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### New and Improved

In an effort to “modernize” and “improve” companies’ capital raising and reporting efforts, the SEC has recently amended rules relating to the resale of restricted securities and employee stock option plans. Here are some highlights of the amendments: **Rule 144 Holding Periods.** The SEC is amending Rule 144 to allow for more liquidity in the reselling of restricted securities. Effective February 15, 2008, the holding periods for both non-affiliate and affiliate sales of securities are being shortened. This is in part an acknowledgement that the world has “sped up” and one holding restricted securities suffers “market risk” in a shorter time frame than was true in the days of the ink pot. Non-affiliates may resell restricted securities after 6 months now (shortened from 1 year), so long as the issuer complies with the current public information requirement. All other conditions that were previously in place for 144 sales no longer apply. And after 1 year, under 144k, non-affiliates are free to resell without complying with any Rule 144 requirements (down from 2 years). **Rule 144 Affiliate Sales.** The holding periods, and applicable requirements, have been changed for affiliate sales as well. After 6 months, affiliates may resell restricted securities, so long as they comply with the current public information requirement, volume limitations (which have increased for debt securities), manner of sale requirements (which have loosened slightly), and by filing a Form 144. And the threshold for filing a Form 144 has gone up to \$50,000 or 5,000 shares. **Rule 12h-1 Exemptions for Compensatory Employee Stock Option Plans.** The SEC has carved out two new exemptions for the registration of compensatory stock option plans, effective December 7, 2007. The first exemption, and arguably the one with the greatest impact, is aimed at small non-reporting issuers. When options are issued pursuant to a written compensatory stock option plan to certain optionholders, a non-reporting issuer does not have to register the option plan, so long as all applicable conditions are met. The second exemption applies to reporting issuers. A reporting issuer is not required to register a compensatory employee stock option plan when the options are issued pursuant to a written plan and the issuer has registered the class of securities underlying the plan. We see the changes in Rule 144 as significant in helping small public companies raise money through private placements from those who may not have wanted to hold the investment for two years. On their behalf we say, thanks, SEC! For more info, [follow this link](#).

### Music to No One's Ears

The Recording Industry Association of America won its first case. In a blaze of self-righteousness it won \$222,000 from a single mother from Brainerd, Minnesota, doing its part to keep our streets safe for gansta rap. The RIAA has filed 26,000 lawsuits over the last four years, but this was the first case to go to trial. The defendant had to pay \$9,250 for each of 24 songs. Just ask any college student and for sure they have horror stories of someone down the hall in their dorm getting nailed for \$4,000. The RIAA is on its third law firm in as many years, now handling cases through Denver firm Holme, Roberts & Owen. All we can say is HRO must not have been busy enough. The RIAA should have been out front in the evolution of digital music, but instead the best it can do is to wield the blunt instrument of law like a battle ax, crushing in the skull of all those really interested in music. Of course, they argue they are protecting “the artist.” Well, how about offering to let the artist keep more of what they earn for you? No Grateful Dead fans us, but we marveled at their willingness to let fans videotape and record their concerts. Thus was born viral marketing years before anyone coined the term. All the Buzz can say is that we are witness to the last gasps of the recording industry. The music industry is dead; long live music!

### Voire Dire — Enjoy the Show!!

We are pleased to report that Richard Kelley won the two free great seats in Orchestra to see Jersey Boys at the Curran Theatre on December 30th at 7:30. He knew correctly answered that Ruth Bader Ginsberg studied writing at Cornell with author Victor Nobokov. Watch this space for more free stuff!

### BizBuzz Jazz

#### Wish List

The owner of “When you Wish Upon a Star,” has filed suit in federal court in New York against the creators of the Fox television animated show Family Guy. Apparently, in an episode entitled *When you Wish Upon a Weinstein*, the finances-challenged Family Guy’s main character sings *I Need a Jew*, allegedly a knockoff of When You Wish Upon a Star. All you need to prove copyright infringement is access to the original and substantial similarity. Who hasn’t heard When You Wish Upon a Star? If it sounds similar, look out defendant. In the lawsuit, the plaintiff alleges, “with its theme of wholesome hopefulness, the song has gained worldwide status as a classic.” Well, duh! Why do you think Family Guy used it?

### Res Ipsa Luckuitor

#### Luck

No matter how much of a business stud you fancy yourself, time and chance play a roll. Here are a few of our favorite quotes about luck.

- The more I practice, the luckier I seem to get.—Arnold Palmer.
- I believe in luck; how else can you explain the success of those you dislike.—Jean Cocteau.
- Fortune brings in some boats that are not steered.—William Shakespeare.
- What luck for rulers that men do not think. — Adolf Hitler.
- The only sure thing about luck, is that it will change. — Bret Harte.
- A pound of pluck is worth a ton of luck.—James Garfield.
- Luck is what happens when preparation meets opportunity. — Seneca.

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