



D | A | DAVIDSON

The Strength of Advice®

Community Bank & Wealth Management Group

cbwm@dadco.com | D.A. Davidson & Co. member SIPC
www.dadavidson.com | www.communitybankgroup.com

RESTRICTED AND CONTROL SECURITIES

Selling your Restricted or Control Securities can be complicated. Let Community Bank & Wealth Management Group put our experience to work for you.

SEC Rule 144/145

At Community Bank & Wealth Management Group, we are experienced in handling Restricted and Control Securities. Call us and we can assist you in the process of completing the necessary forms, contacting your company and corporate counsel, and filing of the appropriate regulatory paperwork. Most importantly, we can execute your transaction in the manner you expect from a full service firm.

Restricted and Control Securities

Restricted Securities are typically unregistered shares that were acquired from a company or involve a control person in a non-public transaction. An example would be unregistered shares you received as part of an employee stock option or bonus plan. These shares usually need to be sold under SEC Rule 144/145, which require that you must meet certain conditions.

Control Securities are shares that are owned by an affiliate of the issuer or a shareholder who is considered a control person by their percent of ownership of the total outstanding shares. This typically encompasses Executive Officers and Directors. Securities may also be considered Control Securities based on how and when the shares were acquired or the individual's affiliation to the company. These shares are also subject to certain conditions under federal securities laws prior to affecting a sale in the open market.

The information herein is for informational purposes only and does not constitute a legal opinion or advice and it is NOT an offer to buy or sell any securities. The registration and or clearing of restricted securities is required by the shareholder prior to making any sales in the open market. It is the responsibility of the control person (restricted shareholder) to make any reporting to the consolidated tape within the required time period. There is no assurance that D.A. Davidson will be able to facilitate a sale of your shares until all regulatory requirements are met and good delivery can be made. This information is subject to change without notice.

D.A. Davidson & Co. member SIPC | Community Bank & Wealth Management Group

42605 Moonridge Road, P.O. Box 1688, Big Bear Lake, CA 92315-1688

(800) 288-2811 | fax: (909) 585-7220 | cbwm@dadco.com | www.communitybankgroup.com | www.dadavidson.com

Who is Subject to SEC Rule 144?

- Any person or entity selling unregistered restricted shares in a public company.
- Any affiliate of a public company selling shares whether the shares are registered or unregistered. Typically this includes Executive Officers and Directors commonly referred to as control persons.

If you are not sure if you are subject to SEC Rule 144/145, you should contact the Corporate Counsel of the issuer for clarification. Any SEC reporting company or national charter bank will typically fall under SEC Rule 144.

Your Requirements for Selling Restricted or Control Securities in a Public Company

- The issuer must be current with all regulatory filings.
- The seller must file SEC Form 144/145.
- Restricted shares must be owned (fully paid for) for a period of at least one year.
- The sale of shares to another party cannot be pre-arranged.
- All sales are subject to volume restrictions on a given day.

We Can Assist You with the Following:

- Completion and filing of SEC Form 144
- Seller's Representation Letter
- Calculation of volume limitations
- Selling your shares