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**DATE:** January 4, 2010  
**TO:** SEC-Reporting Companies  
**FROM:** Bybel Rutledge LLP  
**SUBJECT:** Preliminary Recommendations for the MD&A in the 2009 Annual Report

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The U.S. Securities and Exchange Commission (the "SEC") continues to encourage public companies (with particular emphasis on financial institutions) to improve the analysis contained in their Management's Discussion and Analysis of Financial Condition and Results of Operation ("MD&A"). Though the SEC has not recently adopted new rules regarding a company's MD&A, it has suggested that management refer back to interpretative guidance that the SEC issued in 1988 and 2003 when preparing its MD&A this year. In addition to that guidance, the SEC issued a public letter to CFOs of some financial institutions in August 2009 identifying a number of disclosure issues management may wish to address when preparing its MD&A.

So that we may help you improve your MD&A drafting process, we would like to provide recommendations for the MD&A contained in your 2009 annual report *prior* to its drafting. Typically our role in the drafting process has been to receive a near-final draft of the MD&A between 7 to 14 days prior to the filing deadline. Often, this timing makes it difficult for management to address substantive recommendations to its MD&A after management has already invested significant time preparing the original draft. We believe that providing a company with our recommendations early in the drafting process may create a more efficient process that results in fuller and more complete disclosure. Furthermore, we anticipate that the improved MD&A may reduce the costs associated with responding to an SEC comment letter should your company receive one. We will make our recommendations based on the MD&As contained in your company's SEC filings from the past year, and will provide this service on a fixed-price basis upon request.

We believe providing comments earlier in the drafting process will be helpful because marking up the MD&A from previous years (as is sometimes the practice) likely will not satisfy regulatory requirements given the economic events of last year. Since the SEC reviews each public company's reports at least once every three years, and, along with the financials, the MD&A is one of, if not the most, scrutinized sections in a company's annual report, we recommend our clients take a proactive approach to improving their MD&A. We also recognize that management has other responsibilities that make it difficult to spend the amount of time it would otherwise spend preparing the MD&A each year. Nonetheless, management will need to draft an MD&A that provides investors with insight into the challenges the company faces in the present economic climate and how the company has been addressing those challenges in the recent past and the foreseeable future. We believe providing our recommendations early in the drafting process will help management produce an MD&A that meets the standards set by SEC rules.

If you would like us to provide you with our comments regarding your MD&A to be included in your company's 2009 annual report prior to its drafting, please let us know when you would like to receive them so that we may plan accordingly. Since this is a new service we are offering to our clients, please contact us with any questions or comments regarding how you believe we may better assist you in the preparation of your annual report and SEC Form 10-K.

