



The Brand Equity Protection Company™

For Immediate Release

Brand Protection is Important to Sarbanes-Oxley Compliance Writes S. G. Hart & Associates in its BrandEye™ Newsletter.

Ridgefield, Conn., (April 2, 2005) – S. G. Hart & Associates, LLC, The Brand Equity Protection Company™, writes about brand protection as an important element of compliance for public companies who must comply with The Sarbanes-Oxley Act of 2002 (SOX) in its April 2005 issue of BrandEye™. The current issue highlights the need for boards of directors and senior managers to gauge the threat level of counterfeiting and product diversion to determine if damages require disclosure under Section 302 and whether proper disclosure controls are in place in this assessment. S. G. Hart & Associates also discuss Section 404 and its implication that the protection of corporate assets from fraud includes protection from the threat of counterfeiting and product diversion. Section 404 requires public companies to report on the effectiveness of internal controls designed to safeguard assets from fraud and have independent auditors attest to the effectiveness these controls.

Stanley G. Hart, President & CEO of S. G. Hart & Associates, explains the importance of highlighting Sarbanes-Oxley in the firm's BrandEye™ newsletter, "the SEC's definition for internal controls makes it clear that safeguarding assets is an element of the internal control process. The implication for boards of directors and senior managers therefore goes beyond customary financial controls but includes the firm's ability to prevent, identify and detect fraud in all its forms, including fraud from embezzlement, payroll, external theft, procurement, counterfeiting and product diversion." Hart continues, "the difficulty of assessing damages from counterfeiting and product diversion make complying with SOX more of a challenge. Many companies are aware of the problem but have difficulty calculating the loss and damages. This lack of quantifiable data leads to organizational paralysis or to implementation of point solution(s) which fail to meet required business objectives because the program did not uncover root causes. The result is a poor return on investment, loss of confidence with protective measures and, more importantly, a loss of shareholder value."

Hart concluded his remarks by saying, "The opportunity to implement a sound brand equity protection program in light of SOX may be unfamiliar, but represents an opportunity for our clients to gain a competitive advantage while complying with the law. The regulatory mandate of SOX will undoubtedly identify outmoded or impractical brand protection practices and, in turn, allow clients to improve existing policies, procedures and systems. Yet, the real benefit is derived not from being in compliance but from the organizational knowledge obtained throughout the process of becoming compliant and using that knowledge for the greatest brand protection competitive advantage."

S. G. Hart & Associates has planned a series of educational, on-line "Web Casts" focusing on The Sarbanes-Oxley Act of 2002 and the brand protection disclosure and internal control requirements now mandated under law. Participant registration is available through the company's website at www.sghartassociates.com along with presentation dates and times.



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The Sarbanes-Oxley Act of 2002 (SOX) is U.S. legislation that was signed into law by President George W. Bush during on July 31, 2002. The purpose of SOX is to re-instill confidence and trust in the corporate accounting reporting practices used to evaluate publicly traded companies of the United States. U.S. public companies with equity market capitalization over \$75 million are required to comply with the new SOX amendments beginning with their first fiscal year ending on or after November 15, 2004. Non-accelerated filers must begin to comply with these requirements for their first fiscal year ending on or after July 15, 2006.

About S. G. Hart & Associates, LLC

S. G. Hart & Associates, The Brand Equity Protection Company™, is based in Ridgefield, Connecticut, USA. S. G. Hart & Associates is a global brand protection consulting company helping clients develop and implement strategies that protect supply chains from the disruptions caused by counterfeiting, product diversion, tampering & theft. S. G. Hart & Associates ensures that the integrity of the firm's most valuable asset – its brand - is secure, that the brand's ability to generate and preserve revenue is maximized and that effective controls are used to safeguard the branded asset against unauthorized or improper use.

About BrandEye™

BrandEye™ is a complimentary newsletter offered by S. G. Hart & Associates providing thought provoking insight and information relevant to the brand protection professional. BrandEye™ is for anyone concerned with preserving the revenue generating ability of the brand and protecting their branded products from the negative effects of counterfeiting and product diversion.

To subscribe to BrandEye™ please visit www.sghartassociates.com/brandeye today.

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