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NEWS FROM MOSS & BARNETT

A Professional Association

WILL REGULATION FD CREATE A LEVEL PLAYING FIELD?

BY: DEANNE GRECO



Do you invest in the stock market? If so, you are one of the millions of Americans who do. And you may also be one of those investors who wonder why, by the time you hear some news about one of the companies whose stock you own,

the price of the stock has already moved up (or down).

Well, the Securities and Exchange Commission has also been concerned about the effect on individual investors of "selective disclosure" of information about a company. In response to its perception that many publicly traded companies were disclosing material information to analysts and other investment professionals but not to the public, the SEC recently adopted Regulation FD. The new rule requires a company to make public any information disclosed to certain investment professionals and shareholders, whether the disclosure is intentional or unintentional.

Basically, Regulation FD prohibits selective disclosure to any of the following:

- broker-dealers and their associated persons,
- investment advisers, certain institutional investment managers and their associated persons,
- investment companies, hedge funds, and affiliated persons, or
- any shareholder, if it is reasonably foreseeable that such person would purchase or sell securities on the basis of the information.

Communications made in the ordinary course of business are excluded, and a company may still make disclosures:

- to a person who owes the issuer a duty of trust or confidence, such as an attorney, investment banker, or accountant,
- to any person who expressly agrees to maintain the information in confidence, and
- to an entity whose primary business is the issuance of credit ratings, provided the information is disclosed solely for the purpose of developing a credit rating and the entity's ratings are publicly available.

THE NEW RULE REQUIRES A COMPANY TO MAKE PUBLIC ANY INFORMATION DISCLOSED TO CERTAIN INVESTMENT PROFESSIONALS & SHAREHOLDERS

The rule also excludes ordinary course business communications, such as communications with the media, customers, suppliers, and government agencies.

Companies are reacting in a variety of ways to the new regulation. Many have opened their quarterly conference calls with analysts and institutional investors to individual investors and the media. Some are filing or furnishing as part of a Report on Form 8-K their

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Annual Report — 2000

For Moss & Barnett's many clients and friends, the board of directors offers this annual report on our firm and its many successes during the year 2000. Your successes in the year 2000 were impressive. Many of you engaged in exciting acquisitions and sales; from Rural Cellular on its acquisition of Triton Cellular and our work for Funculand, Inc. on its sale to Barnes & Noble, to our other experienced business expansions, our many family and individual clients and our courtroom successes, we owe it all to you!

The year 2000 marked the extension of our outreach into the community. In addition to our traditional contributions and volunteer work, Moss & Barnett grew during 2000 by providing funding and volunteer support to **Habitat for Humanity**. We also provided funding to the **Frederick L. McGhee Scholarship** to promote the national recruitment of minority lawyers by Minnesota law firms. Our sponsorship of Twin Cities Public Television on Friday evenings continued, even while we added sponsorship of **Minnesota Public Radio's Broadcast Journalist** series.



RECENTLY RETIRED COLLEAGUES,
WILLIAM N. KOSTER AND PAUL VAN VALKENBURG

The year was also marked by the retirements of our longstanding colleagues, **Paul Van Valkenburg** and **William N. Koster** (photo). Paul began his career in 1959. During his career, he became a specialist in business and corporate law, was one of the authors of Minnesota's Limited Liability Company Act, and was a leader in the

Minnesota State Bar Association. Paul also served the community as a trustee at Westminster Presbyterian Church, was active in the Minneapolis Downtown Council, and played a leading role in the development of Lawyers Concerned for Lawyers.

In a career spanning 35 years, Bill Koster served as the Deputy General Counsel of U.S. Bank (formerly First Bank Systems, Inc.) prior to joining Moss & Barnett in 1991. He quickly became a key member of our management, serving as a director and as our corporate secretary from 1992–2000. At the same time, Bill's expertise in bank trust law, consumer credit regulations and insurance law kept him extremely busy.

We will miss both Paul and Bill very much, even as we extend them our best wishes.

One of the most gratifying changes at Moss & Barnett during 2000 was the addition of 21 new attorneys during the year.

NEW ATTORNEYS – 2000:

WILLIAM A. CUMMING	H. LE PHAN
THOMAS E. HARMS	DARRELL B. JOHNSON
DAWN M. KNUTSON	DAVID S. JOHNSON
JAYMES D. LITTLEJOHN	YURI B. BERNDT
JOSEPH G. MATERNOWSKI	JOANI C. MOBERG
JEFFREY W. POST	MICHAEL C. ZENDER
GLEN E. SCHUMANN	MARK B. PETERSON
MEGAN J. HERTZLER	CINDY J. ACKERMAN
STEVEN E. CULBERT	ANDREW L. BACKLUND
JAMES F. BALDWIN	ANTHONY A. DORLAND
	SHAREEN R. LUZE



NEW ASSOCIATES: (CLOCKWISE FROM TOP LEFT)
SHAREEN R. LUZE, ANDREW L. BACKLUND,
CINDY J. ACKERMAN & ANTHONY A. DORLAND.

Richard J. Kelber was elected to our board this year and **Dave F. Senger** and **Thomas J. Shroyer** were reelected as directors. Other directors are **Curtis D. Smith**, **Thomas E. Harms**, and **Susan C. Rhode**.

Our management team remains intact for 2001.

Richard J. Johnson continues to serve as the firm's Chief Financial Officer, as well as a director and a member of the management committee. Other team members are Dave F. Senger, Chairman of the Board, and Thomas J. Shroyer, President and Chief Executive Officer. **Kevin M. Busch** was appointed as our Commercial Department Chair.

One of the main challenges that confronted the legal profession during 2000 was the decision by some firms in a few very large cities to radically increase the salary for entry-level attorneys. While many firms simply followed suit, Moss & Barnett chose a different path. Recognizing that firms paying the much larger salaries were requiring associates to "pay for their keep" by setting minimum hourly levels that were intolerably high, our leadership opted not to increase base expectations for the workload of associates, while at the same time moderately increasing base salaries and providing increased bonuses based on individual performance. We think that this approach is one that is fair to associates and our firm. Most important of all, we believe it is in the best interests of our clients.

Please accept our thanks to each of you for helping to make Moss & Barnett an important part of Minnesota since 1896!

Respectfully submitted,
Board of Directors of Moss & Barnett,
A Professional Association

Regulation FD article continued from front cover

quarterly (or annual) financial press release and, in some instances, the text of their conference call. Others have reduced the frequency and amount of information shared with analysts.

In light of Regulation FD, public companies now need to be more alert to the kinds of information they pass on to analysts in order to avoid violating the new regulation. For their part,

IN MOST INSTANCES, YOU
WILL NEED TO DO SOME
WORK ON YOUR OWN TO
FIND THIS INFORMATION.
...HOW YOU USE IT IS...
UP TO YOU!

investors can now obtain significant additional information about a company by listening to analyst conference calls or logging on to a webcast of the call or reading the transcript posted on the company's web site following the call. The time of these conference calls is generally posted on a company's web site under "investor relations" or "financial information." This posting will likely include a toll-free phone number or provide a direct internet link to the conference. Web sites such

as Ideaadvisor.com, Bestcalls.com, and Motleyfool.com list upcoming conference calls and provide links to them.

In most instances, you will not be allowed to ask questions, but listening to a conference call allows you an opportunity to learn what concerns professionals may have about a particular company. You may also learn more about the types of information analysts consider important when making judgments about the future prospects of a company. Listening to the calls for several companies and on more than one occasion may help you to analyze companies on your own.

Some have criticized Regulation FD as providing too much information to the public and not allowing analysts to have information that is generally non-public that will aid them in doing their analysis of a company's performance and potential. Others have noted that many investors will not be able, or may not take the time, to analyze this additional information and will continue to rely on analysts for interpretation. The long-term impact of Regulation FD on public companies, analysts, and others remains to be seen.

As a result of the adoption of Regulation FD, individual investors may now be able to receive more information than was previously available. In most instances, you will need to do some work on your own to find this information. And how you use it is, of course, up to you.

THANKS
TO EACH ONE OF YOU
FOR HELPING TO MAKE
MOSS & BARNETT
AN IMPORTANT PART OF
MINNESOTA SINCE 1896

PRESIDENT'S MESSAGE

BY: TOM SHROYER, PRESIDENT AND CHIEF EXECUTIVE OFFICER



This issue includes the inauguration of an annual report to our many clients and friends. We intend to use this report to communicate with you about the progress that we have made and the changes we experienced during 2000. We are taking this step because of our belief that each of you have an important stake in our progress, as we have in your success.

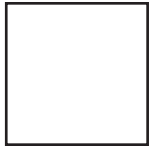
Also enclosed is a new listing of the names and direct dial numbers of all our attorneys. Please feel free to e-mail us at oberlem@moss-barnett.com for additional directories.

As reflected in the annual report in this issue, our firm is very well-positioned to continue our tradition of providing this region with legal service of the very highest quality since 1896. We look forward to this year with confidence and high spirits!

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