

**Q. What is a Transfer Agent?**

- A. A Transfer Agent is a third party selected by an issuing company to maintain records of investors and account balances. They also manage transactions, cancel and issue certificates, to process investor mailings and to deal with any associated problems) (i.e. lost or stolen certificates).

**Q. What is a registered stockholder or shareholder?**

- A. A registered stockholder is an Investor who holds stock in a company directly versus through a broker or brokerage account

**Q. How can an Investor have their securities or stocks held?**

- A. Individual investors have three choices on how their securities are held:
1. Your securities are registered in your name on the issuing company's books and you receive a Physical Stock Certificate.
  2. Your securities are held in book-entry/electronic form under direct registration by the company issuing your securities or their Transfer Agent.
  3. Your broker/dealer holds your securities in book-entry form directly on their books and records. This is also known as a "street name" registration.

**Q. What is a Physical Stock Certificate?**

- A. A Physical Stock Certificate is a security registered in your name on the books of the issuing company. If you own a Physical Stock Certificate, you receive an actual, hard copy stock or bond certificate representing your ownership of the security.

**Q. What are the differences in the various forms for holding securities?**

- A. When a Physical Stock Certificate is registered in an Investor's name, the Investor is responsible for keeping track of and safeguarding it. If an Investor decides to sell the shares, the certificate would normally have to be presented to a broker/dealer to be sold. Having Physical Stock Certificates can carry risk if they are lost or stolen as the Investor or Shareholder will have to pay to replace them prior to having them sold or *transferred (industry standard cost to have a certificate replaced is a 2% face value charge paid to the insurance company issuing the surety bond including a processing fee of \$50 to \$100 depending on the value of the stock.)*

Direct Registration allows you, as an Investor, to have your securities registered in your name, on the books of the issuing company or its Transfer Agent without the need for a Physical Stock Certificate. In this case, since there is no Physical Stock Certificate, there is no registered physical document to keep track of or potentially lose.

If your broker holds your investment on the brokerage firm's books and records not directly on the issuing company's books, this is known as a "Street Name" registration. The broker will be responsible for providing you a consolidated statement indicating the various types of securities in your account at the broker/dealer.

**Q. What are the disadvantages to holding my stock in physical stock certificate form?**

**A. Disadvantages are:**

- When you want to sell or transfer your stock, you will have to send the Physical Stock Certificate to your broker or the issuing company's Transfer Agent to execute the sale or transfer. This may make it harder for you to sell quickly.
- If you lose your certificate, you may be charged a fee for a replacement certificate prior to selling or transferring it.

**Q. What are the advantages to moving my shares to a/my broker?**

**A. The advantages of letting your brokerage firm hold your securities in "street name" include:**

- When your investments are with your broker in "Street Name", your broker can accept and establish limit orders per your instructions to sell a security at a specific price. Therefore you can execute a trade more quickly and efficiently.
- Your brokerage firm is responsible for safeguarding your investments so you don't have to worry about your certificates being lost or stolen.
- Your brokerage firm will keep you informed of important developments, such as any corporate actions that could affect your holdings (Tender Offers, Mergers, and Rights Offerings etc.)
- It is simpler to set up a margin account with your investments consolidated under the brokerage firm leveraging your full portfolio of investments. (*A margin account is an account that can be offered by brokerages allowing investors to borrow money to buy securities. Depending on the broker's margin agreement, an investor might put down 50% of the value of a purchase and borrow the rest from the broker. The broker charges the investor interest for the right to borrow money and uses the securities as collateral.*)

**Q. How are my securities protected if I choose street name ownership?**

- A.** Nearly all brokers are members of Securities Investor Protection Corporation (SIPC). As a result, your securities and monies held at your broker are protected up to \$500,000 with a \$250,000 limit for cash. Many brokers also carry insurance to provide protection in excess of SIPC's coverage. However, SIPC does not protect you against losses caused by a decline in the market value of your securities. If needed, your periodic account statements and confirmations are sufficient to establish your claim with SIPC for securities and money. You should keep those records in a safe place in the event that you need to file a claim with SIPC. If you want to confirm your broker is a member of SIPC, call SIPC at (202) 371-8300 and ask for the Membership Department.

**Q. If my investment is held in my name on the books and records of the issuing company or its Transfer Agent and also held in a Direct Registration book-entry form, how can I initiate an electronic transfer of my shares to my brokerage account?**

- A.** In order to complete a successful electronic transfer to have your account managed by your broker, you will need to instruct your broker to move your investment into "Street Name" on their books and records. To assist them, they will need the following information that can be found on your Direct Registration transaction statement:
- The name on your Transfer Agent account
  - Your Transfer Agent account number
  - The tax identification number on your account at your Transfer Agent
  - The number of shares that you want to transfer, and
  - The CUSIP number for the Common Stock

*Make sure your broker is using the DRS Profile system, and not another electronic delivery mechanism.*

**Q. If I have a non-restricted common stock certificate registered in my name, how can I transfer my investment into my brokerage account?**

- A.** To facilitate a seamless transfer of your non restricted certificated investment you can send your certificate and a letter of instructions to your broker. The letter of instructions will require a medallion guarantee unless you have previously executed a stock power (*A document that allows the current owner of a registered security to transfer ownership to another party. i.e. your broker*). The letter will instruct your broker to move your investment onto their books and records. To assist them, please include the following information in your letter:
- The registration/name on your brokerage account into which you want to transfer your shares
  - The account number
  - The tax identification number on your account at your broker
  - A reference of the certificate and the number of shares you want to transfer
  - The letter of instructions, signed by all registrants designated on the certificate

*We would also recommend that you contact your broker to verify their requirements.*

**Q. What is a Medallion Guarantee?**

- A.** A Medallion guarantee is a stamp that validates a signature and/or the validity of a document. It is financial backed by a bond and designed to not only protect the investor from having their investment fraudulently transfer or sold, it also protects the Issuer (s) and the Transfer Agent against fraudulently transferred securities. The Medallion guarantee can be obtained from most major banks, your brokerage firm or credit unions.

**Q. Will I continue to receive statements, proxy materials and Annual Reports if I transfer my shares to my broker?**

- A.** Yes. You will continue to receive periodic statements listing all securities in your account at the broker including Annual Reports, proxies, and additional mailings from your broker/dealer on behalf of the issuing company which, could potentially reduce or eliminate duplicate mailings.