



FOR IMMEDIATE RELEASE

## **SOS Introduces Modification Accounting Programs Suite**

**Option exchange programs have driven demand for automated modification accounting solution; SOS promises to replace spreadsheets with system**

**San Jose, California, November 14, 2009** - Stock & Option Solutions (SOS), a leading provider of stock plan management, administration and consulting services, today announced the release of its equity compensation modification accounting suite of programs.

Modification accounting is triggered by a change in the terms of a stock option or restricted stock award which is often the result of repricings, option exchanges, acquisitions, or corporate restructuring. As the number of companies subject to modification accounting, especially because of the increasing use of option exchange programs, has grown, so too has the need for an automated, reliable, and comprehensive solution for companies looking to avoid the use of spreadsheets or complex workarounds to deal with the challenges this type of accounting presents.

Because modification accounting is only an issue for a smaller, but growing, subset of companies offering equity compensation, existing stock administration software and platforms have been slow to include the necessary capabilities to handle these needs. SOS' programs fill that gap in the equity accounting world, supplementing existing functionality to provide a complete solution.

"Companies going through an option exchange often assume that their software or provider will accurately perform the necessary calculations for them. Unfortunately this is often not the case. Common issues are failure to comply with the floor provision of FAS 123(R), and incomplete DTA tracking and true up both for tax accounting and diluted EPS calculations. We analyze the gaps in clients' existing solutions and the requirements of their exchange to provide automated solutions that build upon the existing features of their current system. We're helping clients get it right while reducing the pain of compliance with automation", says Elizabeth Dodge, Vice President of Product Management for SOS.

The programs suite builds upon existing SOS technology developed to allow their clients to track accrual expense, perform tax accounting calculations, and adjust their diluted earnings-per-share (EPS) to account for the modification of their grants and awards. For the first time, this technology is available as a set of programs which can be implemented at the client site, and incorporates a user-friendly interface which allows companies to utilize these solutions after brief training of company personnel. The programs are customized to the company's needs, and are either Microsoft Access® or Oracle®-based, depending on the client's preference. SOS also provides documentation of the formulas underlying the programs' calculations.

Over the last 18 months, SOS has been heavily involved in assisting companies with their option exchange programs through the use of their "SOS Employee Elect" tender offer

website, which tracks participant elections, and collects other data necessary for the successful and compliant execution of these offers. For many clients, the exchange was relatively easy compared to the aftermath, which included the need to import or enter large amounts of new grant data back into their stock plan systems, and figuring out how they were going to handle the resulting modification accounting. SOS provides the final answer to that question.

"SOS is about providing solutions to issues in equity compensation. Whether those issues stem from resource challenges, manual or paper-based processes in need of automation or the application of best of breed stock plan practices, we apply our unmatched depth of equity compensation expertise and technology savvy to find a cost-effective answer", says Sean Lembree, CEO of SOS.

For further details on SOS' modification accounting suite of programs, or more information about Stock & Option Solutions, Inc. please contact Elizabeth Dodge at (888) SOS-0199 or (408) 979-8700.

Stock & Option Solutions, Inc. (SOS) is a leading provider of [stock plan administration](#), management and [equity consulting services](#) for companies offering equity compensation and benefit programs to its employees. For ten years, hundreds of organizations, from private start-ups to Fortune 500 companies, have relied on [Stock & Option Solutions](#)' expertise for strategic planning, methodologies and skilled resources to build and support the most effective stock administration programs possible. The company offers its services through its [People Solutions](#), [Technology Solutions](#), [Strategic Solutions](#), and [TEAM Outsourcing](#) business groups. For more information about Stock & Option Solutions, please visit <http://www.sos-team.com>.

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