

## The SEC Publishes Final Amendments to Rules 144 and 145 Under the Securities Act of 1933

December 14, 2007

On November 15, 2007, in an open meeting the Securities and Exchange Commission (the "SEC") adopted,<sup>1</sup> with some important revisions, substantially all the proposed amendments<sup>2</sup> (the "Amendments") to Rules 144 and 145 under the Securities Act of 1933 (the "Securities Act"). The SEC published the adopting release<sup>3</sup> with the final text of the Amendments on December 6, 2007. The Amendments significantly shorten the holding period applicable to affiliates and non-affiliates that seek to resell restricted securities of reporting companies pursuant to Rule 144 and substantially reduce the other Rule 144 requirements applicable to resales by non-affiliates. The SEC believes these amendments will increase the liquidity of privately sold securities and decrease the cost of capital for all companies without compromising investor protection. The Amendments will be effective on February 15, 2008. The SEC has stated in the adopting release that the revised holding periods and other Amendments are applicable to securities acquired before or after the effective date of the Amendments.

The Amendments include the following important changes to Rules 144 and 145:

- For resales under Rule 144 of restricted securities of reporting companies,<sup>4</sup> after a six-month holding period (previously one year), *affiliates* may resell if the Rule 144 conditions relating to current public information, volume limitations, manner of sale<sup>5</sup> and Form 144 notices are satisfied, and *non-affiliates* may resell if the current public information condition is satisfied. After one year, *non-affiliates* may resell under Rule 144 without any restrictions.
  - The SEC did not adopt a proposed "tolling" provision that, in connection with resales of restricted securities of reporting companies, would have required any affiliate or non-affiliate

<sup>1</sup> See SEC press release at <http://www.sec.gov/news/press/2007/2007-233.htm>.

<sup>2</sup> See Securities Act Proposing Release No. 33-8813 (June 22, 2007), 72 FR 36822, <http://www.sec.gov/rules/proposed/2007/33-8813fr.pdf> (July 5, 2007).

<sup>3</sup> See Securities Act Adopting Release No. 33-8869 (December 6, 2007) <http://www.sec.gov/rules/final/2007/33-8869.pdf>

<sup>4</sup> A reporting company is an issuer that is, and has been for at least 90 days before the sale, subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act").

<sup>5</sup> The Amendments have eliminated the manner of sale requirements under Rule 144(f) with respect to debt securities, non-participating preferred stock and asset-backed securities. The Amendments have revised the manner of sale requirements applicable to affiliates seeking to resell equity securities.

engaged in certain hedging activities during the six-month holding period to toll, or extend, its holding period up to an additional six months for the amount of time during which the hedging activities continued. The SEC was convinced by the numerous comments to the proposing release that there was an absence of sufficient evidence that hedging activities resulted in the prohibited “distribution” of securities under Rule 144, the tolling provision would unduly complicate Rule 144, and the difficult and costly operational problems in tracking complex hedging transactions would frustrate the SEC’s primary objectives to streamline Rule 144 and reduce the costs of capital for issuers. The SEC has stated that it will revisit the issue if it observes abuse relating to the hedging activities of holders of restricted securities.

- For resales under Rule 144 of restricted securities of non-reporting companies, after a one-year holding period (previously one year as well), *affiliates* may resell if the Rule 144 conditions relating to current public information, volume limitations, manner of sale and Form 144 notices are satisfied, and *non-affiliates* may resell under Rule 144 without any restrictions.
- The thresholds that require filing a Form 144 notice by affiliates have been increased from 500 shares or \$10,000 to 5,000 shares or \$50,000. The Form 144 notice requirement has been eliminated for non-affiliates.
- The manner of sale limitations under Rule 144(f) have been eliminated with respect to debt securities, non-participating preferred stock and asset-backed securities. The manner of sale limitations for resales of equity securities by affiliates have been revised as discussed below.
- Several positions on Rule 144 of the SEC Staff have been codified.
- The presumptive underwriter provision in Rule 145 has been eliminated, except for transactions involving a shell company. The resale provisions of Rule 145(d) have been revised.

At the open meeting, the SEC stated that it had received numerous comments in response to its question on how best to harmonize the filing requirements of Form 144 and Form 4 by any affiliate who wishes to rely on Rule 144 and is also subject to the filing requirements under Section 16 of the Exchange Act.<sup>6</sup> The SEC stated that, although it agrees that such

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<sup>6</sup> A Form 144 is required to be filed by affiliates concurrently with either placing with a broker an order to execute a sale of securities in reliance upon Rule 144 or the execution directly with a market maker of such a sale. Because the Form 4 filing deadline is two business days after the transaction is executed, affiliates selling securities under Rule 144 often are required to file a Form 4 just a few days after they file a Form 144 to report information regarding the same sale of securities.

harmonization is essential, because of lack of time to address the substantial logistical changes required, including technical changes to the EDGAR filing system, it was not adopting any amendments in this regard at this time. However, the SEC has stated in the adopting release that it expects to issue a separate release in the future to provide affiliates that are subject to both the Form 4 and Form 144 filing requirements with greater flexibility in satisfying their requirements.

A chart summarizing the reduced holding periods and the other applicable requirements under Rule 144 for affiliates and non-affiliates is attached hereto as Annex A.

### **Statutory Background**

Section 5 of the Securities Act requires registration with the SEC of all offers and sales of securities unless the offer or sale is made pursuant to an exemption from the registration requirements. Section 4(1) of the Securities Act provides an exemption from registration for any "transactions by any person other than an issuer, underwriter or dealer." Section 2(a)(11) of the Securities Act defines an underwriter as "any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking." In 1972, the SEC adopted Rule 144 that provides a non-exclusive safe harbor from this definition of "underwriter" for the public resale of privately placed securities, or "restricted securities," and securities held by affiliates of the issuer, or "control securities." If a selling security holder complies with the applicable conditions of Rule 144 in connection with a transaction, then the Section 4(1) exemption will be available for such transaction since such security holder will be deemed not to have purchased with a view to distribution and will therefore be deemed not to be an "underwriter."

### **The Amendments**

A brief discussion of some of the important Amendments follows.

#### **1. Amendments to the Holding Period Requirement in Rule 144(d) for Restricted Securities and Reduction of Other Rule 144 Requirements Applicable to Non-Affiliates**

##### ***a. Six-month holding period for Exchange Act reporting companies***

The Amendments have significantly shortened the minimum holding period for the resale of restricted securities of reporting companies for both affiliates and non-affiliates and have substantially reduced the other requirements of Rule 144 for non-affiliates as follows:

- After a minimum six-month holding period (previously one year):
  - *affiliates* may resell if the Rule 144 conditions relating to current public information, volume limitations, manner of sale<sup>7</sup> and Form 144 notices are satisfied, and
  - *non-affiliates* may resell if the current public information condition is satisfied (for a six-month period following the last day of the holding period) and need not comply with any other Rule 144 requirements. The SEC has substantially reduced the requirements of Rule 144 for non-affiliates because it believes that the complexity of resale restrictions may inhibit sales by, and impose costs on, non-affiliates. However, the SEC has retained the current public information condition for up to one year after the acquisition of the securities because it continues to believe that it is important to help provide the market with adequate information regarding the issuer of the securities.
- After one year, *non-affiliates* may make unlimited resales without complying with any Rule 144 requirements.

The SEC believes that, with regard to reporting companies, holding securities for six months is a reasonable indication that an investor has assumed the economic risk of investment in those securities, which is a critical factor in determining whether such security holder is an underwriter who acquired the securities for distribution and not for investment purposes. The SEC had retained the one-year holding period for restricted securities of non-reporting companies because these companies are required to make only limited information publicly available before resales can be made under Rule 144, such information typically is much more limited than information included in Exchange Act reports, is not required to include audited financial information and is not publicly available via the SEC's EDGAR system.

The amendments will significantly reduce the cost and administrative burden of compliance with the Rule 144 requirements for non-affiliates. Private offerings are likely to increasingly become viable and attractive alternatives to public offerings for certain issuers. As a result of the significantly shortened holding periods and the substantially reduced Rule 144 restrictions on non-affiliates, the "illiquidity discount" usually demanded by investors for privately placed securities should be reduced. The significantly shorter holding periods may also lead to fewer demands by investors for the filing of shelf registration statements to cover public resale of securities during the holding period. In the case of debt securities, non-reporting issuers especially may push for "private for life" offerings by agreeing to pay higher interest rates and avoid the burden of registering such securities.

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<sup>7</sup> The Amendments have revised the manner of sale requirements applicable to affiliates seeking to resell equity securities as discussed below.

## 2. Amendments to the Manner of Sale Requirements Applicable to Resales by Affiliates and Raising of Volume Limitations on Debt Securities Resold by Affiliates

### *a. Elimination of manner of sale requirements for resale of debt securities by affiliates*

The Amendments have eliminated the manner of sale requirements of Rule 144(f) for resales of debt securities, non-participating preferred stock<sup>8</sup> and asset-backed securities by affiliates. The manner of sale limitations are intended to assure that special selling efforts and compensation arrangements usually associated with a distribution are not present in a Rule 144 transaction. The SEC retained the manner of sale limitations for resales of equity securities by affiliates to avoid the potential of abusive transactions that might take place in the absence of such limitations. However, the SEC believes that the fixed income securities market does not raise the same concerns,<sup>9</sup> and that the manner of sale limitations may place an unnecessary burden on the resale of such securities. The elimination of the manner of sale limitations with respect to debt securities will allow holders greater flexibility in the resale of their securities, including the option to privately negotiate the resale of the securities.

### *b. Revisions to the manner of sale requirements for resales of equity securities by affiliates*

The Amendments have made two important revisions to the manner of sale requirements of Rule 144(f) for resales of equity securities by affiliates so that such requirements better reflect trading practices and venues.

First, the SEC has expanded the scope of Rule 144(f) to permit the resale of securities under Rule 144 through riskless principal transactions<sup>10</sup> (in addition to brokers' transactions or in transactions directly with a market maker) in which trades are executed at the same price, exclusive of any explicitly disclosed markup or markdown, commission equivalent or other fee, and the rules of a self-regulatory organization permit the transaction to be

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<sup>8</sup> Non-participatory preferred stock is defined in Rule 144(a) as non-convertible capital stock, the holders of which are entitled to a preference in payment of dividends and in distribution of assets on liquidation, dissolution, or winding up of the issuer, but are not entitled to participate in residual earnings or assets of the issuer.

<sup>9</sup> The SEC points out that debt securities are generally traded in dealer transactions in which the dealer seeks buyers for securities to fill sell orders instead of through the means prescribed in Rule 144(f).

<sup>10</sup> A "riskless principal transaction" is defined as a principal transaction where, after having received from a customer an order to buy, a broker or dealer purchases the security as principal in the market to satisfy the order to buy or, after having received from a customer an order to sell, sells the security as principal to the market to satisfy the order to sell.

reported as riskless.<sup>11</sup> The SEC believes that these riskless principal transactions are equivalent to agency trades.

Second, the SEC has amended Rule 144(g) to provide that the posting of bid and ask quotations by a broker in alternative trading systems will also be deemed not to be a solicitation for the purposes of “brokers’ transactions” (which require, among other things, that a broker must neither solicit nor arrange for the solicitation of customers’ orders to buy the securities in anticipation of, or in connection with, the transaction). This new provision permits a broker to insert bid and ask quotations for the security in an alternative trading system, provided that the broker has published bona fide bid and ask quotations for the security in the alternative trading system on each of the last 12 business days.

*c. Increased volume limitations for resales of debt securities by affiliates*

The SEC has amended Rule 144(e) to permit the resale of debt securities in an amount that does not exceed ten percent of a tranche (or class when the securities are non-participatory preferred stock), together with all sales of securities of the same tranche sold for the account of the selling security holder within a three-month period. The SEC believes that this new ten percent limitation will permit a more reasonable amount of trading in debt securities than the volume limitations that applied prior to the Amendments.<sup>12</sup> These revised volume limitations also apply to resales of non-participatory preferred stock or asset-backed securities, which are defined as debt securities for purposes of Rule 144.

### 3. Increased Thresholds for Filing Form 144

The Amendments have eliminated the Form 144 filing requirements of Rule 144(h) for non-affiliates and have increased the thresholds for filing Form 144 by affiliates from 500 shares or \$10,000 to 5,000 shares or \$50,000. The purpose for raising the share threshold to 5,000 is to capture trades that merit notice but for which the dollar amount of the trades may not be significant. The purpose of raising the dollar threshold to \$50,000 is to adjust for inflation.

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<sup>11</sup> In order to qualify as a permissible manner of sale under the revised rule, the broker or dealer conducting the riskless principal transaction must meet all the requirements of a broker’s transaction, as defined by Rule 144(g), except the requirement that the broker does no more than execute the order or orders to sell the securities as agent for the person for whose account the securities are sold. The broker or dealer must neither solicit nor arrange for the solicitation of customers’ orders to buy the securities in anticipation of, or in connection with, the transaction, must receive no more than the usual and customary markup or markdown, commission equivalent, or other fee, and must conduct a reasonable inquiry regarding the underwriter status of the person for whose account the securities are to be sold.

<sup>12</sup> Prior to the Amendments, under Rule 144(e), the amount of securities sold in a three-month period could not exceed the greater of: (1) one percent of the shares or other units of the class outstanding as shown by the most recent report or statement published by the issuer or (2) the average weekly volume of trading in such securities.

#### 4. Codification of Interpretive Positions Issued by the Staff of the Division of Corporate Finance

The SEC has codified what were previously interpretive positions issued by the Staff of the SEC Division of Corporation Finance, in order to make these interpretations more transparent and readily available to the public.

***a. Securities acquired under Section 4(6) of the Securities Act are considered "restricted securities"***

The SEC has codified in Rule 144(a)(3)(viii) the Staff's interpretive position that securities acquired under Section 4(6)<sup>13</sup> of the Securities Act are "restricted securities." The SEC believes that the resale status of securities acquired in Section 4(6) exempt transactions should be the same as securities received in other non-public offerings that are included in the definition of restricted securities.

***b. Tacking of holding periods when a company reorganizes into a holding company structure***

The SEC has codified in Rule 144(d)(3)(ix) the Staff's interpretive provision that permits holders to tack the Rule 144 holding period for securities held prior to transactions made solely to form a holding company subject to certain conditions.<sup>14</sup> The SEC believes that such tacking would be appropriate because the securities being exchanged are substantially equivalent, and there is no significant change in the economic risk of the investment in the restricted securities.

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<sup>13</sup> Section 4(6) of the Securities Act provides for an exemption from registration for an offering that does not exceed \$5,000,000 that is made only to accredited investors, that does not involve any advertising or public solicitation by the issuer or anyone acting on the issuer's behalf and for which a Form D has been filed.

<sup>14</sup> Such tacking will be permitted if the following three conditions are satisfied:

- The newly formed holding company's securities are issued solely in exchange for the securities of the predecessor company as part of a reorganization of the predecessor company into a holding company structure;
- Security holders receive securities of the same class evidencing the same proportional interest in the holding company as they held in the predecessor company, and the rights and interests of the holders of such securities are substantially the same as those they possessed as holders of the predecessor company's securities; and
- Immediately following the transaction, the holding company has no significant assets other than securities of the predecessor and its existing subsidiaries and has substantially the same assets and liabilities on a consolidated basis as the predecessor had before the transaction.

***c. Tacking of holding periods for conversions and exchanges of securities***

The SEC has amended Rule 144(d)(3)(ii) to codify the Staff's interpretive position that, if the securities sold under Rule 144 were acquired from the issuer solely in exchange for other securities of the same issuer, then the newly acquired securities shall be deemed to have been acquired at the same time as the securities surrendered for conversion or exchange, *even if the securities surrendered were not convertible or exchangeable by their terms*. The SEC has added a new note to this section to clarify that if (i) the original securities do not permit cashless conversion or exchange by their terms; (ii) the parties amend the original securities to allow for cashless conversion or exchange; and (iii) the security holder provides consideration, other than solely securities of the issuer, for that amendment, then the newly acquired securities will be deemed to have been acquired on the date that the original securities were so amended.

***d. Tacking of holding periods for cashless exercise of options and warrants***

The SEC has codified in Rule 144(d)(3)(x) the Staff's interpretive position that upon a cashless exercise of options or warrants, the newly acquired underlying securities are deemed to have been acquired when the corresponding options or warrants were acquired, *even if the options or warrants originally did not provide for cashless exercise by their terms*. The SEC has added two new notes to this section to clarify that:

- if (i) the original options or warrants do not permit cashless exercise by their terms and (ii) the holder provides consideration, other than solely securities of the issuer, to amend the options or warrants to allow for cashless exercise, then the amended options or warrants would be deemed to have been acquired on the date that the original options or warrants were so amended so long as the exercise itself was cashless; and
- since the SEC believes that the grant of certain options or warrants that are not purchased for cash or property (as in the case of employee stock options) does not create any investment risk in the holder, the holder would not be allowed to tack the holding period of the option or warrant and would be deemed to have acquired the underlying securities on the date the option or warrant was exercised, so long as the full price or other consideration has been paid at the time of exercise.

***e. Aggregation of pledged securities***

The SEC has added a note to Rule 144(e)(3)(ii) that codifies the Staff's interpretive position that, so long as the pledgees are not the same "person"

under Rule 144(a)(2), a pledgee of securities may sell the pledged securities without having to aggregate the sale with sales by other pledgees (e.g., another broker-dealer or bank) of the same securities from the same pledgor, as long as there is no concerted action by those pledgees.

*f. Securities issued by “reporting and non-reporting shell companies”*

Historically, “blank check companies”<sup>15</sup> and other “shell companies”<sup>16</sup> have provided opportunities for abuse of the federal securities laws, particularly by serving as vehicles to avoid the registration requirements of the securities laws.<sup>17</sup> In an effort to curtail misuse of Rule 144 by security holders through transactions in the securities of such companies, the SEC adopted new Rule 144(i) to codify the Staff’s position that Rule 144 is not available for the resale of securities initially issued by companies that are, or previously were, blank check companies, with the following modifications:

- Under Rule 144(i), a person who wishes to resell securities initially issued by a company that is, or was, a reporting or a non-reporting shell company,<sup>18</sup> other than a business combination related shell company,<sup>19</sup> will not be able to rely on Rule 144 to sell the securities, unless the conditions below are met.
- Rule 144(i) permits reliance on Rule 144 for resales by a security holder when (a) the issuer of the securities that was formerly a reporting or non-reporting shell company has ceased to be a shell company, (b) the issuer of the securities is subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act, (c) the issuer of the securities

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<sup>15</sup> Rule 419(a)(2) defines a “blank check company” as a company that (a) is in the development stage and has no specific business plan or purpose or has indicated that its business plan is to merge with or acquire an unidentified third party and (b) is issuing penny stock.

<sup>16</sup> Rule 405 defines a “shell company” as a registrant, other than an asset-backed issuer, that has (a) no or nominal operations and (b) either (1) no or nominal assets, (2) assets consisting solely of cash and cash equivalents or (3) assets consisting of any amount of cash and cash equivalents and nominal other assets.

<sup>17</sup> See SEC Release No. 33-6932 (Apr. 13, 1992) [57 FR 18037].

<sup>18</sup> Rule 144(i) applies to a broad category of companies referred to as “reporting and non-reporting shell companies,” which would include all companies that meet the definition of “shell company,” including blank check companies. This category of companies is broader than the definition of “shell company” in Rule 405 as it applies to any “issuer” meeting that standard, whereas the Rule 405 definition refers only to “registrants.” The SEC has adopted this broader definition because it better describes the companies that are the subject of the abuse.

<sup>19</sup> Rule 405 defines a “business combination related shell company” as a shell company formed by an entity that is not a shell company solely for the purpose of (a) changing the corporate domicile of that entity solely within the United States or (b) completing a business combination transaction (as defined in Rule 165(f)) among one or more entities other than the shell company, none of which is a shell company.

has filed all reports and material required to be filed during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than reports on Form 8-K and (d) at least one year has elapsed from the time the issuer has filed current "Form 10 information"<sup>20</sup> with the SEC reflecting its status as an entity that is not a shell company.

***g. Representations required from security holders relying on Rule 10b5-1(c)***

Rule 10b5-1 under the Exchange Act defines when a purchase or sale constitutes trading "on the basis of" material nonpublic information in insider trading cases brought under Exchange Act Section 10(b) and Rule 10b-5.<sup>21</sup>

Prior to the adoption of the Amendments, Form 144 required a selling security holder to represent, as of the date that the Form 144 was signed, that he or she "does not know any material adverse information in regard to the current and prospective operations of the issuer of the securities to be sold which has not been publicly disclosed." In order to reconcile the Form 144 representation with Rule 10b5-1(c), the SEC has codified the Staff's position that a selling security holder who satisfies Rule 10b5-1(c) may make the required representation as of the date that he or she adopted the written trading plan or gave trading instructions that satisfy Rule 10b5-1(c).

## **5. Amendments to Rule 145**

Securities Act Rule 145 provides that exchanges of securities in connection with mergers, reclassifications, consolidations or transfers of assets, which are subject to shareholder vote, constitute "sales" of those securities,

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<sup>20</sup> "Form 10 information" refers to information that a company would be required to file if it were registering a class of securities on Form 10 or Form 20-F under the Exchange Act. Shell companies are required to file this information on Form 8-K in connection with the transaction by which they cease to be a shell company.

<sup>21</sup> A purchase or sale of a security of an issuer is "on the basis of" material nonpublic information about that security or issuer if the person making the purchase or sale was aware of the material nonpublic information when the person made the purchase or sale. Rule 10b5-1(c) provides an affirmative defense that a person's purchase or sale was not "on the basis of" material nonpublic information if that person demonstrates that:

- before becoming aware of the material nonpublic information, he or she had entered into a binding contract to purchase or sell the securities, provided instructions to another person to execute the trade for the instructing person's account or adopted a written plan for trading the securities;
- the contract, instructions or written trading plan satisfies the conditions of Rule 10b5-1(c); and
- the purchase or sale that occurred was pursuant to the contract, instruction or plan.

thus requiring registration (or an applicable exemption) of any sale of those securities. Prior to the adoption of the Amendments, Rule 145(c) deemed persons who were parties to such a transaction, other than the issuer, or affiliates of such parties who publicly offered or sold the securities acquired in such transaction, to be underwriters.

The SEC has amended Rule 145 to provide that, if a transaction covered by Rule 145 (i.e., exchanges of securities in connection with reclassifications, mergers, consolidations, and asset transfers where a shareholder vote is required) involves a shell company (other than a business combination related shell company),<sup>22</sup> then any party to that transaction (other than the issuer) or any person who is an affiliate of such party at the time of the shareholder vote is deemed to be an underwriter subject to the resale restrictions of Rule 145. Such persons will be permitted to rely on Rule 144 to resell their securities received in the Rule 145 transaction if the shell company ceases to be a shell company and meets the other requirements of Rule 144(i)(2) and one of the following conditions is met:

- the current public information, volume limitation and manner of sale requirements of Rule 144(c), (e), (f) and (g) are met and at least 90 days have passed since the securities were acquired;
- such person is not, and has not been for at least three months, an affiliate of the issuer, at least six months have passed since the securities were acquired, and current public information as required by Rule 144(c) is available for the issuer; or
- such person is not, and has not been for at least three months, an affiliate of the issuer, and at least one year has passed since the securities were acquired.

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<sup>22</sup> The SEC has stated that based on its experience with transactions involving shell companies that have resulted in abusive sales of securities, it believes that there continues to be a need to apply the presumptive underwriter provision to shell companies and their affiliates and promoters.

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Questions concerning the matters discussed above may be directed to any of the attorneys listed below or to any Dewey & LeBoeuf LLP attorney with whom you regularly consult.

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ANNEX A

Affiliate or Person Selling on Behalf of an Affiliate

	Holding Period 144(d)	Current Public Information 144(c)	Volume Limitations 144(e)	Manner of Sale Requirements 144(f)	Filing of Form 144 144(h)
<b>Restricted Securities of Reporting Companies</b>	<i>First six (6) months</i>  • No resales permitted	---	---	---	---
	<i>After initial six (6) months</i>  • Limited resales permitted	Comply	Comply	Comply	Comply
<b>Restricted Securities of Non-Reporting Companies</b>	<i>First twelve (12) months</i>  • No resales permitted	---	---	---	---
	<i>After initial twelve (12) months</i>  • Limited resales permitted	Comply	Comply	Comply	Comply

**Non-Affiliate (and Has Not Been an Affiliate During the Prior Three Months)**

	<b>Holding Period 144(d)</b>	<b>Current Public Information 144(c)</b>	<b>Volume Limitations 144(e)</b>	<b>Manner of Sale Requirements 144(f)</b>	<b>Filing of Form 144 144(h)</b>
<b><i>Restricted Securities of Reporting Companies</i></b>	<i>First six (6) months</i>  • No resales permitted	---	---	---	---
	<i>After initial six (6) months</i>  • Unlimited resales permitted	Comply	Need not comply	Need not comply	Need not comply
	<i>After initial twelve (12) months</i>  • Unlimited resales permitted	Need not comply	Need not comply	Need not comply	Need not comply
<b><i>Restricted Securities of Non-Reporting Companies</i></b>	<i>First twelve (12) months</i>  • No resales permitted	---	---	---	---
	<i>After initial twelve (12) months</i>  • Unlimited resales permitted	Need not comply	Need not comply	Need not comply	Need not comply