

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 BROKERS/DEALERS

Application is hereby made by _____

(List all Insureds, including Employee Benefit Plans)

Principal Address _____ (herein called Insured)

(No.) (Street) (City) (State) (Zip)

for a _____ **Financial Institution Bond, Standard Form No. 14**, to become 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 Co. or Real Estate Investment Trust) Mutual Fund Foundation
 - Endorsement 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 Named 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 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:

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 \$ _____
- (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 Persons Coverage desired?.....Yes No \$ _____

Single Loss Limit

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

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

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

Single Loss Limit

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 business 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>

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 Agreement (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 Agreement (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 _____

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- (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?..... Yes No
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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: _____

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

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

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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 _____, 19 _____

(Insured) By _____
(Name and Title)