

## Security Deposit Procedures

The following procedures will ensure proper processing of any securities being deposited into the firm via DWAC. Velocity will not accept any deposits of stock certificates.

### Pre-Approval

- Complete the top section of the DWAC Checklist and sign and date.
- Submit via e-mail to compliance. [compliance@velocityclearingllc.com](mailto:compliance@velocityclearingllc.com)

Compliance will do a preliminary due diligence review of the company to ensure it meets firm criteria. A response will be sent via e-mail.

- If Pre-Approved, compliance will prepare a Broker Rep Letter and e-mail to the RR for client's signature.

NOTE: Pre-Approval does not guarantee that the DWAC will be accepted, only that it meets basic firm criteria and is eligible for a full compliance review.

### Attorney Review

Submit the following documents to compliance:

- DWAC Checklist
- Completed DSRQ Form
- Completed Client Acknowledgement DWAC Form
- Signed Broker Rep Letter
- Agreement that made security transaction available to the client. (Security Purchase Agreement, PPM, Employee Compensation Agreement, Debit Agreement, Convertible Note, Company Contract or any other agreement that clearly defines the acquisition of the securities)
- Legal Opinion
- Prospectus registering the shares.
- If shares were the result of an open market purchase provide confirms or statements.
- Issuer's Letter (Attestation confirming that the shares are fully paid for on a non-retractable basis with the date of acquisition)
- Proof of Payment

Compliance will review the package for completeness and forward to outside legal counsel for review. The legal review cost will be charged back to the client (or business group).

The attorney will return a completed and signed Review Letter and DWAC Checklist to Compliance, who will review the attorney's conclusion and forward to the designated principal.

A Firm approved principal will review the deposit package and approve or deny the deposit. If approved, the request will be forwarded to operations to process the incoming DWAC via e-mail. If denied, the client will be notified of the decision.