

# Flash memory firm requests filing delay

July 5 2006

---

Flash memory chip maker M-Systems, amid a probe of stock-options grants, has requested an extension for filing its 2005 annual report, the company said.

"As a result of the special committee's review, the board of directors has concluded that, for accounting purposes, the actual measurement dates of certain past stock option grants differ from the previously recorded measurement dates for such grants," M-Systems said in a statement.

"Accordingly, the company intends to restate its financial statements for the years 2001 to 2005 (inclusive) and to revise its financial information for the first quarter of 2006 to reflect primarily non-cash charges for certain past stock option grants," the statement continued.

The company recently postponed an offering of 8.7 million shares because of an internal investigation of "practices such as backdating stock options to take advantage of a low point in the underlying shares (and) spring-loading options by offering them to employees ahead of an anticipated stock jump," according to a mid-June report in the Israeli business magazine TheMarker.

"M-Systems and (business software company) Quest are among nearly 30 U.S. companies, mostly in the technology sector, under investigation by federal prosecutors, the (Securities and Exchange Commission) or their own directors" on suspicion of these practices, the report said.

"M-Systems is a strong company, built on a foundation of personal

integrity," the company's President and Chief Executive Officer Dov Moran said via the company statement.

"We remain focused on building our business while working closely with the special committee to effectively bring this matter to conclusion as quickly as possible," Moran continued.

*Copyright 2006 by United Press International*

Citation: Flash memory firm requests filing delay (2006, July 5) retrieved 10 April 2024 from <https://phys.org/news/2006-07-memory-firm.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--