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SMALLER COMPANIES GRANTED REPRIEVE - AGAIN

October 15, 2009

On October 2, 2009 the Securities and Exchange Commission (the "SEC") again pushed back the date when certain Sarbanes-Oxley rules would begin to apply to small companies (defined as those with a public float of less than \$75 million). Specifically, small companies will continue to be exempt, for an additional period of time, from the provisions of Section 404 requiring a company's auditors to provide a report on the effectiveness of a company's internal controls.

The extension provides smaller companies with extra time to design, implement and document their internal controls before their auditors are required to attest to the effectiveness of these controls. With the extension, companies will first be required to provide this attestation report in annual reports for fiscal years ending on or after June 15, 2010. For example, a company whose fiscal year ends December 31 would first be required to provide this report in its annual report for the year ended December 31, 2010.

The SEC also stated that there will be no further extensions to the implementation of Section 404 for companies with a public float of less than \$75 million.

If you have any questions on these changes, or any of the SEC's other recent changes regarding Canadian issuers in the United States, please contact either James Berns or Michael Berns at (212) 332-3320.