IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Civil Action No. 1:12-CV-3261-WSD

ANGELO A. ALLECA, SUMMIT WEALTH MANAGEMENT, INC., SUMMIT INVESTMENT FUND, LP, ASSET DIVERSIFICATION FUND, LP, and PRIVATE CREDIT OPPORTUNITIES FUND, LLC

Defendants.

EXHIBITS 1-4 TO
MEMORANDUM OF LAW IN SUPPORT OF
RECEIVER'S MOTION FOR APPROVAL OF
SETTLEMENT OF DISPUTED CLAIM AND SETTLEMENT
AGREEMENT, AND FOR ENTRY OF BAR ORDER

Exhibit 1



Chubb Group of Insurance Companies

15 Mountain View Road Warren, New Jersey 07059

Asset Management ProtectorSM by Chubb

DECLARATIONS

FEDERAL INSURANCE COMPANY

A stock insurance company, incorporated under the laws of

Indiana, herein called the Company

Capital Center, 251 North Illinois, Suite 1100

Indianapolis, IN 46204-1927

Policy Number: 8210-5886

NOTICE: ASSET MANAGEMENT PROTECTORSM BY CHUBB PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY BEFORE SIGNING.

ITEM 1. Named Organization:

NATIONAL ADVISORY SERVICES, INC

115 Perimeter Center Place NE, Ste 150

Atlanta, GA 30346

ITEM 2. Policy Period:

(B)

(A) Inception Date:

Expiration Date:

August 17, 2012

August 17, 2013

at 12:01 a.m. both dates at the Address in ITEM 1.

ITEM 3. Limits of Liability and Retentions:

(A) Maximum Aggregate Limit of Liability for \$3,000,000

all Loss under the Policy

Aggregate Limits of Liability and Retentions for each Coverage Part selected below: (B)

COVERAGE PART	AGGREGATE LIMIT OF LIABILITY		PENDING OR	
Only those Coverage Parts and Insuring Clauses		are included under th	PRIOR DATE	
is no "X" inserted next to any specified Coverage	Part or Insuring Clause	are included under ti such Coverage Par	t or Incuring Clause	
and any other reference to it in the Policy shall be		, saci coverage i ai	t of insuring Clause	
X Directors & Officers Liability Coverage Part	\$3,000,000.00	\$100,000.00	Per Endt	
X Professional Liability Coverage Part:	\$3,000,000.00	\$100,000.00	Per Endt	
X Insuring Clause (A) Separate Account				
And Sub-Advisory Liability Coverage				
Insuring Clause (B) Fund Adviser				
Liability Coverage				
Insuring Clause (C) Fund Service				
Provider Liability Coverage				
Investment Company Coverage Part	Not Covered	Not Covered	N/A	
Private Fund Coverage Part	Not Covered	Not Covered	N/A	
Employment Practices Liability Coverage	Not Covered	Not Covered	N/A	
Fiduciary Liability Coverage Part	Not Covered	Not Covered	N/A	

Asset Management ProtectorSM by Chubb

(C)	Retention for each Insured Person each Loss under Coverage Part for any Non-indemnifiable Loss	any \$0
(D)	Optional Additional Limit of Liability for Independent Directors:	\$0
	Investment Company Coverage Part Private Fund Coverage Part	
ITEM 4.	Coinsurance Percentage:	0.00%
ITEM 5.	Extended Reporting Period:	
(A)	Additional Period:	1 year
(B)	Additional Premium:	125 % of Annualized Premium for the expiring Policy Period
ITEM 6.	Newly Created and Acquired Fund Thresholds:	
(A)	Investment Company:	N/A
(B)	Private Fund:	N/A
ITEM 7.	Notice to the Company:	
(A)	Section VI. REPORTING Notices:	Attn: Claims Department Chubb Group of Insurance Companies 15 Mountain View Road Warren, New Jersey 07059
(B)	All other:	Attn: CSI Underwriting Department Chubb Group of Insurance Companies 15 Mountain View Road Warren, New Jersey 07059
	ss whereof, the Company issuing this policy has canall not be valid unless also signed by a duly author	aused this policy to be signed by its authorized officers, ized representative of the Company.
	FEDERAL INSURA	NCE COMPANY / / /
l	W. andrew Mocon	Carl J. Burn
	Secretary	President
	08/16/12	
	Date	Authorized Representative



Chubb Group of Insurance Companies

15 Mountain View Road Warren, New Jersey 07059

Asset Management ProtectorSM by Chubb Private Company Directors and Officers Liability Coverage Part

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, limitations, conditions, provisions and other terms of this Policy, the Company and the **Insureds** agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Insured Person Liability Coverage

(A) The Company shall pay, on behalf of each of the Insured Persons, Loss for which the Insured Person is not indemnified by the Organization and which the Insured Person becomes legally obligated to pay on account of any Claim first made against the Insured Person, during the Policy Period or, if exercised, during the Extended Reporting Period, for a Wrongful Act by such Insured Person before or during the Policy Period.

Insuring Clause (B): Insured Person Indemnification Coverage

(B) The Company shall pay, on behalf of an Organization, Loss for which such Organization grants indemnification to an Insured Person, and which the Insured Person becomes legally obligated to pay on account of any Claim first made against the Insured Person, during the Policy Period or, if exercised, during the Extended Reporting Period, for a Wrongful Act by such Insured Person before or during the Policy Period.

Insuring Clause (C): Entity Liability Coverage

(C) The Company shall pay, on behalf of an **Organization**, **Loss** which such **Organization** becomes legally obligated to pay on account of any **Claim** first made against the **Organization** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** by the **Organization** before or during the **Policy Period**.

Insuring Clause (D): Outside Directorship Liability Coverage

(D) The Company shall pay, on behalf of each of the Insured Persons, Loss for which the Insured Person becomes legally obligated to pay on account of any Claim first made against the Insured, during the Policy Period or, if exercised, during the Extended Reporting Period, for a Wrongful Act by such Insured Person while acting in an Outside Capacity, before or during the Policy Period; provided that coverage under this Insuring Clause (D) shall be specifically excess of any indemnity (other than the indemnity provided by the Organization) and insurance available to such Insured Person by reason of serving in an Outside Capacity, including any indemnity or insurance available from or provided by the Outside Entity.

II. DEFINITIONS

When used in this Coverage Part:

- (A) Claim means:
 - (1) a written demand for monetary damages or non-monetary relief;
 - (2) a civil proceeding commenced by the service of a complaint or similar pleading;
 - (3) an arbitration proceeding commenced by receipt of a written demand for arbitration or similar document;
 - (4) a criminal proceeding commenced by the return of an indictment, information or similar document; or



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Asset Management ProtectorSM by Chubb Private Company Directors and Officers Liability Coverage Part

(5) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, entry of a formal order of investigation, or similar document,

against an Insured for a Wrongful Act, including any appeal therefrom.

Except as may otherwise be provided in Section IV. EXTENDED REPORTING PERIOD, paragraph (H) of Section V. LIMITS OF LIABILITY, RETENTION AND COINSURANCE, or paragraph (B) of Section VI. REPORTING, of the General Terms and Conditions, a **Claim** shall be deemed to have first been made when such **Claim** is commenced as set forth in this definition or, in the case of a written demand, when such demand is first received by an **Insured**.

- (B) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Person**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.
- (C) Insured means any Organization and any Insured Person.
- (D) Insured Person means any Executive of an Organization or any Employee of an Organization. Solely for purposes of Insuring Clause (D), Insured Person means any Executive of an Organization while acting in an Outside Capacity.
- (E) Loss means the amount that an Insured becomes legally obligated to pay on account of any Claim, including but not limited to damages (including punitive, exemplary, or multiplied damages, if and to the extent that such punitive, exemplary or multiplied damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages; provided such jurisdiction has a substantial relationship to the relevant Insured, to the Company, or to the Claim giving rise to the damages), judgments, settlements, pre-judgment and post-judgment interest, and Defense Costs.

Loss shall not include:

- (1) any costs incurred by an **Insured** to comply with any order for injunctive or other non-monetary relief, any agreement to provide such relief, or any regulatory or administrative directive;
- (2) taxes, fines or penalties, except as provided above with respect to punitive, exemplary or multiplied damages;
- (3) any amount not insurable under the law pursuant to which this Policy is construed, except as provided above with respect to punitive, exemplary or multiplied damages;
- (4) regular or overtime wages, salaries, commissions, or fees of Insured Persons; or
- (5) any amount that represents or is substantially equivalent to an increase in any consideration paid (or proposed to be paid) by an **Organization** in connection with its purchase of any securities or assets.
- (F) Outside Capacity means service by an Executive of an Organization as a director, trustee, or equivalent executive position with an Outside Entity at or prior to the Inception Date of this Policy or during the Policy Period, if service by such Executive is, or was, at the specific request or direction of an Organization.
- (G) Outside Entity means any non-profit corporation, community chest, fund organization or foundation exempt from federal income tax as any organization described in Section 501(c)(3), Internal Revenue Code of 1986, as amended.



Asset Management ProtectorSM by Chubb Private Company Directors and Officers Liability Coverage Part

(H) Wrongful Act means:

- (1) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an **Insured Person** in his or her capacity as such, or for purposes of Insuring Clause (C), by the **Organization**;
- (2) any other matter claimed against an **Insured Person** solely by reason of serving in his or her capacity as such; and
- (3) for purposes of Insuring Clause (D): any error, misstatement, misleading statement, act omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an **Insured Person** in his or her **Outside Capacity**.

III. EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES

The Company shall not be liable for Loss on account of any Claim under this Coverage Part

- (A) based upon, arising from, or in consequence of Prior Notice;
- (B) based upon, arising from, or in consequence of Pending or Prior Litigation;
- (C) brought or maintained by or on behalf of any **Insured** in any capacity, or by any entity that owns more than 50% of the outstanding securities of the **Named Organization**; provided this Exclusion III.(C) shall not apply to **Loss** on account of:
 - (1) any Claim brought or maintained derivatively on behalf of an Organization by one or more securityholders of such Organization; provided such Claim is brought and maintained without any assistance or participation of, or solicitation by any Insured Person, other than assistance, participation or solicitation for which 18 U.S.C. 1514A(a) (the Sarbanes-Oxley Act of 2002), or any similar "whistleblower" protection provision of any applicable federal, state, local or foreign securities law, affords protection to such Insured Person;
 - (2) any wrongful termination Claim brought or maintained by or on behalf of an Executive of an Organization;
 - (3) any **Claim** brought or maintained by an **Insured Person** for contribution or indemnity, if such **Claim** directly results from another **Claim** covered under this Coverage Part;
 - (4) any **Claim** brought or maintained against an **Insured Person** by a bankruptcy or insolvency trustee, examiner, receiver, any assignee of such trustee, examiner or receiver, or any creditors' committee, that has been appointed to take control of, supervise, manage or liquidate the **Named Organization**; or
 - (5) any Claim brought or maintained by an Insured Person if such Insured Person has not served in the capacity of an Insured Person within any of the three (3) years immediately preceding the date the Claim was made, and such Claim is brought and maintained without any assistance, participation, or intervention of or solicitation by any other Insured;
- (D) based upon, arising from, or in consequence of Pollution or a Biological Event;
- (E) for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person; provided this Exclusion III.(E) shall not apply to Loss on account of any Claim:
 - (1) for emotional distress or mental anguish for which a claimant seeks compensation in an employment Claim; or



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- (2) brought by an employee of an Outside Entity against an Insured Person serving in an Outside Capacity;
- (F) for damage to or destruction of any data or tangible property, including loss of use thereof;
- (G) for an actual or alleged violation of the responsibilities, obligations or duties imposed on fiduciaries by ERISA;
- (H) for any **Wrongful Act** committed, attempted, or allegedly committed or attempted by a **Subsidiary** or any **Insured Person** of a **Subsidiary** during any time when such entity was not a **Subsidiary**;
- (i) for any **Wrongful Act** of an **Insured Person** in his or her capacity as a director, officer, trustee, governor, general partner, managing general partner, venture partner, administrative general partner, manager, managing partner, regent, partner, or employee of any entity other than an **Organization**; provided this Exclusion III.(i) shall not apply to a **Wrongful Act** by an **Insured Person** serving in his or her **Outside Capacity** under Insuring Clause (D) Outside Directorship Liability Coverage;
- (J) based upon, arising from, or in consequence of performing or the failure to perform any professional service; provided this Exclusion III.(J) shall not apply to any **Claim** brought by or on behalf of a securityholder of the **Organization** in his or her capacity as such;
- (K) based upon, arising from, or in consequence of any public offering of securities issued by any **Organization**, or the purchase or sale of any such securities in or subsequent to any such public offering;
- (L) brought by or on behalf of any (1) entity in which any pooled investment vehicle that is managed by an **Organization** previously owned or controlled, currently owns or controls, or proposes to own or control, outstanding debt, equity securities, or debentures of such entity ("Portfolio Company"); or (2) creditors or shareholders of such Portfolio Company; or
- (M) based upon, arising from, or in consequence of:
 - (1) any criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured**, if a judgment or final adjudication in any proceeding establishes such criminal or deliberately fraudulent act or omission or willful violation; or
 - (2) an Insured having gained any profit, remuneration or advantage to which such Insured was not legally entitled, if a judgment or final adjudication in any proceeding establishes the gaining of such profit, remuneration or advantage.

For purposes of these Exclusions III.(M)(1) and III.(M)(2) above:

- (a) If:
 - an Insured pleads guilty in a criminal proceeding, the elements of each of the offenses to which such plea relates shall, as of the date of such plea, be deemed to have been established by a final adjudication; or
 - (ii) by written agreement or consent order with any federal or state prosecutorial authority or regulatory agency, an **Insured** admits or otherwise agrees to facts, charges or allegations of conduct set forth in Exclusions III.(M)(1) and III.(M)(2) above, then the facts, charges or allegations to which such **Insured** has admitted or otherwise agreed in such written agreement or consent order shall, as of the date of the agreement or order, be deemed to have been established by a final adjudication.
- (b) No criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an Insured shall be imputed to any Insured Person, and only criminal or deliberately fraudulent acts or



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Asset Management ProtectorSM by Chubb Private Company Directors and Officers Liability Coverage Part

omissions or willful violations of any statute or regulation by an **Executive** of an **Organization** shall be imputed to such **Organization**.

IV. EXCLUSIONS APPLICABLE ONLY TO INSURING CLAUSE (C) ENTITY LIABILITY COVERAGE

In addition to the Exclusions in Section III. above, the Company shall not be liable under Insuring Clause (C), Entity Liability Coverage, for **Loss** on account of any **Claim** made against any **Organization**:

- (A) based upon, arising from, or in consequence of any actual or alleged infringement, piracy, misappropriation, disclosure, or slander of title of any actual, alleged or prospective copyright, patent, service mark, trade name, trade mark, licensing right, idea or trade secrets;
- (B) based upon, arising from, or in consequence of any Insured's liability under any contract or agreement regardless of whether such liability is direct or assumed; provided this Exclusion IV.(B) shall not apply to liability that would attach to an Insured even in the absence of a contract or agreement; or
- (C) based upon, arising from, or in consequence of any employment-related **Wrongful Act** or any actual or alleged third party discrimination or sexual harassment of any third party.

V. EXCLUSIONS APPLICABLE ONLY TO INSURING CLAUSE (D) OUTSIDE DIRECTORSHIP LIABILITY COVERAGE

In addition to the Exclusions in Section III. above, the Company shall not be liable under Insuring Clause (D), Outside Directorship Liability Coverage, for **Loss** on account of any **Claim** against any **Insured Person**:

- (A) for any **Wrongful Act** by an **Insured Person** while serving in an **Outside Capacity**, if such **Wrongful Act** is committed, attempted, or allegedly committed or attempted, after the date:
 - (1) such Insured Person ceases to be an Executive of an Organization, or
 - (2) service by such Insured Person in an Outside Capacity ceases to be at the specific request of the Organization;
- (B) brought or maintained by or on behalf of any **Outside Entity**, or by or on behalf of any affiliate of an **Outside Entity** or one or more of such **Outside Entity's** directors, officers, or equivalent positions; or
- (C) based upon, arising from, or in consequence of any demand, suit, administrative, regulatory or other proceeding against an **Outside Entity** occurring prior to, or pending as of the date the **Insured Person** first commenced serving in his or her **Outside Capacity**, of which such **Outside Entity** or any director, officer, or equivalent position with the **Outside Entity** received notice or otherwise had knowledge as of such date.

VI. NON-ACCUMULATION OF LIMITS

If any **Loss** arising from any **Claim** made against any **Insured Person** in his or her **Outside Capacity**, is insured under any other valid policy(ies) issued by the Company or any parent, subsidiary or affiliate of the Company, then any payment under such policy(ies) on account of a **Claim** also covered under this Coverage Part shall reduce, by the amount of any such payment, the Company's Limit of Liability under this Coverage Part.

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Asset Management ProtectorSM by Chubb General Terms and Conditions

In consideration of payment of the premium and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the Company and the **Insureds** agree as follows:

I. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Part of this Policy, the terms and conditions of each Coverage Part shall apply only to that Coverage Part. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. Any defined term referenced in these General Terms and Conditions but defined in a Coverage Part shall, for purposes of that Coverage Part, have the meaning set forth in that Coverage Part.

II. GENERAL DEFINITIONS

When used in this Policy:

(A) Application means all signed applications, and any attachments, information, warranty, or other materials submitted therewith or incorporated therein, submitted by the **Insured** to the Company for this Policy or for any policy of which this Policy is a direct or indirect renewal or replacement. Application shall also include all public documents filed with any federal, state, local or foreign regulatory agency by any **Insured Entity** during the twelve (12) months preceding the inception of this Policy whether or not submitted with or attached to the signed applications. The **Application** is deemed attached to, incorporated into and made a part of this Policy.

(B) Biological Agents means:

- (1) bacteria; mildew, mold, or other fungi; other microorganisms; or any mycotoxins, spores, or other by-products of any of the foregoing;
- (2) viruses or other pathogens (whether or not a microorganism); or
- (3) any colony or group of any of the foregoing.

(C) Biological Event means:

- (1) any actual, alleged, or threatened discharge, release, escape, dispersal or disposal of any **Biological Agents** into or on real or personal property, buildings, water, land or atmosphere; or
- (2) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Biological Agents**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.
- (D) Claim shall have the meaning set forth in the applicable Coverage Part.
- (E) Defense Costs shall have the meaning set forth in the applicable Coverage Part.
- (F) **Domestic Partner** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state, local, or foreign law or under the provisions of any formal program established by an **Insured Entity**.
- (G) **Employee** means any natural person who was, now is or shall become a full-time, part-time, temporary, leased or seasonal employee or volunteer. **Employee** does not include an independent contractor.

Asset Management ProtectorSM by Chubb General Terms and Conditions

- (H) **ERISA** means the Employee Retirement Income Security Act of 1974, the Pension Protection Act of 2006, both as amended, and any similar common or statutory law anywhere in the world, and any rules or regulations promulgated under any such Acts or laws.
- (I) **Executive** means any natural person who was, now is or shall become:
 - (1) an in-house general counsel, in-house chief compliance officer, **Manager** or a duly elected or appointed director, officer, trustee, governor, general partner, managing general partner, venture partner, administrative general partner, or principal; or
 - (2) a holder of a position equivalent to any position described in (1) above in any entity that is chartered in any jurisdiction other than the United States of America.
- (J) **Financial Impairment** means the status of an entity resulting from the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such entity.
- (K) Insured shall have the meaning set forth in the applicable Coverage Part.
- (L) **Insured Entity** means any **Insured** under this Policy that is not a natural person.
- (M) Insured Person shall have the meaning set forth in the applicable Coverage Part.
- (N) Loss shall have the meaning set forth in the applicable Coverage Part.
- (O) Manager means, solely with respect to a Limited Liability Company, such entity's manager, managing member, management committee member or member of the Board of Managers.
- (P) Organization means the Named Organization and any Subsidiary, including any such entity in its capacity as a debtor in possession under the United States bankruptcy law or in an equivalent capacity under the law of any other country.
- (Q) Named Organization means the entity that is named in ITEM 1. of the Declarations.
- (R) **Non-indemnifiable Loss** means **Loss** under any Coverage Part other than the Fiduciary Liability Coverage Part, if purchased, which an **Insured Person** becomes legally obligated to pay on account of any **Claim**, for which an **Insured Entity** fails to indemnify such **Insured Person** and:
 - (1) such Insured Entity's failure to indemnify is a result of such Insured Entity's insolvency; or
 - (2) the **Insured Entity** is not permitted to indemnify such **Insured Person** pursuant to statutory or common law.
- (S) Pending or Prior Litigation means any demand, arbitration, suit, administrative, regulatory, criminal or other proceeding pending against, or order, decree or judgment entered for or against any Insured, on or prior to the corresponding Pending or Prior Date for the applicable Coverage Part set forth in ITEM 3.(B) of the Declarations, or any of the same or substantially the same facts, circumstances, situations, transactions, events or Wrongful Acts underlying or alleged therein.
- (T) Plan shall have the meaning set forth in the Fiduciary Liability Coverage Part, if purchased.
- (U) **Policy Period** means the period of time specified in ITEM 2. of the Declarations, subject to prior termination in accordance with Section XIII. TERMINATION OF THE POLICY.

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Asset Management ProtectorSM by Chubb General Terms and Conditions

(V) Pollutant means:

- (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any state, county, municipality, locality, or foreign counterpart thereof, including, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials; or
- (2) any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.

(W) Pollution means:

- (1) any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any **Pollutant**; or
- (2) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutant**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.
- (X) Potential Claim means a complaint or allegation of a Wrongful Act by or on behalf of a potential claimant if such complaint or allegation:
 - (1) does not constitute a Claim but may subsequently give rise to a Claim; and
 - (2) is lodged with the **Organization's** human resources department or other comparable department.
- (Y) Prior Notice means any fact, circumstance, situation, transaction, event or Wrongful Act that, before the Inception Date set forth in ITEM 2.(A) of the Declarations, was the subject of any notice given under any policy, section or coverage part of a policy of which this Policy or any Coverage Part hereof is a direct or indirect renewal or replacement.
- (Z) Related Claims means all Claims based upon, arising from, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.
- (AA) **Settlement Program Notice** shall have the meaning set forth in Fiduciary Liability Coverage Part, if purchased.
- (BB) **Subsidiary** means any entity in which more than fifty percent (50%) of the outstanding securities or voting rights representing the present right to vote for, elect, appoint or designate such entity's directors, general partners, managing general partners, or **Managers**, or the equivalent of any of the foregoing, are owned or controlled, directly or indirectly, in any combination, by one or more **Organizations** at or prior to the Inception Date of this Policy.
- (CC) Wrongful Act shall have the meaning set forth in the applicable Coverage Part.

III. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

- (A) Subject otherwise to the limitations, conditions, provisions and other terms of this Policy, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:
 - (1) the estate, heirs, legal representatives or assigns of such Insured Person if such Insured Person is deceased or the legal representatives or assigns of such Insured Person if such Insured Person is incompetent, insolvent or bankrupt; or

Asset Management ProtectorSM by Chubb General Terms and Conditions

- the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's or **Domestic Partner**'s status as a spouse or **Domestic Partner**, or such spouse's or **Domestic Partner**'s ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.
- (B) All terms and conditions of this Policy, including without limitation the Retention(s) applicable to **Loss** incurred by the **Insured Person**, shall also apply to **Loss** incurred by the estate, heirs, legal representatives, assigns, and spouse or **Domestic Partner** of such **Insured Person**. The coverage provided by this Section III. shall not apply with respect to any loss arising from an act or omission by an **Insured Person's** estate, heirs, legal representatives, assigns, spouse or **Domestic Partner**.

IV. EXTENDED REPORTING PERIOD

- (A) If this Policy is terminated or does not renew, other than termination for nonpayment of premium, then the **Named Organization** shall have the right, upon payment of the Additional Premium set forth in ITEM 5.(B) of the Declarations, to purchase an extension of the coverage granted by this Policy for **Claims** that are:
 - (1) first made during the period set forth in ITEM 5.(A) of the Declarations (the "Extended Reporting Period") following the effective date of termination or nonrenewal; and
 - (2) reported to the Company in writing within the time provided for such **Claims** in paragraph (A) of Section VI. REPORTING,

but only to the extent such **Claims** are for **Wrongful Acts** committed, attempted or allegedly committed or attempted before the earlier of the effective date of termination or nonrenewal, or with respect to an Extended Reporting Period purchased after an event described in Subsection X.(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT, the effective date of such merger, consolidation, acquisition, or **Financial Impairment**.

- (B) The right to purchase an extension of coverage as described in this Section IV. shall lapse unless written notice of election to purchase the extension, together with payment of the additional premium due, is received by the Company within thirty (30) days after the effective date of termination or nonrenewal or, with respect to an Extended Reporting Period purchased after an event described in Subsection XI.(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT, within thirty (30) days after the effective date of such merger, consolidation, acquisition, or Financial Impairment.
- (C) Any Claim made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding Policy Period. The entire additional premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period.

V. LIMITS OF LIABILITY, RETENTION AND COINSURANCE

- (A) The amount stated in ITEM 3(A) of the Declarations shall be the maximum aggregate limit of liability of the Company for all **Loss**, excess of the applicable Retention(s), from all **Claims** made under this Policy during the **Policy Period**. The amount stated in ITEM 3.(B) of the Declarations as the Aggregate Limit of Liability with respect to each Coverage Part, shall be the aggregate limit of liability of the Company under such Coverage Part for all **Loss**, excess of the applicable Retention(s), from all **Claims** made under such Coverage Part during the **Policy Period**, subject to the Maximum Aggregate Limit of Liability amount stated in ITEM 3.(A) of the Declarations.
- (B) In the event a Claim is covered by more than one Coverage Part, the Limit of Liability available for all Loss on account of such Claim shall not exceed the single largest Aggregate Limit of Liability of the applicable Coverage Parts. All such Loss shall be part of, and not in addition to, the amount stated in ITEM 3.(A) of the Declarations as the Maximum Aggregate Limit of Liability for all Loss, excess of the applicable Retention(s),

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from all **Claims** for which this Policy provides coverage. In the event a **Claim** is covered by more than one Coverage Part, then the Company shall allocate any resulting **Loss** to each such applicable Coverage Part based on the relative legal and financial exposures.

- (C) **Defense Costs** are part of, and not in addition to, the Limits of Liability set forth in ITEMS 3.(A) and 3.(B) of the Declarations, and the payment by the Company of **Defense Costs** shall reduce and may exhaust such Limits of Liability. **Defense Costs** shall be applied against the applicable Retention(s) set forth in ITEM 3.(B) of the Declarations.
- (D) The Limit of Liability available for any Coverage Part during the Extended Reporting Period, if exercised, shall be the remaining portion, if any, of the Aggregate Limit of Liability provided in the immediately preceding Policy Period for such Coverage Part, subject to the remaining portion, if any, of the Maximum Aggregate Limit of Liability provided in the immediately preceding Policy Period for all Loss from all Claims under this Policy.
- (E) The Company's liability under each Coverage Part shall apply only to that part of each **Loss**, which is excess of the applicable Retention(s) for such Coverage Part set forth in ITEM 3.(B) of the Declarations, and such Retention(s) shall be borne by the **Insured** uninsured and at the **Insured's** own risk.

No Retention(s) shall apply to any **Non-indemnifiable Loss** covered under any Coverage Part other than the Fiduciary Liability Coverage Part, if purchased.

In the event that any **Insured** is unwilling or unable to bear the applicable Retention(s), it shall be the obligation of the **Named Organization** to bear such Retention(s) uninsured and at its own risk.

- (F) In the event a **Claim** is covered by more than one Coverage Part, then the applicable Retention(s) will be applied separately to each part of such **Claim**, and the sum of such Retention(s) will not exceed the single largest Retention under the applicable Coverage Parts set forth in ITEM 3.(B) of the Declarations.
- (G) The **Insureds** shall bear uninsured and at their own risk that percentage of all **Loss** (excess of the applicable Retention(s)) specified as the Coinsurance Percentage in ITEM 4. of the Declarations, and the Company's liability shall apply only to the remaining percentage of such **Loss**.
- (H) All Related Claims shall be treated as a single Claim first made on the date the earliest of such Related Claims was first made, or on the date the earliest of such Related Claims is treated as having been made in accordance with paragraphs (B) or (C) of Section VI. REPORTING, regardless of whether such date is before or during the Policy Period.

VI. REPORTING

- (A) The **Insured** shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company written notice of any **Claim** as soon as practicable, but in no event later than:
 - (1) sixty (60) days after the effective date of the expiration or termination of this Policy, if no Extended Reporting Period is elected; or
 - (2) the expiration date of the Extended Reporting Period, if elected,

provided that if the Company sends written notice to the **Named Organization**, stating that this Policy is being terminated for nonpayment of premium, the **Insured** shall give to the Company written notice of such **Claim** prior to the effective date of such termination.

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- (B) With respect to any Coverage Part other than the Employment Practices Liability Coverage Part, if during the **Policy Period** an **Insured**:
 - (1) becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company during the **Policy Period**;
 - (2) receives a written request to toll or waive a statute of limitations applicable to a **Wrongful Act** and gives written notice of such request and of such **Wrongful Act** to the Company during the **Policy Period**; or
 - (3) with respect to the Fiduciary Liability Coverage Part, if purchased, gives written notice to the Company of a **Settlement Program Notice**,

then any Claim subsequently arising from such circumstances, request, or Settlement Program Notice, shall be deemed to have been first made during the Policy Period in which the written notice described in VI.(B)(1),(2), or (3) above was first given to the Company, provided the Insured gives to the Company written notice of such subsequent Claim as soon as practicable, but in no event later than sixty (60) days after the Claim is first made. With respect to any such subsequent Claim, no coverage under this Policy shall apply to any loss incurred prior to the date such subsequent Claim is actually made.

- (C) With respect to the Employment Practices Liability Coverage Part, if purchased, if during the **Policy Period** any **Insured** becomes aware of a **Potential Claim**, and the **Insured** during the **Policy Period**:
 - (1) gives the Company written notice of such Potential Claim; and
 - (2) requests coverage under the Employment Practices Liability Coverage Part for any **Claim** subsequently resulting from such **Potential Claim**,

then any Claim subsequently arising from such Potential Claim shall be deemed to have been first made during the Policy Period in which written notice of such Potential Claim was first given to the Company, provided the Insured gives to the Company written notice of any such subsequent Claim as soon as practicable, but in no event later than sixty (60) days after such Claim is first made. With respect to any such subsequent Claim, no coverage under this Policy shall apply to loss incurred prior to the date such subsequent Claim is actually made.

(D) The Insured shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company such information, assistance and cooperation as the Company may reasonably require, and shall include in any notice under paragraphs (A), (B) or (C) of this Section VI. a description of the Claim, circumstances, request, Settlement Program Notice or Potential Claim, the nature of any alleged Wrongful Act or circumstances, the nature of the alleged or potential damage that may result from such Claim, circumstances, request, Settlement Program Notice, or Potential Claim, the names of all actual or potential claimants, the names of all actual or potential defendants, the manner in which such Insured first became aware of the Claim, circumstances, request, Settlement Program Notice, or Potential Claim, and with respect to notices of Potential Claims under paragraph (C) above, the consequences which have resulted or may result from such Potential Claim.

VII. DEFENSE AND SETTLEMENT

- (A) It shall be the duty of the **Insured** and not the duty of the Company to defend **Claims** made against the **Insured**. The **Insured** shall have the sole obligation under this Policy to retain defense counsel, which shall be subject to the approval of the Company, which shall not be unreasonably withheld.
- (B) The **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, any **Defense Costs**, any element of **Loss** incurred, any obligation assumed, or any admission made, by any



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Insured without the Company's prior written consent. Notwithstanding the foregoing, the **Insured** may settle any **Claim** without the Company's prior written consent, if the total **Loss** inclusive of **Defense Costs** resulting from the settlement of such **Claim** does not exceed fifty percent (50%) of the applicable Retention(s); provided the **Insured** must promptly advise the Company of any such settlement, and provide any information in connection therewith that the Company reasonably requests.

- (C) The Company may make any investigation it deems necessary and the Insured agrees to provide the Company with all information, assistance and cooperation which the Company reasonably requests with respect to any Claim. The Insured further agrees that, in the event of a Claim, the Insured shall do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- (D) With respect to any Claim that appears reasonably likely to be covered in whole or in part under this Policy, the Company shall have the right and shall be given the opportunity to associate effectively with the Insured regarding the investigation, defense and settlement of such Claim.
- (E) As a condition of advancement of **Defense Costs**, the Company may, at its sole option, require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any amounts paid to or on behalf of any **Insured** if it is determined that any such amounts incurred by such **Insured** were not covered.

VIII. ALLOCATION

- (A) If in any Claim, both Loss covered by this Policy and loss not covered by this Policy are incurred, either because such Claim against an Insured includes both covered and noncovered matters or because such Claim is made against both an Insured and others, then the Insured and the Company shall allocate such amount between covered Loss and noncovered loss based upon the relative legal and financial exposures of the parties to covered and noncovered matters and, in the event of a settlement in such Claim, also based upon the relative benefits to the parties from such settlement. There shall be no coverage under this Policy for the portion of such amount allocated to noncovered loss.
- (B) If the Insured and the Company agree on an allocation of Defense Costs, then the Company shall advance on a current basis Defense Costs allocated to covered Loss. If the Insured and the Company cannot agree on an allocation:
 - (1) no presumption as to allocation shall exist in any arbitration, suit or other proceeding;
 - (2) the Company shall advance on a current basis **Defense Costs** which the Company believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined; and
 - (3) the Company, if requested by the **Insured**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators.
- (C) Any negotiated, arbitrated or judicially determined allocation of **Defense Costs** on account of a **Claim** shall be applied retroactively to all **Defense Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defense Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

IX. PRIORITY OF PAYMENTS

In the event of **Loss** for which payment is due under this Policy but which **Loss**, in the aggregate, exceeds the remaining available Limit of Liability for the Policy or Coverage Part under which such **Loss** is payable, the Company shall:

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- (A) first pay any **Non-indemnifiable Loss** and any **Loss** for which coverage is due to a **Plan** under the Fiduciary Liability Coverage Part, if purchased; and
- (B) then to the extent of any remaining amount of the Limit of Liability available after payment under (A) above, pay such other **Loss** for which coverage is provided under any other Insuring Clause in the Policy.

Except as otherwise provided in this Section IX., the Company may pay **Loss** as it becomes due without regard to the potential for other future payment obligations under this Policy.

X. OTHER INSURANCE

- (A) With respect to any Coverage Part other than the Employment Practices Liability Coverage Part, if any Loss under this Policy is insured under any other valid and collectible insurance, then this Policy shall cover such Loss, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such Loss is in excess of the applicable retention (or deductible) and limit of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy.
- (B) With respect to the Employment Practices Liability Coverage Part, if purchased, the coverage afforded for any Loss under the Employment Practices Liability Coverage Part, if purchased, shall be primary; provided that with respect to that portion of a Claim made against any leased or temporary employee, Loss, including Defense Costs, payable on behalf of such leased or temporary employee under the Employment Practices Liability Coverage Part will be specifically excess of and will not contribute with any other valid and collectible insurance, including but not limited to any other insurance under which there is a duty to defend, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limit of Liability applicable to the Employment Practices Liability Coverage Part.

XI. CHANGES IN EXPOSURE

- (A) CREATION, ACQUISITION OF, OR MERGER WITH ANOTHER ENTITY
 - (1) If, during the Policy Period, any Organization:
 - (a) creates another entity, so that as a result of such creation, such other entity becomes a **Subsidiary**;
 - (b) acquires securities or voting rights in another entity, which as a result of such acquisition, such other entity becomes a **Subsidiary**; or
 - (c) merges or consolidates with another entity such that the **Organization** is the surviving entity,

then subject to the provisions of XI.(A)(2) below, such **Subsidiary** or other entity and any **Insured Persons** thereof shall be **Insureds** under this Policy, provided that there shall be no coverage for any **Wrongful Acts** by such **Insureds** which occurred in whole or in part before the effective date of such creation, acquisition, merger or consolidation.

(2) If either the total assets under management or gross annual revenues of any created or acquired Subsidiary or merged or consolidated entity described in XI.(A)(1) above exceed twenty-five percent (25%) of the assets under management or gross annual revenues of the Organization as of the effective date of such creation, acquisition, merger or consolidation, then the Named Organization shall give written notice of such creation, acquisition, merger or consolidation to the Company as soon as practicable, but in no event later than thirty (30) days after the effective date of such creation,

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acquisition, merger or consolidation, together with such other information as the Company may require, and shall pay any reasonable additional premium required by the Company. Coverage for any created or acquired **Subsidiary** or merged or consolidated entity described in X.(A)(1) above, and for the **Insured Persons** of such **Subsidiary** or entity, shall be subject to such additional or different terms, conditions and limitations of coverage as the Company in its sole and absolute discretion may require. If the **Insured** fails to give such notice within the time specified in this paragraph XI.(A)(2), or fails to pay the additional premium required by the Company, then coverage for such created or acquired **Subsidiary** or merged or consolidated entity and any **Insured Persons** thereof shall terminate with respect to **Claims** first made more than thirty (30) days after the effective date of such creation, acquisition, merger or consolidation.

(B) CESSATION OF SUBSIDIARY

In the event an entity ceases to be a **Subsidiary** before or during the **Policy Period**, then coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this Policy, but only with respect to **Claims** for **Wrongful Acts** committed, attempted or allegedly committed or attempted while such entity was a **Subsidiary**.

(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT

If:

- (1) the **Named Organization** merges into or consolidates with another entity and the **Named Organization** is not the surviving entity;
- another entity, person or group of entities and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by such other entity, persons or group, of more than fifty percent (50%) of the outstanding securities or voting rights of the **Named Organization**; or
- (3) Financial Impairment of the Named Organization occurs,

then coverage under this Policy shall continue until termination of this Policy in accordance with paragraph (B) of Section XIII, TERMINATION OF POLICY, but only with respect to **Claims** for **Wrongful Acts** committed, attempted or allegedly committed or attempted before the effective date of such merger, consolidation, acquisition or **Financial Impairment**. Upon the occurrence of any event described in XI.(C)(1) through XI.(C)(3) above, the entire premium for this Policy shall be deemed fully earned.

XII. REPRESENTATIONS AND SEVERABILITY

- (A) The **Insureds** acknowledge and agree that, in issuing this Policy, the Company has relied on all statements, representations and information contained in the **Application** as the basis for this Policy and that such statements, representations and information:
 - (1) are true and accurate;
 - (2) were made or provided in order to induce the Company to issue this Policy; and
 - (3) are material to the Company's acceptance of the risk to which this Policy applies.
- (B) In the event that the Application contains any misrepresentations, untruthful information or inaccurate statements made with the actual intent to deceive or which materially affect the acceptance of the risk or the hazard assumed by the Company, and there is a Claim made based upon, arising from, or attributable to, any such misrepresentations, untruths or inaccuracies, no coverage shall be afforded under this Policy for such Claim as to any Insured Person who knew of such misrepresentations, untruths or inaccuracies, or to any Insured Entity to which such statements are imputed.

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- (C) For purposes of Subsection XII.(B) above:
 - (1) the knowledge of any Insured Person who is a past, present or future chief executive officer, chief financial officer, president, managing partner, managing member, in-house general counsel, chief compliance officer, or chief operating officer of an Insured Entity shall be imputed to such Insured Entity and any of its Subsidiaries;
 - (2) the knowledge of the persons who signed the Application shall be imputed to all Insured Entities; and
 - (3) the knowledge of any Insured Person shall not impute to any other Insured Person.
- (D) The Company shall not be entitled under any circumstances to rescind this Policy.

XIII. TERMINATION OF POLICY

- (A) The Company may not cancel this Policy except for non-payment of premium as set forth in XIII.(B)(3) below.
- (B) This Policy shall terminate at the earliest of the following times:
 - (1) upon receipt by the Company of written notice of termination from the **Named Organization**; provided that this Policy may not be terminated by the **Named Organization** after the effective date of any event described in Subsection XI.(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT;
 - (2) upon expiration of the **Policy Period** as set forth in ITEM 2.(B) of the Declarations; or
 - (3) twenty (20) days after receipt by the **Named Organization** of a written notice of termination from the Company for non-payment of premium, unless the premium is paid within such twenty (20) day period.
- (C) The Company shall refund the unearned premium computed at customary short rates if this Policy is terminated by the **Named Organization**. Under any other circumstances the refund shall be computed pro rata. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.

XIV. TERRITORY

Coverage shall extend to Claims made and Wrongful Acts committed anywhere in the world.

XV. NOTICE

Notice to the Company under Section VI. REPORTING shall be given in writing to the address in ITEM 7.(A) of the Declarations. Any such notice shall be effective on the date of receipt by the Company at such address.

All other notices to the Company shall be given in writing to the address in ITEM 7.(B) of the Declarations.

XVI. VALUATION AND FOREIGN CURRENCY

All premiums, limits, Retention(s), **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or any element of **Loss** under this Policy is stated in a currency other than United States dollars, then payment under this Policy shall be made in United States dollars at the rate of exchange published in <u>The Wall Street Journal</u> on the date the judgment becomes final, the amount of the settlement is agreed upon or the element of **Loss** is due, respectively.

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XVII. SUBROGATION

In the event of any payment under this Policy, the Company shall be subrogated to the extent of such payment to the **Insureds**' rights of recovery. The **Insureds** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

XVIII. ACTION AGAINST THE COMPANY

No action may be taken against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or entity shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine such **Insured**'s liability, nor shall the Company be impleaded by such **Insured** or legal representatives of such **Insured**.

XIX. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to this Policy which is signed by a duly authorized representative of the Company.

XX. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights or defenses under this Policy.

XXI. NAMED ORGANIZATION RIGHTS AND OBLIGATIONS

By acceptance of this Policy, the **Named Organization** agrees that it shall be considered the sole agent of, and shall act on behalf of, each **Insured** with respect to the payment of premiums and the receiving of any return premiums that may become due under this Policy; the negotiation, agreement to and acceptance of endorsements; the giving or receiving of any notice provided for in this Policy; the adjustment of loss amounts; and the receipt or enforcement of payment of loss (and the **Named Organization** further agrees that it shall be responsible for application of any such payment as provided in this Policy). Each **Insured** agrees that the **Named Organization** shall act on each such **Insured's** behalf with respect to all such matters.

XXII. COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit the Company from providing insurance.

XXIII. HEADINGS

The descriptions in the headings and subheadings of this Policy are solely for convenience and form no part of the terms and conditions of coverage.

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Asset Management ProtectorSM by Chubb Professional Liability Coverage Part

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, limitations, conditions, provisions and other terms of this Policy, the Company and the **Insureds** agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Separate Account and Sub-Advisory Liability Coverage

(A) The Company shall pay, on behalf of an Investment Adviser, Loss which such Investment Adviser becomes legally obligated to pay on account of any Claim first made against such Investment Adviser during the Policy Period or, if exercised, during the Extended Reporting Period, for a Wrongful Act by such Investment Adviser or by any entity or natural person for whose acts the Investment Adviser becomes legally liable, in the performance of or failure to perform Investment Adviser Services for or on behalf of any client other than a pooled investment vehicle (except in the capacity as a sub-adviser) before or during the Policy Period.

Insuring Clause (B): Fund Adviser Liability Coverage

(B) The Company shall pay, on behalf of an Investment Adviser, Loss which such Investment Adviser becomes legally obligated to pay on account of any Claim first made against such Investment Adviser during the Policy Period or, if exercised, during the Extended Reporting Period, for a Wrongful Act by such Investment Adviser or by any entity or natural person for whose acts the Investment Adviser becomes legally liable, in the performance of or failure to perform Investment Adviser Services for or on behalf of an Investment Fund, before or during the Policy Period.

Insuring Clause (C): Fund Service Provider Liability Coverage

(C) The Company shall pay, on behalf of a **Fund Service Provider**, **Loss** which such **Fund Service Provider** becomes legally obligated to pay on account of any **Claim** first made against such **Fund Service Provider** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** by such **Fund Service Provider**, in the performance of or failure to perform **Fund Services** for or on behalf of an **Investment Fund**, before or during the **Policy Period**.

II. DEFINITIONS

When used in this Coverage Part:

- (A) Administrator means any Organization that has a contract with an Investment Fund to provide administrative functions to such Investment Fund.
- (B) Claim means:
 - (1) a written demand for monetary damages or non-monetary relief;
 - (2) a civil proceeding commenced by the service of a complaint or similar pleading;
 - (3) an arbitration proceeding commenced by receipt of a written demand for arbitration or similar document;
 - (4) a criminal proceeding commenced by the return of an indictment, information, or similar document; or
 - (5) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, entry of a formal order of investigation, or similar document,

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against an Insured for a Wrongful Act, including any appeal therefrom.

Except as may otherwise be provided in Section IV. EXTENDED REPORTING PERIOD, paragraph (H) of Section V. LIMITS OF LIABILITY, RETENTION AND COINSURANCE, or paragraph (B) of Section VI. REPORTING, of the General Terms and Conditions, a **Claim** shall be deemed to have first been made when such **Claim** is commenced as set forth in this definition or, in the case of a written demand, when such demand is first received by an **Insured**.

- (C) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Person**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.
- (D) **Distributor** means any **Organization** that has a contract with an **Investment Fund** to serve as the principal underwriter to an **Investment Fund**, whether acting as principal or agent of the **Investment Fund** or as an intermediary in connection with the distribution or sale of shares of the **Investment Fund**.
- (E) Fund Service Provider means:
 - any Organization that is the Administrator, Distributor, or Transfer Agent of an Investment Fund;
 or
 - (2) any **Insured Person** of any **Organization** identified in (E)(1) above, but solely in his or her capacity as an **Executive** or **Employee** of such **Organization**.
- (F) Fund Services means those services performed or required to be performed by a Fund Service Provider solely in its capacity as an Administrator, Distributor, or Transfer Agent for or on behalf of an Investment Fund pursuant to a written contract with such Investment Fund.
- (G) Insured means any Investment Adviser and any Fund Service Provider.
- (H) Insured Person means any Executive of an Investment Adviser or Fund Service Provider or any Employee of an Investment Adviser or Fund Service Provider, solely in his or her capacity as such.
- (I) Investment Adviser means:
 - (1) any **Organization** that is registered as an adviser under the Investment Advisers Act of 1940, solely in its capacity as such; and
 - (2) any **Insured Person** of any **Organization** identified in (I)(1) above, but solely in his or her capacity as an **Executive** or **Employee** of such **Organization**.
- (J) Investment Adviser Services means:
 - (1) financial, economic, or investment advice regarding investments in securities;
 - (2) investment management, administrative services, portfolio management and asset allocation services performed;
 - (3) the selection and oversight of investment advisers or outside service providers; and
 - (4) any of the activities or services identified in (J)(1), (J)(2), or (J)(3) above, while performed in the capacity of a fiduciary pursuant to **ERISA**,

for or on behalf of a client pursuant to a written contract between such client and an **Investment Adviser** for consideration; and

Asset Management ProtectorSM by Chubb Professional Liability Coverage Part

(5) the publication of written material, whether in tangible or electronic format, in connection with any of the activities or services identified in (J)(1), (J)(2), (J)(3) or (J)(4) above.

(K) Investment Fund means:

- (1) any investment company registered under the Investment Company Act of 1940; or
- (2) any pooled investment vehicle that is listed in the Schedule of Investment Funds Endorsement attached to this Policy.

An Investment Fund is not an Insured under this Coverage Part.

(L) Loss means the amount that an Insured becomes legally obligated to pay on account of any Claim, including but not limited to damages (including punitive, exemplary, or multiplied damages, if and to the extent that such punitive, exemplary, or multiplied damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages; provided such jurisdiction has a substantial relationship to the relevant Insured, to the Company, or to the Claim giving rise to the damages), judgments, settlements, pre-judgment and post-judgment interest and Defense Costs.

Loss shall not include:

- (1) any costs incurred by an **Insured** to comply with any order for injunctive or other non-monetary relief, any agreement to provide such relief, or any regulatory or administrative directive;
- (2) taxes imposed on an **Insured**, fines or penalties, except as provided above with respect to punitive, exemplary or multiplied damages;
- (3) any amount not insurable under the law pursuant to which this Policy is construed, except as provided above with respect to punitive, exemplary or multiplied damages;
- (4) regular or overtime wages, salaries, or fees of Insured Persons; or
- (5) that portion of **Loss** that represents the return of fees, charges, commissions or other compensation paid to an **Insured**.
- (M) Transfer Agent means any Organization that records the original issuance, redemption, or transfer of interests in the capital of an Investment Fund.

(N) Wrongful Act means:

- (1) for purposes of Insuring Clauses (A) and (B):
 - (a) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an **Investment Adviser** or by any entity or natural person for whose acts the **Investment Adviser** becomes legally liable; or
 - (b) any actual or alleged violation of the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, **ERISA**, or any foreign equivalent of any of the preceding statutes, by an **Investment Adviser** or by any entity or natural person for whose acts the **Investment Adviser** becomes legally liable,

but only in connection with the **Investment Adviser's** performing or failure to perform **Investment Adviser Services**; and



Asset Management ProtectorSM by Chubb Professional Liability Coverage Part

- (2) for purposes of Insuring Clause (C):
 - (a) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by a **Fund Service Provider**; or
 - (b) any actual or alleged violation of the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, **ERISA**, or any foreign equivalent of any of the preceding statutes, by a **Fund Service Provider**,

but only in connection with such Fund Service Provider's performing or failure to perform Fund Services.

III. EXCLUSIONS

The Company shall not be liable for Loss on account of any Claim under this Coverage Part

- (A) based upon, ansing from, or in consequence of **Prior Notice**;
- (B) based upon, arising from, or in consequence of Pending or Prior Litigation;
- (C) brought or maintained by or on behalf of any **Insured** in any capacity, or by any entity that owns more than 50% of the outstanding securities of the **Named Organization**; provided this Exclusion III.(C) shall not apply to **Loss** on account of any **Claim** brought or maintained:
 - (1) by an **Insured Person** where such person was provided with or entitled to be provided with **Investment Adviser Services** and is bringing such **Claim** solely in his or her capacity as a client of the **Investment Adviser** and without the solicitation, assistance or participation of any other **Insured**;
 - (2) by an **Insured Person** for contribution or indemnity, if such **Claim** directly results from another **Claim** covered under this Coverage Part:
 - (3) by a bankruptcy or insolvency trustee, examiner, receiver, any assignee of such trustee, examiner or receiver, or any creditors' committee appointed to take control of, supervise, manage or liquidate the **Named Organization**; or
 - (4) by an Insured Person if such Insured Person has not served in the capacity of an Insured Person within any of the three (3) years immediately preceding the date the Claim was made, and such Claim is brought and maintained without the solicitation, assistance, participation, or intervention of any other Insured;
- (D) based upon, arising from, or in consequence of **Pollution** or a **Biological Event**; provided this Exclusion III.(D) shall not apply to **Loss** on account of any **Claim** brought by a client of an **Investment Adviser** in connection with **Investment Adviser Services**, if such **Loss** is allegedly as a result of **Pollution** or a **Biological Event**;
- (E) for bodily injury, emotional distress, mental anguish, sickness, disease or death of any person; provided this Exclusion III.(E) shall not apply to **Loss** on account of any **Claim** for emotional distress or mental anguish arising solely from an **Insured's** performing or failure to perform **Investment Adviser Services** or **Fund Services**;
- (F) for damage to or destruction of any data or tangible property, including loss of use thereof; provided this Exclusion III.(F) shall not apply to **Loss** on account of any **Claim** arising from damage to, destruction of, loss of, or loss of use of, client records in an **Insured's** possession;

Asset Management ProtectorSM by Chubb Professional Liability Coverage Part

- (G) for any actual or alleged violation of the responsibilities, obligations or duties imposed on fiduciaries by **ERISA** as respects any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to any **Insured**;
- (H) for libel, slander, disparagement, wrongful termination of employment, sexual harassment, violation of rights of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault or battery; provided this Exclusion III.(H) shall not apply to **Loss** on account of any **Claim** brought by a client for libel, slander, or disparagement arising solely from an **Insured's** performing or failure to perform **Investment Adviser Services** or **Fund Services**;
- (I) for an **Insured's** liability under any contract or agreement, regardless of whether such liability is direct or assumed; provided this Exclusion III.(I) shall not apply to:
 - (1) Loss on account of any Claim brought by or on behalf of a client of the Insured in the client's capacity as such; or
 - (2) liability that would attach to an Insured even in the absence of a contract or agreement;
- (J) for the inability of any bank or banking firm, custodian, or securities or commodities broker or dealer, to make any payment, or the inability of any such entity or person to settle or effect any transaction of any kind; provided this Exclusion III.(J) shall not apply to **Defense Costs**;
- (K) based upon, arising from, or in consequence of performing or the failure to perform of any investment banking services, including but not limited to any advice in connection with corporate mergers, acquisitions, restructurings, divestitures, issuance of securities, syndication or similar activities; provided this Exclusion III.(K) shall not apply to Loss on account of any Claim brought by a client, arising from the performance of Investment Adviser Services or Fund Services by an Insured for such client, as long as neither the Insured nor the client is a party to or participant in the investment banking transaction;
- (L) based upon, arising from, or in consequence of an **Insured's** performing or failure to perform property management services, real estate appraisal services, or real estate development services;
- (M) based upon, arising from or in consequence of any Insured acting as a securities or commodities broker or dealer, or securities underwriter; provided this Exclusion III.(M) shall not apply to Loss on account of any Claim against a Fund Service Provider acting in its capacity as a Distributor, other than with respect to such Distributor's distributions or sales to the general public;
- (N) for any **Wrongful Act** of an **Insured Person** in his or her capacity as a director, officer, manager, managing partner, trustee, regent, governor, partner, general partner, managing general partner, or employee of any entity other than an **Organization** that is an **Investment Adviser** or **Fund Service Provider**;
- (O) for any **Wrongful Act** committed, attempted, or allegedly committed or attempted by a **Subsidiary** or any **Insured Person** of a **Subsidiary** during any time when such entity was not a **Subsidiary**;
- (P) based upon, arising from, or in consequence of:
 - (1) any criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured**, if a judgment or final adjudication in any proceeding establishes such criminal or deliberately fraudulent act or omission or willful violation; or
 - (2) an **Insured** having gained any profit, remuneration or advantage to which such **Insured** was not legally entitled, if a judgment or final adjudication in any proceeding establishes the gaining of such profit, remuneration or advantage.

Asset Management ProtectorSM by Chubb Professional Liability Coverage Part

For purposes of these Exclusions III.(P)(1) and III.(P)(2) above:

- (a) If:
 - (i) an **Insured** pleads guilty in a criminal proceeding, the elements of each of the offenses to which such plea relates shall, as of the date of such plea, be deemed to have been established by a final adjudication; or
 - (ii) by written agreement or consent order with any federal or state prosecutorial authority or regulatory agency, an **Insured** admits or otherwise agrees to facts, charges or allegations of conduct set forth in Exclusions III.(P)(1) or III.(P)(2) above, then the facts, charges or allegations to which such **Insured** has admitted or otherwise agreed in such written agreement or consent order shall, as of the date of the agreement or order, be deemed to have been established by a final adjudication.
- (b) No criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured** shall be imputed to any **Insured Person**, and only criminal or deliberately fraudulent acts or omissions or willful violations of any statute or regulation by an **Executive** of an **Organization** shall be imputed to such **Organization**.

Schedule of Forms

To be attached to and form part of

Company: Federal Insurance Company

Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

Asset Management Protector by Chubb General Terms and Conditions Federal

14-02-13907 (3/08 ed.)

14-02-14386 (7/08 ed.)

14-02-15322 (9/09 ed.)

14-02-15322 (9/09 ed.)

14-02-18327A (8/11 ed.)

Asset Management Protector by Chubb Private Company Directors and Officers Liability Coverage Part Federal

14-02-15422 (10/09 ed.)

14-02-18328 (9/11 ed.)

Asset Management Protector by Chubb Professional Liability Coverage Part Federal

14-02-17034 (7/10 ed.)

14-02-18332 (8/11 ed.)

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ENDORSEMENT/RIDER

Coverage Section: Asset Management Protector by Chubb General Terms and Conditions Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 1

To be attached to and form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

GEORGIA AMENDATORY ENDORSEMENT TO THE GENERAL TERMS AND CONDITIONS

In consideration of the premium charged, it is agreed that the General Terms and Conditions is amended as follows:

- 1. The first sentence of the definition of "**Application**" set forth in Section II. DEFINITIONS is amended by replacing the word "warranty" with "representation."
- 2. Subsection (A) of Section IV. EXTENDED REPORTING PERIOD is deleted and replaced with the following:
 - (A) If this Policy is terminated or does not renew, other than termination by the Company for nonpayment of premium, the Company will automatically provide an Extended Reporting Period for thirty (30) days after the effective date of such termination or nonrenewal. During such automatic Extended Reporting Period, coverage otherwise afforded by this Policy will be extended to apply to Claims first made during such automatic Extended Reporting Period, but only to the extent such Claims are for Wrongful Acts occurring before the earlier of the effective date of termination or nonrenewal or with respect to an Extended Reporting Period purchased after an event described in Subsection XI.(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT, the effective date of such merger, consolidation, acquisition, or Financial Impairment. Such thirty (30) day automatic Extended Reporting Period shall be deemed a part of, and not in addition to, any additional Extended Reporting Period purchased by the Named Organization. In addition to the automatic Extended Reporting Period described above, if the Policy terminates or does not renew other than termination by the Company for non-payment of premium, then the Named Organization shall have the right, upon payment of the additional premium set forth in ITEM 5(B) of the Declarations, to purchase an extension of the coverage granted by this Policy for Claims that are:
 - a. first made during the period set forth in ITEM 5(A)of the Declarations (the "Extended Reporting Period"), which shall be one (1) year or such other period of time as the Company and the **Named Organization** may agree upon, following the effective date of termination or nonrenewal; and
 - b. reported to the Company in writing within the time provided for such **Claims** in paragraph (A) of Section VI. REPORTING,

but only to the extent such Claims are for Wrongful Acts committed, attempted or allegedly committed or attempted before the earlier of the effective date of termination or nonrenewal or

with respect to an Extended Reporting Period purchased after an event described in Subsection XI.(C) ACQUISITION BY ANOTHER ENTITY OR FINANCIAL IMPAIRMENT, the effective date of such merger, consolidation, acquisition, or **Financial Impairment**.

3. Paragraph (A) of Section X. OTHER INSURANCE is deleted and replaced with the following:

Loss under this Policy is insured under any other valid and collectible insurance subject to the same terms, conditions and provisions as the insurance provided by this Policy, then this Policy shall cover its share of such **Loss**, subject to its limitations, conditions, provisions and other terms, in an amount equal to the proportion that the then-available limit of liability under this Policy bears to the aggregate of all limits of liability of all insurance covering such **Loss**, whether such other policy(ies) is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy(ies) is written only as specific excess insurance over the Limits of Liability provided in this Policy. If any **Loss** under this Policy is insured under any other valid insurance other than as described above, prior or current and regardless of whether collectible, then this Policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the applicable deductible (or retention) and limit of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy.

4. The Company may condition renewal of this Policy upon an increase in premium (in addition to an increase in premium due to a change in risk or exposure) which exceeds fifteen percent (15%) of the current Policy's premium, or a change in any provision which limits or restricts coverage, by mailing or delivering to the **Named Organization** at least forty-five (45) days' advance written notice of such renewal changes.

The Policy will be deemed to have been amended to the extent necessary to effect the purposes of this Amendatory Endorsement.

The regulatory requirements set forth in this Amendatory Endorsement shall supersede and take precedence over any provisions of the Policy or any endorsement to the Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of the state of Georgia.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative

ENDORSEMENT/RIDER

Coverage Section: Asset Management Protector by Chubb General Terms and Conditions Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 2

To be attached to and form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

AMEND SECTION VI. REPORTING ENDORSEMENT

In consideration of the premium charged, it is agreed that Section VI., REPORTING, of the General Terms and Conditions of the Policy is amended by deleting Subsection VI.(A) and replacing it with the following:

- (A) The **Insured** shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company written notice of any **Claim** as soon as practicable after the date on which the CCO, CEO of any **Insured Entity** first becomes aware that the **Claim** has been made, but in no event later than:
 - (1) sixty (60) days after the effective date of the expiration or termination of this Policy, if no Extended Reporting Period is elected; or
 - (2) the expiration date of the Extended Reporting Period, if elected,

provided that if the Company sends written notice to the **Named Organization**, stating that this Policy is being terminated for nonpayment of premium, the **Insured** shall give to the Company written notice of such **Claim** prior to the effective date of such termination.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative

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ENDORSEMENT/RIDER

Coverage Section: Asset Management Protector by Chubb General Terms and Conditions Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 3

To be attached to and

form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

AMEND PENDING OR PRIOR LITIGATION DATE FOR INCREASED LIMITS ENDORSEMENT

In consideration of the premium charged, it is agreed that the Policy is amended as follows:

1. ITEM 3. (B) of the Declarations is amended, solely with respect to the Pending or Prior Date, by deleting the Pending or Prior Date for each Coverage Part listed below and replacing it with the following:

COVERAGE PART	ORIGINAL AGGREGATE LIMIT OF LIABILITY	NEW AGGREGATE LIMIT OF LIABILITY	PENDING OR PRIOR DATE FOR THE ORIGINAL LIMIT OF LIABILITY	PENDING OR PRIOR DATE FOR THE INCREASED LIMIT OF LIABILITY
Directors & Officers Liability	\$1,000,000	\$2,000,000	08/17/2008	08/17/2011
Professional Liability Clause A	\$1,000,000	\$2,000,000	08/17/2008	08/17/2011

With respect to the Pending or Prior Dates set forth above, the Pending or Prior Date for the Original Limit of Liability applies to **Loss** up to the amount of the Original Aggregate Limit of Liability set forth for the respective Coverage Part identified above. The Pending or Prior Date for the Increased Limit of Liability applies to that part of **Loss** in excess of the Original Aggregate Limit of Liability and up to the amount of the New Aggregate Limit of Liability for the respective Coverage Part identified above.

2. Nothing in this Endorsement is intended nor shall be construed to increase or amend the limits of liability set forth in ITEM 3. (B) of the Declarations.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Authorized Representative

Coverage Section: Asset Management Protector by Chubb General Terms and Conditions Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 4

To be attached to and

form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

AMEND PENDING OR PRIOR LITIGATION DATE FOR INCREASED LIMITS ENDORSEMENT

In consideration of the premium charged, it is agreed that the Policy is amended as follows:

1. ITEM 3. (B) of the Declarations is amended, solely with respect to the Pending or Prior Date, by deleting the Pending or Prior Date for each Coverage Part listed below and replacing it with the following:

COVERAGE PART	ORIGINAL AGGREGATE LIMIT OF LIABILITY	NEW AGGREGATE LIMIT OF LIABILITY	PENDING OR PRIOR DATE FOR THE ORIGINAL LIMIT OF LIABILITY	PENDING OR PRIOR DATE FOR THE INCREASED LIMIT OF LIABILITY
Directors & Officers Liability	\$2,000,000	\$3,000,000	08/17/2011	08/17/2012
Professional Liability Clause A	\$2,000,000	\$3,000,000	08/17/2011	08/17/2012

With respect to the Pending or Prior Dates set forth above, the Pending or Prior Date for the Original Limit of Liability applies to **Loss** up to the amount of the Original Aggregate Limit of Liability set forth for the respective Coverage Part identified above. The Pending or Prior Date for the Increased Limit of Liability applies to that part of **Loss** in excess of the Original Aggregate Limit of Liability and up to the amount of the New Aggregate Limit of Liability for the respective Coverage Part identified above.

2. Nothing in this Endorsement is intended nor shall be construed to increase or amend the limits of liability set forth in ITEM 3. (B) of the Declarations.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Coverage Section: Asset Management Protector by Chubb General Terms and Conditions Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 5

To be attached to and form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

GENERAL TERMS AND CONDITIONS AMPlifier ENDORSEMENT

(1) AMEND DEFINITIONS

Section II., GENERAL DEFINITIONS, is amended as follows:

(a) Amend Definition of Application

Section II.(A), definition of Application, is deleted and replaced with the following:

Application means:

- all signed applications and any attachments, information, written representation, or other materials submitted therewith or incorporated therein, submitted by the **Insured** to the Company for this Policy;
- all public documents filed with any federal, state, local or regulatory agency by any **Insured Entity** during the twelve (12) months preceding this Policy's inception date whether or not submitted with or attached to the signed applications; and
- if applicable, any written representation provided to the Company within the past three (3) years in connection with any policy, section or coverage part of a policy of which this Policy or any Coverage Part hereof is a direct or indirect renewal or replacement.

The Application is deemed attached to, incorporated into and made a part of this Policy.

(b) Amend Definition of Executive

Section II.(I), definition of Executive, is amended by adding the following to the end thereof:

Executive shall also mean any natural person who was, now is or shall become a managing director, delegate director, alternate director, director emeritus, shadow director, trust manager, partnership manager or risk manager.

14-02-18327A (08/2011)

(c) Amend Definition of Pending or Prior Litigation

Section II.(S), definition of **Pending or Prior Litigation**, is deleted and replaced with the following:

Pending or Prior Litigation means any written demand, arbitration, suit, administrative, regulatory, criminal or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the corresponding Pending or Prior Date for the applicable Coverage Part set forth in ITEM 3.(B) of the Declarations, or any of the same or substantially the same facts, circumstances, situations, transactions, events or **Wrongful Acts** underlying or alleged therein.

(d) Amend Definition of Prior Notice

Section II.(Y), definition of **Prior Notice**, is deleted and replaced with the following:

Prior Notice means any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date set forth in ITEM 2.(A) of the Declarations, was the subject of any notice accepted under any policy, section or coverage part of a policy of which this Policy or any Coverage Part hereof is a direct or indirect renewal or replacement.

(2) AMEND REPORTING

Section VI., REPORTING, is amended by deleting and replacing Subsections VI.(A), (B) and (C) as follows:

- (A) The **Insured** shall, as a condition precedent to exercising any right to coverage under this Policy, give to the Company written notice of any **Claim** no later than:
 - (i) if this Policy expires and is renewed with the Company, one hundred and eighty (180) days after such expiration;
 - (ii) if this Policy expires (or is otherwise terminated) without being renewed with the Company and if no Extended Reporting Period is elected, sixty (60) days after the effective date of such expiration or termination; or
 - (iii) the expiration date of the Extended Reporting Period, if elected;

provided that, if the Company sends written notice to the **Named Organization** stating that this Policy is being terminated for nonpayment of premium, the **Insured** shall give to the Company written notice of such **Claim** prior to the effective date of such termination.

- (B) With respect to any Coverage Part other than the Employment Practices Liability Coverage Part, if during the **Policy Period** an **Insured**:
 - (1) becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company during the **Policy Period**;

- receives a written request to toll or waive a statute of limitations applicable to a **Wrongful Act** and gives written notice of such request and of such **Wrongful Act** to the Company during the **Policy Period**; or
- (3) with respect to the Fiduciary Liability Coverage Part, if purchased, gives written notice to the Company of a **Settlement Program Notice**,

then any Claim subsequently arising from such circumstances, request, or Settlement Program Notice, shall be deemed to have been first made during the Policy Period in which the written notice described in VI.(B)(1),(2), or (3) above was first given to the Company, provided the Insured gives to the Company written notice of such subsequent Claim no later than one hundred and eighty (180) days after the Claim is first made. With respect to any such subsequent Claim, no coverage under this Policy shall apply to any loss incurred prior to the date such subsequent Claim is actually made.

- (C) With respect to the Employment Practices Liability Coverage Part, if purchased, if during the **Policy Period** any **Insured** becomes aware of a **Potential Claim**, and the **Insured** during the **Policy Period**:
 - (1) gives the Company written notice of such Potential Claim; and
 - requests coverage under the Employment Practices Liability Coverage Part for any Claim subsequently resulting from such **Potential Claim**,

then any **Claim** subsequently arising from such **Potential Claim** shall be deemed to have been first made during the **Policy Period** in which written notice of such **Potential Claim** was first given to the Company, provided the **Insured** gives to the Company written notice of any such subsequent **Claim** no later than one hundred and eighty (180) days after the **Claim** is first made. With respect to any such subsequent **Claim**, no coverage under this Policy shall apply to loss incurred prior to the date such subsequent **Claim** is actually made.

(3) AMEND DEFENSE AND SETTLEMENT

Section VII, DEFENSE AND SETTLEMENT, is amended as follows:

(a) <u>Settlement Within the Retention Without Prior Consent</u>

Subsection VII.(B) is amended by deleting the phrase "does not exceed fifty percent (50%) of the applicable Retention(s)" and replacing it with "does not exceed the applicable Retention(s)".

(b) Advancement of Defense Costs

The following Subsection is added at the end:

Defense Costs shall be advanced on a current basis, but no later than ninety (90) days after receipt by the Company of invoices or bills detailing such **Defense Costs** and all other information requested by the Company with respect to such invoices or bills.

The Company shall not seek repayment from an **Insured Person** of advanced **Defense Costs** unless there has been a final, non-appealable adjudication against such **Insured Person** of the conduct set forth in the applicable personal conduct exclusion.

(4) AMEND REPRESENTATIONS AND SEVERABILITY

Section XII., REPRESENTATIONS AND SEVERABILITY, is amended by deleting paragraph (1) of Subsection XII.(C) and replacing it with the following:

(1) the knowledge of any **Insured Person** who is a past, present or future Chief Executive Officer or equivalent, Chief Compliance Officer or equivalent, or General Counsel or equivalent of an **Insured Entity** shall be imputed to such **Insured Entity** and any of its **Subsidiaries**;

(5) CANCELLATION/EXTENDED REPORTING TIME PERIOD LIBERALIZATION

The following Section is added:

CANCELLATION/EXTENDED REPORTING TIME PERIOD LIBERALIZATION

In the event that any time period relating to notice of cancellation or extended reporting period election provided under this Policy is less than any such time period required by applicable state law, the Company shall apply the applicable state law.

(6) AMEND ADDRESS FOR NOTICE

ITEM 7.(A) of the Declarations is deleted and replaced with the following:

- (A) Section VI. REPORTING Notices shall be given in writing to one of the following addresses:
 - i. specialtyclaims@chubb.com; or
 - ii. Attn: Claims DepartmentChubb Group of Insurance Companies15 Mountain View RoadWarren, New Jersey 07059

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Coverage Section: Asset Management Protector by Chubb Private Company Directors and Officers Liability Coverage Part Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 6

To be attached to and

form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

AMEND DEFINITION OF CLAIM ENDORSEMENT

In consideration of the premium charged, it is agreed that the Private Company Directors and Officers Coverage Part of the Policy is amended by adding the following to Subsection II.(A), definition of **Claim**:

Solely with respect to an investigation of a **Wrongful Act** of an **Executive** of an **Organization** by the U.S. Securities and Exchange Commission ("SEC"), **Claim** will also include a subpoena or Wells Notice, where such **Executive** has received a Wells Notice, or has received a subpoena and is otherwise specifically identified in writing by the SEC as a person against whom enforcement proceedings may be commenced, as respects securities of the **Organization**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

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Coverage Section: Asset Management Protector by Chubb Private Company Directors and Officers Liability Coverage Part Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 7

To be attached to and form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

PRIVATE COMPANY DIRECTORS AND OFFICERS LIABILITY **AMPlifier** ENDORSEMENT**

In consideration of the premium charged, it is agreed that the Private Company Directors and Officers Liability Coverage Part is amended as follows:

(1) AMEND DEFINITIONS

Section II., DEFINITIONS, is amended as follows:

(a) Amend Definition of Claim

Subsection II.(A), definition of Claim, is amended as follows:

- 1. Item (5) is deleted and replaced with the following:
 - (5) a formal administrative or formal regulatory proceeding brought by an **Enforcement Unit** commenced by the filing of a notice of charges, entry of a formal order of investigation, a Wells notice, or similar document;
- 2. The following is added:

Claim shall also mean:

- a mediation proceeding or other alternative dispute resolution proceeding against an **Insured** for a **Wrongful Act**, including any appeal therefrom, commenced by a written demand for such proceeding or similar document;
- (ii) an official request for Extradition of an Executive of an Organization;
- (iii) the execution of a warrant for the arrest of an **Executive** of an **Organization** where such execution is an element of **Extradition**; or
- (iv) a Dodd-Frank Section 210 Claim.

(b) Amend Definition of Defense Costs

Subsection II.(B), definition of **Defense Costs**, is deleted and replaced with the following:

(B) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorney's fees, experts' fees, mediator fees and arbitrator fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Person**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.

Defense Costs shall also include:

- (1) reasonable costs, charges, fees and expenses incurred through the use of legal counsel and consented to by the Company resulting from an Executive of an Organization lawfully:
 - (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Executive**; and
 - (ii) appealing any order or other grant of Extradition of such Executive;and
- (2) reasonable and necessary legal costs and fees incurred by an Executive of an Organization in evaluating or responding to any Dodd-Frank Section 210 Claim.

(c) Amend Definition of Loss

Subsection II.(E), definition of **Loss**, is amended by deleting item (2) and replacing it with the following:

- (2) taxes, fines or penalties, except:
 - (i) as provided above with respect to punitive, exemplary or multiplied damages; or
 - (ii) civil penalties assessed against an **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd-2(g)(2)(B), if and to the extent that such civil penalties are insurable under the law of the jurisdiction most favorable to the insurability of such penalties; provided such jurisdiction has a substantial relationship to the relevant **Insured**, to the Company or to the **Claim** giving rise to the penalties.

(d) Add Extradition

Extradition means any formal process by which an **Executive** of an **Organization** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

(e) Add Derivative Demand Evaluation Costs

Derivative Demand Evaluation Costs means reasonable costs, charges, fees (including but not limited to attorney's fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Person**) incurred by the **Organization** (including its board of directors or any committee of the board of directors) in the investigation or evaluation of any **Shareholder Derivative Demand**.

(f) Add Dodd-Frank Section 210 Claim

Dodd-Frank Section 210 Claim means any subpoena, written complaint, written demand, or similar document served by the Federal Deposit Insurance Corporation upon an **Executive** of the **Organization** pursuant to Section 210(s) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(g) Add Enforcement Unit

Enforcement Unit means any federal, state, local or foreign law enforcement or governmental authority (including, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general) or the enforcement unit of any securities exchange or similar self-regulatory body.

(h) Add Shareholder Derivative Demand

Shareholder Derivative Demand means any written demand, by one or more shareholders of an Organization, upon the board of directors of such Organization, to bring a civil proceeding in a court of law against any Insured Person for a Wrongful Act committed, attempted, or allegedly committed or attempted by an Insured Person before or during the Policy Period.

(2) AMEND EXCLUSIONS

Section III., EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES, is amended as follows:

(a) Amend Insured v. Insured Exclusion

Exclusion III.(C) it is deleted and replaced with the following:

- (C) brought by an **Organization** or any entity that owns more than 50% of the outstanding shares of the **Named Organization** against an **Insured**, provided that this Exclusion III.(C) shall not apply to any **Claim**:
 - (i) brought or maintained against an **Insured Person** by a bankruptcy or insolvency trustee, examiner, receiver, any assignee of such trustee, examiner or receiver, or any creditors' committee, that has been appointed to take control of, supervise, manage or liquidate the **Named Organization**; or
 - (ii) brought as a shareholder derivative action;

(b) Amend Pollution and Biological Agents Exclusion

Exclusion III.(D) is deleted and replaced with the following:

- (D) based upon, arising from, or in consequence of **Pollution**; provided this Exclusion III.(D) shall not apply to any **Claim**:
 - (1) brought by or on behalf of a shareholder of the **Organization** in his or her capacity as such including any **Claim** by a shareholder brought derivatively on behalf of an **Organization**; or
 - (2) for any **Non-Indemnifiable Loss**;

(c) Amend Public Offering Exclusion

Exclusion III.(K) is amended by adding the following:

Provided this Exclusion III.(K) shall not apply to **Loss**:

- (1) based upon, arising from or in consequence of an offering, sale or purchase of securities that are not required to be registered under the Securities Act of 1933 or any similar foreign law that regulates the offering, sale or purchase of securities;
- on account of a **Claim** made by any shareholder of an **Organization** for the failure of the **Organization** to undertake or complete the initial public offering or sale of securities of the **Organization**; or
- (3) for any **Wrongful Act** relating to an **Organization's** preparation for any public offering including any road show presentation to potential investors or other similar presentation, made by the **Organization** and its **Executives** via any medium in connection with such public offering, if such offering does not occur;

(d) Amend Conduct Exclusion

Exclusion III.(M) is deleted and replaced with the following:

- (M) based upon, arising from, or in consequence of:
 - (1) any criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding establishes such criminal or deliberately fraudulent act or omission or willful violation; or
 - (2) an **Insured** having gained any profit, remuneration or advantage to which such **Insured** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding establishes the gaining of such profit, remuneration or advantage.

For purposes of these Exclusions III.(M)(1) and III.(M)(2) above:

- (a) If an **Insured** pleads guilty in a criminal proceeding, the elements of each of the offenses to which such plea relates shall, as of the date of such plea, be deemed to have been established by a final, non-appealable adjudication.
- (b) No criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured** shall be imputed to any **Insured Person**, and only criminal or deliberately fraudulent acts or omissions or willful violations of any statute or regulation by any Chief Executive Officer or equivalent, Chief Compliance Officer or equivalent, or General Counsel or equivalent of an **Organization** shall be imputed to such **Organization**.
- (c) The term "proceeding," as used therein, shall not include any declaratory proceeding brought by or against the Company.
- (e) Amend Employment Practices Exclusion to apply to all Insuring Clauses

The following exclusion is added to Section III., EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES:

The Company shall not be liable for **Loss** on account of any **Claim** under this Coverage Part based upon, arising from, or in consequence of any employment-related **Wrongful Act** or any actual or alleged third party discrimination or sexual harassment of any third party; provided this Exclusion shall not apply to **Loss** on account of any wrongful termination **Claim** brought or maintained by or on behalf of an **Executive** of an **Organization**.

Section IV., EXCLUSIONS APPLICABLE ONLY TO INSURING CLAUSE (C) ENTITY LIABILITY COVERAGE, is amended by deleting Exclusion IV.(C) in its entirety.

(3) ADD DERIVATIVE DEMAND EVALUATION COSTS COVERAGE

(a) The following Insuring Clause is added to the Private Company Directors and Officers Liability Coverage Part:

Derivative Demand Evaluation Costs Coverage

The Company shall pay, on behalf of the **Organization**, all **Derivative Demand Evaluation Costs** which such **Organization** becomes legally obligated to pay on account of any **Shareholder Derivative Demand** first made during the **Policy Period** or, if exercised, the Extended Reporting Period, for a **Wrongful Act** by an **Insured Person** before or during the **Policy Period**.

- (b) Solely for purposes of the Derivative Demand Evaluation Costs Coverage Insuring Clause of the Private Company Directors and Officers Liability Coverage Part, the General Terms and Conditions of the Policy are amended as follows:
 - (1) Section V., LIMIT OF LIABILITY, RETENTION AND COINSURANCE, is amended as follows:
 - (i) Subsection V.(A) is amended by adding the following to the end thereof:

Notwithstanding the foregoing, the Company's maximum liability for all **Derivative Demand Evaluation Costs** covered under the Derivative Demand Evaluation Costs Coverage Insuring Clause on account of all **Shareholder Derivative Demands** first made during the same **Policy Period** shall be \$500,000. This amount shall be part of, and not in addition to, the amount stated in ITEM 3.(B) of the Declarations as the Aggregate Limit of Liability for the Directors & Officers Liability Coverage Part.

- (ii) Subsection V.(E) is amended by adding the following to the end thereof:
 - No Retention(s) shall apply to **Derivative Demand Evaluation Costs** covered under the Derivative Demand Evaluation Costs Coverage Insuring Clause.
- (2) Section VII., DEFENSE AND SETTLEMENT, is amended by deleting Subsection (A) and replacing it with the following:
 - (A) It shall be the duty of the **Organization** and not the duty of the Company to investigate and evaluate any **Shareholder Derivative Demand**. The **Organization** shall have the sole obligation under this Policy to retain defense counsel, which shall be subject to the approval of the Company, which shall not be unreasonably withheld.

- (3) For purposes of coverage under the Derivative Demand Evaluation Costs Coverage Insuring Clause of the Private Company Officers and Directors Liability Coverage Part only:
 - A. all references in this Policy to Loss or Defense Costs shall only mean Derivative Demand Evaluation Costs; and
 - B. all references in this Policy to Claim shall only mean a Shareholder Derivative Demand.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Coverage Section: Asset Management Protector by Chubb Professional Liability Coverage Part Federal

Effective date of

this endorsement/rider: August 17, 2012

Company: Federal Insurance Company

Endorsement/rider No. 8

To be attached to and

form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

AMEND DEFINITION OF CLAIM ENDORSEMENT

In consideration of the premium charged, it is agreed that the Professional Liability Coverage Part of the Policy is amended by adding the following to Subsection II.(B), definition of **Claim**:

Solely with respect to an investigation by the U.S. Securities and Exchange Commission ("SEC") of a **Wrongful Act** of an **Executive** of an **Organization** that is an **Investment Adviser**, the definition of **Claim** shall also include a subpoena or Wells Notice, where such **Executive** has received a Wells Notice, or has received a subpoena and is otherwise specifically identified in writing by the SEC as a person against whom enforcement proceedings may be commenced, as respects **Investment Adviser Services** performed by such **Organization**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this policy shall remain unchanged.

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Coverage Section: Asset Management Protector by Chubb Professional Liability Coverage Part Federal

Effective date of

this endorsement/rider: August 17, 2012

Federal Insurance Company

Endorsement/Rider No. 9

To be attached to and

form a part of Policy No. 8210-5886

Issued to: NATIONAL ADVISORY SERVICES, INC

PROFESSIONAL LIABILITY AMPlifier ENDORSEMENT

In consideration of the premium charged, it is agreed that the Professional Liability Coverage Part is amended as follows:

(1) ADD INDEPENDENT CONTRACTOR INDEMNIFICATION COVERAGE

The following Insuring Clause is added to this Coverage Part:

Independent Contractor Indemnification Coverage

The Company shall pay, on behalf an **Organization**, **Loss** which such **Organization** becomes legally obligated to pay pursuant to a written indemnification agreement between such **Organization** and an **Independent Contractor**, on account of any claim made against such **Independent Contractor** by a client of the **Organization** during the **Policy Period**, or if exercised, during the Extended Reporting Period, for the performance of or failure to perform professional services by such **Independent Contractor** for or on behalf of any client of the **Organization** before or during the **Policy Period**.

(2) AMEND DEFINITIONS

Section II., DEFINITIONS, is amended as follows:

(a) Amend Definition of Claim

Subsection II.(B), definition of Claim, is amended as follows:

- 1. Item (5) is deleted and replaced with the following:
 - (5) a formal administrative or formal regulatory proceeding brought by an **Enforcement Unit** commenced by the filing of a notice of charges, entry of a formal order of investigation, a Wells notice, or similar document;
- 2. The following is added:

Claim shall also mean:

 a mediation proceeding or other alternative dispute resolution proceeding against an **Insured** for a **Wrongful Act**, including any appeal therefrom, commenced by a written demand for such proceeding or similar document;

- (ii) an official request for **Extradition** of an **Executive** of an **Organization**; or
- (iii) the execution of a warrant for the arrest of an **Executive** of an **Organization** where such execution is an element of **Extradition**.

(b) Amend Definition of Defense Costs

Subsection II.(C), definition of **Defense Costs**, is deleted and replaced with the following:

(C) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees, experts' fees, mediators' fees and arbitrators' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Person**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.

Defense Costs shall also include reasonable costs, charges, fees and expenses incurred through the use of legal counsel and consented to by the Company resulting from an **Executive** of an **Organization** lawfully:

- (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Executive**; and
- (ii) appealing any order or other grant of Extradition of such Executive.

(c) Amend Definition of Investment Adviser Services

Subsection II.(J), definition of **Investment Adviser Services**, is amended by adding the following to the end thereof:

Investment Adviser Services shall also include legal, compliance, or regulatory services provided by an **Insured** to or for an **Organization** solely in connection with any of the services described in (J)(1)-(J)(4) above.

(d) Amend Definition of Loss

Subsection II.(L), definition of **Loss**, is amended by deleting item (2) and replacing it with the following:

- (2) taxes, fines or penalties, except:
 - (i) as provided above with respect to punitive, exemplary or multiplied damages; or
 - (ii) civil penalties assessed against an **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd-2(g)(2)(B), if and to the extent that such civil penalties are insurable under the law of the jurisdiction most favorable to the insurability of such penalties; provided such jurisdiction has a substantial relationship to the relevant **Insured**, to the Company or to the **Claim** giving rise to the penalties;

(e) Add Enforcement Unit

Enforcement Unit means any federal, state, local or foreign law enforcement or governmental authority (including, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general) or the enforcement unit of any securities exchange or similar self-regulatory body.

(f) Add Extradition:

Extradition means any formal process by which an **Executive** of an **Organization** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

(g) Add Independent Contractor

Independent Contractor means a natural person who has a written agreement with an **Organization** to perform professional services for or on behalf of such **Organization**.

(3) AMEND EXCLUSIONS

Section III., EXCLUSIONS, is amended as follows:

Amend Conduct Exclusion

Exclusion III.(P) is deleted and replaced with the following:

- (P) based upon, arising from, or in consequence of:
 - (1) any criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding establishes such criminal or deliberately fraudulent act or omission or willful violation; or
 - (2) an **Insured** having gained any profit, remuneration or advantage to which such **Insured** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding establishes the gaining of such profit, remuneration or advantage.

For purposes of these Exclusions III.(P)(1) and III.(P)(2) above:

- (a) If an **Insured** pleads guilty in a criminal proceeding, the elements of each of the offenses to which such plea relates shall, as of the date of such plea, be deemed to have been established by a final, non-appealable adjudication.
- (b) No criminal or deliberately fraudulent act or omission or any willful violation of any statute or regulation by an **Insured** shall be imputed to any **Insured Person**, and only criminal or deliberately fraudulent acts or omissions or willful violations of any statute or regulation by any Chief Executive Officer or equivalent, Chief Compliance Officer or equivalent, or General Counsel or equivalent of an **Organization** shall be imputed to such **Organization**.
- (c) The term "proceeding," as used therein, shall not include any declaratory proceeding brought by or against the Company.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

PREMIUM BILL

Insured:

NATIONAL ADVISORY SERVICES, INC

Date:

08/16/2012

Producer: WILLIS OF MARYLAND,, INC.

303 INT'L CIRCLE #400

HUNT VALLEY, MD 21030-0000

Company: Federal Insurance Company

THIS BILLING IS TO BE ATTACHED TO AND FORM A PART OF THE POLICY REFERENCED BELOW.

Policy Number: 8210-5886

Policy Period:

August 17, 2012 to August 17, 2013

NOTE: PLEASE RETURN THIS BILL WITH REMITTANCE AND NOTE HEREON ANY CHANGES. BILL WILL BE RECEIPTED AND RETURNED TO YOU PROMPTLY UPON REQUEST.

PLEASE REMIT TO PRODUCER INDICATED ABOVE. PLEASE REFER TO 8210-5886

Product	Effective Date	Premium
AMP	08/17/12	\$37,450.00

^{*} For Kentucky policies, amount displayed includes tax and collection fees.

TOTAL POLICY PREMIUM	\$37,450.00
TOTAL INSTALLMENT PREMIUM DUE	\$37,450.00

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POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

(for policies with no terrorism exclusion or sublimit) Insuring Company: Federal Insurance Company

You are hereby notified that, under the Terrorism Risk Insurance Act (the "Act"), effective December 26, 2007, this policy makes available to you insurance for losses arising out of certain acts of terrorism. Terrorism is defined as any act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that the insurance provided by your policy for losses caused by acts of terrorism is partially reimbursed by the United States under the formula set forth in the Act. Under this formula, the United States pays 85% of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the coverage.

However, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The portion of your policy's annual premium that is attributable to insurance for such acts of terrorism is: \$ -0-.

If you have any questions about this notice, please contact your agent or broker.

IMPORTANT NOTICE TO POLICYHOLDERS

Insuring Company: Federal Insurance Company

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

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Notice of Loss Control Services

As a Chubb policyholder, you have loss prevention information and/or services available to you, as described in this Notice.

Errors and Omissions Liability Loss Prevention Services

What is E&O Liability Insurance Booklet
 What is E&O Liability Insurance discusses general principles governing E&O liability and
 potential exposures facing professionals in their performance as professionals. To order What
 is E&O Liability Insurance, simply call 1.866.282.9001, order 14-01-0157, and provide your
 mailing address.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice.

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Notice of Loss Control Services

As a Chubb policyholder, there is valuable loss prevention information available to you. Below is a description of these services.

Directors and Officers (D&O) Liability Loss Prevention Services

- Directors and Officers Liability Loss Prevention Manual
 Written by Dan A. Bailey exclusively for Chubb, Directors and Officers Liability Loss Prevention
 discusses general principles governing D&O liability and potential exposures for directors and
 officers. Mr. Bailey has also written Directors and Officers Securities Litigation Loss Prevention
 to address the exposures of publicly traded companies. To order Directors and Officers
 Liability Loss Prevention (#14-02-0035) or Directors and Officers Securities Litigation Loss
 Prevention (#14-01-0448), simply call 1.866.282.9001, order the form(s) you need, and provide
 your mailing address.
- Loss Prevention Guidelines for Independent Directors
 Written exclusively for Chubb by Dan A. Bailey, this manual discusses roles played by independent directors, the increasing importance of independent directors, and corporate governance best practices. To order Loss Prevention Guidelines for Independent Directors, simply call 1.866.282.9001, order 14-01-0679, and provide your mailing address.

Additionally, Chubb has prepared *The Great M&A Wave: Mergers, Acquisitions and Business Discontinuations Risk and Insurance Management Handbook*, which discusses the trends, exposures and strategies to manage the M&A risks. To order *The Great M&A Wave: Mergers, Acquisitions and Business Discontinuations Risk and Insurance Management Handbook*, simply call **1.866.282.9001**, order 07-01-0101, and provide your mailing address.

Prepared by Risk and Derivatives Consulting Board, Inc., *Market Volatility and the Rogue Trader* focuses on the risks to an enterprise arising from capital market trading activities and what steps can be taken to reduce these risks. To order *Market Volatility and the Rogue Trader*, simply call **1.866.282.9001**, order 17-01-0085, and provide your mailing address.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice.

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Notice of Loss Control Services

Insuring Company: Federal Insurance Company

As a Chubb policyholder, you have loss prevention information and/or services available to you, as described in this Notice.

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 What is E&O Liability Insurance discusses general principles governing E&O liability and
 potential exposures facing professionals in their performance as professionals. To order What
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 mailing address.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice.

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GEORGIA POLICYHOLDER NOTICE

Insuring Company: Federal Insurance Company

THIS NOTICE IS NOT YOUR POLICY. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED, ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

The State of Georgia requires that we inform you of the following:

"Notice: The laws of the State of Georgia prohibit insurers from unfairly discriminating against

any person based upon his or her status as a victim of family violence."

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Exhibit 2

Executive Risk Indemnity, Inc. Horne Office Wilmington, Delaware 19805-1297

Administrative Offices/Melling Address 82 Hopemeadow Street Simsbury, Connecticut 06070-7683



40ActPLUSSM GLOBAL FINANCIAL SERVICES/INVESTMENT COMPANY PROFESSIONAL AND MANAGEMENT LIABILITY POLICY APPLICATION

The following are the available coverages under this policy form. Every Applicant is required to complete this main Application. Then, based on which coverages you are interested in, complete each appropriate section in this main Application. If a question in this main application refers to a Supplemental Application or a Questionnaire, complete that form as well. Please check the appropriate box for desired coverage:

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	LI M TF PE	NVESTMENT ADVISERS AND FINANCIAL SERVICES PRIVESTMENT ADVISERS AND FINANCIAL SERVICES PRIVESTMENT ADVISERS AND FINANCIAL SERVICES PRIVED PROCTICES LIABILITY, INCLUDING EMPLOYMENT PRACTICES LIABILITY, INCLUDITY AND PROFESSIONAL LIABILITY, INCLUDITY LIABILITY ENSION AND WELFARE BENEFIT PLAN FIDUCIARY LI	ROVIDERS DIRECTORS BILITY JDING DIRECTORS, O ABILITY	AND OFFICERS FFICERS AND
RE RE RH O RE NT	PO RE TEI E T QUI	CE: THE POLICY FOR WHICH THIS APPLICATION IS TO "CLAIMS" FIRST MADE DURING THE "POLICY PEOPTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE EDUCED BY "DEFENSE EXPENSES," AND "DEFENSE EXPENSES FOR ALL PROVIDE FOR ANY "INSUREDS." ACCEPTANCE OR RECEIPT BY THE LOBLIGATE THE UNDERWRITER TO ISSUE ANY JESTED COVERAGE FOR ALL ENTITIES LISTED IN CHED HERETO. READ THE ENTIRE APPLICATION CALEBREAL INFORMATION	ERIOU," OR, IF PURCHAS ETO PAY DAMAGES OR EXPENSES" WILL BE AP DUTY BY THE UNDER! JNDERWRITER OF THIS POLICY OF INSURAN	SED, ANY EXTENDED SETTLEMENTS WILL PLIED AGAINST THE WRITER TO DEFEND APPLICATION WILL CE, NOR PROVIDE
	1.	Applicant's name: Summit Wealth Management, Inc.		
		Principal address: 2731 South Maguire Road	State: <u>FL</u>	ZIP: <u>34761</u>
	3.	Web site Internet address (if applicable): http://		
	4.	If the Applicant is other than a corporation, state type of	organization:	
	5.	Name and title of the officer at the principal sponsor or or representative to receive all notices from the Underwij proposed for this insurance; <u>Angelo Alleca</u>	rganization for the Application of all pers	ant designated as the son(s) and entity(les)

6. Please give details of the following insurance carried by the Applicant (if none, so state):

		Limit	De	ductible	Carrier	Term	Premium
Investment Adviser Professional Liability	\$	1,000,000	\$	50,000	AIG	8-17-07/08	\$
Directors & Officers Liability	2		5				
Employment Practices Liability	\$		6				\$
Mutual Fund Professional Liability and Directors & Officers Liability	\$	1,000,000	\$	50,000	AIG	8-17-07/08	\$
Pension Trust Liability	S		4	***************************************		_	
Fidelity Bond/Crime	Š		6	·····			\$
General Liability	\$		ě				\$
Umbrella	ě						\$

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					L-Y	!	J	\$	
	7.	w	ave any of the Applicant's i rms? (Not applicable in Mis "Yes, " please provide detail	SOUN.)		intent not to offer re] Yes	⊠ No
	8.	M L	as an extended reporting pee above policies? "Yes," indicate for which pol					Yes	⊠ No
IM CO	POF nsic	ATS dere	NT: Please complete all a d for insurance.	pplicable seci	tions containe	d in this Application	on for eac	h entit	y to be
II.	CC	VE\$ OVE	TMENT ADVISERS AND RAGE:	FINANÇIAL	SERVICES	PROVIDERS PROI	FESSIONA	L LIA	BILITY
			e list all Applicants that are than one, please attach a ment adviser or financial ser	seuarate ust n	COVICION THE TA	HOMING INFORMATION	6a		there is Iditional
	1.	Att	tach copies of the following:						
			Applicant's latest audited Any registration statement Applicant within the last to Each type of brochure produced to the Standard & Poor's In Latest audited annual fin Applicant acts as investm. Most recent complete ADV Most recent complete B/D List of the Applicant's aff structure. A description of any litigations underlying, and it litigations underlying, and it	s filed with the velve (12) montrided to clients and to prospectively portfolio per adex, Salomon pancial statement adviser or file report Parts I a Form for each A filiates and substantial insurance.	SEC or any pritts. or prospective over clients. formance for the Brothers Bond ents for each inancial service and II (as filed v Applicant regis sidiaries and d the last twenty	clients. ne past five (5) years Index or similar indic mutual fund or pa s provider. with the SEC). Itered with the NASD escription of the Ap	s, including ces. rtnership f	comparizorganiz	arisons ich the cational
	2.	a.	Name of Investment Advise Business Address: 2731 Secity: Ocose Type of business: Corpor If the Applicant is a corpor	outh Maguire F	<u>Road</u> State: <u>FL</u> led Liability Con	npany Partnersh	ZIP: <u>34761</u> nip 🔲 Oth	er	

D.	Oces the Applicant have a parent (ownership of more than fifty percent [50% ☐ Yes ☐ No If "Yes, " please supply full details and attach the parent's financial statements: National Advisory Services, Inc.	i) of the Applatest audite	olicant)? d annual
¢.	Date the Applicant commenced operations: 2000		
d.	State of incorporation (if applicable): AZ		
e.	ls the Applicant registered with the SEC as an investment adviser? (i) ADV #: (ii) Date of approval: (iii) Number of portfolio managers:	⊠ Yes	□ No
f,	Is the Applicant registered with any other regulatory agency, commission or association? If "Yes," please explain:	☐ Yes	⊠ No
g.	The Applicant is: Fee only Fee-based service provider Both		
h.	Does the Applicant derive more than twenty-five percent (25%) of its annual fees from commissions?	☐ Yes	⊠ No
i.	Does the Applicant enter its clients into wrap accounts?	⊠ Yes	□ No
j.	Does the Applicant contract with any Outside Service Providers? (Outside Service Providers means any unaffiliated person or entity who performs professional services for a fee or commission for the Applicant or for clients of the Applicant at the direction of and on behalf of the Applicant.) If "Yes," please complete the Supplemental Questionnaire for Outside Service Providers.	☐ Yes	⊠ No
k.	Does the Applicant enter into "soft dollar" arrangements with other service providers?	☐ Yes	⊠ No
1.	Does the Applicant publish a newsletter or any other type of publication? If "Yes," with respect to each publication, please identify: (i) The publication: (ii) The recipients:	☐ Yes	⊠ No
	(iii) Whether the recipients are charged a subscription fee:	☐ Yes	☐ No
m.	Does the Applicant provide any computer services and/or Internet services for its clients, prospective clients or the general public? If "Yes," please describe services provided and indicate for whom:	☐ Yes	⊠ No
a.	is any person or entity proposed for this insurance engaged in any business other than as an investment adviser? If "Yes," please complete the Supplemental Questionnaire for Financial Services Providers.	☐ Yes	⊠ No
	 ts there any other affiliated entity which is to be considered for coverage? Name and relationship of each such entity to the Applicant: Alexandria Fir Subsidiary to Summit Wealth Management, Inc. Please describe in detail the professional services for which coverage is Omission 		
C.	Name of current accounting firm for the Applicant: Averett, Warmus, Durkee CP	<u>As</u>	

3.

	d.	Name of general counsel and law firm for the Applicant: Thompson Hine		
4.	To	etal asset value of all accounts managed by the Applicant:		
	a.	Current Year: \$ 700,000,000 Previous Year: \$ 500,000,000		
	b.	Does the Applicant manage private account assets of related and/or affiliated companies? If "Yes," state the amount of total managed assets: \$ Are these assets included in (4.a.) above?	☐ Yes	
	C.	Asset value of largest account: \$ 12,000,000	L	<u> </u>
	d.	Number of accounts lost during the last twelve (12) months: 7		
	e.	Total asset value of lost accounts: \$ 10,000,000		
	f.	Reasons for loss of accounts: death, changing advisors		
	g.	Percentage of total assets for which the Applicant acts solely as a financial planner	: %	
	h.	Annual fees collected for the Applicant's investment advisory services: \$ 5,000,000		
	ì.	Other annual income: \$ Please explain sources of other income:		

Complete the following table for all those accounts for which the Applicant acts as an investment adviser or provides additional services;

	No. of Accounts	Assets (Market)	Managed/ Discretionary	Non- Discretionary	Custodial	Largest Account
Personal accounts: Individual investment management, custody, trust accounts, families and estates;		s	%	%	%	s
b. ERISA accounts:		2	%			
HR-10 and IRA plans:		\$	- × ×	<u>%</u>	%	\$
ERISA fiduciary plans:		5	%		%	\$
Non-ERISA pension			70	%	%	\$
plans:		\$	2%	%	%	•
Other institutional:		\$	%	%	%	
c. Multi-employer (Taft Hartley), union or governmental employee benefit plans:		\$	%	%	76	\$
d. All other:		\$	98%	100%	%	\$
		\$	%	%	%	Š
		\$	%	%	%	\$

1		T V.		4.3	7
-	Palaula	Ye	•	No	% of Asse Manage
b	Below investment grade bonds (BBB or lower):		_		mariage
C.	Guaranteed Investment contracts:				
d	Commodity or other futures: Precious metals:				
e.			\Box		
f,	Mortgages, mortgage pools, or other mortgage-backed securities: Oil/gas leases or investments:				
g.	Real Estate investment Trusts (REITS):		\perp		
h.	Option contracts or futures:				
1,	General or limited partnerships:	1_4			
. j.	Real estate:				
k.	Foreign securities (U.S. Exchange):	1 1	4		
I.	International securities:	누무		Щ	
m			-	Ц.,	
n.	Other: Hedge Funds	 	-	빌니	
		X			
9. Ar	Who conducts the review?e some client transactions executed by an "in-house" broker-dealer? Yes," name of "in-house" broker-dealer: Does the Applicant have written formal procedures to ensure				☐ Yes 🛭
	clients' investment management contracts are adhered to? Does the Applicant have written internal controls and procedures.				☐ Yes ☐
	governance of client accounts?				☐ Yes ☐
C.	Does the Applicant have a written compliance manual for all emplifollow?	oy ee s			☐ Yes ☐
	Please state the name, title, and years of experience of the individua and compliance activities for the Applicant :				
	Please state the name, title, and years of experience of the individua and compliance activities for the Applicant : Please provide the following information regarding the most recent Applicant :				
	The state of the supplicant,	regula	itory		mination(s) of
	Please provide the following information regarding the most recent Applicant:		itory		
	Please provide the following information regarding the most recent Applicant:	regula	itory		mination(s) of
	Please provide the following information regarding the most recent Applicant:	regula	itory		mination(s) of
1. a.	Please provide the following information regarding the most recent Applicant:	On-	Site		mination(s) of
b.	Please provide the following information regarding the most recent Applicant: Name of Regulatory Authority Date Have all recommendations or criticisms of each regulatory exar described above been complied with?	On-	Site	' exa	off-Site

	14	in	as any person(s) or entity(les) proposed for this insurance been a party to a vivil, criminal, disciplinary action or administrative proceeding alleging vestigating a violation of any federal or state security law or regulation? "Yes," please explain:	or	Yes		No
	13		Please attach a list and status of all professional liability claims made durin past three (3) years against any person(s) or entity(les) proposed for the payment and defense costs). (If none, check here: "None.")	g the current is insurance (year a (includ	and te l	the oss
			No person(s) or entity(ies) proposed for this insurance has any knowledge circumstance or situation which might reasonably be expected to give rise to within the scope of the proposed insurance, except as follows: (If none,	or information o any claim th , check here	of an	ny fa uld lone	act, fall e.")
	Wi Gia is	itho zima excl	ut prejudice to any other rights and remedies of the Underwriter, any s, facts, circumstances or situations required to be disclosed in respons luded from the proposed insurance.	claim arisin e to 13.a. or	g from	n a abo	ny
HI.	CC	YE	TMENT ADVISER AND FINANCIAL SERVICES PROVIDER DIRECT LITY, INCLUDING EMPLOYMENT PRACTICES LIABILITY COVERAGE RAGE IS DESIRED FOR INVESTMENT ADVISER OR FINANCIAL SERV CABLE TO FUNDS):	ORS AND (COMPLETE	OFFI ONI DER;	CEF LY NO	85 iF TC
	1.	Sto a.	ock ownership of the Applicant: Total number of voting shares outstanding: <u>1,000</u>				
			Total number of voting shareholders: One (1)				
			Total number of voting shares owned by the Applicant's directors abeneficial):1,000	and officers	(direc	t a	nđ
		d.	Does any shareholder own five percent (5%) or more of the voting shares directly or beneficially? If "Yes," state names and percentages of holdings. (If no such shareholders,		es [] N	lo '\
		_	Sharsholder Name				
		An	igelo Alleca	Percentage of			
		<u> </u>			11	00%	_
		 				- % %	
		_				<u>^</u>	
		·				%	
			Have there been any changes in the board of directors or senior management of the Applicant within the past three (3) years for reasons other than death or retirement? If "Yes," please explain:	☐ Ye	s 🗵	N	0
	1	f.	Current number of: Directors 1 Officers 1 Shareholders 1				
	(g. 1	Has the Applicant changed outside auditors in the last three (3) years? If "Yes," please explain:	☐ Ye	s 🛛	⊠ No)
	1	•	Have the outside auditors stated there are no material weaknesses in the Applicant's system of internal controls? If "No," please provide the latest CPA letter to management and management's	☐ Yes s response	: Ø	No	,
orm	C24		7/97 ad)		_		

	i.	Has the Applicant in the past thirty-six (36) months completed or agreed to, within the next twelve (12) months, any of the following, whether or not such to be completed:	or does it ansaction	con swe	template re or wi
		 (i) Merger, acquisition or consolidation with another entity whose consolidated assets exceed twenty-five percent (25%) of the Applicant's consolidated assets? (ii) Sale, distribution or divestiture of any assets or stock other than in the ordinary course of business in an amount exceeding twenty-five percent 		Yes	⊠ No
		(25%) of the Applicant's consolidated assets? (iii) A registration for a public offering or a private placement of securities? (iv) Reorganization or arrangement with creditors under federal or state law?		Yes Yes Yes	⊠ No ⊠ No
Fo a	or ar sept	ny category in question 1.(i) in which the answer is "Yes," please describe the ease arate addendum	ntial term	ıs of	each on
2.	·	oes the Applicant anticipate any facility, branch or office closings, onsolidations or layoffs within the next twenty-four (24) months? "Yes," please attach details on a separate addendum	.	Yes	⊠ No
3.	To a.	otal number of employees: Currently:			
	b,	One (1) year ago:			
	Ç.	Two (2) years ago:			
	d.	How many employees or officers have been terminated in the past two (2) years	7		
	e.	What percentage of the Applicant's employees have turned over in the past two		s?	%
4.	Do	pes the Applicant:	(-)]	*******	
		Have a full-time human resources coordinator?	⊠ Y	'es	☐ No
	b.	Have a written policy with respect to sexual harassment?	⊠ Y	'e s	☐ No
	C.	Have written annual evaluations for employees?	⊠ Y	' e s	□ No
	d.	Have a written policy with respect to progressive discipline for employees?	⊠ Y	'es	□ No
	ė.	Have a written human resources manual or equivalent written guidelines?	⊠ Y	'es	□ No
	f.	Use outside counsel for employment advice?	⊠Y	'es	□ No
5.	Pie a.	ease provide copies of the following: Employee handbook/manual.			
	b.	Procedure for handling employee complaints.			
3 .	а.	Please attach a list and status of all directors and officers liability claims (includ any claim against any such person(s) or entity(ies) for any employment practice proposed insurance, or any complaint against any such person(s) or entity(ie Employment Opportunity Commission or any similar state or local authority) made year and the past three (3) years against any person(s) or entity(ies) proposed (include loss payment and defense costs). (If none, check here: "None.")	e, as desc es) before de durino	ribec the	in the Equal
	b.	No person(s) or entity(ies) proposed for this insurance (including without limitation threatened claim against any such person(s) or entity(ies) for any employment print the proposed insurance, or any suspected or threatened complaint against an entity(ies) before the Equal Employment Opportunity Commission or any significant contents.	ractice, as	s des	scribed

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Catalog No. 40a-l

Form C24270 (7/97 ed.)

	authority) has any k reasonably be expec insurance, except as	nowledge or ted to give ri follows: (if no	information se to any cla ne, check her	of any fact, ilm that would e [] "None.")	circumstance of fall within the	or situation scope of t	which might he proposed
W Cla ex	ithout prejudice to any o aims, facts, circumstance: cluded from the proposec	ther rights a				ciaim arisin to 6.a. or 6	g from any .b. above is
IV. MI LL 1.	ABILITY (COMPLETE ONL Attach copies of the follow Most recent prospectu Most recent annual an Statement of additional	ring: is for each Fu id quarterly re il information	nd. port for each for each Fund	Cund	CTORS, OFFIC	ERS AND	TRUSTEES
Æ.	a. Name of principal App Address:	ilcant:	•				
	City:		State	e:		ZIP:	
	b. Web site Internet address. SCHEDULE OF FUND	ess (if applica	ble): http://		•	La.11" .	
	C. CONEDUCE OF FURL	/ 3 ;					
	Name of Mutual Fund or Portfolio	Date Estab./SEC Date	Current Net Assets	Sales last 12 Mos.	Redemptions Last 12 Mos.	Sales Load	Mgmt Fee
			\$	\$	\$	Ş	%
			\$	\$	\$	\$	%
			\$	\$	\$	\$	%
			\$	\$	S	S	%
			\$	\$	\$	\$ \$	%
			\$	\$	\$	\$	% %
	Note: K those are		\$	\$	\$		
	Note: If there are more identified as the S	rungs to be	Included in	this schedu	ile, please att	ach an add	itional list
3.	Are all the Funds schedule family of Funds or commo services provider? If "No," please explain:	ed in (2.c.) So only affiliated	CHEDIUE OF	CINDO ***)S.	□ Ye	
	 Is there an affiliated investigation of the second seco	estment advis name and ad	er of the Fund dress: State:		or coverage? ZIP:	☐ Ye	s 🗆 No
	h le those on affiliated . I					-	
'	b. Is there an affiliated sub if "Yes," please provide City;	radviser of the name and add	e Funds prop dress: State:		rage? ZIP:	☐ Ye	s 🗌 No
(c. Is there an affiliated dist If "Yes," please provide	ributor/underv	writer of the F			- ' ☐ Ye	s 🗀 No
	City:		State:		ZIP:		
C	 Is there any other entity for coverage? if "Yes," please provide in City: 		s and service			Yes	3 🗌 No
Form C24	270 (7/97 ed.)		13			Catalon	No 40a i

Catalog No. 40a-l

	е	Does the Applicant contract with any Ou Service Providers means any unaffiliate performs professional services for a fee or for clients of the Applicant at the dire Applicant.) If "Yes," please complete Supplemental Qu	ed pera r commis ection o	on(: ssio of a	s) or n for nd o	the one	lity(i App eha	ies) who licant or If of the	Ulders.	Yes	□ No
		Name and address of the bank or firm perfo								ınds:	
	g.	Name and address of the law firm and gene City:	eral coun State:	sel	for F	unds	:_	ZIP:			
4,	a.	Have there been any changes or modification or limitations of any Fund during the past twif "Yes," please give full details:	ions in ti o (2) ye:	h e i ars?	nves	tmen	t re:	strictions		Yes	□ No
		Have there been any material changes in investment policies of any Fund during the plf "Yes," please give full details:	ast two	(2)	years	37					□ No
5.	Fo	or each Fund scheduled in 2.b., indicate how s	hares of			d are	sol	d, and the	percentaç) e .	
	a.	In-house or affiliated broker-dealer:		_	/85	No			Percentag)	
	D.	Third party or independent broker-dealers:		+			+				%
	Ç.,	A full-time sales force:		-	_	┟╘	+				<u>%</u>
	<u>a.</u>	Through banks:					十				%
	Ψ.	Through insurance companies:						· · · · · · · · · · · · · · · · · · ·			%
6.	WI wh	nat is the date of the most recent regulator ether such examination(s) was (were) perform	y examined on-s	inat ite d	ion(s or off-) of site.	the	Applican	it(s)? Ple	ase	indicate
	-	Name of Regulatory Authority		Date				On-Site		M-Sit	
1											
7.	inv	s any person(s) or entity(ies) proposed for thi il, criminal, disciplinary action or adminis estigating a violation of any federal or state se Yes," please explain:	trativa i	200	and:	~~ .	.112	rtoany jing or	□ Y	es	□ No
8.	a.	Please attach a list and status of all profession three (3) years against any person(s) or entitiand defense costs). (If none, check here			clain sed	ns ma for th	ade is in	during the	e current a (include lo	nd th ss pa	e past lyment
	b.	No person(s) or entity(ies) proposed for this circumstance or situation which might reason within the scope of the proposed insurance	aniu na	ovn.		1 100 0					
		t prejudice to any other rights and remed facts, circumstances or situations require ed from the proposed insurance.	fies of t d to be	he dist	Und :lose	erwri od in	iter, res	, any clai ponse to	m arising 8.a. or 8.t	fror	n any ove is

V.	PE	NSION AND WELFARE SIRED):	BENEFIT P	LAN FIDUCIA	NRY LIABILITY	(COMP	LETE <u>ONLY</u> IF	COVERAGE IS
	1.	Name of Sponsor Organ Address:	ization for th					
		City:		\$	tate:		ZIP:	
	2.	Limit desired: \$						
		Will funds from the Plan If "Yes," is it understood 1974 ("ERISA"), as arr Insureds under certain applied for will contain su	that the E rended, alk circumstan- ich a recour	mployee Retir lows the Insurces, and that se provision?	ement Income er to seek re the insurance	e policy	against herein]Yes []No
	4.	Complete the following for	r ali Plans.	Attach a sche	dule, if necess	ary.		
		Under Status, Insert the					nsert the appropr	**************************************
		Benefits exclusively factorizatis Investments by bank Investment Manager Investments under Plants	or trust com	ipany FRISA 402(c)(2. D 3. W	efined Bo efined Co /elfare ther (spe	ontribution	
		Plan Name	Status	Reporting Year	Asset Value	T		Number of
			Julia	1491	\$	Туре	Contributions S	Participants
					\$		\$	
					\$		\$	
					\$		\$	
					\$		\$	
ŧ	i. 	PLEASE ATTACH LATE: CURRENT AUDITED FIN If any Plan listed in the so the following. Otherwise, Plan name:	chedule in q proceed to	uestion 4. Is a question 6.	OR EACH PL	AN.		
	ŧ). When was the Plan es	-					
	(What percentage of th 						%
		I. If the stock is not publi			e, how is the st	ock value	od?	
	€	. How often is the stock	valued?					
6	. It	any benefits are from inscression 7.	irance/annu	ity contracts, p	lease complete	the follo	wing. Otherwise,	proceed to
	a	. Plan name:			Insurance	carrier: _		
	b	. Plan name:			Insurance	carrier: _		

7,	ar.	COLORD TO US II	 been adopted to ensure that rms, and that it complles in form Code of 1986, and other applical 	and operation with EDICA (ed he] Yes	∏ No
8.	Pie	ease answer th	e following questions, and explain	n by attachment to this Applic	ation any "	- Yes" aı	nswer.
			filed for exemption from a prohib] Yes	□ No
	b.	Does any De	ined Benefit Pension Plan have a	funding deficiency?] Yes	☐ No
	C.	Has the Inter tax-exempt s	nai Revenue Service withdrawn atus of any Plan?	or threatened to withdraw t] Yes	□ No
	d.	Does any Pla of ERISA or i	n hold employer securities or employers excess of amounts permitted by	ployer real property in violation ERISA?] Yes	□ No
	e.	is any Plan uncollectible?	loan, lease or debt obligation	in default or classified		Yes	□ No
	f.	independent j	received an adverse opinion as ublic accountant?	·	_	Yes	□ No
!	g.	(i) accused (n acting as a fiduciary of any Pla r found guilty of a breach of trust or found guilty under any crimin	?	on 🗆	Yes	□ No
			oon? verage under a fidelity bond?			Yes Yes	□ No
		if "Yes," pleas	hirty-six (36) months has a m a Plan (or Plans) been completed a explain in detail:	I or agreed to?		Yes	□ No
t	b.	Is any merger within the nex	transfer of assets or termination twelve (12) months? explain in detail:	of a Plan (or Plans) expecte		Yes	□ No
10. (Plea	ase ilst all Plan	trustees who are directors, office	rs and/or employees of the S	ponsor Org	anizati	ion;
		Name	Title or	Occupation Date	Appointed	as Tru:	stee
					M		
() }	inox f "Y	roi of such Pla 'es," please e	es) of any Plan delegated autho i's assets to any outside consulta plain and provide the following i dule, if necessary):	int(s)?		Yes Please	☐ No attach
Typ	3 9 C	of Consultant	Name and	Address	Year	s Empl	loyed
		ent adviser:					
Actu							
CPA		ounsel:					
Othe):					
ł		1			ı		

12.	the	ring the past three (3) years, has any consultant other than the consultant(s) entified in the answer to question 11, above been delegated any authority for emanagement and control of any Plan's assets? Yes," please explain circumstances:	☐ Yes	□ No	
13.	COI	es the Sponsor Organization have a financial, equity or other interest in any insultant identified in the answer to question 11, above, or is any such insultant a director, officer and/or employee of the Sponsor Organization? Yes," please explain:	☐ Yes	□ No	
14.	a. Please attach a list and status of all claims made during the current and the past three (3) years against any person(s) or entity(ies) proposed for this insurance in their capacity as a fiduciary of any Plan (include loss payment and defense costs). (If none, check here "None.")				
	b.	No person(s) or entity(ies) proposed for this Insurance has any knowledge or inform circumstance or situation which might reasonably be expected to give rise to any cig within the scope of the proposed insurance, except as follows: (If none, check here [alm that u	would fall	
CIG	11130	it prejudice to any other rights and remedies of the Underwriter, any claim a , facts, circumstances or situations required to be disclosed in response to 14.a uded from the proposed insurance.	rising fr 1. or 14.b	om any . above	

THE UNDERSIGNED, AS AUTHORIZED AGENT OF ALL INDIVIDUAL(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE, DECLARES THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE.

THE INFORMATION IN THIS APPLICATION IS MATERIAL TO THE RISK ACCEPTED BY THE UNDERWRITER. IF A POLICY IS ISSUED IT WILL BE IN RELIANCE BY THE UNDERWRITER UPON THE APPLICATION, AND THE APPLICATION WILL BE THE BASIS OF THE CONTRACT.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER, AND ALONG WITH THE APPLICATION WILL BE CONSIDERED PHYSICALLY ATTACHED TO, PART OF, AND INCORPORATED INTO THE POLICY, IF ISSUED.

THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. THE UNDERWRITER'S ACCEPTANCE OF THIS APPLICATION OR THE MAKING OF ANY SUBSEQUENT INQUIRY DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE OR ISSUE A POLICY.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE UNDERWRITER, AND THE UNDERWRITER MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

THE UNDERSIGNED DECLARES THAT ALL INDIVIDUAL(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND:

- (A) THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AND REPORTED DURING THE "POLICY PERIOD," OR, IF PURCHASED, ANY "EXTENDED REPORTING PERIOD":
- (B) THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY THE PAYMENT OF "DEFENSE EXPENSES," AND IN SUCH EVENT, THE UNDERWRITER WILL NOT BE RESPONSIBLE FOR THE CONTINUED DEFENSE EXPENSES OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY;
- (C) "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION; AND
- (D) THE UNDERWRITER HAS NO DUTY UNDER THIS POLICY TO DEFEND ANY "CLAIM."

NOTICE TO ARKANSAS, MINNESOTA, AND OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HEISHE 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, WHICH IS A CRIME.

NOTICE TO 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.

NOTICE TO DISTRICT OF COLUMBIA, LOUISIANA, MAINE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF BENEFITS.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY EMPLOYER OR EMPLOYEE, INSURANCE COMPANY, OR SELF-INSURED PROGRAM, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

NOTICE TO KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO 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.

NOTICE TO 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.

NOTICE TO NEW YORK 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 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.

NOTICE TO OKLAHOMA APPLICANTS: 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.

NOTICE TO OREGON AND TEXAS APPLICANTS: ANY PERSON WHO MAKES AN INTENTIONAL MISSTATEMENT THAT IS MATERIAL TO THE RISK MAY BE FOUND GUILTY OF INSURANCE FRAUD BY A COURT OF LAW.

NOTICE TO 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.

	1 7171 -	
BY (President, Chairman, or CEO):	TITLE: President	PATE:
NOTE: This Application must be signed authorized agent of the person(s)	by the President, Chairman, or CEO of the and entity(les) proposed for this insurance.	ne Applicant acting as the
REQUIRED INFORMATION PRODUCED BY (Insurance Agent or Broker, Please print and sign name) :	
P. Noble Powell, Jr. Print Name	Si	gnature
FIRM NAME: HRH of Baltimore		,
TAXPAYER ID OR SOCIAL SECURITY NO.:	PRODUCER LICENSE	NO.:
ADDRESS (No., Street, City, State, and ZIP): 303 International Circie, Suite 400 Hu	ent Valley, MD 21030	
EMAIL ADDRESS: noby.powell@hrh.com		
SUBMITTED BY (Firm):	TAXPAYER ID OR SOCIAL SECURITY NO.:	PRODUCER LICENSE

Exhibit 3



August 10, 2011

Glenn E Peacher
Department of Financial Institutions
Chubb Group of Insurance Companies
St. Paul Plaza, 200 St. Paul Place, 23rd Floor, Baltimore, MD 21202-2038

Policy Type
Asset Management

Policy Number

Effective Date

Underwriting Company

Asset Management Protector 8210-5886

08/17/2011

Federal Insurance Company

Dear Glenn E. Peacher:

It is agreed that with respect to the One Million (\$1,000,000) increased Limit of Liability Excess of the current One Million (\$1,000,000) Limit of Liability, no person proposed for coverage under this Policy is aware of any facts or circumstances which he or she has reason to suppose might give rise to a future claim.

It is further agreed that if such facts or circumstances exist, whether or not disclosed, any claim or action arising from them is excluded from this proposed coverage.

Sincerely,

Chairman or Chief Executive Officer

Exhibit 4



August 16, 2012

Glenn E Peacher Department of Financial Institutions Chubb Group of Insurance Companies St. Paul Plaza, 200 St. Paul Place, 23rd Floor, Baltimore, MD 21202-2038

Policy Type

Protector

Asset Management

Policy Number 82105886

Effective Date

08/17/2012

Underwriting Company Federal Insurance Company

Dear Mr. Peacher:

It is agreed that with respect to the One Million (\$1,000,000) increased Limit of Liability in excess of the current Two Million (\$2,000,000) Limit of Liability for a total of Three Million (\$3,000,000) Limit of Liability, no person proposed for coverage under this Policy is aware of any facts or circumstances which he or she has reason to suppose might give rise to a future claim.

It is further agreed that if such facts or circumstances exist, whether or not disclosed, any claim or action arising from them is excluded from this proposed coverage.

Sincerely,

Carrie Mistina, CFO