

paragraphs that emphasize a matter regarding the financial statements.

(ix) *Loss contingencies.* The registrant shall disclose the nature of loss contingencies and estimated amount or range of reasonably possible loss in excess of amounts accrued in the financial statements, as specified by Statement of Financial Accounting Standards ("SFAS") No. 5 and related pronouncements. A statement that the amount or range of probable or reasonably possible loss cannot be reasonably estimated should be included if applicable.

(x) *Events of default under credit agreements.* The registrant shall disclose the facts and amounts concerning any default in principal, interest, sinking fund, or redemption provisions with respect to any material issue of securities or credit agreements, or any breach of covenant of a related indenture or agreement, which default or breach existed at the date of the most recent balance sheet being filed and which has not been subsequently cured. If a default or breach exists but acceleration of the obligation has been waived for a stated period of time beyond the date of the most recent balance sheet being filed, the registrant shall state the amount of the obligation and the period of the waiver.

(xi) *Related party transactions.* The registrant shall disclose the nature of related party relationships, and a description of transactions, amounts and balances as specified by SFAS No. 57 and related pronouncements.

(xii) *Bankruptcies and quasi-reorganizations.* (A) *Bankruptcies.* Registrants entering into, operating under, or emerging from proceedings under the federal bankruptcy code during the most recent fiscal year shall provide all of the disclosures required by AICPA Statement of Position No. 90-7.

(B) *Quasi-reorganizations.* Registrants effecting a quasi-reorganization during the most recent fiscal year shall disclose the nature and effects of the quasi-reorganization.

(xiii) *Subsequent events.* The registrant shall disclose all events occurring subsequent to the date of the most recent balance sheet for which disclosure was required in the full financial statements.

(4) *An independent accountant's report.* The report shall state that the abbreviated annual financial statements have been examined in connection with the audit of the full financial statements. The report shall state clearly the opinion of the independent accountant that the abbreviated financial statements comply with the requirements in

paragraph (b) of this Item for presentation of abbreviated financial statements. The report shall describe the opinion rendered by the independent accountant on the full financial statements, including any explanatory language.

(5) *Abbreviated interim financial statements.* (i) Where interim financial statements of the registrant are required in a document that includes abbreviated annual financial statements of the registrant, those interim financial statements shall be abbreviated. Where interim financial statements of the registrant are required in a document that includes full annual financial statements of the registrant, those interim financial statements shall not be abbreviated.

(ii) Abbreviated interim financial statements shall be furnished for the same periods as prescribed by Rules 3-01 and 3-02 of Regulation S-X (17 CFR 210.3-01 and 210.3-02). The abbreviated interim financial statements shall be prepared in conformity with generally accepted accounting principles and Article 10 of Regulation S-X (17 CFR 210.10), except that note disclosures specified by generally accepted accounting principles and Regulation S-X shall not be included unless specified in paragraph (b)(3) of this Item. However, disclosures that would substantially duplicate the disclosure contained in the most recent annual abbreviated financial statements may be omitted, except that contingencies shall be disclosed pursuant to (b)(3)(ix) of this Item even though a significant change since year end may not have occurred. The abbreviated interim financial statements shall comply with all requirements of Article 10 of Regulation S-X governing classification of items on the face of the balance sheet, statement of income, and statement of cash flows.

(c) *Age of abbreviated financial statements at effective date of registration statement or at mailing date of proxy statement.* Registrants shall update the abbreviated financial statements to cover the same periods as required pursuant to Rule 3-12 of Regulation S-X (17 CFR 210.3-12).

(d) *Abbreviated financial statements of entities other than the registrant.* In those instances where full financial statements of entities other than the registrant are required by Rule 3-05, 3-09 or 3-10 of Regulation S-X (17 CFR 210.3-05, 210.3-09, or 210.3-10), or are otherwise required to be included in a registrant's filing with the Commission on a form that permits the abbreviation of financial statements, abbreviated financial statements may be furnished

for those other entities provided that the registrant meets the conditions in paragraph (a) of this Item and those other entities meet the condition in paragraph (a)(1) of this Item.

Abbreviated financial statements of entities other than the registrant shall be prepared in accordance with this Item for the respective periods specified by Rule 3-05, 3-09 or 3-10 of Regulation S-X. Where abbreviated financial statements of entities other than the registrant are furnished, full financial statements shall also be filed with the Commission as provided in the respective form requirements.

(e) *Delivery of full financial statements to requesting investors.* Registrants including abbreviated financial statements in a disclosure document shall deliver without charge to each person to whom the document is furnished, upon the written or oral request of such person and by a means reasonably calculated to result in the information reaching the requesting person within five business days from the date of the request, a copy of the full financial statements and the independent accountant's report thereon filed with the Commission for the same periods covered by the abbreviated financial statements. The registrant shall include a statement in bold face or otherwise reasonably prominent type in the disclosure document that the registrant will provide a copy of its full financial statements and the independent accountant's report thereon without charge to each person to whom the document is furnished, upon the written or oral request of such person, and shall state the name, address, and telephone number of the person (including title and department) to whom the request for full financial statements should be directed. If Form 10-K (17 CFR 249.310) and/or Form 10-Q (17 CFR 249.308a) financial statements are permitted to be furnished to requesting persons in satisfaction of the delivery requirement, only the portion of those reports containing the financial statements, and the independent accountant's report thereon, need be delivered.

(f) *Special provisions as to abbreviated financial statements for foreign private issuers.* (1) The abbreviated financial statements may be prepared according to U.S. GAAP, except that note disclosures shall be limited to those specified in paragraph (b)(3) of this Item. Alternatively, such abbreviated financial statements may be prepared according to a comprehensive body of accounting principles other than U.S. GAAP. Where the abbreviated financial statements are prepared