

STAMP CONSIGNMENT AGREEMENT

Date:

This stamp consignment agreement between American Bank Note Company ("Contractor") and _____ ("Consignee"), located in _____

[city, state] establishes the parties' rights and obligations as follows:

1. Consignee Agrees:

- 1.1 To accept on consignment a minimum order of 200 sheets of 18 First Class Stamps (currently valued at \$1,476.00) and a maximum of \$_____ in face value of United States Postal Service® ("USPS®") postage, subject to credit limitation as established by Contractor, in its sole discretion. The total value of consigned postage, as replenished, and sales proceeds on hand may not exceed the maximum value without modification to this Agreement. Consigned postage may include First-Class Mail® postage, Express Mail® postage, Priority Mail® postage, or such other postage as the parties mutually agree upon, subject to minimum orders Contractor may set for the type of postage ordered.
- 1.2 To sell ATM postage on a consignment basis to the public for no more than face value, and to advertise and promote the consignment with materials as may be provided by Contractor. The Consignee may charge customers a separate transaction fee, as noted on stock provided by Contractor. The Consignee is solely responsible for the setting, alteration, or customer notification as to the amount of such fee. If provided materials by the Contractor stating "Buy Stamps Here at Post Office™ Prices," the Consignee will only use such materials if the Consignee sells stamps at face value.

Prior to usage, Consignee must submit to the Contractor for approval any advertising or promotional materials Consignee desires to use that were not provided by the Contractor. Consignee will not use such advertising or promotional materials until authorized in writing to do so by the Contractor. Consignee understands that the Contractor will submit such materials to USPS® for review, and that such review may take at least ten working days. If Consignee has not received approval or disapproval within twenty working days, the submission shall be deemed disapproved. Consignee further understands that it may have to enter a written licensing agreement with USPS® for use of certain USPS® corporate marks or licensed images.
- 1.3 The Consignee agrees that both the Contractor and the USPS® may use Consignee's name and or/address, as well as the names and/or addresses of the outlets through which Consignee sells postage, in advertising, promotional or other material, in any medium, for the purpose of providing information to postal customers.
- 1.4 To ensure payments are in the USPS® lockbox account (Section 1.5) no later than thirty (30) calendar days after receipt of stamp stock by Consignee, and to order replenishments as needed. Consignee must examine orders upon receipt, and notify Contractor of any discrepancies immediately. Under certain circumstances, Consignee may return postage, and, if returned postage has been paid for, receive a refund, which Contractor will request from USPS within 30 days of receipt of Consignees returned postage.
- 1.5 To remit all payments under Section 1.4 into the USPS® lockbox account, addressed to Citibank, P.O. Box 2348, Carol Stream IL 60132-0001. Payments are to be made payable to "USPS – Stamps on Consignment" and may be made, in order of preference, by pre-authorized automated clearing house debits; automated clearing house credits; electronic funds (wire) transfer; or checks or money orders.
- 1.6 To be fully responsible for consigned postage from their receipt until their sale, and for sales proceeds until their deposit in the USPS® lockbox account, which includes responsibility for any loss of such postage or sales proceeds unless such loss is caused by the negligence or unlawful act of employees or agents of Contractor or Citibank. Assignment of any of Consignee's interests or obligations hereunder is prohibited without the prior written approval of Contractor, which approval will not be unreasonably withheld.

- 1.7 To provide the Contractor, prior to shipment of the initial order, and quarterly thereafter, a list of outlets, with addresses, through which Consignee sells postage.
- 1.8 To allow the USPS® to examine stamp inventory and any documents relating to the consignment, upon reasonable notice and during normal business hours, while this Agreement is in effect and for one year thereafter.
- 1.9 To notify the Contractor in writing within 5 calendar days of the initiation of any transfer of majority ownership or control, or initiation of conservatorship, receivership or bankruptcy proceedings. The notice must include: 1) a report describing the postage and sales payments for which the Consignee is responsible on the date of notice; and, if applicable, 2) a copy of any such proceeding that was filed.
- 1.10 That at the conclusion of this Stamps on Consignment Agreement, the Consignee shall immediately remove all advertising relative to this program from their premises. This includes signage, decals, brochures, and any other items displaying USPS® logos or trademarks.
- 1.11 To grant Contractor a perfected first priority security interest and lien in consigned postage herein and proceeds thereof to secure payment and performance of Consignee under this Agreement. If Consignee defaults under this Agreement, or if Contractor's security interest is unenforceable or ceases to be a first priority interest, Contractor will have all rights and remedies under applicable law or agreement, including rights and remedies as a secured creditor under Article 9 of the UCC. Consignee shall provide, within 30 days of this Agreement and at other times Contractor requests, a financing statement or other documentation to comply with the UCC.

2. Contractor agrees:

- 2.1 To supply the Consignee with consigned stock listed in Section 1.1, and to fulfill Consignee's replenishment orders. The Contractor will invoice the Consignee on a weekly basis. The Contractor will include a packing list with each stamp shipment.
- 2.2 To supply the Consignee with such materials as may be available to advertise and promote the consignment.
- 2.3 To ship supplies in Section 2.1 and Section 2.2 by USPS® mail at Contractor's expense.
- 2.4 To file appropriate UCC Forms in the jurisdiction(s) required by the UCC in order to perfect Contractor's security interest.
- 2.5 To grant a non-exclusive, royalty-free sublicense to use USPS® trademarks "United States Postal Service®," and "Buy Stamps Here," "Buy Stamps Here at Post Office™ Prices," and such other USPS® trademarks as the USPS® may, from time to time, specifically designate. Contractor will only grant such sublicense to use "Buy Stamps Here at Post Office™ Prices" and Consignee will only use such, if stamps are sold at face value. Except for advertising or promotional material provided by the Contractor, Consignee must submit to the Contractor for approval and must obtain written approval from the Contractor prior to any such use of the marks.
- 2.6 That it has entered into an agreement with the USPS® which provides that Contractor is an authorized distributor of USPS® postage and it has the full right and authority to deliver same to Consignee.

3. The Parties agree:

- 3.1 That the terms of this Agreement may only be modified by a written document signed by both parties. Any such modification, except as to the consignment amount stated in Section 1.1, requires prior written approval of the USPS®.

- 3.2 That this Agreement may be terminated by either party on 30 days written notice. If it determines such action is in the best interests, Contractor may also terminate this Agreement immediately, which, if accomplished orally, will be confirmed in writing as soon as reasonably practical thereafter. Except as provided in Section 3.3, any termination will be without cost or liability to either party.
- 3.3 That, within 15 calendar days of any termination, the parties have the following responsibilities: (a) the Consignee must provide to Contractor a report that describes the postage and sales proceeds for which it is responsible; (b) the Consignee must: (1) provide all postage not paid for to Contractor (paid for postage may be returned for a refund); (2) deposit all sales proceeds in the USPS® lockbox account; and (3) pay into the USPS® lockbox account the value of any postage or sales proceeds not so provided or deposited for which it is responsible, or else be liable to Contractor for any shortfall, plus reasonable interest and collection costs, including, without limitation, attorney fees and court costs; and (c) Contractor must examine the Consignee's report for accuracy. The parties agree to cooperate in resolving any discrepancies Contractor finds with Consignee's report. The parties understand that the USPS® may conduct a closeout audit following any termination.
- 3.4 That they understand that: 1) the agreement involves consignment sales and that neither party receives title to the postage; and 2) neither the Consignee and its employees, nor Contractor and its employees, may be considered employees of the other or the USPS® for any purposes whatsoever.
- 3.5 That this Agreement constitutes the entire agreement of the parties and reflects all their rights and obligations. The parties further agree that the USPS® will incur no liability at all to either party under this Agreement.

4. State of Incorporation: _____
5. Consignee STATE Identification Number: _____
6. Parent Company STATE Identification Number (if applicable): _____
7. Parent Company Name and Address (if applicable):
 Name: _____
 Address: _____

Signatures

 Larry Graves
 SOC Program Manager

 Name: _____
 Title: _____

Contractor:
 American Bank Note Company
 711 Armstrong Lane
 Columbia, TN 38401
 (888) 388-3003
 Fax (931) 490-7651
 LGraves@abncompany.com

Consignee:
 (Company Name) _____
 (Street Address) _____
 (City, State, Zip) _____
 (Phone) _____
 (Fax) _____
 (E-mail) _____

AMERICAN BANK NOTE COMPANY
REVISED ARTICLE 9 QUESTIONNAIRE
(Financial Institutions)

1. Provide the precise name of the Consignee (including entity designations which are part of the name such as Inc., LLC, etc.): _____

2. Is the Consignee an organization (e.g. a corporation, a limited partnership, a general partnership, a limited liability company, etc.)? Yes No
3. If the Consignee is an organization, provide the type of entity (e.g. a corporation, a limited partnership, a general partnership, a limited liability company, etc.): _____

4. Is the Consignee a registered organization? Note: A registered organization is an organization organized solely under the law of a single state or the United States and as to which the state or the United States must maintain a public record showing the organization to have been organized. Examples of registered organizations are corporations, limited partnerships, limited liability companies and Federal or state chartered banks.
 Yes No
5. If the Consignee is a registered organization, provide the name of the state (or, if applicable, the United States) where the Consignee is registered (e.g. California, New York, United States, etc.): _____

6. If the Consignee is an organization which is not a registered organization, does the Consignee have only one place of business? Yes No
 - a) If yes, provide the name of the state in which that one place of business is located: _____

 - b) If no, provide the name of the state in which the Consignee's chief executive office is located: _____

7. Is the Consignee a bank? Yes No
8. If the Consignee is a bank:
 - a) Is the Consignee organized under Federal law (i.e. the law of the United States?)
 Yes No
 - b) Is the Consignee organized under state law (i.e. the law of a state)?
 Yes No
 - c) If the Consignee is organized under the law of a state, provide the name of the state under which the Consignee is organized: _____

- d) Is the Consignee a foreign bank (i.e. it is not organized under the law of the United States or a state)? Yes No
- e) If the Consignee is a foreign bank, is the Consignee licensed in more than one state? Yes No
- f) If the Consignee is a foreign bank licensed in only one state, provide the name of the State: _____
- g) If the Consignee is a foreign bank licensed in more than one state:
 - i) Is the Consignee aware of any United States law designating the state where the Consignee shall be deemed to be located? Yes No
 - ii) If yes, provide a citation to the United States law so designating and the name of the State designated: _____

 - iii) Has any branch or agency of the Consignee designated, pursuant to a law of the United States authorizing it to do so, the state where the Consignee shall be deemed to be located? Yes No
 - iv) If yes, provide a citation to the United States authorizing law and the name of the State designated: _____

 - v) To the best of your knowledge, should the Consignee be deemed to be located in the District of Columbia? Yes No

9. If the Consignee is a registered organization organized under Federal law (i.e. the law of the United States):

- i) Is the Consignee aware of any United States law designating the state where the Consignee shall be deemed to be located? Yes No
- ii) If yes, provide a citation to the United States law so designating and the name of the State designated: _____

- iii) Has the Consignee, pursuant to a law of the United States authorizing it to do so, designated the state where the Consignee shall be deemed to be located? Yes No
- iv) If yes, provide a citation to the United States authorizing law and the name of the state designated: _____

- v) To the best of your knowledge, should the Consignee be deemed to be located in the District of Columbia? Yes No

10. Provide the Consignee's mailing address:

11. Provide the Consignee's Federal taxpayer identification number (social security number or employer identification number): _____

12. Provide the "organizational identification number" (if one exists). This number, if any, is assigned by the agency where the Consignee's charter document was filed. This is different from the taxpayer identification number. If none exists, write "None." _____

13. Does the Consignee anticipate that consigned postage received from American Bank Note Company will be distributed to an entity (or entities) separate and distinct from the Consignee (whether a subsidiary, affiliated organization, franchisee or other related party) for the purpose of retail sale? Yes No

a) If yes, provide a description of the nature of the relationship with the related entity (entities): _____

b) If yes, provide the name and address of the related entity/entities: _____

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