

Signature Guarantee Guidelines and FAQ

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Purpose of the Medallion Program

To verify the authenticity of all signatures of persons requesting transfers - exclusively in the context of Securities transfers. Those accepting the transfers must rely on responsible third parties (Guarantors) who will vouch for these endorsements.

Per the Uniform Commercial Code, the Medallion Imprint is used "... for the purpose of executing guarantees of signatures and for the purpose of executing other certifications and guarantees incident to the transfer, payment, exchange, purchase, delivery of securities..."

The Signature Guarantee function carries transaction liability and is far more significant than a Notary. Medallion Guarantors have the dual responsibility of protecting Investors from fraud while minimizing their institutional liability.

NOTE: Guarantors are the best and last chance to avoid investor fraud.

Definitions

Term	Definition
Cetera	Cetera Wealth Services, LLC Cetera Advisors LLC Cetera Financial Specialists LLC Cetera Investment Services LLC Cetera Investment Advisors LLC Avantax Planning Partners, Inc. However, you may only signature guarantee applicable documents under the broker dealer (or Cetera RIA) listed above in which you are registered. For example, if you are registered with Cetera Wealth Services, LLC, you may not signature guarantee documents for Cetera Advisors LLC unless you are registered with Cetera Advisors LLC as well.
Client or Customer	A person or entity who has an existing account or continuing relationship with Cetera. Existing Account An example of having an existing account - They have clearing or directly held account statements showing Cetera as the broker dealer / RIA of record. Continuing Relationship Meaning the client has an ongoing relationship requiring an agreement for services to be provided on an ongoing basis. If there is a continuing

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	relationship, it means that the client would be provided an initial and annual privacy notices from Cetera.
Appropriate Person	Under the Uniform Commercial Code, the appropriate person to endorse is: • The person listed on the security certificate or mutual fund or, • If deceased, their executor or trustee or, • If incapacitated or applicable - their guardian, conservator or other similar representative who has power under other law to transfer the security or financial asset.
Guarantor	You (acting on behalf of Cetera)
Security	• Securities are "shares, participations, or other interests in the property or an enterprise of an Issuer." • A security is represented by an instrument which is in 'book entry' or certificated form and is issued in the name(s) of a person(s) entitled to the security or to certain rights represented by the security. • "The instrument must be commonly traded on securities exchanges or in securities markets or commonly recognized as a medium for investment where it is issued or traded." • Examples of securities include, but are not limited to, stocks, bonds, and mutual funds.
Kemark Financial Services	The Program Administrator
Medallion Signature Guarantee Stamp	The signature guarantee stamp, also referred to as "The Medallion Program", "Signature Guarantee", "Third Party Medallion" or "Stamp"

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Guarantors (Authorized Stamp Users)

Responsibility of Guarantors

- Endorse only signatures of individuals where an existing account relationship exists with Cetera.
- Maintain documents reviewed to establish the validity of the signature.
- Keep your Stamp safe.
 - Do not allow anyone else, who is not approved, to use your stamp.
 - Keep it locked up when not in use.
 - Lost stamps must be reported immediately to thirdpartymedallion@cetera.com.

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Liability of Guarantors

- When you use the Medallion Signature Guarantee Stamp, you make the warranty that the signature you guaranteed was genuine, was the appropriate person and that they had the legal capacity to sign.
- When Cetera enrolled in the Medallion Program, it signed a document known as an Indemnity Agreement. Basically, this Indemnity Agreement makes your institution liable for any losses that might result if the warranties of the Uniform Commercial Code are breached.
- This means that if the Transfer Agent relies on the Medallion you placed on a document and liquidates a security, and if the signature turns out to be a forgery, or if the person requesting the liquidation did not have the authority to make that request, Cetera will be held responsible.

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Signatures

Methods Allowed

May be manual, electronic or facsimile

Signature Warranties

When a Medallion is placed on a document, the Guarantor institution is certifying:

- The signature was genuine.
- The signer was an appropriate person to endorse.
- The signer had legal capacity to sign which means the Guarantor has a copy of the legal documents confirming the capacity.
 - Executor - Letters of Testamentary or Letters of Administration (when there is no will)
 - Trustee – Excerpts of the Trust which would include the full name of the trust (typically the first page or title page of the trust); the date the trust was created; the names of the current and successor trustee(s); and the signature page(s)
 - Guardian – Court order appointing guardianship
 - Conservator – Court order appointing a conservatorship
 - Power of Attorney – Power of Attorney document dated within last 3 years. If the POA is more than 3 years old, it must be submitted with the Power Of Attorney Affidavit and Indemnification form.

Requirements to Endorse Signatures

- The client(s) / customer(s) must have an account or a continuing relationship with Cetera.

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- The document being endorsed must be related to Cetera business (i.e., an account in which a Cetera firm is broker dealer or investment adviser of record on, or the transfer / rollover of assets will be going to an existing Cetera account).
- At the time of endorsement, ask for a photo ID of all signers.
- Ask for evidence of ownership of the asset involved: Stock Certificate or Mutual Fund Statement.
- Determine if the asset is jointly owned.
- All owners of the security should be present and endorse documents in your presence. In joint ownership situations, do not attempt to limit the Medallion with a written statement that says "guaranteeing only the signature of..." This will not limit your liability.
- Determine that the endorser(s) have achieved the age of majority for their state of residence and that they appear to be in control of their affairs.
- When an endorser is acting in a capacity other than that of the registered owner, such as executor, trustee, attorney-in-fact or other legal capacity, documents showing proof of their authority to endorse, such as trust agreements, power of attorney forms, court appointment paperwork, or corporate resolutions should be examined.
- Retain copies of the documents examined.
- All forms must be completed in entirety. Do not place your Medallion on a blank form or incomplete document.
- Do not date a Medallion. This disqualifies the Medallion and may cause the Transfer Agent to reject the transaction.

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Allowable Uses

- Individual is a client of Cetera with an existing account or client relationship
- The document being endorsed is a securities transfer, change in ownership (or name if applicable) or a liquidation.
- The asset being transferred, showing a change of ownership or being liquidated is defined as a security. Assets under the definition of a security are:
 - Stocks
 - Bonds
 - Mutual Funds
 - Savings Bonds (or any Government Debt Obligation)
 - Unit Investment Trusts
 - Other investment vehicles that meet the definition of a security

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Impermissible Uses

- Stamping the signature of an individual or entity that is not a client of Cetera with an existing account or client relationship.
- The document is not part of a securities transfer, change in ownership or liquidation.
- Stamping the signature of a beneficiary who is not a client of Cetera, will not become a client of Cetera, and will only receive funds directly from the deceased owner's account.

In these instances, you should direct the individual to their local bank or other institution where they have an account relationship.

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Steps to Determine if Stamp may be used

Step 1 – Establish whose signature you will be stamping.

Is the individual a Cetera client / customer, meaning the individual has an account relationship with Cetera?

- ✓ If yes, proceed to Step 2.
- ✓ If no, does the individual meet the definitions of an Appropriate Person?
 - If yes, proceed to Step 2
 - If no, you may not stamp the signature. Direct the individual to their local bank or other institution where they may have an account relationship.

Step 2 – Establish what document you will be guaranteeing the signature on.

Is it a document used to transfer, change ownership or liquidate a security?

- ✓ If yes, proceed to the next question.
- ✓ If no, you may not stamp the signature. Direct the individual to their local bank or other institution where they may have an account relationship.

Is the underlying asset a security*?

* A stock, bond, mutual fund, savings bond (or any government debt obligation), unit investment trust or other investment vehicles that meet the definition of a security.

- ✓ If yes, proceed to the next question.
- ✓ If no, you may not stamp the signature. Direct the individual to their local bank or other institution where they may have an account relationship.

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Is the transaction in connection with an account that Cetera is broker dealer or investment adviser of record*?

* A transfer or change of ownership must be to or from an account that Cetera is broker dealer or investment adviser of record or if a liquidation, it must be in an account that Cetera is broker dealer or investment adviser of record.

- ✓ If yes, proceed to the next question.
- ✓ If no, you may not stamp the signature. Direct the individual to their local bank or other institution where they may have an account relationship.

Are there any accompanying documents that need to be endorsed?

- ✓ If yes, proceed to the following information on guaranteeing signatures on accompanying documents.
- ✓ If no, proceed to Step 3.

Accompanying Papers

The Medallion Stamp can be used to certify copies of documents that accompany the transfer of securities. When used in this manner, the presence of the Medallion stipulates:

- The accompanying document is a true and exact copy of the original, and the original is still in full force and effect.
- The accompanying Power of Attorney is a true and correct copy of the original, and the original is still in full force and effect.

The Medallion imprint will certify accompanying papers, such as Powers of Attorney, Corporate Resolutions, birth or death certificates, or trust agreements, when placed directly on the papers, in addition to being placed below the signature of the endorser of the security or the originator of an instruction regarding a security, where it serves its guarantee of signature function.

Step 3 – Determine the dollar value that you will be guaranteeing.

Stocks

Document Guaranteeing	Calculating Transaction Amount
All certificates with the same CUSIP Number presented to the Issuer or Transfer Agent at the same time.	Determine the number of shares involved and multiply by the current price of a share.

Example: A customer owns 1,000 shares of ABC Company stock which he wants to transfer to his daughter.

- Check the per share price on the Internet.

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- The stock is listed as selling for \$125 per share.
- Multiply 1000 shares by \$125 to get \$125,000.
- This \$125,000 is the total amount of the transaction.

Bonds

Document Guaranteeing	Calculating Transaction Amount
All certificates with the same CUSIP Number presented to the Issuer or Transfer Agent at the same time.	Obtain most recent shareholder account statement.

Mutual Funds

Document Guaranteeing	Calculating Transaction Amount
Presentation of a single written instruction requesting the redemption of shares or a dollar amount of a single fund	Obtain most recent shareholder account statement.
A single written request for a wire transfer (redemption) of funds from a single fund	

Example: A customer wants to liquidate his Mutual Fund account.

- Request the most recent account statement from the customer.
- According to the statement, the fund is worth \$50,000.

Savings Bonds (or any Government Debt Obligation)

Document Guaranteeing	Calculating Transaction Amount
All certificates with the same CUSIP Number presented to the Issuer or Transfer Agent at the same time.	Obtain most recent shareholder account statement.

Unit Investment Trusts

Document Guaranteeing	Calculating Transaction Amount
All certificates with the same CUSIP Number presented to the Issuer or Transfer Agent at the same time.	Obtain most recent shareholder account statement.

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Transaction Dollar Amounts

If the dollar amount of the transaction exceeds the amount of your STAMP Surety Bond, the Transfer Agent may reject the item.

Alpha Prefix on Your Stamp	Bond Limit	Stamp Location
A	\$1M	Field OSJ
Z	\$10M	Home Office

If a transaction exceeds your Stamp limit, you may submit the document to the Home Office to Stamp.

Support or Questions

If you have any questions on physical stamps, STAMPeSource, supplies, such as ink, please email: thirdpartymedallion@cetera.com

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Frequently Asked Questions

Can I endorse the signature of a beneficiary who is not a current client and does not have, nor intend to have, a continuing relationship with Cetera?

No. While a beneficiary, by definition, is a successor under law, they don't have the legal capacity to sign on behalf of an account owner. The beneficiary is the one to receive the assets. The executor, conservator, guardian or trustee would be an individual – outside of the account owner – who would fall under the definition of an appropriate person.

Further, the Stamp training lists that the requirement to “know your customer”. The person, whose signature is guaranteed must have an account or a continuing relationship with Cetera. Since the beneficiary doesn't fall under the definitions and guidelines, and – in the scenario that they aren't a customer or a legal representative – we would not be able to guarantee their signature. While convenient for the beneficiary, signature guaranteeing for a person who isn't a customer of the firm does present risks for both coverage and continued use of the Signature Guarantee program. A solution to this would be for the beneficiary to use their bank to obtain a signature guarantee.

Please remember, if the beneficiary does open a Cetera account, then you could guarantee the signature since they would have an account.

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Can I endorse the signature of a beneficiary who is a current client with Cetera?

Yes. If a beneficiary is also a current client of Cetera – meaning they have an account in their name – then you may guarantee their signature.

Can I endorse the signature of an individual that intends to transfer assets to Cetera but does not have an existing account with Cetera

No, the individual must have an existing account with Cetera in order to have their signature endorsed.

Can I endorse the signature of an individual that intends to transfer assets to Cetera and, to do so, has opened an account with Cetera?

Yes. As long as the client has an open Cetera account.

What scenarios require additional documentation before stamping?

Those situations where you are stamping the signature – that is an Appropriate Person – but is not the owner.

Situations requiring this additional review include, but are not limited to the following:

- Transfer by an Executor or Administrator after the death of a single owner.
- Transfer by a surviving joint owner after the death of a co-owner.
- Transfers by Custodians or Guardians on behalf of beneficial owners.
- Transfers by Corporations, Partnerships, Limited Liability Companies, Associations, etc.
- Transfer by an Attorney-in-Fact.

If I guarantee a signature that turns out to be a forgery, will I be held personally liable for the full amount of the loss?

Yes.

If a stock is held in the name of a corporation and I receive a request to guarantee the signature of a person who cannot sign for the corporation, but who is employed by the corporation, may I do so?

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No. You may only signature guarantee for those listed on the Corporate Resolution having the authority to sign on behalf of the corporation.

If a stock certificate is issued in the name of a minor with the mother as custodian and the father signs the certificate, may I guarantee the father's signature?

No. While the father is not the appropriate person to sign the certificate. Only the mother, as custodian, could do so.

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