



Name of Insurance Company to which application is made

APPLICATION FOR A FINANCIAL INSTITUTION BOND FOR INVESTMENT FIRMS

Application is hereby made by _____

(List all Insureds, including Employee Benefit Plans)

Principal Address _____ (herein called Insured)
(No.) (Street) (City) (State) (Zip Code)

for a _____ **Financial Institution Bond, Investment Firms**, to become
(primary, excess, concurrent, co-surety, coinsured)

effective as of 12:01 a.m. on _____ to 12:01 a.m. on _____ in the Aggregate Limit of Liability of \$ _____

Date Insured was established: _____ Name of Prior Carrier: _____

1 Insured is a (check the appropriate box):
Stock Broker ☐ Investment Banker ☐ Dealer in Securities (not Dealer in Mortgages or Commercial Paper) ☐ Investment Trust (not
Small Business Investment Company or Real Estate Investment Trust) ☐ Mutual Fund ☐ Foundation Endowment Fund ☐
Commodity Broker (if Stock Exchange Member) ☐ Other ☐

2 Insured is a (check the appropriate box): Sole Proprietorship ☐ Partnership ☐ Corporation ☐

3 List exchanges which you are a member of: <u>Name</u>	<u>Name</u>
_____	_____
_____	_____
_____	_____
_____	_____

4 Are you a member of the National Association of Securities Dealers, Inc.? Yes ☐ No ☐

5. For all Insureds, show the total number of: No. of

(a) Salaried officers and employees, retained attorneys and persons provided by employment contractors _____

(b) NASD Registered Representatives (other than those counted in (a) above) _____

(c) Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands _____

(d) Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, list below:

<u>Location</u>	<u>Location</u>
_____	_____
_____	_____

6. Complete the following:

Total Assets

- (a) As of latest Dec. 31..... \$ _____
- (b) As of latest June 30..... \$ _____

7. Complete the following for optional coverages desired:

Form of Coverage

Single Loss Limit

- (a) Is Insuring Agreement (D) — Forgery or Alteration Coverage desired?..... Yes ☐ No ☐ \$ _____
- (b) Is Insuring Agreement (E) — Securities Coverage desired?..... Yes ☐ No ☐ \$ _____

7. Complete the following for optional coverages desired (cont'd):

Single Loss Limit

- (c) Is Extortion — Threats to Persons Coverage desired?..... Yes ☐ No ☐ \$ _____

If "Yes", list below locations to be excluded:

Location

Location

Single Loss Limit

- (d) Is Extortion — Threats to Property Coverage desired? Yes ☐ No ☐ \$ _____

If "Yes", list below locations to be excluded:

Location

Location

Single Loss Limit

- (e) Is Computer Systems Fraud Coverage desired?..... Yes ☐ No ☐ \$ _____

if "Yes", complete the following:

(1) Insured's Computer System(s)

For the Computer System(s) you operate, whether owned or leased, complete the following:

- a) Number of independent software contractors authorized to design, implement or service programs for your System(s) _____
- b) Is access to your System(s) by customers or other outside parties permitted? Yes ☐ No ☐

(2) Other Computer Systems

List below other Computer System(s) for which coverage is desired:

Computer System(s)

(f) Is coverage desired on businesses engaged in the data processing of your checks or other accounting records?..... Yes ☐ No ☐
 if "Yes", list below the name and location for each data processor;

<u>Name & Location</u>	<u>Name & Location</u>

Single Loss Limit

(g) If you are a partnership, is coverage desired on your partners?..... Yes ☐ No ☐ \$ _____
 If "Yes", list below the name of each partner:

<u>Name</u>	<u>Name</u>

8. Are you a direct participant in a depository for the central handling of securities?. Yes ☐ No ☐
 If "Yes", list below the name and location of each depository:

<u>Name & Location</u>	<u>Name & Location</u>

9. For deductibles, complete the following: (NOTE: Deductibles on Insuring Agreements (D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Extortion Coverage may be written in any amount.)

Coverage

Single Loss Deductible

- | | |
|---|----------|
| (a) All coverages except Insuring Agreements (D), (E) and Extortion | \$ _____ |
| (b) Insuring Agreement (D) — Forgery or Alteration | \$ _____ |
| (c) Insuring Agreement (E) — Securities | \$ _____ |
| (d) Extortion — Threats to Persons | \$ _____ |
| (e) Extortion — Threats to Property | \$ _____ |

10. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations:

11. If coverage is being written on a coinsurance basis, show your percentage participation _____ %. (NOTE: Insured may assume a participation of between 5% and 25%.)

12. Are accounts insured by the Securities Investors Protection Corporation? Yes ☐ No ☐

13. AUDIT PROCEDURES:

- (a) Is there an annual ☐, semi-annual ☐ audit by an independent CPA? Yes ☐ No ☐
- (b) If "Yes", is it a complete audit made in accordance with generally accepted auditing standards and so certified? Yes ☐ No ☐
- (c) If the answer to (b) is "No", explain the scope of the CPA's examination:
- (d) Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation? Yes ☐ No ☐
- (e) Name and location of CPA:
- (f) Date of completion of the last audit by CPA:
- (g) Is there a continuous internal audit by an Internal Audit Department? Yes ☐ No ☐
- (h) If "Yes", are there monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation? Yes ☐ No ☐
- (i) Are money and securities actually counted and verified? Yes ☐ No ☐
- (j) Are the ledger balances to the credit of customers verified? Yes ☐ No ☐

14. INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES):

- (a) Do you require annual vacations of at least two consecutive weeks for all personnel?
If "No", explain: Yes ☐ No ☐
- (b) Are bank accounts reconciled by someone not authorized to deposit or withdraw?
If "No", explain: Yes ☐ No ☐
- (c) Is countersignature of checks required?
If "No", explain: Yes ☐ No ☐
- (d) Are monthly statements (whether or not there was activity in the account) mailed directly to all customers?
If "No", explain: Yes ☐ No ☐

15. Has there been any change in ownership or management within the past three (3) years? Yes ☐ No ☐
If "Yes", explain:

16. Has any insurance been declined or cancelled during the past three (3) years? (Not applicable in Missouri) Yes ☐ No ☐
If "Yes", explain:

17. List all losses sustained during the past three years. whether reimbursed or not from
Check if none ☐

_____ to _____
{ month, day, year } { month, day, year }

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location

FRAUD WARNING STATEMENT

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance, or a statement of claim containing any false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime in certain jurisdictions.

State-Specific Warnings

ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

DISTRICT OF COLUMBIA APPLICANTS: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

MAINE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.

PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

PUERTO RICO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURANCE COMPANY PRESENTS FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, HELPS, OR CAUSES THE PRESENTATION OF A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR ANY OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME DAMAGE OR LOSS, SHALL INCUR A FELONY AND, UPON CONVICTION, SHALL BE SANCTIONED FOR EACH VIOLATION WITH THE PENALTY OF A FINE OF NOT LESS THAN FIVE THOUSAND (5,000) DOLLARS AND NOT MORE THAN TEN THOUSAND (10,000) DOLLARS, OR A FIXED TERM OF IMPRISONMENT FOR THREE (3) YEARS, OR BOTH PENALTIES. IF AGGRAVATED CIRCUMSTANCES PREVAIL, THE FIXED ESTABLISHED IMPRISONMENT MAY BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IF EXTENUATING CIRCUMSTANCES PREVAIL, IT MAY BE REDUCED TO A MINIMUM OF TWO (2) YEARS.

RHODE ISLAND APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON."

TENNESSEE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS."

WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

The Insured represents that the information furnished in this application is complete, true and correct. Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

***FOR GEORGIA, AND VIRGINIA APPLICANTS ONLY: The Insured represents that the information furnished in this application is complete, true and correct. It is further agreed that if the above described declarations and statements are not true, accurate and complete, and are deemed material to the issuance of this Policy, any claim arising from any matter not truthfully, accurately or completely disclosed, or disclosed at all, shall be excluded from coverage.**

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A BOND BE ISSUED

Signed by: _____ Title: _____

Signature: _____ Date: _____

Producer Name (Iowa, Florida only): _____ Producer License No. (Florida only): _____

Producer Signature (New Hampshire only): _____