

# THE CORPORATE EXECUTIVE

PUBLISHER: JESSE M. BRILL

P.O. Box 3895, San Francisco, CA 94119

THE NEWSLETTER FOR THOSE THAT ADVISE PUBLIC COMPANIES

Vol. XX, No. 3

May-June 2006

## Structuring an ESPP That Has No Earnings Charge

### Non-Compensatory ESPP Funded Through Automatic Same-Day Sales (Not Payroll Deductions)

As we mentioned in our May-June 2005 issue (at pg 6), we are skeptical whether ESPPs that qualify for non-compensatory treatment under 123(R) are worth the administrative hassle for the small (or even negative) financial return. But, where a company is bent on having a plan with only a 5% discount (from the market price on the purchase date), one viable solution might be to structure and administer the plan so that employees merely end up receiving a net number of shares equal to the value of the discount, with no payroll deductions along the way. The idea of a net share ESPP originally was floated at the 2004 NASPP Conference by Thomas Welk of Cooley Godward in San Diego. Now that 123(R) applies, it may set sail.

#### How It Works

The plan first has to meet the requirements for non-compensatory treatment under 123(R), *i.e.*, a Code Section 423-qualified plan with a discount of only 5% on the purchase date with no look-back to the period-start date, and substantially all employees must be allowed to participate. Once those requirements are met, neither FAS 123(R) nor Code Section 423 limits the payment methods allowed under the plan; instead of requiring (or even allowing) employees to contribute cash through payroll deductions, require employees to fund their purchases by selling (at least 95% of) the underlying shares (the equivalent of a sell-to-cover exercise on a stock option).

Assume that, on the purchase date, the stock price is \$10 and an employee has the right to purchase 100 shares for \$950 (5% discount). The employee would purchase 100 shares from the company and sell (in a pre-arranged Section 423(a)(1) disqualifying disposition) 95 shares at \$10 in the market to cover the purchase price, and would receive a net of five shares (or could elect to sell all 100 shares and receive \$50).

[Given the thin margin of return on non-compensatory plans, we would think that it makes sense to eliminate participant discretion (and the accompanying administrative hassle) to the extent feasible, *e.g.*, no payroll deductions, no cash purchases, and sell only the number of shares to fund the purchase (see Holding Onto the Net Shares, below.)

The number of shares employees would have the right to purchase during a purchase period could be specified as a flat amount (*e.g.*, 100 shares per person) or, as is currently the case with most Section 423 ESPPs, a formula based on a percentage of eligible compensation, say, 10% of each employee's eligible compensation over the purchase period divided by 95% of the purchase-date stock value. For example, if an employee earns \$30,000 in eligible compensation over the purchase period (*e.g.*, six months) and the purchase-date stock price is \$10, the employee would be entitled to purchase 315 shares (\$3,000 divided by \$9.50) and would sell 300 shares at \$10 to cover purchase of the 315 shares at \$9.50 (\$2,992.50), and end up with 15 shares and \$7.50 fractional cash (less the broker's fee for the sale although, where the broker sells all plan shares in a single block transaction on the purchase date, the company might be able to negotiate to eliminate the fee).

While the number of shares acquired in our example doesn't seem like a lot, it is equal to the benefit employees would realize in a typical (payroll-deduction) non-compensatory ESPP, without loss of use of funds during the purchase period. [Albeit companies would lose the interim use of payroll deduction funds they currently enjoy with typical ESPPs. Given the low rate of participation in non-compensatory plans, this probably isn't much of a loss, but it is a consideration for companies that offer more generous ESPPs with high participation rates (and long purchase periods).]

Moreover, the shares employees receive can be increased just by giving employees the right to acquire more shares under the plan. Since em-



2 ployees aren't out of pocket, there is no limit on the number of shares employees can have the right to purchase, other than the \$25,000 calendar-year limit under Section 423 (based on the enrollment-date market value of the gross number of the shares purchased), the plan's share authorization, and the amount of zero-dollar net issuances the company's shareholders will tolerate. Eventually, the zero-dollar shares begin to add up—if the plan allows purchase of 100 shares every month, for example, each employee would acquire 60 shares per year without any payment; and, for every 60 shares acquired by an employee, the company must issue 1,200 shares that count against the plan authorization (unless the plan authorizes replenishment—see below).

### *Addressing the Concerns About Non-Compensatory ESPPs*

The main concerns with non-compensatory ESPPs are (i) participation will be drastically reduced, without a corresponding reduction in administrative burdens, (ii) a fixed 5% purchase date-only discount not only drastically reduces the upside but involves risk that employees will make less or even lose money by the time sales can be effected, and (iii) as interest rates fluctuate, a 5% gross return may not be very exciting.

The sell-to-cover approach addresses these concerns. Where employees do not pay for purchases out of pocket, there is no lost interest opportunity and no risk that the net sales proceeds will end up being less than the purchase price. [With stock price fluctuations throughout the purchase-date trading day, there is a possibility that the sale price would drop below the purchase price. The plan should provide for this contingency, most likely by canceling (or postponing) the purchase when this occurs. This might argue for frequent purchases (e.g., two to four weeks) rather than the three-month or six-month purchase periods that are now typical, so that if a purchase is canceled, employees aren't waiting several months for the next.] At the end of the purchase period, employees simply receive a net number of shares at no cost to themselves. No matter what the shares are worth, employees are better off than they were before the purchase. Thus, plan participation should be high.

Automatic Enrollment? With no risk or cost to employees, the company might even automatically enroll everyone in the plan, requiring employees to take action only if they want to withdraw (or even not allowing withdrawals). While the need to promote the plan to employees wouldn't

be completely eliminated, administrative burdens associated with explaining the plan and collecting enrollments would be reduced.

With compensatory plans, automatic enrollment is now a no-no, because the company would still recognize expense for employees that withdraw (see our May-June 2005 issue at pg 5), but this concern doesn't apply to a non-compensatory plan because the company doesn't recognize any expense for the plan to begin with.

### *No Withholding Taxes*

Although the same-day sale will be a disqualifying disposition, the company does not have to withhold any taxes on ESPP income—the Jobs Act took care of that. Even better, neither the purchase nor the sale is subject to FICA. (See our May-June 2005 issue at pg 7.) The taxable income resulting from a DD could create a snag, however, in that employees will have to pay income tax when they file their tax return the next April (employees can avoid interim, estimated tax filings, if they are otherwise within the withholding safe harbor). Even though the amounts may not be significant here, employees that are caught unawares and that haven't set aside funds to make the tax payment (and may have already sold the shares acquired under the plan) are likely to be unhappy. [But, this may not be any more of an issue than it is now for DDs (and QDs, for that matter) under traditional ESPPs. Moreover, the April tax surprise has long been a factor with stock option exercises, where there tends to be a gap between the withholding rate and the maximum tax rate that determines the actual bite at tax time (especially with stock tax withholding, which cannot exceed the minimum withholding rate).]

A non-qualified (*i.e.*, non-§423) purchase plan might be a solution if there is perceived to be a real problem here (see our November-December 1998 issue at pg 3); the company would be required to withhold taxes on the purchase and additional shares could be sold to cover the withholding. But, this further cuts into the net shares employees receive and results in income on all 100 shares purchased, not just the approximately 97 shares sold, triggers FICA taxation on the spread, and may be overkill.

Tax Loss Possible. Even with a qualified plan, employees could end up with a tax loss on the disqualifying disposition, *i.e.*, where the shares end up being sold at less than the purchase date market value. For example, let's say that the market value for tax reporting purposes (see our March-April 2002 issue at pg 8) is \$10 per share,

but the shares are sold at \$9.80. The employee would recognize income of \$.50 on the DD of the shares sold, but only realizes a net profit of \$.30, producing a \$.20 capital loss for tax purposes.

With stock option exercises, this problem can be solved by treating the actual sale price as the market value in determining the spread income (see our January-February 1998 issue at pg 6), but that doesn't work with ESPPs because the market value has to be established prior to the sale since the FMV drives the purchase price and the number of shares that must be sold to pay for the shares. It isn't feasible to utilize one FMV for plan purposes and another (the actual sale price, assuming the sale can be effected on the same day) for tax purposes.]

A decline in stock value also increases the number of shares that the employee must sell to cover the purchase (e.g., to 306 shares at \$9.80 instead of 300 shares at \$10 in our example involving a purchase of 315 shares).

#### *Company Tax Savings/No Earnings Charge*

The income recognized on the disqualifying disposition (*i.e.*, the fair market value less the purchase price) will be reportable on Form W-2, which means the company is entitled to a corresponding tax deduction—harkening back to the halcyon days of APB 25, *i.e.*, no expense for stock options, etc. but a tax savings for the company on exercise, albeit without reduction of tax expense (see our November-December 2003 issue at pg 9).

#### *Dilution; Replenishment*

As mentioned above, a significant obstacle to this type of ESPP may be the high level of share dilution for what ultimately is a small number of shares that end up in the hands of employees: 95% of the shares end up being issued into the market and only 5% end up with employees. But, this share dilution could be offset through replenishment by regular repurchases by the company that coincide with plan sales. Moreover, where the plan authorizes replenishment, those shares would be available for re-use under the plan, if the replenishment concept in the ISO Regs (see our May-June 2005 issue at pg 8) is applicable to ESPPs.

Take our example in which an employee has the right to purchase 315 shares at a 5% discount off the \$10 purchase-date market price. The company receives proceeds of \$2,922.50 for this sale which, if immediately used to repurchase shares on the open market, could buy back 299 of the 315 shares. And, the company could

repurchase an additional six shares using its tax savings. [The disqualifying disposition of 300 shares results in a tax deduction for the company of \$150. At a corporate tax rate of 40%, the company realizes a savings of \$60—six shares at \$10 per share.] The end result is that the company has issued 315 shares and bought back 305 shares, with 15 shares ending up in the hands of the employee.

#### *Holding Onto the Net Shares*

A required holding period for ESPP shares is an idea that has been gaining traction under 123(R). This concept works particularly well in a plan like this, where employees aren't out-of-pocket for the shares acquired and where the number of shares put away by an employee each plan period is insignificant. It should be feasible for companies to mandate long-term ownership given the small amount of shares involved, without employee pushback.

#### *Issuing Just the Spread Shares*

An even better concept than same-day-sale ESPPs, if feasible, would be to skip the gross share issuance altogether and, instead, issue just the net shares (*a la* a stock-settled SAR). This would be far more efficient and eliminates the hassle of open market repurchases. Unfortunately, it is not clear that a net issuance or a stock-settled SAR can qualify for preferential treatment under Section 423 (see our November-December 2004 issue at pg 9).

#### *Plan Amendment—Shareholder Approval?*

Section 423 does not require approval except where an amendment increases the share authorization (replenishment?—see below) or changes the eligibility requirements. (See our March-April 2004 issue at pg 10.) Moreover, the SRO equity plan approval rules exempt Section 423 plans.

Replenishment. If tax counsel concludes that share replenishment works for Section 423 purposes (see pg 3), and can be added to the plan without shareholder approval, company counsel will still need to get comfortable that the plan's amendment provision, and disclosures made to shareholders when the plan was approved, enable the board alone to add a replenishment provision.

Including a replenishment provision in a new plan would allow replenishment down the road once the IRS's position is clarified. (Because, with replenishment, all plan shares can end up being issued for no money, ISS, etc. might treat all plan shares as full-value. Generally, however, ISS hasn't objected to (broad-based) ESPPs.)

#### 4 Reader Input

We would be interested in hearing readers' thoughts on the above, including any dialogue with the IRS on hybrid versions such as a net exercise/SSAR equivalent where the company would end up issuing 95% fewer shares (an alternative to a replenishment). We wouldn't have a problem if the IRS takes the position (in the context of blessing a net issuance plan) that there is still a deemed gross issuance/DD; most companies would prefer the net route, and employees would be no worse off than with the gross approach.

#### Follow-Up—123(R) Disclosures in 10-Qs

We featured 123(R) disclosure practices in our March-April 2006 issue. We have been perusing 10-Qs to see what practices have been emerging in early filings.

#### Income Statement

Despite the Staff's stated preference (e.g., during the NASPP webcast earlier this year) for parenthetical reference to stock plan expense in the body of the income statement (in lieu of a separate line item, which the Staff doesn't allow, or a footnote), we found only one company (Apple Computer) that actually did this, although we did find a few companies (e.g., Extreme Networks, KLA-Tencor, Synopsys) that include a footnote at the bottom of the income statement detailing the amount of stock plan expense included in various line items (e.g., cost of sales, research and development, sales and marketing, general and administrative).

Stock Compensation Footnote, Instead. A number of companies (e.g., Adobe Systems, Applied Signal Technology, Brocade Communications, Cisco Systems, DeVry, Dionex, Maxim Integrated Products, Novell, Synopsys) include a tabular disclosure in their stock plan footnote indicating the amount of stock plan expense in various line items; Cisco references this disclosure in the body of the income statement.

An apparent advantage to the stock compensation footnote approach is that it facilitates showing the reduction of income tax expense resulting from stock plan expense (see our January-February 2005 issue at pg 1), which doesn't seem feasible to do in the body of the income statement. Some (e.g., Brocade Communications, Synopsys) even show, in the footnote, the after-tax effect on earnings per share (without "doing the math"; at Synopsys, the effect is a 91% reduction in EPS!). Some companies simply explain (in the footnote) which lines of the income statement are implicated, but this approach presumably works

better when stock plan expense relates to only one or two lines in the income statement; companies that used this approach did not always fully describe the income tax effects.

#### Future Expense

Paragraph A240 of 123(R) requires disclosure in the financial statement footnote of the aggregate amount of expense that will be recognized in future periods from outstanding grants, and the average period of time over which it will be recognized, but several companies went beyond the basic requirement here. Kimball International discloses the amount it expects to recognize *per year* for the next three years. Amazon points out (in its 10-K) that, because it utilizes accelerated amortization (see our September-October 2005 issue at pg 4), approximately half of the future expense will be incurred in 2006.

Forfeiture Rate. A number of companies (e.g., Qualcomm, Symmetricom, Verilink) disclose the expected forfeiture rate they applied when calculating option expense. Amazon, KLA-Tencor, Symmetricom and Verilink even disclose the actual amount by which future expense has been haircut due to expected forfeitures. Given the amount of variability that expected forfeitures could introduce (in Verilink's case, expected forfeitures reduced their aggregate unamortized expense by over 50%), this seems like a particularly helpful disclosure.

#### Valuation

We had expected to see more fulsome disclosure relating to valuation methodology and, in particular, the assumptions utilized. SAB 107 encourages more disclosure in this regard than was prevalent under FAS 123 (or is expressly required under 123(R)). Most companies make boilerplate mention of the fact that option valuation and inherent assumptions are subjective, but none of the 10-Qs we looked at really discusses how the company arrived at its assumptions (or their economic impact).

Implied or Historical Volatility. Many companies state whether they relied on implied or historical volatility (or both) to estimate expected volatility, but do not discuss why they made this decision or, where they relied on implied volatility, the traded options that they analyzed. Nor do they quantify the impact here. One company merely states that expected term and volatility are based on historical data and "other factors," without giving any indication of what those other factors might have been.

A number of companies disclose the period over which they calculated historical volatility

for purposes of estimating future volatility. Best Buy, Cisco and DeVry disclose engaging an outside consultant (a valuation specialist, not a compensation consultant) to assist with valuation and estimating the required model inputs (all three use a lattice model). Cisco and Qualcomm were the only 10-Qs we found to report any information on the traded options used to compute implied volatility.

Expected Life. Several companies disclose that they grouped options based on similar exercise patterns for purposes of estimating expected life. Applied Signal Technology discloses not only their grouping (executives vs. rank-and-file employees) but also the rationale (e.g., executives are expected to hold longer due to securities laws restricting their trades).

Other Factors. In addition to the traditional estimates/assumptions that are required under 123(R) (e.g., expected volatility, expected life, and expected dividend yield), Cisco also discloses the “kurtosis” (which is the distribution of observed data around the mean) and “skewness” (the measure of asymmetry in a frequency distribution) assumptions used in its model. Unfortunately, Cisco doesn’t explain how either of these factors affected their valuation, making their disclosure useful only to actuaries. Hopefully, next time they’ll clue the rest of us in. [Cisco says “The estimated kurtosis and skewness are technical measures of the distribution of stock price returns, which affect expected employee exercise behaviors that are based on the Company’s stock price return history as well as consideration of academic analyses.”]

Switch to Binomial Model. Several companies (e.g., Avaya, Best Buy, Cisco, DeVry, Nvidia, Qualcomm) disclose switching from Black-Scholes to a binomial (which is one type of lattice) model for valuation purposes upon adoption of 123(R). Of the 10-Qs we reviewed, however, only Qualcomm discloses the suboptimal exercise factor assumed for valuation purposes, i.e., the amount of stock price appreciation before employees are expected to exercise their options (which enables the model to spit out the expected life). We would expect this to be a material input assumption under any binomial/lattice model and, although its disclosure isn’t technically required under 123(R), we were surprised that more of the companies that used a lattice model didn’t do so. As companies move to presumably more sophisticated valuation models, assumptions beyond those required to be disclosed by 123(R) may rise to a level of materiality implicating disclosure.

## *A Critical Accounting Estimate*

While many (but not all) companies addressed 123(R) effects in the critical accounting estimates section of their MD&A, most simply repeated from their stock compensation footnote (a practice the Staff discouraged at the NASPP webcast). A number of companies (e.g., Adobe Systems, Cisco, KLA-Tencor, Qualcomm) point out weaknesses in the option pricing models available for valuation purposes. E.g., existing models are designed to value traded options that are not subject to vesting and typically have a term much shorter than employee stock options.

While most companies also discuss the type of subjectivity inherent in the assumptions required for pricing models, Qualcomm went the additional step of showing the impact certain changes in their assumptions would have had on 123(R) expense. In its March 2006 Form 10-Q, Qualcomm reports that increasing the volatility estimate by just over 4% would have increased 123(R) expense by 7%, and provides similar comparisons for interest rate, expected dividend yield, estimated forfeitures, and the suboptimal exercise factor (binomial model). We expect to see other companies drill down to this level.

## *Non-GAAP Disclosures*

We did not find many non-GAAP disclosures in the 10-Q filings we looked at (perhaps there were more in earnings releases). Maxim Integrated Products’s MD&A includes a “pro forma” P&L and balance sheet which backs out stock compensation expense (even though SAB 107, at F.Q.4, says the Staff would object to this type of presentation). Maxim’s stated reasons for the non-GAAP presentation were greater comparability to historical periods (and to other companies that have not yet adopted 123(R); a June fiscal year company, Maxim apparently dislikes being a pioneer), and that Maxim believes the non-GAAP data will be widely used by analysts and investors.

Cisco, on the other hand, doesn’t non-GAAP its current period but includes a table illustrating what net income would have been in prior periods had expensing applied. Cisco does not give an explanation for including this presentation; since companies are required to disclose the effect of 123 on pre-123(R) periods, Cisco’s presentation does not appear to constitute a “non-GAAP financial measure,” thus relieving Cisco of, e.g., the obligation to provide an explanation for it.

## 6 *Some Non-123(R) Stock Plan Disclosures*

While perusing Cisco's 10-Q, we noticed that Cisco includes in its stock compensation footnote what it refers to as grant and exercise dilution, *i.e.*, shares granted net of forfeitures as a percent of common stock outstanding and shares exercised as a percentage of common stock outstanding. Cisco also discloses grants to NEOs, on an aggregate basis, in shares, percent of options granted, percent of shares outstanding, and percent of options outstanding, and NEO options exercised during the quarter and quarter-end values.

KLA-Tencor's 10-Q includes the Regulation S-K Item 201(d) tabular disclosure of the number of stock plan shares outstanding and available for grant, even though the table is required only in the 10-K. A number of companies continued to include, in the stock compensation footnote, tabular disclosures that were required under 123 but are no longer required under 123(R), *e.g.*, options outstanding by price range and plan activity for all periods presented in the income statement (rather than just the most recent period).

Change in Grant Practices Tied to Earnings Impact. Whole Foods discloses that it intends to limit future grants so that "earnings dilution" will be less than 10%. We expect to see more of this kind of disclosure in the May round of 10-Qs.

### *Sirius's Stock Compensation Disclosure*

In its Q.1 earnings release, Sirius Satellite Radio points to "equity charges" of \$.20 per share in the current quarter vs. \$.03 in the prior comparison quarter. Sirius doesn't "do the math," avoiding the non-GAAP disclosure requirements.

Stock Options vs. Restricted Stock. We aren't sanguine here with a stock-based carve-out that doesn't break down full-value grants from stock options. While it can be argued that doing so is

based on a faulty notion that stock option charges are less real (see pg 11), it would certainly seem necessary to distinguish the two types of share-based compensation when comparing post-123(R) to pre-123(R) periods. Otherwise, there is risk of creating the impression that the entire difference is due to 123(R) when, in fact, essentially only stock option accounting has changed. Even where a company has not granted any stock options, so stock-based compensation in both the current and prior periods is full-value only, we think that for the time being companies that take the trouble to separate out their stock-based compensation should point out the differences attributable to the advent of 123(R).

### *Amazon*

We were also intrigued by Amazon's recent disclosure that the prior year's comparison quarter was favorably impacted by a one-time gain due to its voluntary switch, then, to 123(R). (Amazon's switch cut off the variable accounting charges it was incurring as its stock rose following a round of repricings that had triggered variable accounting under APB 25.) The 2005 gain resulted from the change to estimating forfeitures upfront under 123(R) rather than truing up as forfeitures occur (see our March-April 2006 issue at pg 9), which was relevant to Amazon because its options had been subject to expensing even under APB 25.

Media Blurbs. The media reporting in *re* Sirius and Amazon points out a general problem, which applies to 123(R) disclosure in particular: Amazon fully explains the above situation in its 10-K/Qs. The media tends to gloss over the details, however, especially when it takes a little digging to comprehend them, and here merely reported without explaining Amazon's reference to the gain in the prior period.

---

Reprinted with permission from *The Corporate Executive*. This is just one example of the many timely and informative articles published in *The Corporate Executive*. Look for more articles on ESPPs, including replacing your broad-based option plan with an ESPP, in future issues.

---

Publisher: **Jesse M. Brill**, J.D. Yale Law School, is recognized as one of the country's leading authorities on insiders' transactions and compensation planning for executives. Mr. Brill is also the Publisher of the nationally acclaimed newsletters *The Corporate Counsel* and *Section 16 Updates*.  
 Editor: **Michael Gettelman**, LL.B. Harvard University, Farella Braun + Martel LLP, San Francisco (mgettelman@fbm.com).

*The Corporate Executive* is published five times a year by Executive Press, Inc., P.O. Box 3895, San Francisco, CA 94119. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent, professional person should be sought. This publication may not be reproduced in whole or in part without the express consent of the publisher.

## ESSENTIAL RESOURCES FOR THE COMING YEAR

Please send me the following essential resources on a *No-Risk Trial* basis:

***I understand that I may cancel at any time during the year and receive a full refund of the entire amount paid.***

- THE CORPORATE EXECUTIVE**  
Our practical bi-monthly newsletter devoted to executive compensation issues—published for over 15 years.
- THE CORPORATE COUNSEL**  
Our practical bi-monthly newsletter devoted to corporate & securities law and corporate governance issues—published for over 30 years.
- THECORPORATECOUNSEL.NET**  
Our website devoted to corporate & securities law and corporate governance issues—including monthly webcast programs, sample document/disclosures and daily news (and includes access to GreatGovernance.com and AccountingDisclosure.com).
- The NASPP TRIAL MEMBERSHIP**  
The premier association for every person responsible for executive and equity compensation plans, including those who counsel boards and prepare proxy disclosures. [Go to [www.NASPP.com](http://www.NASPP.com) for a No-Risk Trial Membership]
- COMPENSATIONSTANDARDS.COM**  
The essential resource for Compensation Committees and their advisors.
- ROMEIO & DYE'S 2005 SECTION 16 ANNUAL SERVICE**  
The essential Section 16 resource for every public company. Includes Romeo & Dye's Section 16 Forms and Filing Handbook; Romeo & Dye's Comprehensive Section 16 Outline and a quarterly newsletter with developments and updates.
- ROMEIO & DYE'S 2005 SECTION 16 NET**  
The essential Section 16 website. Devoted to Section 16 issues, including ongoing Q & A with Alan Dye and an online version of the Romeo & Dye Section 16 Forms and Filing Handbook.
- ROMEIO & DYE'S 2005 SECTION 16 FILER**  
Our simple and practical Edgarizer and e-filing software for Section 16 forms.
- ROMEIO & DYE'S NEW SECTION 16 TREATISE**  
The essential Comprehensive Reference for every public company and law firm.
- DEALLAWYERS.COM**  
The new website that everyone is talking about.

Please bill my credit card.

Credit Card No. \_\_\_\_\_ Expiration Date \_\_\_\_\_  
 Cardholders Name \_\_\_\_\_ Authorized Signature \_\_\_\_\_

Enclosed is my check for \$ \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_  
 Firm \_\_\_\_\_ E-mail \_\_\_\_\_  
 Address \_\_\_\_\_ Tel.No. \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_ Fax \_\_\_\_\_

**For more information and to subscribe to *The Corporate Executive*  
 on a no-risk basis, go to [TheCorporateCounsel.net](http://TheCorporateCounsel.net)**