

**Prepared Written Remarks of Jeffrey P. Mahoney
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United States Securities and Exchange Commission
Investor Advisory Committee
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Securities and Exchange Commission (SEC or Commission) Chair Gensler, SEC Commissioners and staff, Investor Advisory Committee (IAC) Chair Marrietta-Westberg and other officers and members of the IAC, thank you for the opportunity to participate on today's panel.

I am appearing here today on behalf of the Council of Institutional Investors (CII). CII is a nonprofit, nonpartisan association, whose core membership includes U.S. asset owners with assets under management of approximately \$4 trillion. Our associate members include non-U.S. asset owners with approximately \$4 trillion in assets under management, and a range of asset managers with more than \$35 trillion in assets under management.¹

I have been asked to address the following five questions in my remarks:

- (1) Why are investors concerned about Rule 10b5-1 plans?
- (2) What prompted the CII petition?
- (3) What is CII's position on Rule 10b5-1 plans?
- (4) What are some of the previous regulatory/legislative actions in this area?
- (5) What should the IAC recommend to the SEC to strengthen Rule 10b5-1 plans?

I will address each question in turn.

(1) Why are investors concerned about Rule 10b5-1 plans?

In 2008, CII adopted a membership approved policy about Rule 10b5-1 plans² after members became concerned about a number of practices that appeared to be inconsistent with the intent of

¹For more information about the Council of Institutional Investors ("CII"), including its board and members, please visit CII's website at <http://www.cii.org>.

² Council of Institutional Investors, Corporate Governance Policies, § 5.15 Stock Sales (adopted Oct. 7, 2008) (on file with CII). ("Executives should be required to sell stock through pre-announced 10b5-1 program sales or by providing a minimum 30-day advance notice of any stock sales. 10b5-1 program adoptions, amendments, terminations and transactions should be disclosed immediately, and boards of companies using 10b5-1 plans should: (1) adopt policies covering plan practices, (2) periodically monitor plan transactions and (3) ensure that company policies discuss plan use in the context of guidelines or requirements on equity hedging, holding and ownership.").

the rule.³ Those practices included: (1) sales of stock through a 10b5-1 plan soon after the plan's adoption; (2) frequent amendments and terminations of existing 10b5-1 plans; and (3) the lack of disclosure of 10b5-1 plan adoptions, amendments, and terminations.⁴

We believed in 2008, as we do now, that those types of activities may indicate that the plans were not adopted in good faith or that material non-public information was a factor in the decision to trade through a 10b5-1 plan.

The stated benefit of Rule 10b5-1 when adopted was to “increase investor confidence in the integrity and fairness of the market”⁵ CII agrees that public confidence that our securities markets are fair to all participants serves the interests of companies and investors. And when public company executives conduct transactions in company stock through a 10b5-1 plan using practices that are inconsistent with the spirit of the rule, public confidence in corporate management teams and the markets can erode.⁶

(2) What prompted the CII petition?

CII submitted a rulemaking petition to the SEC in December of 2012 (Petition). The petition requested that the SEC consider requiring Rule 10b5-1 plans to adopt the following guidelines:

- Companies and company insiders should only be permitted to adopt Rule 10b5-1 trading plans when they are permitted to buy or sell securities during company-adopted trading windows, which typically open after the announcement of the financial results from a recently completed fiscal quarter and close prior to the close of the next fiscal quarter;
- Companies and company insiders should be prohibited from adopting multiple, overlapping Rule 10b5-1 plans;

³ Selective Disclosure and Insider Trading, Securities Act No. 7,881, Exchange Act Release No. 43,154, Investment Company Act Release No. 24,599 (final rule Aug. 15, 2000), <https://www.sec.gov/rules/final/33-7881.htm> (“the rule also sets forth several affirmative defenses, which we have modified in response to comments, to permit persons to trade in certain circumstances where it is clear that the information was not a factor in the decision to trade.”).

⁴ See Council of Institutional Investors, Corporate Governance Policies, § 5.15 Stock Sales (adopted Oct. 7, 2008) (on file with CII) (“10b5-1 program adoptions, amendments, terminations and transactions should be disclosed immediately, and boards of companies using 10b5-1 plans should: (1) adopt policies covering plan practices, (2) periodically monitor plan transactions and (3) ensure that company policies discuss plan use in the context of guidelines or requirements on equity hedging, holding and ownership.”).

⁵ Selective Disclosure and Insider Trading, Securities Act No. 7,881, Exchange Act Release No. 43,154, Investment Company Act Release No. 24,599 (“the rule should increase investor confidence in the integrity and fairness of the market because it clarifies and strengthens existing insider trading law.”).

⁶ See, e.g., Letter from Jeff Mahoney, General Counsel, Council of Institutional Investors to The Honorable Elissa B. Walter, Chairman, U.S. Securities and Exchange Commission 2 (Dec. 28, 2012), <https://www.sec.gov/rules/petitions/2013/petn4-658.pdf> (“consistent with our membership approved policies, [CII] strongly believes that clear guidelines regarding the circumstances in which a Rule 10b5-1 plan may be adopted, modified or cancelled, as well as enhanced transparency regarding the existence of such plans would have meaningful benefits for a company, its shareowners and the investing public [and] . . . are essential to restoring public confidence with respect to purchases and sales of a company's securities by its insiders.”).

- Rule 10b5-1 plans should be subject to a mandatory delay, preferably of three months or more, between the adoption of a Rule 10b5-1 plan and the execution of the first trade pursuant to such a plan; and
- Companies and company insiders should not be allowed to make frequent modifications or cancellations of Rule 10b5-1 plans.⁷

The petition also requested, consistent with the CII membership approved policy I referenced earlier, that the Commission consider:

- Providing greater disclosure regarding the adoption, amendment and termination of Rule 10b5-1 plans, and
- Making corporate boards explicitly responsible for the oversight of Rule 10b5-1 plans.⁸

In addition to CII member concerns about 10b5-1 plan practices, two sources of information also prompted CII's submission of the Petition.

First, on November 28, 2012, the Wall Street Journal (Journal) reported on its analysis of executives who had traded their own companies' stock since 2004.⁹ The Journal analysis focused on "20,237 executives who traded in their own companies' stock during the week before their companies made news."¹⁰

The study found that "1,418 executives recorded average stock gains of 10% (or avoided 10% losses) within a week after their trades," which "was close to double the 786 who saw the stock they traded move against them that much."¹¹ The Journal quoted Lauren Cohen, an associate professor of business administration at Harvard University and the co-author of a study that found corporate insiders' trading was "'statistically much better than we'd expect."¹² The Journal went on to highlight instances where executives recorded gains and avoided losses for transactions in company shares, including pursuant to 10b5-1 trading plans.

The Journal identified a number of the shortcomings in 10b5-1 plan practices, including:

- An "executive's trading plan set a target price for some of [the executive's] sales that was too high to make it possible to sell [and] [a]n amendment to the plan fixed this."¹³
- "[T]here is not a rule about how long the [trading] plans must be in place before trading under the plans can begin."¹⁴

⁷ Letter from Jeff Mahoney, General Counsel, Council of Institutional Investors to The Honorable Elissa B. Walter, Chairman, U.S. Securities and Exchange Commission at 3.

⁸ *Id.* at 2.

⁹ See Susan Pulliam & Rob Barry, Executives' Good Luck in Trading Own Stock, Wall St. J. (Nov. 27, 2012) (on file with CII).

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

- “Executives can generally cancel a trading plan at any time . . . [including] when they possess private information and when the cancellation of the plan’s prescribed trades could benefit them financially.”¹⁵
- “Companies and executives don’t have to file these plans with any federal agency . . . [meaning] the plans aren’t readily available for regulators, investors or anyone to examine.”¹⁶

On these last two points: With respect to the practice of cancelling 10b5-1 plans, the Journal also cited to a study by Alan Jagolinzer, a business professor at the University of Colorado, that found “46% of early terminations of 10b5-1 plans calling for share sales occurred within 90 days before the company released positive news” and “only 11% of the terminations of plans that called for share sales came before negative company news.”¹⁷

And with respect to the lack of transparency of 10b5-1 plans, the Journal quoted a hedge fund manager, David Berman of Berman Capital Management, who stated: “Sometimes a 10b5-1 plan is legitimate and other times it’s not, but there is no way of knowing because there is no disclosure of anything to investors.”¹⁸

The second source of new information that prompted CII’s submission of the Petition came in the form of an unsolicited telephone call from a prominent corporate securities lawyer in private practice. The lawyer informed me that he was uncomfortable with the current practice for designing and implementing 10b5-1 plans, which he characterized as inconsistent with the spirit, if not the letter, of Rule 105b-1. That lawyer assisted me in drafting the Petition, including the proposed reforms included therein.

(3) What is CII’s position on Rule 10b-5 plans?

In September 2019, CII updated its executive compensation policies to streamline its voice on pay design. As part of that project, CII determined to address the related issue of insider stock sales through a separate statement, in part to elevate and expand upon our concerns related to the manner and timing of such sales.

Adopted in March 2020, the “Statement on Stock Sales by Insiders,” (2020 Statement), which largely tracks the recommendations in the Petition, reflects CII’s current position on Rule 10b5-1 plans.¹⁹ The 2020 Statement provides in relevant part:

CII recommends that boards adopt a policy requiring that insider stock sales take place either through a robust automatic trading plan governed by Rule 10b5-1 or through processes and controls, approved by an appropriate board committee, that mimic the rules and features of such a plan.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See Council of Institutional Investors, CII Policies, Statement on Stock Sales by Insiders (adopted March 10, 2020), https://www.cii.org/insider_stock_sales_statement.

For Rule 10b5-1 plans to fulfill their legitimate purpose, they should be: publicly disclosed; adopted when the participant is not in possession of material, non-public information; inactive for at least three months following adoption; and ineligible for substantive modification. Participants should not be party to concurrently active 10b5-1 plans, and companies should avoid frequently cancelling and adopting new plans. Boards should periodically monitor plan transactions and adopt written policies covering plan practices, including how plans may be used in the context of guidelines or requirements on equity hedging, holding and ownership; and suspend trading under such plans upon internal awareness of an M&A transaction or tender offer involving the company.

....

Background & Intent

....

In seeking to remove insiders' ability to influence the timing of stock sales, the adoption of Rule 10b5-1 in 2000 created a path for insiders in possession of material, non-public information to sell stock through automatic trading plans, without fear of prosecution under federal insider trading rules. 10b5-1 plans need to be strengthened to eliminate the insider influence they intended to remove. Currently these plans are not transparent. Existing plans can be revised, or they can be terminated and replaced with newer plans with different terms. Participants can have multiple, overlapping plans, and initial participation does not require a meaningful waiting period, enabling opportunistically-timed selling.²⁰

(4) What are some of the previous regulatory/legislative actions in this area?

Some of the previous regulatory and legislative actions relating to Rule 10b5-1 that CII is aware of include the following:

In January 2019, H.R. 624, the "Promoting Transparent Standards for Corporate Insiders Act" was introduced and co-sponsored by the U.S. House of Representatives (House) Committee on Financial Service (Financial Services Committee) Chair and Ranking Member.²¹

H.R. 624 included language similar to that in the Petition and would have required the SEC to conduct a study of whether specified amendments to the rules governing 10b5-1 plans should be adopted, report back within a year and then adopt rule amendments consistent with the findings of the study.²²

²⁰ *Id.*

²¹ Promoting Transparent Standards for Corporate Insiders Act, H.R. 624, 116th Cong. (2019), available at <https://www.congress.gov/bill/116th-congress/house-bill/624/cosponsors?searchResultViewType=expanded>.

²² Promoting Transparent Standards for Corporate Insiders Act, H.R. 624, 116th Cong. § 2 (2019), available at <https://www.congress.gov/bill/116th-congress/house-bill/624/text>.

In January 2019, the House approved the H.R. 624 by a vote of 413 to 3.²³ Prior to the vote, Representatives from both parties expressed support for the bill on the House floor. As one example, the Ranking Member of the Committee stated:

This bipartisan legislation is critical for protecting mom and pop investors from the effects of insider trading, while ensuring that the rules are clear, fair and not unduly burdensome. I want to first thank Chairwoman Waters for her sponsorship of this bill and for writing this legislation.²⁴

In February 2019, the then Ranking Member of the Securities Subcommittee of the U.S. Senate Committee on Banking, Housing & Urban Affairs (Banking Committee) Chris Van Hollen and Senator Deb Fischer introduced S. 573, a companion bill to the H.R. 624.²⁵ In explaining her support for S. 573, Senator Fischer stated:

Nebraskans who are investing to save for retirement or send their kids to college should receive a fair shake. Our bipartisan legislation will increase transparency in corporate trading to help weed out bad actors who take advantage of the current system. This is a common-sense solution that will level the playing field for hardworking American families and businesses on Main Streets.²⁶

In commenting on S. 573 in March 2020, then SEC Commissioner Robert J. Jackson, Jr. stated:

I share the bipartisan concern, reflected in a bill recently introduced . . . that insider trading pursuant to plans under Rule 10b5-1 is associated with unusual insider profits. . . . Academic research identified this concern long ago, but neither Congress nor the SEC has addressed it yet.²⁷

Ultimately, S. 573/H.R. 624 did not move in the Banking Committee prior to the expiration of the 116th Congress.

²³ Promoting Transparent Standards for Corporate Insiders Act, H.R. 624, 116th Cong. (2019), *available at* <https://www.congress.gov/bill/116th-congress/house-bill/624/actions>.

²⁴ Promoting Transparent Standards for Corporate Insiders Act, H.R. 624, 116th Cong. (2019) (statement of Rep. McHenry) (on file with CII).

²⁵ Promoting Transparent Standards for Corporate Insiders Act, S. 573, 116th Cong. (2019), *available at* <https://www.congress.gov/bill/116th-congress/senate-bill/573/cosponsors>.

²⁶ Van Hollen, Fischer Introduce Bi-Partisan Bill to Increase Transparency in Corporate Trading (Feb. 27, 2019), <https://www.vanhollen.senate.gov/news/press-releases/van-hollen-fischer-introduce-bipartisan-bill-to-increase-transparency-in-corporate-trading>.

²⁷ Robert J. Jackson, Jr., Letter on Stock Buyback's and Insider Cash Outs, Harv. L. Sch. F. on Corp. Governance & Fin. Reg. n.8 (Mar. 8, 2019), <https://corpgov.law.harvard.edu/2019/03/08/letter-on-stock-buybacks-and-insiders-cashouts/>.

In September 2020, in a letter to the Chair of the Subcommittee on Investor Protection, Entrepreneurship and Capital Markets of the Financial Services Committee (Subcommittee on Investor Protection) then SEC Chair Jay Clayton acknowledged concerns about how some corporations are implementing Rule 10b5-1 stating:

[T]here are practices that, while they may be consistent with law and regulation, raise questions of interest alignment and fairness, including, in particular, issues that arise when plans are implemented, amended or terminated and trading occurs (or does not occur) around those events. I believe that companies should strongly consider requiring all Rule 10b5-1 plans for senior executives and board members to include mandatory seasoning, or waiting periods after adoption, amendment or termination before trading under the plan may begin or recommence. In my view, these required seasoning periods are appropriate between the establishment of a plan and the date of the initial trade, as well as between any modification, suspension or termination of a plan and the resumption of trading or entry into a new plan. Such seasoning periods not only help demonstrate that a plan was executed in good faith, but they also can bolster investor confidence in management teams and in markets generally.²⁸

Several days later in testimony before Subcommittee on Investor Protection, Professor Jill E. Fisch of the University of Pennsylvania Law School described the following shortcomings with Rule 10b5-1 trading plans:

A shortcoming of the existing regulatory structure is that current law does not require corporate executives to disclose the existence of their 10b5-1 trading plans. Nor are executives required to disclose if they modify or terminate an existing plan. In addition, current law allows executives, in some cases, to modify existing trading plans on the basis of inside information without facing liability for insider trading. Specifically, an executive who learns about positive news can terminate his or her previously established decision to sell, based on that news. Because the termination does not constitute the purchase or sale of a security, but rather refraining from trading, technically it is not insider trading. It appears that some executives, in light of market developments may have decided not to trade in accordance with their existing 10b5-1 plans. Although individual issuers may establish procedures governing when or how executives are permitted to do so, such procedures are not required by existing law.²⁹

²⁸ Letter from Jay Clayton, Chairman, Office of Chairman, United States Securities and Exchange Commission to The Honorable Brad Sherman, U.S. House of Representatives 2 (Sept. 14, 2020) (emphasis added), <https://www.sec.gov/files/clayton-letter-to-chairman-sherman-20200914.pdf>.

²⁹ Insider Trading and Stock Option Grants: An Examination of Corporate Integrity in the Covid-19 Pandemic, Before the H. Subcomm. on Inv. Prot., Entrepreneurship, & Capital Mkt. of the Comm. on Fin. Serv., 116 Cong. (Sept. 17, 2020) (testimony of Jill E. Fisch, Saul A. Fox Distinguished Professor of Business Law, University of Pennsylvania Law School at 5), <https://docs.house.gov/meetings/BA/BA16/20200917/111013/HHRG-116-BA16-Wstate-FischJ-20200917.pdf>.

In November 2020, in testimony before the Banking Committee, then SEC Chair Clayton informally proposed amending Rule 10b5-1 to require a minimum “cooling-off period” of four to six months, between plan adoption and the first planned trade under a Rule 10b5-1 plan.³⁰

In February 2021, three U.S. Senators, including the Chair of the Banking Committee sent a letter to then SEC Acting Chair Allison Herren Lee urging a review and reform of SEC policies regarding 10b5-1 plans (February Letter).³¹ The letter noted that one day before Pfizer announced the result of the first phase of its clinical trial for the Covid-19 vaccine, the company’s CEO modified his Rule 10b5-1 plan and then the next day sold more than 60% of his personal shares in the company, valued at \$5.6 million.³²

The letter requested a response to the following six questions:

1. What actions does the SEC currently take to ensure that 10b5-1 plans are compliant with the Commission’s current rules and requirements?
2. How many enforcement actions has the agency taken with regard to 10b5-1 plans in the past five years? Please provide a list and summary of all such actions.
3. Has the SEC taken action to require a “cooling off period” between the adoption or amendment of any 10b5-1 plan and any stock sales under that plan?
4. Does the agency intend to require that 10b5-1 plans are disclosed publicly and posted online in advance of any trades made under that plan?
5. Has the SEC considered or evaluated modifications of regulations to ensure that 10b5-1 adequately covers “short-swing” purchases?
6. What other actions has the SEC taken or are under consideration to prevent the abuse of 10b5-1 plans?³³

In March of 2021, the Chair of the Committee on Financial Services reintroduced H.R. 624 as H.R. 1528.³⁴

Also in March 2021, in an opinion piece published in Bloomberg, co-authors SEC Commissioner Caroline Crenshaw and (my fellow panelist today) Professor Daniel Taylor of the Wharton

³⁰ See, e.g., Paul Keiran, Markets, SEC Chairman Urges Corporate Insiders to Avoid Quick Stock Sales, Wall St. J. (Nov. 17, 2020), <https://www.wsj.com/articles/sec-chairman-urges-corporate-insiders-to-avoid-quick-stock-sales-11605637892> (“For senior executive officers using 10b5-1 plans to sell stock, I do believe that a cooling-off period from the time that the plan is put in place or is materially changed, until the first transaction, is appropriate’ . . . [w]hether that’s four months so you cover a full quarter, or it’s six months—I can make arguments for either . . . I do think we should do it.”).

³¹ See Letter from Elizabeth Warren, United States Senator et al. to The Honorable Allison Herren Lee, Acting Chair, Securities and Exchange Commission (Feb. 10, 2021), <https://www.warren.senate.gov/imo/media/doc/02.10.2021%20Letter%20from%20Senators%20Warren,%20Brown,%20and%20Van%20Hollen%20to%20Acting%20Chair%20Lee.pdf>.

³² *Id.*

³³ *Id.*

³⁴ See Promoting Transparent Standards for Corporate Insiders Act, H.R. 1528, 117th Cong. (Mar. 2, 2021) (introduced), <https://www.congress.gov/117/bills/hr/1528/BILLS-117hr1528ih.pdf>.

School at the University of Pennsylvania argued that the SEC should reform Rule 10b5-1 plans in several ways: (1) by imposing a mandatory “cooling off period” of four to six months between the adoption or modification of a plan and the first planned trade; (2) by requiring corporate insiders to disclose publicly whether their trades are planned, and either (i) disclosing the plan or (ii) disclosing the plan adoption (or modification) date and the total amount of shares covered by the plan; and (3) by requiring that a Rule 10b5-1 plan that executes a single trade should disqualify the plan from an affirmative defense to insider trading.³⁵

In April 2021, the House passed H.R. 1528 with no opposition under a suspension of the rules.³⁶ The bill has been referred to the Banking Committee where no action has yet been taken.³⁷

Also in April 2021, then Acting SEC Chair Lee responded to the February Letter.³⁸ Acting Chair Lee agreed that improvements to Rule 10b5-1 was needed, stating:

I agree that improvements may be in order, and I have instructed the staff to review Rule 10b5-1 and develop recommendations for possible changes. As part of this review, the staff will consider the points you raise with respect to public disclosure of 10b5-1 plans, cooling off periods and short-swing profits.³⁹

Finally, on June 7, 2021, during prepared remarks at the CFO Network Summit, SEC Chair Gensler shared some thoughts regarding Rule 10b5-1 plans and how the SEC might “freshen up” the rule.⁴⁰ Chair Gensler noted that currently there is no required cooling off period when an insider establishes a plan and then makes a first trade pursuant to the trading plan.

Chair Gensler noted that various proposals, requiring anywhere from four- to six-month cooling off periods from program establishment, have received bipartisan support and merit consideration. Chair Gensler also noted that currently there are no limitations on when 10b5-1 plans can be canceled, which seems “upside-down.”⁴¹ As a result, he has requested that the SEC Staff consider limitations on when and how plans can be canceled.

Chair Gensler noted that there are no mandatory disclosure requirements regarding Rule 10b5-1 plans, and that more disclosures regarding adoption, modification and terms of such

³⁵ See Caroline Crenshaw & Daniel Taylor, Finance, Insider Trading Loopholes Need to Be Closed, BloombergOpinion (Mar. 15, 2021) (on file with CII).

³⁶ See Promoting Transparent Standards for Corporate Insiders Act, H.R. 1528, 118th Cong. (2020), available at <https://www.congress.gov/bill/117th-congress/house-bill/1528/all-actions>.

³⁷ *Id.*

³⁸ See Letter from Allison Herren Lee, Acting Chair, United States Securities and Exchange Commission to The Honorable Elizabeth Warren, United States Senate (Apr. 14, 2021), <https://www.warren.senate.gov/imo/media/doc/Warren%20et%20al%20-%20Rule%2010b5-1%20-%20ES159896%20Response.pdf>.

³⁹ *Id.* at 1.

⁴⁰ Chair Gary Gensler, Prepared Remarks at CFO Network Summit (June 7, 2017), <https://www.sec.gov/news/speech/gensler-cfo-network-2021-06-07>.

⁴¹ *Id.*

plans would enhance confidence in the markets. Finally, he noted that there should be a limit on the number of plans that an insider could adopt.

(5) What should the IAC recommend to the SEC to strengthen Rule 10b5-1?

CII believes, generally consistent with our membership approved 2020 Statement, that the IAC should recommend to the SEC the following actions to strengthen Rule 10b5-1:

First, the SEC should enhance the public disclosure of Rule 10b5-1 plans and related transactions. This may be accomplished by:

- Issuing a final rule in connection with the SEC’s 2020 proposed rule on “Rule 144 Holding Period and Form 144 Filings” to require:⁴²
 - Form 4 and Form 5 to indicate via a mandatory check box whether their reported transactions were made pursuant to Rule 10b5-1(c) rather than provide it as an option for the filer,⁴³
 - Disclosure of the adoption date of the respective Rule 10b5-1 plan on the forms, and⁴⁴
 - Electronic filing of Form 144.⁴⁵
- Propose a rule requiring that the “compensation discussion and analysis”⁴⁶ section of the proxy statement include information on the number of shares covered under Rule 10b5-1 plans of the named executive officers.
- Propose a rule requiring disclosure of Rule 10b5-1 plans, including disclosure of the adoption, modification, or cancellation of those plans, and the number of shares covered, to be filed on Form 8-K.

Second, the SEC should propose rules providing the following additional conditions to qualify for an “affirmative defense” under Rule 10b5-1:

- At least a 3 month “cooling off” period between plan adoption and initial trade execution; and
- Limitations on:
 - Multiple overlapping plans; and

⁴² Rule 144 Holding Period and Form 144 Filings, Securities Act Release No. 10,991, Exchange Act Release No. 90,773, 86 Fed. Reg. 5,063 (Dec. 22, 2020), <https://www.federalregister.gov/documents/2021/01/19/2020-28790/rule-144-holding-period-and-form-144-filings>.

⁴³ See Letter from Jeffrey P. Mahoney, General Counsel, Council of Institutional Investors to Vanessa A. Countryman Secretary, Securities and Exchange Commission 2 (Mar. 18, 2021), https://www.cii.org/files/issues_and_advocacy/correspondence/2021/March%2018%202021%20Rule%20144%20letter.pdf

⁴⁴ *Id.*

⁴⁵ *Id.* at 6.

⁴⁶ Executive compensation, 17 C.F.R. § 229.402(b) (2006), available at <https://www.law.cornell.edu/cfr/text/17/229.402>.

- On when and how plans may be cancelled.

That concludes my prepared remarks. I want to again thank the IAC for inviting me to participate on this panel. And I would be happy to answer any questions.