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**NEW FASB TAX RULING, SARBANES-OXLEY
FALL SHORT OF GIVING INVESTORS ALL INFORMATION THEY NEED SAYS
FORMER CHIEF IRS COUNSEL**

Auditor Independence Issues Highlighted

NEW YORK CITY, January 19, 2007 -- Despite Sarbanes-Oxley mandates and the just-released FIN 48 Financial Standards Accounting Board (FASB) ruling requiring publicly-traded companies to provide more transparency and information about their tax positions and tax reserves, “there is still a long way to go to protect shareholders, who need to get the best possible financial information -- at once reliable, devoid of bias or conflict, and subject to real independent review,” Stuart E. Seigel, former Chief Counsel of the Internal Revenue Service, told a gathering of business executives today at New York’s Metropolitan Club.

Mr. Seigel, Chairman and CEO of Seigel & Associates, LLC, a tax advisory service, said that Sarbanes-Oxley has not yet remedied the serious problem of inappropriate or inadequate financial reporting, citing the mounting number of restatements of financial results since the law was enacted over four years ago. In the first nine months of 2006 alone, he pointed out, there were no less than 967 such restatements, noting that stock option backdating has recently triggered a flood of such restatements.

“What this means,” the speaker added, “is that we can anticipate a renewed and ongoing effort to improve financial reporting compliance and review even more, and that the laws and procedures that followed in the wake of the now infamous accounting scandals will all be with us for the foreseeable future.”

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He said that FIN 48 is “only the first step” in the reform of reporting of tax liabilities and practices, calling it “the beginning of a trend that will continue as the demand for greater disclosure and transparency cumulates.”

FIN 48 also puts into sharper relief the issue of auditor independence and intensifies the need for objective opinions to support the tax-reserve information now required to be disclosed for the first time. Seigel said, “If an auditor also provides tax services, FIN 48 further adds to the discomfort about the independence issue.”

Although companies will, under FIN 48, now have less leeway deciding what tax benefits may hold up to IRS scrutiny, he argued that determining current tax expenses may still be difficult using just a review of financial statements because tax expenses include so many variables that can not be readily configured.

“Trying to determine the effective tax rate for a corporation, particularly one with multiple entities or foreign operations,” he told his audience “is a virtual impossibility for most investors and analysts. I think we will see companies required to disclose more details of their tax profile as time goes by.”

What this means, Seigel concluded, “is that enlightened corporate managers will have to start now to put in place the mechanisms that they will need to meet today’s demands as well of those of the future. They must come to grips with the question of auditors and taxwork that will assure the efficiency and effectiveness to which shareholders are entitled.”

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About Seigel & Associates, LLC: New York City. Founded in 2006. The firm provides expert independent, objective opinion to corporate management as to the adequacy and reasonableness of a company’s tax reserves. www.seigel-llc.com.