



behavior research center's

Rocky Mountain Poll

NEWS RELEASE
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ENRON ETHICS NOT SHARED BY ARIZONA BUSINESS EXECUTIVES

Phoenix, Arizona, February 25, 2002. The vast majority of business executives surveyed here this month believe that top officers and members of Boards of Directors of major corporations should be prosecuted for financial damages if they profiteer by selling their company stock when armed with insider's information. A large percentage also supports prosecuting top company people who take no steps to warn employees that their retirement programs with the company is in danger of becoming worthless because of pending corporate financial difficulties.

By far, the largest proportion in favor of prosecution (82 percent) comes in the form of belief that civil prosecution for financial damages should be in store for executives and board members of publicly held companies who knew their company was headed for bankruptcy but sold off their stock holdings before making the condition of the company public. Such executives should, say business people here, suffer the same risk as all other investors. Only seven percent of the executives interviewed disagree. In an earlier January survey of the general public in Arizona, 86 percent favor prosecution in such cases. (See RMP-2002-06).

Seventy-two percent also favor prosecuting for civil damages executives who can be shown to have withheld information from employees that their retirement investments in company stock might soon evaporate given the financial condition of the company.

Both of the above results run in close parallel with the views of the general public in Arizona on this same subject and may indicate broad support for the framing of new Securities and Exchange Commission rules regarding insider trading and the management of employee retirement funds and for congressional action to stiffen federal penalties for corporate officers violating such rules.

The findings outlined in this report are drawn from **BusinessTRACK™**, a survey of 400 business owners and managers in Maricopa County conducted between January 9 and February 5, 2002, by the Behavior Research Center of Arizona as part of the Center's independent and non-partisan Rocky Mountain Poll series. For more information you may visit www.brcpolls.com.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2002-I-11) is based on 400 telephone interviews conducted from January 9 through February 5, 2002, with owners or managers of businesses in the metropolitan Phoenix area which have from three to 100 employees and which are not subsidiaries of larger corporations. In a sample of this size, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 5.0 percent of what they would have been had the entire population of owners and managers of such small businesses been surveyed. **BusinessTRACK™** Arizona is co-sponsored by the Maricopa Community College District and Behavior Research Center.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

STATISTICAL DATA

Behavior Research Center
 Rocky Mountain Poll - Arizona
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For this and other polls, see www.brcpolls.com/results

“Recently, several major U.S. corporations filed for bankruptcy, laid off employees, cancelled medical insurance and employee retirement based on company stock lost value. In your opinion, should or should not top company executives and Board of Director members be prosecuted for financial damages in the following cases?”

| | SHOULD BE PROSECUTED | SHOULD NOT BE PROSECUTED | UNSURE |
|---|-------------------------|--------------------------------|--------|
| “If they knew the company would go bankrupt... ... but sold their stock before making the news public.” | | | |
| Business (Jan-Feb 02) | 82% | 7% | 11% |
| General Public (Jan. 02) | 86 | 7 | 7 |
| ... but did not inform employees that their retirement programs might be wiped out when the value of company stock fell.” | | | |
| Business (Jan-Feb 02) | 72 | 18 | 10 |
| General Public (Jan 02) | 84 | 10 | 6 |

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