

Via E-mail: rule-comments@sec.gov
Securities and Exchange Commission,
100 F Street, N.E., Washington, DC 20549-1090.
Attention: Vanessa Countryman, Secretary

March 10, 2021

Re: Rule 144 Holding Period and Form 144 Filings - File No. S7-24-20

Ladies and Gentlemen:

We applaud the Commission for putting forth the Proposed Rule 144 Holding Period and Form 144 Filings (“Proposal”) and appreciate the opportunity to comment. Our comments and analysis relate primarily to the request for comments in Sections I.C.2, II.D, and III.D of the Proposal.

The Proposal would meaningfully alter the reporting requirements surrounding the trades of corporate insiders reported on Form 144 and Form 4. Having studied the trading of corporate insiders for over a decade, written numerous academic studies on the topic, and consulted with multiple companies, counsels, and enforcement agencies, we believe that the Proposal will substantially benefit the public interest with minimal or no cost to filers.

We support the modernization of Form 144. Under the current rule, 99.3% of Form 144s are filed on paper every year (over 700,000 from 2001 to 2020). The Commission’s current practice is to retain hard copies of these paper filings for 90 days in the Commission’s Public Reading Room in Washington DC and not post them on EDGAR (see Exhibit 1 for an example of a Form 144). This arcane practice would be of little consequence if the information contained in Form 144s was of no interest to investors; on the contrary, the demand for information on these Form 144s is sufficiently high that data providers regularly visit the Reading Room to scan, digitize, and disseminate Form 144s to corporate clients. As a result, data on over 700,000 Form 144s is available from third-party data providers (e.g., The Washington Service and Thomson/Refinitiv) but not EDGAR. In effect, the Commission has created a two-tiered disclosure system that makes “public disclosure” accessible to large institutional clients, but inaccessible to individual investors. The Proposal would end this practice by mandating Form 144 be filed electronically on EDGAR.

We support the proposed changes to Form 4 filings and urge the Commission to (i) make the proposed Rule 10B5-1 check box on Form 4 mandatory, and (ii) add a required field for the respective 10B5-1 plan adoption date. These two features are already part of Form 144 and would harmonize reporting requirements across the two forms. The cost to the filer of such a requirement is negligible: if a trade is triggered by a 10B5-1 plan, then the adoption date is already on hand at the time of filing the Form 4, because said plan triggered the trade. The plan adoption date is of considerable value to investors, because it can be used to monitor insiders’ trading behavior.

In a recent [study](#) we use data on plan adoption dates scraped from digitized Form 144s to study over 20,000 10B5-1 plans. We find that more than 38% of plans adopted in a given quarter execute

a trade before that quarter's earnings announcement; 82% have cooling off periods less than six months; and that the trades of these plans systematically avoid large losses. We attribute the apparent abuse to the comparatively opaque reporting requirements surrounding 10B5-1 plans. Filers are not required to disclose this information on Form 4s, and while the information is reported on Form 144, the Commission is not digitizing or retaining the forms. Consequently, the Commission's ability to study and police 10B5-1 plans is severely limited. Requiring electronic filing of Form 144, and disclosure of 10B5-1 trades and adoption dates on Form 4 would provide the Commission and the public with the data necessary to conduct meaningful large-sample studies, risk assessments, and surveillance of 10B5-1 plans.

All evidence suggests that both the public and the Commission would benefit from these changes. Failure to adopt the Proposal means that more than 30,000 Form 144s would continue to be filed on paper each year, not posted to EDGAR, shielded from public scrutiny, and that the Commission would continue to have a meaningful deficiency in its ability to study and assess the risk of 10B5-1 plans. Paper filings do not protect investors, do not promote efficient and fair markets, and do not promote capital formation. Electronic reporting does all three—it ensures the public, capital providers, and the Commission have timely access to information about officers' and directors' transactions and data on their associated 10B5-1 plans.

The remainder of our letter proceeds as follows. Part I provides background and institutional details on the reporting requirements for Form 4 and 144. Part II comments on the value of the information reported on Form 144. Part III discusses the potential implications of current practices and proposed changes on the Commission's enforcement function. Part IV discusses the proposed changes to the design of Form 4.

Please feel free to contact Professor Daniel Taylor (dtayl@wharton.upenn.edu) if you have any questions about this letter. We welcome the opportunity to speak to the Commission concerning the proposal.

Sincerely,



David Larcker
Graduate School of Business
Stanford University
Director, Stanford Corporate Governance
Research Initiative



Daniel Taylor
The Wharton School
University of Pennsylvania
Director, Wharton Forensic Analytics Lab



Bradford Lynch
The Wharton School
University of Pennsylvania

Part I. Background on Current Reporting Requirements on Form 4 and Form 144.

In this section, we describe the institutional details surrounding Form 4 and Form 144. These institutional details provide the economic baseline we use to assess the costs and benefits of the proposed changes.

Form 4

Section 16 of the Exchange Act requires that officers, directors, and all 10% beneficial owners disclose their transactions in the company's securities on Form 4. Transactions can include option vesting, option exercises, stock sales, stock purchases, etc. The form contains information on the number of securities transacted and the transaction price. The filer is *not required* to indicate whether the transaction was pursuant to a Rule 10B5-1 trading plan and is *not required* to disclose the adoption date of such a plan (if used). Filers may, at their option, voluntarily disclose such information.

Current rules require the Form 4 be filed electronically on EDGAR within two business days of the transaction. Anyone wishing to look at the filing or gather information from it, need only download it from EDGAR.

Form 144

Under Securities Act Rule 144(h), an affiliate who intends to sell restricted securities of the company (e.g., restricted shares) during any three-month period that exceeds 5,000 shares or has an aggregate value of more than \$50,000, must file Form 144. In addition to disclosing the number of securities and transaction price, the filer is also *required* to disclose (i) the name of the broker executing the trade, and (ii) the adoption date of the 10B5-1 plan (if used). These requirements are unique to Form 144.

Unlike Form 4s, Form 144s can be filed electronically or on paper. When paper filings are received by the Commission, they are neither scanned nor uploaded to EDGAR. Rather, hard copies are retained in the Commission's Public Reading Room in Washington D.C. for 90 days. As the Proposal indicates, anyone wishing to read the filing needs to physically visit the Reading Room within 90 days of the filing or pay a third party to visit the Reading Room on their behalf. See Exhibit 1 for an example of a paper-filed, hand-written Form 144 for a sale of \$91 million on Sept 22, 2017 made pursuant to a 10B5-1 plan adopted Sept 18, 2017.

Given the difficulty with accessing these forms, commercial data providers send couriers to the Reading Room every few days to scan the forms, digitize them, and sell the data to corporate clients. For example, data on Form 144s is available from The Washington Service and Thomson/Refinitiv. Using data provided by these vendors, we independently replicated the Commission's analysis—over 99.3% of Form 144s in 2019 were filed on paper and not available on EDGAR. From 2001 to 2020, we find a total of over 700,000 paper-filed Form 144s detailing the planned trades of corporate insiders that do *not* appear on EDGAR.

Part II. Comments on the Value of Information Reported on Form 144

In this section, we respond to the request for comments in Sections I.C.2 and II.D of the Proposal concerning the value of the information reported on Form 144. The fact that commercial data providers send couriers to the Reading Room every few days to scan the forms, digitize them, and sell the data to corporate clients speaks to the considerable value of the information contained on these forms. There are four unique aspects of Form 144 that provide value to users:

- (1) **Mandatory disclosure of the 10B5-1 plan adoption date.** Form 144 requires the filer to provide the date of 10B5-1 plan adoption. Exhibit 2 shows two paper Form 144s for ProQR Therapeutics. From the first form, the user learns that JDG adopted a 10B5-1 plan on Feb 16, 2018, and the plan executed a \$490,000 sale the same day it was adopted.¹ From the second form, the user learns JDG adopted a 10B5-1 plan on Oct 30, 2018, and the plan executed a \$6.6 million sale the next week, on Nov 6.² Form 144 is the only form where 10B5-1 plan adoption date is required disclosure.
- (2) **Required for foreign issuers.** Form 144 is required to be filed by individuals affiliated with foreign entities listed on US exchanges. Because ProQR is a Dutch company listed on the NYSE, its affiliates are not subject to Form 4 reporting. Thus, Form 144s are the only source of public trade data on these individuals.
- (3) **Mandatory for all insiders.** Form 144s are required to be filed by individuals other than Section 16 insiders. For example, a lower level manager or staff member compensated with restricted shares (perhaps as a result of pre-IPO compensation) would be required to report the transaction on Form 144, but are not required to report on Form 4. Indeed, two months after Google's IPO, over 400 individuals filed Form 144 to sell restricted shares. Form 144 is the only data on the trades of these individuals.
- (4) **Broker disclosure.** Form 144 requires the filer to list the broker executing a trade. Our understanding is that this provides considerable information to stock brokers interested in prospecting for wealthy clients. For example, Exhibit 2 indicates JDG used Raymond James as its broker.

Because all of the above information is only available on Form 144, and 99.3% of such forms are filed on paper and not disseminated via EDGAR, the Commission's current practices have created a two-tiered disclosure system—where the information is available to large institutional clients of the data providers but inaccessible to investors who are unable to pay for access to the filings. To the best of our knowledge, this has been the status quo for more than two decades.

As the Commission noted in 1995 (SEC Release 33-7233, p. 2), "*Access to information through electronic means permits small investors to communicate quickly and efficiently with companies as well as with each other.*" In the intervening two decades, the cost of electronic communication

¹ ProQR subsequently announced earnings 12 days later on Feb 28, 2018 and prices declined by -4% over the subsequent two days.

² ProQR subsequently announced earnings the next day, on Nov 7, 2018 and prices declined by -10% over the subsequent two days.

has decreased to the point where maintaining paper filing is more costly than electronic filing. To that end, we urge the Commission to adopt the Proposal, and require electronic reporting of Form 144 on EDGAR.

Part III. Comments on the Potential Implications for Enforcement

In this section, we respond to the request for comments in Sections III.D of the Proposal, specifically “*whether the proposed collection of information is necessary for the proper performance of the functions of the agency.* (p. 65).”

One of the critical functions of the Commission is to enforce securities laws. The Proposal did not consider how the proposed changes would affect the performance of this function. Such a consideration is of paramount importance in light of considerable public outcry on corporate insiders’ use of Rule 10B5-1 trading plans, multiple academic papers suggesting widespread abuse, and multiple letters from Congressional leaders calling for scrutiny of these plans.³

Large-scale risk assessment and policing of 10B5-1 plans requires electronic data on plan adoption dates. However, the Commission currently *does not require* electronic disclosure of any of the details of 10B5-1 plans and associated trades. Even the current [bluesheet](#) specification used by the Commission for enforcement investigations does not track 10B5-1 trades. Thus, the data available to the Commission on these plans is extremely limited. If the current Proposal is *not* adopted, the Commission would be forced to rely on either filers’ voluntary disclosure (which prior research has shown is incomplete and strategic) and/or external data providers for digitized Form 144s.⁴

In a recent [paper](#) we studied the details of over 20,000 10B5-1 plans using data from digitized Form 144s obtained from The Washington Service. In contrast to conventional wisdom that these plans are benign, we found 82% have cooling off periods less than former chair Clayton’s recommended six month period, 49% cover only a single trade (not multiple trades spread out over time), and 38% executed a trade in the same quarter the plan was adopted, prior to the earnings announcement. Trades of these plans *systematically* avoided economically meaningful losses.⁵ Our conclusion was that these plans are subject to considerable abuse—presumably because the Commission is limited in its ability to conduct large-scale risk assessment and policing.

The findings of our study underscore that electronic disclosure of Form 144 should be a priority. Mandatory electronic filing of Form 144 would provide the Commission and the public with the machine-readable data necessary to meaningfully scrutinize these plans, conduct large-scale risk assessments, and allow for proactive surveillance—something critical to the healthy functioning of the agency. In the words of Justice Brandeis: “Sunlight is the best disinfectant.”

³ See Exhibit 3 for a list of academic studies providing empirical evidence, and the February 12, 2021 [letter](#) to Acting Chair Lee from Senators Warren, Brown, and Van Hollen for an example of letters from members of Congress.

⁴ See M. Todd Henderson, Alan Jagolinzer & Karl Muller, "Offensive Disclosure: How Voluntary Disclosure Can Increase Returns from Insider Trading," 103 *Georgetown Law Journal* 1275 (2015).

⁵ Single-trade plans with short cooling-off periods exhibit the highest average loss avoidance. On average, stock prices decline by more than –4% (relative to industry peers) after the trades of such plans.

Part IV. Comments on the Proposed Changes to the Design of Form 4

In this section, we respond to the request for comments in Sections I.C.2 and II.D of the Proposal concerning proposed changes to Form 4 and specifically questions 28, 29, and 38.

“28. Should we instead require Form 4 and Form 5 to indicate via check box whether any of their reported transaction were made pursuant to 10b5-1(c) rather than provide it as an option for the filer”

Yes. We urge the Commission to make the check box mandatory. The benefits to investors and filers from mandatory reporting of 10B5-1 trades outweighs the minimal cost to filers. With respect to the costs, reporting such information in a check box is not burdensome to filers. Filers are aware at the time of filing whether the trade is pursuant to a 10B5-1 plan. With respect to the benefits to filers, mandatory disclosure would shield otherwise well-intentioned filers from allegations of selective reporting of 10B5-1 trades.⁶ With respect to the benefits to the public, see our response to question 29 below.

“29. Would a Rule 10b5-1(c) checkbox on Form 4 or Form 5 provide meaningful information to investors and market participants.”

Yes, but only to the extent the checkbox is mandatory. Numerous academic papers show that the return patterns following 10B5-1 trades are materially different from those following non-10B5-1 trades (see footnote 3 for examples of such studies). These patterns reflect differences in how corporate insiders use 10B5-1 plans. On the one hand, if insiders use 10B5-1 plans as intended—for diversification and liquidity needs—then such trades should not predict subsequent stock returns to the same extent as non-10B5-1 trades. Alternatively, if 10B5-1 plans are being used opportunistically, then such trades should predict subsequent stock returns to a greater extent than non-10B5-1 trades. In either case, there is informational value to the public in being able to distinguish 10B5-1 trades from non-10B5-1 trades.

“38. Are there any other alternative approach we should consider and what are their economic benefits.”

We urge the Commission to require disclosure of the adoption date of the respective 10B5-1 plan on the Form 4. The cost to the filer of such a requirement is negligible: if a trade is triggered by a 10B5-1 plan, then the adoption date is already on hand at the time of filing the Form 4, because said plan triggered the trade. This change would harmonize Form 4 and Form 144 reporting requirements (concerning 10B5-1 plans). As a result, the type of securities being sold (e.g., restricted shares) would not dictate whether 10B5-1 related disclosure is needed. While the cost of disclosing the adoption date is negligible, the informational benefits (to the Commission and the public) are high. Both the Commission and public would have access to the adoption dates of *all* 10B5-1 plans used by Section 16 insiders. This data, in turn, would allow the public (and the Commission) to better scrutinize whether such plans are being used as intended and identify any outliers.

⁶ See M. Todd Henderson, Alan Jagolinzer & Karl Muller, "Offensive Disclosure: How Voluntary Disclosure Can Increase Returns from Insider Trading," 103 *Georgetown Law Journal* 1275 (2015).

Exhibit 1. Example of a Handwritten Form 144

COPY

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20540

FORM 144
NOTICE OF PROPOSED SALE OF SECURITIES
PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933

OMB APPROVAL	
OMB Number: 3235-0101	
Expires: June 30, 2020	
Estimated average burden hours per response: 1.00	
SEC USE ONLY	
DOCUMENT SEQUENCE NO.	
CUSIP NUMBER	

ATTENTION: Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.

1 (a) NAME OF ISSUER (Please type or print)	(b) US IDENT. NO.	(c) S.E.C. FILE NO.	WORK LOCATION
McKesson Corporation	94-3207296	1-13252	
1 (b) ADDRESS OF ISSUER	CITY	STATE	ZIP CODE
ONE Post St	SAN FRANCISCO	CA	94104
2 (a) NAME OF PERSON FOR WHOSE ACCOUNT THE SECURITIES ARE TO BE SOLD	RELATIONSHIP TO ISSUER	3 (a) ADDRESS STREET	CITY STATE ZIP CODE
John Hammergren	OFFICER	ONE Post St	SAN FRANCISCO CA 94104

INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.

3 (a) Title of the Class of Securities To Be Sold	(b) Name and Address of Each Broker Through Whom the Securities are to be Offered or Each Market Maker who is Acquiring the Securities	SEC USE ONLY (c) Broker-Dealer File Number	(d) Number of Shares or Other Units To Be Sold (See Instr. 3(f))	(e) Aggregate Market Value (See Instr. 3(f))	(f) Number of Shares or Other Units Outstanding (See Instr. 3(f))	(g) Approximate Date of Sale (See Instr. 3(f))	(h) Name of Each Securities Exchange (See Instr. 3(f))
Common	Merrill Lynch 181 CALIFORNIA ST SAN FRANCISCO CA 94111		579,000	9,104,000	20,260,531	9/22/17	NY

INSTRUCTIONS:
1. (a) Name of issuer
(b) Issuer's I.R.S. Identification Number
(c) Issuer's S.E.C. file number, if any
(d) Issuer's address, including zip code
(e) Issuer's telephone number, including area code
2. (a) Name of person for whose account the securities are to be sold
(b) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)
(c) Such person's address, including zip code
3. (a) Title of the class of securities to be sold
(b) Name and address of each broker through whom the securities are intended to be sold
(c) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)
(d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice
(e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer
(f) Approximate date on which the securities are to be sold
(g) Name of each securities exchange, if any, on which the securities are intended to be sold

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1147 (02-07)

TABLE I — SECURITIES TO BE SOLD

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

Title of the Class	Emergency Acquired	Name of Acquisition Transaction	Name of Issuer (If different from issuer above)	Amount of Securities Acquired	Date of Payment	Name of Payor
Common	9/21/17 9/22/17	Stock Option Exercise	ISSUER	301,000 278,000		

INSTRUCTIONS: If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

TABLE II — SECURITIES SOLD DURING THE PAST 3 MONTHS

Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

Name and Address of Seller	Title of Securities Sold	Date of Sale	Amount of Securities Sold	Other Proceeds

REMARKS:

INSTRUCTIONS: See the definition of "person" in paragraph (a) of Rule 144. Information is to be given only to the person for whose account the securities are to be sold but also to all other persons involved in that definition. In addition, information shall be given as to sales by all persons whose sales are required by paragraph (a) of Rule 144 to be reported to the Commission by the person filing this notice.

ATTENTION: The person for whose account the securities to which this notice relates are to be sold, by signing this notice that he does not know any material adverse information in regard to the issuer or the securities to be sold which has not been publicly disclosed. If such person has followed a written trading plan or given trading instructions to a broker, he shall so indicate on the Exchange Act, by signing the form and indicating the date that the plan was adopted or the date that trading under such representation ceases or the plan adoption or instruction date.

9/22/2017
DATE OF PLAN ADOPTION OR GIVING OF INSTRUCTION.

ATTENTION: Intentional misstatements or omission of material facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)

9/22/2017
DATE OF NOTICE
9/18/2017
DATE OF PLAN ADOPTION OR GIVING OF INSTRUCTION, IF RELYING ON RULE 144(b)(1)

Exhibit 2. Example of Two Form 144s by a Foreign Private Issuer

01147
Form #

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 144
NOTICE OF PROPOSED SALE OF SECURITIES
PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933

ATTENTION: Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.

1. (a) NAME OF ISSUER (Please type or print) ProQR Therapeutics NV		(b) IRS IDENT. NO. N/A	(c) S.E.C. FILE NO.
1. (a) ADDRESS OF ISSUER Darwinweg 24 2333 CR Leiden		CITY The Netherlands	STATE ZIP CODE
2. (a) NAME OF PERSON FOR WHOM ACCOUNT THE SECURITIES ARE TO BE SOLD JDG BV LLC (affiliate of Daniel de Boer)		RELATIONSHIP TO ISSUER CEO	(c) ADDRESS STREET CITY STATE ZIP CODE Darwinweg 24 2333 CR Leiden The Netherlands

OMB APPROVAL
OMB Number: 3235-0101
Expires: June 30, 2020
Estimated average burden
hours per response: 1.00

SEC USE ONLY
DOCUMENT SEQUENCE NO.
CUSIP NUMBER
N71542109
WORK LOCATION

(b) TELEPHONE NO.
AREA CODE NUMBER
310 854894932

INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.

1. (a) Title of the Class of Securities To Be Sold	1. (b) Name and Address of Each Broker Through Whom the Securities are to be Offered or Each Other Dealer Whom is Acquiring the Securities	SECUSE ONLY		3. (c) Number of Shares or Other Units To Be Sold (See instr. 3(c))	3. (d) Aggregate Market Value (See instr. 3(d))	3. (e) Number of Shares or Other Units Outstanding (See instr. 3(e))	3. (f) Approximate Date of Sale (MO., DAY, YR.)	3. (g) Name of Each Securities Exchange
		2. (a) Broker-Dealer File Number	2. (b) Name and address of each broker through whom the securities are intended to be sold					
Common	Raymond James & Associates, Inc. 880 Carillon Parkway St. Petersburg, FL 33716			140,266	490,931	31.9mm	2/16/2018	NASDAQ

INSTRUCTIONS:

1. (a) Name of issuer
- (b) Issuer's I.R.S. Identification Number
- (c) Issuer's S.E.C. file number, if any
- (d) Issuer's address, including zip code
- (e) Issuer's telephone number, including area code
2. (a) Name of person for whose account the securities are to be sold
- (b) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)
- (c) Such person's address, including zip code

3. (a) Title of the class of securities to be sold
- (b) Name and address of each broker through whom the securities are intended to be sold
- (c) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)
- (d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice
- (e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer
- (f) Approximate date on which the securities are to be sold
- (g) Name of each securities exchange, if any, on which the securities are intended to be sold

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

13A 01147 DCT

SEC 1147 (08-07)

TABLE I — SECURITIES TO BE SOLD
Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

Title of the Class	Date you Acquired	Nature of Acquisition/Transaction	Name of Person from Whom Acquired (If diff. also give date same acquired)	Amount of Securities Acquired	Date of Payment	Manner of Payment
Ordinary shares	11/14/2017	Acquired in the public offering	Issuer	134,936	11/14/2017	cash

INSTRUCTIONS: If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

TABLE II — SECURITIES SOLD DURING THE PAST 3 MONTHS
Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

Name and Address of Seller	Title of Securities Sold	Date of Sale	Amount of Securities Sold	Gross Proceeds
JDG B V LLC Zernikedreef Leiden 2333CK Netherlands	Common	2/16/2018	5,330	18,328.81

REMARKS: Sales made pursuant to a 10b5-1 plan dated 2/16/2018. The proceeds of this sale are intended for private

INSTRUCTIONS:

See the definition of "person" in paragraph (a) of Rule 144. Information is to be given not only as to the person for whose account the securities are to be sold but also as to all other persons included in that definition. In addition, information shall be given as to sales by all persons whose sales are required by paragraph (c) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

ATTENTION: The person for whose account the securities to which this notice relates are to be sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the issuer of the securities to be sold which has not been publicly disclosed. If such person has adopted a 10b5-1 trading plan or given trading instructions to another Rule 10b5-1 under the Exchange Act, by signing the form the person certifies that the plan was adopted or the instruction given, that person makes such representation as of the date of the plan adoption or instruction.

2/20/2018

2/16/2018 DATE OF NOTICE

DATE OF PLAN ADOPTION OR DIVING OF INSTRUCTION IF RELYING ON RULE 10b5-1

(SIGNATURE)

The notice shall be signed by the person for whose account the securities are to be sold. At least one copy of the notice shall be manually signed. Any copies not manually signed shall bear typed or printed signatures.

ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)

13A 01147 DCT

SEC 1147 (03-08)

01147

Form #

SEC
Mail Processing
Section

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3233-0101
Expires: June 30, 2020
Estimated average burden
hours per response: 1.00

NOV 05 2018

FORM 144
NOTICE OF PROPOSED SALE OF SECURITIES
PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933

SEC USE ONLY
DOCUMENT SEQUENCE NO.

CUSIP NUMBER
N71542109

ATTENTION: Transmit for filing 3 copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.

406

1. (b) NAME OF ISSUER (Please type or print) ProQR Therapeutics NV		3) ISS IDENT. NO. N/A	5) S.E.C. FILE NO.
1. (c) ADDRESS OF ISSUER Zernikedreef 9, 2333CK Leiden The Netherlands		CITY The Netherlands	STATE ZIP CODE
1. (d) NAME OF PERSON FOR WHOSE ACCOUNT THE SECURITIES ARE TO BE SOLD JDG BV LLC (affiliate of Daniel de Boer)		RELATIONSHIP TO ISSUER CEO	6) ADDRESS STREET Zernikedreef 9, 2333CK Leiden The Netherlands CITY STATE ZIP CODE

WORK LOCATION

7) TELEPHONE NO.
AREA CODE
310
NUMBER
884894932

INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.

3. (a) Title of the Class of Securities To Be Sold	3. (b) Name and Address of Each Broker Through Whom the Securities are to be Offered or Each Market Maker who is Acquiring the Securities	SEC USE ONLY 4. (c) Broker-Dealer File Number	4. (d) Number of Shares or Other Units To Be Sold (See instr. 3(d))	4. (e) Aggregate Market Value (See instr. 3(d))	4. (f) Number of Shares or Other Units Outstanding (See instr. 3(d))	4. (g) Approximate Date of Sale (MO., DAY, YR.)	4. (h) Name of Each Securities Exchange
Common	Raymond James & Associates, Inc. 880 Carillon Parkway St. Petersburg, FL 33716		300,000	3,900,000	38.7mm	11/6/2018	NASDAQ

- INSTRUCTIONS:
- (a) Name of issuer
 - (b) Issuer's I.R.S. Identification Number
 - (c) Issuer's S.E.C. file number, if any
 - (d) Issuer's address, including zip code
 - (e) Issuer's telephone number, including area code
 - (a) Name of person for whose account the securities are to be sold
 - (b) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing)
 - (c) Such person's address, including zip code
 - (a) Title of the class of securities to be sold
 - (b) Name and address of each broker through whom the securities are intended to be sold
 - (c) Number of shares or other units to be sold (if debt securities, give the aggregate face amount)
 - (d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice
 - (e) Number of shares or other units of the class outstanding, or if debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer
 - (f) Approximate date on which the securities are to be sold
 - (g) Name of each securities exchange, if any, on which the securities are intended to be sold

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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TABLE I — SECURITIES TO BE SOLD

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

Title of the Class	Date you Acquired	Nature of Acquisition Transaction	Name of Person from Whom Acquired (If applicable, also give date donor acquired)	Amount of Securities Acquired	Date of Payment	Nature of Payment
Ordinary shares	02/21/2012	Acquired at incorporation of company	issuer	300,000	02/21/2012	Cash

INSTRUCTIONS: If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a note thereto the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged in full or the last installment paid.

TABLE II — SECURITIES SOLD DURING THE PAST 3 MONTHS

Furnish the following information as to all securities of the issuer sold during the past 3 months by the person for whose account the securities are to be sold.

Name and Address of Seller	Title of Securities Sold	Date of Sale	Amount of Securities Sold	Gross Proceeds
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REMARKS:

INSTRUCTIONS: See the definition of "person" in paragraph (c) of Rule 144. Information is to be given not only as to the person for whose account the securities are to be sold but also as to all other persons included in that definition. In addition, information shall be given as to sales by all persons whose sales are required by paragraph (e) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

10/30/2018

ATTENTION: The person for whose account the securities to which this notice relates are to be sold hereby represents by signing this notice that he does not know any material adverse information in regard to the current and prospective operations of the issuer of the securities to be sold which has not been publicly disclosed. If such person has adopted a written trading plan or given trading instructions in reliance on Rule 10b5-1 under the Exchange Act, by signing the form and indicating the date that the plan was adopted or the instruction given, that person makes their representation of the plan adoption or instruction date.

10/30/18 DATE OF NOTICE
DATE OF PLAN ADOPTION OR GIVING OF INSTRUCTION, IF APPLICABLE UNDER RULE 10b5-1

The notice shall be signed by the person for whose account the securities are to be sold. At least one copy of the notice shall be manually signed. Any copies not manually signed shall bear typed or printed signatures.

ATTENTION: Intentional misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)

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SEC 1147 (02-08)

Exhibit 3. Examples of Academic Studies offering Empirical Evidence on Rule 10B5-1 Plan and Associated Trades

- Henderson, M.T., Jagolinzer, A., & Muller, M. (2015). Offensive Disclosure: How Voluntary Disclosure Can Increase Returns from Insider Trading. *Georgetown Law Journal*, 103, 1275-1306.
- Jagolinzer, A. (2009). SEC Rule 10b5-1 and Insiders' Strategic Trade. *Management Science*, 55, 224-239.
- Larcker, D., Lynch, B., Quinn, P., Tayan, B., & Taylor, D., (2021). Gaming the System: Three Red Flags of Potential 10b5-1 Abuse" *Stanford Closer Look Series*, 1-17.
- Lee Y-J., (2020). Insiders' Foreknowledge of Earnings Results and Rule 10b5-1 Sales Trades. *Journal of Accounting, Auditing & Finance*. forthcoming.
- Mitts, J., (2020). Insider Trading and Strategic Disclosure. *Columbia Law and Economics Working Paper No. 636*.
- Shon, J., & Veliotis, V., (2013). Insiders' Sales Under 10b5-1 Plans and Meeting or Beating Earnings Expectations. *Management Science* 59, 1988-2002.