

Executive Perils

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dba: Executive Perils Insurance Services

Name of Insurance Company to which application is made

INVESTMENT ADVISER PROFESSIONAL LIABILITY AND DIRECTORS AND OFFICERS LIABILITY APPLICATION

NOTICE: THIS IS A PROPOSAL FOR A CLAIMS-MADE POLICY. THE POLICY FOR WHICH THIS PROPOSAL IS MADE, SUBJECT TO ITS TERMS AND CONDITIONS, IS LIMITED TO LIABILITY FOR ACTS FOR WHICH CLAIMS ARE FIRST MADE AGAINST THE INSURED WHILE THE POLICY IS IN FORCE.

THE LIMIT(S) OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT THE AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

1. A) Name of Applicant: _____
B) Mailing Address: _____
C) State of Incorporation (if applicable): _____
D) If other than a corporation, state form of organization and identify applicable law controlling said form of organization. State what public authority documents are filed with relating to the formation of such organization (e.g. limited partnership certificate of record): _____

2. A) Limit of Liability requested: \$ _____
B) Retention requested: \$ _____
3. A) Year Investment Advising operations commenced: _____
B) Is Applicant registered with SEC (Securities and Exchange Commission) as an Investment Adviser?
Yes _____ No _____
4. A) Number of Offices in U.S.A. and Canada: _____
B) Number of Offices elsewhere: _____
5. Stock Ownership of Applicant: _____
A) Total number of common shares outstanding: _____
B) Total number of common stock shareholders: _____
B) Total number of common shares owned by its Directors and Officers (direct and beneficial): _____

C) List any shareholder(s) owning five percent (5%) or more of the common shares directly or beneficially of the Applicant. Please designate name and percentage of holdings: _____

6. A) Number of persons serving as Partners, Directors or Officers: _____

IF LESS THAN TEN (10), ATTACH BIOGRAPHICAL INFORMATION FOR EACH ITEMS 6A) and 6B).

B) Number of portfolio managers: _____

C) Size of research staff not included in 6A) and 6B): _____

D) Total number of other employees: _____

E) Has there been any changes in senior management or the portfolio managers within the last year? _____

7. Is insurance desired for any other entity or activity related to Applicant? Yes _____ No _____

If yes, state entity or activity and describe its function and relationship: _____

8. Has the Applicant been involved in any actual or proposed merger, acquisition, consolidation, and tender offer or divestment during the past three (3) years? Yes _____ No _____ (If yes, attach full details):

9. Does the Applicant anticipate any public offering of securities or any registration of securities under the Securities Act of 1933 or qualification of securities under Regulation A within the next twelve (12) months?
Yes _____ No _____ (If yes, attach full details and submit prospectus): _____

Current Year _____ Prior Year _____

10. A) Total asset value of all accounts: \$ _____ \$ _____

B) Asset value of largest account: \$ _____ \$ _____

C) Total number of accounts: _____

D) Number of accounts lost, terminated or otherwise closed during last twelve (12) months and corresponding total asset value _____

E) Explanation for lost accounts: _____

F) Minimum size of accounts currently accepted as new accounts: \$ _____

G) Percentage of accounts for which the Applicant acts as custodian: _____ %

H) Percentage of total assets invested in non-investment grade bonds: _____ %

11. Complete for those accounts for which the Applicant acts as Investment Counselor or Adviser:

A) DISCRETIONARY ACCOUNTS:

| | <u>MARKET ASSET VALUE</u> | <u>NUMBER OF ACCOUNTS</u> |
|---|-------------------------------|-------------------------------|
| ERISA Defined Benefit Plans (except HR 10's and IRA's) | | |
| ERISA Defined Contribution Plans | \$ _____ | _____ |
| HR 10 and IRA Plans | \$ _____ | _____ |
| Non-ERISA Pension and Employee Benefit Plans | \$ _____ | _____ |
| Mutual Funds | \$ _____ | _____ |
| REITS | \$ _____ | _____ |
| I other accounts (including Personal Accounts) | \$ _____ | _____ |
| Accounts for which Applicant is Trustee | \$ _____ | _____ |
| Total Book Value of all accounts | \$ _____ | _____ |

B) NON-DISCRETIONARY ACCOUNTS:

| | | |
|---|----------|-------|
| ERISA Defined Benefit Plans | \$ _____ | _____ |
| (except HR 10's and IRA's) | \$ _____ | _____ |
| ERISA Defined Contribution Plans | \$ _____ | _____ |
| HR 10 and IRA Plans | \$ _____ | _____ |
| Non-ERISA Pension and Employee Benefit Plans | \$ _____ | _____ |
| All other accounts (including Personal Accounts) | \$ _____ | _____ |
| Total Book Value of all accounts | \$ _____ | _____ |

12. Does the Applicant act as Investment Adviser for any multi-employer (Taft-Hartley), union or governmental employee benefit plans? Yes _____ No _____ (If yes, attach list of clients and dollar amounts of assets managed.)

13. A) May clients select their own brokers for executions? Yes _____ No _____

B) Are some client transactions executed by an "in-house" broker-dealer? Yes _____ No _____

C) Name of "in-house" broker-dealer: _____

D) Does the applicant use outside selected custodians, broker-dealers or client accounting facilities?

Yes _____ No _____

14. A) Does the Applicant recommend investments in specialty areas other than securities? Yes _____ No _____
(Specialty areas include commodity futures, real estate, options, private placements, unregistered securities, direct placement, oil and gas joint ventures, cattle trusts, or limited partnerships of any type).
- B) If yes, describe specialty area and state its percentage of (1) total asset value and (2) each type of account as specified in 11(A) and 11(B) (i.e., HR 10 and IRA plans, mutual funds, etc.):

15. A) Is there an "approved" list of securities which can be recommended to clients? Yes _____ No _____
- B) How are exceptions to this list handled internally and with clients? _____
- _____

16. A) How often do clients receive portfolio financial statements: _____
- B) How often are meetings held with clients _____
- _____

- C) Describe Applicant's policy for timely notification of discretionary clients of securities transactions and changes in portfolio: _____
- _____

17. Describe measures Applicant has instituted to assure that clients' plans comply with ERISA:

18. Describe procedure for decisions and executions when a portfolio manager is not available:

19. A) Annual fees for Investment Advising Services: \$ _____

Other income: \$ _____

B) Explain sources of other income: _____

20. The following question refers to Form ADV filed with the SEC. Has the Applicant filed any amendments to Questions 11(a) to 11(j) as respects the Applicants' Investment Advisory services? (If yes, attach full details): _____

21. Previous Investment Advisers Professional Liability Insurance:

A) Insurer _____ Limit of Liability \$ _____

Policy Term _____ Premium \$ _____

Loss Experience: Yes _____ No _____ (If yes, describe all claims made in the past five (5) years.)

B) Has any Insurer refused or cancelled coverage? * Yes _____ No _____

C) If yes, state reason and date of refusal or cancellation: _____

22.

INSURER

LIMIT

TERM

Other Current Professional

Liability Policy: _____

Current Fidelity Bond: _____

Current Fiduciary Liability Policy: _____

23. A) Name and address of outside counsel: _____

B) Has the Applicant changed its outside counsel in the past three (3) years? Yes _____ No _____ (If yes, attach full details): _____

24. A) Name and address of firm employed as public accountants: _____

B) Has the Applicant changed its auditor in the last three (3) years? Yes _____ No _____

(If yes, attach full details): _____

25. Has any claim or litigation been brought against the Applicant or any of its Partners, Directors, Officers or Employees in their capacities as Investment Advisers? Yes _____ No _____ (If yes, attach full details):

26. Does the Applicant or any of its Partners, Directors, Officers or Employees have any knowledge of any fact, circumstance or act which might give rise to a claim under the proposed policy? Yes _____ No _____ (If yes, attach full details): _____

Pertaining to Questions 25 and 26 above, it is agreed that if the Undersigned or any Insured proposed for this insurance has knowledge of any such fact or circumstance or if such pending or prior claim or suit exists, then any claim or suit arising therefrom shall be excluded from coverage under the proposed policy.

27. The following documents are attached and considered to be made a part of this Application and any policy subsequently issued:
- A) Applicant's latest audited annual report;
 - B) Applicant's latest 10-K report filed with the SEC and most recent proxy statement (if the Applicant is publicly traded);
 - C) Copy of brochure and sample contract offered to clients;
 - D) Information indicating overall portfolio performance for past five (5) years and include comparative results to Standard and Poors, Salomon Brothers Bond Index or similar indices;
 - E) Brief resumes of all Professional Investment Advisers in the firm;
 - F) Latest ADV Report as filed with the SEC;
 - G) Complete list of all Directors and their principal business affiliations.

THE UNDERSIGNED REPRESENTS THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED FURTHER REPRESENTS THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE TIME WHEN THE POLICY IS ISSUED, THE APPLICANT WILL IMMEDIATELY NOTIFY THE HARTFORD INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND MADE A PART OF THE POLICY.

FRAUD 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.

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 MAYBE 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.

TENNESSEE: 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.

Signed: _____

Date: _____

Title: _____
(must be signed by the President)

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

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