

Take Extra Steps Out of Drafting Corporate Communications

LIVEDGAR's Precedent Authority is the premier resource for researching and drafting the documents commonly associated with corporate communications.

SITUATION: You have been asked by your client to assist in drafting a press release relating to their stock option plan. Specifically, you would like to see how other companies have addressed the issue of backdating of options in their corporate communications.

SOLUTION: From LIVEDGAR's Precedent Authority, you will be able to conduct granular research on all aspects of how other publicly held companies have made announcements to their shareholders regarding stock option backdating.

Precedent Authority is the only industry resource that lets you combine full-text search capabilities and fielded data so you can drill down into the specifics of any key document.

In addition, because Precedent Authority focuses on the specific titles and language associated with a document, it does not matter why the document was filed. LIVEDGAR searches across all form types to return all applicable results regardless of where the document was attached. This means you are assured of having access to the most complete collection of precedents in the industry.

STEP 1

In the Practice Area drop down menu, select Corporate Communications. Once the Document Type menu appears, expand it and check the box next to Press Releases.

Selecting Corporate Communications and Press Releases customizes your research and directs LIVEDGAR to retrieve only those documents that meet your specified criteria.

STEP 2

In the View Results section, select the Hits in Context radio button.

When Hits in Context is selected, LIVEDGAR displays excerpts from the most recent hits that match the criteria you enter.

STEP 3

In the Document Free Text box, type the words *(backdat*) w/5 option** and click the Submit button.

By leveraging search operators in the Document Free Text box, LIVEDGAR will instantly return search results that are focused on disclosures related to option backdating. In addition, by using the search term, *(backdat*) w/5 option**, LIVEDGAR is directed to search for any variation of the word backdating within five words of any variation of the word option.

The screenshot shows the LIVEDGAR Precedent Authority search interface. It is titled "Precedent Authority" and has navigation links for "Document Search", "Clause Search", and "Defined Terms Search". There are also links for "Coverage", "More Information", and "Rate Schedule". The interface includes a "Practice Area" dropdown menu set to "Corporate Communications". Below this is a "Document Types" section with "Press Releases" selected. The "View Results" section has "Hits in Context" selected. The "Document Free Text" box contains the search query "(backdat*) w/5 option*". Below this are fields for "Document Title", "Clause Title", "Defined Terms", "Governing Law", and "Law Firm". The interface also includes a "Submit" button and a "My Searches" link.

STEP 4

On the Search Results page, click on View in the header of the desired document to review the entire section pertaining to option backdating in a press release.

In the document header, you can also choose to print, e-mail or save that section of the document.

STEP 5

View, print, e-mail or save any document from results or take advantage of other powerful LIVEDGAR features such as Save Search and Alerts.

- **Save Search** – Click on Save Search and LIVEDGAR will prompt you to name your search and then it will automatically save it to the Searches area of MY LIVEDGAR where it can reused at any time.
- **Alerts** – Click on Add as Alert to receive immediate notification via e-mail every time new information related to your search is added to LIVEDGAR.

STEP 6

Check the boxes next to the document header of those items you are most interested in reviewing and then click the Worklist link to add these items to your Worklist.

Clicking the Worklist link adds only the sections of the document you need to your Worklist allowing them to be stored for review at a later time.

Precedent Authority Search Results [More Information](#) [Rate Schedule](#)

[Save Search](#) | [Add as Alert](#)

Precedent Authority Search Criteria

Clause Title (backdat*) w/5 option*
Document Types Press Releases

[Next 10](#) | [Display All](#) | [Modify Search](#) | [Hits In Context](#) | [Abbreviated Listing](#) | [Worklist](#) | [TDR](#) | [Printable Version](#)

Select/Unselect all

1) AMERICAN TECHNOLOGY CORP / DE/
Exhibit 99.1 FOR IMMEDIATE RELEASE AMERICAN TECHNOLOGY FILES FISCAL 2006 FORM 10-K INCLUDING RESTATED FINANCIAL STATEMENTS FROM PREVIOUS PERIODS Filed 01/08/07

[View](#) | [Email](#) | [Print](#) | [Save](#) | Review Setting | [Add to Worklist](#)

[View All Hits](#) | [Filing Values](#) | Filed under the [The Securities Exchange Act of 1934](#)

The Company's Audit Committee completed its voluntary review of historical stockoption and stock grants conducted with the assistance of outside counsel and with outside accounting consultants. As previously disclosed, based on facts obtained from this review, the Audit Committee determined to restate the Company's financial statements, which restatements are included in the Form 10-K for the fiscal year ended September 30, 2006. The Audit Committee concluded that incorrect measurement dates or fair market value pricing formulas resulted in approximately 100 grants determined to have unrecorded intrinsic value on the proper measurement date. The Audit Committee did not find evidence demonstrating that stock options were "back-dated" to coincide with low stock prices. Rather, most of the stock options requiring adjustment, require such adjustment because the original grant date had been determined to have not had sufficient finality to support a measurement date, based on standards contained in a recent letter from the SEC's Office of the Chief Accountant, or the Company had determined the exercise price based on the closing price on the day of grant, rather than the day prior to grant, as called for under the Company's prior stock option plans. The Audit Committee found no evidence of fraud or wrongdoing by any member of current or former management.

The process for determining the revised measurement dates required judgment and

2) EMBARCADERO TECHNOLOGIES INC
Exhibit 99.1 LOGO PRESS RELEASE Filed 12/18/06

[View](#) | [Email](#) | [Print](#) | [Save](#) | Review Setting | [Add to Worklist](#)

[View All Hits](#) | [Filing Values](#) | Filed under the [The Securities Exchange Act of 1934](#)

Due to the termination of the merger agreement, the Company also announced that the special meeting of stockholders to vote on the adoption of the merger agreement, which was convened on November 30, 2006 and adjourned to December 18, 2006, has been cancelled and will not be reconvened.

Main Text

The Company also announced today that in connection with the previously-disclosed review by the Audit Committee of the Company's stock option grant practices and the discovery of evidence of backdating of stock options as disclosed on November 30, 2006, the Company will need to restate its historical financial statements to record additional non-cash stock-based compensation expense related to past stock option grants having incorrect measurement dates due to backdating of stock options. Accordingly, the Company advises that its financial statements and related communications for periods commencing on or after January 1, 2000 through the present, including those in the Company's

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Select/Unselect all