



Bond No. _____
 This form must be completed for each new bond
 and at each premium anniversary.

**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 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 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 of 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:

<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"/>	\$ _____

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:

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

(d) Is Extortion – Threats to Property Coverage desired? Yes No \$ _____
 If "Yes", list below locations to be excluded:

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

(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:

<u>Computer System(s)</u>

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

(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) Does the audit or management letter note any material weaknesses? Yes No
If yes, provide full details. _____
- (h) Is there a continuous internal audit by an Internal Audit Department?..... Yes No
- (i) If “Yes”, are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation?..... Yes No
- (j) Are money and securities actually counted and verified?..... Yes No
- (k) Are the ledger balances to the credit of customers verified?..... Yes No

If the answers supplied for questions 14 – 17 below are not applicable to each insured proposed for this insurance attach a separate sheet answering the relevant question for each such insured.

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? (not applicable in the state of Missouri) 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
		\$	\$	\$	\$	

ATTACHMENTS

- 18. Most recent CPA audit.
- 19. Letter (sometimes known as management letter) that accompanied latest audit and detailed recommendations and weaknesses, (material or otherwise), with respect to operations and internal control structure, along with written response to any comments made therein.
- 20. List of all proposed **insureds** including the following information on each: name, nature of business, date of incorporation, name of parent, percent of ownership, domestic or foreign, date of acquisition.

FRAUD NOTICES: Prior to signing this Application, please review the following statutory fraud notices as they may apply to the Company's domicile.

ARKANSAS: Any person who knowingly presents a false or fraudulent claim for payment of a loss 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: 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.

FLORIDA: 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 statement is guilty of a felony of the third degree.

KENTUCKY: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

LOUISIANA: 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: 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.

NEW JERSEY: 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: 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: 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

OHIO: 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: 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 false, incomplete or misleading information is guilty of a felony.

PENNSYLVANIA: 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.

VIRGINIA: 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.

Dated at _____ this _____ day of _____, _____

(Insured) By _____
(Name and Title)