

Press Release – Kemark and ACE Professional Risk

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Kemark Financial Services, Inc. Joins Forces With ACE USA to Provide New Signature Validation Program for Non-Securities Commercial Transactions

Pearl River, NY – Kemark Financial Services, Inc. (KFS), a financial services program administration company that has been at the forefront of the signature guarantee process for more than twenty years, today announced that through its affiliated company SV Program Management, Inc., it will serve as the administrator for a new signature authentication program. This new program has been designed for non-securities commercial transactions and is called Signature Validation Program (“SVP”). In addition, ACE USA has agreed to participate as Surety in this program, and may offer bonds through Westchester Fire Insurance Company, rated A+ (Superior) by A.M. Best, part of the ACE Group of Companies.

The SVP was developed to respond to requests from financial services institutions, as well as other commercial entities, that rely upon the effectiveness of a signature when processing non-securities business-related commercial transactions. A non-securities event is defined as any commercial transaction that does not involve a sale, assignment, transfer or redemption of a security. Some examples of the types of transactions that would benefit from a signature validation include: an account maintenance change, a change of beneficiary, or an authorization to wire transfer. SVP Surety Bonds will be offered through the independent agency and brokerage system in the US and Canada.

“The new Signature Validation Program fills a void that currently exists between the notarial acts performed by notaries public and the Medallion Signature Guarantees (MSGs). Participants of the MSG programs will now automatically be eligible to become participants in SVP and request an SVP bond with minimal paperwork and cost,” said Cathy L. McKeon, Chief Executive Officer, of both Kemark Financial Services, Inc., and SV Program Management, Inc.

“We’re pleased to work with Kemark/SV Program Management’s team of experienced professionals as this provides us with continued opportunities to offer customized solutions to the commercial surety bond market. SVP has the potential to help expand our business, and bring ACE Surety’s innovative risk management solutions and breadth of underwriting experience to those organizations that need to process non-securities commercial transactions,” said Stephen Haney, Vice President, ACE Professional Risk.

ACE USA is the U.S.-based retail operating division of the ACE Group of Companies, headed by ACE Limited (NYSE: ACE), and is rated A+ (Superior) by A.M. Best Company and A+ (Strong) by Standard & Poor’s. ACE USA, through its underwriting companies, provides insurance products and services throughout the U.S. Additional information on ACE USA and its products and services can be found at www.ace-ina.com. The ACE Group of Companies provides insurance and reinsurance for a diverse group of clients around the world.

Kemark Financial Services, Inc. provides operational and logistical resources for Medallion Signature Guarantee Programs’ guarantor participants, transfer agents, and other securities processing firms. SV Program Management, Inc., a Kemark Financial Services affiliated company, has been established to administer the Signature Validation Program. For further information on SVP and the enrollment process, visit www.SVProgram.com. or call 845 620 9300.

Signature Validation Program™

A new signature authentication program for non-securities related commercial transactions becomes available for implementation as of July 1, 2008.

The Signature Validation Program™ is designed to fill the void that currently exists between notarial acts performed by notaries public and Medallion Signature Guarantees.



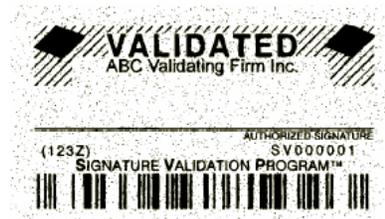
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Signature Validation Program™



Requestor Information



Available for Implementation
as of July 1, 2008

INTRODUCTION TO THE SIGNATURE VALIDATION PROGRAM™

The **Signature Validation Program™** (SVP) was developed in response to requests from financial services institutions, as well as other commercial entities that rely upon the effectiveness of a signature when processing a non-securities business-related commercial transaction. These entities are searching for a more financially robust certification for non-securities transactions than those provided by Notaries Public.

Guarantors that are members of the Medallion Signature Guarantee Programs are to a large extent, refusing to provide Medallion Signature Guarantees (MSGs) to guarantee signatures when requested for non-securities transactions (Non-Securities Events). Examples of the types of improper requests for MSGs include anything from an account maintenance change, a beneficiary change, or an authorization to wire transfer, among many others.

A Non-Securities Event is defined as any commercial transaction that does **not** pertain to a sale, assignment, transfer or redemption of a security. SVP will actually fill the void that currently exists between the notarial acts performed by Notaries Public and the MSGs presently provided by the participating Guarantors under the Medallion Signature Guarantee Programs.

Article 8 of the Uniform Commercial Code (UCC) entitled *Investment Securities*, specifically UCC Section 8-306, provides the Securities Industry with warranties attached to the use of a signature guarantee that may be relied upon by industry participants. It does, however, explicitly limit the use of signature guarantees to signatures made by security owners or their representatives *for the purpose of transferring or redeeming securities*. Long before the MSG programs existed, banks, stock brokers, mutual funds, and federal agencies requested - and in some instances required - sig-

nature guarantees in connection with Non-Securities Events. It can be assumed with a fair amount of certainty that these entities preferred certification from a financial institution rather than a Notary Public, since sole liability for a notarial act rests with the individual.

There are approximately 7,200 MSG program members, including banks, credit unions and broker/dealers, all of which currently provide this indispensable customer service. Based on recent training and certification efforts, Guarantor firms are now beginning to understand that providing MSGs on Non-Securities Events is improper, but they also understand the need to provide a customer service for Non-Securities Events. Since not all Guarantors have achieved this same level of awareness, some continue to provide MSGs in connection with Non-Securities Events, and in fact, Guarantors that have properly refused to provide MSGs on Non-Securities Events have actually lost customers to other Guarantors that were willing to do just that.

The MSG Programs may level the playing field by clarifying the original intent of the signature guarantee programs, which was to prohibit the use of MSGs for Non-Securities Events.

Just as Guarantors have exhibited a growing awareness of improper MSG use, there has been an understanding among the requesting firms that MSGs should not be used for Non-Securities Events; in part perhaps, because of the realization that the MSG Surety Bond would not apply to non-securities commercial transactions, and subsequent claims adjudication in these circumstances would be extremely difficult within the framework of UCC Section 8. Despite this, however, requesting firms still overwhelmingly prefer the use of MSGs because of the MSG Programs' strict requirements, well defined rules, and fraud deterring attributes.



Numerous industry representatives (both Program Guarantors and Requestors) have indicated that they would accept an alternative program, providing it possessed the traits of the existing MSG Programs, and was designed specifically for Non-Securities Events. A solution has now been developed and SVP is available for implementation as of July 1, 2008.

Since the equipment used by Requestors to read the SVP imprints is the same as that used for the Medallion Signature Guarantee Programs, there is no direct cost to the Requestor to implement this program.

Program Attributes:

- Membership will be restricted to corporations, not individuals; automatic eligibility for all current members of MSG Programs.
- A single Corporate Surety Bond covering all authorized employees with a single limit (\$100,000 per occurrence/\$200,000 in the aggregate) that stands behind the Non-Securities Event signature validation.
- Simplified Indemnity Agreement limited to the validation of signatures in connection with Non-Securities Events. Securities transactions are explicitly excluded from SVP.
- The Program will be managed by a firm with broad based experience in program administration and surety claims management.
- Prospective program participants must pass qualification standards similar to the MSG Programs.
- Imprinting and reading equipment that utilizes the same technology as the MSG Programs:
 - * Unique bar code symbology to facilitate processing.
 - * Patented security ink to deter counterfeiting.