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**Regulations 13d and 16a**

**Rule 13d-1 -- Filing of Schedules 13D-G**

1. Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is specified in [paragraph (i)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#i) of this section, is directly or indirectly the beneficial owner of more than five percent of the class shall, within 10 days after the acquisition, file with the Commission, a statement containing the information required by Schedule 13D.
2. 1. A person who would otherwise be obligated under paragraph (a) of this section to file a statement on [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) may, in lieu thereof, file with the Commission, a short-form statement on [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html), *Provided,* That:
      1. Such person has acquired such securities in the ordinary course of his business and not with the purpose nor with the effect of changing or influencing the control of the issuer, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b); and
      2. Such person is:
         1. A broker or dealer registered under [section 15](http://taft.law.uc.edu/CCL/34Act/sec15.html) of the Act;
         2. A bank as defined in [section 3(a)(6)](http://taft.law.uc.edu/CCL/34Act/sec3.html#a.6) of the Act;
         3. An insurance company as defined in [section 3(a)(19)](http://taft.law.uc.edu/CCL/34Act/sec3.html#a.19) of the Act;
         4. An investment company registered under [section 8](http://taft.law.uc.edu/CCL/InvCoAct/sec8.html) of the Investment Company Act of 1940;
         5. Any person registered as an investment adviser under [Section 203](http://taft.law.uc.edu/CCL/InvAdvAct/sec203.html) of the Investment Advisers Act of 1940 or under the laws of any state;
         6. An employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1001 *et seq.* ("ERISA") that is subject to the provisions of ERISA, or any such plan that is not subject to ERISA that is maintained primarily for the benefit of the employees of a state or local government or instrumentality, or an endowment fund;
         7. A parent holding company or control person, provided the aggregate amount held directly by the parent or control person, and directly and indirectly by their subsidiaries or affiliates that are not persons specified in Rule 240.13d-1(b)(1)(ii)(A) through (J), does not exceed one percent of the securities of the subject class;
         8. A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
         9. A church plan that is excluded from the definition of an investment company under [section 3(c)(14)](http://taft.law.uc.edu/CCL/InvCoAct/sec3.html#c.14) of the Investment Company Act of 1940; and
         10. A non-U.S. institution that is the functional equivalent of any of the institutions listed in Rule 240.13d-1 (b)(1)(ii)(A) through (I), so long as the non-U.S. institution is subject to a regulatory scheme that is substantially comparable to the regulatory scheme applicable to the equivalent U.S. institution; and
         11. A group, provided that all the members are persons specified in Rule 240.13d-1(b)(1)(ii)(A) through (J).
      3. Such person has promptly notified any other person (or group within the meaning of [section 13(d)(3)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d.3) of the Act) on whose behalf it holds, on a discretionary basis, securities exceeding five percent of the class, of any acquisition or transaction on behalf of such other person which might be reportable by that person under [section 13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) of the Act. This paragraph only requires notice to the account owner of information which the filing person reasonably should be expected to know and which would advise the account owner of an obligation he may have to file a statement pursuant to section 13(d) of the Act or an amendment thereto.
   2. The [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html) filed pursuant to paragraph (b)(1) of this section shall be filed within 45 days after the end of the calendar year in which the person became obligated under paragraph (b)(1) of this section to report the person's beneficial ownership as of the last day of the calendar year, *Provided,* That it shall not be necessary to file a Schedule 13G unless the percentage of the class of equity security specified in paragraph (i) of this section beneficially owned as of the end of the calendar year is more than five percent; *However,* if the person's direct or indirect beneficial ownership exceeds 10 percent of the class of equity securities prior to the end of the calendar year, the initial Schedule 13G shall be filed within 10 days after the end of the first month in which the person's direct or indirect beneficial ownership exceeds 10 percent of the class of equity securities, computed as of the last day of the month.
3. A person who would otherwise be obligated under paragraph (a) of this section to file a statement on [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) may, in lieu thereof, file with the Commission, within 10 days after an acquisition described in paragraph (a) of this section, a short-form statement on Schedule 13G. *Provided,* That the person:
   1. Has not acquired the securities with any purpose, or with the effect of, changing or influencing the control of the issuer, or in connection with or as a participant in any transaction having that purpose or effect, including any transaction subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b);
   2. Is not a person reporting pursuant to paragraph (b)(1) of this section; and
   3. Is not directly or indirectly the beneficial owner of 20 percent or more of the class.
4. Any person who, as of the end of any calendar year, is or becomes directly or indirectly the beneficial owner of more than five percent of any equity security of a class specified in [paragraph (i)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#i) of this section and who is not required to file a statement under paragraph (a) of this section by virtue of the exemption provided by [Section 13(d)(6)(A)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d.6.A) or (B) of the Act, or because the beneficial ownership was acquired prior to December 22, 1970, or because the person otherwise (except for the exemption provided by Section 13(d)(6)(C) of the Act) is not required to file a statement, shall file with the Commission, within 45 days after the end of the calendar year in which the person became obligated to report under this paragraph (d), a statement containing the information required by [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html).
5. 1. Notwithstanding paragraphs (b) and (c) of this section and [Rule 13d-2(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-2.html#b), a person that has reported that it is the beneficial owner of more than five percent of a class of equity securities in a statement on Schedule 13G pursuant to paragraph (b) or (c) of this section, or is required to report the acquisition but has not yet filed the schedule, shall immediately become subject to [Rule 13d-1(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#a) and [Rule 13d-2(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-2.html#a) and shall file a statement on [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) within 10 days if, and shall remain subject to those requirements for so long as, the person:
      1. Has acquired or holds the securities with a purpose or effect of changing or influencing control of the issuer, or in connection with or as a participant in any transaction having that purpose or effect, including any transaction subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b); and
      2. Is at that time the beneficial owner of more than five percent of a class of equity securities described in [Rule 13d-1(i)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#i).
   2. From the time the person has acquired or holds the securities with a purpose or effect of changing or influencing control of the issuer, or in connection with or as a participant in any transaction having that purpose or effect until the expiration of the tenth day from the date of the filing of the [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) pursuant to this section, that person shall not:
      1. Vote or direct the voting of the securities described therein; or
      2. Acquire an additional beneficial ownership interest in any equity securities of the issuer of the securities, nor of any person controlling the issuer.
6. 1. Notwithstanding paragraph (c) of this section and [Rule 13d-2(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-2.html#b), persons reporting on [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html) pursuant to paragraph (c) of this section shall immediately become subject to [Rule 13d-1(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#a) and [Rule 13d- 2(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-2.html#a) and shall remain subject to those requirements for so long as, and shall file a statement on [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) within 10 days of the date on which, the person's beneficial ownership equals or exceeds 20 percent of the class of equity securities.
   2. From the time of the acquisition of 20 percent or more of the class of equity securities until the expiration of the tenth day from the date of the filing of the Schedule 13D pursuant to this section, the person shall not:
      1. Vote or direct the voting of the securities described therein,
      2. Acquire an additional beneficial ownership interest in any equity securities of the issuer of the securities, nor of any person controlling the issuer.
7. Any person who has reported an acquisition of securities in a statement on [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html) pursuant to paragraph (b) of this section, or has become obligated to report on the Schedule 13G but has not yet filed the Schedule, and thereafter ceases to be a person specified in [paragraph (b)(1)(ii)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#b.1.ii) of this section or determines that it no longer has acquired or holds the securities in the ordinary course of business shall immediately become subject to [Rule 13d-1(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#a) or Rule 13d-1(c) (if the person satisfies the requirements specified in Rule 13d-1(c)), and [Rule 13d-2 (a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-2.html#a), (b) or (d), and shall file, within 10 days thereafter, a statement on [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) or amendment to Schedule 13G, as applicable, if the person is a beneficial owner at that time of more than five percent of the class of equity securities.
8. Any person who has filed a Schedule 13D pursuant to paragraph (e), (f) or (g) of this section may again report its beneficial ownership on Schedule 13G pursuant to paragraphs [(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#b) or [(c)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#c) of this section provided the person qualifies thereunder, as applicable, by filing a Schedule 13G once the person determines that the provisions of paragraph (e), (f) or (g) of this section no longer apply.
9. For the purpose of this regulation, the term "equity security" means any equity security of a class which is registered pursuant to [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of that Act, or any equity security of any insurance company which would have been required to be so registered except for the exemption contained in [section 12(g) (2) (G)](http://taft.law.uc.edu/CCL/34Act/sec12.html#g.2.G) of the Act, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940: Provided,such term shall not include securities of a class of non-voting securities.
10. For the purpose of sections [13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) and [13(g)](http://taft.law.uc.edu/CCL/34Act/sec13.html#g), any person, in determining the amount of outstanding securities of a class of equity securities, may rely upon information set forth in the issuer's most recent quarterly or annual report, and any current report subsequent thereto, filed with the Commission pursuant to this Act, unless he knows or has reason to believe that the information contained therein is inaccurate.
11. 1. Whenever two or more persons are required to file a statement containing the information required by [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) or [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html) with respect to the same securities, only one statement need be filed: Provided,That:
       1. Each person on whose behalf the statement is filed is individually eligible to use the Schedule on which the information is filed;
       2. Each person on whose behalf the statement is filed is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; such person is not responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate; and
       3. Such statement identifies all such persons, contains the required information with regard to each such person, indicates that such statement is filed on behalf of all such persons, and includes, as an exhibit, their agreement in writing that such a statement is filed on behalf of each of them.
    2. A group's filing obligation may be satisfied either by a single joint filing or by each of the group's members making an individual filing. If the group's members elect to make their own filings, each such filing should identify all members of the group but the information provided concerning the other persons making the filing need only reflect information which the filing person knows or has reason to know.

**Rule 13d-2 -- Filing of Amendments to Schedules 13D or 13G**

1. If any material change occurs in the facts set forth in the [Schedule 13D](http://taft.law.uc.edu/CCL/34ActRls/rule13d-101.html) required by [Rule13d-1(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#a), including, but not limited to, any material increase or decrease in the percentage of the class beneficially owned, the person or persons who were required to file the statement shall promptly file or cause to be filed with the Commission an amendment disclosing that change. An acquisition or disposition of beneficial ownership of securities in an amount equal to one percent or more of the class of securities shall be deemed "material" for purposes of this section; acquisitions or dispositions of less than those amounts may be material, depending upon the facts and circumstances.
2. Notwithstanding paragraph (a) of this section, and provided that the person filing a [Schedule 13G](http://taft.law.uc.edu/CCL/34ActRls/rule13d-102.html) pursuant to Rule 13d-1(b) or Rule 13d-1(c) continues to meet the requirements set forth therein, any person who has filed a Schedule 13G pursuant to Rule 13d-1(b), Rule 13d-1(c) or Rule 13d-1(d) shall amend the statement within forty-five days after the end of each calendar year if, as of the end of the calendar year, there are any changes in the information reported in the previous filing on that Schedule: *Provided, however,* That an amendment need not be filed with respect to a change in the percent of class outstanding previously reported if the change results solely from a change in the aggregate number of securities outstanding. Once an amendment has been filed reflecting beneficial ownership of five percent or less of the class of securities, no additional filings are required unless the person thereafter becomes the beneficial owner of more than five percent of the class and is required to file pursuant to Rule 13d-1.
3. Any person relying on Rule 13d-1(b) that has filed its initial Schedule 13G pursuant to that paragraph shall, in addition to filing any amendments pursuant to Rule 13d-2(b), file an amendment on Schedule 13G within 10 days after the end of the first month in which the person's direct or indirect beneficial ownership, computed as of the last day of the month, exceeds 10 percent of the class of equity securities. Thereafter, that person shall, in addition to filing any amendments pursuant to Rule 13d-2(b), file an amendment on Schedule 13G within 10 days after the end of the first month in which the person's direct or indirect beneficial ownership, computed as of the last day of the month, increases or decreases by more than five percent of the class of equity securities. Once an amendment has been filed reflecting beneficial ownership of five percent or less of the class of securities, no additional filings are required by this paragraph (c).
4. Any person relying on Rule 13d-1(c) and has filed its initial Schedule 13G pursuant to that paragraph shall, in addition to filing any amendments pursuant to Rule 13d-2(b), file an amendment on Schedule 13G promptly upon acquiring, directly or indirectly, greater than 10 percent of a class of equity securities specified in Rule 13d-1(d), and thereafter promptly upon increasing or decreasing its beneficial ownership by more than five percent of the class of equity securities. Once an amendment has been filed reflecting beneficial ownership of five percent or less of the class of securities, no additional filings are required by this paragraph (d).
5. The first electronic amendment to a paper format Schedule 13D or Schedule 13G shall restate the entire text of the Schedule 13D or 13G, but previously filed paper exhibits to such Schedules are not required to be restated electronically. See [Rule 102](http://taft.law.uc.edu/CCL/regS-T/ST102.html) of Regulation S-T regarding amendments to exhibits previously filed in paper format. Notwithstanding the foregoing, if the sole purpose of filing the first electronic Schedule 13D or 13G amendment is to report a change in beneficial ownership that would terminate the filer's obligation to report, the amendment need not include a restatement of the entire text of the Schedule being amended.

**Note to Rule 13d-2:** For persons filing a short form statement pursuant to [Rule 13d-1 (b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#b) or (c), see also Rules 13d-1(e), (f), and (g).

### Rule 13d-3 -- Determination of Beneficial Ownership

1. For the purposes of sections [13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) and 13(g) of the Act a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:
   1. Voting power which includes the power to vote, or to direct the voting of, such security; and/or,
   2. Investment power which includes the power to dispose, or to direct the disposition of, such security.
2. Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose of effect of divesting such person of beneficial ownership of a security or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of section 13(d) or (g) of the Act shall be deemed for purposes of such sections to be the beneficial owner of such security.
3. All securities of the same class beneficially owned by a person, regardless of the form which such beneficial ownership takes, shall be aggregated in calculating the number of shares beneficially owned by such person.
4. Notwithstanding the provisions of paragraphs (a) and (c) of this rule:
   1. A person shall be deemed to be the beneficial owner of a security, subject to the provisions of paragraph (b) of this rule, if that person has the right to acquire beneficial ownership of such security, as defined in [Rule 13d-3(a)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#a) within sixty days, including but not limited to any right to acquire:
      * 1. through the exercise of any option, warrant or right;
        2. through the conversion of a security;
        3. pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or
        4. pursuant to the automatic termination of a trust, discretionary account or similar arrangement; provided, however, any person who acquires a security or power specified in paragraphs (d)(1)(i)(A), (B) or (C), of this section, with the purpose or effect of changing or influencing the control of the issuer, or in connection with or as a participant in any transaction having such purpose or effect, immediately upon such acquisition shall be deemed to be the beneficial owner of the securities which may be acquired through the exercise or conversion of such security or power. Any securities not outstanding which are subject to such options, warrants, rights or conversion privileges shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class by any other person.
      1. Paragraph (d)(1)(i) of this section remains applicable for the purpose of determining the obligation to file with respect to the underlying security even though the option, warrant, right or convertible security is of a class of equity security, as defined in [Rule 13d-1(i)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#i), and may therefore give rise to a separate obligation to file.
   2. A member of a national securities exchange shall not be deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because such member is the record holder of such securities and, pursuant to the rules of such exchange, may direct the vote of such securities, without instruction, on other than contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted, but is otherwise precluded by the rules of such exchange from voting without instruction.
   3. A person who in the ordinary course of his business is a pledgee of securities under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged securities until the pledgee AE1 has taken all formal steps necessary which are required to declare a default and determines that the power to vote or to direct the vote or to dispose or to direct the disposition of such pledged securities will be exercised, provided, that:
      1. The pledgee agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the issuer, nor in connection with any transaction having such purpose or effect, including any transaction subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b);
      2. The pledgee is a person specified in [Rule 13d-1(b)(1)(ii)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#b.1.ii), including persons meeting the conditions set forth in paragraph (G) thereof; and
      3. The pledgee agreement, prior to default, does not grant to the pledgee;
         1. The power to vote or to direct the vote of the pledged securities; or
         2. The power to dispose or direct the disposition of the pledged securities, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended subject to regulation T and in which the pledgee is a broker or dealer registered under [section 15](http://taft.law.uc.edu/CCL/34Act/sec15.html) of the act.
   4. A person engaged in business as an underwriter of securities who acquires securities through his participation in good faith in a firm commitment underwriting registered under the Securities Act of 1933 shall not be deemed to be the beneficial owner of such securities until the expiration of forty days after the date of such acquisition.

### Rule 13d-4 -- Disclaimer of Beneficial Ownership

Any person may expressly declare in any statement filed that the filing of such statement shall not be construed as an admission that such person is, for the purposes of sections[13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) or [13(g)](http://taft.law.uc.edu/CCL/34Act/sec13.html#g) of the Act, the beneficial owner of any securities covered by the statement.

### Rule 13d-5 -- Acquisition of Securities

1. A person who becomes a beneficial owner of securities shall be deemed to have acquired such securities for purposes of [section 13(d)(1)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d.1) of the Act, whether such acquisition was through purchase or otherwise. However, executors or administrators of a decedent's estate generally will be presumed not to have acquired beneficial ownership of the securities in the decedent's estate until such time as such executors or administrators are qualified under local law to perform their duties.
   1. When two or more persons agree to act together for the purpose of acquiring, holding, voting or disposing of equity securities of an issuer, the group formed thereby shall be deemed to have acquired beneficial ownership, for purposes of Sections [13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) and[(g)](http://taft.law.uc.edu/CCL/34Act/sec13.html#g) of the Act, as of the date of such agreement, of all equity securities of that issuer beneficially owned by any such persons.
   2. Notwithstanding the previous paragraph, a group shall be deemed not to have acquired any equity securities beneficially owned by the other members of the group solely by virtue of their concerted actions relating to the purchase of equity securities directly from an issuer in a transaction not involving a public offering: provided,that:
      1. All the members of the group are persons specified in [Rule 13d-1(b)(1)(ii)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-1.html#b.1.ii);
      2. The purchase is in the ordinary course of each member's business and not with the purpose nor with the effect of changing or influencing control of the issuer, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b);
      3. There is no agreement among, or between any members of the group to act together with respect to the issuer or its securities except for the purpose of facilitating the specific purchase involved; and
      4. The only actions among or between any members of the group with respect to the issuer or its securities subsequent to the closing date of the non-public offering are those which are necessary to conclude ministerial matters directly related to the completion of the offer or sale of the securities.

### Rule 13d-6 -- Exemption of Certain Acquisitions

The acquisition of securities of an issuer by a person who, prior to such acquisition, was a beneficial owner of more than five percent of the outstanding securities of the same class as those acquired shall be exempt from[section 13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) of the Act, provided,that:

1. The acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of securities of the class to which the preemptive subscription rights pertain;
2. Such person does not acquire additional securities except through the exercise of his pro rata share of the preemptive subscription rights; and
3. The acquisition is duly reported, if required, pursuant to[section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act and the rules and regulations thereunder.

### Rule 16a-1 -- Definition of Terms

Terms defined in this rule shall apply solely to section 16 of the Act and the rules thereunder. These terms shall not be limited to section 16(a) of the Act but also shall apply to all other subsections under [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act.

1. The term *beneficial owner* shall have the following applications:
   1. Solely for purposes of determining whether a person is a beneficial owner of more than ten percent of any class of equity securities registered pursuant to [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act, the term "beneficial owner" shall mean any person who is deemed a beneficial owner pursuant to [section 13(d)](http://taft.law.uc.edu/CCL/34Act/sec13.html#d) of the Act and the rules thereunder; *provided, however,* that the following institutions or persons shall not be deemed the beneficial owner of securities of such class held for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business (or in the case of an employee benefit plan specified in paragraph (a)(1)(vi) of this section, of securities of such class allocated to plan participants where participants have voting power) as long as such shares are acquired by such institutions or persons without the purpose or effect of changing or influencing control of the issuer or engaging in any arrangement subject to [Rule 13d-3(b)](http://taft.law.uc.edu/CCL/34ActRls/rule13d-3.html#b):
      1. A broker or dealer registered under [section 15](http://taft.law.uc.edu/CCL/34Act/sec15.html) of the Act;
      2. A bank as defined in [section 3(a)(6)](http://taft.law.uc.edu/CCL/34Act/sec3.html#a.6) of the Act;
      3. An insurance company as defined in [section 3(a)(19)](http://taft.law.uc.edu/CCL/34Act/sec3.html#a.19) of the Act;
      4. An investment company registered under [section 8](http://taft.law.uc.edu/CCL/InvCoAct/sec8.html) of the Investment Company Act of 1940;
      5. Any person registered as an investment adviser under [Section 203](http://taft.law.uc.edu/CCL/InvAdvAct/sec203.html) of the Investment Advisers Act of 1940 or under the laws of any state;
      6. An employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1001 *et seq.* ("ERISA") that is subject to the provisions of ERISA, or any such plan that is not subject to ERISA that is maintained primarily for the benefit of the employees of a state or local government or instrumentality, or an endowment fund;
      7. A parent holding company or control person, provided the aggregate amount held directly by the parent or control person, and directly and indirectly by their subsidiaries or affiliates that are not persons specified in paragraphs (a)(1)(i) through (ix), does not exceed one percent of the securities of the subject class;
      8. A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
      9. A church plan that is excluded from the definition of an investment company under [section 3(c)(14)](http://taft.law.uc.edu/CCL/InvCoAct/sec3.html#c.14) of the Investment Company Act of 1940; and
      10. A group, provided that all the members are persons specified in Rule 16a-1(a)(1)(i) through (ix).
      11. A group, provided that all the members are persons specified in Rule 16a-1(a)(1) (i) through (vii).

**Note to paragraph (a).** Pursuant to this section, a person deemed a beneficial owner of more than ten percent of any class of equity securities registered under [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act would file a [Form 3](http://taft.law.uc.edu/CCL/34forms/form3.html), but the securities holdings disclosed on Form 3, and changes in beneficial ownership reported on subsequent Forms [4](http://taft.law.uc.edu/CCL/34forms/form4.html) or [5](http://taft.law.uc.edu/CCL/34forms/form5.html) , would be determined by the definition of "beneficial owner" in paragraph (a)(2) of this section.

* 1. Other than for purposes of determining whether a person is a beneficial owner of more than ten percent of any class of equity securities registered under Section 12 of the Act, the term *beneficial owner* shall mean any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares a direct or indirect pecuniary interest in the equity securities, subject to the following:
     1. The term *pecuniary interest* in any class of equity securities shall mean the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities.
     2. The term *indirect pecuniary interest* in any class of equity securities shall include, but not be limited to:
        1. Securities held by members of a person's immediate family sharing the same household; provided, however, that the presumption of such beneficial ownership may be rebutted; *see* also Rule 16a-1(a)(4);
        2. A general partner's proportionate interest in the portfolio securities held by a general or limited partnership. The general partner's proportionate interest, as evidenced by the partnership agreement in effect at the time of the transaction and the partnership's most recent financial statements, shall be the greater of:
           1. The general partner's share of the partnership's profits, including profits attributed to any limited partnership interests held by the general partner and any other interests in profits that arise from the purchase and sale of the partnership's portfolio securities; or
           2. The general partner's share of the partnership capital account, including the share attributable to any limited partnership interest held by the general partner.
        3. A performance-related fee, other than an asset-based fee, received by any broker, dealer, bank, insurance company, investment company, investment adviser, investment manager, trustee or person or entity performing a similar function; *provided, however,* that no pecuniary interest shall be present where:
           1. The performance-related fee, regardless of when payable, is calculated based upon net capital gains and/or net capital appreciation generated from the portfolio or from the fiduciary's overall performance over a period of one year or more; and
           2. Equity securities of the issuer do not account for more than ten percent of the market value of the portfolio. A right to a nonperformance-related fee alone shall not represent a pecuniary interest in the securities;
        4. A person's right to dividends that is separated or separable from the underlying securities. Otherwise, a right to dividends alone shall not represent a pecuniary interest in the securities;
        5. A person's interest in securities held by a trust, as specified in [Rule 16a-8(b)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-8.html#b); and
        6. A person's right to acquire equity securities through the exercise or conversion of any derivative security, whether or not presently exercisable.
     3. A shareholder shall not be deemed to have a pecuniary interest in the portfolio securities held by a corporation or similar entity in which the person owns securities if the shareholder is not a controlling shareholder of the entity and does not have or share investment control over the entity's portfolio.
  2. Where more than one person subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act is deemed to be a beneficial owner of the same equity securities, all such persons must report as beneficial owners of the securities, either separately or jointly, as provided in [Rule 16a-3(j)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-3.html#j). In such cases, the amount of short-swing profit recoverable shall not be increased above the amount recoverable if there were only one beneficial owner.
  3. Any person filing a statement pursuant to section 16(a) of the Act may state that the filing shall not be deemed an admission that such person is, for purposes of section 16 of the Act or otherwise, the beneficial owner of any equity securities covered by the statement.
  4. The following interests are deemed not to confer beneficial ownership for purposes of section 16 of the Act:
     1. Interests in portfolio securities held by any holding company registered under the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a *et seq.*);
     2. Interests in portfolio securities held by any investment company registered under the Investment Company Act of 1940; and
     3. Interests in securities comprising part of a broad-based, publicly traded market basket or index of stocks, approved for trading by the appropriate federal governmental authority.

1. The term *call equivalent position* shall mean a derivative security position that increases in value as the value of the underlying equity increases, including, but not limited to, a long convertible security, a long call option, and a short put option position.
2. The term *derivative securities* shall mean any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege at a price related to an equity security, or similar securities with a value derived from the value of an equity security, but shall not include:
   1. Rights of a pledgee of securities to sell the pledged securities;
   2. Rights of all holders of a class of securities of an issuer to receive securities pro rata, or obligations to dispose of securities, as a result of a merger, exchange offer, or consolidation involving the issuer of the securities;
   3. Rights or obligations to surrender a security, or have a security withheld, upon the receipt or exercise of a derivative security or the receipt or vesting of equity securities, in order to satisfy the exercise price or the tax withholding consequences of receipt, exercise or vesting;
   4. Interests in broad-based index options, broad-based index futures, and broad-based publicly traded market baskets of stocks approved for trading by the appropriate federal governmental authority;
   5. Interests or rights to participate in employee benefit plans of the issuer;
   6. Rights with an exercise or conversion privilege at a price that is not fixed; or
   7. Options granted to an underwriter in a registered public offering for the purpose of satisfying over-allotments in such offering.
3. The term *equity security of such issuer* shall mean any equity security or derivative security relating to an issuer, whether or not issued by that issuer.
4. The term *immediate family* shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships.
5. The term "officer" shall mean an issuer's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the issuer in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer. Officers of the issuer's parent(s) or subsidiaries shall be deemed officers of the issuer if they perform such policy-making functions for the issuer. In addition, when the issuer is a limited partnership, officers or employees of the general partner(s) who perform policy-making functions for the limited partnership are deemed officers of the limited partnership. When the issuer is a trust, officers or employees of the trustee(s) who perform policy-making functions for the trust are deemed officers of the trust.

**Note:** "Policy-making function" is not intended to include policy-making functions that are not significant. If pursuant to [Item 401(b)](http://taft.law.uc.edu/CCL/regS-K/SK401.html#b) of Regulation S-K the issuer identifies a person as an "executive officer," it is presumed that the Board of Directors has made that judgment and that the persons so identified are the officers for purposes of [Section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act, as are such other persons enumerated in this paragraph (f) but not in Item 401(b).

1. The term *portfolio securities* shall mean all securities owned by an entity, other than securities issued by the entity.
2. The term *put equivalent position* shall mean a derivative security position that increases in value as the value of the underlying equity decreases, including, but not limited to, a long put option and a short call option position.

### Rule 16a-2 -- Persons and Transactions Subject to Section 16

Any person who is the beneficial owner, directly or indirectly, of more than ten percent of any class of equity securities ("ten percent beneficial owner") registered pursuant to [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act, any director or officer of the issuer of such securities, and any person specified in section 17(a) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79q(a)) or [section 30(h)](http://taft.law.uc.edu/CCL/InvCoAct/sec30.html#h) of the Investment Company Act of 1940, including any person specified in § 240.16a-8, shall be subject to the provisions of section 16 of the Act (15 U.S.C. 78p). The rules under [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act apply to any class of equity securities of an issuer whether or not registered under section 12 of the Act. The rules under section 16 of the Act also apply to non-equity securities as provided by the Public Utility Holding Company Act of 1935 and the Investment Company Act of 1940. With respect to transactions by persons subject to section 16 of the Act:

1. A transaction(s) carried out by a director or officer in the six months prior to the director or officer becoming subject to section 16 of the Act shall be subject to section 16 of the Act and reported on the first required [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html) only if the transaction(s) occurred within six months of the transaction giving rise to the Form 4 filing obligation and the director or officer became subject to section 16 of the Act solely as a result of the issuer registering a class of equity securities pursuant to section 12 of the Act.
2. A transaction(s) following the cessation of director or officer status shall be subject to section 16 of the Act only if :
   1. Executed within a period of less than six months of an opposite transaction subject to [section 16(b)](http://taft.law.uc.edu/CCL/34Act/sec16.html#b) of the Act that occurred while that person was a director or officer.
   2. Not otherwise exempted form section 16(b) of the Act pursuant to the provisions of this chapter.  
        
      Note to Paragraph (b): For the purposes of this paragraph, an acquisition and a disposition each shall be an opposite transaction with respect to the other.
3. The transaction that results in a person becoming a ten percent beneficial owner is not subject to section 16 of the Act unless the person otherwise is subject to section 16 of the Act. A ten percent beneficial owner not otherwise subject to section 16 of the Act must report only those transactions conducted while the beneficial owner of more than ten percent of a class of equity securities of the issuer registered pursuant to section 12 of the Act.
   1. Transactions by a person or entity shall be exempt from the provisions of section 16 of the Act for the 12 months following appointment and qualification, to the extent such person or entity is acting as:
      1. Executor or administrator of the estate of a decedent;
      2. Guardian or member of a committee for an incompetent;
      3. Receiver, trustee in bankruptcy, assignee for the benefit of creditors, conservator, liquidating agent, or other similar person duly authorized by law to administer the estate or assets of another person; or
      4. Fiduciary in a similar capacity.
   2. Transactions by such person or entity acting in a capacity specified in paragraph (d)(1) of this section after the period specified in that paragraph shall be subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act only where the estate, trust or other entity is a beneficial owner of more than ten percent of any class of equity security registered pursuant to [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act.

### Rule 16a-3 -- Reporting Transactions and Holdings

1. Initial statements of beneficial ownership of equity securities required by [section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act shall be filed on [Form 3](http://taft.law.uc.edu/CCL/34forms/form3.html). Statements of changes in beneficial ownership required by that section shall be filed on [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html). Annual statements shall be filed on [Form 5](http://taft.law.uc.edu/CCL/34forms/form5.html). At the election of the reporting person, any transaction required to be reported on Form 5 may be reported on an earlier filed Form 4. All such statements shall be prepared and filed in accordance with the requirements of the applicable form.
2. A person filing statements pursuant to section 16(a) of the Act with respect to any class of equity securities registered pursuant to [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act need not file an additional statement on Form 3:
   1. When an additional class of equity securities of the same issuer becomes registered pursuant to section 12 of the Act; or
   2. When such person assumes a different or an additional relationship to the same issuer (for example, when an officer becomes a director).
3. Any issuer that has equity securities listed on more than one national securities exchange may designate one exchange as the only exchange with which reports pursuant to section 16(a) of the Act need be filed. Such designation shall be made in writing and shall be filed with the Commission and with each national securities exchange on which any equity security of the issuer is listed at the time of such election. The reporting person's obligation to file reports with each national securities exchange on which any equity security of the issuer is listed shall be satisfied by filing with the exchange so designated.
4. Any person required to file a statement with respect to securities of a single issuer under both section 16(a) of the Act and either section 17(a) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79q(a)) or [section 30(h)](http://taft.law.uc.edu/CCL/InvCoAct/sec30.html#h) of the Investment Company Act of 1940 may file a single statement containing the required information, which will be deemed to be filed under both Acts.
5. Any person required to file a statement under section 16(a) of the Act shall, not later than the time the statement is transmitted for filing with the Commission, send or deliver a duplicate to the person designated by the issuer to receive such statements, or, in the absence of such a designation, to the issuer's corporate secretary or person performing equivalent functions.
   1. A Form 5 shall be filed by every person who at any time during the issuer's fiscal year was subject to section 16 of the Act with respect to such issuer, except as provided in paragraph (f)(2) of this section. The Form shall be filed within 45 days after the issuer's fiscal year end, and shall disclose the following holdings and transactions not reported previously on [Forms 3](http://taft.law.uc.edu/CCL/34forms/form3.html), [4](http://taft.law.uc.edu/CCL/34forms/form4.html) or [5](http://taft.law.uc.edu/CCL/34forms/form5.html):
      1. All transactions during the most recent fiscal year that were exempt from [Section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html)(b) of the Act, except:
         1. Exercises and conversions of derivative securities exempt under either [Rule 16b-3](http://taft.law.uc.edu/CCL/34ActRls/rule16b-3.html) or [Rule 16b-6(b)](http://taft.law.uc.edu/CCL/34ActRls/rule16b-6.html#b), and any transaction exempt under Rule 16b-3(d), Rule 16b-3(e), or Rule 16b-3(f) (these are required to be reported on Form 4);
         2. Transactions exempt from Section 16(b) of the Act pursuant to Rule 16b-3(c) which shall be exempt from Section 16(a) of the Act; and
         3. Transactions exempt from Section 16(a) of the Act pursuant to another rule;
      2. Transactions that constituted small acquisitions pursuant to [Rule 16a-6(a)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-6.html#a);
      3. All holdings and transactions that should have been reported during the most recent fiscal year, but were not; and
      4. With respect to the first Form 5 requirement for a reporting person, all holdings and transactions that should have been reported in each of the issuer's last two fiscal years but were not, based on the reporting person's reasonable belief in good faith in the completeness and accuracy of the information.
   2. Notwithstanding the above, no [Form 5](http://taft.law.uc.edu/CCL/34forms/form5.html) shall be required where all transactions otherwise required to be reported on the Form 5 have been reported before the due date of the Form 5.

**Note:** Persons no longer subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act, but who were subject to the Section at any time during the issuer's fiscal year, must file a Form 5 unless paragraph (f)(2) is satisfied. *See also* [Rule 16a-2(b)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-2.html#b) regarding the reporting obligations of persons ceasing to be officers or directors.

* 1. A [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html) must be filed to report: All transactions not exempt from section 16(b) of the Act; All transactions exempt from section 16(b) of the Act pursuant to [Rule 16b-3](http://taft.law.uc.edu/CCL/34ActRls/rule16b-3.html)(d), Rule 16b-3(e), or Rule 16b-3(f); and all exercises and conversions of derivative securities, regardless of whether exempt from section 16(b) of the Act. Form 4 must be filed before the end of the second business day following the day on which the subject transaction has been executed.
  2. Solely for purposes of section 16(a)(2)(C) of the Act and paragraph (g)(1) of this section, the date on which the executing broker, dealer or plan administrator notifies the reporting person of the execution of the transaction is deemed the date of execution for a transaction where the following conditions are satisfied:
     1. the transaction is pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer (as defined in [Rule 16a-1(d)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-1.html#d)) that satisfies the affirmative defense conditions of [Rule 10b5-1(c)](http://taft.law.uc.edu/CCL/34ActRls/rule10b5-1.html#c); and
     2. the reporting person does not select the date of execution.
  3. Solely for purposes of section 16(a)(2)(C) of the Act and paragraph (g)(1) of this section, the date on which the plan administrator notifies the reporting person that the transaction has been executed is deemed the date of execution for a discretionary transaction (as defined in Rule 16b-3(b)(1)) for which the reporting person does not select the date of execution.
  4. In the case of the transactions described in paragraphs (g)(2) and (g)(3) of this section, if the notification date is later than the third business day following the trade date of the transaction, the date of execution is deemed to be the third business day following the trade date of the transaction.
  5. At the option of the reporting person, transactions that are reportable on Form 5 may be reported on Form 4, so long as the Form 4 is filed no later than the due date of the Form 5 on which the transaction is otherwise required to be reported.

1. The date of filing with the Commission shall be the date of receipt by the Commission.
2. Duplicated or facsimile versions of manual signatures of persons required to sign any document pursuant to Section 16 of the Act that is filed or submitted to the Commission under the Act shall be considered manual signatures for purposes of the Act and rules and regulations thereunder; provided that, the original signed document is retained by the filer for a period of five years and, upon request, the filer furnishes to the Commission or the staff the original manually signed document.
3. Where more than one person subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act is deemed to be a beneficial owner of the same equity securities, all such persons must report as beneficial owners of the securities, either separately or jointly. Where persons in a group are deemed to be beneficial owners of equity securities pursuant to [Rule 16a-1(a)(1)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-1.html) due to the aggregation of holdings, a single Form 3, 4 or 5 may be filed on behalf of all persons in the group. Joint and group filings must include all required information for each beneficial owner, and such filings must be signed by each beneficial owner, or on behalf of such owner by an authorized person.
4. Any issuer that maintains a corporate Web site shall post on that Web site by the end of the business day after filing any [Form 3](http://taft.law.uc.edu/CCL/34forms/form3.html), [4](http://taft.law.uc.edu/CCL/34forms/form4.html), or [5](http://taft.law.uc.edu/CCL/34forms/form5.html) filed under section 16(a) of the Act as to the equity securities of that issuer. Each such form shall remain accessible on such issuer's Web site for at least a 12-month period. In the case of an issuer that is an investment company and that does not maintain its own Web site, if any of the issuer's investment adviser, sponsor, depositor, trustee, administrator, principal underwriter, or any affiliated person of the investment company maintains a Web site that includes the name of the issuer, the issuer shall comply with the posting requirements by posting the forms on one such Web site.

### Rule 16a-4 -- Derivative Securities

1. For purposes of [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act, both derivative securities and the underlying securities to which they relate shall be deemed to be the same class of equity securities, *except that* the acquisition or disposition of any derivative security shall be separately reported.
2. The exercise or conversion of a call equivalent position shall be reported on [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html) and be treated for reporting purposes as:
   1. A purchase of the underlying security; and
   2. A closing of the derivative security position.
3. The exercise or conversion of a put equivalent position shall be reported on [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html) and shall be treated for reporting purposes as:
   1. A sale of the underlying security; and
   2. A closing of the derivative security position.
4. The disposition or closing of a long derivative security position, as a result of cancellation or expiration, shall be exempt from [section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act if exempt from [section 16(b)](http://taft.law.uc.edu/CCL/34Act/sec16.html#b) of the Act pursuant to [Rule 240.16b-6(d)](http://taft.law.uc.edu/CCL/34ActRls/rule16b-6.html#d) .

### Rule 16a-5 -- Odd-Lot Dealers

Transactions by an odd-lot dealer (a) in odd-lots as reasonably necessary to carry on odd-lot transactions, or (b) in round lots to offset odd-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of business, shall be exempt from the provisions of [section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act with respect to participation by such odd-lot dealer in such transaction.

### Rule 16a-6 -- Small Acquisitions

1. Any acquisition of an equity security or the right to acquire such securities, other than an acquisition from the issuer (including an employee benefit plan sponsored by the issuer), not exceeding $ 10,000 in market value shall be reported on [Form 5](http://taft.law.uc.edu/CCL/34forms/form5.html), subject to the following conditions:
   1. Such acquisition, when aggregated with other acquisitions of securities of the same class (including securities underlying derivative securities, but excluding acquisitions exempted by rule from [section 16(b)](http://taft.law.uc.edu/CCL/34Act/sec16.html#b) or previously reported on [Form 4](http://taft.law.uc.edu/CCL/34forms/form4.html) or Form 5) within the prior six months do not exceed $10,000 in market value; and
   2. The person making the acquisition does not within six months thereafter make any disposition, other than by a transaction exempt from section 16(b) of the Act.
2. If an acquisition no longer qualifies for the reporting deferral in paragraph (a) of this section, all such acquisitions that have not yet been reported must be reported on Form 4 before the end of the second business day following the day on which the conditions of paragraph (a) of this section are no longer met.

### Rule 16a-7 -- Transactions Effected in Connection with a Distribution

1. Any purchase and sale, or sale and purchase, of a security that is made in connection with the distribution of a substantial block of securities shall be exempt from the provisions of [section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act, to the extent specified in this rule, subject to the following conditions:
   1. The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities; and
   2. The security involved in the transaction is:
      1. Part of such block of securities and is acquired by the person effecting the transaction, with a view to distribution thereof, from the issuer or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities; or
      2. A security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price of securities of the class being distributed or to cover an over-allotment or other short position created in connection with such distribution.
2. Each person participating in the transaction must qualify on an individual basis for an exemption pursuant to this section.

### Rule 16a-8 -- Trusts

1. *Persons subject to section 16.*
   1. *Trusts.* A trust shall be subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act with respect to securities of the issuer if the trust is a beneficial owner, pursuant to [Rule 16a-1(a)(1)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-1.html#a.1), of more than ten percent of any class of equity securities of the issuer registered pursuant to section 12 of the Act ("ten percent beneficial owner").
   2. *Trustees, beneficiaries, and settlors.* In determining whether a trustee, beneficiary, or settlor is a ten percent beneficial owner with respect to the issuer:
      1. Such persons shall be deemed the beneficial owner of the issuer's securities held by the trust, to the extent specified by Rule 16a-1(a)(1); and
      2. Settlors shall be deemed the beneficial owner of the issuer's securities held by the trust where they have the power to revoke the trust without the consent of another person.
2. *Trust Holdings and Transactions.* Holdings and transactions in the issuer's securities held by a trust shall be reported by the trustee on behalf of the trust, if the trust is subject to section 16 of the Act, except as provided below. Holdings and transactions in the issuer's securities held by a trust (whether or not subject to section 16 of the Act) may be reportable by other parties as follows:
   1. *Trusts.* The trust need not report holdings and transactions in the issuer's securities held by the trust in an employee benefit plan subject to the Employee Retirement Income Security Act over which no trustee exercises investment control.
   2. *Trustees.* If, as provided by Rule 16a-1(a)(2), a trustee subject to section 16 of the Act has a pecuniary interest in any holding or transaction in the issuer's securities held by the trust, such holding or transaction shall be attributed to the trustee and shall be reported by the trustee in the trustee's individual capacity, as well as on behalf of the trust. With respect to performance fees and holdings of the trustee's immediate family, trustees shall be deemed to have a pecuniary interest in the trust holdings and transactions in the following circumstances:
      1. A performance fee is received that does not meet the proviso of [Rule 16a-1(a)(2)(ii)(C)](http://taft.law.uc.edu/CCL/34ActRls/rule16a-1.html#a.2.ii.C); or
      2. At least one beneficiary of the trust is a member of the trustee's immediate family. The pecuniary interest of the immediate family member(s) shall be attributed to and reported by the trustee.
   3. *Beneficiaries.* A beneficiary subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act shall have or share reporting obligations with respect to transactions in the issuer's securities held by the trust, if the beneficiary is a beneficial owner of the securities pursuant to Rule 16a-1(a)(2), as follows:
      1. If a beneficiary shares investment control with the trustee with respect to a trust transaction, the transaction shall be attributed to and reported by both the beneficiary and the trust;
      2. If a beneficiary has investment control with respect to a trust transaction without consultation with the trustee, the transaction shall be attributed to and reported by the beneficiary only; and
      3. In making a determination as to whether a beneficiary is the beneficial owner of the securities pursuant to Rule 16a-1(a)(2), beneficiaries shall be deemed to have a pecuniary interest in the issuer's securities held by the trust to the extent of their pro rata interest in the trust where the trustee does not exercise exclusive investment control.

Note to Paragraph (b)(3): Transactions and holdings attributed to a trust beneficiary may be reported by the trustee on behalf of the beneficiary, provided that the report is signed by the beneficiary or other authorized person. Where the transactions and holdings are attributed both to the trustee and the beneficiary, a joint report may be filed in accordance with [Rule 16a-3](http://taft.law.uc.edu/CCL/34ActRls/rule16a-3.html).

* 1. *Settlors.* If a settlor subject to [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act reserves the right to revoke the trust without the consent of another person, the trust holdings and transactions shall be attributed to and reported by the settlor instead of the trust; *Provided, however,* That if the settlor does not exercise or share investment control over the issuer's securities held by the trust, the trust holdings and transactions shall be attributed to and reported by the trust instead of the settlor.

1. *Remainder interests.* Remainder interests in a trust are deemed not to confer beneficial ownership for purposes of section 16 of the Act, provided that the persons with the remainder interests have no power, directly or indirectly, to exercise or share investment control over the trust.
2. A trust, trustee, beneficiary or settlor becoming subject to section 16(a) of the Act pursuant to this rule also shall be subject to sections 16(b) and 16(c) of the Act.

### Rule 16a-9 -- Stock Splits, Stock Dividends, and Pro Rata Rights

The following shall be exempt from [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act:

1. The increase or decrease in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of that class, including a stock dividend in which equity securities of a different issuer are distributed.
2. The acquisition of rights, such as shareholder or pre-emptive rights, pursuant to a pro rata grant to all holders of the same class of equity securities registered under [section 12](http://taft.law.uc.edu/CCL/34Act/sec12.html) of the Act.

### Rule 16a-10 -- Exemptions under Section 16(a)

Except as provided in [Rule 16a-6](http://taft.law.uc.edu/CCL/34ActRls/rule16a-6.html), any transaction exempted from the requirements of [section 16(a)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act, insofar as it is otherwise subject to the provisions of [section 16(b)](http://taft.law.uc.edu/CCL/34Act/sec16.html#b), shall be likewise exempt from [section 16(b)](http://taft.law.uc.edu/CCL/34Act/sec16.html#a) of the Act.

### Rule 16a-11 -- Dividend or Interest Reinvestment Plans

Any acquisition of securities resulting from the reinvestment of dividends or interest on securities of the same issuer shall be exempt from [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act if the acquisition is made pursuant to a plan providing for the regular reinvestment of dividends or interest and the plan provides for broad-based participation, does not discriminate in favor of employees of the issuer, and operates on substantially the same terms for all plan participants.

### Rule 16a-12 -- Domestic Relations Orders

The acquisition or disposition of equity securities pursuant to a domestic relations order, as defined in the [Internal Revenue Code](http://www.law.cornell.edu/uscode/26/414.shtml) or [Title I](http://www.law.cornell.edu/uscode/29/ch18.html#I) of the Employee Retirement Income Security Act, or the rules thereunder, shall be exempt from [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act.

### Rule 16a-13 -- Change in Form of Beneficial Ownership

A transaction, other than the exercise or conversion of a derivative security or deposit into or withdrawal from a voting trust, that effects only a change in the form of beneficial ownership without changing a person's pecuniary interest in the subject equity securities shall be exempt from [section 16](http://taft.law.uc.edu/CCL/34Act/sec16.html) of the Act.