



Search: **Forbes.com** Quotes Video Web Blogs Advanced

Become a member | Log In  
Portfolio |  
Make Forbes.com My Home Page  
Bookmark This Page



[Personalize Now!](#)

PRESENTED BY

U.S. EUROPE ASIA  
**HOME** BUSINESS TECH MARKETS ENTREPRENEURS LEADERSHIP PERSONAL FINANCE FORBESLIFE LISTS OPINIONS  
Restore Results  
Video Blogs E-mail Newsletters Org Chart Wiki People Tracker Portfolio Tracker Special Reports Widgets CEO Network

Business Wire

## Lord & Benoit Post-Mortem of Small High-Tech Public Company Accentuates Need for Sarbanes-Oxley...

02.06.09, 10:12 AM EST









Lord & Benoit, a Sarbanes-Oxley (SOX) research and consulting firm, just released The Tipping

Point: Collision of Relaxed Regulation, Small Business and the Economy, a White Paper snapshot of the current economic, ethical and political environment for small business SOX compliance in the new Obama Administration. The Tipping Point provides a sobering post-mortem case study of a small, high technology public company that, according to a well-informed financial insider, "could have been saved if it had been complying with Section 404." The company, which received millions of dollars in investor capital during years of SOX deadline extensions, filed for bankruptcy and left a painful trail of financial destruction among investors, employees and suppliers.

"As sad as this case study is," says Robert Benoit, President and Director of SOX Research, "this is not an isolated case. Financial fraud tends to increase when the economy is struggling, and while politicians and the media focus on the ills of big business, smaller public companies are garnering little if any attention and scrutiny." The Tipping Point walks readers through an easy-to-follow, concise post-mortem of the business failure: from the enthusiastic start-up with the charismatic and visionary executive, cutting-edge technology, glowing publicity, euphoria of financing, rapid expansion of staff and facilities to the warning signs, unwise choices, limitations of auditors, imbalance of power, lack of ethics and caring, misallocation of resources, bankruptcy and downfall of what could have been a successful high-tech, global company.

Based on published comments from President Barack Obama, Vice President Joseph Biden, PCAOB Chair Mark Olson, and SEC Chair Mary Shapiro, the mood appears to be changing from years of deadline delays to more robust insistence upon SOX compliance by smaller public companies in 2009.

### Article Controls

-  [EMAIL](#)
-  [PRINT](#)
-  [REPRINT](#)
-  [NEWSLETTER](#)
-  [COMMENTS](#)
-  [SHARE](#)
- [YAHOO! BUZZ](#)

For a free online copy of "The Tipping Point," please visit [www.Section404.org](http://www.Section404.org).

Bob Benoit is President and Director of SOX Research at Lord & Benoit, LLC, one of the most influential SOX Research and Compliance firms for smaller public companies. In addition to his position with Lord & Benoit, Bob serves on the COSO Monitoring Project Taskforce. He has also served on the AICPA Peer Review Acceptance Board in MA for 10 years, has taught Complying with Sarbanes-Oxley Section 404 throughout the country through the State CPA Societies and is the author of the Lord & Benoit Reports, which have been referenced by the SEC, PCAOB, COSO, AICPA, CHH, RIA, BNA, Wall Street Journal, all of the "Big 4" firms and nearly 200 legal, educational

**Get Stories By Email**

and trade journals around the world. Bob is the first evaluator to use the COSO Guidance for Smaller Public Companies, the inventor of Virtual SOX taught on the AICPA Technology website and research contributor to the SEC Subcommittee, SEC Concept Releases and SEC/PCAOB Internal Control Roundtables.

bankruptcy  
economy  
consulting  
business

SOURCE: Lord & Benoit

LORD & BENOIT Robert Benoit, 800-404-7794 x 204 President & Director of SOX Research BobB@LordandBenoit.com

**Rate This Story**

Your Rating ☆☆☆☆☆ Overall Rating ☆☆☆☆☆

**Reader Comments**

**Comment On This Story**



Intelligent Investing | Data | Knowledge | Insight | Wisdom

**Today On Forbes.com**



**Where Real Innovation Happens**

Tim O'Reilly  
Don't look for the gilded road to fortune. Look for passion.  
■ The \$10 Microscope  
■ A Singular(ity) School  
■ Our New Breakthroughs Section



Has Buffett Lost His Touch?



Disruptor Of The Month: Twitter



How To Train Your Palate Like A Pro



What We See When We Look In The Mirror

**Subscriptions**

[Subscribe To Newsletters](#)   [Subscriber Customer Service](#)

ADVERTISEMENT

- 5. [BreakOut! Your Own Personal Wind Mill](#)
- 6. [Economic Advice for Obama](#)
- 7. [Billionaire Supermarket Wars](#)
- 8. [Citi, BofA Higher](#)
- 9. [Hollywood's Money Makers](#)
- 10. [Avoid The Madoff Treatment](#)
- 1. [Country Day In Harlem](#)
- 2. [The \\$10 Microscope](#)
- 3. [Where's All The TARP Money?](#)
- 4. [The Regulatory Farce Under The Consumer Product Safety Improvement Act](#)
- 5. [Nathan Richardson's Modest Proposal](#)
- 6. [The Harsh Impact On Consumption Of Lost Home Equity](#)
- 7. [Where Real Innovation Happens](#)
- 8. [Docs in Hock](#)
- 9. [Cyborg Therapy](#)
- 10. [Why Live Nation Wants To Merge](#)



[SITMAP](#) [HELP](#) [CONTACT US](#) [INVESTMENT NEWSLETTERS](#) [FORBES CONFERENCES](#) [FORBES MAGAZINES](#)

---

[Ad Information](#) [Forbes.com Mobile](#) [RSS](#)  [Reprints/Permissions](#) [Subscriber Services](#)  
[Privacy Statement](#) [Terms, Conditions and Notices](#) [About Our Ads](#)  
2009 Forbes.com LLC™ All Rights Reserved

Dow Jones industrial average, Nasdaq composite and S&P 500 indexes are real time and are powered by Xignite. All other indexes and commodities are delayed at least 15 minutes. All pricing is automatically refreshed every five seconds for the first two minutes the page is open, refreshed every 10 seconds for the third minute the page is open, and refreshed every 15 seconds thereafter.