

Nasdaq and New York Stock Exchange Modify Rules for Director Independence

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The Nasdaq Stock Market and the New York Stock Exchange have both recently made changes to their bright-line tests for director independence.

I. NASDAQ

On August 8, 2008, the Securities and Exchange Commission ("SEC") approved a rule change proposed by the Nasdaq Stock Market LLC modifying the definition of "independent director."

The previous rule prohibited a director who had accepted, or who had a family member who had accepted, compensation in excess of \$100,000 during any 12 month period within the preceding three years from being considered an "independent director." The rule change raises this threshold to \$120,000 and is now consistent with the threshold established in Regulation S-K Item 404(a).