

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: _____