



## SCN Member Handbook

Last Updated: 5<sup>th</sup> November, 2017

### **Dear Security Cargo Network Member:**

Welcome to membership in Security Cargo Network and thanks for joining!

We are glad that you have chosen to enroll in our dynamic group. Following is a description of our SCN programs and how to become involved with them or receive further information.

**Just click on the linked topic index item you wish to read about and you will be taken to that portion of this document.**

We hope that your involvement with Security Cargo Network is a long and productive one for you, your company, and your staff. Please contact us if we may be of assistance to you in achieving success with the group.

Sincerely and with best wishes,  
Security Cargo Network, Inc.

[Dave Lucia](#), CEO (e-mail hyperlink)

[David Cook](#), President (e-mail hyperlink)

(For SCN contact information, see the membership roster or [click here](#) to go to the end of this document for SCN staff details.)

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### Overview of the Network

Security Cargo Network is presently comprised of 394 enrolled member offices operated by 208 companies in 92 countries. The goal is to give individual member companies a pre-screened and trusted group of partners to work with worldwide to build sales in a secure environment. Dave Lucia spends his time overseeing member interactions and is always available to assist with communications problems, slow payment, performance matters, etc. You may ask him to step in and help, or merely inform him of a situation to be aware of without any immediate action. Either way, you always have a third-party “referee” watching over the trouble spots, and no other network does that as well as SCN because of the attention we pay to it.

### SecurityPlus! Member-to-Member Payment Guarantee Program

Following is a description of our unique program that protects members against the bankruptcy or extreme delinquency of another Security Cargo Network member.

## **SecurityPlus!**

### **Member-to-Member Payment Guarantee Program.**

### **Purpose of SecurityPlus!**

The purpose of the member-owned SecurityPlus! Program is to amass a pool of funds from which Security Cargo Network (SCN) member companies may be compensated for money lost in the handling of a transaction for or with another SCN member company that has become seriously delinquent (in default), insolvent, bankrupt or otherwise disbanded. SecurityPlus! will not pay disputed detention charges or other penalties except in extreme cases determined by the board of directors to be appropriate for consideration. Such disputes must have been brought to the attention of Dave Lucia for resolution within 90 days of the invoice date. The claim will be prepared and submitted by Dave Lucia once he has determined there is no other remedy and he has been provided with relevant invoices and statements. If such a claim is approved for payment, the claimant must assign the debt to SecurityPlus! for collection or otherwise assist in collection attempts as requested. Any company found against in the claims process will be terminated from membership in Security Cargo Network, and warnings against them will be published to the industry and the membership.

### **Compensation Limitation**



The amounts of compensation are subject to the below limits per claimant SCN member company for losses caused by another SCN Member company, up to a maximum aggregate claim of 80 percent of the fund balance to be divided proportionally amongst the claimants. *Length of SCN Membership* is the time from the claimant company’s date of enrolment in SCN to the date that a written notification of intention to claim is first received by Dave Lucia. *Limit to SecurityPlus! Compensation* is the total maximum limit applicable per specific SCN member company and may include multiple transactions or shipments, but it is per claim, not per company.

<u>Length of SCN Membership</u>	<u>Limit to SecurityPlus! Compensation</u>
From enrolment to 3 <sup>rd</sup> anniversary	USD \$20,000
After 3 <sup>rd</sup> anniversary to 6 <sup>th</sup> anniversary	USD \$30,000
After 6 <sup>th</sup> anniversary to 9 <sup>th</sup> anniversary	USD \$40,000
After 9 <sup>th</sup> anniversary	USD \$50,000

### **Exclusions**

Account balances between members predating enrollment of both companies in Security Cargo Network are not covered under the program. Likewise, transactions engaged after one of the companies has been terminated or resigned from membership shall not be covered.

Offices owned by member companies but not enrolled in Security Cargo Network are not covered under the program.

Problem accounts brought to the attention of Security Cargo Network administration more than 90—120 days after the date of the invoice (which should be the same as the date of service completion) will not be eligible to be processed as claims against the fund.

SecurityPlus! will not reimburse finance or collection agency charges. Claims for profits, demurrage and detention, and fines and penalties will be evaluated on a case-by-case basis with SecurityPlus! reserving the right to deny coverage on a vote of its directors. In general, SecurityPlus! reserves the right to determine which invoice items are eligible for coverage.

In claims where there is a possibility of collection through legal channels, claimants who do not submit the required documents and information to the specified parties will not be reimbursed under the fund.

### **Controlling Authority**



The SecurityPlus! fund will be overseen by the SCN Technical Industry Advisory Panel acting in the capacity of the SecurityPlus Financial Corp. board of directors (listed at the end of this document). The non-compensated board of directors will also approve or reject claims against the fund by a simple majority vote, the overall results of which will be available to all parties involved upon their written request. The votes of the specific members shall remain confidential. All SCN member companies will agree to the decisions of the board of directors and hold harmless its individual members or SecurityPlus Financial Corp. itself for the final determination. In case of claim rejection, the member company will remain free to pursue any other means of collection at its disposal, and the decision of the board of directors should not be construed as having any legal bearing on the collection process.

Immediate notification to the SCN membership will be given regarding any company against which claims are paid, and we will use all available means to recoup the money for the fund. The offending company will automatically be suspended from membership if they remain in operation.

### **Corporate Structure**

SecurityPlus Financial Corp. is set up as an SCN member-owned, non-dividend paying Colorado Corporation, under its Articles of Incorporation and Bylaws and is recognized by the US Internal Revenue Service as a non-profit insurance association, which means that there will be no federal income tax on fund earnings. Dave Lucia is president, secretary and non-compensated day-to-day administrator; and Jinsoo Kim (AGL Co., Ltd., Seoul, Korea) is non-compensated vice president and treasurer.

Each member of Security Cargo Network will receive one share of no-par-value common stock in SecurityPlus Financial Corp upon enrollment, and will be entitled to an equal vote in matters put before the shareholders such as future elections of directors or other matters as may arise and be presented at the annual meeting, to be held in conjunction with the annual meeting of Security Cargo Network.

Security Cargo Network, Inc. will make no profit from the activities or investments of the corporation and contributes its administrative services at no charge.

### **Cost and Eligibility Guidelines**

The annual per-company contribution to the fund is US\$500 (or US\$250 after 12 years of membership to SCN), with a deductible per incident of \$250 that is waived in most cases. There will be no refund in the case of a member leaving the SCN group for any reason. All members of Security Cargo Network in good standing will be eligible for full available coverage once they have paid the annual fee.



## **Fund Payout Restrictions**

Checks will be written against the fund balance by the administrator only for:

1. Loss compensation as described above
2. Collection expenses incurred by the program administrator with prior approval of the board of directors
3. State and local income taxes payable by the corporation.
4. Any professional fees and other out-of-pocket expense such as may be incurred by SCN in the setup and operation of the corporation.

SCN will provide an accounting of any claim disbursements from the fund to its members as well as the fund balance and transactions to any shareholder company upon request.

## **Fund Administration**

Funds will be deposited in an interest-bearing account or board of directors-approved investment whose transactions will be open to the members of the board and any other SecurityPlus! shareholder company desiring to see them. Dave Lucia will prepare a quarterly treasurer's report for review and approval of the treasurer and directors.

## **Disbanding of the Fund**

If the fund is ever disbanded for any reason and monies remain in the fund, they shall be paid out to all current shareholders on a pro rata basis.

## **Claims Procedures**

Prior to filing a claim, any Security Cargo Network member experiencing a delinquent account with another member must first contact Dave Lucia for his intervention and attempted resolution. If either after 60 days or a formal declaration of bankruptcy by the delinquent company, the account has not been paid in full and the amount is deemed to be owing, then the injured member may submit his claim. Claims must be submitted within 90—120 days of the service date/date of invoice (which should be the same date).

To submit a claim, the claimant should supply all relevant documentation concerning the delinquent account including invoices and communications of understanding such as may have been initiated with the delinquent company.



The claim will then be summarized by Dave Lucia and submitted to the board of directors for their vote concerning whether or not the claim is payable. If it is, a check will be written against the fund and awarded to the claimant, possibly with assignation of the debt to SecurityPlus! Corp. If payment is not deemed appropriate, the full reasoning of the board shall be submitted to the claimant, who is then free to pursue other avenues of collection as may be available.

If the claimant should also gain satisfaction through the courts or a collection agency or be granted a payment from a bankruptcy court, all such money collected up to the amount paid by SecurityPlus! Corp. must be reimbursed to the fund.

### **Officers and Directors of SecurityPlus Financial Corp.**

President and Secretary: Mr. Dave Lucia, Security Cargo Network, Inc., Denver, USA  
[dlucia@securitycargonetwork.com](mailto:dlucia@securitycargonetwork.com)

Vice President and Treasurer: Mr. Jinsoon Kim, AGL Co., Ltd., Seoul, Korea  
[jinsoon.kim@agl.co.kr](mailto:jinsoon.kim@agl.co.kr)

#### **Additional Members of the Board of Directors:**

Mr. Vijay Anand, Kronos Logistics India Pvt. Ltd., Chennai, India [vijay.anand@kronoslogistics.in](mailto:vijay.anand@kronoslogistics.in)

Mr. Barry Bollinger, Bollinger Shipping Agency, Sydney, Australia [barry@bollinger.com.au](mailto:barry@bollinger.com.au)

Mr. A.G. Carayannis, Phoenix E.C.T.S. Ltd., Piraeus, Greece [agc@phoenixltd.gr](mailto:agc@phoenixltd.gr)

Mr. Stuart Gregory, Wallis Shipping Services, London, UK [StuartGregory@wssl.co.uk](mailto:StuartGregory@wssl.co.uk)

Mr. Jeff Carlson, BC Logistics, Phoenix, USA [jeff@bclogisticsllc.com](mailto:jeff@bclogisticsllc.com)

### SCN Technical Industry Advisory Panel

The Security Cargo Network Technical Industry Advisory Panel (TIAP) has been established for the purpose of representing the regional interests within the group, assisting with resolving any disputes among members that may arise, and advising SCN administration concerning technical industry issues based on the panel members' expertise as freight forwarders. Because the functions overlap, the TIAP members also serve as the board of directors of the SecurityPlus! Corporation. The current voting members of the TIAP, who serve in a voluntary capacity for the benefit of the group, are:

Mr. Vijay Anand, Kronos Logistics India Pvt. Ltd., Chennai, India [vijay.anand@kronoslogistics.in](mailto:vijay.anand@kronoslogistics.in)

Mr. Barry Bollinger, Bollinger Shipping Agency, Sydney, Australia [barry@bollinger.com.au](mailto:barry@bollinger.com.au)

Mr. A.G. Carayannis, Phoenix E.C.T.S. Ltd., Piraeus, Greece [agc@phoenixltd.gr](mailto:agc@phoenixltd.gr)

Mr. Stuart Gregory, Wallis Shipping Services, London, UK [StuartGregory@wssl.co.uk](mailto:StuartGregory@wssl.co.uk)

Mr. Jinsoon Kim, AGL Co., Ltd., Seoul, Korea [jinsoon.kim@agl.co.kr](mailto:jinsoon.kim@agl.co.kr)

Mr. Jeff Carlson, BC Logistics, Phoenix, USA [jeff@bclogisticsllc.com](mailto:jeff@bclogisticsllc.com)

### SCN Annual Conference



Each year SCN holds an International Conference to bring together representatives of the many companies enrolled in our group. Typically, these conferences contain morning general sessions followed by afternoon pre-scheduled one-on-one meetings between specific member companies. The conferences represent what, for many, is the biggest benefit of membership in SCN, particularly because of the one-on-one meetings. One would have to travel many months to be able to meet the number of forwarders with whom you can become acquainted over the course of the three-day meeting. Every SCN member should strive to participate in the Annual International Conference and begin developing face-to-face familiarity and friendship with other members.

#### Recent Conference Dates and Locations

April 10--13, 2012:	North America--Miami Beach (10th Anniversary)
April 9—12, 2013:	Europe—Antwerp, Belgium
February 25—28, 2014:	Asia—Hong Kong
April 14—17, 2015:	North America--Sonoma County, California
April 19—22, 2016	Europe—Barcelona, Spain
March 15-18, 2017	Asia-Kuala Lumpur

#### SCN Roster and Website Listing

Your company's information has been entered into our roster and placed on the SCN website at [www.securitycargonetwork.com](http://www.securitycargonetwork.com), under the Network Directory link. All member companies with websites will have a link to their URL. The roster is also available as a Microsoft Excel file upon request.

For a copy of the roster to be e-mailed at any time, please contact SCN. You should also contact us to notify if you wish to make changes to any of your information or profile.

Members may log in to the website using the User ID and Password issued to them upon enrollment. Principals of member companies can change any of the contact details for their offices, add users, change passwords and view all "Members Only" sections. Those designated as Office Managers can change the contact details and passwords of users for their particular office; and those designated as Office Users can go in and change their password and view all "Members Only" sections. Be sure to request the specific letters of explanation and training for these three user levels.

#### Special Listings for Project and Exhibition Cargo Specialists

If your company specializes in one of these areas, you can have a free listing on that portion of the SCN website. Please contact SCN for the appropriate form to register. For examples, visit the SCN website network directory and search the list by these categories.



## SCN Terms of Member-to-Member Cooperation

All SCN members have agreed to the following terms by means of signing the Terms of Cooperation document upon enrollment.

### **TERMS OF MEMBER-TO-MEMBER COOPERATION**

As a member in good standing of Security Cargo Network (SCN), my company fully subscribes to these business ethics and practices in all dealings with other SCN members:

- ◆ To support fellow members to the fullest extent possible
- ◆ To pay all monies due members in a timely manner. The balance of a month's invoices should be paid by the end of the following month unless other bilateral arrangements have been made.
- ◆ To invoice promptly for services performed and send a monthly statement
- ◆ To promptly respond to all communications (Within 24 hours)
- ◆ To quote rates in full and accurate detail in a timely manner and to strictly adhere to those quotations
- ◆ To share profits according to prior agreement with another member and in accordance with the standard terms and conditions of the trading areas involved.
- ◆ To avoid bidding members in the same market against each other
- ◆ To be active in sales endeavors for mutual growth
- ◆ To respect other members' existing customer bases and refrain from backselling
- ◆ To not purposely hire employees away from another member and to not allow any other member's former employee to try to bring their business with him should they be hired
- ◆ To provide bona fide sales leads when possible
- ◆ To be properly staffed for the highest level of service
- ◆ To operate in accordance with all stated shipping advice
- ◆ To not cancel a pre-alert or suspend business with another member as a result of a dispute or sub-standard service without due notification to SCN Administration and the other member
- ◆ To seek the help of SCN administration for dispute resolution
- ◆ To accept the determination of the SCN Technical Industry Advisory Panel (TIAP) in dispute



cases that cannot otherwise be resolved and must be submitted to them

### Selecting an SCN Member to Work With in Markets with More than One Member

The SCN Terms of Member-to-Member Cooperation expressly prohibit bidding one SCN member company against another, but beyond this we have not indicated how to select a member in markets where there are more than one. We think it comes down to finding the one you are most compatible with, and that is best done by trying the one that seems best suited to your needs according to their profile in the roster or from information on their website. We suggest a high-level contact with the company, containing questions about the nature of the possible relationship including policies, profit share, key contacts, and other matters of concern to you. A phone call might be in order, but an exchange of e-mail messages should, at the least, take place. Beyond that, we also encourage you to sign standard agency agreements with other member companies you do business with, particularly if the sums of money due back and forth are to be substantial.

If a quotation is involved and you find that the company cannot get you the price you need, then it is permissible to try another member. Likewise, if one company does not give you the response or attention you require, we suggest you try another member in the market if there is one. Companies are like people. All are different and have different preferences and practices, and finding the right one is a matter of finding one that is most in accord with your view of things. We believe that Security Cargo Network's ability to offer such a choice has been one of the strengths of the concept.

If you would like to contact David Cook for an initial suggestion based on his experience with the companies, please feel free to do so. Sometimes he may be aware of a particular strength a company may have that might be helpful to you. Likewise, David is always available to suggest agents in markets where we do not have a member, usually based on past references from members or our own recruitment efforts.

Should a problem arise with another SCN member, particularly regarding communications and payments, please let us know as early as possible so that we may get involved in finding a solution.

In the end, the SCN Terms of Member Cooperation is mostly a guidepost pointing toward the kind of cooperation that should exist within the group. We hope it works for you, and we are prepared to enforce it as necessary.



## Sending Announcements to All Security Cargo Network Members

From our networking experience, we know that communications within a group such as SCN are important in terms of sharing information and maintaining the spirit of cooperation as a group. However, our new group e-mail server cannot be set up to allow all members to send messages to the entire group in a way that can be moderated by SCN administration for appropriateness.

Therefore, if you would like to send a message to the entire SCN group, please send it to [David Cook](#) and he will either forward it directly to the list or compile it with other messages as may be on hand. Suitable topics for such communications would be:

1. Holiday hours of operation or closure
2. Personnel or contact information changes
3. New developments or accomplishments for your company, such as ISO certification, moving to larger quarters, winning an award, etc.
4. Notable collaborations with other SCN members

Members will be permitted to send their company newsletter to other members as long as it is not more frequently than a monthly basis.

Of course, we ask everyone to respect other people's time by not over-using the system. Nevertheless, we believe group communications are very important to group cohesiveness and encourage members to send them.

## Security Cargo Network Identification

Members are urged to use the Security Cargo Network logo (member version) on their websites, business cards, stationery etc. The logo is available from SCN in EPS or JPG format. We recommend EPS for printed applications and JPG for websites and desktop publishing. If your printer or webmaster requires another format, please specify.

## Security Cargo Network Contact Information

For questions, agent referral requests, or any networking matter, contact:

Dave Lucia  
CEO  
Security Cargo Network, Inc.  
PO Box 22477

[dlucia@securitycargonetwork.com](mailto:dlucia@securitycargonetwork.com)  
Phone: +1 303-759-8697  
Fax: +1 303-759-9066  
Mobile: +1 303-257-8178

Denver, CO 80222-0477

Website: [www.securitycargonetwork.com](http://www.securitycargonetwork.com)



Street Address:

Security Cargo Network  
5580 E. Amherst Ave.  
Denver, CO 80222

For billing inquiries or information or changes to your roster information, contact:

Marta Rocamora  
Administration

[mrocamora@securitycargonetwork.com](mailto:mrocamora@securitycargonetwork.com)  
Mobile: +34 (640) 835804

For matters related to special programs, new members, or other inquiries, contact:

Mr. David Cook  
President  
Calle Tarragona, 8<sup>a</sup>  
08329 Teià (Barcelona), Spain

[dcook@securitycargonetwork.com](mailto:dcook@securitycargonetwork.com)  
Phone: +34 (93) 742.6399  
Mobile: +34 (654) 050006

Security Cargo Network Banking Information

All payments of SCN invoices should be made by wire transfer, US\$ check drawn on a US bank, or credit card. We accept Visa, MasterCard and American Express for payment of any SCN invoice. A special handling charge may apply.

<u>Account Name:</u>	<u>Security Cargo Network, Inc.</u>
<u>Mail:</u>	<u>PO Box 22477, Denver, CO USA 80222-0477</u>
<u>Physical:</u>	<u>5580 E. Amherst Ave., Denver, CO USA 80222</u>
<u>Account Number:</u>	2879230627
<u>Routing:</u>	121000248
<u>Swift Code:</u>	WFBIUS6S
<u>Bank:</u>	<u>Wells Fargo Bank N.A.</u> <u>420 Montgomery St.</u> <u>San Francisco, CA 94104</u> <u>Phone: 888-384-8400</u>