



*National Venture Capital Association*

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## **NATIONAL VENTURE CAPITAL ASSOCIATION COMMENDS SEC DELAY OF SARBANES OXLEY 404 IMPLEMENTATION FOR SMALL COMPANIES**

### **Decision Allows Time for Analysis of Reform Measures**

**Washington D.C., December 12, 2007** – The National Venture Capital Association (NVCA) today commended the Securities and Exchange Commission’s decision to delay implementation of the most controversial portions of Sarbanes Oxley (SOX), Section 404(b), for one year for the country’s smallest public companies. SEC Chairman Christopher Cox announced today before the House of Representatives Small Business Committee his intention of moving forward with a formal SEC approval of the delay no later than January of 2008. The NVCA has long urged the SEC to consider exempting smaller companies from SOX 404 compliance generally, as it places a disproportionate financial and administrative burden on these organizations, with the outside auditor attestations required by Section 404(b) being the most costly and problematic. The NVCA further asserted that reforms announced earlier this year were unlikely to go far enough to alleviate this burden, and urged the SEC to delay implementation until the adequacy of the reforms could be assessed on the basis of actual cost data.

“The delay announced today by Chairman Cox provides a longer runway for the SEC to better understand the impact of proposed reform measures and subsequently make the necessary adjustments prior to a full implementation,” said Mark Heesen, president of the NVCA. “We commend the House of Representatives Small Business Committee for working on a bipartisan basis to bring the concerns of the small business community to the SEC and help protect this important sector of the US economy.”

NVCA Chairman Ted Schlein of Kleiner Perkins Caufield & Byers was part of the SEC Advisory Committee on Smaller Public Companies which advocated for small company relief in 2006. The NVCA will continue to advocate for the exemption of small companies from SOX 404 in the coming year.

**The National Venture Capital Association** (NVCA) represents approximately 480 venture capital and private equity firms. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2007 Global Insight study, venture-backed companies accounted for 10.4 million jobs and \$2.3 trillion in revenue in the United States in 2006. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).