



AFFIDAVIT OF LOST STOCK CERTIFICATE AND INDEMNITY AGREEMENT & GUIDE

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Sample Affidavit of Lost Stock Certificate and Indemnity Agreement

1. Overview

The modern world is electronic. Many workplaces have gone paperless, and even personal transactions are no longer confined to physical document exchange. However, remnants of old systems and habits remain and there are certain areas in which paper documents remain fairly common. One of those areas is in the representation and trading of stock shares.

By some estimates, there are as many as 50 million paper stock certificates remaining in circulation. Individual investors keep these documents in various locations, ranging from organized files in a safe-deposit box to cardboard boxes in the garage. No matter the system, physical certificates are often misplaced or destroyed accidentally. In such cases, the stockholder will need to replace the documents, a process that starts with the completion of an affidavit of lost stock certificate.

This package contains everything you'll need to customize and complete your affidavit. Companies usually require stockholders who have lost or destroyed certificates to provide this document before they will issue replacements. If you follow the enclosed sample and guidelines, you can resolve the situation quickly, and may prevent the investment loss you could face if someone obtained your document before you had the chance to report it missing.

2. Dos & Don'ts Checklist

- Protect your securities certificates. These are valuable documents and should be treated as such. If you are concerned about the cost and risk of housing the certificates yourself, consider asking your brokerage firm to hold those documents on your behalf.
- Contact your transfer agent and ask that a "stop transfer" be placed against your missing stock certificates. This will prevent anyone from transferring those documents from your name to someone else's. Your agent will report those certificates to the U.S. Securities and Exchange Commission's lost and stolen securities program.
- Do not delay in requesting a new certificate or submitting the enclosed affidavit. If an innocent purchaser acquires the certificate you lost, it may be difficult (if not impossible) to cancel that document and obtain a replacement. Your investment may be lost permanently.
- Because there is the danger that an innocent purchaser will present the lost certificate to the company, the corporation or your transfer agent may ask you to purchase an indemnity bond. The amount of this bond varies, but will often be between 2 and 3% of the current market value of the lost shares.
- In recent years, "book-entry securities" have grown in popularity. These are securities that are owned by a particular person or company, but do not have corresponding physical stock certificates. This simplifies paperwork for both broker and owner, and neither party has to endure the cost and worry of replacing lost documents. Talk to your broker or the company itself if you are interested in converting your stock certificates to book-entry shares.

- If you decide to obtain replacement certificates in physical form, make copies of those documents. This may help in the event that those replacement certificates are lost or destroyed.

3. Affidavit of Lost Stock Certificate and Indemnity Agreement Instructions

The following instructions will help you understand the terms of your affidavit. The numbers below correspond to numbers in the form. Please review the entire document before starting the step-by-step process.

1. Describe the stock that was lost as best as you can. Insert the number of shares, the par value, the type of stock that the certificates represented (e.g., common or preferred), the date of issuance, and the name and type of the company that issued the stocks.
2. Indicate whether or not the stock certificates had been endorsed before you lost them. If they were endorsed, explain the manner in which this endorsement occurred (e.g., stock power, signature on the back of the certificate, etc.).
3. This is your opportunity to explain the steps that you've taken to find the lost or stolen certificates. Be as detailed as possible, showing that you made all reasonable efforts to find those documents. If your certificates were destroyed, delete the first provision and explain the circumstances of that event.
4. You must notarize your signature on the affidavit. This requires that you go, in person, to a notary public. A list of notaries can be found in the phone book. Be sure to bring with you a form of picture identification.

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Form Sample

SAMPLE AFFIDAVIT OF LOST STOCK CERTIFICATE AND INDEMNITY AGREEMENT

STATE OF: _____)
) SS
COUNTY OF: _____)

_____, [Insert Name] (the "Holder"), of _____
[Insert Address] being duly sworn, does hereby swear and affirm as follows:

- 1) The Holder is of legal age, and is the sole legal and beneficial owner of _____ [Number] shares of _____ [class] stock, _____ par value, of _____, a _____ [corporation][limited liability company][etc.] (the "Company"), represented by Certificate Number[s] _____ **1** (the "Original Certificate[s]"), issued on _____ [date] by the Company in the name of the Holder.
- 2) The Original Certificate[s] has/have been [lost] [stolen] [destroyed].
- 3) The Original Certificate[s] was/were [not endorsed] [endorsed as follows:
2 _____

_____]
- 4) None of the Original Certificate[s] _____
whole or in part, has _____