



cep ¢ents

A bulletin brought to you by the Certified Equity Professional Institute and distributed to over 2800 professionals in the equity compensation world.

July 2008

"Who's Managing Your Company's Equity Plan?"

Guidance on RSAs and RSUs:

GPS| Guidance. Procedures. Systems. Restricted Stock and Restricted Stock Units

The CEPI at Santa Clara University is pleased to release the 2008 research project focusing on RSAs and RSUs: *GPS| Guidance. Procedures. Systems. Restricted Stock and Restricted Stock Units*. This landmark publication is the culmination of extensive interviews, in-depth analysis and significant technical input. This research provides tools for:

- Equity compensation professionals to evaluate and enhance processes around restricted stock and units
- Internal and external audit teams to understand the material risks and identify appropriate internal controls
- Management and compensation designers to better understand the critical strategic issues

The publication is available for download at no cost and is open for public comment until August 15, 2008. All equity professionals are encouraged to take advantage of this unique opportunity to participate in the development of industry wide guidelines. Please take this opportunity to share the publication with any contacts that can benefit from this guidance.

To obtain a copy of the publication, visit www.scu.edu/business/cepi/ and select "The GPS Project."

Visit the CEPI website for more information on the research, the public comment, and live or webinar opportunities to learn more about the findings of this project.

Thank you to our project sponsors for their significant contributions that made this publication possible:

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Fifth Annual CEP Symposium: December 2, 2008, Santa Clara University

Why do I need to track my continuing education hours?

The CEPI requires that CEPs track their individual continuing education activities and hours and submit the reporting form when all 30 hours have been completed. CE hours cannot be accepted until the full 30 hours have been completed. We appreciate your cooperation.

Registration is open for the November CEP exam.

Register now for the November 8, 2008 exam. Registration closes September 26. Register online today!

Apply for the Marilyn Perkins Scholarship! See next page for details.

Mark your calendars and save the date! The 5th Annual CEPI Symposium will be held on December 2, 2008 at Santa Clara University, and is shaping up to be the best yet. The Symposium will feature **leading industry experts** in an ideally-sized daylong event. At the Symposium, attendees and presenters can truly connect on the **hottest equity compensation issues**, including best practices, M&A, international issues, expensing, and administrative solutions. You will leave the Symposium with practical advice for immediate implementation, seeds of long term strategy, and an **unparalleled network** of professional contacts.

On December 1, 2008, the day preceding the Symposium, the CEPI will be offering a specialized training seminar based on the GPS research. By attending both the training and the Symposium, you can earn 13 hours of continuing education in just two days. The GPS course will provide custom training on internal processes and controls. Each attendee will develop a personalized action plan.

Course Outline

The course covers grant processes and exercise/vest/release processes. Each module covers:

- An overview of the process including data inputs and outputs
- Identification of common errors and potential opportunities for fraud, focusing on areas that can materially impact the financial statements
- A detailed review of specific processes, associated challenges, risks, controls to mitigate the risk, and suggested test of the controls
- How outsourcing impacts the process
- A discussion of the associated legal and accounting issues
- Differences between administration of stock options and restricted stock/units

Online registration for the Symposium and the GPS course will be available soon. Watch your email for details.

Who Am I?

Working towards your CEP and wondering how to reflect it on your bio? New CEP ordering new business cards? Inactive CEP? Read on to see the use of the proper designation:

- **Working Towards Your CEP:** Your bio or resume can reflect your status in the CEP program. For example, "Completed Level 1 of the CEP" or "Sitting for the CEP Level 2 exam in November 2008." The "CEP" designation **only** applies to individuals who have successfully completed all three CEP exams and who are maintaining the designation through continuing education. The Institute does **not** recognize the designation of "CEP, Level One" or "CEP, Level Two." To use the CEP designation in any form, you **must** be a CEP. Candidates who are pursuing the designation should **not** use the CEP designation in their title.
- **Current CEPs:** We encourage all CEPs who are current with their continuing education to use the CEP designation on business cards, email signatures, business correspondence, etc. The proper use of the designation is First Last, CEP (no periods). Of course, your bio and resume can reflect this significant accomplishment. For example, "Mary earned her CEP designation through Santa Clara University in 2003." Or, "John is a Certified Equity Professional."
- **Inactive CEPs:** If you are not current on your continuing ed you should not be using the designation on your business cards, nametags, etc. However, you may indicate on your bio or resume that you earned the designation and are now inactive. For example, "CEP designation achieved 11/97; Inactive since 2005."

If you have any questions about using the CEP designation, please contact the CEPI.

CEP Volunteer Spotlight: *Barbara Richley, CEP*

The CEPI could not exist without the significant support of our volunteer network. Committed CEPs spend countless hours working on all aspects of exam development. Take a peek behind the scenes of one of these CEP volunteer stars.

Suggestions for the next edition of *cep cents*? Let us know what you would like to see – just send us an email at cepi@scu.edu.

Barbara Richley is a busy person. Being the Senior Manager for the Equity Edge Product Management team at E*TRADE FINANCIAL is a big job. But she manages to find time to be one of the most active and committed CEP volunteers. Not only does she serve as a CEP **Curriculum Committee** Accounting Panelist, but Barbara can be counted on to step up to nearly any CEP volunteer task, including **Standard Setting, Item Review** and the **Job Analysis**.

With nearly 20 years in the business, Barbara looks for opportunities to interact and share knowledge with those who are also passionate about equity compensation. And despite those 20 years of experience, Barbara knows there are still things to learn. Given her job, it is absolutely critical for her to stay abreast of regulatory changes, industry trends and emerging best practices. Staying active with the CEPI is an integral part of doing so. “The CEPI and people who are active in the program are on the leading edge in terms of knowledge and emerging best practices. CEPs who are dedicated to their profession can’t afford to lose touch with the ‘pulse’ of the industry.”

Keep the CEPI informed!

If your contact information has changed, send an email to the CEPI at cepi@scu.edu.

Words of advice from Barbara? “*Just do it!* Volunteering helps you keep up with industry changes; but the best part is that the interaction with other CEPs is **fun** and builds lasting relationships – both personal and professional.” Barbara is one **smart** lady! Thanks Barbara, for all you do.

Mark your calendars and save the date!
5th Annual CEP Symposium,
December 2, 2008.

Check Out Our New Look - CEPI Website Updated!

The CEPI website has been updated to provide easier and better access to information about the Institute. We welcome your feedback on the new look, the new navigation tools and the usefulness of the site. Please visit the new site at www.scu.edu/business/cepi/.

Update your “favorites” or “bookmarks” with the new URL – you should be redirected to the new site from the old URL, but if your computer has the old site stored in memory, you might be missing out on this new and exciting change.

Please send your comments about the site to cepi@scu.edu.

Marilyn Perkins Scholarship

Applications are now being accepted for the 2008 Marilyn J. Perkins Claassen Memorial Scholarship Program. The program was created in 2007 in honor of our friend and colleague, Marilyn Perkins Claassen. The Scholarship Program was created to recognize and support talented individuals who share Marilyn’s passion for the equity compensation industry.

The scholarship is intended for individuals dedicated to enhancing their knowledge and skills in the equity compensation industry through Certified Equity Professional certification. The successful applicant will be provided with a full scholarship for all three levels, excluding materials. If a scholarship recipient has already completed one or more levels of the CEP program, the scholarship will cover the costs of the remaining levels, excluding materials.

Application Deadline August 15th

To apply for the Marilyn J. Perkins Claassen Memorial Scholarship Program, or for more information, please visit www.scu.edu/business/cepi/cepi_scholarship.cfm.

Check out the new CEPI
website!
www.scu.edu/business/cepi

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