

RENEWAL APPLICATION FOR "CLAIMS-MADE AND REPORTED" PROFESSIONAL LIABILITY INSURANCE INVESTMENT ADVISORS, FINANCIAL PLANNERS, REGISTERED REPRESENTATIVES AND LIFE INSURANCE AGENTS

Administered by:

ProSurance Group, Inc.

2685 Marine Way, Suite 1408

Mountain View, California 94043

License # 0B53955

Underwritten by one of the following insurance companies:
Scottsdale Insurance Company, Ohio
Scottsdale Indemnity Company, Ohio
Scottsdale Surplus Lines Insurance Company, Arizona

IMPORTANT NOTICE: Please carefully read the information and follow the instructions set forth below. Please type or print legibly in ink.

The following words have the meanings set forth below when used in this **Application**:

Applicant refers, individually and collectively, to the individual or entity named in 1a., below, the Applicant's officers, directors, partners, employees and independent contractors and any affiliated business organizations for which insurance coverage is sought under this Application.

Application refers, individually and collectively, to this Renewal Application for Insurance and any Supplemental Application or Exhibit attached hereto.

Each question or information request on this *Application* and any attached Supplemental Application must be fully and accurately answered on behalf of *Applicant*; all blanks must be appropriately filled in, and all additional required information supplied, leaving no part of the *Application* unanswered or incomplete. If the answer to any question is "none" or "not applicable", state "none" or "NA". Use the Supplemental Information Form ("S.I.F.") where additional space is required to provide requested information, descriptions or explanations and any additional information material to this *Application*. An incomplete *Application* cannot be considered for insurance.

The policy for which *Applicant* is applying only covers written professional liability claims first made against an insured and reported to the Company during said insured's policy period, and which arise from the performance of covered professional services after the applicable retroactive date. If *Applicant* has any questions concerning this coverage, please contact *Applicant's* insurance professional.

The undersigned, for and on behalf of the below indicated *Applicant* (including its officers, directors, partners, employees, and independent contractors, and any affiliates for which insurance coverage is sought under this *Application*), hereby makes *Application* for "claims-made and reported" securities broker/dealer professional liability insurance coverage, and in connection therewith furnishes Company the following information.

insurance coverage, and in connection therewith furnishes	Company the following it	information.			
I. APPLICANT.					
1a. Legal Name (Include D.B.A. or T/A, if any)		CRD or SEC N	No.: E	Employer lo	dentification No.:
1b. Home Office Address (Street and No., City, County, S		Office Telephone			
			() -	
1c. Mailing Address (Street and No., City, County, State,	Zip Code)		F (FAX Numb	er
1d. Contact Person:			7	Telephone	Number
) -	
II. REQUESTED PROFESSIONAL LIABILITY INSURAN					
2a. The Company offers Limits of Liability that cover each		nual policy aggregate. Indicate the	e Each Wrongful	Act/Annual	l Policy
Aggregate Limits of Liability for which Applicant is ap				0 000 000	00.000.000
\$100,000/\$200,000		\$1,000,000/\$1,000,000			\$2,000,000
\$250,000/\$500,000 \$500,000	/\$1,000,000	\$1,000,000/\$2,000,000		other: \$	
2b. Requested Retention:					
□ \$2,500 □ \$10,000		\$50,000			
□ \$5,000 □ \$25,000		Other			
(Any requested increase in Limits of Liability or decrease in retention would apply to wrongful acts occurring on and after the effective date of the renewal policy.)					
		•			• • •
III. EMPLOYEES AND INDEPENDENT CONTRACTORS.					
(Note: Independent contractors will only be covered if specifically named as an insured in this policy and then only for services performed on behalf of <i>Applicant</i> ; otherwise, they must apply separately.)					
Indicate the number of professionals (registered repres	sentatives, registered inv	vestment advisors, financial plan	ners. life insuran	ce agents	others) associated with
Applicant : Complete an attached Supplemental Application - Additional Professionals for any professionals added since last year's Application. Indicate on the S.I.F.					
any professional who was insured on the expiring policy but who is no longer associated with <i>Applicant</i> and his/her date of termination.					
Prior	Current Year:	1	Next Year:		
Year:	Odiforit Fodi.	·	TOXI TOUI.		
IV. REVENUE, PRODUCTS AND SERVICES.					
4a. List <i>Applicant's</i> gross revenue for the past three years, and estimates for the current year and next year:					
Prior Year: 20 \$	Current Year: 2	20 \$	Next Year	: 20	\$

4b.	Split Applicant's estimated current year's gross revenue	into percentages by the following categories:				
1.	Fees	Percent \$ Under 3. Other (For all such services, describe in detail on S.I.F.)				
	Financial Planning Services:		%			
	Investment Advisory Services	b. Benefit Consulting or Administration:	%			
	a. Management of a client's assets with no	c. Management Consulting:	%			
	discretionary authority:	d. Tax Preparation Services:	%			
	b. Discretionary Authority Over Trades of Mutual Funds Only (e.g., market timing or asset allocation	\$ e. Accounting Services, Other than Tax Preparation: f. Investment Income:	% %			
	services under a limited power of attorney):	g. Notary Services:	%			
	c. Management of a client's assets with <u>full</u>	h. Other (Describe):	%			
	discretionary authority:	%				
	d. Other (describe):	% \$				
	Sub Totals:	% \$ Sub Total:				
2.	Commissions	\$				
	a. Securities Sales:	% TOTAL:	100%			
	b. Life, Health, Disability Insurance Sales:	%				
	c. Property/Casualty Insurance Sales:	%				
	d. Other (describe):Sub Total:	% %				
4c.		evenue listed in 4b, 2, above, into the products listed below:	0/			
	TOTAL STOCKS:% Listed: %	COMMERCIAL PAPER, TOTAL ANNUITIES: REPURCHASE AGREEMENTS, Variable:%	%			
	Unlisted:%	& OTHER SHORT TERM INVESTMENTS % Other: %				
	Penny: %	OPTION CONTRACTS:% LIFE, HEALTH, DISABILITY:	%			
		(Stocks, indexes etc.) Life Insurance:%				
	TOTAL BONDS: %	FUTURES CONTRACTS: % Health & Disability				
	Investment Grade:%	(Commodities, currency etc.) Insurance:%				
	"Junk":%	MUTUAL FUNDS:% TANGIBLES:	%			
	TOTAL REITS:%	Hedge Funds:% Rare Coins:%				
	Publicly Traded:%					
	Registered but non- traded:%					
	Nonproprietary Priv. Placement:%					
	Proprietary Private Placement:% UNREGISTERED STOCKS & BONDS %	Other Than Hedge Funds: % Gold/Silver: %				
	UNREGISTERED STOCKS & BONDS% DERIVATIVES: %	Other Than Hedge Funds:% Gold/Silver:% TOTAL LIMITED PARTNERSHIPS:% Other (Specify):%				
	PROPERTY/CASUALTY	Registered:% Office (Specify)% OTHER (Specify on S.I.F.):	%			
	INSURANCE:%	Unregistered:% TOTAL:	100%			
14		any of their officers, directors, partners, employees, independent contractors or supervised	10070			
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registered representatives, if a securities principal, have any financial interest (other than sales commission), ownership or control or other relationship with any of the products sold or recommended, or the organizations offering such products or services (e.g., acts as a general partner						
for a limited partnership, owns part of its broker-dealer, etc.)? If "yes", explain on the S.I.F.						
· / / / ·						
 V. CLAIMS AND COMPLAINTS. 5a. Since last year's <i>Application</i>, has any new claim, suit or arbitration for alleged malpractice, error, omission, mistake or other wrongful act been 						
Ja.	made against Annlicant its predecessor in husiness	its officers, directors, partners employees, independent contractors or supervised registered				
	representatives, if a securities principal? If "ves", c	omplete a Claim Information Form for each claim, lawsuit or arbitration, whether or not	☐ Yes ☐ No			
	representatives, if a securities principal? If "yes", complete a Claim Information Form for each claim, lawsuit or arbitration, whether or not \square Yes \square No Applicant or others listed above were insured at the time and regardless of the outcome or current status.					
5b.		cant, or any of its partners, directors, officers, employees, independent contractors or				
		incipal, have any knowledge or information of any fact situation (e.g. a limited partnership				
	sold by Applicant encountering financial difficulties,	or any security sold to a client or a client of a supervised registered representative, if a				
		tial loss to the client), allegation or incident which may result in a claim, suit or arbitration				
		rtners, employees, independent contractors or supervised registered representatives and				
		If "yes", complete a Claim Information Form for each such fact situation, allegation or	☐ Yes ☐ No			
	incident.					
	Is Applicant aware of or involved in any fee dispute wi		☐ Yes ☐ No			
5d.	·	s of any claim, suit or arbitration (or incident that could lead to a claim) that was reported on				
	last year's Application and which was not already sett	led at the time of last year's Application .				
VI.	DISCIPLINARY ACTION. Since last year's application,	has <i>Applicant</i> , or any of <i>Applicant's</i> officers, directors, partners, employees, independent co	ntractors or			
	supervised registered representatives, if a securities prin					
		l, suspended, revoked, non-renewed or restricted in any way?	☐ Yes ☐ No			
6b.		gation by the SEC, NASD, a state securities, corporation or insurance department or				
	other regulatory body, or formally reprimanded by any co		☐ Yes ☐ No			
6c.		agency, <i>Applicant's</i> broker-dealer, the SEC, NASD, a state insurance, corporations or	-			
•	securities department or other regulatory body?		☐ Yes ☐ No			
	Been formally accused of violating any professional asso		☐ Yes ☐ No			
	Been convicted of a criminal offense other than minor tra		☐ Yes ☐ No			
			□ Yes □ No			
	in any or the loregoing are answered yes, give full details	s, including disciplinary and corrective action taken, on the S.I.F.)				

VII. MISCELLANEOUS.				
7a. Since last year's <i>Application</i> , has <i>Applicant</i> or any of its parents, subsidiaries or affiliates, or any of its directors, officers, partners, employees,				
independent contractors or supervised registered representatives, if a securities principal, had a professional liability policy or fidelity bond declined, canceled, issued on special terms, renewal refused or had a request that an application for insurance or for a bond be withdrawn?	□ Yes □ No			
7b. Does Applicant , or any of its officers, directors, partners, employees or independent contractors practice any other profession or engage in any other business which was not disclosed on last year's Application ?	□ Yes □ No			
7c. Have there been any changes in Applicant's business since last year's Application (e.g. acquisition or merger, added or deleted professionals, opened new offices, acquired certification or additional licenses, changed broke-dealer or life company representation)?	□ Yes □ No			
7d. Is there any additional information material to this <i>Application</i> that has not been otherwise disclosed?	☐ Yes ☐ No			
If any of the foregoing are answered "yes", give full details, including disciplinary and corrective action taken, on the S.I.F.)				
VIII. ADDITIONAL INFORMATION. Attach a copy of any of the following documents which have been revised, updated or issued in the last year:				
8a. Filed Forms				
Current complete Form ADV and updates.				
2. Other disclosure documents if Form ADV, Part II is not used for that purpose.				
3. U-4's for all registered representatives listed in 4d., above.				
4. Supplemental Financial Crisis Questions Form updates.				
8b. Any audits by the SEC, NASD, state securities and insurance departments, Applicant's broker-dealer or insurance companies and Applicant's reply.				
REPRESENTATIONS, WARRANTIES AND AGREEMENTS				
Notice: Please read the following carefully before signing this Application.				

On behalf of *Applicant* (including its officers, directors, partners, and employees and any affiliates for which insurance coverage is sought under this *Application*) the undersigned makes the following representations, warranties and agreements:

- 1. I have been duly authorized, for and on behalf of *Applicant*, to apply for this insurance and to complete this *Application*.
- 2. The Claim Information Forms, if any, that are attached to this *Application* include the details of: (a) all claims, suits and arbitrations which have been brought against *Applicant*; and (b) all fact situations and incidents which have occurred in the past and which may reasonably be expected to result in a claim, suit or arbitration against *Applicant* in the future. All such claims, suits and incidents have been reported to *Applicant's* current or prior insurer(s). It is understood and agreed that all such claims, suits, arbitrations, fact situations and incidents will be excluded from coverage under any policy issued by the Company.
- 3. It is understood that completion of this *Application* does not constitute acceptance of this *Application* or obligate the Company to complete the insurance applied for. It is understood and agreed that the language of the policy that is issued, if any, and not any summary language in this *Application* or any Company marketing materials, will determine actual insurance coverage.
- 4. It is understood and agreed: (a) that this *Application*, including, without limitation, all information submitted verbally or in writing in connection herewith and not contained herein, is material to and will be relied upon by the Company in making a decision whether to issue a policy or upon what terms; (b) that this *Application* will be made a part of any such policy; and (c) that any such policy will be issued in reliance upon the representations made in connection with this *Application*.
- 5. It is understood and agreed that failure to provide a true and complete response to any of the questions, statements or requests for information in this *Application* or to provide any other information material to this *Application* may, at the sole option of the Company, result in the voiding of the insurance policy issued in reliance on this *Application* and/or denial of coverage for specific claims asserted against *Applicant* or any other insured under the policy. The undersigned, on behalf of *Applicant* and all other insureds under any policy issued by the Company, hereby waives any defense to an action by the Company for rescission of such policy based upon misrepresentation of fact or failure to disclose material information in connection with this *Application*, including, without limitation, answers to questions in Sections V, VI and VII, *Applicant* agrees to hold the Company harmless from all loss as a result of any such misrepresentation or failure to disclose, including, without I imitation, all costs and attorney fees incurred by the Company in connection with said action for rescission.
- 6. **Applicant** authorizes and consents to investigation of information bearing upon **Applicant's** moral character, professional reputation, and qualifications to engage in the activities to be insured, including, without limitation, authorization to every person or entity, public or private, to release to the Company, its agents and authorized representatives, any documents, records or other information bearing upon the foregoing. It is understood and agreed that these investigations may not be confined to information submitted in this **Application**, but may include any other information deemed relevant by the Company. It is understood and agreed that organizations releasing such information, their agents, servants and employees shall not incur any liability as a result of any information released or furnished pursuant to this authorization, including any errors, omissions or mistakes contained in such released information.
- 7. Applicant will notify the Company within 10 days of any material change in the nature of Applicant's business (including, without limitation, any changes in location, the kind of products sold or services provided or the answers to the questions posed in Articles V and VI of this Application) while this Application is pending and throughout the term of any policy issued by the Company.

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APPLICANT NAME:	BY:
PRINT NAME AND TITLE:	DATE:
	company or its representatives files an application for insurance containing false hereto, commits a fraudulent insurance act which is a crime.

APPLICATION COMPLETION CHECK LIST

- 1. Review the *Application* to insure that full, accurate information has been provided, with each question answered and all blanks filed in with the requested information or "N.A." or "none", and that the Supplementary Information Form ("S.I.F.") contains all requested information and any additional information for which additional space is needed or which is material to making this *Application* accurate and complete.
- 2. Attach a completed Claim Information Form for each claim or suit brought against *Applicant*, and for each fact situation or incident that may reasonably result in such a claim or suit.
- 3. Review Article VIII and attach all additional information requested by that Article.
- 4. Attach any Supplement Applications called for under this *Application*.
- 5. Sign and date the *Application*.
- 6. Mail the *Application* to ProSurance Group, Inc. at the address shown above.



SUPPLEMENTAL APPLICATION - ADDITIONAL PROFESSIONALS

Instructions: Complete the following information for each professional associated with *Applicant* and not previously reported to the Company (including independent contractors and supervised registered representatives, if a securities principal). If additional space is needed, use the S.I.F. Copy this page for additional professionals.

	Professional Number 1	Professional Number 2	Professional Number 3
Name:			
CRD#:			
Relationship to <i>Applicant</i> : (Check all that apply)	☐ Employee ☐ Independent Contractor ☐ Officer ☐ Director ☐ Shareholder ☐ Partner ☐ Supervised Registered Rep. ☐ Other - Explain:	☐ Employee ☐ Independent Contractor ☐ Officer ☐ Director ☐ Shareholder ☐ Partner ☐ Supervised Registered Rep. ☐ Other - Explain:	☐ Employee ☐ Independent Contractor ☐ Officer ☐ Director ☐ Shareholder ☐ Partner ☐ Supervised Registered Rep. ☐ Other - Explain:
Services Provided: (Check all that apply)	 ☐ Financial Planning ☐ Security Sales ☐ Life, Health, Disability Insurance Sales ☐ Investment Management Services ☐ Other - Specify: 	 ☐ Financial Planning ☐ Security Sales ☐ Life, Health, Disability Insurance Sales ☐ Investment Management Services ☐ Other - Specify: 	 ☐ Financial Planning ☐ Security Sales ☐ Life, Health, Disability Insurance Sales ☐ Investment Management Service ☐ Other - Specify:
Years of Experience:			
Professional Designation and Academic Training: (Include professional credentials received (e.g., CFP, ChFC, CPA, LL.B., JD., IAFP Registry, CFA, Enrolled Agent), whether studying for such credentials, or other training in the profession)			
Securities Licenses Held:	☐ Series 7 ☐ Series 63 ☐ Series 24 ☐ Series 6 ☐ Other - Specify:	☐ Series 7 ☐ Series 63 ☐ Series 24 ☐ Series 6 ☐ Other - Specify:	☐ Series 7 ☐ Series 63 ☐ Series 24 ☐ Series 6 ☐ Other - Specify:
States Where Licensed:			
Insurance Licenses Held:	Life, Health & Disability - Specify States: Property/Casualty - Specify States:	Life, Health & Disability - Specify States: Property/Casualty - Specify States:	Life, Health & Disability - Specify States: Property/Casualty - Specify States:
Society Memberships:			
Continuing Education:	i. Participate in continuing education? ☐ Yes ☐ No ii. In compliance with his/her Society's recommendations? ☐ Yes ☐ No	i. Participate in continuing education? ☐ Yes ☐ No ii. In compliance with his/her Society's recommendations? ☐ Yes ☐ No	i. Participate in continuing education? ☐ Yes ☐ No ii. In compliance with his/her Society's recommendations? ☐ Yes ☐ No

SUPPLEMENTAL INFORMATION FORM ("S.I.F.")

INSTRUCTIONS. Use this form to provide additional information or requested descriptions or explanations necessary to provide a true and complete response to all questions, statements or requests for information contained in the *Application*. Print or type *Applicant's* name in item 1, below. Please identify the number of each question or statement on the *Application* to which your responses relate. If necessary, make additional copies of this form. Please sign all forms and staple the competed forms to the *Application*.

1. Applicant:
2. Question:

SUPPLEMENTAL FINANCIAL CRISIS QUESTIONS

INSTRUCTIONS: Print Applicant's name below. Please provide complete explanations to any "Yes" answers below. Sign and date the supplemental application.

Applicant:	
□ N/A □ Yes □ No	1. Has Applicant sold or have Applicant's' clients invested in auction rate securities? If yes, how much? Have Applicant's clients experienced difficulties redeeming them due to current market conditions? How much remains unredeemed?
□ N/A □ Yes □ No	2. Have <i>Applicant's</i> clients experienced liquidity issues or other problems with any Reserve Management mutual funds? If yes, how much of <i>Applicant</i> client's funds remained unredeemed? How much money have <i>Applicant</i> clients lost?
□ N/A □ Yes □ No	3. Has Applicant sold or have Applicant 's' clients invested in Oppenheimer Champion Income Fund, Evergreen Ultra-Short Opportunities Fund, Schwab Yield Plus Fund, Lehman Brothers structured notes or other securities with substantial loses due to sub prime mortgages or the recent credit crises? If yes, how much did Applicant's clients invest? How much did they lose?
□ N/A □ Yes □ No	4. Has Applicant sold or have Applicant's' clients invested in securities backed by sub-prime mortgages or other investments now experiencing difficulties (e.g. CMO's, CDO's) due to current market conditions? If yes, how much did Applicant's clients invest? How much did they lose?
□ N/A □ Yes □ No	5. Has <i>Applicant</i> sold or have <i>Applicant's'</i> clients invested in any limited partnerships, REIT's or 1031 exchanges, or other alternative investments that have become insolvent, gone into bankruptcy, admitted financial difficulties, or admitted to difficulties in making distributions (e.g. DBSI or Provident; or Behringer Harvard Opportunity REIT I, Behringer Harvard REIT I; Behringer Harvard Short-Term Opportunity Fund; or Cornerstone Core Properties REIT; or Inland Western Retail Real Estate Trust Inc.; or KBS Real Estate Investment Trust Inc.; or Wells Timberland REIT)? If yes, how much did <i>Applicant's</i> clients invest in each of these? How much did they lose?
□ N/A □ Yes □ No	6. Has <i>Applicant</i> sold or have <i>Applicant's'</i> clients invested in any products originated by: Walker "Tony" Young, Acorn Capital Management; or Clelia Flores, Maximum Return Investments Inc.; or Shawn Merriman, Market Street Advisors; or Weizhen Tang; or Edward Stein, Gemini Fund 1 L.P., DISP LLC.; or DBSI products or services; or Bernard Madoff, or Bernard Madoff Investment Services LLC whether directly or via fund of fund originators such as Fairfield Greenwich Advisors; Tremont Capital Management; or Maxam Capital Management; or Robert A. Stanford, Stanford International Bank, Stanford Group Company and Stanford Capital; or Marc Drier, James Nicolson, or Mark Bloom, North Hills Fund; or Paul Greenwood, Stephen Walsh, WG Trading Company, WG Trading Investors Co., Westridge Capital Management, Inc.; or Provident Royalties; or Medical Cap Note Programs; or Black Diamond Programs; or Desert Capital REIT; or Bruce Friedman, Diversified Lending Group, Inc. and Applied Equities, Inc.; or any of their parents or "affiliates". If yes, how much did clients invest in each of these? How much did they lose?
	Additional information relating to the above questions:
	Date: Signed: *******must be signed even if N/A******

CLAIM INFORMATION FORM

Instructions: Use a separate Claim Information Form for each claim or suit brought against you and for each incident or fact situation that might reasonably result in such a claim or suit against you. Reporting an incident or claim on this form or in any other way accompanying this application does not constitute reporting it to the Company as required by your insurance policy

Applicant Name (list all potential insureds which may	y be involved in the claim):				
Name and Address of Claimant:				3. Age	4. Sex
5. Claim Allegations, Incident or Fact Situation:			l		1
6. Date of Incident or Alleged Wrongful Act:		7. Date Claim Made Agair	nst <i>Applicar</i>	nt:	
8. Was <i>Applicant</i> insured? ☐ Yes ☐ No	8a. If "Yes", Name of Insu	rer:	8b. Date F	Reported to Insurer:	
9. Additional Defendants:		10. Location of Incident:			
Current Status of Claim or Incident (Open, Closed V With Payment to Claimant):	Vithout Payment, Settled	12a. If Open, Total Reserve or Estimate of Ultimate Liability:12b. If Open, Reserve or Estimate of Ultimate Liability for Applicant:			
13a. If Closed, Total Amount of Settlement or Judgment 13b. If Closed, Amount Paid By or on Behalf of <i>Applica</i>					
The following should be answered in adequate detail to allow proper evaluation. Attach relevant copies of Claimant's file and any correspondence relating to the claim or incident including, without limitation, copies of any legal pleadings, lawyer status reports, insurance company letters, any legal evaluations by experts or attorneys. Submit sufficient information to fully explain the claimant's case and <i>Applicant's</i> defense. Attach additional sheets as required. 14. Dates and Descriptions of Services Provided and/or Products Sold to Claimant:					
14. Dates and Descriptions of Gervices Frovided and/or	Troducts doid to Claimant.				
45 N (
15. Nature and Description of Problem:					
I understand that the information submitted herein becomes part of the <i>Applicant's</i> Professional Liability Insurance <i>Application</i> .					
Date:	Signed:				
F	Print Name and Title:				