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10-K Checklist

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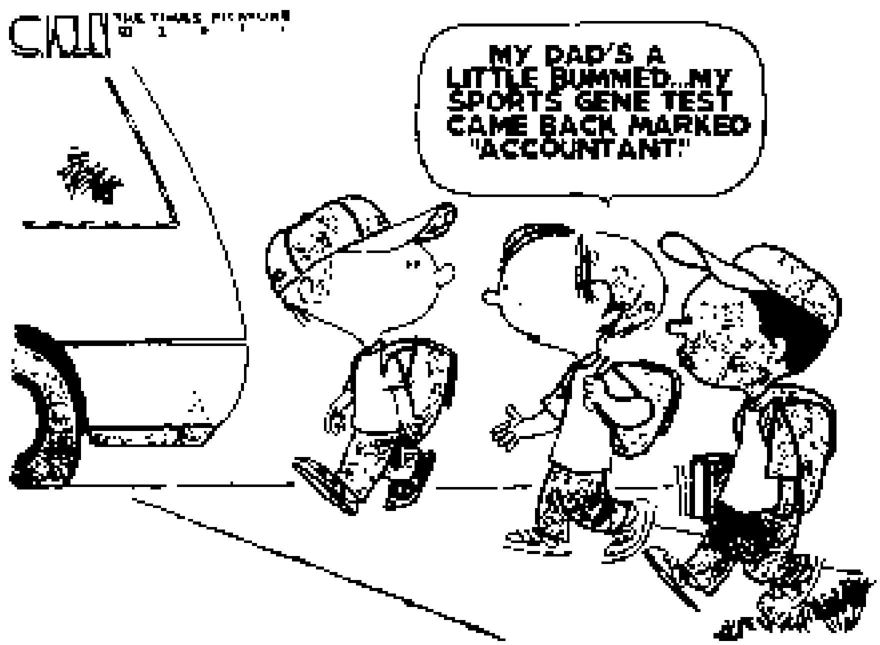

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- **Our sports gene test came back marked "accountant," too,** that's why we're writing about 10-Ks instead of catching alley-oops from Jeremy Lin. For those slogging through hundreds of pages of 10-Ks this season we suggest taking a peek at our *10-K Checklist* to help focus your reading.
- **We kickoff the tenth annual *10-K Checklist*** with Exhibit 1 (a list of the items that companies are required to provide in a 10-K) and end with Exhibit 3 (a list of the exhibits that you might find attached to the 10-K). In between we focus on the Management Discussion and Analysis (MD&A), Financial Statements and Footnotes, including disclosures to keep an eye on and some questions to consider as you try to digest all the information crammed into the 10-K.
- **10-Ks are due leap day (we can't think of a better way to spend the extra day)** for large (over $700 million public float) calendar year end companies.

Exhibit 1: What's in the 10-K

Item #	Item Name	Our Thoughts
Part I		
1	Business	If you are not sure what the company does for a living, check here.
1A	Risk Factors	Have you factored these risks into your analysis when valuing the company? If not, you probably should. Also keep an eye out for any new risk factors and how the company manages risk.
1B	Unresolved Staff Comments	Look here to find out if the SEC staff has made any comments to the company that are still up in the air.
2	Properties	If you want to know how many properties the company has, or how many square feet it occupies, where they are and whether the properties are leased or owned, you may be able to find it here.
3	Legal Proceedings	Look here to find out if the company is in court and why. You can also find out if the company had to pay the IRS any penalties related to tax shelters.
4	Mine Safety Disclosures	Here is where mine operators will tell you about specific health and safety violations, orders and citations, related legal actions and assessments, and mining-related fatalities.
Part II		
5	Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	A good source for information about the company's share buybacks, including the number of shares repurchased and average price paid during the 4th quarter.
6	Selected Financial Data	The five year summary, includes, revenues, EPS, assets, long-term debt, and other data. Sometimes includes industry-specific metrics.
7	Management's Discussion and Analysis of Financial Condition and Results of Operations	Where management is supposed to tell you in its own words what's going on with the business. (More detail below)
7A	Quantitative and Qualitative Disclosures About Market Risk	How exposed is the company to interest rate, foreign currency, commodity price and other market risks. They may even give you a rough idea of how they hedge.
8	Financial Statements and Supplementary Data	The financial statements and footnotes that we all know and love. The audit opinion is here too. (More detail below)
9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	If the company and its accountants disagree on something, the dirty laundry is aired here. (Rarely used)
9A	Controls and Procedures	Find out more about the company's internal accounting controls and whether they appear to be working or not. Descriptions of any "material weaknesses" should be included here.
9B	Other Information	Companies can disclose something here instead of filing an 8-K. In other words it's worth a peek.
Part III		
10	Directors, Executive Officers and Corporate Governance	Curious as to who runs the company, check here. Most times it will refer you to the proxy.
11	Executive Compensation	Show me the money.
12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	Find out how many shares are owned by "insiders" (i.e. senior management, the board and big shareholders (more than 5%)).
13	Certain Relationships and Related Transactions, and Director Independence	What's a few dollars between friends? Maybe a lot, actually. You should take a look at any related party transactions.
14	Principal Accountant Fees and Services	How much are the accountants getting paid and what are they getting paid to do. Look for possible conflicts of interest.
Part IV		
15	Exhibits and Financial Statement Schedules	A laundry list that could include, certificate of incorporation, bylaws, indentures, deferred compensation plan, etc. A good place to find important contracts. Often included by reference. Check out Exhibit 3 for more details.
Signatures		The lucky few that get to sign off on this thing.

Source: U.S. Securities and Exchange Commission, Credit Suisse Accounting & Tax Research

10-K Checklist

Management Discussion and Analysis (MD&A)

Of all the sections in the 10-K, it's the MD&A that has the most forward looking information which allows management to discuss and analyze the material trends, demands, commitments, events and uncertainties that are facing the business (this year keep an eye out for additional disclosures around European sovereign debt exposures). It is also where investors should be getting information about what's driving the results and the quality of earnings and cash flows (i.e., are they sustainable and from the core business). Just a reminder though; unlike the financial statements and footnotes, the MD&A is not audited.

- *Liquidity and capital resources.* As cash continues to pile up on the balance sheets of Corporate America investors want to know where it's located. Because if its parked overseas it may not be readily available as a source of liquidity to pay a dividend, buy back stock, etc. and the company may have to take a big tax hit to get its hands on the cash (as a result you might want to apply a cash haircut). In response the SEC has been pushing companies to disclose the amount of cash and short-term investments held by foreign subsidiaries. We're expecting more companies to start making this a standard disclosure this 10-K season, last year we were only able to find 54 companies in the S&P 500 that disclosed where in the world their cash was located (see our April 26, 2011 report for a further discussion, *Parking Earnings Overseas, $1.3 Trillion Parking Lot for the S&P 500*). Other items to keep an eye out for in this section are more detail about the sources and uses of cash (beyond the amounts that show up on the cash flow statement) and a discussion of where intraperiod borrowings differ from end of period amounts. Does the company have any unused lines of credit? Do they securitize or factor receivables? Also look for companies to discuss covenants including what could trip them and the consequences.

- *Contractual obligations*. Look for a table and description of the expected timing and amounts due under contractual obligations; in other words, cash that's contractually obligated to go out the door in the future. The table includes obligations that are on balance sheet (e.g., debt) and off-balance-sheet (e.g., operating leases). Even though the data is far from perfect we still think it's a good starting point for gauging a company's liquidity and capital resource needs. Have you worked these cash outflows into your model? Is there refinancing risk? Does the contractual obligations data provide you with any insight about forward capex and/or revenue? Compare the contractual obligations to cash balances to measure a company's cash cushion and determine whether it really has excess cash (for a further discussion see our May 31, 2011 report, *How Big is the Cash Cushion? Cash Vs. Contractual Obligations).*

- *Critical accounting estimates*. If you're on the look out for accounting red flags this is a good place to start. It's where companies are supposed to discuss their "critical" accounting estimates that have the biggest impact on the financial statements and involve the greatest degree of management judgment (a management team looking to manipulate its results might start with these estimates and assumptions). We would recommend keeping a close watch on them and asking some questions: Do the assumptions make sense? Are they aggressive or conservative? How do they stack up against prior years and peers? Have they left anything out? If the assumptions have changed, is it the changed assumptions or underlying performance of the business that are driving results? Companies are also supposed to provide (though they rarely do) sensitivity analyses—what happens to the financial statements if these estimates are changed (have you worked this into your model)?

- *Off-balance-sheet activity*. With the accounting rule changes bringing more off-balance-sheet transactions on balance sheet this disclosure has changed. We have noted less discussion on SPEs and more details on contracts, transactions and agreements with customers, vendors, lessors, asset purchasers, and investees (including guarantees). For the stuff that's remained off-balance-sheet ask yourself if it's the result of the underlying economics or a clever structure designed to get around the new rules. (See our April 7, 2010 research report, *Off Again, On Again? The Effect of New Off-Balance-Sheet Rules* for a further discussion.) Also question whether the off-balance-sheet transactions make sense? Do they have a valid business purpose? Should you bring them back on balance sheet from an analytical perspective (in most cases, yes)? Have you factored the risks from this activity into your analysis (companies may even disclose the amount of loss they could incur as a result of an off-balance-sheet entity)?

Financial Statements

You all have your favorite ways to slice and dice the financial statements, our simple suggestion is that no matter what type of analysis you are doing take a step back and try to understand what's driving the improved margins, reduced leverage, growth in revenues, etc. Is it the underlying economics or some type of accounting hocus pocus?

- *Balance sheet*. Are the assets and liabilities fairly stated? Take a look at the capital structure, how has the company financed itself? Is the balance sheet overly levered, overly complicated, why? What are all the claims on cash flow that might stand ahead of yours? Does the company have adequate liquidity? Have you factored in the company's off-balance-sheet arrangements into your analysis (a healthy looking balance sheet may not appear so healthy after you do)? Asset liability mismatches (long-duration assets paired with short-duration liabilities, and vice versa) have caused problems over time, don't forget about them and make sure to factor the associated risks into your analysis?

- *Statement of changes in shareholders' equity*. This is probably the most underrated of the financial statements, however, it includes useful information about dividends, share repurchases and share issuance. Don't forget about accumulated other comprehensive income too, the dumping ground for things that are volatile; including gains and losses from foreign currency translation, cash flow hedges and available for sale securities along with changes in pension funded status. Try to get an idea as to when these gains and losses might eventually make their way onto the income statement and whether they provide any incremental insight into real economic risks that a company is facing. Remember, starting in the first quarter other comprehensive income (OCI) will be presented either on the face of the income statement or in a separate statement immediately following (that may result in OCI showing up in some earnings releases and getting more attention than it does today).

- Also, compare the financial statement presentation to the prior year. Has it changed? Are you seeing different line items? If so, why? Don't forget to take a look at the audit opinion and management's report on internal controls. Did the auditor note any "significant deficiencies" or "material weaknesses"?

Footnotes

Much of our time is spent trolling through the footnotes searching for nuggets of information that help us to better understand what's going on in the financial statements. We have included some of our favorite footnotes below, how much time you spend on each will vary by company.

- *Pensions.* Last year was a tough one for many defined benefit pension plans as they were battered by falling interest rates and a weak stock market. As a result we estimated that pension underfunding increased significantly. How did the funded status of the plans change, was it as expected? We have noticed some plans outperforming our expectations, in part due to strong asset performance. Was that the result of having a heavier mix of long duration fixed income assets (whether in cash securities or synthetically through derivatives), picking the right asset managers, or optimistically valuing hard to value assets? We'd also suggest keeping a close watch on the discount rate (there appears to be wide variation across companies in how much the discount rate changed during 2011). Does the discount rate appear aggressive relative to yields on high grade bonds, peers, etc.? If so what would the underfunding look like if a more conservative rate were used? Has the company frozen the pension plan? If so what type of benefit was it replaced with (e.g., 401-K) and what's the cost? Pension risk comes in a number of flavors, the question is: Are you willing to pay for companies to take it on? There are risks associated with an asset liability mismatch, has the company done anything with its asset allocation to try and better manage the risks in the plan? Or is it looking to offload its pension risk on the plan participants through a lump sum or on an insurance company by buying an annuity? There is also liquidity risk; how much will the company have to contribute to its pension plan and when? We are estimating pension contributions will increase in 2012. If you are more concerned with pension costs, check whether the expected rate of return on plan assets appears reasonable, especially if the company has changed its asset allocation. Has the company lengthened the amortization period used to recognize actuarial gains and losses that could soften the blow to earnings from higher pension costs? Or has the company decided to dump the smoothing and go to a full mark-to-market approach? For a further discussion see our January 10, 2012 report, *Pensions Punished, Look for Pension Contributions to Go Up.*

- *Multiemployer pension plans* are becoming less of a black box as companies will be providing new disclosures about these plans for the first time this 10-K season (in fact we have already found atleast 10 companies in the S&P 500 that appear to be providing the new disclosure). The disclosures include information about the health of each significant multiemployer plan by disclosing funding zones, green (over 80% funded), yellow (between 65% and 80% funded) and red (below 65% funded). Companies will also tell you the amount contributed to the plans and whether their contribution was more than 5% of the total contributions made to the plan. If you want to dig deeper the name and tax ID number of the plans will be provided, which you can use to find the publicly available form 5500 filing (the annual report for the pension plan filed with the IRS) which includes information about the funded status of the plan, plan assets, assumptions, etc. (If you need any help finding or analyzing 5550 filings, don't hesitate to give us a call).

- *Taxes*. The tax footnote is a goldmine of information. Does the effective tax rate make sense? If the effective tax rate is low, why is it low and is it sustainable (think about how much credit you are giving the company for having a low tax rate in your valuation)? What effect have taxes had on earnings and cash flows? How valuable are the deferred tax assets, don't forget to take into account timing? When do the operating/capital loss carryforwards and tax credit carryforwards expire? Will the company have to set up a deferred tax valuation allowance? If a valuation allowance exists when will it be reversed, providing a boost to earnings and book value? What is the total amount of undistributed foreign earnings? Does the company have enough liquidity to continue making the assertion that earnings are permanently reinvested overseas? What would the U.S. tax provision be on those earnings if the company tried to bring them back to the U.S. (it's an off-balance-sheet tax liability)? (See our April 26, 2011 report, *Parking Earnings Overseas, $1.3 Trillion Parking Lot for the S&P 500.*) How much of a boost to cash flow did the company get from bonus depreciation? (See our December 10, 2010 report, *A Gift from Uncle Sam, 100% Bonus Depreciation.)* We also suggest a close look at the disclosures on uncertain tax positions or unrecognized tax benefits as it may highlight a company's tax risk. For further discussion, see our May 18, 2007 report, *Peeking behind the Tax Curtain, FIN 48 Reveals Tax Risk*. You might have to look outside the tax footnote to find cash taxes paid, once you do, figure out the cash tax rate and compare cash taxes to book taxes. In addition the SEC would like companies to reveal the amount of pre-tax profit and effective tax rates in countries with "very low tax rates."

- *Derivatives*. When a company suggests that you ignore the gains/losses on an "economic" hedge ask yourself why they weren't able to get hedge accounting treatment in the first place. Is it due to the frightening complexity of the accounting or that the company was unable to prove a high correlation between the hedged item and the derivative? You may also want to pay attention to hedge "ineffectiveness" (which many companies try to gloss over) since it represents economic gains and losses and could be a sign that a company is having some difficulty managing their risks. Look for disclosures about (1) How and why the company uses derivatives (2) How derivatives and hedged items are accounted for and (3) How derivatives and hedged items impact the financial statements. While the disclosures are far from ideal they may help you better understand a company's derivatives usage. How does the gross derivative exposure compare to the net amount on the balance sheet? Does this change your view of the company's leverage? After adjusting for netting, how do U.S. companies compare to their international peers that follow IFRS (and have less netting)? For a further discussion see our January 28, 2011 report, *Grossing Up the Balance Sheet, Nearly $7 Trillion of Derivative Assets and Liabilities Could Land on Balance Sheet*.

- *Financial instruments.* New troubled debt restructuring (TDR) rules were adopted in 2011. How many modifications were treated as TDRs as a result of the new rules and what impact did that have on the allowance for loan losses? (See our April 6, 2011 report, *Troubled Debt Restructurings, New Rule Could Result in More Loan Modifications Treated as TDR*). Also look for new disclosures about TDRs that took place during the past year and the TDRs that defaulted during the period. Don't forget to keep an eye on how the spread between fair value and cost of financial instruments changed year-over-year. Did the fair values improve or deteriorate? Do the fair values make sense, especially for Level 3 assets and liabilities? Does the company have any underwater securities that it hasn't impaired yet? Look for the disclosure where companies highlight the debt and equity securities that have been trading below their cost basis for more than 12 months. Examine the information about the credit quality of loans (including the aging schedule and loans on nonaccrual status).

- *Foreign currency.* If you're going to adjust the results to strip out currency when it has a negative impact make sure you make the same type of adjustments when currency turns positive. What effect have foreign currency movements had on earnings, revenues, margins etc.? Which currencies are the results most sensitive to? Have currency exposures changed? How does the company manage FX risk? What amount of FX risk remains unhedged?

- *Commitments and contingencies*. After issuing lots of comment letters over the past few years to improve transparency around contingent claims, the SEC wants to cut down on contingency related surprises and has reminded companies that disclosures should evolve as fact patterns evolve. As a result look for companies to provide more substantive disclosures about contingent losses in advance of recognizing a loss including an estimated range of loss if a contingent loss is reasonably possible. Remember, these are potential claims on the company's cash flow, how have you factored them into your analysis? How do these claims stack up against the company's cash flow generating ability and resources? What might trigger a commitment or contingency becoming a cash outflow for a company?

- *Acquisitions*. Take a look at the footnotes and see if you can figure out what the company bought, how much they spent and whether they overpaid. How was the transaction financed? What was the business case for the deal? Does the allocation of purchase price make sense (e.g., are excessive amounts allocated to goodwill)?

- *Reserves*. Keep an eye on the restructuring reserve, allowance for loan losses, allowance for doubtful accounts, inventory valuation allowance, warranty reserve, deferred tax valuation allowance, and all the stuff in Schedule II *Valuation and Qualifying Accounts* (which is typically found following the footnotes). Are these items being used to smooth or manage earnings?

- *Fixed assets / intangibles (including goodwill).* Has there been a change in amortizable or depreciable lives and if so what impact has it had on earnings? Is the change reasonable? Are the assets impaired? Remember impairments could change investor expectations about future cash flows and it may even cause a company to trip over covenants. If a company has impaired goodwill the SEC would like to see a discussion about what the impairment means, for example, what has gone wrong since the acquisition and what it says about the future cash flow generating ability of the business (as opposed to just highlighting that its "non-cash"). Keep in mind that this year the goodwill impairment test is changing from a purely quantitative assessment to a more qualitative one (don't be surprised to see a drop off in goodwill impairments as a result).

- *Employee stock options*. How have you factored stock based compensation into your valuation of the company, especially if the cost is being backed out to arrive at pro forma EPS and the earnings dilution is being papered over by share buybacks? How much of a claim do the option holders have on your stake in the company? We suggest pricing the outstanding stock options to figure it out. How much wealth is being transferred from you to the employees when options are exercised? Has the company made any changes to its stock based compensation plans, is it using more performance based options? If so, are the performance metrics ones that you think drive shareholder value? Do the option pricing assumptions make sense? What impact have changing assumptions had on reported results? What amount of option compensation cost was recognized in the income statement, how does that compare with the economic cost of the plans? Do management and the Board exclude equity based compensation when evaluating results, budgeting, planning, comparing to peers, and determining incentive pay? If so, why? See our January 20, 2006 report, *The Cost of Employee Stock Options, Part II* for a further discussion.

- *Other postretirement employee benefits (OPEB).* Has the company set aside any assets to pay OPEB benefits, if so, for how many years could plan assets be used to pay benefits before it comes out of corporate cash flow? Compare the OPEB benefits that the company is expecting to pay (companies provide a ten year forecast) to your cash flow projections. How have you factored that cash outflow into your valuation? Also, ask yourself whether the assumptions make sense (e.g., healthcare inflation rate)? Has the company made any changes to the OPEB plan, increased cost sharing with retirees, offloaded the plan on a union, closed the plan to new employees or frozen it?

- *Leases*. The FASB and IASB are still working on lease accounting. Eventually (2015 at the earliest) most leases (except short-term) will come on balance sheet. While the effective date seems far off, companies are starting to talk about the change being a risk in their financial statements. You may want to get a head start and, at the very least, get your hands on the future minimum lease payments to try to estimate the size of the off-balance-sheet lease liability and asset along with the potential impact on earnings. For details see our August 17, 2010 report, *Leases Landing on Balance Sheet, Proposed Major Changes to Lease Accounting*.

- *Accounting motivated / significant transactions*. If you read an overly complex description of a transaction and you can't understand why it was done (even after rereading the disclosure five times), something should at a minimum not smell right ... was the transaction designed to achieve a particular accounting result? How would results change if the structure changed? Is there an economic reason for the structure? Is the company incurring an economic cost to reduce an accounting cost or to try and paint a prettier picture of the business? Have any other companies executed a similar transaction and what were the results?

- *Summary of significant accounting policies.* In the first footnote, we recommend looking for any changes in accounting policy, either voluntary or required. We would also compare the accounting policies to the peer group. Do the policies make sense? Do they best reflect the underlying economics of the business? What impact will new accounting rules have on the financial statements? For some companies adopted new revenue recognition standards early, but in 2011 all companies were required to adopt changes made to the milestone method (ASU 2010-17), multiple deliverable arrangements (ASU 2009-13), and agreements with software elements (ASU 2009-14). How will revenue recognition patterns change as a result of the new rules and what does it mean to margins and earnings? For further discussion, see our September 10, 2009 report, *Revenue Timing Could Change…for Arrangements with Multiple Deliverables*. Also, insurance companies should provide disclosures around the adoption of ASU 2010-26 which will result in fewer costs capitalized as part of deferred acquisition costs (DAC) starting this year. Look for companies to discuss the impact on book value if they chose to write-off previously capitalized DAC that didn't meet the new requirements and how future margins may be impacted by the new rule. For further discussion see our July 29, 2010 report, *US Life Insurance, Tracking the New DAC, FASB Likely to Approve New Rules for DAC.*
- *Other*. Take a look at what is included in other income/expense and other assets/liabilities (e.g., other accrued expense); you never know what you might find.

Due Date

The 10-K filing deadline varies depending upon a company's public float as you can see in Exhibit 2. For calendar year companies that are large accelerated filers the 10-Ks are due on Wednesday while the accelerated filers have a March 15 filing deadline. For calendar year companies that are non-accelerated filers the 10-Ks are due on March 30. The SEC recently decided to require foreign companies (regardless of their size) to file their 20-Fs within four months of the end of the year (down from 6 months), so for calendar year-end companies look for those bundles of fun by April 30.

Exhibit 2: Filing Deadlines

Type of Filer	Public Float	10-K Filing Deadline	10-Q Filing Deadline
Large Accelerated Filer	Above $700 Million	60 days after year-end	40 days after quarter-end
Accelerated Filer	$75 Million to $700 Million	75 days after year-end	40 days after quarter-end
Non-Accelerated Filer	Below $75 Million	90 days after year-end	45 days after quarter-end
Foreign Filers	All Foreign Issuers	4 months after year-end	

Source: U.S. Securities and Exchange Commission.

What Happens if a Company Misses the Filing Deadline?

The 10-K filing deadline can be automatically extended for 15 days; companies must file a notice of late filing with the SEC on form NT 10-K under rule 12b-25. Once you go beyond the 15 days, watch out, the stock could be subject to delisting, it can cause problems with covenants and investors might not like the uncertainty.

The Exhibits

Exhibit 3: **Exhibits (Attached to the 10-K)**

Exhibit #	Exhibit Name	Our Thoughts
2	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	Look here for the finer details of a company's acquisitions, dispositions, reorganizations, etc.
3(i)	Articles of Incorporation	Contains the official name of the company, state of incorporation, and details of the classes and series of shares (the number of shares authorized, shareholder rights, preferences and limitations, etc.)
3(ii)	By-Laws	Has corporate governance details such as the composition of the board, length of a director's term, when and where annual meetings are to be held, officer job descriptions, how to amend by-laws, etc.
4	Instruments Defining the Rights of Security Holders, Including Indentures	These agreements contain the details related to debt and equity security rights which are especially important if the company has a complex capital structure and/or it's in distress.
9	Voting Trust Agreement	Describes a trust that holds a company's shares in another company and how the trustee is to oversee/manage/vote them.
10	Material Contracts	Fun legalese reading of contracts that are outside the ordinary course of business including: bridge loans, employment, joint ventures, leases, and equity awards.
11	Statement re: Computation of Per Share Earnings	If companies don't provide a detailed computation of basic and diluted EPS in their footnotes, look here.
12	Statement re: Computation of Ratios	Look here for the computation of earnings to fixed charges ratios and other ratios.
13	Annual Report to Security Holders	Our favorite exhibit, it's where you'll find the financial statements.
14	Code of Ethics	Just how ethical is that management team?
16	Letter re: Change in Certifying Accountant	A letter from the replaced auditor that notes any disagreements with the company. Companies don't change auditors often so this exhibit might be worth a look if it's filed.
18	Letter re: Change in Accounting Principles	When you see a change in accounting, ask yourself whether the new policy is aggressive/conservative, how it compares with peers, and how it will impact results.
21	Subsidiaries of the Registrant	A list of all subsidiaries and their jurisdiction of incorporation. Are the subs domiciled in countries where the company sells/manufactures its product or in countries with low tax rates?
23	Consent of Experts and Counsel	Permission to use an outside expert's statement, document, or opinion (e.g., a valuation expert's consent to use their valuations in the company's annual report). Are the "experts" reputable? How much does the company rely on third party experts and counsel in the preparation of their financial statements?
24	Power of Attorney	This document gives a few officers the authority to sign on behalf of all the individual directors. More of a procedural document.
31(i)/32	(i) Rule 13a-14(a)/ 15d-14(a) Certifications	Certifications by the CEO and CFO that the financial statements and internal controls are kosher.
31(ii)	(ii) Rule 13a-14(d)/ 15d-14(d) Certifications	Asset-backed securities issuers certify the documents filed regarding servicing, distribution, and performance of the assets are true.
33	Report on Assessment of Compliance with Servicing Criteria for Asset-Backed Issuers	If not compliant, what does this mean for rest of the company?
34	Attestation Report on Assessment of Compliance with Servicing Criteria for Asset-Backed Securities	An auditor's report that agrees/disagrees with management's assessment of their compliance with the servicing of asset backed securities.
35	Servicer Compliance Statement	Applies only to a servicer and states that it has fulfilled its servicing agreement obligations and it is compliant.
99	Additional Exhibits	Any other exhibits the company wants to file.
100/101	XBRL-Related Documents/ Interactive Data File	The financial statements written in XBRL (eXtensible Business Reporting Language). The full power of this bar-coding for financial information will be realized when the tagging is more consistent.

Source: U.S. Securities and Exchange Commission, Credit Suisse Accounting & Tax Research

Disclosure Appendix

Important Global Disclosures

David Zion, CFA, CPA, Amit Varshney, CFA, FRM & Nichole Burnap, CPA each certify, with respect to the companies or securities that he or she analyzes, that (1) the views expressed in this report accurately reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors including Credit Suisse's total revenues, a portion of which are generated by Credit Suisse's investment banking activities.

Analysts' stock ratings are defined as follows:

Outperform (O): The stock's total return is expected to outperform the relevant benchmark* by at least 10-15% (or more, depending on perceived risk) over the next 12 months.

Neutral (N): The stock's total return is expected to be in line with the relevant benchmark* (range of ±10-15%) over the next 12 months.

Underperform (U): The stock's total return is expected to underperform the relevant benchmark* by 10-15% or more over the next 12 months.

Relevant benchmark by region: As of 29th May 2009, Australia, New Zealand, U.S. and Canadian ratings are based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. Some U.S. and Canadian ratings may fall outside the absolute total return ranges defined above, depending on market conditions and industry factors. For Latin American, Japanese, and non-Japan Asia stocks, ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark; for European stocks, ratings are based on a stock's total return relative to the analyst's coverage universe**. For Australian and New Zealand stocks, 12-month rolling yield is incorporated in the absolute total return calculation and a 15% and a 7.5% threshold replace the 10-15% level in the Outperform and Underperform stock rating definitions, respectively. The 15% and 7.5% thresholds replace the +10-15% and -10-15% levels in the Neutral stock rating definition, respectively.*

***An analyst's coverage universe consists of all companies covered by the analyst within the relevant sector.*

Restricted (R): In certain circumstances, Credit Suisse policy and/or applicable law and regulations preclude certain types of communications, including an investment recommendation, during the course of Credit Suisse's engagement in an investment banking transaction and in certain other circumstances.

Volatility Indicator [V]: A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' coverage universe weightings are distinct from analysts' stock ratings and are based on the expected performance of an analyst's coverage universe* versus the relevant broad market benchmark**:

Overweight: Industry expected to outperform the relevant broad market benchmark over the next 12 months.

Market Weight: Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

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