

Sky Quarry Inc (SKYQ) IPO Frequently Asked Questions

As you may know, Sky Quarry Inc went public on the Nasdaq.

In an effort to help all shareholders who own shares, this guide is designed to walk you through the necessary steps you must take to transfer your shares held in either certificated form or “Book Entry” (electronic form) from Colonial Stock Transfer into your stock brokerage account (called a “DRS Transfer”). You will notice links throughout the document that will guide you to forms or take you directly to the answers to those questions.

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What is Book Entry?

Book entry is a method of tracking ownership of securities where no physically engraved certificate is given to investors. Securities are tracked electronically, rather than in paper form, allowing investors to trade or transfer securities without having to present a paper certificate as proof of ownership.

When an investor purchases a security, they receive a holdings statement instead of a certificate and the information is stored electronically.


In this guide, we'll walk you through exactly what to do to get ready for a DRS Transfer should Sky Quarry complete their public listing and become a tradable security.

How do I transfer shares to my brokerage account?

Step 1) Locate your Colonial Account Statement

If you have your Colonial statement, then proceed to Step 2.

If you do not have your statement, you can do one of the following:

1. **(Preferred Quickest Option)** If you have logged into Colonial's shareholder portal and can view your Sky Quarry holdings online, then you can print or save a PDF printout of your account summary page from your shareholder login page at <https://sh.colonialstock.com/Account/Login/>. This will show your Colonial account number and the number of shares owned of Sky Quarry, which is what your broker will need to process the DRS request. Look for a () icon on the left of your holdings and click/tap it to download your statement.
2. To request your Colonial holdings statement, please send an email to shareholders@colonialstock.com with the Subject line as "Sky Quarry Statement Request" and in the body of the email, please list the full

shareholder name. Due to the high volume of inquiries, the turnaround time for this may be approximately 2-5 business days.

How do I register for online access so that I can view my Sky Quarry shares and download my PDF statement?

If you have not registered for online access on Colonial's shareholder platform you will need your account number and your web PIN. This can be obtained on your most recent shareholder statement. You can also search your emails for a recent email from Colonial with the subject line "Web Registration Instructions".

If you would like us to resend your Web Registration Instructions, please send an email to shareholders@colonialstock.com with the Subject line as "Sky Quarry Web Registration Instructions" and in the body of the email, please list the full shareholder name.

Step 2) Pay the \$40 DRS Transfer Fee

Once you have retrieved your account statement, you will need to pay a \$40 fee to transfer the securities to your brokerage account.

To pay this fee, [click here now](#). You will see a screen that looks like the screenshot below.

Colonial Stock Transfer

Processing of DRS Share Transfer to Broker

\$40.00

4 interest-free payments of \$10.00 with **Klarna** ⓘ

In connection with Sky Quarry

Contact information

✉ email@example.com ⓘ

🇺🇸 (800) 555-0175 ⓘ

Colonial Account Number

Colonial Account Name

Payment method

 Card Amazon Pay Cash App Pay Klarna

Card information

1234 1234 1234 1234 ⓘ

MM / YY

CVC ⓘ

Cardholder name

Full name on card

Choose your preferred form of payment and follow the instructions on screen.

Step 3) Instruct your broker to request your shares via the DRS system.

US brokerage firms are very familiar with the DRS system and should have no issues processing your DRS. Processing times will vary depending upon the brokerage firm. Some state that the process takes 5 business days, and some state that it can take up to 4 weeks. Colonial has no control over when your broker enters the DRS request. Once they enter the request, Colonial will plan to process the request within 3 business days.

International brokerage firms are often not as savvy with the DRS process, and some may not offer the service at all. If that is the case, you can also transfer your shares to your broker via the DWAC system. But doing so will require you to fill out a [DWAC request form](#) and obtain a Medallion Signature Guarantee. (See [What is a Medallion Signature Guarantee?](#)).

DRS is the preferred method of transfer, as it does not require you to obtain a Medallion Signature Guarantee. See also: [Potential Issues for Non-US Investors](#)

If you do not already have a broker, you will need to open an account. While we don't endorse any specific broker, some of the largest brokerage firms are:

- Charles Schwab: [Use this link to open an account](#)
- Fidelity Investments: [Use this link to open an account](#)
- E*TRADE (Morgan Stanley): [Use this link to open an account](#)
- Merrill Edge: [Use this link to open an account](#)
- Vanguard: [Use this link to open an account](#)
- Interactive Brokers: [Use this link to open an account](#)
- Tasty Trade: [Use this link to open an account](#)

Most brokers will, in one way or another, force you to call (or email) a specific department in order to complete a DRS transfer. In addition, your broker will likely need to initiate the transfer on your behalf, from the Transfer Agent into your brokerage account.

Generally speaking, you will be asked for the following information:

- The Transfer Agent's name, DTC number, and address: Colonial Stock Transfer, DTC# 7918, 7840 S 700 E, Sandy, UT 84070
- Your name and address as registered with the transfer agent
- Your account number at the transfer agent – some brokerage firms state that they require 10 digits for the transfer agent account number. Colonial's account numbers are not a set number of digits. So, if your account number is fewer than 10 digits, you can enter zeroes at the front of the number to get to 10 digits.
- The name of the stock (Sky Quarry, Inc), its ticker symbol (SKYQ) and the CUSIP (83087C204)
- The number of shares you want to transfer
- Your Social Security Number or Tax ID Number (and any other additional security questions they need to confirm your identity)

Step 4) Colonial Approves DRS

Once your broker requests the DRS, Colonial will see the request and approve it if the Social Security Number or Tax ID and Colonial account number listed on the DRS request match Colonial's records.

Step 5) Your shares should now be in your account.

Please contact your broker if you don't receive them within the normal processing timeframes listed above.

I already have Colonial web access but need to link my Sky Quarry account to my online profile, how do I do that?

If you already have an existing Colonial Stock web user account and are a U.S. investor, you can add this account to your online profile by clicking on your username in the upper right corner of the site. Then click 'Manage Account.' Next to Accounts, click 'Add Other Accounts to My Profile.'

Then enter your PIN, SSN, and Account Number to add the account. Non-US investors can email shareholders@colonialstock.com with your account numbers and we will link them within two (2) business days.

If I have restricted shares, how do I remove the restrictions?

If you are not an "affiliate", meaning that you are not an officer, director or 10% shareholder of Sky Quarry, and have owned stock in Sky Quarry for more than 12 months, you can remove the restrictions on your shares

through Colonial Stock Transfer using Rule 144. To do so, please send the following to Colonial Stock Transfer:

1. Restriction Removal Instructions and 144 Sellers Representation Letter. You can download the form by clicking [here](#).
2. Legal opinion from a reputable securities attorney.
3. Subscription agreement or consulting agreement.
4. Proof of payment from original purchase such as wire confirmation or copy of check.
5. Submit restriction removal fees of \$200 for the first restriction removal and \$20 additional for each additional book entry or certificate position listed in the same shareholder name.
6. If you have a stock certificate, you will also need to submit that with your restriction removal request.
7. Please send the forms in one package to Colonial Stock Transfer by mail or courier at 7840 South 700 East, Sandy, Utah 84070. If you do not have physical stock certificates and your shares are held electronically in book entry form, you can send your request in via email to restrictedstock@colonialstock.com
8. Upon receipt of items 1-7, Colonial will submit your restriction removal request to Sky Quarry for their approval.

After the restrictions have been removed from your shares, Colonial will send you an updated holdings statement, which you will provide to your brokerage firm. Then proceed with [Step 3](#) above to transfer shares to your brokerage firm.

If you are an affiliate, meaning that you are an officer, director or 10% shareholder of Sky Quarry, please contact Colonial by emailing restrictedstock@colonialstock.com for further directions.

Potential Issues with Self Directed IRAs

If you invested in this offering using your retirement funds via a self-directed IRA (SDIRA), you may run into a few problems.

If you use a Custodian Controlled SDIRA – for example, AltoIRA, Madison Trust, Equity Trust, Directed Trust, or New Direction Trust Company – oftentimes, these firms are not registered as a broker dealer, cannot facilitate ACATS transfers or DWAC transfers, and do not have the capability of selling/trading on our platform.

What are ACATS transfers?

ACATS (Automated Customer Account Transfer Service) transfers are a method of moving securities from one brokerage account to another at a different firm electronically. Instead of manually transferring each asset, ACATS automates the process, allowing for efficient and standardized transfers of various investment products.

When an investor initiates an ACATS transfer, they complete a Transfer Initiation Form (TIF) with the receiving firm, and the transfer is processed electronically through the ACATS system.

ACATS transfers are facilitated by the National Securities Clearing Corporation (NSCC) and are available to NSCC-eligible members and Depository Trust Company (DTC) member banks. The process typically takes 3-6 business days to complete and is governed by FINRA Rule 11870, which requires firms to expedite and coordinate transfer activities.

What is DWAC?

DWAC (Deposit/Withdrawal At Custodian) is an electronic method of transferring securities between a broker-dealer and the Depository Trust Company (DTC). It allows for the direct movement of shares between a transfer agent and a brokerage firm, bypassing the need for physical certificates.

When an investor initiates a DWAC transaction, the shares are electronically transferred to or from their brokerage account, with the DTC acting as the intermediary.

DWAC transactions are facilitated by the DTC's FAST (Fast Automated Securities Transfer) system, which allows for quick and efficient transfers of securities. This process typically takes only a few days, compared to the weeks it might take with traditional physical certificate transfers.

As a result, this means you will need to go through a multi-step (and very manual) process of retitling your shares to a DIFFERENT retirement account – which you may have a brokerage account opened up for already – and then DRS transfer your shares into that other retirement account.

Here's how you can retitle shares at Colonial Stock Transfer:

1. Complete the Transfer Instruction Letter:
 - Download the Transfer Instruction Letter form from Colonial Stock Transfer's website or click [here](#).
 - Fill out all sections (A-G) of the form.
 - In Section A, provide the current owner's name and certificate information.
 - In Section B, include the new registration details (names, addresses, and Tax ID numbers for all individuals receiving shares).

2. Sign the Transfer Instruction Letter:
 - All currently registered owners must sign the form.
 - If transferring to parties other than those listed on the stock certificates, obtain a Medallion Signature Guarantee.

3. Include executed Share Purchase Agreement:

- Because you were not issued physical stock certificates, you will need to send in the executed share purchase agreement along with the Transfer Instruction Letter.
4. Provide payment:
 - Include a check payable to Colonial Stock Transfer for the applicable fees listed in Section G of the Transfer Instruction Letter.
 5. Additional documents (if applicable):
 - For transfers from business entities: Include a copy of the Corporate Resolution, Partnership Agreement, or LLC Certification.
 - For transfers involving trusts: Include relevant trust documentation.
 - For transfers from deceased shareholders: Include additional forms as specified in Colonial's FAQ page.
 6. Submit the documents:
 - Mail all required documents to Colonial Stock Transfer's address.
 - It's recommended to use a courier service (e.g., FedEx, UPS) for secure delivery.
 7. Processing time:
 - Colonial usually takes 1-3 business days to process the request and return certificates.
 - Rush requests can be processed on the same day for an additional \$125.00 fee.

If you are using a Checkbook Controlled IRA, LLC – one of the biggest problems can be simply finding a custodian who will open up an account for this type of entity.

After much investigation, it appears that [TastyTrade](#) is the only major brokerage platform that will open accounts for an IRA structured as an LLC with checkbook control.

If for any reason you cannot resolve the issue of getting a brokerage account opened, you can retitle the shares as per the previous instructions.

Potential Issues for Non-US Investors

If you are a non-US citizen – and you do not have a US-based brokerage account – you may run into some challenges with the DRS transfer to a non-US broker.

The first thing you'll need to do is ensure that your brokerage is eligible for DRS transfers. This means that the brokerage must be a DTC participant, possess a **PSP (Profile Surety Program) number**, and have the capability to handle DRS positions.

Next, contact your non-US broker to inform them of your intention to transfer shares via DRS.

It's essential to ask about their specific requirements and procedures for such transfers, as they may need to collaborate with a custodian or clearing firm that has DTC access.

Once you have the necessary information, provide your brokerage with the company's CUSIP number, your shareholder account number, taxpayer identification number, and the name in which the shares are registered.

Additionally, specify the number of shares you wish to transfer

To initiate the transfer, if your brokerage participates in the DRS Profile system, they can request the shares electronically. If they do not participate

in this system, you may need to send written instructions directly to the transfer agent.

In some cases, you might also need to provide a Medallion Signature Guarantee from a financial institution for these written instructions.

Be prepared for potential challenges during this process, as non-US brokers may have limited experience with DRS transfers.

If you encounter difficulties with a direct DRS transfer, consider transferring the shares first to a US-based brokerage before moving them to your non-US brokerage. Throughout this entire process, maintaining clear communication with both your brokerage and the transfer agent is crucial for a smooth transfer experience.

How to contact Colonial for further questions

Option 1 (preferred method): Please send an email to shareholders@colonialstock.com. But please know that response times could be delayed due to the high volume of inquiries.

Option 2: You can call our office at 801-355-5740. You will have the option to be transferred to our virtual assistant on a dedicated Sky Quarry line. The assistant can send you pertinent forms or instructions and answer questions in a natural manner.