



NEWS

TAX RESERVE DISCLOSURE COMPLIANCE WAY OFF

33% of Public Companies Are Not Meeting Requirements of New Rules

Increasing SEC Scrutiny Likely

NEW YORK, NY (March 3, 2009) - One-third of public companies did not satisfy the minimum requirements of disclosure of their tax reserves last year as required by new rules put in place by the Financial Accounting Standards Board.

Seigel & Associates, LLC, the tax reserve advisory firm founded by former IRS Chief Counsel Stuart E. Seigel, analyzed the disclosures made in 2008 by 790 companies, comprising all public companies with annual revenues of at least \$2 billion.

“We have noted throughout the year that the SEC has made inquiries to numerous companies concerning their disclosures,” noted J. Brad McGee, President of Seigel & Associates. “The level of SEC scrutiny in this area is likely to increase as the Commission intensifies its review of business reporting requirements in response to the mounting concerns and issues dealing with the disclosures of financial and accounting irregularities,” he added.

The Seigel firm tracks compliance with the FIN 48 disclosure requirements by means of a qualitative measure known as the Seigel Index. “We had expected that the results of our compliance evaluation might improve during the year, but it did not,” McGee continued. “The percentage of reporting companies that did not meet the minimum disclosure requirements rose from 28% in the first quarter to 55% in the fourth quarter.”

These and other findings appeared in the 2008 annual edition of The Seigel Tax Reserve Report.

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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