

Statement of Sidley Austin LLP

Sidley Austin LLP (“Sidley”), the firm resulting from the May 1, 2001 merger of Sidley & Austin and Brown & Wood LLP (“Brown & Wood”), has agreed to resolve an examination and investigation by the Internal Revenue Service (“IRS”) and the United States Attorney’s Office for the Southern District of New York in connection with the tax shelter opinions authored by Raymond J. Ruble, a former partner who is under indictment in United States v. Jeffrey Stein, et al., S1 05 Crim. 0888 (LAK), pending in the United States District Court for the Southern District of New York. Sidley has pledged to the United States Attorney’s Office to continue to provide full cooperation with ongoing criminal and civil tax shelter prosecutions, investigations and litigations. Under the terms of its agreement with the IRS, Sidley has paid today a civil penalty to the IRS and will also continue to fully cooperate with the IRS. Sidley has also made the following voluntary statement:

“Ruble was involved in, and issued opinions for, transactions for certain high net worth individuals. Ruble’s conduct in those transactions defrauded the U.S. Treasury of taxes owed by those taxpayers. Ruble became involved in these transactions in 1996 while a partner at Brown & Wood. He authored opinions on a number of different tax shelter transactions, including Bond Linked Issue Premium Structure (“BLIPS”), Foreign Leveraged Investment Program (“FLIP”), Offshore Portfolio Investment Strategy (“OPIS”), Short Option Strategy (“SOS”), and Custom Adjustable Rate Debt Structure (“CARDS”).

Sidley & Austin never engaged in these transactions or this practice, and it was determined by both firms, as a condition of the merger, that Ruble would terminate his individual tax shelter practice. However, Ruble circumvented that decision, took steps to avoid detection of his conduct, including by deceitfully exploiting a very narrow exception to the immediate termination of his individual tax shelter practice that was limited to the completion of a small number of opinions promised to clients prior to the merger, and continued his practice. Ruble was expelled from the firm in October 2003, when the firm learned that, both before and after the merger, he had deceived his partners about the nature and extent of his involvement in the tax shelter transactions and had secretly taken millions of dollars in side payments from a tax shelter promoter. He was indicted in August 2005.

Sidley apologizes and expresses its deep regret to the United States Government. Sidley has enhanced its internal policies and compliance procedures so that conduct such as Ruble's does not happen again at this firm, which prides itself on its reputation for integrity and commitment to excellent client service. Sidley recognizes that, while law firms must operate on the principle of trust among partners, there is also a need for robust checks and balances on all of the work done in a firm's name.

Sidley has cooperated fully with the IRS and the Department of Justice since the beginning of their investigations and will continue to do so. In addition, Sidley has made this voluntary statement and has paid today a civil penalty to the IRS to resolve and conclude the civil tax shelter registration penalty examination of the firm by the IRS. We are gratified that the United States Attorney's Office for the Southern District of New York has also decided to close

Page 3

its investigation of the firm. Having resolved these issues with the federal government, the firm has taken another significant step in putting the consequences of Ruble's tax shelter activities behind it."