

Help with Common Problems Completing Form 144 (Updated August 2025)

Please send any question that is not answered below to us by e-mail at info@rule144letters.com or call 1-602-957-9320, Ext. 1, for assistance. References herein to “broker” also refer to banks and other financial institutions that are licensed or chartered to directly or indirectly clear trades in securities.

1. Contact Information for Issuer (Sec. 1 and Sec. 2, page one)

The I.R.S. identification number or the SEC file number must appear. The broker can obtain this information from the issuer of the securities or the SEC’s website (www.sec.gov). If the issuer has failed to maintain a current telephone number on its website and it is not available on Internet stock watch sites, the broker should call the issuer’s stock transfer agent to obtain this information.

2. Sec. 2(b): IRS Identification Number

The IRS identification number is not required if seller is a citizen of a country other than the U.S. who does not have a Social Security Number, or if seller is a company formed outside of the U.S. that is not required to have an IRS employer identification number (EIN). If you enter “not applicable,” the address listed for the seller would almost always be outside of the U.S.

3. Sec. 3(a): Title of the Class

This should state “Common Stock” unless the seller holds and intends to sell a different class of securities of the issuer that are traded on a stock exchange.

4. Sec. 3(d): Aggregate Market Value

Choose a trading day within 90 calendar days of the estimated date on which the broker will file seller’s Form 144 with the SEC. Multiply the number of shares to be sold times the price per share of the last trade on the trading day prior to the date on which Form 144 is filled out and enter the total dollar value in this field. The broker should indicate the date on which the aggregate market value was fixed.

5. Sec. 3(e): Number of Outstanding Shares

For reporting companies, the total number of issued and outstanding shares may be obtained from the issuer’s most recent Form 10-Q or Form 10-K. This information is available at www.sec.gov.

For companies that do not file reports with the SEC, this information must be available from a **recognized published source**, such as reports filed with OTCMarkets.com. It is

not sufficient to obtain this information solely from the issuer or its transfer agent. A broker or its clearing firm will require a public source other than the issuer's website.

If the issuer is not a reporting company under the Securities Exchange Act of 1934, the issuer must provide public disclosure of the number of issued and outstanding shares as part of (a) a Form 15c2-11, (b) a statement of profit and losses and retained earnings, or (c) a quarterly or annual financial statement posted on www.otcmarkets.com.

6. Sec. 3(f): Date of Sale

If the sale of securities has already taken place, enter the actual date(s) that the trade(s) took place. If the sale has not yet taken place (a proposed sale), the broker may enter any projected date for the sale that falls between the day that Form 144 is filed and the 90th day after the filing.

7. Sec. 3(g): Exchange or Quotation System

The options include:

- NASDAQ (Global Select, Global Market, or Capital Market tiers)
- New York Stock Exchange (NYSE)
- NYSE American (formerly AMEX)
- OTCMarkets.com (OTCQX, OTCQB, and OTCID tiers)

Note on OTC securities and Rule 144:

Rule 144 safe harbor is **not available** if the non-reporting company has ever been a shell company (as defined in Rule 405) unless the conditions of Rule 144(i)(2) are fully met (the company has ceased being a shell, has filed Form 10-type information, and has been current in Exchange Act filings for at least 12 months).

Rule 144(c) Current Public Information:

- Reporting companies: must be subject to Exchange Act reporting for at least 90 days and must have filed all required reports (other than Form 8-K) during the 12 months preceding the sale.
- Non-reporting companies: information must be publicly available consistent with Rule 15c2-11, generally on OTCMarkets.com or the issuer's website, and reasonably current as described by the rule.

Text of 17 CFR § 240.15c2-11 <https://www.law.cornell.edu/cfr/text/17/240.15c2-11>

- Financials for non-reporting issuers to be audited, but they must be timely as described in Rule 144(c).

Interpretations by the SEC:

- The issuer must remain current through the time of each sale, not only at the time of Form 144 filing.
- Selling under Rule 144 during the 15-day period following a Form 12b-25 (late filing notice creating automatic extension of time) is risky, since if the missing report is not timely filed, the issuer will be deemed not current.
- For non-reporting companies, reasonably current information must satisfy Rule 15c2-11.

8. Electronic Filing Requirement (Major Update)

- As of **April 13, 2023**, Form 144 **must be filed electronically on EDGAR** for all reporting companies. Paper filings are no longer accepted for reporting-company issuers.
- **Non-reporting companies** may still file on paper, but brokers often prefer electronic submissions.
- **Extended filing hours:** Form 144 may now be filed until **10:00 p.m. Eastern Time** and still be deemed filed the same business day.
- **EDGAR Next:** By **September 12, 2025**, all filers must comply with new SEC access requirements (Login.gov credentials, updated filer accounts). Without compliance, electronic filing will not be possible.

9. Form 144 – Table I (page two)

a. **Title of the Class:** Almost always “Common Stock” unless another class is actively traded.

b. **Nature of Acquisition Transaction:** State clearly the circumstances under which the shareholder acquired the shares (private placement, public purchase, merger, gift, inheritance, trust distribution, compensation, conversion of debt, Regulation S, etc.).

c. **Name of Person from Whom Acquired:** Provide the actual issuer (or prior shareholder, if secondary purchase). Do not list advisors, brokers, or consultants.

d. **Date of Payment:** This means the date payment of good funds (or other valid consideration) was accepted and the shares were transferred, not the date of a check or wire. If the shares were received without payment (gift, inheritance, trust distribution, etc.), state “None” and explain clearly.

e. **Nature of Payment:** Describe the form of consideration (cash, services, conversion of debt, merger consideration, etc.). If none, explain why and who originally paid for the shares.