

Corporate Executive Services

To meet the diversification and liquidity needs of your affluent and high-net-worth clients, Pershing's Corporate Executive Services team provides support for employee stock options, 10b5-1 trading plans and restricted and control stock transactions. The team also offers strategies to assist investors with concentrated equity holdings to reduce their portfolio risk, hedge against market volatility and increase liquidity using an integrated, client-driven approach.

Key Benefits

Employee Stock Option and 10b5-1 Plan Support: How We Can Help

- Verify client eligibility and confirm existence of executed 10b5-1 plan or employee stock options
- Review the exercise and sale form, 10b5-1 plan (if applicable) and grant information for eligibility to exercise
- Notify firm once the sale is executed
- Request cost and tax payment information from the company
- Issue cost and tax payments to the company associated with the exercise
- Track the status of the exercise, which includes pending sale, pending payment and pending receipt of stock
- Provide Deposit/Withdrawal at Custodian (DWAC) instructions to receive shares
- Advise the company to deliver the shares
- Initiate DWAC instructions to accept the shares or stock power for physical deliveries

Employee Stock Option Assistance

Exercising employee stock options involves potential tax consequences and rules governing the transaction. If your clients wish to exercise their stock options without self-funding the transaction, the Corporate Executive Services team can facilitate a number of alternative methods. Your clients can exercise their stock options in a full or partial sale and can margin all, or a portion, of the shares. Investors can complete the transaction without having to use cash to purchase the shares.

- > **Cashless exercise of employee stock options and sale of stock:** This method lets investors exercise their employee stock options against the sale of the underlying stock. The gross proceeds of the stock sale are used to pay for the cost of exercising the stock options and any applicable taxes. The remaining proceeds are provided to the investor upon receipt of the exercised shares.
- > **Cashless exercise of employee stock options and hold of stock:** This method lets investors pay for the cost of exercising employee stock options with a margin loan within the guidelines of their brokerage Margin Account Agreement. Investors may then hold all the shares purchased in their brokerage accounts.

Corporate Executive Services also coordinates grant eligibility confirmation, payment disbursement processing and tracking the timely delivery of shares, giving your clients prompt access to liquidity that can be used for further investment.

10b5-1 Trading Plan Support

If your clients have 10b5-1 trading plans, which allow them to buy and sell shares of their company stock during closed window periods, their trades must be executed by an independent third party. Corporate Executive Services can assist with the execution of these trades as well as provide additional support.

Clients may work with their company's legal counsel to customize a 10b5-1 trading plan that adheres to their established company policy.

NOTE: Corporate Executive Services can provide templates of 10b5-1 plans, but does not provide legal advice or issue or approve 10b5-1 plans.

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Key Benefits

Restricted and Control Stock: How We Can Help

- File Rule 144 form (proposed sales only) for restricted and control stock
- Obtain opinion of counsel and facilitate the execution of the transfer
- Prepare the required paperwork to satisfy the reporting requirements, such as Rule 144, 144b (i), 701 and 904, or shelf registration
- Answer questions about the legend removal regarding Securities and Exchange Commission Rule 144, 144b(i), 701 and 904 and prospectus sales
- Contact companies or attorneys to help determine which restricted documents may be required
- Submit all documents for attorney review
- Review all received documentation for completeness
- Monitor the transfer with appropriate parties

The team will also work with companies and transfer agents to facilitate restricted securities clearance pertaining to:

- Rule 144
- Prospectus sales
- Re-registration
- Canadian Rule 904
- Lockup agreements

Support for Senior Executive's Control or Restricted Stock Transactions

Compensation for senior executives is often distributed in the form of restricted or control stock, which can be liquidated or leveraged for personal or business needs. Liquidating large holdings of restricted or control stock can be difficult and must be handled by those with thorough knowledge of the regulations surrounding these securities.

The Corporate Executive Services team can help you and your clients complete the required paperwork to navigate these regulations. The team is thoroughly familiar with the rules and regulations regarding restricted and control securities and can help you sell your clients' securities in order to generate liquidity.

Although Rule 144 regulates the sale of restricted shares, clients may be eligible for a loan against restricted stock. Clients may be able to pledge restricted shares as collateral for a loan as well as borrow against them to finance real estate or invest in other securities. Please note that certain restrictions apply.

NOTE: Corporate Executive Services does not process requests for Qualified Institutional Buyers (Rule 144A).

To learn more about Pershing's Corporate Executive Services, please visit perishing.com or Resources within NetX360® or contact Pershing Customer Support.



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