

Excerpt from the meeting highlights of the:

**AICPA SEC Regulations Committee
April 4, 2006- Joint Meeting with SEC Staff**

The complete meeting highlights from the April 4, 2006 meeting can be accessed at:
http://www.aicpa.org/cpcf/download/2006_0404_highlights.pdf

The AICPA SEC Regulations Committee meets periodically with SEC staff to discuss emerging technical accounting and reporting issues related to the SEC rules and regulations.

III. Status Update of Projects/Issues

I. Form 8-K Requirements for Form 11-K Filers

For an employee benefit plan required to file Form 11-K, the SEC staff previously has expected a change in the plan's auditors to be reported on Form 8-K. However, not all employee benefit plans file financial statements on Form 11-K, as provided for in Exchange Act Rule 15d-21:

Separate annual and other reports need not be filed pursuant to section 15(d) of the Act with respect to any employee stock purchase, savings or similar plan: Provided,

(1) The issuer of the stock or other securities offered to employees through their participation in the plan files annual reports on Form 10-K and Form 10-KSB or U5S ; and

(2) Such issuer furnishes, as a part of its annual report on such form or as an amendment thereto, the financial statements required by Form 11-K with respect to the plan.

The SEC staff has agreed that, in all circumstances (i.e. regardless of whether the employee benefit plan's financial statements are filed as an amendment to the sponsor's Form 10-K or separately on Form 11-K), an employee stock purchase, savings or similar plan that changes auditors is not required to file Form 8-K or otherwise report the change in auditors

The Committee observed that, under Section 1000.08(m) – *Notification of the Commission of Resignations and Dismissals from Audit Engagements for Commission Registrants*, of the PCAOB Interim Quality Control Standards, an independent registered public accounting firm is required to report the termination of the auditor-client relationship for any SEC registrant, which is defined to include employee benefit plans that file Form 11-K. The SEC staff agreed to discuss its position on Form 8-K reporting by employee benefit plans with the PCAOB staff. In the meantime, public accounting firms should continue to provide "five-day" letters to comply with PCAOB requirements for a change in auditor of a plan that files on Form 11-K. An employee benefit plan whose financial statements are filed as an amendment to the sponsor's Form 10-K does not meet the definition of an "SEC Engagement"; thus, such employee benefit plans fall outside the scope of Section 1000.08(m).