

## **Q AND A REGARDING SALE AND TRANSFER OF SHARES OF CHATEAU CHANTAL STOCK**

**Who is the transfer agent for Chateau Chantal stock?** A transfer agent is an agent employed by a corporation to maintain shareholder records, including purchases, sales, and account balances. The transfer agent for Chateau Chantal is StockTrans, Inc., 44 West Lancaster Ave, Ardmore, PA 19003. Email them at [shareholder@stocktrans.com](mailto:shareholder@stocktrans.com).

Also, see the StockTrans website at: <http://www.stocktrans.com/index.htm> for a further description of services.

**Does Chateau Chantal actively provide a market or brokerage service for shares of Chateau stock?** We are not permitted by law to actively market or broker shares of Chateau Chantal stock.

### **How can I sell my shares that are held in certificate form?**

The most frequent process Chateau Chantal shareowners use for selling shares is a private transaction where the shareowner finds a buyer who satisfies the restrictions on Chateau Chantal share ownership. Together buyer and seller mutually agree to terms of sale and handle proceeds of sale privately as buyer and seller. After agreeing to sale, you must contact our stock transfer agent, StockTrans, Inc., (<http://www.stocktrans.com>) to arrange transfer of ownership.

It is also possible to use a securities broker to sell the shares. There are many options when it comes to securities brokers, so make sure you are choosing one that will best suit your needs. There is at least one securities broker in Traverse City who maintains a list of people interested in buying or selling Chateau Chantal shares.

### **What are the restrictions on ownership of Chateau Chantal shares?**

As spelled out in the prospectus, the following restrictions applied to stock when offered by the company in its offering circular:

“An investor must hold the Common Stock that he or she purchases indefinitely and may not transfer any Common Stock unless the investor sells the Common Stock in a transaction registered under or exempt from the registration requirements of applicable state securities laws.”

Recently, we obtained an opinion from a securities attorney that allows most Chateau share owners to sell their stock to other individuals, in or out of Michigan, without the need to file a regulatory notice. Exceptions of this allowance would be directors, officers or holders of 10% or more of company stock.

### **Are Chateau Chantal shares subject to Transfer Restrictions?**

Yes. A Chateau Chantal shareholder may not sell or otherwise transfer common stock unless the sale or transfer complies with applicable state and federal security laws. Also, all transferees must execute a form required by the Michigan Liquor Control Commission (MLCC form LC-38). For further information about the limitations and requirements relating to proposed sales or transfers, please contact our stock transfer agent.

### **How can I get my stock transferred?**

If you hold certificates you wish to transfer, you must **mail your certificates** to StockTrans, Inc. Also, mail your **MLCC Form LC-38** executed by the buyer to Chateau Chantal. The certificates must be appropriately signed by all registered holders, exactly as the name(s) appear on the face of the certificate(s) or must be accompanied by a **stock power form** (copy at the end of these Q&A's or from StockTrans online) bearing the appropriate signature(s).

In either case, the signature(s) must be guaranteed by a financial institution participating in an officially recognized **Medallion Signature Guarantee** Program. Additionally, instructions indicating how you wish the shares transferred should also be included. These instructions should provide the name, address and social security number for each transferee and should indicate the number of shares to be transferred. In some cases additional documents will be required to complete the transfer. Please see other sections of this document to obtain additional information on transfer requirements and to download selected forms.

StockTrans is available to answer any questions about the steps in share transfer. Contact them at:

Phone: 610.649.7300  
Fax: 610.649.7302  
Email: [info@stocktrans.com](mailto:info@stocktrans.com)

### **How should shares for transfer be mailed to StockTrans, Inc?**

StockTrans recommends that all certificates be sent by registered mail, return receipt requested. It is suggested that the shipment be insured for 2% of the current value of the shares. *In the event of loss*, a surety bond of two percent will be required to replace the certificates. A surety bond is typically obtained by paying a premium to the surety company equal to two percent of the current value of the shares being replaced. (Source: StockTrans)

### **What are the more common types of security registrations?**

- Individual Registration — This registration gives sole ownership to the single individual and requires that the person's legal name be used. The use of a first name is desirable. Example: Mary Smith (not M. Smith).
- Joint Registration — Several types of Joint Registration exist.

- Joint Tenants With Rights Of Survivorship — This registration is used when two or more individuals have equal claim to the assets. Should one of the parties die, ownership of the assets passes to the surviving tenant(s). Example: Mary Smith & Barbara Smith Jt Ten
- Tenants In Common — This registration allows an appropriate portion of the assets to pass to the estate of the holder upon the holder's death rather than to the surviving tenant. Example: Mary Smith & Barbara Smith Ten Com
- Custodial Registration — There are several custodial registrations possible. A custodial registration requires the names of the custodian and the beneficial owner who is a minor is a common type. For example: Mary Smith Cust Don Smith NY Unif Trans Min Act. (Note: The two letter state abbreviation must appear before the "Unif").
- Trust Registration — Registering shares in the name of a Trust requires that specific information be provided: the name of the trust and/or the maker or beneficiary and the date of the trust instrument. For example: Mary Jones Tr U/A dtd 4/15/98 The Mary Jones Trust FBO Mary Jones. (Source: StockTrans)

#### **What is a medallion signature guarantee?**

The Uniform Commercial Code (UCC) entitles transfer agents and issuers to receive signature guarantees to protect them against fraudulent and unauthorized transfers. Securities and Exchange Commission (SEC) regulations define the financial institutions that are eligible to provide such signature guarantees, e.g., commercial banks, brokers, credit unions, savings and loan institution. Signature Guarantee Programs have been developed and eligible financial institutions which subscribe to such programs are issued "Medallion Guarantee Stamps". Transfer agents are obligated to ensure that such stamps appear on the transfer documents and are entitled to refuse a transfer of shares if a signature is not guaranteed with a stamp. A notary stamp is not acceptable when transferring the ownership of stock. (Source: StockTrans)

#### **What is a "registered" shareholder?**

The registered owner of shares is the shareholder of record on the books of the corporation, generally kept by the transfer agent. The registered owner may be an individual, a trust, a broker, etc. Registered owners receive communications, proxies, dividends, etc. directly from the corporation through the transfer agent. A registered owner differs from a "street name" owner. (Source: StockTrans)

#### **What are street name shares?**

Securities held in a broker account and registered in the name of the broker or other institution are referred to as being "in street name." If you keep your stock with your broker in a broker account, you are a "street name" holder and are not directly registered on the company's record file maintained by the transfer agent. Company mailings, including dividends, will reach you through your broker. Should you wish to

become a registered holder, request your broker to have your shares issued in certificate form, registered in your name. (Source: StockTrans)

# StockTrans, Inc.

44 West Lancaster Ave.  
Ardmore, Pennsylvania 19003  
Phone: 610.649.7300  
Fax: 610.649.7302  
Email: info@stocktrans.com

## Irrevocable Stock Power Form

FOR VALUE RECEIVED, the undersigned does/do hereby *sell, assign, and transfer to:*

\_\_\_\_\_  
Name of Transferee

\_\_\_\_\_  
Address of Transferee

\_\_\_\_\_  
City, State, Zip Code Social Security Number

\_\_\_\_\_ shares of the \_\_\_\_\_ (common, preferred) stock  
of \_\_\_\_\_ represented by  
certificate number(s) \_\_\_\_\_ inclusive,  
standing in the name of the undersigned on the books of said company.

The undersigned does/do hereby irrevocably constitute and appoint **StockTrans, Inc.**  
attorney to transfer the said stock(s) on the books of said company, with full power of  
substitution in the premises.

### **IMPORTANT –read carefully**

The signature(s) provided on this form must correspond with the name(s) as written upon  
the face of the certificate(s) in every way.

### **SIGNATURE GUARANTEE**

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Signature of Joint Owner(s)

The signature **MUST** be guaranteed by an eligible guarantor institution affiliated with an  
appropriate Securities Transfer Agent Medallion Program (STAMP). **A notary public  
is NOT acceptable.**