



Application for Financial Institution Bond Standard Form No.14

Application is hereby made by _____

(Please Attached a List of All Insureds, Including Employee Benefit Plans)

Principal Address _____ City _____ State _____ Zip _____

Policy Effective Period _____ to _____ Date Insured was Established _____

Name of Prior Carrier _____ In the Aggregate limit of Liability of _____

1. Description of Organization

1. Insured is a (Check all that apply):

- ☐ Stock Broker ☐ Commodity Banker ☐ Foundation ☐ Investment Banker
☐ Mutual Fund ☐ Investment Trust ☐ Endowment Fund ☐ Dealer in Securities
☐ Other (Please Specify) _____

	Yes	No
2. Do you or any of your subsidiaries operate in any capacity differently than what is listed above? If yes, please describe.	<input type="checkbox"/>	<input type="checkbox"/>

3. Are you a member of the U.S. Securities and Exchange Commission?	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------

4. Are you a member of FINRA? If yes, please complete Section 6 FINRA Controls.	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------

5. Has there been any change in ownership or management within the past three years?	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------

Current or Requested Coverage:

Insuring Agreement	Limit	Deductible
Basic Bond Coverage		
Insuring Agreement (D) Forgery or Alteration		
Insuring Agreement (E) Securities		
Computer Systems Fraud		
Partner Coverage		
Fraudulent Transfer Instructions		
Other (Please Specify) _____		

2. Exposure Information

1. Employees and Locations

Domestic Employees _____ Domestic Locations _____

Foreign Employees _____ Foreign Locations _____

Grand Total Employees _____ Grand Total Locations _____

FINRA Registered Representatives Not Included Above (if applicable) _____

Total Number of Partners _____

2. Exposure Information Continued**Yes No****For any yes answers below, please provide an explanation on a separate page, unless otherwise indicated.**

- | | | |
|--|--------------------------|--------------------------|
| 2. Do you or your subsidiaries ever take physical custody of client funds? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If yes , is custody maintained through agreements with third party custodians? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Do you maintain the ability to deduct fees on the behalf of your clients? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do you or any subsidiary handle, store, or use for manufacturing any valuable or precious and/or non-precious metals? | <input type="checkbox"/> | <input type="checkbox"/> |

3. Audit Procedures**Yes No****Please explain any no answers below, unless otherwise indicated.**

- | | | |
|---|--------------------------|--------------------------|
| 1. Is there an annual audit by an independent CPA?
If the answer is no , please explain the scope of the CPA's examination. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the audit rendered directly to all partners if a partnership or to the Board of Directors if a corporation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Name and Location of CPA. | | |
| 4. Date of completion of last audit by CPA _____ | | |
| 5. Is there a continuous internal audit by an internal audit department? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is there a full time professional staff auditor? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are foreign locations audited at least annually by an external CPA? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are your wire transfer procedures audited? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Do you participate in a Central Securities Depository? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Are accounts insured by SIPC (<i>Securities Investors Protection Corporation</i>)? | <input type="checkbox"/> | <input type="checkbox"/> |

4. Internal Controls**Yes No****Please explain any no answers below on a separate page, unless otherwise indicated.**

- | | | |
|--|--------------------------|--------------------------|
| 1. Do you have a documented system of internal control policies/procedures? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you require annual vacations of at least two consecutive weeks for all personnel? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are bank accounts reconciled monthly? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are bank accounts reconciled by someone not authorized to deposit or withdraw? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do all checks require countersignatures?
If yes , above what amount? _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are internal controls 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"/> | <input type="checkbox"/> |
| 7. Are monthly or quarterly statements (<i>whether or not there was activity in the account</i>) sent directly to all customers? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is an authorized vendor list utilized and updated annually for all purchases, and is competitive bidding required? | <input type="checkbox"/> | <input type="checkbox"/> |

4. Internal Controls *Continued***Yes No**

- | | | |
|--|--------------------------|--------------------------|
| 9. Are background checks performed on vendors in order to determine ownership and financial capability? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Are the procedures for authorizing vendors, approving invoices and processing payments segregated among different employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Please confirm if internal control and audit procedures are consistent throughout all domestic and foreign locations. | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are background checks provided on all new hires? | <input type="checkbox"/> | <input type="checkbox"/> |

5. Computer and Fund Transfer Controls**Yes No****Please explain any no answers below on a separate page, unless otherwise indicated.**

- | | | |
|--|--------------------------|--------------------------|
| 1. Do you have procedures to verify the identity and authenticity of new customers or vendors prior to entering into transactions with them?

If yes, please outline your screening procedures: | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you accept funds transfer instructions from customers, vendors, and employees over the telephone, fax, email, or some other electronic communications method?

If yes, please outline your procedures to authenticate the instructions: | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you verify all requests made by customers, vendors, or employees to establish or change the funds transfer procedures by calling back the telephone number listed in your records or employee directory?

If no, please explain alternative methods used to authenticate customer, vendor, or employee requests: | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Please describe the verification details and fraud training awareness procedures you have in place to authenticate the identity of the requestor and verify the establishment of/or revisions to payment instructions: | | |
| 5. Does the Applicant perform funds transfers to companies outside of the United States?

If yes, please attach list of countries. | <input type="checkbox"/> | <input type="checkbox"/> |

6. FINRA Controls**Yes No****Please complete this section if your operations contain any Broker-Dealer Entities registered with FINRA. Please explain any No answers below on a separate page, unless otherwise indicated.**

- | | | |
|---|--------------------------|--------------------------|
| 1. Are all checks made payable to a firm or mutual fund being purchased, and never in the name of an employee or registered representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are customers reminded in writing to send all checks to a central location and never to a registered representative? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are customers mailed confirmations of all business activity/trades within 48 hours of execution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are customer and/or shareholder statements mailed at least quarterly? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do customer and shareholder statements provide specific instructions as to whom to contact to report an error or make a complaint? | <input type="checkbox"/> | <input type="checkbox"/> |

6. FINRA Controls *Continued*

Yes No

- | | | |
|--|--------------------------|--------------------------|
| 6. Are all employees and registered representatives screened for prior acts of dishonesty or a violation of Securities Laws prior to employment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does the review of prospective representatives include an examination of all U-4 Documents? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. How frequently are compliance reviews conducted on registered representatives to see that securities violations do not occur and there is adherence to your designated internal control procedures? | | |
| 9. Is your firm self-clearing or fully disclosed clearing through an investment bank or stockbrokerage firm?
If you are a fully disclosed firm, whom do you clear your trades through? _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Who has the authority to clear trades on your behalf? _____
Please describe your segregation of duties and limits? _____ | | |

7. Loss History

Please explain any losses below on a separate page, along with corrective measures implemented.

List all losses sustained during the past three years, whether reimbursed or not:

☐ Check here if none

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from Other than Insurance	Amount of Loss Pending

Fraud Statements

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (*or willfully*)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (*or willfully*)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. **Applies in MD Only.*

Applicable in CO: 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 FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (*of the third degree*)*. **Applies in FL Only.*

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Fraud Statements Continued

Applicable in KY, NY, OH and PA: 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 (*not to exceed five thousand dollars and the stated value of the claim for each such violation*)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (*may*)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

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

NOTICE TO 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 concealing any fact material thereto, commits a fraudulent insurance act, which is a crime.

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

Dated at _____ this _____ day of _____, 20 _____ Insured _____

Applicant Signature _____ Title _____