Sal Graziano Addresses SEC Advisory Committee on Financial Reporting

March 13, 2008

BLB&G partner Salvatore Graziano was invited to appear before the Securities and Exchange Commission's Advisory Committee on Improvements to Financial Reporting ("Committee") for its public meeting on March 13, 2008 at the University of California in San Francisco. Mr. Graziano participated in a panel discussing recent proposals in the Committee's February 14, 2008 Progress Report, Chapter 3. The Committee proposed a "judgment framework" for accounting and auditing, including a checklist of nine factors to be considered in exercising the accountant's and auditor's "professional judgment" that is "based on a crucial and reasoned evaluation made in good faith." In addition, the Committee strongly supported a general move away from "rules-based" accounting standards and toward "principles-based" standards.

In his written submission and oral presentation, Mr. Graziano argued that the proposals would ultimately hurt investors by making it more difficult for competent, honest auditors to challenge management's "judgment" and by reducing the transparency, comparability and uniformity of financial statements while increasing their complexity. The proposals would further hurt investors by making it more difficult to prosecute accounting fraud both civilly and criminally.

Mr. Graziano is an experienced trial attorney whose practice focuses primarily on securities fraud class actions. He is also one of the partners who oversees the Firm's Subprime Litigation Practice Group, which serves to protect and vindicate shareholder and consumer rights arising from the mortgage and mortgage-based security debt crisis. He is currently lead counsel in investor class actions against subprime mortgage originators Fremont General Corp. and New Century Financial Corp.

Where:
San Francisco, California

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