



This form must be completed for each new bond and at each premium anniversary. If more space is needed to answer any of the questions contained herein, attach additional sheets.

APPLICATION FOR A FINANCIAL INSTITUTION BOND, STANDARD FORM NO. 14 FOR BROKER/DEALERS

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, Standard Form No. 14, to become effective as of
(primary, excess, concurrent, co-surety, coinsured)

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:
Table with 2 columns: Name, Name

- 4. Are you a member of the Financial Industry Regulatory Authority? Yes [] No []

- 5. For all insureds, show the total number of:
(a) Salaried officers and employees, retained attorneys and persons provided by employment contractors
(b) FINRA 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:

Table with 2 columns: Location, Location

- 6. Complete the following:
(a) As of latest Dec. 31..... \$ _____
(b) As of latest June 30..... \$ _____
Total Assets

7. Complete the following for optional coverages desired:

- | <u>Form of Coverage</u> | <u>Single Loss Limit</u> |
|---|---|
| (a) Is Insuring Agreement (D) — Forgery or Alteration Coverage desired? | Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ |
| (b) Is Insuring Agreement (E) — Securities Coverage desired? | Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ |
| (c) Is Extortion — Threats to Persons Coverage desired? | Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ |

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

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

- | | |
|--|---|
| (d) Is Extortion — Threats to Property Coverage desired? | <u>Single Loss Limit</u>
Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ |
|--|---|

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

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

- | | |
|---|---|
| (e) Is Computer Systems Fraud Coverage desired? | <u>Single Loss Limit</u>
Yes <input type="checkbox"/> No <input type="checkbox"/> \$ _____ |
|---|---|

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 of each data processor:

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

(g) If you are a partnership, is coverage desired on your partners?..... Yes No Single Loss Limit
 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.)

<u>Coverage</u>	<u>Single Loss Deductible</u>
(a) All coverages except Insuring Agreements (D), (E) and Extortion.....	\$ _____
(b) Insuring Agreement (D) — Forgery for Alteration.....	\$ _____
(b) Insuring Agreement (D) — Forgery for 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 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? _____

14. INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES):

- (a) Do you require annual vacations of at least two consecutive weeks for all personnel?..... Yes No
If "No", explain: _____

- (b) Are bank accounts reconciled by someone not authorized to deposit or withdraw?..... Yes No
If "No", explain: _____

- (c) Is countersignature of checks required?..... Yes No
If "No", explain: _____

- (d) Are monthly statements (whether or not there was activity in the account) mailed directly to all customers?..... Yes No
If "No", explain: _____

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

16. Has any insurance been declined or canceled during the past three years..... Yes No
If "Yes", explain: _____

17. List all losses sustained during the past three years, whether reimbursed or not, from _____ to _____
(month, day, year) (month, day year)

Check if none []

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
		\$	\$	\$	\$	

The Insured represents that the information furnished in this application is complete, true and correct. Any 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.

Dated at _____ this _____ day of _____, 20_____

(Insured) By _____
(Name and Title)

FRAUD WARNINGS

ALABAMA:

To be attached to and form part of this application: 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. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

ARKANSAS – SA6247(AR):

To be attached to and form part of this application: 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.

CALIFORNIA:

To be attached to and form part of this application: For your protection, California law requires that you be made aware of the following: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO:

To be attached to and form part of this application: 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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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 – SA6258(DC):

To be attached to and form part of this application: 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.

FLORIDA:

To be attached to and form part of this application: Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

KANSAS:

To be attached to and form part of this application: An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

KENTUCKY – SA6216 (KY):

To be attached to and form part of this application: 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 – SA6252 (LA):

To be permanently affixed to and included as part of this application: 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:

To be attached to and form part of this application: 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 denial of insurance benefits.

MARYLAND – SA6256a(MD):

To be attached to and form part of this application: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 – SA6221(NJ):

To be attached to and form part of this application: 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 – SA6250 (NM):

To be attached to and form part of this application: 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:

To be attached to and form part of this application: Any person who knowingly and with intent to defraud any insurance company or any 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 shall also be subject to a civil penalty not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.

OHIO – SA6218(OH):

To be attached to and form part of this application: 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:

To be attached to and form part of this application: 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:

To be attached to and form part of this application: 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 may be guilty of a crime and may be subject to fines and confinement in prison.

PENNSYLVANIA – SA6220(PA):

To be attached to and form part of this application: 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 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.

RHODE ISLAND:

To be attached to and form part of this application: 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. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

TENNESSEE:

To be attached to and form part of this application: 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 and/or denial of insurance benefits.

VERMONT:

To be attached to and form part of this application: 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.

VIRGINIA – SA6251(VA):

To be attached to and form part of this application: 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.

WASHINGTON – SA6254(WA):

To be permanently affixed to and included as part of this application: 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, and denial of insurance benefits.

WEST VIRGINIA:

To be attached to and form part of this application: 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. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

(Insured/Applicant)

(Name and Title)

(Date)