

MEMO# 11809

April 13, 2000

STAMP, INC. ANNOUNCEMENT - INTRODUCING MEDALLION STAMP 2000 PROGRAM

1 The STAMP Medallion program was organized in 1992 when Rule 17Ad-15 of the Securities Exchange Act of 1934 was adopted. Rule 17Ad-15 prohibits inequitable treatment of eligible guarantor institutions, requires transfer agents to establish written standards for the acceptance of signature guarantees, and enables transfer agents to establish procedures stating that they may reject transfer requests if the guarantor is neither a member, nor a participant, in a signature guarantee program. Transfer agents who rely on a guarantee from a member of a signature guarantee program are protected against loss from wrongful endorsements if the guarantor is unwilling to meet, or is incapable of meeting its financial obligations under its program's indemnity agreement. STAMP is open to all eligible guarantors. [11809] April 13, 2000 TO: BANK AND TRUST ADVISORY COMMITTEE No. 11-00 BROKER/DEALER ADVISORY COMMITTEE No. 7-00 OPERATIONS COMMITTEE No. 10-00 TRANSFER AGENT ADVISORY COMMITTEE No. 21-00 RE: STAMP, INC. ANNOUNCEMENT - INTRODUCING MEDALLION STAMP 2000 PROGRAM

Attached is a letter from Andy Massa, President of STAMP, Inc. (the Securities Transfer Agents Medallion Program)¹ to industry transfer agents, announcing the implementation of a new STAMP Program Medallion beginning June 1, 2000. STAMP and Kemark Financial Services (the Program Administrator) have been working over the last two years with the Securities and Exchange Commission and industry representatives to develop a more secure Medallion. The new Medallion imprint has security features designed to deter counterfeiting, and bar code technology will be available to facilitate automated processing which will assist in the detection of STAMP Medallions which have been reported as lost, stolen or missing. STAMP plans to replace all Medallions in circulation with guarantors by January 1, 2002. The replacement process will begin June 1, 2000, however, transfer agents are not expected to see significant numbers of new imprints until well after implementation begins. Details about new equipment available to transfer agents, including costs, maintenance and ordering information will be forthcoming from STAMP. A Task Force of the Institute's Transfer Agent Advisory Committee will be assisting STAMP over the next few months with the testing of these new devices on sample documents. The Task Force is also assisting STAMP with the development of a question and answer document for Transfer Agent program participants, which will address transition related issues for the old and new Medallions. This project is expected to be completed within the next few months with the distribution of the question and answer document to Institute members as soon as it becomes available. The Institute will continue to forward information regarding STAMP 2000 as the new program is implemented. Kathleen C. Joaquin Director - Transfer Agency &

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