

February 7, 2007

SEC Provides Guidance on New Executive Compensation Rules

On January 24, 2007, the SEC released answers to frequently asked questions regarding the new Executive Compensation rules set forth in Securities Act Release No. 8732A and Securities Act Release No. 8765. This guidance, located at <http://www.sec.gov/divisions/corpfin/faqs/execcompqa.pdf>, replaces previously issued discussions on Executive Compensation rules contained in the SEC's Manual of Publicly Available Telephone Interpretations.

The questions and answers cover a range of subjects, including:

- the new Compensation Discussion and Analysis;
- the revised Summary Compensation Table and accompanying narratives; and
- new tables providing enhanced compensation disclosure.

The questions and answers provide some important updates to the new rules adopted in 2006. Anyone preparing executive compensation disclosure under the new rules should study these questions and answers.

For more information regarding the new Executive Compensation rules, see:

- our memo entitled "SEC Adopts New Executive Compensation and Related Party Disclosure Rules" (August 2006), available on our website at: <http://www.paulweiss.com/files/upload/17-Aug-06Bergman.pdf>;
- our alert entitled "Alert Highlighting Important Changes To The SEC's Executive Compensation Disclosure Rules" (December 2006), available on our website at: <http://www.paulweiss.com/files/upload/Alert11-Dec-06.pdf>; and
- our memo entitled "SEC Issues New Interim Final Rule on Stock Compensation Disclosures: Affects Early 2007 Filings and Can Change Who Is Reported as a 'Named Executive Officer'" available on our website at: <http://www.paulweiss.com/files/upload/SEC26Dec-06.pdf>.

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This memorandum is not intended to provide legal advice with respect to any particular situation and no legal or business decision should be based solely on its content. Questions concerning issues addressed in this memorandum should be directed to any member of the Paul, Weiss Securities Group, including:

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