

MAY 1 2 1982

RESPONSE OF THE OFFICE OF CHIEF COUNSEL  
DIVISION OF CORPORATION FINANCE

Re: Tokyu Building, Inc.  
Incoming letters dated December 24, 1980 and May 6, 1982

In your correspondence, you inquire when the holding period under Rule 144 would commence for a pledgee with respect to securities pledged by the issuer thereof as collateral for a construction loan. Your inquiry is prompted by the fact that Rule 144(d)(4)(D), which ordinarily applies to holding period questions arising in connection with pledge transactions, is expressly not applicable to situations in which the pledgor is also the issuer of the securities being pledged.

After consideration of the facts presented, it is the view of the Division that in the event of a default on the underlying construction loan, the holding period for the pledged securities would be deemed to have commenced on the date the lender, Tokyu Building, Inc. advanced funds to the borrower equal to or greater than the market value of the pledged securities. On that date, the lender would be deemed at full economic risk with respect to the pledged securities.

Sincerely,



Peter J. Romeo  
Chief Counsel

1933 Act/Rule 144(d)