

July 16, 2009

## NYSE and Nasdaq Modify Certain Continued Listing Requirements

### NYSE Continued Listing Requirements

The New York Stock Exchange recently filed two rule changes with the U.S. Securities and Exchange Commission regarding its continued listing requirements. The rule changes are effective immediately.

#### ***Market Capitalization Requirement Lowered***

The NYSE permanently lowered the minimum average global market capitalization requirement of the NYSE Listed Company Manual from \$25 million to \$15 million. This rule change makes permanent the temporary rule change filed by the NYSE earlier this year, which was set to expire on June 30, 2009.

The amended rule provides that the NYSE will promptly initiate suspension and delisting procedures if it is determined that a company's average global market capitalization over a consecutive 30-trading-day period is less than \$15 million (lowered from \$25 million) regardless of the original listing standard under which the company listed. Under this rule, the cure procedures set forth in the NYSE rules for a company to regain compliance with listing standards are not available to companies that fall below this lowered standard.

The NYSE noted that it grew comfortable allowing the continued listing of companies whose average global market capitalization exceeds \$15 million but is lower than \$25 million because, where these companies are otherwise in compliance with the NYSE's continued listing standards, they remain viable enterprises suitable for market trading. The NYSE also pointed out that it increased its average global market capitalization requirement from \$15 million to \$25 million as recently as 2004 — a change that was made at a time when stock prices were generally higher than they are currently.

All other NYSE continued listing standards will continue to apply. Companies that satisfy the reduced minimum average global market capitalization requirement may be subject to delisting for non-compliance with other quantitative standards or pursuant to other criteria, which in certain cases may include a higher market capitalization requirement; however, in those cases, companies may avail themselves of the cure procedures set forth in the NYSE rules.

#### ***Suspension of Minimum Share Price Requirement Extended***

The NYSE also extended the temporary suspension of the \$1 minimum share price continued listing requirement. The rule suspension was scheduled to expire on June 30, 2009 and is now extended through July 31, 2009.

NYSE listing rules provide that a company may be delisted if the average closing price of the company's stock is less than \$1 over a consecutive 30-trading-day period. The NYSE noted that it suspended the application of the \$1 continued listing standard in response to the extreme volatility and

precipitous decline in trading prices in the U.S. and global equity markets. The NYSE further noted that a significant number of companies have regained compliance with the \$1 continued listing standard during the initial period of the suspension and is hopeful that by extending the suspension by an additional month, companies that are still below the \$1 continued listing standard, but otherwise suitable for market trading, will also regain compliance.

### **Nasdaq Continued Listing Requirements**

Nasdaq also recently filed a rule change to extend until July 31, 2009 the temporary suspension of Nasdaq's continued listing requirements relating to bid price and market value of publicly held shares. The temporary suspension was scheduled to remain in effect until July 19, 2009. Based on discussions with the SEC, Nasdaq does not expect any further extensions of the suspension. The rule change is effective immediately.

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Comments on the rule changes by the NYSE and Nasdaq may be submitted to the SEC until 21 days after the date the applicable proposal is published in the Federal Register. Information on submitting comments to the SEC can be found on the SEC's website at <http://www.sec.gov/rules/submitcomments.htm>.

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