

Restricted Stock Processing Setting Expectations and Best Practice Recommendations Questionnaire Coversheet

The process of clearing restricted stock transactions is a paper intensive process and dependent upon a number of factors that are outside of the control of the Fidelity Restricted Stock Service (RSS) group. In order to better set expectations and ensure the process goes as seamless as possible, we've outlined some best practices recommendations below to assist in this endeavor.

NOTE: SEC Rule 144 may not be relied upon for the resale of securities of shell companies.

Post Payable Corporate Actions: Securities that have undergone corporate reorganizations such as reverse stock splits or mergers need to be processed prior to selling the new quantity or issuer. Reorganization transfers can take 2-4 weeks for the agent to complete. Upon completion of the corporate action, control and restricted stock paperwork should be completed reflecting the new underlying quantity or issuer, at which point the trade approval process will begin. Please refer to the Reorganization or Securities Processing policies and procedures for initiating a corporate action request.

Submitting paperwork

- When your client is ready to sell control or restricted stock, and has met the eligibility requirements of the applicable rule(s), **you must fax the paperwork** and copy of the front and back of the stock certificate, if available, to the Restricted Stock Services Dept. (RSS) in order to begin the clearance process. Depositing the physical restricted stock paperwork with the stock deposit does not start the approval process. Always include a fax cover sheet with your name and phone number so we can contact you for questions or with trade approval notifications.
 - **The NF fax number is 1-603-864-2364**

Due Diligence

- In the event a certificate copy was not provided with the fax, RSS will obtain a copy. The turnaround time for obtaining certificate copies is anywhere from 1 hour to 1 day depending upon their location and processing volumes.
- Upon receipt of "In Good Order" (IGO) paperwork, RSS will contact issuer's counsel, the transfer agent or the issuer to review the paperwork and the ability for the client to sell the securities. The turnaround times are contingent upon the availability of third parties and generally take up to 3 business days, and possibly longer if a written legal opinion is required at the outset. Penny stock or bulletin board securities may take up to 2 weeks depending upon our ability to locate counsel and their subsequent responsiveness.
- For securities priced below \$1/share, RSS requires a legal opinion from issuer's counsel or verification from the transfer agent that they have a blanket legal opinion on file.
- RSS will notify the submitter of the paperwork of the trade approval upon completion of due diligence with issuer's counsel.
- In the event the securities in question are eligible for sale under Rule 144(b), RSS will automatically send the shares to the agent for legend removal provided that negotiability documents are on file with the security deposit.

Post Sale

- The certificate will not be sent to the transfer agent for legend removal until after a sale has been executed unless the shares are restricted under Rule 144(b) or an expired time lock-up.
- In the event the client executes multiple sales over a period of time, generally greater than 5 business days, you should obtain multiple negotiability documents and keep them in your possession. Each time the shares are presented to the transfer agent, the agent will require new negotiability documents. Please notify the RSS dept. when you'd like to submit shares to the agent by submitting a service request to Restricted Stock through the Streetscape.
- Sales proceeds become available to the client when the agent returns clean unrestricted shares to NFS.
- Transfer agent turnaround times can vary, the average turnaround time is 5-10 business days but may be longer for penny stocks. Canadian transfer agents generally average between 4-6 weeks to complete a transfer request.
- Penny stock or bulletin board securities that are short past settlement date, may incur hard to borrow fees depending on the shares availability which may be charged to the account or broker dealer.

For Broker/Dealer Use Only - Please detach and retain a copy for broker/dealer reference



ACCOUNT NUMBER

RETURN ALL FORMS TO YOUR BROKER/DEALER.

CONTROL/RESTRICTED SECURITIES QUESTIONNAIRE (FOR NON-SHELL COMPANIES)

Use this form for all transactions relating to control or restricted securities. If you simply wish to deposit shares in your Brokerage account with no intention of selling or borrowing against them at this time, this form is not necessary. For assistance completing the form and to avoid any future delays, please call your broker/dealer,

CORRESPONDENT NAME ("Broker")

A. CUSTOMER INFORMATION

NAME

BROKERAGE ACCOUNT NUMBER

JOINT OWNER (IF ANY)

DAYTIME TELEPHONE NUMBER

SECURITY NAME (COMPANY)	SYMBOL	PRICE
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TO BE COMPLETED BY BROKER	
BROKER	
BROKER/DEALER TELEPHONE NUMBER	BROKER/DEALER FAX NUMBER

- What do you want to do?
 Sell Obtain a loan Legend Removal How many shares? _____
- NOTE: SEC Rule 144 may not be relied upon for the resale of securities of shell companies.
- Are you an officer, director, control person or affiliate, or holder of more than 10% of the outstanding shares of the company?
 Yes No If yes, provide details _____
 If yes, have you purchased any of the company's stock in the last six months? Yes No
 If yes, how many shares? _____ Date(s) purchased _____
- How many shares of this company do you own? Include shares owned by family members residing in your household, trusts, estates, corporations and organizations which must be aggregated with you under Rule 144. Include shares held away from this firm. _____
- Where are the securities located? _____
- Do you own 5% or more of any class of the company's securities? Yes No

B. FOR LOANS ONLY

7. Amount requested _____ Purpose of loan _____

Do you have any loans against this security elsewhere? Yes No

If yes, provide loan amount, number of securities pledged under name of lender. _____

C. FOR RESTRICTED SECURITIES ONLY. SKIP THIS SECTION FOR CONTROL SECURITIES.

8. Is there a legend on the certificate(s)? Yes No If no, skip questions 9–12.

If yes, what does the legend(s) say, and under whose name are the securities issued? (Provide a copy of the certificate.)

9. Certificate date _____ Certificate Number _____

10. Is there a current registration statement requiring delivery of a prospectus in connection with the proposed sale of the securities? Yes No If yes, date of prospectus/supplements _____

11. Are there any agreements (e.g., a shareholder's agreement or registration rights agreement), contractual restrictions or stop transfer orders relating to these securities? (If yes, obtain a copy and send to Broker.) Yes No

If yes, explain _____

D. ACQUISITION OF SECURITIES

12. How were the securities acquired? (check one)

Merger or company buyout — Name of company acquired. _____

Were you an affiliate of the acquired company? Yes No

Private placement — From whom _____ Relationship to issuer _____

In lieu of payment for services — Describe services _____

Date services completed _____

Partnership distribution — Name of partnership _____

Stock dividend, stock split, reverse split or recapitalization. Give the date of acquisition _____ and describe the transaction _____

By means of a conversion of other securities of the company _____

Give dates of conversion and original acquisition _____

Gift, pledge, or from a trust or estate — When and how did the prior owner acquire the securities?

Other (Describe) _____

E. HOLDING PERIOD FOR SECURITIES INVOLVED IN THIS TRANSACTION. IF YES, SKIP QUESTION 16.

13. Date(s) securities acquired _____ Number of shares acquired _____

14. From whom were securities acquired? _____

15. Was the purchase price paid in full on acquisition date? Yes No

16. If all or part of the purchase price was paid by a promissory note or other obligation to pay the purchase price, or entering into an installment purchase contract, was the note or obligation payable to or the installment purchase contract entered into with, the issuer of the securities or an affiliate (including an officer or director) of the issuer? Yes No
Was the obligation secured by collateral other than these securities? Yes No

If yes, value of collateral? _____ Date of payment in full of the obligation _____

F. SECURITIES SOLD DURING THE PAST THREE MONTHS

17. Have you or any person residing in your household, or any trust, estate, corporation or entity which must be aggregated with you under Rule 144, or any person whom you have acted in concert with for the purpose of selling securities of the company, sold any of the company's securities in the past three months? (Include securities convertible into the class of securities intended to be sold.) Yes No

If yes, provide details _____

Securities sold by _____

Number of shares sold _____ Date of sale _____

18. Is there a source (issuer's counsel) at the company whom we should contact?

Name _____ Telephone Number _____

G. PROCESSING GUIDELINES

Securities that have undergone corporate reorganizations such as reverse stock splits or mergers need to be processed prior to selling the new quantity or issuer. Reorganization transfers can take 2-4 weeks for the transfer agent to complete. Upon completion of the corporate action, the control and restricted stock paperwork should be completed reflecting the new underlying quantity or issuer. The due diligence process entails contacting issuer's counsel, the transfer agent or the issuer to review the paperwork and the ability for the client to sell the securities. The turnaround times are contingent upon the availability of third parties and generally take up to 3 business days, and possibly longer if a written legal opinion is required at the outset. Penny stock or bulletin board securities may take up to 2 weeks depending upon our ability to locate counsel and their subsequent responsiveness. For securities priced below \$1/share, firm policy requires a legal opinion from issuer's counsel or verification from the transfer agent that they have a blanket legal opinion on file. The restricted stock certificate will not be sent to the transfer agent for legend removal until after a sale has been executed unless the shares are restricted under Rule 144(b) or an expired time lock-up. In the event you execute multiple sales over a period of time, generally greater than 5 business days, be prepared to complete multiple sets of negotiability documents and provide them to your advisor. Each time the shares are presented to the transfer agent for legend removal, the transfer agent will require new negotiability documents. Sales proceeds become available when the transfer agent returns clean unrestricted shares to Fidelity. Transfer agent turnaround times can vary, the average turnaround time is 5-10 business days and may be longer for penny stocks. Canadian transfer agents generally average between 4-6 weeks to complete a transfer request. Penny stock or bulletin board securities that are short past settlement date, may incur hard to borrow fees depending on the shares availability which may be charged to the account.

H. SIGNATURE

I declare I have answered the questions on this 144/145 Questionnaire honestly and to the best of my knowledge. I understand National Financial Services LLC ("NFS") and Broker will use this information to assist me with selling, removing the legend or obtaining a margin loan against these securities. I will not hold NFS or Broker liable for any misinformation I provide or for any losses related to transactions initiated in reliance upon this Control/Restricted Securities Questionnaire (for non-shell companies).

X

SIGNATURE DATE mm/dd/yyyy

X

SIGNATURE (IF JOINT ACCOUNT) DATE mm/dd/yyyy