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Act	3.3
Section	4(1)
Rule	144
Public Availability	4-14-72

Mr. Norman R. Reed
60 Seneca Trail
Rochester, New York 14625

Re: Rule 144

APR 14 1972

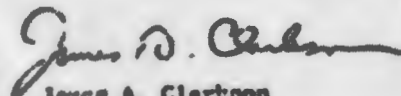
Dear Mr. Reed:

This is in response to your letter of March 28, 1972 in which you raise several interpretative questions relating to Rule 144. Specifically, you inquire as to what effect the new Rule has on the procedures to be followed by brokers and transfer agents in connection with the removal of the restrictive legends presently printed on the securities themselves.

As presently drafted, neither Rule 144 nor its accompanying release deal with specific procedures to be followed by a company and its transfer agent in connection with the removal of restrictive legends. The burden of policing the utilization of the exemption provided by Section 4(2) of the Securities Act of 1933 and the determination of the specific means by which this is accomplished rests ultimately with the issuer of the securities involved. Rule 144 does not alter these obligations in any way. Consequently, the particular procedures a company and its transfer agent may wish to adopt concerning the removal of restrictive legends in connection with sales pursuant to Rule 144 is within the discretion of those parties and the responsibility for the effectiveness of these procedures lies with them. While the transfer agent has no greater responsibility under Rule 144 than under the present system, it should be noted that if the agent knows or has reason to know that an illegal distribution would occur in connection with the transactions pending before him, he should take appropriate steps to forestall such distribution from taking place. This discussion with respect to the transfer agent would also be applicable to the procedures to be followed by brokers concerning their treatment of restrictive legends. With respect to brokers' obligations generally under the Rule, your attention is directed to paragraph (g) of the Rule.

I hope these comments are of some assistance to you. Should you have any further questions regarding this area, please don't hesitate to write to us.

Sincerely,



James A. Clarkson
Attorney Advisor