i>, Civil Action Number 1:06-CV-03844-NGG-RER (E.D.N.Y. Aug. 8, 2006) (Complaint): http://www.sec.gov/litigation/complaints/2006/comp19796.pdf</p> <p>11/2/06:</p> <p>The U.S. Attorney's Office (E.D.N.Y.) announced that Mr. Sorin had waived indictment and pleaded guilty to a one-count felony information charging conspiracy to commit securities fraud, mail fraud and wire fraud.</p> <p>U.S. Attorney's Office (E.D.N.Y.) press release, <i>William F. Sorin, Former General Counsel of Converse Technology Inc., Pleads Guilty to Securities Fraud Charge</i> (Nov. 2, 2006): http://www.usdoj.gov/usao/nye/pr/2006/2006Nov02b.html</p> <p>1/10/07:</p> <p>Mr. Sorin consented to the entry of a final judgment permanently enjoining him from violating Section 17(a) of the Securities Act, Sections 10(b), 13(b)(5), 14(a), and 16(a) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2, 14a-9, and 16a-3 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder. The order also included an officer-and-director bar and required him to pay \$1,670,915.03 in disgorgement, \$817,509.07 in prejudgment interest thereon, and a \$600,000 civil penalty, for a total of \$3,088,424.10. Mr. Sorin also consented to the entry of an administrative order suspending him from appearing or practicing before the SEC as an attorney.</p> <p>SEC Litigation Release No. 19964, <i>SEC Settles Options Backdating Case Against William F. Sorin, Former General Counsel of Converse Technology, Inc.; Relief Includes Officer-and-Director Bar and Over \$3 Million in Civil Penalties, Disgorgement, and Prejudgment Interest</i> (Jan. 10, 2007): http://www.sec.gov/litigation/litreleases/2007/lr19964.htm</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>1/29/07:</p> <p>A final judgment was entered against Mr. Sorin in the SEC’s civil injunctive action.</p> <p><i>In the Matter of William F. Sorin</i>, Exchange Act Release No. 55199 (Jan. 30, 2007) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/2007/34-55199.pdf</p> <p>1/30/07:</p> <p>The SEC instituted settled administrative proceedings pursuant to which Mr. Sorin was suspended from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of William F. Sorin</i>, Exchange Act Release No. 55199 (Jan. 30, 2007) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/2007/34-55199.pdf</p> <p>5/10/07:</p> <p>Mr. Sorin was sentenced to one year and one day in prison and ordered to pay \$51.8 million in restitution.</p> <p><i>Ex-Comverse lawyer sentenced in backdating case</i>, Reuters (May 10, 2007): http://www.reuters.com/article/companyNewsAndPR/idUSWAA00011620070510</p> <p><i>Ex-Comverse Lawyer Going to Jail in Options Backdating Plan</i>, New York Times (May 11, 2007): http://www.nytimes.com/2007/05/11/technology/11comverse.html?ex=1336536000&en=8ca54d6522b60eb2&ei=5088&partner=rssnyt&emc=rss</p>	
<p>Electro Scientific Industries, Inc.</p>	<p>22. John E. Isselmann, Jr.</p> <p>General Counsel</p>		<p>3/31/03:</p> <p>Mr. Isslemann reported to Electro Scientific Industries’ outside counsel his suspicions that the company’s CFO had engaged in misconduct involving an accounting transaction, and informed the Audit Committee the following day.</p> <p><i>SEC v. John E. Isselmann, Jr.</i> (D. Or. Sept. 21, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18896b.pdf</p> <p>4/1/03:</p>	<p>\$50,000 civil penalty; enjoined from directly or indirectly violating, or aiding and abetting violations of, Exchange Act Rule 13b2-2; ordered to cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-13 thereunder.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>The company's Audit Committee commenced an internal investigation.</p> <p><i>SEC v. John E. Isselmann, Jr.</i> (D. Or. Sept. 21, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18896b.pdf</p> <p>8/03:</p> <p>Following the completion of the Audit Committee's internal investigation, the company restated its financial results for the quarter ended 8/31/02, reversing the previously recorded accounting transaction.</p> <p><i>SEC v. John E. Isselmann, Jr.</i> (D. Or. Sept. 21, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18896b.pdf</p> <p>9/23/04:</p> <p>The SEC announced that it had brought an enforcement action against Mr. Isselmann charging him with a "failure to fulfill his gatekeeper role" by failing to provide important information to Electro Scientific Industries' Audit Committee, Board of Directors, and independent auditors regarding a key accounting transaction that enabled ESI to report a profit rather than a loss in the quarter ended 8/31/02. The SEC alleged <i>inter alia</i> that the company's CFO and Controller engaged in a fraudulent accounting transaction and acknowledged that "Isselmann was not involved, present, or consulted when the CFO and the Controller made the accounting decision" at issue. Without admitting or denying the SEC's allegations, Mr. Isselmann agreed to settle the enforcement action by paying a \$50,000 civil penalty and consenting to an injunction prohibiting him from directly or indirectly violating, or aiding and abetting violations of, Exchange Act Rule 13b2-2. Mr. Isselmann was also ordered to cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-13 thereunder.</p> <p>SEC Litigation Release No. 18896, <i>SEC Charges Former Executives of Electro Scientific Industries, Inc. with Financial Reporting Fraud; SEC Also Brings Enforcement Action Against Former General Counsel of ESI</i> (Sept. 24, 2004): http://www.sec.gov/litigation/litreleases/lr18896.htm</p> <p><i>SEC v. John E. Isselmann, Jr.</i> (D. Or. Sept. 21, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18896b.pdf</p> <p><i>In the Matter of John E. Isselmann, Jr.</i>, Exchange Act Release No. 50428 (Sept. 23, 2004) (Order Instituting Cease-and-Desist Proceedings):</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			http://www.sec.gov/litigation/admin/34-50428.htm	
Engineered Support Systems Inc.	<p>23. David Mattern</p> <p>General Counsel</p>	✓	<p>11/15/06:</p> <p>A federal judge ordered Mr. Mattern to comply with SEC subpoenas by 12/4/06.</p> <p><i>Subpoenas target ex-Engineered Support officers</i>, Reuters (Nov. 17, 2006): http://www.reuters.com/article/companyNewsAndPR/idUSN1740674520061117</p> <p>2/7/07:</p> <p>Reuters reported that records unsealed in federal court in St. Louis in late 2006 “show that the SEC is investigating” Mr. Mattern.</p> <p><i>Bush's uncle tangled in options probe: SEC</i>, Reuters (Feb. 7, 2007): http://www.reuters.com/article/newsOne/idUSN0747127320070207</p> <p>3/14/07:</p> <p>A federal judge ordered Mr. Mattern to produce documents and testify before the SEC, or state his legal privilege for not doing so, in connection with the SEC’s investigation of the option granting practices of Engineered Support Systems (sold in 2006 to DRS Technologies Inc.).</p> <p><i>Ex-Engineered Support executives face SEC queries</i>, Reuters (Mar. 15, 2007): http://www.reuters.com/article/companyNewsAndPR/idUSN1542491620070315</p> <p>7/12/07:</p> <p>The SEC filed a civil injunctive action against Michael F. Shanahan, Sr., the former CEO of Engineered Support Systems, Inc., and his son Michael F. Shanahan, Jr., a former member of the company’s Compensation Committee, alleging that they participated in a fraudulent scheme in which they granted undisclosed, in-the-money stock options to themselves and to other Engineered Support officers, employees, and directors.</p> <p>SEC Litigation Release No. 20193, <i>SEC Files Actions Against Former CEO and Former Board Member of Engineered Support Systems, Inc. Relating to Options Backdating Scheme</i> (July 12, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20193.htm</p>	SEC investigation pending.

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			<p>7/13/07:</p> <p>The Wall Street Journal reported that “Mr. Mattern’s lawyer noted his client wasn’t charged yesterday, which he called ‘a clear indication that they don’t indicate filing charges against Dave Mattern.’”</p> <p>Siobhan Hughes, <i>Charges Expand Options-Backdating Case</i>, Wall Street Journal (July 13, 2007): http://online.wsj.com/article/SB118426747949364944.html</p>	
Enron Corp.	<p>24. Jordan H. Mintz</p> <p>Vice President and General Counsel of Enron’s Global Finance group</p>		<p>3/28/07:</p> <p>The SEC charged Mr. Mintz and Rex R. Rogers, a former Enron Vice President and Associate General Counsel, in connection with an alleged fraudulent scheme to make material misrepresentations in, and to omit material disclosures from, Enron’s public filings. The charges against Mr. Mintz relate <i>inter alia</i> to the 1999 sale of an interest in a power project in Cuiaba, Brazil.</p> <p>SEC Litigation Release No. 20058, <i>SEC Charges Two Former Enron In-House Lawyers With Securities Fraud And Related Violations</i> (Mar. 28, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20058.htm</p> <p><i>SEC v. Jordan H. Mintz et al.</i> (S.D. Tex. Mar. 28, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20058.pdf</p>	SEC charges pending.
Enron Corp.	<p>25. Rex R. Rogers</p> <p>Vice President and Associate General Counsel</p>		<p>3/28/07:</p> <p>The SEC charged Mr. Rogers and Jordan H. Mintz, a former Enron Vice President and General Counsel of Enron’s Global Finance group, in connection with an alleged fraudulent scheme to make material misrepresentations in, and to omit material disclosures from, Enron’s public filings. The charges against Mr. Rogers include <i>inter alia</i> aiding and abetting violations of the insider stock sale reporting provision by Enron’s then-Chairman, Kenneth Lay.</p> <p>SEC Litigation Release No. 20058, <i>SEC Charges Two Former Enron In-House Lawyers With Securities Fraud And Related Violations</i> (Mar. 28, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20058.htm</p> <p><i>SEC v. Jordan H. Mintz et al.</i> (S.D. Tex. Mar. 28, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20058.pdf</p>	SEC charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
F5 Networks, Inc.	26. Joann M. Reiter General Counsel	✓	<p>11/8/06:</p> <p>F5 Networks, Inc. announced that the special committee of the company's board of directors has completed its inquiry into the company's stock option practices and found <i>inter alia</i> that the recorded grant dates for certain stock options granted during fiscal years 1999 through 2004 should not be relied upon as the measurement date for accounting purposes. The company also announced that Ms. Reiter had tendered her resignation.</p> <p>F5 Networks, Inc. press release, <i>F5 Networks Announces Completion of Inquiry into Stock Option Practices; Releases Additional Financial Information for Third and Fourth Quarters and Fiscal Year 2006</i> (Nov. 8, 2006) (Ex. 99.1 to F5 Networks, Inc. Form 8-K (filed Nov. 8, 2006)): http://www.sec.gov/Archives/edgar/data/1048695/000089102006000320/v24984exv99w1.htm</p>	Resigned.
FFP Marketing Company, Inc.	27. Craig Scott Chief Financial Officer and General Counsel		<p>2/14/05:</p> <p>The SEC filed a settled action alleging that Scott committed securities fraud, and that he aided and abetted FFP's violations of SEC reporting rules, including <i>inter alia</i> the preparation by Mr. Scott of late-filing notices that fraudulently omitted to disclose that an internal investigation of the company's accounting lapses caused the company to delay filing its periodic reports. Mr. Scott settled the case by agreeing to pay a civil money penalty of \$25,000.</p> <p>SEC Litigation Release No. 19077, <i>SEC Sues Former CFO and General Counsel of Fort Worth, Texas-Based Convenience Store and Gas Station Company</i> (Feb. 14, 2005): http://www.sec.gov/litigation/litreleases/lr19077.htm</p> <p><i>SEC v. Craig Scott</i>, 3-05 CV 0902P (N.D. Tex. Feb. 14, 2005) (Complaint): http://www.sec.gov/litigation/complaints/comp19077.pdf</p> <p>2/14/05:</p> <p>Mr. Scott consented to the entry of an order instituting public administrative and cease-and-desist proceedings, pursuant to which <i>inter alia</i> Mr. Scott was denied the privilege of appearing or practicing before the SEC as an attorney or as an accountant, with the right to apply for reinstatement after three years. Mr. Scott also consented to the entry of an order that he cease and desist from committing or causing violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from causing violations of Rules 12b-20 and 12b-25 under the Exchange Act.</p>	Civil money penalty of \$25,000; denied the privilege of appearing or practicing before the SEC as an attorney or as an accountant; ordered to cease and desist from committing or causing violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from causing violations of Rules 12b-20 and 12b-25 under the Exchange Act.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>In the Matter of FFP Marketing Company, Inc. et al.</i>, Exchange Act Release No. 51198 (Feb. 14, 2005) (Order Instituting Public Administrative and Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/34-51198.htm</p>	
FLIR Systems, Inc.	28. James A. Fitzhenry Senior Vice President, General Counsel and Secretary		<p>11/21/02:</p> <p>The SEC instituted and settled a cease-and-desist and Rule 102(e) proceeding against Mr. Fitzhenry in connection with representations made to FLIR Systems, Inc.'s former outside auditors regarding a 1998 transaction. Mr. Fitzhenry consented to a five-year suspension from appearing or practicing before the SEC as an attorney as well as an order that he cease and desist from committing or causing any violations and any future violations of Rule 13b2-2 of the Exchange Act.</p> <p><i>In the Matter of James A. Fitzhenry</i>, Exchange Act Release No. 46870 (Nov. 21, 2002) (Order Instituting Public Administrative Proceedings): http://www.sec.gov/litigation/admin/34-46870.htm</p>	<p>Five-year suspension from appearing or practicing before the SEC as an attorney; ordered to cease and desist from committing or causing any violations and any future violations of Rule 13b2-2 of the Exchange Act.</p>
Gemstar – TV Guide International, Inc.	29. Jonathan B. Orlick General Counsel and Executive Vice President		<p>1/5/04:</p> <p>The SEC announced that it filed securities fraud charges against Mr. Orlick and two other former senior executives of Gemstar-TV Guide International, Inc. alleging that they participated in Gemstar's widespread and complex scheme to inflate its licensing and advertising revenue and to mislead investors about the company's true financial performance.</p> <p>SEC press release, <i>SEC Sues Three Additional Former Senior Executives of Gemstar-TV Guide for Their Part in Financial Fraud</i> (Jan. 5, 2004): http://www.sec.gov/news/press/2004-1.htm</p> <p>1/20/05:</p> <p>Without admitting or denying the SEC's allegations, Mr. Orlick consented to the entry of an order permanently enjoining him from violating, or aiding and abetting the violation of, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2 thereunder, prohibiting him from serving as an officer or director of a public company for ten years, and ordering him to pay a total of \$305,510.62 in disgorgement, interest, and penalties.</p> <p>SEC Litigation Release No. 19047, <i>Former General Counsel of Gemstar-TV Guide</i></p>	<p>Permanently enjoined from violating, or aiding and abetting the violation of, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2 thereunder; prohibited from serving as an officer or director of a public company for ten years; \$305,510.62 in disgorgement, interest, and penalties; suspended from appearing or practicing before the SEC as an attorney.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>International, Inc. Settles SEC Action</i> (Jan. 21, 2005): http://www.sec.gov/litigation/litreleases/lr19047.htm</p> <p>1/26/05:</p> <p>Mr. Orlick consented to the entry of an order instituting administrative proceedings pursuant to which he was suspended from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of Jonathan B. Orlick</i>, Exchange Act Release No. 51081 (Jan. 26, 2005) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/34-51081.htm</p>	
General Re Corporation	<p>30. Robert Graham</p> <p>Senior Vice President and Assistant General Counsel</p>		<p>2/2/06:</p> <p>The SEC filed an enforcement action against Mr. Graham for allegedly helping American International Group, Inc. mislead investors through the use of fraudulent reinsurance transactions.</p> <p>SEC Litigation Release No. 19552, <i>SEC Charges One AIG and Four Gen Re Executives for Aiding in AIG Securities Fraud</i> (Feb. 2, 2006): http://www.sec.gov/litigation/litreleases/lr19552.htm</p> <p><i>SEC v. Ronald Ferguson et al.</i>, 06-CV-0778 (S.D.N.Y. Feb. 2, 2006) (Complaint): http://www.sec.gov/litigation/complaints/comp19552.pdf</p> <p>2/2/06:</p> <p>The DOJ announced that Mr. Graham had been indicted on charges relating to a fraudulent scheme to manipulate American International Group, Inc.'s financial statements. The indictment charged Mr. Graham with one count of conspiracy to commit securities fraud, four counts of securities fraud, two counts of causing false statements to be made to the SEC, four counts of wire fraud and two counts of mail fraud.</p> <p>U.S. Department of Justice press release, <i>Three Former Gen Re And One Former AIG Senior Executives Charged in Connection with Fraud Scheme</i> (Feb. 2, 2006): http://www.usdoj.gov/opa/pr/2006/February/06_crm_057.html</p> <p>9/20/06:</p>	SEC and DOJ charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Mr. Graham was charged in a superseding indictment.</p> <p>U.S. Attorney's Office (D. Conn.) press release, <i>Gen Re and AIG Executives Charged in Superseding Indictment</i> (Sept. 20, 2006): http://www.usdoj.gov/usao/ct/Press2006/20060920.html</p>	
Google, Inc.	<p>31. David C. Drummond</p> <p>General Counsel, Vice President of Corporate Development and Secretary</p>	✓	<p>1/13/05:</p> <p>The SEC charged Mr. Drummond with advising Google's board of directors that it could continue to issue options after exceeding the \$5 million disclosure threshold, while failing to inform the board that the registration and disclosure obligations had been triggered or that there were risks in relying on an exemption, which was in fact inapplicable. Mr. Drummond settled the charges by agreeing to an order that he cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.</p> <p>SEC press release, <i>SEC Charges Google and Its General Counsel David C. Drummond with Failure to Register Over \$80 Million in Employee Stock Options Prior to IPO</i> (Jan. 13, 2005): http://www.sec.gov/news/press/2005-6.htm</p> <p><i>In the Matter of Google, Inc. and David C. Drummond</i>, Securities Act Release No. 8523 (Jan. 13, 2005) (Order Instituting Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/33-8523.htm</p>	<p>Ordered to cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.</p>
HBO & Co. (and subsequently the HBOC division of McKesson HBOC)	<p>32. Jay Lapine</p> <p>General Counsel</p>		<p>9/27/01:</p> <p>The SEC filed securities fraud charges against Mr. Lapine alleging that he negotiated "side letters" to customer contracts so that software revenue could be booked prematurely and backdated documents on a fraudulent \$20 million software deal negotiated and signed in April 1999 to make it appear that it had been concluded in the previous quarter.</p> <p>SEC Litigation Release No. 17189, <i>SEC Charges Six Former Senior Executives and Employees in Massive Financial Reporting Fraud Scheme at McKesson HBOC, Inc.</i> (Oct. 15, 2001): http://www.sec.gov/litigation/litreleases/lr17189.htm</p> <p>6/4/03:</p> <p>The U.S. Attorney's Office (N.D. Cal.) charged Mr. Lapine with conspiracy, securities</p>	<p>Acquitted on one count of federal securities fraud; mistrial declared on six other counts.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>fraud, two counts of filing false documents with the SEC, circumventing accounting controls and falsifying books and records, and filing a false registration statement.</p> <p>SEC Litigation Release No. 18170, <i>SEC Charges Former Chairman of the Board of Directors of McKesson HBOC for His Role in the Massive Accounting Fraud</i> (June 4, 2003): http://www.sec.gov/litigation/litreleases/lr18170.htm</p> <p>11/3/06:</p> <p>Mr. Lapine was acquitted on one count of federal securities fraud, and a mistrial was declared on six other counts.</p> <p>David Kravets, <i>Ex-McKesson Execs Acquitted of Fraud</i>, Associated Press (Nov. 4, 2006): http://sfgate.com/cgi-bin/article.cgi?f=/n/a/2006/11/03/financial/f125127S15.DTL&hw=mckesson&sn=002&sc=565</p>	
HCC Insurance Holdings, Inc.	33. Christopher L. Martin Executive Vice President and General Counsel	✓	<p>11/17/06:</p> <p>HCC Insurance Holdings, Inc. announced that it had substantially completed its investigation of its historical option granting practices and concluded that it “used incorrect measurement dates for certain stock option grants covering a significant number of employees during the period from 1995 through 2006.” The company also announced that Mr. Martin and another executive had resigned.</p> <p>HCC Insurance Holdings, Inc. press release, <i>HCC Announces Certain Results of Investigation of Stock Option Granting Practices</i> (Nov. 17, 2006): http://www.hcc.com/content/press_releases/2006/nov_17_06/Nov_17_frameset.htm</p>	Resigned.
Heartland Advisors Inc.	34. Jilaine H. Bauer General Counsel		<p>12/12/03:</p> <p>The SEC announced that it had filed a civil injunctive action against Ms. Bauer and others alleging that through the actions of Ms. Bauer and other defendants, Heartland Advisors Inc. misrepresented and omitted to state material facts in the offer and sale of shares of two municipal bond mutual funds regarding the risks of investing in the funds, the credit research performed on the bonds purchased and held by the funds, the credit quality of the bonds held in the funds and the liquidity of the funds.</p> <p>SEC Litigation Release No. 18505, <i>Civil Injunctive Action Filed Against Heartland Advisors and Certain Employees for Misrepresentations and Omissions, Mispricing of</i></p>	SEC charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>Bonds in Two Mutual Funds and Insider Trading In These Same Funds</i> (Dec. 12, 2003): http://www.sec.gov/litigation/litreleases/lr18505.htm</p> <p><i>SEC v. Heartland Advisors, Inc. et al.</i>, 03 C-1427 (E.D. Wis. Dec. 11, 2003) (Complaint): http://www.sec.gov/litigation/complaints/comp18505.htm</p>	
Hewlett-Packard Company	35. Ann Baskins Senior Vice President, General Counsel and Secretary		<p>9/27/06:</p> <p>Hewlett-Packard disclosed information regarding the investigation of leaks of confidential information from meetings of the HP Board of Directors, including <i>inter alia</i> that “[o]n June 15, 2005, Ms. Dunn [HP Chairman Patricia Dunn] and Ann Baskins, HP General Counsel, attended a telephonic meeting with Mr. DeLia [Ron DeLia from Security Outsourcing Solutions, Inc.] where the term ‘pretext’ was mentioned.”</p> <p>Hewlett-Packard Co. Form 8-K (filed Sept. 27, 2006): http://www.sec.gov/Archives/edgar/data/47217/000110465906063490/a06-20344_18k.htm</p> <p>9/28/06:</p> <p>Ms. Baskins resigned.</p> <p>Hewlett-Packard Co. Form 8-K (filed Sept. 28, 2006): http://www.sec.gov/Archives/edgar/data/47217/000110465906063569/a06-20427_18k.htm</p> <p>9/28/06:</p> <p>Ms. Baskins asserted her Fifth Amendment rights before the Oversight and Investigations Subcommittee of the House Energy and Commerce Committee.</p> <p>Susan Beck and Justin Scheck, <i>Sonsini Grilled During House Committee Hearing on HP Spying Scandal</i>, The Recorder (Sept. 29, 2006): http://www.law.com/jsp/article.jsp?id=1159434332185</p> <p>Benjamin Pimentel, <i>HP’s Tough Day in Congress</i>, San Francisco Chronicle (Sept. 29, 2006): http://sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/09/29/MNG4VLF7O81.DTL</p>	Resigned.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			Sue Reisinger, <i>Did Ann Baskins See No Evil at HP?</i> , Corporate Counsel (Dec. 18, 2006): http://www.law.com/jsp/ihc/PubArticleIHC.jsp?id=1166004327826	
Hewlett-Packard Company	36. Kevin T. Hunsaker Senior Counsel and Chief Ethics Officer		<p>9/27/06:</p> <p>Hewlett-Packard disclosed information regarding the investigation of leaks of confidential information from meetings of the HP Board of Directors, including <i>inter alia</i> that “[t]he core investigative team behind Kona II [the second phase of the leak investigation] was Mr. DeLia, Mr. Gentilucci, Vincent Nye of HP Global Security, Fred Adler of the HP IT Security Team, and Kevin Hunsaker, HP Senior Counsel” and that “Mr. Hunsaker directed the Kona II investigation for HP.” Hewlett-Packard also reported that “[d]uring the course of Kona II, certain members of the investigation team provided assurances that the techniques being used in the investigation were legal. Those assurances came from, among others, Mr. Hunsaker, SOS [Security Outsourcing Solutions, Inc.] and SOS’s outside legal counsel in Massachusetts.”</p> <p>Hewlett-Packard Co. Form 8-K (filed Sept. 27, 2006): http://www.sec.gov/Archives/edgar/data/47217/000110465906063490/a06-20344_18k.htm</p> <p>10/4/06:</p> <p>California Attorney General Bill Lockyer filed a criminal complaint in Santa Clara County Superior Court charging Mr. Hunsaker and others with fraudulent wire communications, wrongful use of computer data, identity theft and conspiracy to commit those three crimes in connection with an alleged effort to obtain confidential information, including billing records, from a phone company.</p> <p>Ellen Nakashima and Yuki Noguchi, <i>Dunn, Four Others Charged in Hewlett Surveillance Case</i>, Washington Post (Oct. 5, 2006): http://www.washingtonpost.com/wp-dyn/content/article/2006/10/04/AR2006100401072.html</p> <p>Peter Waldman and Don Clark, <i>California Charges Dunn, 4 Others In H-P Scandal</i>, Wall Street Journal (Oct. 5, 2006): http://online.wsj.com/article/SB115997015390082371.html</p> <p>3/14/07:</p> <p>Mr. Hunsaker entered a no contest plea to misdemeanor charges of fraudulent wire</p>	96 hours of community service; restitution.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>communications in Santa Clara Superior Court, with the charges against Mr. Hunsaker to be dropped in September 2007 after he completes 96 hours of community service and makes restitution.</p> <p>Matt Richtel, <i>Charges Dismissed in Hewlett-Packard Spying Case</i>, New York Times (Mar. 15, 2007): http://www.nytimes.com/2007/03/15/technology/15dunn.html?ex=1188532800&en=74019616c0498648&ei=5070</p> <p><i>Charges Dropped Against Ex-HP Chairwoman; 3 Others Charged In Hewlett-Packard Boardroom Spying Scandal Will Avoid Jail Time Under Plea Deal</i>, CBS News (Mar. 14, 2007): http://www.cbsnews.com/stories/2007/03/14/business/main2568938.shtml</p> <p>8/15/07:</p> <p>Reporters and their family members whose private telephone records were secretly obtained as part of Hewlett-Packard's boardroom surveillance scheme filed five separate lawsuits claiming "illegal and reprehensible conduct" in San Francisco Superior Court against Hewlett-Packard, its former chairwoman, Patricia Dunn, and Mr. Hunsaker.</p> <p><i>Reporters sue Hewlett-Packard over spying</i>, International Herald Tribune (Aug. 16, 2007): http://www.iht.com/articles/2007/08/16/business/hp.php</p>	
Hexagon Consolidated Companies of America, Inc.	37. Michael J. Pietrzak General Counsel, Executive Vice President and Secretary		<p>3/6/03:</p> <p>The SEC filed a complaint charging Mr. Pietrzak and others with engaging in efforts to fraudulently increase the stock price and value of Hexagon Consolidated Companies of America, Inc. <i>inter alia</i> by filing false and misleading registration statements and periodic and current reports, and by issuing false press releases and a letter to shareholders.</p> <p>SEC Litigation Release No. 18016, <i>SEC Sues Officers of Hexagon Consolidated Companies of America, Inc. and Registered Assayer</i> (Mar. 6, 2003): http://www.sec.gov/litigation/litreleases/lr18016.htm</p> <p><i>SEC v. Michael J. Pietrzak et al.</i>, C.A. No. 03C-1507 (N.D. Ill. Mar. 6, 2003) (Complaint): http://www.sec.gov/litigation/complaints/comp18016.htm</p> <p>8/3/07:</p>	Found liable for securities fraud and other charges.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>The SEC announced that a jury found Mr. Pietrzak liable for securities fraud and other charges.</p> <p>SEC Litigation Release No. 20223 (Aug. 3, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20223.htm</p>	
Hollinger International Inc./Hollinger Inc.	<p>38. Peter Y. Atkinson</p> <p>Executive Vice President (Hollinger International Inc.)</p> <p>Vice President and General Counsel (Hollinger Inc.)</p>		<p>11/17/05:</p> <p>Mr. Atkinson was indicted on fraud charges involving the \$2.1 billion sale of several hundred Canadian newspapers and the alleged abuse of corporate perks – six counts of mail fraud and wire fraud.</p> <p>U.S. Department of Justice press release, <i>Former Hollinger Chairman Conrad Black and Three Other Executives Indicted in U.S. - Canada Corporate Fraud Schemes</i> (Nov. 17, 2005): http://www.usdoj.gov/usao/iln/pr/chicago/2005/pr1117_01.pdf</p> <p>8/17/06:</p> <p>A grand jury returned expanded indictment adding two new counts against Mr. Atkinson and others for willfully causing Hollinger International Inc. to file false tax returns.</p> <p>Sun-Times Media Group, Inc. Form 10-Q for the quarter ended Sept. 30, 2006 (filed Nov. 9, 2006): http://www.sec.gov/Archives/edgar/data/868512/000095013406021031/c09647e10vq.htm</p> <p>7/13/07:</p> <p>Mr. Atkinson was convicted on three counts of mail fraud.</p> <p>Richard Siklos, <i>Conrad Black Found Guilty in Fraud Trial</i>, New York Times (July 14, 2007): http://www.nytimes.com/2007/07/14/business/13cnd-black.html?ex=1187668800&en=47177f84c4d9bcd8&ei=5070</p> <p>Mike Robinson, <i>Ex-Press Baron Guilty Of Fraud</i>, Washington Post (July 14, 2007): http://www.washingtonpost.com/wp-dyn/content/article/2007/07/13/AR2007071300662.html</p>	<p>Convicted on three counts of mail fraud; sentencing pending.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
Hollinger International, Inc.	39. Mark S. Kipnis Vice President, Corporate Counsel and Secretary		<p>8/18/05:</p> <p>Mr. Kipnis was indicted on federal fraud charges for allegedly fraudulently diverting from Hollinger International, Inc. more than \$32 million through a complex series of self-dealing transactions.</p> <p>U.S. Attorney's Office (N.D. Ill.) press release, <i>Two Hollinger Executives, Ravelston Company Accused of Self-Dealing in U.S. - Canada Corporate Fraud Indictment</i> (Aug. 18, 2005): http://www.usdoj.gov/usao/iln/pr/chicago/2005/pr0818_01.pdf</p> <p>11/17/05:</p> <p>A federal grand jury returned an expanded indictment naming new defendants and adding additional fraud charges.</p> <p>U.S. Attorney's Office (N.D. Ill.) press release, <i>Former Hollinger Chairman Conrad Black and Three Other Executives Indicted in U.S. - Canada Corporate Fraud Schemes</i> (Nov. 17, 2005): http://www.usdoj.gov/usao/iln/pr/chicago/2005/pr1117_01.pdf</p> <p>8/17/06:</p> <p>The grand jury returned another expanded indictment adding two new counts against Mr. Kipnis and others for willfully causing Hollinger International, Inc. to file false tax returns.</p> <p>Sun-Times Media Group, Inc. Form 10-Q for the quarter ended Sept. 30, 2006 (filed Nov. 9, 2006): http://www.sec.gov/Archives/edgar/data/868512/000095013406021031/c09647e10vq.htm</p> <p>7/13/07:</p> <p>Mr. Kipnis was convicted on three counts of mail fraud.</p> <p>Richard Siklos, <i>Conrad Black Found Guilty in Fraud Trial</i>, New York Times (July 14, 2007): http://www.nytimes.com/2007/07/14/business/13cnd-black.html?ex=1187668800&en=47177f84c4d9bcd8&ei=5070</p>	Convicted on three counts of mail fraud; sentencing pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			Mike Robinson, <i>Ex-Press Baron Guilty Of Fraud</i> , Washington Post (July 14, 2007): http://www.washingtonpost.com/wp-dyn/content/article/2007/07/13/AR2007071300662.html	
iBasis, Inc.	40. Jonathan D. Draluck Vice President, Business Affairs and General Counsel	✓	<p>10/20/06:</p> <p>iBasis, Inc. announced <i>inter alia</i> that a special committee of its board of directors had concluded that the appropriate measurement dates of certain stock option grants differed from the measurement dates used by the company in preparing its financial statements, and that in accordance with the special committee's determinations, it had terminated Mr. Draluck's employment.</p> <p>iBasis, Inc. Form 8-K (filed Oct. 20, 2006): http://www.sec.gov/Archives/edgar/data/1091756/000115752306010135/a5254180.txt</p> <p>iBasis, Inc. press release, <i>iBasis Will Restate Its Financial Statements to Account for Additional Non-Cash Stock-Based Compensation</i> (Oct. 20, 2006) (Ex. 99.1 to iBasis, Inc. Form 8-K (filed Oct. 20, 2006)): http://www.sec.gov/Archives/edgar/data/1091756/000115752306010135/a5254180ex99-1.txt</p>	Terminated.
ICN Pharmaceuticals, Inc.	41. David C. Watt General Counsel and Secretary		<p>8/11/99:</p> <p>The SEC filed a complaint against Mr. Watt and others charging the defendants with failing to publicly disclose that the FDA had rejected ICN Pharmaceuticals, Inc.'s application for approval of Ribavarin, a new drug to treat hepatitis C, and with making fraudulent misleading public statements about the new drug application.</p> <p>SEC Litigation Release No. 16249, <i>SEC Sues ICN Pharmaceuticals, Milan Panic, and Other Top Officials for Fraud</i> (Aug. 11, 1999): http://www.sec.gov/litigation/litreleases/lr16249.htm</p> <p>11/25/02:</p> <p>The SEC announced that it had settled its pending injunctive action against Mr. Watt and was dismissing the claims against him in the injunctive action. The SEC also announced that it had simultaneously instituted and settled a cease-and-desist proceeding against Mr. Watt, and that Mr. Watt had consented to the entry of an Order, pursuant to Section 21C of the Exchange Act, finding that he was a cause of ICN Pharmaceutical, Inc.'s misleading disclosure in its 12/5/94 press release and ordering that he cease and desist from committing or causing any violation of Section 10(b) of the Exchange Act and Rule 10b-5</p>	Ordered to cease and desist from committing or causing any violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>thereunder.</p> <p>SEC Litigation Release No. 17861, <i>ICN Pharmaceuticals and Former CEO Milan Panic Settle SEC Charges; ICN to Pay \$1 Million and Panic to Pay \$500,000 in Civil Penalties</i> (Nov. 25, 2002): http://www.sec.gov/litigation/litreleases/lr17861.htm</p> <p><i>In the Matter of David C. Watt</i>, Exchange Act Release No. 46899 (Nov. 25, 2002) (Order Instituting Proceedings): http://www.sec.gov/litigation/admin/34-46899.htm</p>	
ImClone Systems Inc.	42. John B. Landes General Counsel		<p>10/10/02:</p> <p>At a House Energy and Commerce subcommittee hearing into alleged wrongdoing by Samuel Waksal, the former CEO of ImClone, Mr. Landes testified that he learned in 1991 of a 1986 document forgery by Mr. Waksal but did not report it to the board or take any other action because he considered it “a good-faith misunderstanding” on Mr. Waksal’s part. “My children know better than that, Mr. Landes,” Representative James Greenwood, chairman of the oversight and investigations subcommittee, reportedly said in response to Mr. Landes’ explanation. According to the New York Times, “The committee also questioned stock sales by many executives of ImClone in the weeks before the F.D.A. rejection [of the company’s application to market a cancer drug] and suggested that the general counsel’s office should have imposed an earlier blackout on trading by executives. Mr. Landes himself made about \$2.5 million in a stock sale on Dec. 6, though he had begun arranging the sale in early November.”</p> <p>Dan Ackman, <i>A Child’s Guide To ImClone</i>, Forbes (Oct. 11, 2002): http://www.forbes.com/2002/10/11/1011topnews.html</p> <p>Andrew Pollack, <i>General Counsel at ImClone Has Resigned</i>, New York Times (Nov. 16, 2002): http://query.nytimes.com/gst/fullpage.html?sec=health&res=9C01E3DB1230F935A25752C1A9649C8B63</p> <p>11/15/02:</p> <p>An ImClone spokesman disclosed that Mr. Landes had resigned in October 2002.</p> <p>Andrew Pollack, <i>General Counsel at ImClone Has Resigned</i>, New York Times (Nov. 16, 2002): http://query.nytimes.com/gst/fullpage.html?sec=health&res=9C01E3DB1230F935A25752C1A9649C8B63</p>	Resigned.

Company	Name and Position	Options-Related	Events and Sources	Disposition
Inso Corp.	43. Bruce G. Hill General Counsel		<p>6/21/02:</p> <p>The SEC filed a civil injunctive action against Mr. Hill alleging that he engaged in fraud related to a phony \$3 million sales transaction.</p> <p>SEC Litigation Release No. 17578, <i>SEC Charges Former Officers and Employees of Inso Corp. with Accounting Schemes</i> (June 21, 2002): http://www.sec.gov/litigation/litreleases/lr17578.htm</p> <p><i>SEC v. Bruce Hill et al.</i>, (D. Mass. June 21, 2002) (Complaint): http://www.sec.gov/litigation/complaints/complr17578b.htm</p> <p>5/5/04:</p> <p>Mr. Hill was named in a nine count superseding indictment charging him with securities fraud, wire fraud, false statements to accountants and perjury in connection with an SEC investigation.</p> <p>SEC Litigation Release No. 18699, <i>Former General Counsel of Inso Corp. Indicted on Securities Fraud And Perjury Charges</i> (May 7, 2004): http://www.sec.gov/litigation/litreleases/lr18699.htm</p> <p>6/6/05:</p> <p>Mr. Hill was convicted of committing perjury in his investigative testimony before the SEC. The jury was deadlocked as to the five remaining counts against Mr. Hill: one count of securities fraud, two counts of wire fraud, one count of false statements to accountants and a second perjury count. The court declared a mistrial as to those counts.</p> <p>SEC Litigation Release No. 19253, <i>Former General Counsel of Inso Corp. Convicted of Perjury in Testimony Before the Securities and Exchange Commission</i> (June 7, 2005): http://www.sec.gov/litigation/litreleases/lr19253.htm</p> <p>1/24/06:</p> <p>Mr. Hill was sentenced to a prison term of one year and one day, followed by supervised release for two years, ordered to perform 400 hours of community service each year during the supervised release, and ordered to pay a criminal fine of \$75,000.</p> <p>SEC Litigation Release No. 19617, <i>Court Enters Final Judgment by Consent Against</i></p>	<p>Convicted of perjury; sentenced to a prison term of one year and one day, followed by supervised release for two years, ordered to perform 400 hours of community service each year during the supervised release, and ordered to pay a criminal fine of \$75,000.</p> <p>Permanently enjoined from committing future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-13, 13b2-1 and 13b2-2 thereunder; ordered to pay approximately \$97,000 in disgorgement and prejudgment interest; permanently barred from serving as an officer or director of a public company; suspended from appearing or practicing before the SEC as an attorney.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>Former General Counsel of Inso Corp. in Accounting Fraud Case</i> (Mar. 21, 2006): http://www.sec.gov/litigation/litreleases/lr19617.htm</p> <p>3/2/06:</p> <p>A final judgment of consent was entered against Mr. Hill permanently enjoining him from committing future violations of Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-13, 13b2-1 and 13b2-2 thereunder, ordering him to pay approximately \$97,000 in disgorgement and prejudgment interest, and permanently barring him from serving as an officer or director of a public company.</p> <p>SEC Litigation Release No. 19617, <i>Court Enters Final Judgment by Consent Against Former General Counsel of Inso Corp. in Accounting Fraud Case</i> (Mar. 21, 2006): http://www.sec.gov/litigation/litreleases/lr19617.htm</p> <p>3/20/06:</p> <p>Mr. Hill was suspended from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of Bruce G. Hill</i>, Exchange Act Release No. 53517 (Mar. 20, 2006) (Order Instituting Public Administrative Proceedings): http://www.sec.gov/litigation/admin/34-53517.pdf</p>	
JB Oxford Holdings, Inc., JB Oxford & Co. and National Clearing Corp.	44. Scott G. Monson General Counsel		<p>9/25/06:</p> <p>The SEC instituted cease-and-desist proceedings against Mr. Monson in connection with an alleged late-trading scheme.</p> <p><i>In the Matter of Scott G. Monson</i>, Administrative Proceeding File No. 3-12429 (Sept. 25, 2006 (Order Instituting Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/2006/ic-27497-o.pdf</p> <p>6/15/07:</p> <p>An SEC administrative law judge concluded that the SEC did not prove that Mr. Monson knew or should have known that his conduct would contribute to JB Oxford Holdings Inc.'s primary violations and dismissed the charges against Mr. Monson.</p> <p><i>In the Matter of Scott G. Monson</i>, Initial Decision Release No. 331, Administrative</p>	Charges dismissed.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			Proceeding File No. 3-12429 (June 15, 2007) (Initial Decision): http://www.sec.gov/litigation/aljdec/2007/id331rgm.pdf	
Juniper Networks, Inc.	45. Lisa C. Berry Vice President, General Counsel and Secretary	✓	<p>8/28/07:</p> <p>The SEC filed fraud charges against Lisa C. Berry alleging that she routinely backdating option grants from 1997 to 2003, first as Vice President and General Counsel of KLA-Tencor Corporation and then as Vice President, General Counsel and Secretary of Juniper Networks, Inc. The SEC's complaint alleges <i>inter alia</i> that while at Juniper, Ms. Berry created minutes of fictitious stock option committee meetings to document false grant dates, at times affixing the names of other committee members with a signature stamp.</p> <p>SEC Litigation Release No. 20257, <i>SEC Charges Former General Counsel of KLA-Tencor and Juniper Networks for Fraudulent Stock Options Backdating</i> (Aug. 28, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20257.htm</p> <p><i>SEC v. Lisa C. Berry</i>, C-07-4431-RMW-HRL (N.D. Cal. Aug. 28, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20257-berry.pdf</p> <p>(See also entry below for KLA-Tencor Corporation.)</p>	SEC charges pending.
Katun Corp.	46. James W. Moen General Counsel		<p>1/22/04:</p> <p>The U.S. Attorney (D. Minn.) charged Mr. Moen with wire fraud and computer-related fraud.</p> <p><i>U.S. v. James W. Moen</i>, Criminal Docket No. 04-43 (PAM) (D. Minn. Jan. 22, 2004) (Information): http://www.usdoj.gov/dag/cftf/chargingdocs/moeninformation.pdf</p> <p>2/24/04:</p> <p>Mr. Moen pleaded guilty to wire fraud and computer-related fraud, including manipulating airline tickets and accessing competitors' computer files to obtain information, and agreed to pay \$200,000 in fines and restitution.</p> <p><i>More ex-Katun executives plead guilty, pay fines</i>, Minneapolis/St. Paul Business Journal (Feb. 25, 2004): http://twincities.bizjournals.com/twincities/stories/2004/02/23/daily22.html</p>	\$200,000 in fines and restitution.

Company	Name and Position	Options-Related	Events and Sources	Disposition
KB Home	47. Richard B. Hirst Executive Vice President and Chief Legal Officer	✓	11/12/06: KB Home announced <i>inter alia</i> that an internal investigation into the company's option granting practices had concluded that the company used incorrect measurement dates for financial reporting purposes for annual stock option grants during the period from 1998 to 2005. KB Home also announced various management changes, including the fact that Mr. Hirst had resigned as Executive Vice President and Chief Legal Officer, effective immediately. KB Home press release, <i>KB Home Announces Results of Options Investigation</i> (Nov. 12, 2006) (Ex. 99.2 to KB Home Form 8-K (filed Nov. 13, 2006)): http://www.sec.gov/Archives/edgar/data/795266/000095013406021229/v25174exv99w2.htm	Resigned.
KLA-Tencor Corporation	48. Lisa C. Berry Vice President and General Counsel	✓	(See entry above for Juniper Networks Inc. Because Ms. Berry has been charged by the SEC in her separate, unrelated capacities as General Counsel for KLA-Tencor Corporation and as General Counsel for Juniper Networks, Inc., during two non-overlapping time periods, we have treated – and counted – her separately in this table for each role.)	SEC charges pending.
KLA-Tencor Corporation	49. Stuart J. Nichols Vice President and General Counsel	✓	10/16/06: KLA-Tencor announced <i>inter alia</i> that the special committee investigation of the company's historical stock option practices had been substantially completed, that the board of directors had concluded that incorrect measurement dates for certain stock option grants were used for financial accounting purposes, and that Mr. Nichols had resigned effective immediately. KLA-Tencor Corporation press release, <i>KLA-Tencor Announces Results of Special Committee Investigation of Historical Stock Option Practices</i> (Oct. 16, 2006): http://www.kla-tencor.com/j/servlet/NewsItem?newsItemID=222	Resigned.
Marvell Semiconductor, Inc. (U.S. operating subsidiary of Marvell Technology Group Ltd.)	50. Matthew Gloss General Counsel	✓	5/7/07: Marvell Technology Group Ltd. announced <i>inter alia</i> that a special committee of its board of directors had determined that “there were numerous instances in which grant dates were chosen with the benefit of hindsight as to the price of the Company's stock”, and that the special committee “found a systemic failure of internal controls with respect to the stock option process and related matters, as well as a failure by certain members of current and former management to exercise sufficient oversight over the stock option process.” The company also announced that Mr. Gloss “previously had been terminated”,	Terminated.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>and that the special committee “reported that several current and former members of management, including the previously terminated General Counsel of its U.S. operating subsidiary and the recently resigned Chief Financial Officer and Chief Operating Officer, bear varying degrees of responsibility for these deficiencies.”</p> <p>Marvell Technology Group Ltd. press release, <i>Marvell Completes Independent Review of Stock Option Practices</i> (May 7, 2007) (Ex. 99.1 to Marvell Technology Group Ltd. Form 8-K (filed May 8, 2007)): http://www.sec.gov/Archives/edgar/data/1058057/000110465907036924/a07-12252_2ex99d1.htm</p> <p>5/8/07:</p> <p>An attorney for Mr. Gloss reportedly said that Mr. Gloss had “nothing to do with any findings by the special committee regarding option timing problems at Marvell” and that “Mr. Gloss had no role in the selection or approval of grant dates and no knowledge of any effort by others to backdate stock options.”</p> <p>Jessie Seyfer, <i>Marvell GC Disputes That His Firing Is due to Backdating</i>, The Recorder (May 8, 2007): http://www.law.com/jsp/article.jsp?id=1178541417979&pos=ataglance</p>	
McAfee, Inc.	<p>51. Kent H. Roberts</p> <p>General Counsel, Corporate Secretary and Executive Vice President</p>	✓	<p>5/30/06:</p> <p>McAfee, Inc. announced that in connection with its review of its option granting practices, it became aware of one episode involving Mr. Roberts “in 2000 that was improper. As a result, the Board has terminated his employment.”</p> <p>McAfee, Inc. press release, <i>McAfee, Inc. Announces Departure of General Counsel</i> (May 30, 2006) (Ex. 99.1 to McAfee, Inc. Form 8-K (filed May 30, 2006)): http://www.sec.gov/Archives/edgar/data/890801/000127528706003048/mc6026ex991.txt</p> <p>2/27/07:</p> <p>A federal grand jury indicted Mr. Roberts in connection with the fraudulent dating of stock option grants in 2000 and 2002.</p> <p>U.S. Attorney’s Office (N.D. Cal.) press release, <i>Former McAfee General Counsel Indicted for Stock Options Backdating</i> (Feb. 27, 2007): http://www.usdoj.gov/usao/can/press/2007/2007_02_27_roberts.indictment.press.html</p>	Terminated; DOJ and SEC charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>2/28/07:</p> <p>The SEC charged Mr. Roberts with securities fraud for wrongfully re-pricing McAfee stock option grants awarded to him and others in an effort to secretly increase the value of the grants.</p> <p>SEC Litigation Release No. 20020, <i>SEC Charges Former General Counsel of McAfee, Inc. for Fraudulently Re-Pricing Option Grants</i> (Feb. 28, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20020.htm</p> <p><i>SEC v. Kent H. Roberts</i>, 1:07CV00407 (D.D.C. Feb. 28, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20020.pdf</p> <p>3/1/07:</p> <p>Mr. Roberts pleaded not guilty to federal charges that he illegally backdated stock options to secure gains for himself and others.</p> <p><i>Ex-McAfee lawyer pleads not guilty in options case</i>, Reuters (Mar. 1, 2007): http://www.reuters.com/article/companyNewsAndPR/idUSN0128212320070301</p>	
Mercury Interactive Corporation	52. Susan Skaer Vice President, General Counsel and Secretary	✓	<p>11/2/05:</p> <p>Mercury Interactive announced <i>inter alia</i> that its internal investigation of past option granting practices had determined that from 1995 to the date of the announcement, there had been 49 instances in which the stated date of a Mercury option grant differed from the date on which the option appeared to have actually been granted, that Ms. Skaer was aware of, had participated in and had benefited personally from the misdating practices, and that Ms. Skaer had resigned.</p> <p>Mercury Interactive Corporation press release, <i>Mercury Board of Directors Names Anthony Zingale Chief Executive Officer</i> (Nov. 2, 2005) (Ex. 99.1 to Mercury Interactive Corporation Form 8-K (filed Nov. 2, 2005)): http://www.sec.gov/Archives/edgar/data/867058/000119312505213792/dex991.htm</p> <p>5/31/07:</p> <p>The SEC filed civil fraud charges against Mercury Interactive and four former senior officers, including Ms. Skaer, alleging <i>inter alia</i> that she perpetrated a fraudulent and</p>	Resigned; SEC charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>deceptive scheme from 1997 to 2005 to award herself and other employees undisclosed, secret compensation by backdating stock option grants, failing to record hundreds of millions of dollars of compensation expense, and falsifying documents to further the scheme.</p> <p>SEC Litigation Release No. 20136, <i>SEC Settles With Mercury Interactive and Sues Former Mercury Officers for Stock Option Backdating and Other Fraudulent Conduct</i> (May 31, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20136.htm</p> <p><i>SEC v. Mercury Interactive, LLC et al.</i> (N.D. Cal. May 31, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20136.pdf</p>	
Monster Worldwide, Inc.	53. Myron F. Olesnyckyj Senior Vice President, General Counsel and Secretary	<p style="text-align: center;">✓</p>	<p>9/19/06:</p> <p>Monster Worldwide, Inc. announced that its board of directors had suspended Mr. Olesnyckyj, effective immediately, “pending the results of the ongoing review of the Company’s historical stock option grant practices.”</p> <p>Monster Worldwide, Inc. press release, <i>Monster Worldwide Provides Update on Stock Option Grant Practices</i> (Sept. 19, 2006) (Ex. 99.1 to Monster Worldwide, Inc. Form 8-K (filed Sept. 19, 2006)): http://www.sec.gov/Archives/edgar/data/1020416/000110465906061899/a06-19936_1ex99d1.htm</p> <p>11/22/06:</p> <p>Monster Worldwide, Inc. announced that its board of directors had terminated Mr. Olesnyckyj for cause and that the action “was taken with the concurrence of the Special Committee of independent directors reviewing the Company’s historical stock option grant practices.”</p> <p>Monster Worldwide, Inc. press release, <i>Monster Worldwide Dismisses General Counsel</i> (Nov. 22, 2006) (Ex. 99.1 to Monster Worldwide, Inc. Form 8-K (filed Nov. 22, 2006)): http://www.sec.gov/Archives/edgar/data/1020416/000110465906077434/a06-22602_6ex99d1.htm</p> <p>2/15/07:</p> <p>The SEC charged Mr. Olesnyckyj with securities fraud for participating in a scheme from</p>	<p>Terminated; permanently enjoined from violating Section 17(a) of the Securities Act and Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2 and 14a-9 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder; permanently enjoined from acting as an officer or director of a public company; suspended from appearing or practicing before the SEC as an attorney.</p> <p>\$381,000 forfeiture; awaiting sentencing.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>1997 through 2003 to secretly backdate stock options granted to thousands of Monster officers, directors and employees.</p> <p>SEC Litigation Release No. 20004, <i>SEC Charges Former General Counsel of Monster Worldwide, Inc. for Role in Options Backdating Scheme</i> Feb. 15, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20004.htm</p> <p><i>SEC v. Myron F. Olesnyckyj</i>, 07-CV-1176 (HB) (S.D.N.Y. Feb. 15, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20004.pdf</p> <p>2/15/07:</p> <p>Mr. Olesnyckyj pleaded guilty to an information charging him with securities fraud and conspiracy to commit securities fraud and agreed to forfeit \$381,000, with his sentence to be imposed at a date to be determined.</p> <p>U.S. Attorney's Office (S.D.N.Y.) press release, <i>Former General Counsel of Monster Pleads Guilty to Securities Fraud in Connection with Backdating of Stock Options</i> (Feb. 15, 2007): http://www.usdoj.gov/usao/nys/pressreleases/February07/olesnyckyjleapr.pdf</p> <p><i>Ex-Official at Jobs Web Site Admits Backdating Options</i>, New York Times (Feb. 16, 2007): http://select.nytimes.com/search/restricted/article?res=F40D1FF73C5A0C758DDDAB0894DF404482</p> <p>3/26/07:</p> <p>Without admitting or denying the allegations in the complaint, Mr. Olesnyckyj consented to the entry of a final judgment that permanently enjoined him from violating Section 17(a) of the Securities Act and Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act and Rules 10b-5, 13b2-1, 13b2-2 and 14a-9 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder. The judgment also permanently enjoined Mr. Olesnyckyj from acting as an officer or director of a public company.</p> <p>SEC Litigation Release No. 20056 (Mar. 27, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20056.htm</p> <p>4/5/07:</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Mr. Olesnycky consented to the entry of an order suspending him from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of Myron F. Olesnycky</i>, Exchange Act Release No. 55587 (Apr. 5, 2007) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/2007/34-55587.pdf</p>	
Morgan Stanley & Co.	<p>54. Randi E. Collotta</p> <p>Associate in the global compliance division</p>		<p>3/1/07:</p> <p>The SEC announced insider trading charges against 14 defendants in connection with two related insider trading schemes, alleging <i>inter alia</i> that Ms. Collotta and her husband, Christopher Collotta, tipped material, nonpublic information concerning upcoming corporate acquisitions involving Morgan Stanley's investment banking clients, to Marc Jurman, a registered representative in Florida, in exchange for sharing in Mr. Jurman's profits from trading on this information.</p> <p>SEC Litigation Release No. 20022, <i>SEC Charges 14 Defendants in Wall Street Insider Trading Ring, Including Personnel at UBS Securities LLC, Morgan Stanley & Co., Inc. and Bear, Stearns & Co., Inc.</i> (Mar. 1, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20022.htm</p> <p><i>SEC v. Mitchel S. Guttenberg et al.</i>, C.A. No. 07 CV 1774 (PKC) (S.D.N.Y. Mar. 1, 2007) (Complaint): http://www.sec.gov/litigation/complaints/2007/comp20022.pdf</p> <p>5/10/07:</p> <p>Ms. Collotta pleaded guilty to conspiracy and securities fraud charges.</p> <p>Office of the U.S. Attorney (S.D.N.Y.) press release, <i>Former Morgan Stanley Employee and Husband Plead Guilty to Insider Trading Charges</i> (May 10, 2007): http://www.usdoj.gov/usao/nys/pressreleases/May07/collottaspleapr.pdf</p> <p>10/4/07:</p> <p>Ms. Collotta was sentenced to six months of home confinement, 60 days in the custody of federal prison authorities on nights and weekends and four years' probation, and was ordered to pay a \$3,000 fine and forfeit \$4,500.</p> <p>Larry Neumeister, <i>Couple get leniency in Wall Street case</i>, Business Week (Oct. 4, 2007):</p>	<p>SEC charges pending.</p> <p>Sentenced to six months of home confinement, 60 days in the custody of federal prison authorities on nights and weekends and four years' probation; \$3,000 fine; \$4,500 forfeiture.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>http://www.businessweek.com/ap/financialnews/D8S2NA200.htm</p> <p>Chad Bray, <i>Couple Get Home Confinement In Insider-Trading Case</i>, Wall Street Journal (Oct. 5, 2007): http://online.wsj.com/article/SB119154656607449751.html?mod=googlenews_wsj</p>	
Peregrine Systems, Inc.	55. Eric P. Deller Senior Vice President and General Counsel		<p>5/23/02:</p> <p>Peregrine announced that it has been advised that the SEC staff had commenced a formal order of private investigation into the company's accounting practices.</p> <p>Peregrine Systems, Inc. Form 8-K (filed May 29, 2002): http://www.sec.gov/Archives/edgar/data/1031107/000091205702022235/a2081029z8-k.htm</p> <p>4/27/07:</p> <p>Mr. Deller was indicted on a variety of felony charges involving securities and wire fraud, bank fraud and conspiracy to commit fraud.</p> <p>Bruce V. Bigelow, <i>Peregrine's in-house lawyer added to indictment</i>, San Diego Union-Tribune (May 2, 2007): http://www.signonsandiego.com/uniontrib/20070502/news_1b2prgn.html</p> <p>Mike Allen, <i>Federal Grand Jury Indicts Former General Counsel in Peregrine Scandal</i>, San Diego Business Journal (May 7, 2007): http://www.sdbj.com/industry_article_pay.asp?aID=73191376.3536035.1470937.9486309.2557729.495&aID2=113140</p> <p>4/30/07:</p> <p>Mr. Deller pleaded not guilty.</p> <p>Bruce V. Bigelow, <i>Peregrine's in-house lawyer added to indictment</i>, San Diego Union-Tribune (May 2, 2007): http://www.signonsandiego.com/uniontrib/20070502/news_1b2prgn.html</p> <p>Mike Allen, <i>Federal Grand Jury Indicts Former General Counsel in Peregrine Scandal</i>, San Diego Business Journal (May 7, 2007): http://www.sdbj.com/industry_article_pay.asp?aID=73191376.3536035.1470937.9486309.2557729.495&aID2=113140</p>	DOJ charges pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
Peregrine Systems, Inc.	56. Richard T. Nelson General Counsel		<p>7/19/06:</p> <p>The U.S. Attorney (S.D. Cal.) announced that a federal grand jury sitting in San Diego handed up a second superseding indictment adding Mr. Nelson to the nine other defendants pending trial on charges of conspiring to commit a multi-billion dollar securities fraud. The indictment alleges that Mr. Nelson helped manipulate Peregrine's finances by <i>inter alia</i> causing Peregrine to fraudulently erase accounts receivable from its books through acquisitions; causing Peregrine to fraudulently book revenue from "swap" transactions; misrepresenting Peregrine's financial condition to acquisition targets and potential suitors; and concealing evidence of the fraudulent practices at Peregrine.</p> <p>Office of the U.S. Attorney (S.D. Cal.) news release (July 19, 2006): http://www.usdoj.gov/usao/cas/press/cas60719-1.pdf</p>	DOJ charges pending.
PurchasePro.com, Inc.	57. Scott E. Wiegand Senior Vice President and General Counsel		<p>1/10/05:</p> <p>A federal grand jury indicted Mr. Wiegand and others on conspiracy and securities fraud charges in connection with an alleged scheme between PurchasePro.com, Inc. and America Online to inflate the revenues of both companies through secret side deals, back-dated contracts and revenue swaps.</p> <p>Andy Sullivan, <i>Former AOL, PurchasePro Execs Indicted</i>, Reuters (Jan. 10, 2005): http://www.eweek.com/article2/0,1759,1750018,00.asp</p> <p>Saul Hansell, <i>6 Former Net Executives Indicted in Conspiracy Case</i>, New York Times (Jan. 11, 2005): http://www.nytimes.com/2005/01/11/technology/11aol.html?ex=1263272400&en=aa3d4ac884f0605f&ei=5088&partner=rssnyt</p> <p>12/20/05:</p> <p>Mr. Wiegand was acquitted of all charges.</p> <p>John G. Edwards, <i>Acquittal may bode well for defendants</i>, Las Vegas Review-Journal (Dec. 22, 2005): http://www.reviewjournal.com/lvrj_home/2005/Dec-22-Thu-2005/business/4946196.html</p> <p>Sue Reisinger, <i>Getting Back in the Saddle</i>, Corporate Counsel (Feb. 24, 2006): http://www.law.com/jsp/ihc/PubArticleIHC.jsp?id=1140689113031</p> <p>Scott Wiegand with Robert Ullmann and Sarah Walters, <i>How to Avoid Risky In-House</i></p>	Acquitted.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>Positions</i>, Corporate Counsel (Apr. 25, 2006): http://www.law.com/jsp/article.jsp?id=1145885172207</p>	
<p>QuadraMed Corporation</p>	<p>58. Keith M. Roberts Chief Financial Officer and General Counsel</p>		<p>4/30/04:</p> <p>The SEC instituted public administrative cease-and-desist proceedings against Mr. Roberts alleging that he caused QuadraMed to inflate its 1998 and 1999 financial results by negotiating two \$5 million "roundtrip" transactions with a startup company, in which QuadraMed essentially paid for its own products by funding the customer's purchases.</p> <p>Exchange Act Release No. 49641, <i>SEC Institutes Proceedings Against Former CFO of Health Care Software Company</i> (Apr. 30, 2004): http://www.sec.gov/litigation/admin/34-49641.htm</p> <p><i>In the Matter of Keith M. Roberts</i>, Administrative Proceeding File No. 3-11471 (Apr. 30, 2004) (Order Instituting Public Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/34-49641-o.htm</p> <p>12/22/04:</p> <p>Mr. Roberts consented to the entry of an Order Making Findings and Imposing a Cease-and-Desist Order finding <i>inter alia</i> that he caused QuadraMed's violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder and ordering that he cease and desist from causing any violations and any future violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, and from committing or causing violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-1 thereunder.</p> <p><i>In the Matter of Keith M. Roberts</i>, Exchange Act Release No. 50918 (Dec. 22, 2004) (Order Making Findings and Imposing a Cease-and-Desist Order): http://www.sec.gov/litigation/admin/34-50918.htm</p>	<p>Ordered to cease and desist from causing any violations and any future violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, and from committing or causing violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-1 thereunder.</p>
<p>Qwest Communications International Inc.</p>	<p>59. Drake S. Tempest Executive Vice President and General Counsel</p>		<p>3/11/02:</p> <p>Qwest Communications International Inc. announced that it had received an informal inquiry from the Denver regional office of the SEC requesting voluntary production of documents regarding <i>inter alia</i> Qwest's revenue recognition and accounting treatment of sales of optical capacity assets.</p> <p>Qwest Communications International Inc. press release, <i>Qwest Communications Receives</i></p>	<p>Resigned.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>Informal Inquiry From SEC</i> (Mar. 11, 2002): http://www.qwest.com/about/media/pressroom/1,1281,930_archive.00.html</p> <p>7/5/02:</p> <p>Qwest Communications International Inc. issued the following statement: “‘We have no reason to believe that we are the subject of any investigation by the U. S. Department of Justice,’ said Drake S. Tempest, Qwest executive vice president and general counsel. ‘It’s outrageous that we would learn about such an investigation through the media. We have disclosed everything asked of us and have cooperated fully with the Securities Exchange Commission and Congress,’ Tempest added.”</p> <p>Qwest Communications International Inc. press release, <i>Qwest Communications Responds To Report Of Justice Department Investigation</i> (July 5, 2002): http://www.qwest.com/about/media/pressroom/1,1281,1051_archive.00.html</p> <p>7/10/02:</p> <p>Qwest Communications International Inc. announced that it had been informed by the U.S. Attorney’s office in Denver that it had begun a criminal investigation of Qwest.</p> <p>Qwest Communications International Inc. press release, <i>Qwest Communications Notified Of Criminal Investigation By The U.S. Attorney’s Office In Denver</i> (July 10, 2002): http://www.qwest.com/about/media/pressroom/1,1281,1055_archive.00.html</p> <p>11/14/02:</p> <p>Qwest Communications International Inc. announced that Mr. Tempest would resign from the company effective December 8, 2002, and return to the law firm of O’Melveny & Myers LLP as a partner in its New York office.</p> <p>Qwest Communications International Inc. press release, <i>Qwest Communications Appoints Rich Baer Executive Vice President And General Counsel; Baer Replaces Drake S. Tempest Who Has Accepted A Partnership With O’Melveny & Myers</i> (Nov. 14, 2002): http://www.qwest.com/about/media/pressroom/1,1281,1144_archive.00.html</p> <p>7/28/04:</p> <p>The SEC filed a subpoena enforcement action in the U.S. District Court for the District of Colorado against Mr. Tempest in connection with the SEC’s investigation of Qwest</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Communications International Inc.</p> <p>SEC Litigation Release No. 18804 (July 28, 2004): http://www.sec.gov/litigation/litreleases/lr18804.htm</p>	
Rambus Inc.	<p>60. John D. Danforth</p> <p>Senior Vice President, General Counsel and Secretary</p>	✓	<p>7/19/06:</p> <p>Rambus Inc. announced that its audit committee – which had previously concluded that the actual measurement dates for certain historical stock option grants differed from the recorded grant dates for such awards – had concluded that its previously issued financial statements for the fiscal years 2003, 2004 and 2005 should no longer be relied upon and would be restated.</p> <p>Rambus Inc. Form 8-K (filed July 19, 2006): http://www.sec.gov/Archives/edgar/data/917273/000119312506148820/d8k.htm</p> <p>7/27/06:</p> <p>John D. Danforth left his position as Senior Vice President, General Counsel and Secretary of Rambus Inc. to assume the new position of senior legal advisor, focusing on the management of certain of Rambus Inc.'s litigation matters.</p> <p>Rambus Inc. Form 8-K (filed July 27, 2006): http://www.sec.gov/Archives/edgar/data/917273/000119312506155126/d8k.htm</p> <p>Julie O'Shea, <i>Danforth Departs Rambus GC Slot After String of Legal Setbacks</i>, The Recorder (July 28, 2006): http://www.law.com/jsp/article.jsp?id=1153991139026</p>	Transferred to new position of senior legal advisor.
Rite Aid Corporation	<p>61. Franklin C. Brown</p> <p>Vice Chairman, previously General Counsel</p>		<p>6/21/02:</p> <p>The SEC filed accounting fraud charges against Mr. Brown and two other former senior executives. The U. S. Attorney for the Middle District of Pennsylvania simultaneously announced related criminal charges.</p> <p>SEC press release, <i>SEC Announces Fraud Charges Against Former Rite Aid Senior Management</i> (June 21, 2002): http://www.sec.gov/news/press/2002-92.htm</p> <p>10/17/03:</p>	<p>Sentenced to ten years in prison and ordered to pay a \$20,000 fine.</p> <p>Barred from acting as an officer or director of a public company; permanently enjoined from future violations of Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5, 13b2-1, and 13b2-2 thereunder, and, as a controlling person pursuant to Section 20(a) of the Exchange Act, Sections 13(a), 13(b)(2), and</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Mr. Brown was convicted on 10 counts including false statements to the SEC, witness tampering and obstruction of justice. The jury acquitted him of wire fraud.</p> <p>Stephen Taub, <i>Jury Conviction for Former Rite Aid Exec</i>, CFO.com (Oct. 21, 2003): http://www.cfo.com/article.cfm/3010659</p> <p>10/14/04:</p> <p>Mr. Brown was sentenced to ten years in prison and ordered to pay a \$20,000 fine.</p> <p><i>Ex-Executive at Rite Aid Sentenced to 10 Years</i>, New York Times (Oct. 15, 2004): http://query.nytimes.com/gst/fullpage.html?res=9B05EFDC173AF936A25753C1A9629C8B63</p> <p>SEC Litigation Release No. 19409, <i>SEC Settles Fraud Case Against Rite Aid's Former Lawyer</i> (Sept. 30, 2005): http://www.sec.gov/litigation/litreleases/lr19409.htm</p> <p>9/30/05:</p> <p>The SEC settled its fraud case against Mr. Brown, barring him from acting as an officer or director of a public company and permanently enjoining Mr. Brown from future violations of Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5, 13b2-1, and 13b2-2 thereunder, and, as a controlling person pursuant to Section 20(a) of the Exchange Act, Sections 13(a), 13(b)(2), and 14(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 14a-9(a).</p> <p>SEC Litigation Release No. 19409, <i>SEC Settles Fraud Case Against Rite Aid's Former Lawyer</i> (Sept. 30, 2005): http://www.sec.gov/litigation/litreleases/lr19409.htm</p>	<p>14(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 14a-9(a).</p>
<p>Rocky Mountain Energy Corporation</p>	<p>62. W. Roderick Johnson, Sr.</p> <p>General Counsel</p>		<p>4/3/03:</p> <p>The SEC filed a civil action against Mr. Johnson and others in connection with an alleged fraudulent stock manipulation scheme involving Rocky Mountain Energy Corporation. The court granted the SEC's requests for a temporary restraining order and an asset freeze against Rocky Mountain, its CEO, John N. Ehrman, and Mr. Johnson, and also appointed a temporary receiver to take control of Rocky Mountain and the assets of Mr. Ehrman.</p> <p>SEC Litigation Release No. 18069, <i>SEC Halts Fraudulent Stock Manipulation Scheme</i></p>	<p>SEC charges apparently remain pending.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p><i>Orchestrated by CEO and General Counsel of Rocky Mountain Energy Corporation</i> (Apr. 3, 2003): http://www.sec.gov/litigation/litreleases/lr18069.htm</p> <p><i>SEC v. Rocky Mountain Energy Corporation et al.</i>, Case No. H-03-CV-1133 (S.D. Tex. Apr. 3, 2003) (Complaint): http://www.sec.gov/litigation/complaints/comp18069.htm</p> <p>7/13/07:</p> <p>An indictment was unsealed charging John N. Ehrman, the former CEO of Rocky Mountain Energy Corporation, with 13 counts of securities fraud and false SEC filings.</p> <p>U.S. Attorney's Office (S.D. Tex.) press release, <i>Former CEO Indicted for Securities Fraud</i> (July 13, 2007): http://houston.fbi.gov/dojpressrel/pressrel07/ho07132007.htm</p>	
Southmark Advisory, Inc. and Southmark, Inc.	63. Steven L. Hunt President and General Counsel		<p>8/13/03:</p> <p>Mr. Hunt consented to the entry of an Order Instituting Public Administrative and Cease-And-Desist Proceedings in connection with allegations that he prepared, signed and filed Southmark Advisory, Inc.'s application for registration on Form ADV on 12/21/01 as well as five Form ADV amendments, none of which disclosed the NASD's 1993 disciplinary action against Wendell D. Belden, the chairman and control person of Southmark Advisory, Inc. and Southmark, Inc. The SEC found <i>inter alia</i> that Mr. Hunt had willfully violated Section 207 of the Advisers Act and caused and willfully aided and abetted Southmark, Inc.'s violations of Section 15(b) of the Exchange Act and Rule 15b3-1 thereunder. Mr. Hunt was ordered to cease and desist from committing or causing any violations and any future violations of Sections 204, 206(4), and 207 of the Advisers Act and Rules 204-1(a)(2), 206(4)-4(a)(2) and 206(4)-4(c) thereunder, and Section 15(b) of the Exchange Act and Rule 15b3-1 thereunder, barred from association with any broker, dealer, or investment adviser, and denied the privilege of appearing or practicing before the SEC as an attorney for three years.</p> <p><i>In the Matter of Steven L. Hunt</i>, Exchange Act Release No. 48330 (Aug. 13, 2003) (Order Instituting Public Administrative and Cease-And-Desist Proceedings): http://www.sec.gov/litigation/admin/34-48330.htm</p>	<p>Ordered to cease and desist from committing or causing any violations and any future violations of Sections 204, 206(4), and 207 of the Advisers Act and Rules 204-1(a)(2), 206(4)-4(a)(2) and 206(4)-4(c) thereunder, and Section 15(b) of the Exchange Act and Rule 15b3-1 thereunder; barred from association with any broker, dealer, or investment adviser; denied the privilege of appearing or practicing before the SEC as an attorney for three years.</p>
Symbol Technologies, Inc.	64. Leonard H. Goldner	✓	<p>6/3/04:</p>	<p>\$2 million forfeiture.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
	<p>Executive Vice President and General Counsel</p>		<p>Mr. Goldner was charged with nine counts of mail and wire fraud and tax-related charges for his alleged role in manipulating implementation of Symbol's stock option plan, including falsifying exercise dates.</p> <p>Michael Bobelian, <i>Eight Charged in Fraud Case, Including Former GC</i>, New York Law Journal (June 7, 2004): http://www.law.com/jsp/article.jsp?id=1085626379872</p> <p>6/3/04:</p> <p>The SEC charged Mr. Goldner with securities fraud including <i>inter alia</i> manipulating stock option exercise dates to enable certain senior executives, including himself, to profit unfairly at the company's expense.</p> <p>SEC Litigation Release No. 18734, <i>SEC Charges Symbol Technologies, Inc. and 11 Former Symbol Executives with Securities Fraud</i> (June 3, 2004): http://www.sec.gov/litigation/litreleases/lr18734.htm</p> <p><i>SEC v. Symbol Technologies, Inc. et al.</i>, (E.D.N.Y. June 3, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18734.pdf</p> <p>10/27/04:</p> <p>Mr. Goldner pleaded guilty to conspiring to obstruct the IRS in the computation, assessment and collection of income tax in connection with the backdating of stock option exercises, and agreed to forfeit to the government \$2 million, representing the proceeds of his crime.</p> <p>U.S. Attorney's Office (E.D.N.Y.) press release, <i>Former General Counsel of Symbol Technologies Pleads Guilty to Conspiring to Obstruct the Internal Revenue Service in the Collection of Income Tax</i> (Oct. 27, 2004): http://www.usdoj.gov/tax/usaopress/2004/txdv042004oct27a.htm</p> <p>2/7/06:</p> <p>Mr. Goldner consented to entry of an order prohibiting him from acting as an officer or director of a public company and permanently enjoining him from violating, or engaging in conduct that would make him liable for violations of, Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2), 13(b)(5), 14(a), and 16(a) of the Exchange Act, and Exchange Act Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, 14a-3, 14a-9, and 16a-3.</p>	<p>Prohibited from acting as an officer or director of a public company; permanently enjoined from violating, or engaging in conduct that would make him liable for violations of, Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2), 13(b)(5), 14(a), and 16(a) of the Exchange Act, and Exchange Act Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, 14a-3, 14a-9, and 16a-3; suspended from appearing or practicing before the SEC as an attorney.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>SEC Litigation Release No. 19585, <i>Former General Counsel of Symbol Technologies, Inc. Consents to Permanent Injunctive Relief, Officer-and-Director Bar and Administrative Order Under Rule 102(E)</i> (Mar. 2, 2006): http://www.sec.gov/litigation/litreleases/lr19585.htm</p> <p>2/27/06:</p> <p>Mr. Goldner consented, without admitting or denying the SEC's findings, to entry of an order suspending him from appearing or practicing before the SEC as an attorney.</p> <p><i>In the Matter of Leonard Goldner</i>, Exchange Act Release No. 53375 (Feb. 27, 2006) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/34-53375.pdf</p>	
<p>Take-Two Interactive Software Inc.</p>	<p>65. Kenneth I. Selterman General Counsel</p>	<p>✓</p>	<p>6/6/07:</p> <p>In connection with the Manhattan District Attorney's investigation of back-dated stock options issued by Take-Two Interactive Software Inc. to its executives, Mr. Selterman pleaded guilty to providing false information in a 2002 letter to Nasdaq about the type of options that had been issued to executives.</p> <p>District Attorney – New York County news release (July 20, 2007): http://www.manhattanda.org/whatsnew/press/2007-07-20.html</p> <p>8/8/07:</p> <p>Mr. Selterman was sentenced in New York State Supreme Court to three years of probation, 200 hours of community service and a fine of \$50,000.</p> <p><i>Former Take-Two Official Is Sentenced in Backdating Case</i>, New York Times (Aug. 9, 2007): http://www.nytimes.com/2007/08/09/business/09game.html</p> <p>8/9/07:</p> <p>Take-Two Interactive Software Inc. received a Wells call from the Staff of the SEC's Division of Enforcement advising the company that it intends to seek authority from the SEC to file charges in connection with its option grant investigation and to seek a civil monetary penalty.</p>	<p>Sentenced to three years of probation, 200 hours of community service and a fine of \$50,000.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Take-Two Interactive Software Inc. Form 8-K (filed Aug. 15, 2007): http://www.sec.gov/Archives/edgar/data/946581/000114420407044302/v085124_8k.htm</p>	
<p>Tenet Healthcare Corporation</p>	<p>66. Christi R. Sulzbach General Counsel</p>		<p>9/26/03:</p> <p>Tenet Healthcare Corporation announced that Ms. Sulzbach would resign effective 11/1/03.</p> <p>Tenet Healthcare Corporation press release, <i>Tenet's General Counsel to Depart</i> (Sept. 26, 2003) (Ex. 99.1 to Tenet Healthcare Corporation Form 8-K (filed Sept. 29, 2003)): http://www.sec.gov/Archives/edgar/data/70318/000110465903021718/a03-3704_1ex99d1.htm</p> <p>4/2/07:</p> <p>The SEC filed civil fraud charges against Ms. Sulzbach and others alleging that they had failed to disclose to investors that Tenet Healthcare Corporation's strong earnings growth from 1999 to 2002 was driven largely by its exploitation of a loophole in the Medicare reimbursement system.</p> <p>SEC Litigation Release No. 20067 (Apr. 2, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20067.htm</p> <p><i>SEC v. Tenet Healthcare Corp. et al.</i>, CV-07-2144 (RGK) (AGR) (C.D. Cal. Apr. 2, 2007 (Complaint)): http://www.sec.gov/litigation/complaints/2007/comp20067.pdf</p> <p>9/18/07:</p> <p>The DOJ filed a complaint alleging that Ms. Sulzbach violated the False Claims Act by submitting false certifications to the Department of Health and Human Services in 1997 and 1998 which allowed Tenet to bill Medicare for millions of dollars in claims to which Tenet was not entitled.</p> <p>U.S. Attorney's Office (S.D. Fla.) press release, <i>Department of Justice Files Complaint Against Tenet's Former General Counsel</i> (Sept. 18, 2007): http://www.usdoj.gov/usao/fls/PressReleases/070918-05.html</p> <p><i>U.S. v. Christi R. Sulzbach</i>, 07-61329 (S.D. Fla. Sept. 18, 2007) (Complaint):</p>	<p>Resigned; SEC and DOJ charges pending.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			http://www.usdoj.gov/usao/fls/PressReleases/Attachments/070918-05.Complaint.pdf	
The Purdue Frederick Company, Inc.	67. Howard R. Udell Executive Vice President and Chief Legal Officer		<p>5/10/07:</p> <p>Mr. Udell pleaded guilty to a misdemeanor count of misbranding a drug in connection with charges that Purdue fraudulently marketed OxyContin by falsely claiming that OxyContin was less addictive, less subject to abuse, and less likely to cause withdrawal symptoms than other pain medications. As part of his plea Mr. Udell agreed to pay \$8 million to the Virginia Attorney General's Medicaid Fraud Control Unit and a \$5,000 criminal fine.</p> <p><i>U.S. v. Howard R. Udell</i>, Case No. 1:07CR29 (W.D. Va. May 10, 2007) (Plea Agreement): http://www.vawd.uscourts.gov/PurdueFrederickCo/Plea-Agreement-Udell.pdf</p> <p>U.S. Attorney's Office (W.D. Va.) news release, <i>The Purdue Frederick Company, Inc. and Top Executives Plead Guilty to Misbranding Oxycontin; Will Pay Over \$600 Million</i> (May 10, 2007): http://www.usdoj.gov/usao/vaw/press_releases/purdue_frederick_10may2007.html</p> <p>7/20/07:</p> <p>Mr. Udell was sentenced to three years' probation and 400 hours of community service related to prevention of prescription drug abuse and ordered to pay a portion of the \$34.5 million fine levied against Mr. Udell and two other individual defendants.</p> <p>Sue Lindsey, <i>Judge Fines OxyContin Maker and 3 Executives</i>, Washington Post (July 21, 2007): http://www.washingtonpost.com/wp-dyn/content/article/2007/07/20/AR2007072001714.html</p>	<p>Payment of \$8 million to the Virginia Attorney General's Medicaid Fraud Control Unit; \$5,000 criminal fine; sentenced to three years' probation and 400 hours of community service.</p>
The Warnaco Group, Inc.	68. Stanley P. Silverstein Vice President, General Counsel and Secretary		<p>5/11/04:</p> <p>The SEC instituted settled enforcement proceedings charging Mr. Silverstein for his role in connection with The Warnaco Group's misleading disclosure in its annual report for 1998. The SEC alleged that although the annual report correctly accounted for the company's \$145 million restatement, Warnaco failed to inform investors of the true cause of the restatement, and Mr. Silverstein knew or should have known that the restatement resulted from material flaws in the company's cost accounting and internal control systems at one of its divisions and nonetheless approved the annual report. The SEC</p>	<p>\$165,772 in disgorgement and prejudgment interest; ordered to cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act, and Rules 12b-20, 13a-1, and 13a-13 promulgated thereunder.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>ordered that Mr. Silverstein pay disgorgement and prejudgment interest in the total amount of \$165,772, based on a bonus he received in 1998, and that he cease and desist from causing any violations and any future violations of Section 13(a) of the Exchange Act, and Rules 12b-20, 13a-1, and 13a-13 promulgated thereunder.</p> <p>SEC press release 2004-62, <i>Company Settles Charges of Securities Fraud, Reporting Violations; Former CFO William Finkelstein Settles Charges of Aiding and Abetting Company's Violations; Former CEO Linda Wachner and Former General Counsel Stanley Silverstein Also Settle Actions Relating to Warnaco's Financial Disclosures; PricewaterhouseCoopers LLP Settles Related SEC Enforcement Action and Agrees to Pay \$2.4 Million Penalty</i> (May 11, 2004): http://www.sec.gov/news/press/2004-62.htm</p> <p><i>In the Matter of Stanley P. Silverstein</i>, Exchange Act Release No. 49676 (May 11, 2004) (Order Instituting Public Administrative and Cease-and-Desist Proceedings): http://www.sec.gov/litigation/admin/34-49676.htm</p>	
Triumph Capital Group, Inc.	69. Charles B. Spadoni Vice President and General Counsel		<p>10/10/00:</p> <p>A federal grand jury indicted Mr. Spadoni and others for their roles in a scheme involving investment of Connecticut state pension fund assets during 1998 by the then-Treasurer of Connecticut. The indictment <i>inter alia</i> charged Mr. Spadoni with obstruction of justice for his alleged destruction of documents in and after June 1999 relevant to a grand jury investigation concerning the investment by the State of Connecticut pension fund.</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 50300 (Sept. 1, 2004) (Order Making Findings and Imposing Remedial Sanctions): http://www.sec.gov/litigation/admin/34-50300.htm</p> <p>10/10/00:</p> <p>The SEC filed a civil fraud action against Mr. Spadoni and others allegedly involved in a fraudulent scheme in connection with the investment of Connecticut state pension fund money.</p> <p>SEC Litigation Release No. 16759, <i>SEC Charges Former Connecticut Treasurer and Ten Others Involved in Fraudulent Scheme in Connection With Investment of State Pension Fund Money; Three Defendants Agree To Settle Charges</i> (Oct. 10, 2000): http://www.sec.gov/litigation/litreleases/lr16759.htm</p>	<p>Barred from association with any broker, dealer or investment adviser; suspended from appearing or practicing as an attorney before the SEC; permanently enjoined from future violations <i>inter alia</i> of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.</p> <p>Sentenced to 36 months imprisonment and ordered to pay a \$50,000 fine.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>7/16/03:</p> <p>The jury in the criminal action found Mr. Spadoni guilty of one count of racketeering, one count of racketeering conspiracy, one count of theft/bribery, four counts of wire fraud/theft of honest services, and one count of obstruction of justice.</p> <p>SEC Litigation Release No. 18461, <i>Triumph Capital Group, Inc. and Frederick W. McCarthy Settle SEC Fraud Charges; Triumph and Charles B. Spadoni Found Guilty by Jury in Criminal Action, and McCarthy Pleads Guilty to Criminal Charges</i> (Nov. 17, 2003): http://www.sec.gov/litigation/litreleases/lr18461.htm</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 50300 (Sept. 1, 2004) (Order Making Findings and Imposing Remedial Sanctions): http://www.sec.gov/litigation/admin/34-50300.htm</p> <p>3/9/04:</p> <p>The SEC announced that it had initiated administrative proceedings against Mr. Spadoni in connection with Mr. Spadoni's indictment and conviction.</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 49377 (Mar. 9, 2004): http://www.sec.gov/litigation/admin/34-49377.htm</p> <p>9/1/04:</p> <p>Mr. Spadoni consented to the entry of an Order Making Findings and Imposing Remedial Sanctions pursuant to which <i>inter alia</i> Mr. Spadoni was barred from association with any broker, dealer or investment adviser.</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 50300 (Sept. 1, 2004) (Order Making Findings and Imposing Remedial Sanctions): http://www.sec.gov/litigation/admin/34-50300.htm</p> <p>10/27/06:</p> <p>A judgment of conviction was entered against Mr. Spadoni finding him guilty of one count of racketeering, one count of racketeering conspiracy, one count of theft/bribery concerning programs receiving federal funds, four counts of wire fraud/theft of honest services, and one count of obstruction of justice. Mr. Spadoni was sentenced to 36</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>months imprisonment and ordered to pay a \$50,000 fine.</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 54774 (Nov. 17, 2006) (Order of Forthwith Suspension): http://www.sec.gov/litigation/admin/2006/34-54774.pdf</p> <p>11/17/06:</p> <p>Mr. Spadoni was suspended from appearing or practicing as an attorney before the SEC pursuant to Rule 102(e)(2) of the SEC's Rules of Practice.</p> <p><i>In the Matter of Charles B. Spadoni</i>, Exchange Act Release No. 54774 (Nov. 17, 2006) (Order of Forthwith Suspension): http://www.sec.gov/litigation/admin/2006/34-54774.pdf</p> <p>2/27/07:</p> <p>A final judgment by consent was entered in the SEC's fraud action against Mr. Spadoni pursuant to which he agreed to a permanent injunction against future violations <i>inter alia</i> of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.</p> <p>SEC Litigation Release No. 20027, <i>Final Judgment by Consent Entered as to Charles B. Spadoni</i> (Mar. 2, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20027.htm</p>	
Tyco International Ltd.	70. Mark Belnick Chief Corporate Counsel		<p>9/12/02:</p> <p>The SEC filed a civil enforcement action alleging that Mr. Belnick and other former executives "violated the federal securities laws by failing to disclose to shareholders the multi-million dollar low interest and interest-free loans they took from the company."</p> <p>SEC Litigation Release No. 17722, <i>TYCO Former Executives L. Dennis Kozlowski, Mark H. Swartz and Mark A. Belnick Sued for Fraud</i> (Sept. 12, 2002): http://www.sec.gov/litigation/litreleases/lr17722.htm</p> <p>9/12/02:</p> <p>Manhattan District Attorney Robert M. Morgenthau announced the indictment of Mr. Belnick by a New York County grand jury. Mr. Belnick pleaded not guilty.</p>	<p>Acquitted.</p> <p>Permanently enjoined from aiding or abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 13(a) and 14(a) of the Exchange Act and Rules 12b-20, 13a-1, and 14a-9 thereunder; ordered to pay a \$100,000 civil money penalty; prohibited for a period of five years from serving as an officer or director of a public company.</p>

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>News Release, District Attorney – New York County (Sept. 12, 2002): http://www.manhattanda.org/whatsnew/press/2002-09-12.htm</p> <p><i>The People of the State of New York v. Mark A. Belnick</i>, Indictment No. 5258/02 (N.Y. Supr. Ct.): http://fl1.findlaw.com/news.findlaw.com/wsj/docs/tyco/nybelnick61202ind.pdf</p> <p><i>Three Tyco execs indicted for fraud</i>, CNN/Money (Sept. 12, 2002): http://edition.cnn.com/2002/BUSINESS/asia/09/12/us.tyco/</p> <p>Mark Maremont and Jerry Markon, <i>Former Tyco Chief, Two Others Face New Charges and Lawsuits</i>, Wall Street Journal (Sept. 13, 2002): http://online.wsj.com/article/0,,SB1031836600798528755.html</p> <p>7/15/04:</p> <p>Mr. Belnick was acquitted of all charges by a Manhattan jury.</p> <p>Brooke A. Masters and Carrie Johnson, <i>Former Tyco Executive Acquitted</i>, Washington Post (July 16, 2004): http://www.washingtonpost.com/wp-dyn/articles/A53295-2004Jul15.html</p> <p>5/2/06:</p> <p>Without admitting or denying the allegations in the SEC’s complaint, Mr. Belnick consented to the entry of a final judgment <i>inter alia</i> permanently enjoining him from aiding or abetting violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and from aiding and abetting violations of Sections 13(a) and 14(a) of the Exchange Act and Rules 12b-20, 13a-1, and 14a-9 thereunder, requiring that he pay a civil money penalty in the amount of \$100,000, and prohibiting him for a period of five years from serving as an officer or director of a public company.</p> <p>SEC Litigation Release No. 19682, <i>SEC Settles Litigation with Former Chief Corporate Counsel of Tyco International Ltd.</i> (May 2, 2006): http://www.sec.gov/litigation/litreleases/2006/lr19682.htm</p>	
UnitedHealth Group, Inc.	71. David Lubben General Counsel	✓	<p>10/15/06:</p> <p>UnitedHealth Group announced that a special committee of its board of directors had</p>	Retired.

Company	Name and Position	Options-Related	Events and Sources	Disposition
	and Secretary		<p>completed its review of the company’s option granting practices and that <i>inter alia</i> Mr. Lubben “will proceed with plans to retire and is stepping down today as General Counsel and Secretary.” The special committee report notes that “[t]he Legal Department failed to prepare adequate minutes of meetings of the Board of Directors, the Compensation Committee and the Ad Hoc Committee” and that most of the compensation committee minutes are either "entirely silent" on the matter of stock-option discussions or make vague, incomplete or misleading references to what actually occurred.</p> <p>UnitedHealth Group press release, <i>UnitedHealth Group Board of Directors Announces Series of Actions</i> (Oct. 15, 2006): https://www.uhcrivervalley.com/currentnews/BoardAnnouncesSeriesofActions.html</p> <p><i>Report of Wilmer Cutler Pickering Hale and Dorr LLP to the Special Committee of the Board of Directors of UnitedHealth Group, Inc.</i> (undated) at 11: http://www.unitedhealthcare.com/live/uhc_com/Assets/Documents/Wilmer_Hale_Report.pdf</p>	
Universal Express, Inc.	72. Chris G. Gunderson General Counsel		<p>3/24/04:</p> <p>The SEC filed a complaint charging Mr. Gunderson with the illegal distribution of common stock to the public.</p> <p>SEC Litigation Release No. 18636 (Mar. 24, 2004): http://www.sec.gov/litigation/litreleases/lr18636.htm</p> <p><i>SEC v. Universal Express, Inc. et al.</i> (S.D.N.Y. Mar. 24, 2004) (Complaint): http://www.sec.gov/litigation/complaints/comp18636.htm</p> <p>2/21/07:</p> <p>The U.S. District Court (S.D.N.Y.) found <i>inter alia</i> that Mr. Gunderson deliberately, or at least recklessly, violated Sections 5 and 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and that Mr. Gunderson and others engaged in a fraudulent scheme to defraud investors by issuing false or misleading press releases announcing large funding commitments that would enable Universal Express to acquire other companies. The court ordered Universal Express, Inc. to pay over \$9 million in disgorgement and an additional \$9 million in civil penalties.</p> <p><i>In the Matter of Chris G. Gunderson</i>, Exchange Act Release No. 55869 (June 6, 2007) (Order Instituting Public Administrative Proceedings):</p>	Permanently enjoined from future violations of Sections 5 and 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; temporarily suspended from appearing or practicing before the SEC; appeal pending.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>http://www.sec.gov/litigation/admin/2007/34-55869.pdf</p> <p>SEC Litigation Release No. 20165, <i>SEC Seeks Appointment of Receiver To Operate Universal Express, Inc.</i> (June 25, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20165.htm</p> <p>4/2/07:</p> <p>A final judgment was entered against Mr. Gunderson and others <i>inter alia</i> permanently enjoining Mr. Gunderson from future violations of Sections 5 and 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.</p> <p><i>In the Matter of Chris G. Gunderson</i>, Exchange Act Release No. 55869 (June 6, 2007) (Order Instituting Public Administrative Proceedings): http://www.sec.gov/litigation/admin/2007/34-55869.pdf</p> <p>SEC Litigation Release No. 20165, <i>SEC Seeks Appointment of Receiver To Operate Universal Express, Inc.</i> (June 25, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20165.htm</p> <p>6/2/07:</p> <p>Mr. Gunderson filed a notice of appeal.</p> <p>SEC Litigation Release No. 20165, <i>SEC Seeks Appointment of Receiver To Operate Universal Express, Inc.</i> (June 25, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20165.htm</p> <p>6/6/07:</p> <p>The SEC ordered that Mr. Gunderson be temporarily suspended from appearing or practicing before the SEC.</p> <p><i>In the Matter of Chris G. Gunderson</i>, Exchange Act Release No. 55869 (June 6, 2007) (Order Instituting Public Administrative Proceedings): http://www.sec.gov/litigation/admin/2007/34-55869.pdf</p> <p>6/21/07:</p> <p>The SEC filed a motion seeking appointment of a receiver to operate Universal Express,</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Inc.</p> <p>SEC Litigation Release No. 20165, <i>SEC Seeks Appointment of Receiver To Operate Universal Express, Inc.</i> (June 25, 2007): http://www.sec.gov/litigation/litreleases/2007/lr20165.htm</p> <p>9/12/07:</p> <p>The SEC denied Mr. Gunderson's petition to lift its order of temporary suspension and ordered an expedited hearing.</p> <p><i>In the Matter of Chris G. Gunderson</i>, Exchange Act Release No. 56396 (Sept. 12, 2007) (Order Denying Motion to Lift Temporary Suspension and Directing Hearing): http://www.sec.gov/litigation/admin/2007/34-56396.pdf</p>	
U.S. Wireless Corporation	73. David S. Klarman Vice President, General Counsel and Secretary		<p>7/14/03:</p> <p>The SEC charged Mr. Klarman with fraud and other misconduct in violation of the federal securities laws, alleging that Mr. Klarman and U.S. Wireless Corporation's former CEO had the company transfer common stock worth approximately \$3.2 million and cash totaling approximately \$428,000 to several offshore entities that they secretly owned and controlled and took steps to conceal the transfers.</p> <p>SEC Litigation Release No. 18275, <i>SEC Charges Former Executives of U.S. Wireless with Fraud</i> (Aug. 6, 2003): http://www.sec.gov/litigation/litreleases/lr18275.htm</p> <p><i>SEC v. Oliver Hilsenrath et al.</i>, C.A. No. C-03-3252 (N.D. Cal. July 14, 2003) (Complaint): http://www.sec.gov/litigation/complaints/comp18275.htm</p> <p>7/14/03:</p> <p>Mr. Klarman and the company's former CEO were indicted and charged <i>inter alia</i> with defrauding U.S. Wireless shareholders by improperly transferring company stock and cash to offshore entities that they controlled.</p> <p>Dan Gallagher, <i>Former U.S. Wireless execs indicted</i>, East Bay Business Times (July 14, 2003): http://www.bizjournals.com/eastbay/stories/2003/07/14/daily10.html?jst=s_cn_hl</p>	Approximately \$3.9 million in disgorgement and prejudgment interest; prohibited from serving as an officer or director of a public company for ten years; permanently enjoined from violating or aiding and abetting violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(5) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2 thereunder; suspended from appearing or practicing before the SEC as an attorney.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>12/2/03:</p> <p>Mr. Klarman pleaded guilty to mail fraud and money laundering.</p> <p><i>Former U.S. Wireless exec pleads guilty</i>, East Bay Business Times (Jan. 27, 2004): http://www.bizjournals.com/eastbay/stories/2004/01/26/daily13.html?jst=s_cn_hl</p> <p>6/27/05:</p> <p>The SEC announced that Mr. Klarman had consented to the entry of an order finding him liable for approximately \$3.9 million in disgorgement of ill-gotten gains and prejudgment interest, prohibiting him from serving as an officer or director of a public company for ten years and permanently enjoining him from violating or aiding and abetting violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(5) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2 thereunder. Mr. Klarman also consented to a separate administrative order suspending him from appearing or practicing before the SEC as an attorney.</p> <p>SEC Litigation Release No. 19286, <i>Former General Counsel of U.S. Wireless Held Liable for \$3.9 Million and Barred from Serving As An Officer or Director of a Public Company</i> (June 27, 2005): http://www.sec.gov/litigation/litreleases/lr19286.htm</p> <p><i>In the Matter of David S. Klarman</i>, Exchange Act Release No. 51927 (June 27, 2005) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/34-51927.pdf</p>	
VeriSign, Inc.	<p>74. James M. Ulam</p> <p>Senior Vice President, General Counsel and Secretary</p>	✓	<p>5/18/06:</p> <p>Mr. Ulam signed a Transition Services & General Release Agreement pursuant to which <i>inter alia</i> he agreed to continue in his role as General Counsel on a full-time basis until 9/3/06 and he would remain employed on a part-time basis as an employee consultant from 9/4/06 through 3/3/07.</p> <p>Transition Services & General Release Agreement (May 18, 2006) (Ex. 10.01 to VeriSign, Inc. Form 10-Q for the quarter ended June 30, 2006 (<i>inter alia</i> restating the company's condensed consolidated balance sheet as of December 31, 2005, the related consolidated statements of income for the three and six months ended June 30, 2005, and condensed consolidated statements of cash flows for the six months ended June 30, 2005)</p>	Left the company.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>(filed July 12, 2007)): http://www.sec.gov/Archives/edgar/data/1014473/000119312507154186/dex1001.htm</p> <p>6/27/06:</p> <p>VeriSign, Inc. announced that on 6/26/06 it had received a grand jury subpoena from the U.S. Attorney for the Northern District of California requesting documents relating to the company's stock option grants and practices, and that it had also received an informal inquiry from the SEC requesting documents related to its option granting practices.</p> <p>VeriSign, Inc. press release, <i>VeriSign Responds to Stock Option Inquiries</i> (June 27, 2006) (Ex. 99.1 to VeriSign, Inc. Form 8-K (filed June 27, 2006)): http://www.sec.gov/Archives/edgar/data/1014473/000119312506136995/dex991.htm</p> <p>7/17/07:</p> <p>VeriSign announced that Richard H. "Rick" Goshorn had been named senior vice president, general counsel and secretary of the company. According to The Recorder, "He replaces James Ulam, who quietly left the company shortly after stock option problems came to light."</p> <p>VeriSign, Inc. press release, <i>VeriSign Announces Changes to Executive Team</i> (July 17, 2007): http://www.verisign.com/press_releases/pr/page_042504.html</p> <p>Jessie Seyfer, <i>Former Akin Gump GC Joins VeriSign as Stock Option Troubles Brew</i>, The Recorder (July 25, 2007): http://www.law.com/jsp/ihc/PubArticleIHC.jsp?id=1185268001110</p>	
Vertex Pharmaceuticals, Inc.	75. Andrew S. Marks Chief Patent Counsel		<p>12/3/02:</p> <p>The SEC filed an enforcement action against Mr. Marks charging him with insider trading in Vertex Pharmaceuticals stock.</p> <p>SEC Litigation Release No. 17871, <i>SEC Charges High-Ranking Attorney at Cambridge Biotech Company with Insider Trading</i> (Dec. 3, 2002): http://www.sec.gov/litigation/litreleases/lr17871.htm</p> <p><i>SEC v. Andrew S. Marks</i> (D. Mass. Dec. 3, 2002) (Complaint): http://www.sec.gov/litigation/complaints/comp17871.htm</p>	Sentenced to a year and a day in prison. Suspended from appearing or practicing before the SEC; enjoined from violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act; barred from acting as an officer or director of a public company; ordered to pay \$53,000 in disgorgement.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>9/9/03:</p> <p>The U.S. Attorney for the District of Massachusetts filed a one-count information charging Mr. Marks with unlawful insider trading in connection with his September 2001 sale of stock in Vertex Pharmaceuticals.</p> <p>SEC Litigation Release No. 18360, <i>U.S Attorney Files Criminal Insider Trading Charges Against Former High-Ranking Attorney At Cambridge Biotech Company</i> (Sept. 24, 2003): http://www.sec.gov/litigation/litreleases/lr18360.htm</p> <p>10/3/03:</p> <p>Mr. Marks pleaded guilty to a one-count information charging him with insider trading in connection with his sale of Vertex stock.</p> <p>SEC News Digest, <i>Former High-Ranking Attorney at Cambridge Biotech Company Suspended Forthwith From Practice Before the Commission Pursuant to Rule 102(E)(2) of the Commission's Rules of Practice</i> (Sept. 24, 2004): http://www.sec.gov/news/digest/dig092404.txt</p> <p>1/12/04:</p> <p>A federal judge sentenced Mr. Marks to a year and a day in prison for insider trading.</p> <p>SEC Litigation Release No. 18956, <i>Former Attorney at Cambridge Biotech Company Barred From Acting as an Officer or Director of Public Company in Connection with Settlement of Insider Trading Charges</i> (Nov. 2, 2004): http://www.sec.gov/litigation/litreleases/lr18956.htm</p> <p>9/23/04:</p> <p>Mr. Marks was suspended from appearing or practicing before the SEC under Rule 102(e)(2) of the SEC's Rules of Practice.</p> <p>SEC News Digest, <i>Former High-Ranking Attorney at Cambridge Biotech Company Suspended Forthwith From Practice Before the Commission Pursuant to Rule 102(E)(2) of the Commission's Rules of Practice</i> (Sept. 24, 2004): http://www.sec.gov/news/digest/dig092404.txt</p>	

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>10/25/04:</p> <p>A federal court (D. Mass.), by consent, issued an order enjoining Mr. Marks from violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 17(a) of the Securities Act, barring him from acting as an officer or director of a public company, and ordering him to pay \$53,000 in disgorgement.</p> <p>SEC Litigation Release No. 18956, <i>Former Attorney at Cambridge Biotech Company Barred From Acting as an Officer or Director of Public Company in Connection with Settlement of Insider Trading Charges</i> (Nov. 2, 2004): http://www.sec.gov/litigation/litreleases/lr18956.htm</p>	
Waste Management Inc.	76. Herbert A. Getz General Counsel, Senior Vice President and Secretary		<p>3/26/02:</p> <p>The SEC filed a complaint charging Mr. Getz and five other former top officers of Waste Management, Inc. with perpetrating a financial fraud lasting more than five years in which they allegedly engaged in a systematic scheme to falsify and misrepresent Waste Management's financial results.</p> <p>SEC Litigation Release No. 17435, <i>Waste Management, Inc. Founder and Five Other Former Top Officers Sued for Massive Earnings Management Fraud</i> (Mar. 26, 2002): http://www.sec.gov/litigation/litreleases/lr17435.htm</p> <p><i>SEC v. Dean L. Buntrock et al.</i>, No. 02C 2180 (N.D. Ill. Mar. 26, 2002) (Complaint): http://www.sec.gov/litigation/complaints/complr17435.htm</p> <p>8/26/05:</p> <p>A final judgment was entered by consent against Mr. Getz, permanently enjoining him from violating, or aiding and abetting violations of, Sections 10(b) and 13(a) of the Exchange Act, Rules 10b-5, 12b-20, 13a-1, and 13a-13 promulgated thereunder, and Section 17(a) of the Securities Act, permanently barring him from acting as an officer or director of a public company, and ordering him to pay \$472,500 in disgorgement, \$477,256 in prejudgment interest, and a \$200,000 civil penalty.</p> <p>SEC Litigation Release No. 19351, <i>Waste Management, Inc. Founder and Three Other Former Top Officers Settle Sec Fraud Action for \$30.8 Million</i> (Aug. 29, 2005): http://www.sec.gov/litigation/litreleases/lr19351.htm</p> <p>9/15/05:</p>	Permanently enjoined from violating, or aiding and abetting violations of, Sections 10(b) and 13(a) of the Exchange Act, Rules 10b-5, 12b-20, 13a-1, and 13a-13 promulgated thereunder, and Section 17(a) of the Securities Act; permanently barred from acting as an officer or director of a public company; ordered to pay \$472,500 in disgorgement, \$477,256 in prejudgment interest, and a \$200,000 civil penalty; suspended from appearing or practicing before the SEC as an attorney for five years.

Company	Name and Position	Options-Related	Events and Sources	Disposition
			<p>Mr. Getz consented to the entry of an order instituting administrative proceedings pursuant to which he was suspended from appearing or practicing before the SEC as an attorney for five years.</p> <p><i>In the Matter of Herbert A. Getz</i>, Exchange Act Release No. 52452 (Sept. 15, 2005) (Order Instituting Administrative Proceedings): http://www.sec.gov/litigation/admin/34-52452.pdf</p>	
Xpress Pharmacy Direct	77. Daniel Adkins General Counsel		<p>1/24/06:</p> <p>Mr. Adkins was indicted in connection with the alleged illegal operation of an Internet pharmacy and charged with one count of conspiracy to distribute and dispense controlled substances, three counts of unlawful distribution of a controlled substance, and three counts of introduction of misbranded drugs into interstate commerce.</p> <p><i>Lawyer Indicted for Alleged Role in Illegal Internet Pharmacy Case</i>, Associated Press (Jan. 26, 2006): http://www.law.com/jsp/article.jsp?id=1138183510537</p> <p>U.S. Attorney's Office (D. Minn.) news release, <i>Prior Lake Man Sentenced to Federal Prison for Operating Illegal Internet Pharmacy</i> (Aug. 1, 2007): http://www.usdoj.gov/usao/mn/press/major/major0119.pdf</p> <p><i>U.S. v. Christopher William Smith et al.</i>, Case 0:05-cr-00282-MJD-JJG (D. Minn. Sept. 19, 2006) (Third Superseding Indictment): http://www.spamsuite.com/webfm_send/84</p> <p>11/22/06:</p> <p>Mr. Adkins was acquitted of all charges.</p> <p>Joshua Freed, <i>Minn. Man Convicted in Pharmacy Case</i>, Associated Press (Nov. 22, 2006): http://abcnews.go.com/US/wireStory?id=2674385</p> <p>U.S. Attorney's Office (D. Minn.) news release, <i>Prior Lake Man Sentenced to Federal Prison for Operating Illegal Internet Pharmacy</i> (Aug. 1, 2007): http://www.usdoj.gov/usao/mn/press/major/major0119.pdf</p>	Acquitted.

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