



NEWS

CONTINUING THE TREND ESTABLISHED EARLIER THIS YEAR, 31% OF MAJOR PUBLIC COMPANIES STILL FAIL TO FULLY SATISFY KEY TAX RESERVE DISCLOSURE REQUIREMENTS

Many Companies in \$2-\$5 Billion Revenue Range Miss Major Forecasting Requirement, Says Seigel Tax Reserve Report

NEW YORK – (December 16, 2008) – Despite nearly a year of prodding and awareness-building by regulators and advisors many large public companies are still not fulfilling the requirements for tax reserve disclosure required by the Financial Accounting Standards Board rule known as FIN 48.

According to a combined analysis of major corporate financial statements filed during the first three quarters of 2008 with the SEC, 31% of the 724 reporting companies did not fully meet the disclosure requirements. These and other findings appeared in the latest quarterly survey, *The Seigel Tax Reserve Report*, prepared Seigel & Associates, LLC, the tax reserve advisory firm founded by former IRS Chief Counsel Stuart E. Seigel.

“The Securities and Exchange Commission has continued to make inquiries to companies concerning their FIN 48 disclosures,” said J. Brad McGee, President of Seigel & Associates. “This undue scrutiny from the SEC can be avoided when companies focus on compliance. And it can be done without disclosing confidential or proprietary information.”

“Noncompliance with FIN 48 disclosure mandates during the first three quarters of this first year of reporting remains relatively high,” the *Report* says.

The greatest area of noncompliance remains the “12-month look-forward rule” – the requirement that concerns reporting of tax positions that have a reasonable possibility of material variation over the next 12 months.

The latest aggregate analysis covers the filings of 724 public companies with revenues in excess of \$2 billion that filed annual reports with the SEC in the first three quarters of 2008. Another 80 of these larger public companies will file during the fourth quarter. Their results will be included in the forthcoming 2008 annual edition of *The Seigel Tax Reserve Report*.

In conducting its analysis, Seigel & Associates employs a qualitative measure, the "Seigel Index," derived from a company-by-company assessment of whether the minimum disclosure requirements were met and the degree of compliance with those mandates. To attain a score of 100 (denoting satisfactory compliance), a company must report basic information correctly in six different areas.

The aggregate Seigel Index for the 724 companies analyzed to date is 91.3.

About Seigel & Associates LLC

Seigel & Associates, LLC, founded in 2006, provides expert, independent, and objective advice and counsel to corporate management as to the adequacy and reasonableness of a company's tax reserves. The firm maintains a website at www.seigel-llc.com at which copies of the *Report* are available.

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