



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:

<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 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"/> \$ _____ |
| (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>

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

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

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

- | <u>Form of Coverage</u> | <u>Single Loss Limit</u> |
|---|---|
| (e) Is Computer Systems Fraud Coverage desired? | 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?

(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 <input type="checkbox"/> No <input type="checkbox"/> |
|--|--|

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 <input type="checkbox"/> No <input type="checkbox"/> | <u>Single Loss Limit</u>
\$ _____ |
|---|--|--------------------------------------|

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 _____, 19____
 _____ By _____
(Insured) (Name and Title)

ALASKA	A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.
ARIZONA	For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.
ARKANSAS	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	For your protection, California law requires that you be made aware of the following: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state 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 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	WARNING: 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.
HAWAII	For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.
IDAHO	Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.
INDIANA	Any person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.
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 a denial of insurance benefits.
MINNESOTA	Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.
NEW HAMPSHIRE	Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.
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 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 and the stated value of the claim for each such 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	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	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.
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 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	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	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.