

TO OBTAIN A STAMP SURETY BOND, FOLLOW THESE SIMPLE STEPS:

- STEP 1.** Complete, sign and date the *Application for STAMP Surety Bond*. The name of the Applicant must be the **full legal name of the institution**. No abbreviations are permitted, unless they are abbreviated as such in the legal name of the institution.
- STEP 2.** Complete and sign the *STAMP Surety Bond*. Both Item 1 and Item 3 must list the **full legal name of the institution** (no abbreviations) as Guarantor/Principal. Item 1 must be the **physical address** (no P.O. boxes). Insert the **requested limit** and **aggregate limit** (twice the “per transaction” limit). Everest Reinsurance Company will complete Item 2 and execute the form as Surety.
- STEP 3.** Complete the *Program Application* for Kemark Financial Services and sign the *Supplement to Subscription Agreement*. Again, the name of the Applicant must be the **full legal name of the institution**. No abbreviations are permitted, unless they are abbreviated as such in the legal name of the institution.
- STEP 4.** Sign and have notarized the *Indemnity Agreement*. The Name of Guarantor must be the **full legal name of the institution**. The address must be a **physical address** (no P.O. Boxes). Make sure the **notarization date is the same as the signer’s date**.
- STEP 5.** Complete the *Equipment Order Form*. Equipment can not be shipped to a P.O. box. The manufacturer will invoice you directly, including shipping and handling charges. For RUSH delivery, check the box on the right hand side of the form.
- STEP 6.** Return all *original completed and signed documents and checks* to:

ABA Insurance Services Inc.
5910 Landerbrook Drive, Suite 100
Mayfield Heights, OH 44124

BE SURE TO INCLUDE:

- **Application for STAMP Surety Bond.**
- **STAMP Surety Bond**
- **Program Application & Subscription Agreement (including Supplement to Subscription Agreement)**
- **Indemnity Agreement**
- **Equipment Order Form**
- **Subscription Fee (\$495 payable to Kemark)**

Prior to mailing, you may fax these documents to ABA Insurance Services at 1-800-456-6590 to be reviewed for accuracy; we will advise as to any changes that need to be made to the original documents.

Once you receive Kemark’s Acceptance (a signed copy of the *Subscription Agreement*), a copy of the *STAMP Surety Bond form* executed by the Insurer, and your Program Medallion Imprint equipment, you may begin guaranteeing signatures.

Questions? Call ABA Insurance Services at 1-800-274-5222.

Thank you for your business!

PROGRESSIVE CASUALTY INSURANCE COMPANY

APPLICATION FOR STAMP SURETY BOND

FDIC No. _____

Legal Name of Applicant (no abbreviations): _____

Street Address: _____ City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Name of Contact Person: _____ Title: _____ Email: _____

1. The Applicant is a (please check):

- Bank
 Savings Bank
 Savings & Loan/Thrift
 Trust Company*
 Other* (specify) _____

**Please provide most recent annual report or external audit report.*

2. Asset size: \$ _____

3. Primary Financial Institution Bond Carrier: _____ Expiration Date: _____

4. Financial Institution Bond limit: \$ _____

5. Financial Institution Bond Agreement E (Securities Forgery) Limit: \$ _____

6. During the past 3 years has the Applicant or any Subsidiary been placed under or, to the best of your knowledge, does management anticipate any:

- i. type of formal enforcement action, order or agreement; or YES NO
 ii. memorandum of understanding requiring public disclosure as set forth by securities law? YES NO

7. Is the Applicant an ABA member? YES NO

8. Does, or will, the Applicant permit its STAMP imprint equipment to be used by any Subsidiaries or other entities? YES NO

If "yes," please attach a list of all other users and indicate whether those entities are Subsidiaries.

9. Requested STAMP Surety Bond limit: \$ _____ (Limits available up to \$5,000,000)

The STAMP Surety Bond should be equal to the largest security transaction to be guaranteed by the Applicant. The following are minimum limits required by Kemark:

GROSS ASSETS	MINIMUM BOND LIMIT
up to \$500MM	\$100,000
\$500-\$2,000MM	\$250,000
\$2,000-\$3,000MM	\$500,000
\$3,000-\$4,000MM	\$750,000
over \$4,000MM	\$1,000,000

THE APPLICANT REPRESENTS THAT THE INFORMATION FURNISHED IN THIS APPLICATION IS COMPLETE, TRUE, AND CORRECT. ANY MISREPRESENTATION, OMISSION, CONCEALMENT, OR INCORRECT STATEMENT OF A MATERIAL FACT, IN THIS APPLICATION, SHALL BE GROUNDS FOR THE RESCISSION OF ANY BOND ISSUED IN RELIANCE OF SUCH INFORMATION.

Name _____ Title _____ Date _____

MC.20424.A

**PROGRAM APPLICATION & SUBSCRIPTION AGREEMENT
FOR FINANCIAL INSTITUTION ENROLLEES**

I. FINANCIAL INSTITUTION APPLICATION

Applicant/Guarantor's

Name _____ Telephone _____ FAX _____

Address/City/State/Zip _____

Name of Contact Person _____ Telephone _____ FAX _____

Address/City/State/Zip _____

Indicate your association memberships: _____

Total Gross Assets: \$ _____ Financial Institution Blanket Bond Limit: \$ _____

Name of Your Primary Blanket Bond Carrier: _____ Bond Deductible: \$ _____

Annual* Program Subscription Fee (non-refundable) \$495 Your Financial Institutional Numbering System (FINS#): _____

Estimated number of signature guarantees you expect to perform each year: _____

Please attach check for the annual SUBSCRIPTION FEE (\$495) payable to: KEMARK FINANCIAL SERVICES, INC.

**Note: The initial fee covers the first 13 months from date of inception; thereafter the fee is paid annually.*

II. FINANCIAL INSTITUTION SUBSCRIPTION AGREEMENT

KEMARK FINANCIAL SERVICES, INC.

One Blue Hill Plaza, 11th Floor

P.O. Box 1686

Pearl River, NY 10965-8686

We wish to act as a STAMP guarantor and are providing you herewith, as the STAMP Program Administrator, our signed STAMP Indemnity Agreement and executed STAMP Surety Bond.

We understand that the safe and effective administration of STAMP depends on our strict compliance with certain obligations imposed on all STAMP guarantors. Accordingly, for good and valuable consideration, we do hereby confirm our commitment to the following, which, when accepted by you, will constitute an agreement between us and all STAMP participants:

1. We have paid herewith an initial non-refundable fee of \$495 covering the first 13 months after our acceptance into STAMP. We will pay a subsequent non-refundable annual (12 months) fee prior to each anniversary of the date of our acceptance into STAMP, in an amount to be billed to us 90 days in advance. Our failure to remit the annual fee to the Program Administrator prior to any such anniversary date will result in the automatic termination as of such date of our right to act as a STAMP guarantor.

2. We will at all times assure the full safeguard and control of all STAMP imprint equipment provided to us, and will notify the Program Administrator immediately in the event of theft, loss, destruction or disappearance of such STAMP imprint equipment. We acknowledge that we have no property interest in such STAMP imprint equipment, whether imprint plate(s) or handstamp imprint plate(s), and that our right to use such STAMP imprint plate(s) and handstamp imprint plate(s) is at all times conditioned on our strict compliance with this Subscription Agreement, with our STAMP Indemnity Agreement and with all procedures promulgated for STAMP.

3. Within three (3) business days after receipt of a demand for indemnity under our STAMP Indemnity Agreement, we will acknowledge receipt in writing. Such acknowledgement will contain the name, address and telephone number of the individual in our organization authorized to handle the demand. We acknowledge that our failure to satisfy a demand within ten (10) business days after receipt will constitute a default under our STAMP Indemnity Agreement, entitling the participant to present the demand as a claim under our STAMP Surety Bond.

4. Prior to January 31st of each year, we will report in writing to the Program Administrator the number of demands made on us during the preceding calendar year by STAMP participants under our STAMP Indemnity Agreement, specifying in such report the name of each such participant and the dollar amount of each such demand.

5. We will promptly return to the Program Administrator all STAMP imprint plate(s) and handstamp imprint plate(s) provided to us, in the event of the termination of our right to act as a STAMP guarantor for any reason, including the termination of our STAMP Surety Bond.

6. We will strictly comply with all procedures for STAMP promulgated by the Program Administrator.

7. Our failure at any time strictly to comply with this Subscription Agreement, with our STAMP Indemnity Agreement and with all procedures promulgated for STAMP shall be cause for the immediate termination of our right to act as a STAMP guarantor.

8. This Subscription Agreement shall be deemed a New York contract and shall be governed as to all matters whatsoever, whether of validity, interpretation, obligation, performance or otherwise, exclusively by the laws of the State of New York applicable to agreements made and fully to be performed in the State of New York, and all questions arising with respect thereto shall be determined in accordance with such laws.

9. Regardless of where actually delivered, this Subscription Agreement shall be deemed to have been accepted in the State of New York.

10. We irrevocably consent to the jurisdiction of any state or federal court located in the State of New York for all disputes arising out of or relating to this Subscription Agreement. We agree that venue for any proceedings shall be exclusively in such state or federal court and waive (a) any objection to venue and (b) any right to require any change of venue. We further agree that service of process in any proceedings may be made by certified mail, return receipt requested, directed to us at our office address indicated above.

11. Should legal action against us be necessary to compel our compliance with this Subscription Agreement, with our STAMP Indemnity Agreement or with any procedures promulgated for STAMP, including without limitation our obligation to return to the Program Administrator all STAMP imprint plate(s) and handstamp imprint plate(s) provided to us in the event of the termination of our right to act as a STAMP guarantor for any reason, we expressly (a) consent to the immediate issuance against us of injunctive relief in any such action and (b) agree to indemnify the persons taking such action against all costs and expenses thereof.

Very truly yours,

Name of Applicant/Guarantor

By: _____

Authorized Signature (Officer or Partner)

Title: _____

TO BE COMPLETED BY PROGRAM ADMINISTRATOR

Accepted: Kemark Financial Services, Inc.

Program Administrator

By: _____ Dated: _____, 20____

Robert F. McKeon, Chairman

Supplement to Program Application and Subscription Agreement

The Program Subscription Agreement, which forms part of the Program Documents, obligates each member organization to “at all times assure the full safeguard and control of all STAMP imprint equipment provided to [it,]” and reflects the organization’s acknowledgement that it has “no property interest in such STAMP imprint equipment.” Central to these concerns is the principle that imprint equipment is issued exclusively on an individual guarantor basis, and, as a matter of safety and security for all participants, must not be made available by a guarantor for use by persons with whom the guarantor does not have an actual employer/employee relationship, a practice known as “medallion lending.”

In order to further clarify the above principle, your organization is required to make the following very important representations in connection with the completion of the Program Documents:

1. The STAMP imprint equipment that will be issued to your organization will be made available by it only for use by its employees who are under its direct supervision and control, and not by independent contractors, regardless of whether or not the latter are under the organization’s “supervisory jurisdiction.” (The fact that an individual receives a Federal Income Tax Form W-2, instead of a Form 1099, from the organization at year-end is a material consideration in determining who will qualify as an employee for these purposes.)
2. Your organization will not otherwise engage in the practice known as “medallion lending,” including entering into arrangements with The Depository Trust & Clearing Corporation in which its imprint equipment is required to be made available for use by DTCC.
3. Your organization will advise the Program Administrator of any use of STAMP imprint equipment contrary to the above representations, and will comply with any Program supplemental documentation that may be required in instances in which there has been or may be a potential for violation of the prohibition against “medallion lending.”

By its signature below, your organization will be deemed to have made the above representations and to have expressly acknowledged that a breach of any of these will, itself, constitute a violation of Program procedures and grounds for the immediate termination of its right to continue to act as a STAMP guarantor.

UNDERSTOOD AND ACKNOWLEDGED

Name of Applicant/Guarantor

By: _____
Authorized Signature (Officer or Partner)

Title: _____

**INDEMNITY AGREEMENT
FOR FINANCIAL INSTITUTION ENROLLEES**

To any issuer of securities, transfer agent, registrar, redemption agent, depository, trustee, paying, distributing or disbursing agent, bank, trust company, credit union, savings institution, mutual fund, broker/dealer, or similar financial services institution, and their respective legal representatives, successors and assigns (collectively, "Agents and Issuers"):

The undersigned ("Guarantor") has adopted (a) a STAMP Imprint for the purpose of executing guaranties of signatures (within the meaning of Section 8-306 of the Uniform Commercial Code) and for the purpose of executing other certifications and guaranties incident to the transfer, payment, exchange, purchase or delivery of securities, including, but not limited to, erasure guaranties and one-and-the-same guaranties, and (b) a STAMP Attorney Release Imprint for the purpose of executing powers of substitution. The STAMP Imprint and the STAMP Attorney Release Imprint are collectively referred to as the "Imprint."

In consideration of Agents and Issuers interposing no objections to the use of the Imprint for the purposes set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor does hereby, for itself and its successors and assigns, covenant and agree (a) to indemnify and hold harmless Agents and Issuers, and their officers, directors, agents and employees, in whatever capacity they may act, from and against any and all claims (whether groundless or otherwise), losses, liabilities, damages and expenses, including, but not limited to, costs, disbursements and counsel fees (whether incurred in connection with such claims, losses, liabilities, damages and expenses or in connection with the enforcement of any rights hereunder), arising out of or in connection with the transfer, payment, exchange, purchase or delivery of securities in reliance upon the Imprint, or, if Guarantor's negligence shall have contributed substantially thereto, an impression or imprint resembling or purporting to be the Imprint, when used as aforesaid; and (b) to indemnify and hold harmless

(insert the name of the Surety Company)

as Surety, from and against any and all claims, losses, liabilities, damages and expenses, including, but not limited to, costs, disbursements and counsel fees, by reason of its having acted in accordance with the STAMP Surety Bond which it has executed in

favor of Agents and Issuers.

Guarantor will not assert as a defense against any claim for indemnity hereunder any law, ordinance or regulation of any jurisdiction outlawing or prohibiting the use of the Imprint as aforesaid, or assert any defense that the Imprint was *ultra vires*, which defenses are hereby expressly waived. Agents and Issuers will have no responsibility to authenticate or otherwise verify the Imprint's manual or facsimile signature, but shall be required to conduct themselves, when relying upon the Imprint, in a commercially reasonable manner.

This Indemnity Agreement will not be effective in respect of the Imprint, if the certificate representing the securities transferred, paid, exchanged, purchased or delivered in reliance thereupon is not genuine.

This Indemnity Agreement shall be deemed a New York contract and shall be governed as to all matters whatsoever, whether of validity interpretation, obligation, performance or otherwise, exclusively by the laws of the State of New York applicable to agreements made and fully to be performed in the State of New York, and all questions arising with respect thereto shall be determined in accordance with such laws.

Regardless of where actually delivered, this Indemnity Agreement shall be deemed to have been accepted by Agents and Issuers in the State of New York.

Guarantor hereby irrevocably consents to the jurisdiction of any state or federal court located in the State of New York for all disputes arising out of or relating to this Indemnity Agreement. Guarantor hereby agrees that venue for any proceedings shall be exclusively in such state or federal court and waives (a) any objection to venue and (b) any right to require any change of venue. Guarantor further hereby agrees that service of process in any proceedings may be made by certified mail, return receipt requested, directed to Guarantor at its address indicated below.

IN WITNESS WHEREOF,

Guarantor Has Duly Executed This

Indemnity Agreement this _____ day of _____, 20__

(Name of Guarantor)

By: _____ (Seal)

Authorized Signature (Officer or partner)

Title: _____

Address: _____

**ACKNOWLEDGEMENT
(When Guarantor is a Partnership)**

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, 20__ , before me personally came _____, to me known, and known by me to be a member of the firm of _____

_____ described in and which executed the foregoing instrument, and he/she duly acknowledged to me that he/she executed the said instrument in the name of said firm and for its purposes and on its behalf.

_____ Notary Public

My commission expires _____

**ACKNOWLEDGEMENT
(When Guarantor is a Corporation)**

STATE OF _____ }
COUNTY OF _____ } ss.

On this _____ day of _____, 20__ , before me personally came _____, to me known, who being by me duly sworn, did depose and say: that he/she resides at _____; that he/she

is the _____ of _____, the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

_____ Notary Public

My commission expires _____

ANSWERS TO QUESTIONS YOU MAY HAVE

- **What is STAMP?**

STAMP is the official signature guarantee program recognized by all major financial associations and endorsed by The Securities Transfer Association representing the largest transfer agencies both in the United States and Canada.

- **Who is protected by the STAMP Surety Bond?**

Transfer Agents and others who rely on a Program Guarantor's guarantees are protected against loss from wrongful endorsement should a Program Guarantor be unwilling to meet or incapable of meeting its obligation under the Indemnity Agreement.

- **How is the Subscription Fee applied?**

The Annual Subscription Fee that a Program Guarantor pays to become part of STAMP is used by the Program Administrator to manage the Program on behalf of all participating financial institutions and the 1,700 registered Transfer Agents in the United States and Canada.

Up to 40% of the Subscription Fee will go to the purchase of a specifically designed "Blanket Legal Liability Policy" which provides additional insurance protection over and above what is afforded under STAMP Surety Bonds or any other available insurance. The Blanket Legal Liability Policy covers Securities Transfer Association members who rely on signature guarantees made by Program Guarantors.

The Blanket Legal Liability Policy sits over a Program Guarantor's STAMP Surety Bond limit. The Blanket Policy protects Transfer Agents in instances where a claim exceeds the limit provided under the STAMP Surety Bond and other available insurance. It would also respond where the primary Surety Bond and other insurance limits become exhausted because of multiple claims involving a single Program Guarantor and a number of Transfer Agents.

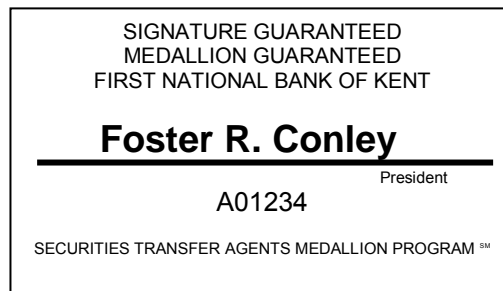
- **What Surety Bond Limit must a Guarantor maintain?**

Each Guarantor shall provide and maintain a STAMP Surety Bond issued by EVEREST REINSURANCE COMPANY.

The amount of the Surety Bond must be equal to or greater than the largest security transaction to be guaranteed by the financial institution.

- **What will the STAMP imprint look like?**

FACSIMILE SIGNATURE



MANUAL SIGNATURE



- **Will Guarantors need to furnish Signature Authorization Cards to Transfer Agents?**

No! Signature Authorization Card files will no longer be maintained by Transfer Agents.

- **What other guarantees and certifications are covered by STAMP?**

STAMP covers all types of guarantees and certifications, including "erasure guarantees" and "one-and-the-same guarantees" which are sometimes required. For an erasure guarantee, simply affix the STAMP imprint at or near the place in question. A specific imprint for "erasure guarantee" and a specific imprint for "powers of substitution" are available for those that require them (see the enclosed Equipment Order Form).

- **Why is there a need for the STAMP Program?**

It offers all financial institutions equal and non-discriminatory access to securities transfer processing. The guarantees of Program Guarantors will be automatically accepted for processing by Transfer Agents and others, thus avoiding the delays and embarrassments caused by rejected guarantees.

Also, the need for third-party re-guarantees is finally eliminated.

- **What are the obligations of a Guarantor leaving the Program for whatever reasons?**

The Guarantor is required to return any STAMP Imprint Plates or Hand Stamp Imprint Plates to the Program Administrator, who will then notify all Transfer Agents concerning this change in status.

- **Where do we obtain additional information about STAMP?**

Call the Program Administrator:
KEMARK FINANCIAL SERVICES
Phone: (845) 620-9300
Fax: (845) 620-9340
or
ABA INSURANCE SERVICES
Phone: (800) 274-5222
Fax: (800) 456-6590