



LEGAL ALERT

June 25, 2010

Nasdaq's New Requirement: Prompt Notification of Any Noncompliance with Governance Listing Standards

Effective June 13, 2010, Nasdaq amended its corporate governance listing standards - specifically Nasdaq Stock Market Rule 5625 - to provide that companies listed on the Nasdaq Stock Market will be required to provide Nasdaq with prompt notification after an executive officer becomes aware of **any** noncompliance with Nasdaq's corporate governance requirements, not just "material" noncompliance. This change conforms to an identical change recently made to the NYSE rules.

The new rule reads as follows:

5625. Notification of Noncompliance

A Company must provide Nasdaq with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of this Rule 5600 Series.

Nasdaq listed companies need to be more vigilant when monitoring corporate governance to make sure that any and all noncompliance with Nasdaq requirements is reported in a timely manner no matter its significance.

If you have any questions, please contact either Nicholas Bybel, Jr. or Erik Gerhard at 717-731-1700.

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