The regulatory environment continues to raise new challenges for equity compensation, as companies grapple with FAS 123(R), Sarbanes Oxley, and the revised SEC Proxy Disclosure requirements. With a demonstrated, longstanding commitment to compliance leadership, E*TRADE Financial Corporate Services helps you ease the administrative burden and manage risk with Equity Edge 7.

Our benchmark stock plan management and reporting software leads the industry as we continue to establish best practices to help you control database security, FAS 123(R) expense recognition and disclosure reporting for stock options, employee stock purchase plans, and restricted stock. With Equity Edge 7 you can:

- Improve your audit trail and protect your database
- Take advantage of enhanced compliance reporting
- Track the payment of dividends on unvested restricted stock awards and units

The Expected Term Analysis report calculates the historic lives of options that have been exercised or expired, computes minimum and maximum terms for outstanding options, and can be used for straight-line or accelerated accrual approaches.
Enhanced Compliance Reporting
Equity Edge 7 now includes several enhanced reports to support accurate, flexible and auditable financial Reporting:

Updated Tax Benefit Reconciliation Report
- Requires the input of only one tax rate
- Updated to calculate general ledger journal entries
- Differentiates between disclosed and recognized expense for options that straddle the FAS 123(R) Begin Date

For Incentive Stock Options, if the actual tax benefit exceeds the estimated tax benefit, the portion of the deduction associated with recognized expense is allocated to Income Tax Expense and the excess is treated as additional paid-in capital (APIC)

For Non-Qualified Stock Options, the calculations for vesting tranches fully vested prior to the FAS 123(R) Begin Date are flexible and vary depending upon the method (Shortcut or Regular) used to calculate the beginning balance of your company’s historic APIC Pool

Password Management Enhancements
- Apply more stringent rules regarding password management (e.g., prevent re-use of the last six user passwords, prevent use of predictable sequences, etc.)
- Use the security features of your Oracle database to perform all password control
- Available for Enterprise edition clients only

Security Enhancements
- Allows you to delegate specific Administrator tasks without granting full Administrator privileges (e.g., Back Up and Restore the database, Delete Accounts, etc.)
- Segregates user security functions (ability to view, edit Users, etc.) from system security functions (ability to turn on/off Audit Tracking, etc.)

The Tax Benefit Reconciliation report compares recognized expense to the tax deduction to calculate tax benefit or deficiency, deferred tax asset reversals and additional paid-in-capital journal entries.
Improved Expected Term Reporting

- A single new Expected Term Analysis report replaces the prior Expected Term – Option Date and Expected Term – Vest Date reports
- Choose whether you want to run the report using the Single Approach (calculations based on grant date) or Multiple Approach (calculations based on vest date)
- Includes estimation of expected term for outstanding option shares using a percentage that you determine
- Shows a weighted-average minimum term and maximum term for outstanding shares
- Includes percentage by which outstanding shares are “in-the-money”

SEC Proxy Disclosure Requirements Reporting

- Existing reports updated to facilitate efforts to comply with revised SEC requirements and maximum term for outstanding shares
- New fields added to the sort, group and filter criteria of reports to help you identify and isolate information

FAS 123 (R) Updates to the WOO-NQ Tax Benefit Reports

- Calculation updated for companies that used the Shortcut Method of calculating the beginning balance of their historic APIC Pool

FAS 123 (R) Updates to the Valuation Disclosure Recap Reports

- Forfeiture Rate now applied only to shares vesting after Expense Recognition Date to the power of the applicable post-FAS 123(R) service period length
- Ability to apply the Forfeiture Rate using either an actual rate or a weighted-average rate

More User-Defined Fields to provide you with greater reporting flexibility

- Nine new Account User-Defined fields, bringing the total available to fifteen fields

Support for the Payment of Dividends on Unvested Restricted Stock

Equity Edge 7 now offers features to support the payment of dividends on unvested Restricted Stock.

The new dividends functionality tracks and calculates three types of dividends: Cash, Dividend Equivalents, and Dividend Reinvestments.
Leverage Our Expertise and Get Started Now

E*TRADE Financial Corporate Services can help you quickly deploy Equity Edge 7 or outsource your stock plan administration to our team of certified equity professionals. We also provide educational seminars and product training taught by experts.

System Requirements
Equity Edge 7 now supports:
- Windows NT, 2000, 2003, and XP
- Terminal Server on Windows 2003 only
- Crystal 10
- Oracle 9i

Upgrade to Equity Edge 7 today! To learn more, call 1-800-783-3388 or e-mail us at salesinfo@etrade.com.