



Janus Assurance Re

Hamilton, Bermuda

Financial Institute Fidelity Application

SUBMIT TO:

UNDERWRITING@SURETYONE.ORG OR
919-834-7039 (FACSIMILE)

APPLICATION FOR A FINANCIAL INSTITUTION BOND,
STANDARD FORM NO. 14 FOR BROKER/DEALERS

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 is hereby made by _____

(List all Insured, 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
(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):

- Stockbroker , Investment Banter , 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 _____



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7. Complete the following for optimal coverages desired:

Single Loss Limit

Form of Coverage

- (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 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 System(s)

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>



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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 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	\$ _____
(c) Insuring Agreement (E) — Securities	\$ _____
(d) Extortion—Threats to Persons	\$ _____
(e) Extortion—Threats to Property	\$ _____

10. If coverage is being written on an excess, concurmt 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



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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 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? Yes No

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", please explain: _____

16. Has any insurance been declined or canceled during the past three years? Yes No

If "Yes", please explain



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17. List all losses sustained during the past three years, whether reimbursed or not. from: _____ to _____
Check if none (month, day, year) (month, day, year)

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
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	

Attention: Insureds in AR, CO, DC, KY, LA, NJ, NM, NY, OH, and OK

Any person who knowingly and with Intent to defraud any insurance company or other person files an application or statement of claim containing any material 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 may also be subject to a civil penalty.

(In New York, the civil penalty is not to exceed five thousand dollars and the stated value of the claim for each such violation.)

In Colorado, any Insurance company or agent 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

Attention: Insureds in FL

Any person who knowingly and with Intent to defraud any insurance company or other person files an application or statement of claim containing any material false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a felony of the 3rd degree, and may also be subject to civil penalties.

Attention: Insured In ME, TN, VA, and WA

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.

Attention: Insureds In PA

Any person who knowingly and with Intent to defraud any insurance company or other person files an application or statement of claim containing any material 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.

Attention: Insureds in PR

Any person who knowingly and with the intention of defrauding presents false Information in an Insurance application or presents or helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony, upon conviction shall be sanctioned for each violation with the penalty of a fine not less than five thousand (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

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.

Date at _____ this _____ day of _____

_____ By _____
(Insured) (Name and Title)