Street

The General Counsel’s Guide to Private Company Secondaries

Street’s ownership architecture, transaction pathways and issuer controls.

Discussion draft · 12 September 2026

US private-company corporate shares, with Delaware corporate and Article 8 law used where identified. This guide explains a reference architecture and public law; it is not a legal opinion, an offer of securities or regulatory approval. The transaction documents determine the parties, applicable law, rights and activated services for each issuer.

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READING THIS PUBLICATION

Purpose and scope

For a general counsel, the central question is what legal and operational relationship the company is authorizing. A secondary program changes who participates economically in the company and introduces a process for subsequent transfers. A digital representation makes those relationships easier to administer only when the rights, records and responsible parties agree.

This guide follows a position from acquisition into custody, through a secondary trade and settlement, and onward to voting, distributions and exit. The statutory explanations are distinct from Street's reference architecture. Pinpoint citations identify the rules supporting legal statements; numerical examples illustrate mechanics rather than actual company holdings or transaction terms.

Architecture and current registration

As of 12 September 2026

Street's reference architecture places existing corporate shares in custody, records the custodian or nominee as the registered holder, and records participants' security entitlements through a securities intermediary. References to that architecture describe the model under evaluation, not a certification of a particular deployment or custody arrangement.

Street Labs, Inc. has an SEC transfer-agent registration notice of effectiveness dated 20 August 2026, File 084-07093. That fact is specific to transfer-agent registration.[1]

- The issuer transaction file identifies the acting broker-dealer, any ATS, custodian, securities intermediary and cash provider, together with the permissions relevant to their assigned activities.
- The signed account and custody terms establish the entitlement relationship, applicable law, token-to-record integration, permitted transfers and exit process.
- The operating arrangement establishes settlement timing, reconciliation, correction authority, corporate-action handling and the services activated for that issuer.

1. Street Labs, Inc.: transfer-agent registration effectiveness. Form EFFECT; CIK 2141202; File 084-07093; effective 20 August 2026.

Contents

THE REVIEW IN BRIEF

Executive findings

01 An established holding framework with defined rights.

Article 8 supplies an entitlement holder with a property interest and enforceable intermediary duties: maintaining corresponding assets, servicing distributions, exercising rights on instruction and correcting transfers under ineffective orders, subject to the statutory conditions. In Street's architecture, these rights connect the participant's account to the existing corporate shares held through custody. The framework is established law; the actual agreements and records establish its application.[14,15,16,17]

02 A limited secondary need not reset the 409A valuation.

A limited trade can be considered without mechanically substituting its price for common-stock FMV. The company must assess available material information, including comparable executions, aggregate activity and liquidity. Whether an existing valuation remains usable and whether the concluded value changes are separate questions.[52,59]

03 A consent, an exemption and a platform permission solve different problems.

Company and third-party restrictions govern whether the transaction is authorized. A Securities Act registration or exemption addresses the offer and sale. Brokerage, venue and custody rules apply to the parties performing those services. Passing one layer does not establish compliance with the others.[22,3,25,27]

04 A compact stock ledger does not settle holder counting.

Nominee registration can leave one registered position for deposited shares. Exchange Act Rule 12g5-1 nevertheless contains look-through rules for deposit and similar arrangements and an anti-circumvention provision. Street's architecture cannot be evaluated by counting visible ledger rows alone.[36]

14. Delaware UCC: acquisition of a security entitlement. 6 Del. C. 8-501(a)-(c), (e).
15. Delaware UCC: property interest and asset maintenance. 6 Del. C. 8-503(a)-(c); 8-504(a)-(c).
16. Delaware UCC: payments and exercise of rights. 6 Del. C. 8-505(a)-(b); 8-506; 8-509.
17. Delaware UCC: entitlement orders and corrections. 6 Del. C. 8-507(a)-(b); 8-509.
52. 409A: reasonable valuation and subsequent information. 26 CFR 1.409A-1(b)(5)(iv)(B)(1).
59. Carta: secondary transactions in a 409A appraisal. Secondary transactions and 409A; Fair market value vs. fair value.
22. Delaware: transfer and ownership restrictions. 8 Del. C. 202(a)-(c).
3. SEC: private secondary transactions. What federal pathways are frequently used; restricted securities.
25. Exchange Act: broker-dealer registration. 15 USC 78o(a)(1); (b)(1).
27. Regulation ATS: registration and operating notice. 17 CFR 242.301(b)(1), (b)(2)(i)-(ii), (b)(10).
36. Rule 12g5-1: record holders and look-through. 17 CFR 240.12g5-1(a)(1)-(3), (a)(8), (b)(1), (b)(3).

05 Controlled access does not promise universal financial confidentiality.

Section 4(a)(7) may require a purchaser information package. Quotation activity has a separate Rule 15c2-11 analysis, including public-information requirements where applicable. A restricted investor audience does not itself resolve either question.[7,30]

06 The legal interest and the supporting assets require separate evidence.

An entitlement can exist even when the intermediary has not obtained the corresponding asset. The entitlement record therefore cannot, by itself, prove that all underlying shares are present. Custody evidence, asset reconciliation and the treatment of shortfalls are essential to the ownership analysis.[14,15]

07 Street's transfer-agent registration is effective.

The SEC's notice records effectiveness of Street Labs, Inc.'s transfer-agent registration on 20 August 2026. This is a verified, specific registration fact. Brokerage, ATS operation and custody functions remain separate roles whose providers and applicable permissions are identified for each issuer arrangement.[1,25,27]

7. Securities Act: resale information package. 15 USC 77d(d)(3)(A)-(K), especially (G), (J) and (K).

30. Rule 15c2-11: quotations and public information. 17 CFR 240.15c2-11(a)(1)(i), (b)(5), (e)(5), (e)(7)-(8), (f)(2).

14. Delaware UCC: acquisition of a security entitlement. 6 Del. C. 8-501(a)-(c), (e).

15. Delaware UCC: property interest and asset maintenance. 6 Del. C. 8-503(a)-(c); 8-504(a)-(c).

1. Street Labs, Inc.: transfer-agent registration effectiveness. Form EFFECT; CIK 2141202; File 084-07093; effective 20 August 2026.

25. Exchange Act: broker-dealer registration. 15 USC 78o(a)(1); (b)(1).

27. Regulation ATS: registration and operating notice. 17 CFR 242.301(b)(1), (b)(2)(i)-(ii), (b)(10).

01 / THE TRANSACTION

What a Street secondary changes

Separate the asset, the change in ownership and the operating relationship before evaluating the mechanics.

Four events that are often compressed into one word

A secondary sale transfers a holder's existing investment to a purchaser; sale proceeds belong to that seller, subject to agreed fees and deductions. A primary issuance creates securities issued by the company and raises money for it. Depositing an existing position into custody and crediting an entitlement account are additional events. Combining them in one onboarding journey does not make them legally interchangeable.[3]

For securities-law purposes, an offer or sale can involve an interest in a security and can occur before money changes hands. The analysis therefore follows the actual solicitation, contract and disposition, including any instrument created by the custody arrangement. Calling an event a deposit or a token transfer does not decide its classification.[4]

TABLE 01 / Four events that are often compressed into one word

Event	What changes	Immediate legal question
Primary issuance	The company issues shares; capital flows to the issuer.	Which issuer exemption or registration supports the offering?
Custody entry	Existing shares enter the holding arrangement.	Are transfer conditions satisfied and is the custodian's position evidenced?
Entitlement credit	The participant acquires rights through the intermediary.	What financial asset is credited, under which account agreement?
Secondary resale	A seller disposes of an interest to a buyer.	Which resale route and continuing restrictions apply to this transaction?

Define the exact financial asset

Street's asset identity is anchored to an issuer and an identified share class or series. A company name, fundraising valuation or ticker is insufficient. Preferred and common shares can have materially different distribution, conversion and governance terms. The custody position and participant records must identify the same asset; the token cannot silently substitute a claim on another share class.

3. SEC: private secondary transactions. What federal pathways are frequently used; restricted securities.

4. Securities Act: sale and underwriter definitions. 15 USC 77b(a)(3), (a)(11).

The architecture described here concerns corporate shares. An unexercised employee option is a right to acquire shares, not the same deposited asset. Exercise, payment, tax treatment and any resulting holding period belong to that acquisition analysis. A separate vehicle, revenue-linked instrument or synthetic exposure would change the architecture and require its own treatment.[8,2]

An illustrative transfer through two records

Assume 1,000 shares of one class are in custody, with one entitlement unit corresponding to one underlying share solely for this illustration. The issuer's ledger records the nominee for 1,000 shares. The intermediary credits 600 units to A and 400 to B. If A validly sells 100 units to B, A ends with 500 and B with 500; the deposited position remains 1,000.

At an illustrative price of $12 per unit, $1,200 is the gross purchase consideration. That cash belongs in the transaction's cash records, separate from the entitlement quantities. Fees and payment timing change net proceeds and cash availability. The example does not establish an issuer valuation, a guaranteed execution price or an actual Street unit ratio.

TABLE 02 / An illustrative transfer through two records

Record	Before	After the completed transfer
Issuer stock ledger	Nominee: 1,000 shares	Nominee: 1,000 shares
Intermediary: A	600 entitlement units	500 entitlement units
Intermediary: B	400 entitlement units	500 entitlement units
Custody reconciliation	1,000 underlying shares	1,000 underlying shares
Cash consideration	No settled sale proceeds	Buyer pays $1,200 gross; seller receives agreed net amount

8. Rule 144: resale safe harbor. 17 CFR 230.144 preliminary note; (b), (c), (d), (e), (f), (h), (i).

2. SEC staff: tokenized securities taxonomy. Third Party-Sponsored Tokenized Securities; Custodial Tokenized Securities; notes 2, 5, 13-15.

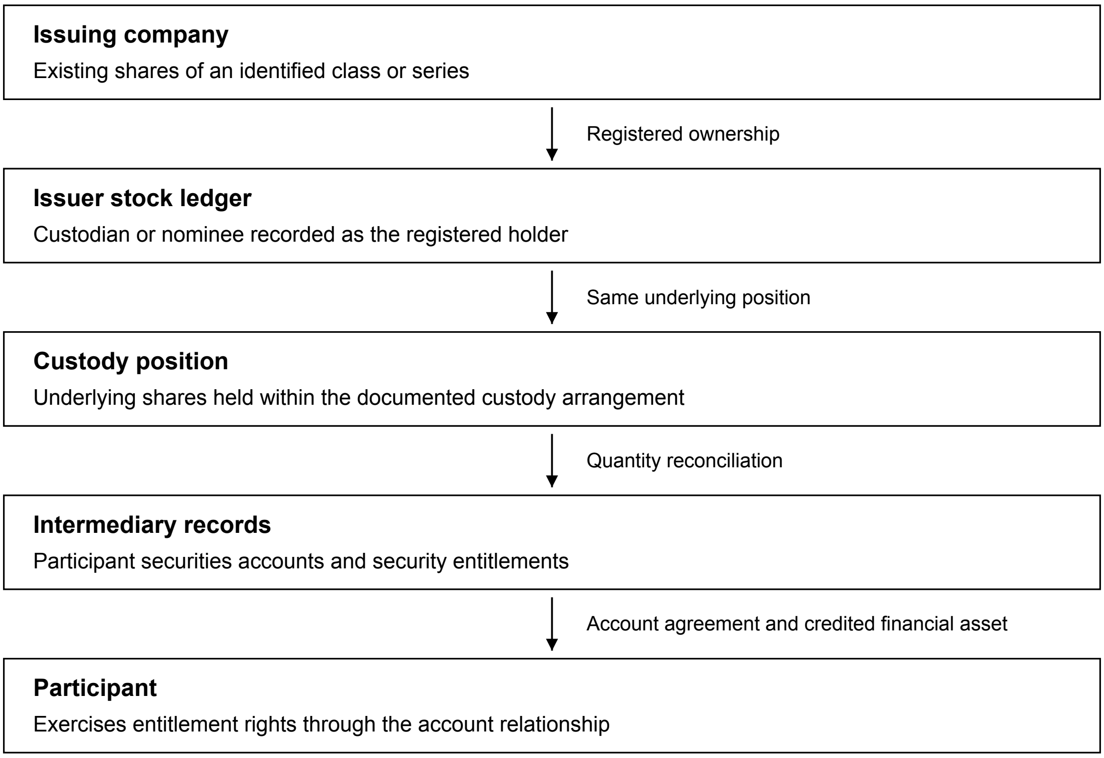
02 / OWNERSHIP

Street's ownership architecture

The corporate share, the registered position and the participant's entitlement each have a defined place.

The issuer remains the issuer of the underlying shares

FIGURE 01 / OWNERSHIP



The reference architecture holds the company's existing shares in custody. The custodian or nominee is the registered holder for that deposited position; the participant's position is maintained through a securities intermediary. This is an indirect holding structure. The economic asset is identified corporate stock, while the route through which the participant exercises rights includes the intermediary.

Delaware's stock ledger definition concerns registered stockholders and issuances and transfers. Section 224 permits electronic records, including distributed electronic networks, subject to statutory record requirements and legible-paper conversion. It does not require every beneficial position to become a separate entry in the issuer's stock ledger.[23]

23. Delaware: stock ledger and electronic records. 8 Del. C. 219(c); 224.

What a security entitlement actually supplies

Under Delaware UCC Section 8-501, the relationship rests on a securities account and the intermediary's treatment of the credited financial asset. A qualifying credit, receipt for credit or legally required credit can establish the entitlement. Section 8-501(e) separately states that issuing a security is not itself establishing a security entitlement. The account relationship cannot be inferred merely from a token's name.[14]

Section 8-503 describes the entitlement holder's pro rata property interest in the intermediary's interests in that particular financial asset, together with rights exercised against the intermediary. It is not an allocation of a numbered share certificate exclusively to one participant. Section 8-504 imposes a corresponding-quantity maintenance duty. Section 8-501(c), however, allows an entitlement to exist even if the intermediary does not hold the asset: account validity and asset sufficiency are separate questions. Article 8 thus supplies both a property interest and enforceable intermediary duties; it is more than an ordinary unsecured promise to match a stock price.[15,14]

The parties can specify performance standards, but that freedom has statutory limits. Delaware Section 1-302(b) prevents simply disclaiming duties of good faith, diligence, reasonableness and care; agreed standards cannot be manifestly unreasonable. Section 1-304 separately imposes good faith in performance and enforcement. References to the account agreement do not mean that every statutory protection can be removed by contract.[43]

How the token connects to the legal records

A valid transfer in the Street architecture must connect an authorized instruction, an eligible receiving account and a corresponding change in the intermediary's entitlement records. The issuer's stock ledger remains distinct. The implementation can integrate a distributed ledger into the entitlement record or use it to instruct and synchronize that record; the operative account terms identify which record constitutes the legal entry and when the change takes effect.

The SEC staff's January 2026 statement describes both integrated and indirectly updated tokenized-entitlement models. It also distinguishes custodial ownership from synthetic exposure. The statement assumes compliance with applicable law and specified ownership conditions; it does not certify any platform's documents, recognize every token as an entitlement or create an exemption. Its taxonomy is explanatory staff material without legal force.[2]

Governing law, control and the intermediary chain

Delaware UCC Section 8-110 separates questions governed by the issuer's jurisdiction from questions governed by the securities intermediary's jurisdiction. For the latter, its ordered rules begin with an express designation in the account agreement. A Delaware-incorporated issuer does not automatically make Delaware law govern every custody relationship. If several intermediaries are involved, each account tier has its own rights and relevant legal relationship.[20]

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14. Delaware UCC: acquisition of a security entitlement. 6 Del. C. 8-501(a)-(c), (e).

15. Delaware UCC: property interest and asset maintenance. 6 Del. C. 8-503(a)-(c); 8-504(a)-(c).

43. Delaware UCC: mandatory standards and good faith. 6 Del. C. 1-302(b); 1-304.

2. SEC staff: tokenized securities taxonomy. Third Party-Sponsored Tokenized Securities; Custodial Tokenized Securities; notes 2, 5, 13-15.

20. Delaware UCC: governing law and control. 6 Del. C. 8-110(a), (b), (d), (e); 8-106(d).

Article 8 control of a security entitlement has specified routes in Section 8-106(d), including becoming the entitlement holder or an intermediary’s agreement to follow another person’s entitlement orders without further consent. Possessing a private key is not a substitute description of those legal arrangements. Separately, the functional definition of securities intermediary does not itself confer a federal broker-dealer license; Article 8 classifications do not determine treatment under every other law.[20,13]

International account chains add a choice-of-law question under the Hague Securities Convention. Its Articles 2-4 address specified intermediated-securities rights and include a qualifying-office condition; Article 12 addresses multi-unit states. The domestic UCC hierarchy alone is therefore not a complete analysis for every cross-border holding, even when the underlying issuer is a US corporation.[44]

20. Delaware UCC: governing law and control. 6 Del. C. 8-110(a), (b), (d), (e); 8-106(d).

13. Delaware UCC: financial assets and intermediaries. 6 Del. C. 8-102(a)(9), (14), (17), (d); 8-103(a).

44. Hague Securities Convention: international choice of law. Articles 2-4 and 12; scope and qualifying-office conditions.

03 / ISSUER AUTHORITY

Company authorization and transfer rights

An authorization is effective only within the rights the company and other parties actually hold.

Consent attaches to a particular right and transaction

A transfer restriction can arise in the charter, bylaws or an agreement. Delaware Section 202 addresses restrictions on transfer, registration and ownership, including prior purchase opportunities, approval of transferees and ownership limits. The first question is therefore the text of the restriction: which asset, person, transaction and change in ownership does it cover?[22]

In Street's architecture, the initial transfer into nominee custody and later changes in participant entitlements are distinguishable events. A restriction may expressly cover beneficial or indirect transfers even when the nominee entry is unchanged. Conversely, the existence of a registered transfer restriction does not justify inventing an additional restriction that the documents do not impose. The governing documents determine the scope.

Custody intake also turns on how the shares are evidenced. Under Delaware Section 158, authorizing uncertificated shares does not displace an outstanding certificate until surrender. Article 8 Section 8-401 specifies the conditions for the issuer's duty to register a presented transfer, including appropriate authority and compliance with an effective restriction. A scanned certificate, account opening or token creation alone does not demonstrate that this registered transfer has occurred.[45,46]

The company cannot waive someone else's right

Section 202(c)(1) contemplates a prior purchase right held by the company, other security holders or another person. A company-held ROFR waiver therefore does not dispose of an investor's separate ROFR, co-sale right or consent. A completed authorization identifies each beneficiary, the applicable notice and exercise process, and the waiver or satisfaction relevant to that right.[22]

Section 202(a) addresses notice on certificates or the required notice for uncertificated shares, with an actual-knowledge exception. Under Section 202(b), a newly imposed restriction does not automatically bind previously issued shares unless the holders agreed or voted in favor. Uploading a new policy or enabling a platform restriction is not equivalent to amending existing contractual rights.[22]

22. Delaware: transfer and ownership restrictions. 8 Del. C. 202(a)-(c).

45. Delaware: certificates, uncertificated shares and transferability. 8 Del. C. 158-159.

46. Delaware UCC: duty to register transfers. 6 Del. C. 8-401(a)(1)-(7), (b).

TABLE 03 / The company cannot waive someone else's right

Authorization	Effect	Boundary
Company consent	Permits the activity within the company's authority.	Does not waive independently held third-party rights.
ROFR process or waiver	Resolves the identified holder's purchase opportunity.	Applies only within its covered shares, transaction and conditions.
Investor or class approval	Addresses the approval right in the relevant instrument.	Does not replace the separate securities-law route.
Platform eligibility	Limits access and processing under the operating rules.	Cannot enlarge the legal permission granted by the documents.

A standing authorization needs a defined perimeter

A company can evaluate a recurring program by specifying the covered class, maximum deposited quantity, eligible participant categories and permitted transaction types. The distinction is between activity already inside that authorization and an amendment that changes it. A change in the nominee, custody arrangement, rights attached to the asset or transfer perimeter can require a new decision even when the user interface looks the same.

The authorization and operating rules also allocate suspension authority. A temporary trading pause preserves time to resolve a failed condition; it does not cancel an existing property interest or automatically rescind an executed transaction. Those consequences depend on the transaction terms and applicable law. A board resolution, account restriction and correction to ownership records perform different functions.

A secondary price is not a company-wide valuation conclusion

A sale price reflects the particular asset, quantity, timing, information and negotiated terms. A price for common shares cannot simply be substituted for preferred-share economics or a valuation prepared for another purpose. Employee exercise and tax questions likewise depend on the award and transaction. The program's commercial mandate can specify a pricing process without representing that every observed trade establishes fair value for every holder. Chapter 4 examines the specific implications for 409A valuation and option grants.

For issuer communications, Rule 10b-5 remains relevant to materially misleading statements and omissions in connection with a securities transaction. Describing participation limits, fees, class differences or material company developments inaccurately is not cured by labelling a document educational or restricting it to accredited investors.[32]

22. Delaware: transfer and ownership restrictions. 8 Del. C. 202(a)-(c).

32. Rule 10b-5: misleading statements and omissions. 17 CFR 240.10b-5(a)-(c).

Material nonpublic information and insider participation

Rule 10b5-1 addresses trading on material nonpublic information about an issuer or security in breach of a duty of trust or confidence to the issuer, shareholders or another source of the information. Subject to its affirmative defenses, a trade is on the basis of that information when the trader is aware of it at the time. Awareness and the relevant duty matter; confidential information alone is not a complete insider-trading analysis.[48]

For a Street program, accreditation, company consent and an approved trading window do not establish that an insider can trade lawfully. Participant access to information, material company developments and any claimed trading-plan defense have to be assessed against the actual trade. A written plan satisfies a defense only if the rule's conditions are met.[48]

48. Trading on material nonpublic information. 17 CFR 240.10b5-1(a)-(c).

04 / VALUATION

Secondary trading and 409A valuation

A limited secondary need not reset the 409A valuation. Its influence depends on the evidence, the security being valued and the conditions at the relevant date.

Consideration does not prescribe the conclusion

For stock not readily tradable on an established securities market, Treasury requires a reasonable application of a reasonable valuation method. That assessment includes all available material information and, as applicable, recent arm's-length transactions, cash flows, assets, comparables and marketability. A secondary therefore belongs in the assessment; the regulation does not prescribe its numerical weight or make its price the automatic common-stock FMV. It provides no percentage-based exclusion for small trades.[52]

KPMG's June 2026 handbook recognizes circumstances in which limited secondary activity receives limited weight and other methods remain the primary evidence. It also cautions that small volume alone does not establish an off-market price and calls for reconciliation. This is published ASC 718 valuation methodology, not a 409A tax exemption. Carta separately describes lower 409A influence for isolated, smaller transactions with few participants.[58,59]

Review, refresh and a changed FMV are separate decisions

Treasury's test for later use of an existing value is precise: a prior calculation is not reasonable if it fails to reflect subsequent information that may materially affect the company's value, or if its valuation date is more than 12 months before that use. An independent appraisal can receive a presumption of reasonableness under the specified conditions, rebuttable by a showing that the method or its application was grossly unreasonable. That presumption does not freeze value for a year.[52,53]

Reviewing a secondary asks what new evidence it supplies. Refreshing the valuation asks whether the current assessment remains usable. Concluding FMV asks what the relevant stock is worth after that evidence is considered. An updated assessment can reach the same number, but the absence of new revenue, financing or operating developments does not establish that result: an execution at a different price may itself supply material information.[52]

52. 409A: reasonable valuation and subsequent information. 26 CFR 1.409A-1(b)(5)(iv)(B)(1).

58. KPMG: weighting secondary transactions and private-share valuation. Share-based payment, Q&A 2.14, printed pp145-149; 2.161a-c, pp149-150.

59. Carta: secondary transactions in a 409A appraisal. Secondary transactions and 409A; Fair market value vs. fair value.

53. 409A: independent-appraisal presumption. 26 CFR 1.409A-1(b)(5)(iv)(B)(2), introductory text and (i).

What makes a secondary price persuasive

PwC's March 2026 methodology considers transaction motivation, process, volume, timing, information and structure. It emphasizes that repeated comparable prices can be persuasive and that limited disclosure or volume is not, by itself, a reason to minimize an observation. A substantial gap from a valuation model requires an explanation; the model may need revision. These are practitioner valuation considerations, not additional 409A statutory conditions.[60]

Deloitte's discussion of the AICPA framework distinguishes an orderly trade from one demonstrably not orderly; uncertainty about orderliness does not justify ignoring the price. A seller's desire for liquidity is not itself a finding of a forced sale. The table organizes evidence rather than assigning a score or a required weight.[61]

TABLE 04 / What makes a secondary price persuasive

Evidence	Limited inference may be justified	Stronger inference may be justified
Comparable economics	Different class, rights or bundled consideration requires adjustment.	The executed interest closely matches the stock being valued.
Activity and price formation	An isolated transaction offers little evidence of repeatability.	Independent participants repeatedly transact at comparable prices.
Date and information	A specific information gap or changed circumstances weakens comparability.	Recent, informed transactions reflect conditions at the valuation date.
Continuing liquidity	A particular sale leaves meaningful restrictions on future exits.	Reliable recurring access changes the holder's ability to realize value.

Related authorities[59,52]

The Street comparison starts with the actual instrument

Street's reference architecture links a participant's security entitlement to identified corporate shares in custody. For valuation review, the execution record needs a bridge to the common stock underlying the issuer's awards: share class, unit ratio, distributions, voting instructions, custody charges, withdrawal conditions and transfer restrictions. A token price becomes useful evidence through that comparison. The legal form does not establish an automatic premium, discount or exclusion from the analysis.[14,16,18,52]

Consider an explicitly hypothetical isolated trade whose price includes a separate contractual benefit unavailable to ordinary common shareholders. The appraiser first identifies that benefit and assesses comparability. Limited influence on common-stock FMV may be justified if the remaining evidence continues

60. PwC: evaluating secondary-price evidence. Secondary transactions: then and now, printed pp18-20.

61. Deloitte: orderliness, weighting and compensation analysis. Financial Reporting Alert 18-7, printed pp2-4; p4 reproduces AICPA paragraph8.07.

59. Carta: secondary transactions in a 409A appraisal. Secondary transactions and 409A; Fair market value vs. fair value.

52. 409A: reasonable valuation and subsequent information. 26 CFR 1.409A-1(b)(5)(iv)(B)(1).

14. Delaware UCC: acquisition of a security entitlement. 6 Del. C. 8-501(a)-(c), (e).

16. Delaware UCC: payments and exercise of rights. 6 Del. C. 8-505(a)-(b); 8-506; 8-509.

18. Delaware UCC: other forms of holding. 6 Del. C. 8-508; 8-509(c)-(d).

to support the conclusion. If the rights are equivalent and the price is materially different, calling the order small does not resolve the discrepancy. Both outcomes depend on the documented economics.[52,60]

Aggregate activity and marketability matter

A useful issuer review considers the program as well as each execution. Ten fills from one negotiated order are not necessarily ten independent price discoveries; ten unrelated investors repeatedly accepting similar terms present a different record. The analysis needs quantities, counterparties' relationships, dates and linked orders. Breaking an arrangement into smaller executions does not make the overall evidence disappear.[59,52]

Treasury expressly includes marketability among relevant valuation factors. One seller obtaining cash does not establish that every holder has unrestricted future liquidity. Conversely, credible recurring access may alter an assumption previously based on a prolonged inability to sell. The review therefore compares actual windows, eligibility, consents, demand and exit terms with the assumptions in the valuation. A platform listing or blockchain record does not determine a marketability discount. The stock-option rules disregard lapse restrictions when testing grant-date FMV, so vesting or a temporary restriction does not automatically justify a lower value.[52,54,62]

Regular quotation can change the applicable tax framework

The private-stock valuation framework has a boundary. Section 1.409A-1 treats stock as readily tradable when brokers or dealers making a market in that stock regularly quote it. Its established-securities-market definition incorporates Section 1.897-1(m), including specified exchanges and qualifying over-the-counter interdealer quotation systems. For stock within the readily-tradable framework, the regulation permits specified methods based on actual market transactions.[55,56]

An issuer evaluating Street therefore needs the actual instrument, quotation activity and market-making arrangements assessed. An ATS label, restricted audience or entitlement structure alone does not determine the tax classification. The actual market design matters independently of the size of a particular sale; a private-stock appraisal assumption cannot simply be carried forward if the applicable framework changes.[55,56]

Existing grants and future grants have different valuation dates

The stock-option exclusion generally requires an exercise price at least equal to grant-date FMV, alongside its other conditions. A later secondary at a higher price does not, by itself, reprice a properly granted option. Treasury expressly explained that later public trading does not reset the initial exercise price. This does not protect an originally unreasonable valuation or eliminate the separate rules for modifications and extensions.[54,57]

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52. 409A: reasonable valuation and subsequent information. 26 CFR 1.409A-1(b)(5)(iv)(B)(1).

60. PwC: evaluating secondary-price evidence. Secondary transactions: then and now, printed pp18-20.

59. Carta: secondary transactions in a 409A appraisal. Secondary transactions and 409A; Fair market value vs. fair value.

54. 409A: grant-date price and later changes. 26 CFR 1.409A-1(b)(5)(i)(A)(1)-(3), (iv)(B)(3), (v)(A)-(C).

62. Tax definition: lapse and nonlapse restrictions. 26 CFR 1.83-3(h)-(i), referenced by 1.409A-1(b)(5)(i)(A)(1).

55. 409A: readily tradable stock and market-based valuation. 26 CFR 1.409A-1(b)(5)(iv)(A), (b)(5)(vi)(G), (k).

56. Established securities market: incorporated tax definition. 26 CFR 1.897-1(m), incorporated by 1.409A-1(k).

57. Treasury explanation: later trading and the original exercise price. TD 9321, Explanation of Provisions, III.C.4.c.i.

Future grants need support at their own relevant dates. Tax pricing and ASC 718 accounting are also distinct analyses. KPMG explains that an eligible nonpublic entity can elect a practical expedient using a reasonable 409A valuation for specified equity-classified awards. Separate valuations are therefore not automatically required; nor does one analysis settle whether a secondary payment contains compensation.[54,58,61]

An issuer review record that supports the conclusion

FIGURE 02 / TRANSACTION

Executed interest
Identify the units, underlying shares and actual consideration.

↓ Preserve facts

Evidence package
Collect terms, information and related transaction activity.

↓ Compare economics

Comparability review
Assess rights, price formation and measurement date.

↓ Assess relevance

Valuation assessment
Evaluate the model, marketability and applicable tax framework.

↓ Explain the result

Documented conclusion
Record continued reliance or refresh, FMV and review triggers.

For a Street program, we recommend a dated review record linking executed terms to the underlying shares, summarizing related activity and explaining any difference from the current FMV. Attach the relevant information package, rights and liquidity terms, then record the valuation adviser's assessment of continued reliance, any refreshed analysis, the resulting conclusion and the next review triggers. This is a recommended review process; it is not a claim that Street has automated these determinations.

The process preserves a practical path to liquidity: the company can assess a bounded transaction without assuming its price dictates every future option grant. The record makes any unchanged conclusion reviewable and identifies when new evidence requires reconsideration. Street's contribution is to make the transaction and its rights legible; the independent valuation judgment remains with the issuer and its advisers.

54. 409A: grant-date price and later changes. 26 CFR 1.409A-1(b)(5)(i)(A)(1)-(3), (iv)(B)(3), (v)(A)-(C).

58. KPMG: weighting secondary transactions and private-share valuation. Share-based payment, Q&A 2.14, printed pp145-149; 2.161a-c, pp149-150.

61. Deloitte: orderliness, weighting and compensation analysis. Financial Reporting Alert 18-7, printed pp2-4; p4 reproduces AICPA paragraph8.07.

05 / SECURITIES-LAW ROUTES

Acquisition and resale pathways

Select the route for the actual issuer, seller, purchaser and transaction; an exemption is not a transferable platform permission.

Primary issuance and secondary resale use different exemptions

Rule 506(c) is an issuer offering exemption. It permits general solicitation while requiring accredited purchasers, reasonable steps to verify that status, and the other applicable Regulation D conditions, including disqualification rules. Its verification requirement is separate from a purchaser merely checking a box. The rule provides nonexclusive verification methods; it does not mandate one commercial verification provider.[9]

Purchasers receive restricted securities. Rule 502(d) addresses resale limitations and the issuer's reasonable care against an unregistered distribution; Rule 503 generally requires a Form D notice within 15 calendar days after the first sale. Neither that filing nor the original 506(c) verification establishes a later shareholder's resale exemption. A sale of existing shares by an employee ordinarily presents a resale question rather than a new 506(c) issuer offering.[10,11]

TABLE 05 / Primary issuance and secondary resale use different exemptions

Route	Whose transaction?	Core distinction
Rule 506(c)	An issuer's offering	General solicitation permitted with accredited purchasers and required verification.
Section 4(a)(7)	A qualifying resale seller	Accredited purchasers, no general solicitation and the statutory resale conditions.
Section 4(a)(1)	A person other than an issuer, underwriter or dealer	Seller and distribution analysis; not an accredited-investor shortcut.
Rule 144	A holder satisfying the applicable safe harbor	Conditions depend on reporting status, affiliation, holding period and transaction facts.

9. Rule 506(c): issuer offering conditions. 17 CFR 230.506(a), (c)(1)-(2), (d).

10. Regulation D: resale limitations. 17 CFR 230.502(d).

11. Rule 503: Form D notice. 17 CFR 230.503(a).

Section 4(a)(7): the conditions that matter

Section 4(a)(7) is available for transactions satisfying Section 4(d). Each purchaser must be accredited; neither the seller nor anyone acting for it may generally solicit. The seller cannot be the issuer or its direct or indirect subsidiary. Disqualification rules cover the seller and paid participants. The issuer must be engaged in business, outside the organizational stage, bankruptcy and receivership, and outside the specified blank-check, blind-pool and shell categories. The transaction cannot involve the prohibited unsold underwriting allotment, participation or redistribution.[6]

The class must have been authorized and outstanding for at least 90 days. That is a class-level requirement, not a universal 90-day personal holding period. An affiliate seller is not categorically excluded, but a control person has an additional information obligation. Securities acquired in the transaction remain restricted, and the next resale needs its own basis. Section 4(e)(2) expressly preserves other available exemptions.[6]

The 4(a)(7) information package has actual content and dates

For an issuer within Section 4(d)(3), the seller must make reasonably current information available to the prospective purchaser. It includes issuer identity and business, the exact security and outstanding amount, the person responsible for transfers, officers and directors, paid intermediaries, and specified financial statements. A control seller additionally describes the affiliation and supplies the statutory certified statement. This obligation is more specific than access to a company profile.[7]

The financial provisions address the most recent balance sheet and profit-and-loss and similar statements for the applicable part of the preceding two fiscal years, using the prescribed accounting basis. The statute provides currency presumptions: a balance sheet less than 16 months old and a profit-and-loss period covering the 12 months before it. If the balance sheet is not less than six months old, additional profit-and-loss statements must extend to a date less than six months before the resale. These are statutory rules, not a promise that old information remains sufficient despite intervening material developments.[7,32]

Section 4(a)(1) and Rule 144

Section 4(a)(1) exempts transactions by a person other than an issuer, underwriter or dealer. The underwriter definition includes participation in a distribution and acquisition from an issuer with a view to distribution. A private agreement between sophisticated parties does not, by its label alone, answer that question. Rule 144 offers a nonexclusive safe harbor; a transaction outside it needs a separately supported exemption.[5,4]

For a non-reporting issuer, Rule 144 generally requires one year since acquisition from the issuer or an affiliate, with full payment of the purchase price and applicable tacking rules addressed. A seller who is not an affiliate and has not been one during the preceding three months can use Rule 144(b)(1)(ii). Affiliate sales involve additional current-public-information, volume, manner-of-sale and, when triggered, Form 144 requirements. Reporting-company six-month rules cannot simply be applied to a private non-reporting company; former-shell limitations also require attention.[8]

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6. Securities Act: accredited-investor resales. 15 USC 77d(a)(7), (d)(1)-(8), (e)(1)-(2).

7. Securities Act: resale information package. 15 USC 77d(d)(3)(A)-(K), especially (G), (J) and (K).

32. Rule 10b-5: misleading statements and omissions. 17 CFR 240.10b-5(a)-(c).

5. Securities Act: ordinary trading exemption. 15 USC 77d(a)(1).

4. Securities Act: sale and underwriter definitions. 15 USC 77b(a)(3), (a)(11).

8. Rule 144: resale safe harbor. 17 CFR 230.144 preliminary note; (b), (c), (d), (e), (f), (h), (i).

What the route changes in a Street transaction

The selected route determines which seller history, purchaser evidence, communications controls and disclosure package accompany the trade. Accredited status, authority to use the account and eligibility under the company's transfer restrictions are distinct checks. For a 4(a)(7) resale, a public 506(c) campaign for an earlier primary offering does not authorize general solicitation of this resale.[9,6,22]

Federal covered-security treatment for qualifying Rule 506 and Section 4(a)(7) transactions addresses specified state registration and qualification requirements, with state enforcement and other preserved powers governed by Section 18. It is not a general release from contract restrictions, fraud rules or the requirements governing intermediaries. There is no single sequence that every Street transaction must use.[12]

9. Rule 506(c): issuer offering conditions. 17 CFR 230.506(a), (c)(1)-(2), (d).

6. Securities Act: accredited-investor resales. 15 USC 77d(a)(7), (d)(1)-(8), (e)(1)-(2).

22. Delaware: transfer and ownership restrictions. 8 Del. C. 202(a)-(c).

12. Securities Act: state-law treatment. 15 USC 77r(b)(4)(D), (F); (c).

06 / ACCESS AND RESPONSIBILITY

Providers, market access and information

Identify the entity performing each regulated function and the information consequences of the market design.

Transfer agency, brokerage, custody and venue operation are distinct

Street Labs, Inc.'s SEC notice establishes effectiveness of its transfer-agent registration on 20 August 2026. It does not establish broker-dealer registration, ATS operation, custody permissions or approval of the security offered. Those functions require their own legal analysis and, where applicable, registrations, memberships and operating permissions.[1,25,27]

Exchange Act Section 15(a)(1) generally requires registration for broker-dealers using interstate means to effect or induce securities transactions, subject to applicable exceptions. The broker-dealer's permitted business also matters: FINRA Rule 1017 addresses material changes in business operations and restrictions. A provider's existence in a registration database is not, by itself, evidence that it may perform every proposed role.[25,28]

TABLE 06 / Transfer agency, brokerage, custody and venue operation are distinct

Function	Role in the arrangement	Evidence relevant to an issuer
Transfer agency / issuer records	Maintains or services the issuer-side records and transfers within its mandate.	Entity identity, engagement scope and applicable registration.
Brokerage	Effects or induces the securities transaction.	Acting broker-dealer, registrations and permitted business.
ATS or other execution venue	Provides the relevant order interaction and execution process.	Operating framework, covered assets and access rules.
Custody / securities intermediary	Holds or arranges holding of assets and maintains entitlement accounts.	Account chain, custody terms, regulatory basis and control arrangements.
Cash handling	Receives, holds and releases transaction funds.	Account ownership, applicable customer protection and payment conditions.

1. Street Labs, Inc.: transfer-agent registration effectiveness. Form EFFECT; CIK 2141202; File 084-07093; effective 20 August 2026.

25. Exchange Act: broker-dealer registration. 15 USC 78o(a)(1); (b)(1).

27. Regulation ATS: registration and operating notice. 17 CFR 242.301(b)(1), (b)(2)(i)-(ii), (b)(10).

28. FINRA: changes in business operations. FINRA Rule 1017(a)(5), (c)(3).

An ATS is an operating framework, not approval of each security

Regulation ATS defines an alternative trading system by its market functions and characteristics. An ATS subject to Rule 301 generally registers as a broker-dealer and files the required operating notice; for the non-NMS framework, the initial Form ATS is due at least 20 days before operation. Material operating changes have their own notice requirements. The exact framework depends on the venue and instruments.[26,27]

That venue process does not supply an issuer's resale exemption or override its transfer restrictions. The relevant Street arrangement identifies which entity receives orders, where orders interact, who executes and which accounts may participate. Account admission and each transaction remain constrained by the legal route and the company authorization.

Custody requires both an account relationship and asset control

Article 8 explains entitlement rights. A carrying broker-dealer's regulatory custody obligations are a separate layer. Rule 15c3-3 generally requires possession or control of fully paid and excess-margin customer securities, subject to its provisions, and imposes customer-reserve requirements where applicable. The rule contains exemptions whose conditions depend on the broker's actual business.[29]

For Street, the identity of the securities intermediary, the custodian holding the underlying shares and the party holding transaction cash can differ. The relevant permissions and agreements follow those entities. A token held in one system is not evidence, on its own, that the underlying private shares satisfy a broker's possession-or-control requirements or that cash is protected under the applicable customer regime.

For a broker carrying crypto asset securities directly, the SEC staff's December 2025 statement addresses a specific physical-possession approach: transfer capability, network assessment, key protection and disruption or wind-down arrangements. It expressly does not resolve the control limb or other broker-dealer obligations. The relevant question is which asset the broker carries and through which custody route, not whether a system uses blockchain somewhere in its records.[47]

Settlement functions have their own regulatory perimeter

Exchange Act Section 3(a)(23) defines clearing agency by function, including specified payment or delivery intermediation, settlement comparison and facilities for settlement by book entry. Its exclusions include certain customary bank, broker and dealer activities, and performing only the record-ownership function described in Section 3(a)(25)(E). The entity's actual activities determine whether an exclusion applies.[50]

Section 17A(b)(1) establishes the registration framework and permits SEC exemptions on specified terms. Street's transfer-agent registration does not decide whether additional settlement functions fall within that framework. The transaction arrangement therefore allocates cash movement, securities delivery, comparison and record updates to identified entities and specifies the registration, exclusion or exemption applicable to their functions; it does not assume that every software provider or transfer agent is a clearing agency.[51,50]

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26. Regulation ATS: definition of an ATS. 17 CFR 242.300(a).
27. Regulation ATS: registration and operating notice. 17 CFR 242.301(b)(1), (b)(2)(i)-(ii), (b)(10).
29. Customer Protection Rule: securities and cash. 17 CFR 240.15c3-3(b)(1), (c), (e), (k).
47. SEC staff: broker-dealer custody of crypto asset securities. Discussion; circumstances 1-5; notes 1 and 7.
50. Clearing agency: functions and exclusions. 15 USC 78c(a)(23)(A)-(B), (a)(25)(E).
51. Clearing-agency registration and exemptions. 15 USC 78q-1(b)(1).

The quotation design can change the disclosure obligation

Rule 15c2-11 regulates specified broker-dealer quotation activity in quotation media. Its definitions reach more than an executable public order book. Where the ordinary information-review route applies, specified issuer information must be current and publicly available, with stated exclusions. The rule's public-availability definition excludes access constrained by usernames, passwords, fees or similar restraints. Investor accreditation does not replace that analysis.[30]

The rule has exceptions, including an unsolicited-customer-interest exception with conditions and an insider or affiliate limitation. None is established merely by describing a platform as private. The SEC's March 2026 proposal would limit the rule's scope to equity securities; it is not an adopted exemption for the private-company equities addressed here. Therefore the information required for a 4(a)(7) purchaser and the information required for quotation activity must be evaluated separately.[30,31]

30. Rule 15c2-11: quotations and public information. 17 CFR 240.15c2-11(a)(1)(i), (b)(5), (e)(5), (e)(7)-(8), (f)(2).

31. SEC: March 2026 proposed Rule 15c2-11 amendments. Proposal to limit rule to equity securities; not an adopted exemption.

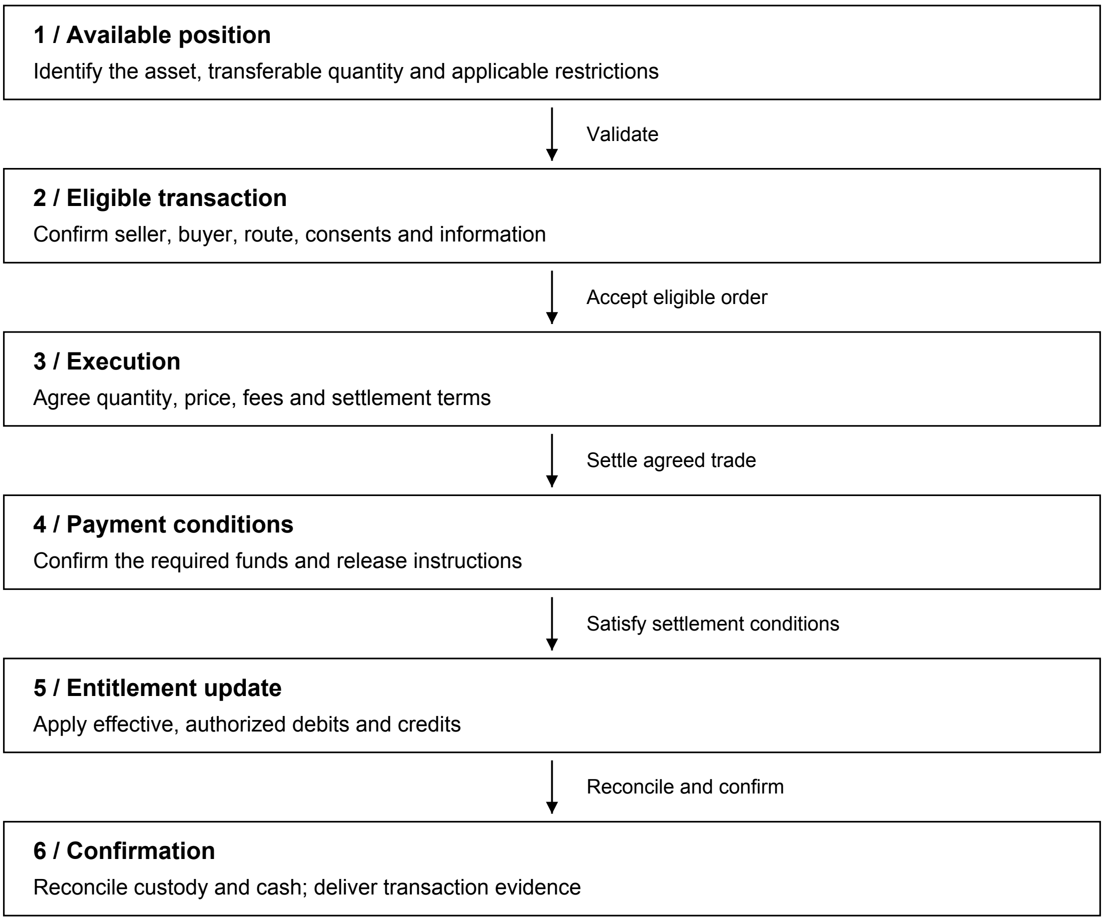
07 / EXECUTION AND SETTLEMENT

From eligible accounts to a completed transfer

A securities trade, cash payment and entitlement update are related events with separate evidence.

The conditions checked before execution

FIGURE 03 / TRANSACTION



The transfer perimeter contains three kinds of condition: the seller's ability to dispose of the position, the buyer's eligibility to receive it and the required transaction information. A seller can have an account balance but lack presently transferable units because of a pledge, unsettled sale, restriction or incomplete consent. A buyer can be accredited yet remain ineligible under the issuer's authorization or the receiving account's terms.

In the reference flow, instructions proceed only inside that perimeter. Conditions that can change between admission and settlement remain relevant at the later step. A changed legal restriction cannot be ignored because an account was approved months earlier. Reservation of units or cash, execution and release are distinguishable states; a reservation alone does not convey the completed investment.

The settlement date is a legal and operational term

Rule 15c6-1(a) generally uses the first business day after the contract for covered broker-dealer transactions, unless the parties expressly agree otherwise at the time of the transaction; the rule contains specified exceptions. A private-company share is not automatically outside the rule merely because it is unlisted. The trade terms therefore need an actual settlement date or applicable timing basis.[33]

A payment instruction, a received bank payment and cash available for release are different states. Likewise, a token transaction submitted to a network is different from an effective entitlement update recognized under the account arrangement. The reference flow coordinates those conditions. It does not equate a blockchain confirmation with irrevocable cash finality or promise instantaneous settlement.

Three records establish what completed

The trade record identifies the agreed asset, quantity, price, fees, counterparties and timing. The cash record identifies received funds and their allocation. The entitlement record identifies the effective change in participant positions. The custody reconciliation checks that the aggregate credited asset remains supported by the corresponding custody position. These records answer different questions and must be capable of reconciliation.

Rule 10b-10 generally requires the acting broker-dealer to give written transaction information at or before completion, including identity, price and quantity and the capacity in which it acted, with applicable remuneration disclosures. That confirmation is useful evidence of the trade. It does not substitute for the continuing account record or the underlying custody evidence.[34]

What a failed settlement changes

If payment does not arrive or a prerequisite fails before an effective transfer, the contractual failure process determines whether the trade remains pending, is cancelled or creates a default claim. It must preserve the distinction between reserved and transferred positions. If cash moved but the entitlement did not, or the entitlement moved without the required payment, the result is an exception requiring reconciliation and an identified legal remedy.

Under Section 8-507(b), an ineffective entitlement order can require the intermediary to reestablish the entitlement and restore missed payments or distributions, or expose it to damages if it does not do so. An operational correction therefore needs authority and a record of the affected rights. Rewriting a displayed balance without documenting the transaction is not the legal remedy.[17]

33. Rule 15c6-1: agreed settlement date. 17 CFR 240.15c6-1(a)-(b).

34. Rule 10b-10: transaction confirmations. 17 CFR 240.10b-10(a)(1)-(2), (a)(8).

17. Delaware UCC: entitlement orders and corrections. 6 Del. C. 8-507(a)-(b); 8-509.

08 / LIFE OF THE POSITION

Voting, distributions, corporate actions and exit

The share terms supply the underlying rights; the account relationship determines how they are exercised through custody.

Economic rights follow the identified share class

A dividend, liquidation preference or merger entitlement begins with the terms of the underlying shares and the relevant corporate action. In the reference architecture, the registered holding receives the action and the intermediary allocates the resulting financial asset or payment to the relevant entitlement accounts. Record dates, settled positions, taxes and agreed charges can affect the allocation.

Section 8-505 obliges the intermediary to take action to obtain issuer payments and distributions and makes it obligated to the entitlement holder when it receives them. The statute addresses agreed performance standards and due care. It does not promise that an issuer declares a dividend, pays a particular return or remains solvent. A participant's economic exposure still depends on the company and the share class.[16]

Voting and information rights require a route to the issuer

Under Section 8-207(a), the issuer may generally treat the registered owner as entitled to vote, receive notices and exercise the relevant rights. Section 8-506 governs an intermediary's exercise of rights when directed by its entitlement holder, while Delaware Section 212 provides for proxies. The account and nominee arrangements translate these rules into voting-instruction deadlines, aggregation and any proxy process.[21,16,24]

It would be inaccurate to conclude that every beneficial holder has a direct registered vote, or that beneficial holders have no issuer-law rights at all. Delaware Section 220 expressly includes certain nominee-held beneficial owners in its stockholder definition for inspection rights, subject to that section's conditions. Contractual information rights and statutory inspection rights also have different sources and requirements.[24]

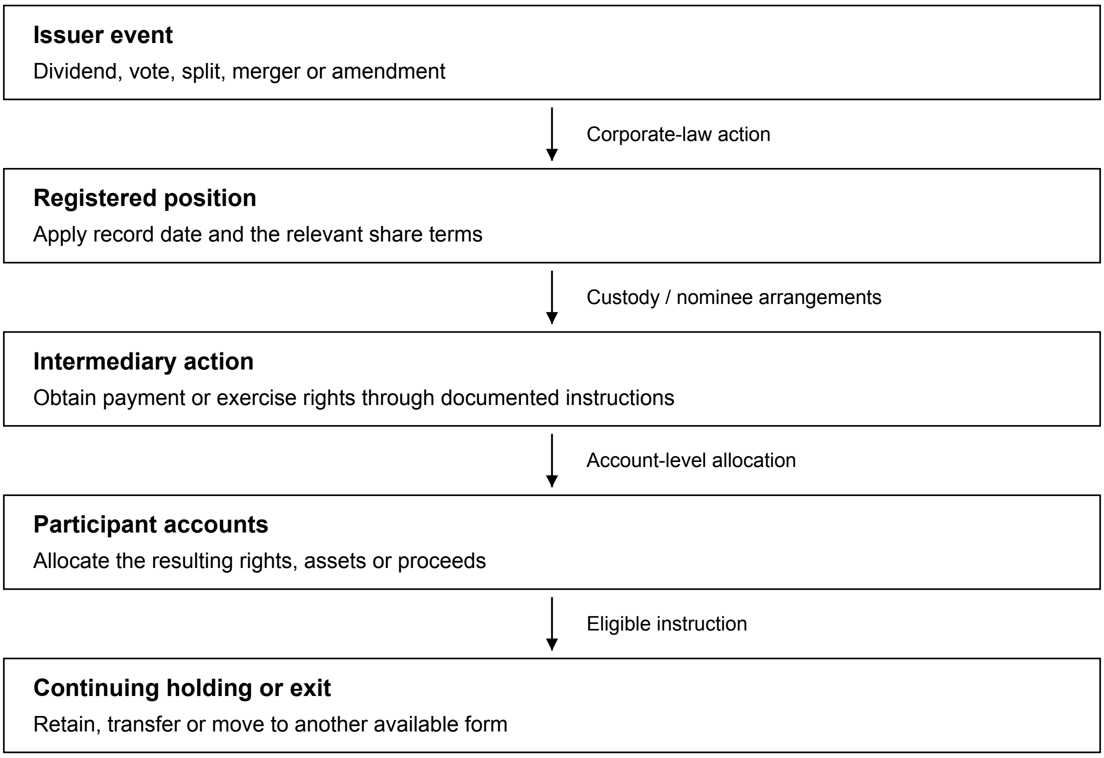
16. Delaware UCC: payments and exercise of rights. 6 Del. C. 8-505(a)-(b); 8-506; 8-509.

21. Delaware UCC: issuer treatment of registered owner. 6 Del. C. 8-207(a).

24. Delaware: proxies and stockholder inspection. 8 Del. C. 212(b)-(c); 220(a)(3), (b).

Corporate actions have to preserve the asset identity

FIGURE 04 / LIFECYCLE



Consider a two-for-one split in the illustrative 1,000-share position. The custody position becomes 2,000 shares, and the unit mapping or participant quantities must change consistently with the agreed asset specification. A merger paying cash instead of shares changes the property to be allocated. An amendment affecting only a preferred series cannot be applied indiscriminately to common-stock entitlements.

The relevant reference process connects the issuer's action notice, its effective or record date, the registered custody position, participant allocations and resulting account statements. The company and service providers need the same description of the event. Operational convenience cannot change the economics or consent rights attached to the underlying shares.

Exit is a change in the holding relationship

Section 8-508 addresses a holder's direction to change an entitlement into another available form for which the holder is eligible, or to transfer the financial asset to an account with another intermediary. Section 8-509 preserves relevant legal restrictions and rights arising from unfulfilled obligations. This is not an unconditional right to withdraw any asset at any time.[18]

An exit can therefore be a permitted transfer to another intermediary, registration in an eligible holder's name or another documented form. Each route has a different record change. The outgoing entitlement must not remain spendable after its supporting position leaves, and the receiving record must identify the correct asset and holder. Selling to another investor is a different route that requires a purchaser and a valid resale transaction; it is not guaranteed redemption by Street.

18. Delaware UCC: other forms of holding. 6 Del. C. 8-508; 8-509(c)-(d).

09 / ISSUER DILIGENCE

Failure scenarios and the approval decision

Review the architecture under stress and distinguish evidence of a legal right from evidence that an operating condition is met.

Missing assets and intermediary insolvency

FIGURE 05 / TRANSACTION

Exception detected
Missing payment, ineffective instruction or custody discrepancy

↓ Freeze the evidence trail

Preserve evidence
Trade, cash, entitlement and custody records

↓ Reconcile before changing ownership

Identify the legal state
Unsettled trade, wrongful transfer or asset shortfall

↓ Use the applicable agreement and law

Apply the relevant remedy
Contract process, entitlement restoration or insolvency claim

Section 8-503 generally treats the relevant financial assets as held for entitlement holders rather than as the intermediary's own property, subject to Section 8-511. The qualification matters: Section 8-511 addresses priority against competing secured creditors, including a creditor with control. Section 8-503(d)-(e) also limits recovery against transferees and governs specified shortfall circumstances. The legal position is more precise than a blanket bankruptcy-isolation promise.[15,19]

If there are 1,000 credited units but only 900 corresponding shares, the entitlement records have not proven a full reserve. The immediate factual issues are the asset discrepancy, relevant account tier, competing claims and available custody records. The legal response can involve restoration obligations, claims against the intermediary and insolvency procedures. Additional tokens do not cure the missing shares.[14,15]

15. Delaware UCC: property interest and asset maintenance. 6 Del. C. 8-503(a)-(c); 8-504(a)-(c).

19. Delaware UCC: insolvency and competing claims. 6 Del. C. 8-503(d)-(e); 8-511(a)-(c).

14. Delaware UCC: acquisition of a security entitlement. 6 Del. C. 8-501(a)-(c), (e).

SIPC protection is a separate analysis

SIPA defines both customer and security for its own purposes. The statutory security definition includes stock, while its treatment of investment contracts contains a registration qualification. The presence of a token or an Article 8 entitlement does not independently establish a protected SIPA claim. The actual asset, claimant, account relationship and failed intermediary matter.[41]

SIPC describes a protection limit of $500,000, including up to $250,000 for cash, subject to customer eligibility and account-capacity rules. Those advance limits do not cap the return of a customer's available property at $500,000. SIPC does not protect against investment-value decline. This guide makes no claim that a Street arrangement qualifies for a particular SIPC recovery or that any limit guarantees immediate access to assets; the actual carrying institution and account relationship govern that analysis.[42]

Nominee registration does not decide Section 12(g)

For an ordinary non-bank issuer, Rule 12g-1 uses fiscal-year-end assets and record-holder thresholds: assets above $10 million, and a class held by at least 2,000 persons or at least 500 persons who are not accredited, subject to applicable exclusions. Accreditation for this test is assessed at the relevant year end rather than simply carried forward from the original sale.[35]

Rule 12g5-1 starts with issuer records, but contains additional rules for voting trusts, deposit agreements and similar arrangements, and looks through structures primarily used to circumvent Sections 12(g) or 15(d). Its employee-compensation exclusion also has conditions; it does not follow every share indefinitely into unrelated purchasers' hands. The effect of Street's nominee arrangement therefore requires analysis of the actual instruments and holders, not a promise of unlimited beneficial owners behind one ledger entry.[36]

A liquidity window can raise tender-offer questions

Tender-offer classification depends on the actual solicitation and acquisition process. The Hanson Trust decision emphasizes the totality of circumstances rather than a mechanical label. Factors such as broad solicitation, a fixed offer, limited time, acquisition size and pressure on holders can be relevant. Describing a coordinated purchase program as a trading window does not determine the result.[40]

Regulation 14E applies to tender offers for securities within its scope even where Regulation 14D does not. Rule 14e-1 generally requires at least 20 business days, addresses certain changes with a further 10-business-day period, and requires prompt payment or return after termination or withdrawal. Rule 13e-4 has its own issuer definition and scope. These rules must be applied to the actual program; this guide does not classify every private-company secondary as a tender offer or exempt one categorically.[37,38,39]

41. SIPA: customer and security definitions. 15 USC 78lll(2), (11), (14).

42. SIPC: what SIPC protects. Limits, excluded investments, and no protection against market losses.

35. Rule 12g-1: registration thresholds. 17 CFR 240.12g-1(a), (b)(1).

36. Rule 12g5-1: record holders and look-through. 17 CFR 240.12g5-1(a)(1)-(3), (a)(8), (b)(1), (b)(3).

40. Hanson Trust PLC v. SCM Corp. 774 F.2d 47, 56-58 (2d Cir. 1985): totality-of-circumstances analysis.

37. Regulations 14D and 14E: scope. 17 CFR 240.14d-1(a).

38. Rule 14e-1: tender-offer timing and payment. 17 CFR 240.14e-1(a)-(d).

39. Rule 13e-4: issuer tender-offer scope. 17 CFR 240.13e-4(a)(1)-(2).

Once a bidder commences or takes substantial steps toward a tender offer, Rule 14e-3 adds a separate restriction on trading while possessing specified material nonpublic tender information. The rule includes requirements concerning knowledge and the source of the information, with conditions and exceptions. It is a separate inquiry from the duty-based analysis under Rule 10b5-1.[49,48]

The issuer's decision rests on a complete transaction file

The final decision connects five forms of evidence: authority over the shares and transfer rights; the exact asset and entitlement relationship; the applicable sale pathway and information package; the providers' roles and permissions; and the operational treatment of settlement, rights and exit. A legal citation establishes a rule. A signed agreement establishes the applicable contractual promise. A custody statement or completed reconciliation supplies evidence of performance. None does all three jobs.

The questions below are an agenda for that issuer-specific review. They are not a compliance score or a conclusion that the structure satisfies every securities, corporate, tax, accounting or Investment Company Act question. Where a vehicle, additional instrument, pooling arrangement or different asset is introduced, its effect belongs in the legal analysis rather than being absorbed into the original share description.

49. Material nonpublic tender-offer information. 17 CFR 240.14e-3(a)-(c).

48. Trading on material nonpublic information. 17 CFR 240.10b5-1(a)-(c).

REVIEW WORKSHEET

The issuer review checklist

Company / program: ______________________________ Review date: ____________

01 Asset and ownership

- [ ] What exact class, unit ratio and underlying custody position correspond to each entitlement?
- [ ] Which entity is the registered holder, and which entity owes the participant's Article 8 duties?
- [ ] Which signed terms establish governing law and the legal effect of the token and entitlement records?

Evidence / owner / open issue: ____

____

02 Company and third-party authority

- [ ] Which direct, indirect or beneficial transfers do the governing restrictions cover?
- [ ] Which parties hold each consent, ROFR or co-sale right, and how was each addressed?
- [ ] What activity falls within the authorization, and what change requires a new approval?

Evidence / owner / open issue: ____

____

REVIEW WORKSHEET / CONTINUED

The issuer review checklist

03 409A valuation and option grants

- [ ] How do the executed interest’s economics, aggregate transaction activity and available information compare with the stock and assumptions in the current valuation?
- [ ] Has the valuation adviser documented the effect on continued reliance, any refreshed assessment, concluded FMV and future grant dates?
- [ ] Do recurring liquidity or actual quotation and market-making arrangements change marketability assumptions or the applicable tax valuation framework?

Evidence / owner / open issue: ____

____

04 Offer, resale and information

- [ ] Which registration or exemption applies to this actual issuer or seller transaction?
- [ ] What purchaser, seller-history and information evidence satisfies that route?
- [ ] What separate quotation, disclosure, holder-counting and tender-offer analyses apply?

Evidence / owner / open issue: ____

____

REVIEW WORKSHEET / CONTINUED

The issuer review checklist

05 Providers and permissions

- [ ] Who performs transfer agency, brokerage, venue operation, custody and cash handling?
- [ ] What registrations, memberships, operating scope and agreements support each assigned function?
- [ ] What customer-protection and insolvency regimes apply to the actual asset and account relationship?

Evidence / owner / open issue: ____

____

06 Execution, settlement and recovery

- [ ] What establishes the transferable quantity, execution, settlement date and completed payment?
- [ ] How do trade, cash, entitlement and custody records reconcile?
- [ ] Who can correct an ineffective instruction, resolve a failed trade or address missing assets?

Evidence / owner / open issue: ____

____

07 Rights and exit

- [ ] How do holders receive distributions, exercise voting instructions and pursue information rights?
- [ ] How are record dates, class changes and corporate actions reflected across the records?
- [ ] What available, eligible exit routes exist, and what permissions, timing and costs apply?

Evidence / owner / open issue: ____

____

PUBLIC AUTHORITIES AND DOCUMENTATION

Sources and references

Numbered references identify the public authority or documentation associated with the text. A source supports the proposition cited; its inclusion does not establish approval of Street or verification of an operating arrangement.

01 Street Labs, Inc.: transfer-agent registration effectiveness

SEC EDGAR · 2026-08-20 · Company filing / notice of effectiveness

Form EFFECT; CIK 2141202; File 084-07093; effective 20 August 2026

https://www.sec.gov/Archives/edgar/data/2141202/999999999526002714/9999999995-26-002714-index.htm

02 SEC staff: tokenized securities taxonomy

SEC staff · 2026-01-28 · Staff views; no legal force

Third Party-Sponsored Tokenized Securities; Custodial Tokenized Securities; notes 2, 5, 13-15

https://www.sec.gov/newsroom/speeches-statements/corp-fin-statement-tokenized-securities-012826-statement-tokenized-securities

03 SEC: private secondary transactions

SEC · 2026-04-24 · Educational resource

What federal pathways are frequently used; restricted securities

https://www.sec.gov/resources-small-businesses/capital-raising-building-blocks/private-secondary-markets

04 Securities Act: sale and underwriter definitions

United States · Binding law

15 USC 77b(a)(3), (a)(11)

https://www.law.cornell.edu/uscode/text/15/77b

05 Securities Act: ordinary trading exemption

United States · Binding law

15 USC 77d(a)(1)

https://www.law.cornell.edu/uscode/text/15/77d#a_1

06 Securities Act: accredited-investor resales

United States · Binding law

15 USC 77d(a)(7), (d)(1)-(8), (e)(1)-(2)

https://www.law.cornell.edu/uscode/text/15/77d#d

07 Securities Act: resale information package

United States · Binding law

15 USC 77d(d)(3)(A)-(K), especially (G), (J) and (K)

https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title15-section77d&num=0&edition=prelim

08 Rule 144: resale safe harbor

United States · Binding law

17 CFR 230.144 preliminary note; (b), (c), (d), (e), (f), (h), (i)

https://www.law.cornell.edu/cfr/text/17/230.144

09 Rule 506(c): issuer offering conditions

United States · Binding law

17 CFR 230.506(a), (c)(1)-(2), (d)

https://www.law.cornell.edu/cfr/text/17/230.506

10 Regulation D: resale limitations

United States · Binding law

17 CFR 230.502(d)

https://www.law.cornell.edu/cfr/text/17/230.502

11 Rule 503: Form D notice

United States · Binding law

17 CFR 230.503(a)

https://www.law.cornell.edu/cfr/text/17/230.503

12 Securities Act: state-law treatment

United States · Binding law

15 USC 77r(b)(4)(D), (F); (c)

https://www.law.cornell.edu/uscode/text/15/77r

13 Delaware UCC: financial assets and intermediaries

Delaware General Assembly · Binding law

6 Del. C. 8-102(a)(9), (14), (17), (d); 8-103(a)

https://delcode.delaware.gov/title6/c008/sc01/index.html

14 Delaware UCC: acquisition of a security entitlement

Delaware General Assembly · Binding law

6 Del. C. 8-501(a)-(c), (e)

https://delcode.delaware.gov/title6/c008/sc05/index.html#8-501

15 Delaware UCC: property interest and asset maintenance

Delaware General Assembly · Binding law

6 Del. C. 8-503(a)-(c); 8-504(a)-(c)

https://delcode.delaware.gov/title6/c008/sc05/index.html#8-503

16 Delaware UCC: payments and exercise of rights

Delaware General Assembly · Binding law

6 Del. C. 8-505(a)-(b); 8-506; 8-509

https://delcode.delaware.gov/title6/c008/sc05/index.html#8-505

17 Delaware UCC: entitlement orders and corrections

Delaware General Assembly · Binding law

6 Del. C. 8-507(a)-(b); 8-509

https://delcode.delaware.gov/title6/c008/sc05/index.html#8-507

18 Delaware UCC: other forms of holding

Delaware General Assembly · Binding law

6 Del. C. 8-508; 8-509(c)-(d)

https://delcode.delaware.gov/title6/c008/sc05/index.html#8-508

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Delaware General Assembly · Binding law

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20 Delaware UCC: governing law and control

Delaware General Assembly · Binding law

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21 Delaware UCC: issuer treatment of registered owner

Delaware General Assembly · Binding law

6 Del. C. 8-207(a)

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22 Delaware: transfer and ownership restrictions

Delaware General Assembly · Binding law

8 Del. C. 202(a)-(c)

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23 Delaware: stock ledger and electronic records

Delaware General Assembly · Binding law

8 Del. C. 219(c); 224

https://delcode.delaware.gov/title8/c001/sc07/index.html

24 Delaware: proxies and stockholder inspection

Delaware General Assembly · Binding law

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25 Exchange Act: broker-dealer registration

United States · Binding law

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United States · Binding law

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27 Regulation ATS: registration and operating notice

United States · Binding law

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United States · Binding law

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30 Rule 15c2-11: quotations and public information

United States · Binding law

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Proposal to limit rule to equity securities; not an adopted exemption

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United States · Binding law

17 CFR 240.10b-5(a)-(c)

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United States · Binding law

17 CFR 240.15c6-1(a)-(b)

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United States · Binding law

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United States · Binding law

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United States · Binding law

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United States · Binding law

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38 Rule 14e-1: tender-offer timing and payment

United States · Binding law

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United States · Binding law

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United States · Binding law

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SIPC · Investor explanation

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Delaware General Assembly · Binding law

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Delaware General Assembly · Binding law

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SEC rule, reproduced by Cornell LII · Binding law

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50 Clearing agency: functions and exclusions

U.S. Code, reproduced by Cornell LII · Binding law

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US Treasury regulation, reproduced by Cornell LII · Binding law; presumption subject to specified conditions

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US Treasury regulation, reproduced by Cornell LII · Binding law

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US Treasury regulation, reproduced by Cornell LII · Binding law

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