

**APPLICATION FOR FINANCIAL INSTITUTION BOND FOR INVESTMENT
FIRMS
NON-CUSTODIAL INVESTMENT ADVISORS
(FIRST PARTY)**



Agency Name: _____ Hartford Agency Code: _____

Application is hereby made by _____

(Name of Adviser): _____

(First Named Insured and all additional insureds, including Employee Benefit Plans to be insured. Attach separate sheet, if necessary.)

Principal address: _____

(No., Street)

City

State

Zip Code

Effective Date Of Coverage: FROM: _____ TO: _____

Present Crime Insurance Program: (Include primary AND excess, if applicable)

If not applicable, please check here:

| Insurance Carrier | Type (Primary or Excess) | Policy Period | Limit of Liability | Deductible | Premium |
|-------------------|--------------------------|---------------|--------------------|------------|---------|
| | | | \$ | \$ | \$ |
| | | | \$ | \$ | \$ |

Requested Insurance:

| COVERAGES | LIMIT | DEDUCTIBLE |
|--|-------|------------|
| Basic Bond Coverage (Insuring Agreements: A, B, C & F) | \$ | \$ |
| Insuring Agreement D – Forgery or Alteration | \$ | \$ |
| Insuring Agreement E – Securities | \$ | \$ |
| Computer Systems Fraud | \$ | \$ |
| Voice Initiated Transfer Fraud | \$ | \$ |
| Telefacsimile Transfer Fraud | \$ | \$ |
| Extortion – Threats to Persons | \$ | \$ |
| Extortion – Threats to Property | \$ | \$ |

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

(Not applicable in Missouri)

If Yes, please explain:

Has there been any change in ownership or management within the past three years? Yes No

Have there been any mergers/acquisitions with other companies within the past three years? Yes No

| Total # of Employees | |
|----------------------|--|
| Domestic | |
| Foreign | |
| Grand Total | |

| Total # of Locations: | |
|-----------------------|--|
| Domestic | |
| Foreign | |
| Grand Total | |

Foreign Locations Check here if none:

For each foreign location, please detail the following information (Attach separate sheet, if necessary):

| COUNTRY | TYPE OF OPERATION | # OF EMPLOYEES | REVENUES (if applicable) |
|---------|-------------------|----------------|--------------------------|
| | | | |
| | | | |

| | | | | | | | | | | | |
|--------------------------|--|--------------------------|-----------------|--------------------------|----------------|--|-------------|--------------------------|------------------|--------------------------|----|
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| | | | | | | | | | | | |
| Internal Controls | | | | | | | | | | | |
| 1. | Are you a: | <input type="checkbox"/> | Proprietorship | <input type="checkbox"/> | Partnership | <input type="checkbox"/> | Corporation | <input type="checkbox"/> | Other (e.g. LLC) | | |
| 2. | Are you a: | <input type="checkbox"/> | Private Company | <input type="checkbox"/> | Public Company | – Please Insert Stock Symbol / Exchange: | | | | | |
| 3. | Date you were established: | | | | | | | | | | |
| 4. | Latest fiscal year-end assets: | | | | | | | \$ | | | |
| 5. | Latest fiscal year-end revenues: | | | | | | | \$ | | | |
| 6. | Are you a subsidiary of a parent company? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 6a. | If yes, please name parent and country of domicile: | | | | | | | | | | |
| 7. | Are you registered with the SEC? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 7a. | If Yes, when was your Form ADV last updated? | | | | | | | | | | |
| 8. | Please provide the specific name(s) of independent custodian(s) utilized by your firm: | | | | | | | | | | |
| 9. | Are you involved in the selection process for the custodian for your clients? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 9a. | If yes, do you offer at least two options ? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 10. | Do you ever take physical possession of any of your clients' assets? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 10a. | Do you have an affiliate, subsidiary, parent or other related company that takes custody of the assets of clients whom you also provide investment advice? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 10b. | Do you have an affiliate, subsidiary, parent or other related company that acts as a broker / dealer? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 10c. | Do you have an affiliate, subsidiary, parent or other related company that acts as a futures commission merchant, commodity pool operator, or commodity trading advisor? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 11. | Are you affiliated with any investment firms or investment vehicles either through a parent company relationship or otherwise? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 11a. | Do these affiliated investment firms or investment vehicles have authority to dispose of funds and securities in the limited partnership's accounts? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 12. | Are you a portfolio manager for one or more wrap fee programs? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 12a. | Do you ever assume custody of client assets in your capacity of portfolio manager for these programs? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 13. | Do you now or do you intend to answer any of the questions in Item 9, Custody, of your most recent ADV affirmatively? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| | If yes, did you answer affirmatively only due to the following circumstances: | | | | | | | | | | |
| 13a. | You deduct your advisory fees from your clients account? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 13b. | Your firm acts as both an investment advisor and general partner to a limited partnership? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 13c. | Excepting Questions 13a and 13b, do you otherwise have custody of your client's funds or securities? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 14. | Does the Insured conduct a pre-employment check that include Prior employment verification, personal references, and record of prior convictions? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 14a. | If no, what checks are performed? | | | | | | | | | | |
| 15. | Do you have an annual audit (including all subsidiaries and locations) performed by an independent CPA? (Please include financials with submission) | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 16. | Is there a CPA Management Letter/Response commenting on internal control weaknesses, recommendations for improvement, and a response by management? (If Yes, please attach the most recent report) | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 17. | Do you have an Internal Audit Department? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 17a. | If Yes, what is the staff size? | | | | | | | | | | |
| 17b. | If No, do you have someone with internal audit responsibilities? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 18. | Are at least two signatures required on checks? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 18a. | If Yes, over what dollar amount? \$ | | | | | | | | | | |
| 18b. | If No, who signs checks? | | | | | | | | | | |
| 19. | Do employees who reconcile monthly bank statements also sign checks, handle bank deposits or have access to check signing machines or signature plates? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 19a. | If Yes, please explain alternative controls in place: | | | | | | | | | | |
| 20. | Are internal control systems designed so that no employee can control a process from beginning to end (e.g. request a check, approve a voucher and sign the check)? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 21. | Are disbursement functions separated from those who have cash receipt or cash refund duties? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 22. | Is your purchasing department (including purchases of general office supplies) separated from receiving responsibilities and supervised by a person who is not authorized to pay bills? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| 23. | Are the duties of purchasing, receiving and storekeeping separate so that no one individual can control these functions from beginning to end? | | | | | | | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

| | | |
|------|---|--|
| 24. | Is an authorized vendor list utilized to assist in detecting payments to fictitious suppliers? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 25. | Is the responsibility for authorizing vendors, approving invoices and processing payments segregated amongst different individuals? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 26. | Is the responsibility for authorizing vendors, approving invoices and processing payments segregated amongst different individuals? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 26a. | If No, and one person has complete responsibility, does this person also have authority to sign checks and reconcile bank accounts? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 27. | Do you have automated systems that will prevent unauthorized vendors and duplicate invoices from being entered into the system? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 28. | Are there any areas/departments which are not computerized? (e.g. inventory, accounts receivable/payable, etc.). | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 28a. | If Yes, what are they? | |
| 29. | Are your systems programmed to detect and call to your attention all unusual account activity? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 30. | Is there a written policy regarding wire transfers? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 30a. | Is one employee responsible for wire transfers? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 30b. | If Yes, what position does this employee hold? | |
| 30c. | If no, who initiates wire transfer requests? | |
| 31. | What is your average daily number of fund transfers? | |
| 32. | What is the largest single amount that can be transferred? | |
| 33. | If a telephone call can activate a transfer of funds, does your financial institution call an employee other than the one who requested the transfer before acting on the transfer request? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 34. | Does the receiving financial institution immediately verify the completion of transfer of funds with a department other than the one who initiated the transfer? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 35. | If No to question 34, does such verification go to an employee other than the one who initiated the transfer? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 36. | Is reconciliation performed on the same day as the confirmation is received? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Are the same internal controls listed above imposed on foreign locations? Yes No

LOSS EXPERIENCE

List all fidelity and crime losses discovered or sustained in the last three years. Check here if none:

| DATE OF LOSS | TYPE OF LOSS (Employee Dishonesty, Forgery, etc.) | AMOUNT OF LOSS |
|--------------|--|----------------|
| | | |
| | | |
| | | |

Please attach details of all losses including description, corrective action taken and amount covered by insurance.

Insurance Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance, or a statement of claim 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 in certain jurisdictions.

Important State Specific Information

Applicable in Arkansas:

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Applicable in Colorado:

It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in California:

Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Applicable in Florida and Idaho:

Any person who Knowingly and with the intent to injure, Defraud, or Deceive any Insurance Company Files a Statement of Claim Containing any False, Incomplete or Misleading information is Guilty of a Felony.*

*In Florida - Third Degree Felony

Applicable in Indiana:

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

Applicable in Kentucky and New Jersey:

Any person who knowingly and with intent to defraud any insurance company or other persons, files a 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, subject to criminal prosecution and civil penalties.

Applicable in Maine

We do not provide coverage to one or more insureds ("insured") who, at any time:

- 1) Intentionally concealed or misrepresented a material fact;*
- 2) Engaged in fraudulent conduct; or*
- 3) Made a false statement relating to this insurance.*

Applicable in Maryland:

Any person who, with intent to defraud or knowingly that he 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.

Applicable in Michigan:

Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete, or misleading information shall, upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.00.

Applicable in Minnesota:

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

Applicable in Nevada:

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

Applicable in New Hampshire:

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for Insurance fraud, as provided in RSA 638:20.

Applicable in New Mexico

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

Applicable in New York:

Any person who knowingly and with intent to defraud any insurance company or other person files a 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.

Applicable in Ohio:

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 is guilty of insurance fraud.

Applicable in Oregon:

Any person who with an intent to knowingly defraud any insurance company or other person, files an application for insurance, or a statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, may be guilty of insurance fraud.

Applicable in Oklahoma:

WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony,

Applicable in Pennsylvania:

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Applicable in Rhode Island:

"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Applicable in Texas:

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.

Applicable in Vermont:

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Applicable in Virginia

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

The Insured represents that the information furnished in this application is complete, true and correct. Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

***APPLIES TO GEORGIA, NEW HAMPSHIRE, VIRGINIA APPLICANTS ONLY: The Insured represents that the information furnished in this application is complete, true and correct. It is further agreed that if the above described declarations and statements are not true, accurate and complete, and are deemed material to the issuance of this Policy, any claim arising from any matter not truthfully, accurately or completely disclosed, or disclosed at all, shall be excluded from coverage.**

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY

Application completed by: _____
(Name and Title)

Signature: _____

Date: _____