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45 School Street  
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Act	33
Section	3(1)
Rule	144
Public Availability	10-16-72

Re: Reclamation Systems, Inc.

SEP 14 1972

Dear Mr. Posternak:

This is in response to your letter of July 17, 1972 requesting an interpretation of Rule 144(d)(1) under the Securities Act of 1933 as applicable to the circumstances of your client, Liberty Bank and Trust Company ("Liberty").

You state that in April 1970 an affiliate of Reclamation Systems, Inc. ("RSI") transferred to Mr. Gerald P. Malloy 50,000 restricted shares of common stock of RSI. Mr. Malloy is not an affiliate of RSI and to the best of Liberty's knowledge, Mr. Malloy has never paid for these shares. In May 1970 Mr. Malloy pledged these shares to Liberty as collateral on a demand loan. On August 31, 1970 Liberty made demand for payment of Mr. Malloy. To date no payment has been made and Liberty desires to sell pursuant to Rule 144 sufficient RSI shares to satisfy the outstanding indebtedness.

You indicate that it is your opinion that Liberty's holding period for purposes of Rule 144 should be considered to have begun at the time the loan was made, May 1970. You also indicate that an alternative interpretation would be to consider the holding period as having begun on the date that demand was made, August 31, 1970.

Based upon the information presented, we would concur in your alternative opinion that for purposes of determining the commencement of the holding period pursuant to Rule 144, paragraph (d), Liberty would be considered to have held the shares since August 31, 1970, the date demand was made.

Sincerely yours,

*William E. Morley*

William E. Morley  
Attorney Adviser

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