



PRACTICE BULLETIN NO. 7

GUIDANCE ON USE OF DRAFT REPORTS

1. Draft reports are by their nature work product that is in the process of being completed, and any conclusions contained in such in process work product are potentially subject to changes that could be material. Draft reports should only be distributed to clients, to their clients' agents and legal counsel, or to knowledgeable third parties in order to obtain comments in respect of errors, omissions, misinterpretations, or other factors including those that could have a material effect on the conclusions to be reached.
2. When draft reports are distributed, reasonable steps should be undertaken to prevent reliance on them or use for any purpose other than to obtain comments in respect of errors, omissions, misinterpretations or other factors. In particular, Valuators, Experts and preparers of Limited Critique Reports should consider including in their engagement letter, in correspondence circulated with draft reports, and in the draft report itself, appropriate warnings that the draft report is a draft and is subject to: (i) comments regarding the accuracy and completeness of certain information, (ii) subsequent analysis, and (iii) amendment and correction, and that such subsequent analysis, amendment or correction could have a material effect on any conclusions contained in the draft report. It is also appropriate to state that the draft report is not complete and that the intended purpose of the draft report is to obtain comments in respect of errors, omissions, misinterpretations or other factors, that such matters could have a material effect on the conclusions contained in the draft report, that the draft report is not suitable for any other purpose and may not be relied upon, and that it may not be disclosed to third parties.
3. The distribution of draft reports for any purpose or in any other manner other than as noted above is not appropriate.

June 17, 2009