ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

YOUR ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE IS WRITTEN ON A “CLAIMS-MADE” BASIS. IT PROVIDES COVERAGE FOR THOSE CLAIMS WHICH ARE BOTH FIRST MADE AGAINST YOU AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.

Throughout this Policy, the terms "we", "us" and "our" refer to the Stock Insurance Company, named on the Declarations, providing this insurance.

I. DEFINITIONS

The following terms, shown in bold face type in this Policy will have only the meaning indicated below:

**Advertising injury** means injury that arises in the course of rendering professional services by reason of:

A. the oral or written publication of material that slanders or libels an individual or entity or disparages its goods, products or services;
B. misappropriation of advertising ideas or style of doing business; or
C. infringement of copyright title or slogan.

**Bodily injury** means injury to the body, including sickness or disease sustained by any person and death resulting from such injuries; emotional distress or mental anguish sustained by any person whether or not resulting from such injury; and all injuries that are a consequence of the foregoing. However, bodily injury does not include emotional distress or mental anguish arising from personal injury.

**Claim** means a demand received by you for money or services naming you and alleging an act or omission, including personal injury or advertising injury, in the rendering of professional services. A demand shall include the service of suit or the institution of arbitration proceedings against you.

**Claim expenses** are those fees charged by an attorney we designate or consent to, and all other fees, costs and expenses resulting from the investigation, adjustment, expert analysis, defense and appeal of a claim, if incurred by us or by you with our written consent. Claim expenses do not include salaries of our employees or officers, or fees and expenses of independent adjusters retained by us.

**Damages** are monetary judgments, awards and settlements, provided any settlement is negotiated by or with our assistance and approval. Damages also include prejudgment or post-judgment interest awarded against you on such judgments or awards.

Damages do not include:

A. civil or criminal fines, penalties, sanctions or forfeitures, imposed on you whether pursuant to law, statute, regulation or court rule;
B. punitive or exemplary amounts, and the multiplied portion of multiplied awards on claims otherwise payable under this Policy;
C. amounts for which you are not financially liable or that are without legal recourse to you;
D. amounts owed by you to your client by reason of money loaned to or invested with you in your individual capacity for your personal use or investment in your own venture.

**Dissolution** means the termination of the legal existence of an organization, regardless of structure, whether by legislation, surrender, expiration or forfeiture of charter for any cause, bankruptcy, or loss of all its partners, principals, officers or directors.

**Interrelated claims** are all claims arising out of a single act or omission or arising out of interrelated acts or omissions in the rendering of professional services.

**Interrelated acts or omissions** mean all acts or omissions in the rendering of professional services that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

**Named Insured** means the individual or entity named on the Declarations as the named insured.

**Personal fiduciary** is an executor, administrator or representative of an estate or a trustee of a personal trust.

**Personal injury** means libel, slander, disparagement, false arrest, wrongful detention, false imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy, malicious prosecution or violation of an individual’s or entity’s right of privacy. Personal injury also includes emotional distress and mental anguish arising from any of the above.

**Personal trust** means an individual or family trust established for the sole benefit of the individual or family or a charitable remainder trust as defined under Internal Revenue Code Section 664.

**Policy period** means the period of time from the effective date and time shown in the Declarations and the date and time of termination, expiration or cancellation of this Policy.

**Predecessor firm** means:
A. a partnership, professional corporation, professional association, limited liability corporation or limited liability partnership engaged in professional services which has undergone dissolution and from which 50% or more of the owners, partners, or officers have joined the Named Insured as an owner, partner, officer, associate or employee;
B. a sole proprietor engaged in professional services which has joined the Named Insured as an owner, partner, officer, associate or employee unless otherwise excluded by endorsement; or
C. any individual or entity identified as a predecessor firm by endorsement to this Policy.
Prior acts date, if any, is indicated on the Declaration. This Policy excludes from coverage all claims by reason of acts or omissions that happened before the prior acts date.

Prior insurer means an insurer, including us and any subsidiary or affiliate of ours, who has issued prior accountants professional liability insurance coverage.

Professional services mean those services:

A. performed in the practice of public accountancy by you for others, including but not limited to those services of consulting or personal financial planning; and

B. performed by you for others:
   1. as a personal fiduciary;
   2. as a member of a formal accreditation, standards review or similar professional board or committee related only to the accounting profession; and
   3. as an arbitrator, mediator or notary public.

You and your means the Named Insured and any predecessor firm and:

A. any person who is or becomes a partner, officer, director, associate, or employee of the Named Insured but only for professional services performed on behalf of the Named Insured;

B. any person previously affiliated with the Named Insured or a predecessor firm as a partner, officer, director, associate, or employee but only for professional services performed on behalf of the Named Insured or a predecessor firm at the time of such affiliation;

C. the heirs, executors, administrators, assigns and legal representatives of any person or their estate as designated in A or B above in the event of such person’s death, incapacity, insolvency or bankruptcy, but only to the extent that such person would have been provided coverage under this Policy;

D. any accountant or accounting firm not affiliated with the Named Insured but only for professional services performed on behalf of the Named Insured.

II. COVERAGE AGREEMENTS

A. We will pay on your behalf all sums in excess of the deductible, up to our limits of liability, that you become legally obligated to pay as damages and claim expenses because of a claim that is both first made against you and reported in writing to us during the policy period by reason of an act or omission in the performance of professional services by you or by any person for whom you are legally liable provided that:
   1. you did not give notice to a prior insurer of any such act or omission or interrelated act or omission;
   2. prior to the effective date of this Policy, none of you had a basis to believe that any such act or omission, or interrelated act or omission, might reasonably be expected to be the basis of a claim;
3. such act or omission happened subsequent to the prior acts date, if any;
4. you did not give notice to a prior insurer of an interrelated claim.

B. We have the right and duty to defend any claim, even if any of the allegations of the claim are groundless, false or fraudulent. We will investigate any claim as we deem appropriate. We will not settle any claim without your written consent, which shall not be unreasonably withheld. You and we agree to consult with each other, and/or with the American Institute of Certified Public Accountants, if you are a member, to resolve any differences relating to such settlement.

C. We are not obligated to investigate, defend, pay or settle a claim after the applicable limit of our liability has been exhausted by payment of damages or claim expenses or by any combination thereof, or after we have tendered the remaining available limits of liability into a court of competent jurisdiction. In such case, we shall have the right to withdraw from the further investigation, defense or settlement of any claim by tendering control of said investigation, defense or settlement to you. We will initiate, and cooperate in, the transfer of control to you of any claims that were reported to us prior to the exhaustion of such limit. You must cooperate in the transfer of control of such claims. We agree to take the necessary steps, as we deem appropriate, to avoid a default in such claims until such transfer has been completed, provided you cooperate in completing such transfer. You must reimburse us for expenses we incur in taking those steps we deem appropriate to avoid a default.

D. If we conclude that the limit of liability applicable to any claim may become exhausted prior to the conclusion of the claim, we will notify the Named Insured, in writing, as soon as practicable, to that effect. When the limit of liability applicable to any claim has actually been exhausted prior to the conclusion of the claim, we will notify the Named Insured, in writing, as soon as practicable, that such limit has been exhausted.

III. LIMITS OF LIABILITY

A. Each Claim

Subject to B. below, the limit of liability for damages and claim expenses for each claim shall not exceed the amount stated in the Declarations as “Per claim.”

B. Aggregate

Subject to A. above, the limit of our liability for damages, and claim expenses for all claims shall not exceed the amount stated in the Declarations as "Aggregate."

C. Deductible
Our obligation to pay damages and claim expenses as a result of a claim is in excess of the applicable amount of the deductible. The Named Insured agrees to pay all damages and claim expenses up to the amount of such deductible. The deductible amount applies either on a per claim or on an aggregate basis as is indicated on the Declarations. Payment of the deductible or portions thereof shall be made by the Named Insured as claim expenses are incurred or damages are paid.

D. Multiple insureds, claims and claimants

The limits of liability shown in the Declarations and subject to the provisions of this Policy is the amount we will pay as damages and claim expenses regardless of the number of you, claims made or persons or entities making claims. If interrelated claims are subsequently made against you and reported to us, all such interrelated claims, whenever made, shall be considered a single claim first made and reported to us within the policy period in which the earliest of the interrelated claims was first made and reported to us.

E. Risk Management Incentives

1. Mediation

If mediation of a claim takes place either without institution of arbitration proceedings or service of suit or within 60 days of the institution of such proceedings or service of suit, and such claim is ultimately resolved for an amount acceptable to you and us by the process of mediation, your deductible, applying to the claim, will be reduced by 50%. In no event shall the amount of the deductible waived hereunder exceed $25,000.

2. Use of Engagement Letters

If you utilized an engagement letter in any engagement other than audit services or attest services:
   a. that was signed within the preceding 11 month period prior to rendering the professional services at issue in the claim and,
   b. the claim is otherwise covered under the Policy,
then we will reduce your deductible, applying to that claim, by 50%, up to a total amount of $5,000.

In the event that paragraphs E.1. and E.2. both apply to a claim, in no event shall the total amount of the deductible waived for that claim exceed $25,000.

3. Subpoena Assistance

In the event you receive a subpoena for documents or testimony arising out of professional services rendered by you and you would like our assistance in responding to the subpoena, you may provide us with a copy of the subpoena and we will retain an attorney to provide advice.
regarding the production of documents, to prepare you for sworn testimony, and to represent you at your deposition, provided that:

a. the subpoena arises out of a lawsuit to which you are not a party; and
b. you have not been engaged to provide advice or testimony in connection with the lawsuit, nor have you provided such advice or testimony in the past.

Such legal counsel’s fees incurred under this provision are in addition to the limits of liability and are not applicable to the deductible. Any notice you give us of such subpoena shall be deemed notification of a potential claim under Section V.D. of this Policy.

F. Supplementary Benefits

1. Defendants Reimbursement

We agree to pay you $50 per hour for the time you spend to attend a trial, court hearing, mediation or arbitration proceeding at our request in connection with a covered claim.

2. Regulatory Inquiry

If, during the policy period, a state licensing board, self regulatory body or a governmental agency with the authority to regulate your professional services initiates an investigation of you arising from an act or omission in the rendering of professional services, which is otherwise covered under this Policy, and you report this to us in accordance with Section V.D. of this Policy, we agree to pay your attorney fees, attorney costs and court costs incurred in responding to the investigation. The maximum amount we will pay for such attorney fees and costs is $10,000 regardless of the number of investigations or the number of you who are subject to such investigations.

3. Defense of Third Party Discrimination demand

If, during the policy period, a demand is received by you for money or services and

a. arises solely from your alleged refusal to provide professional services due to discrimination, for reasons of age, race, creed, color, gender, religion, national origin, disability, marital status or sexual preference; and
b. does not arise out of your intentional disregard or willful failure to comply with federal or state laws governing discriminatory practices; and
c. the demand is otherwise covered under the terms and conditions of the Policy but for the absence of the rendering of professional services,
then we will provide you with a defense subject to your deductible and the available limits of liability in the Policy. There will be no coverage for damages regardless of the ultimate findings.

IV. EXCLUSIONS

This Policy does not apply to:

A. any claim for bodily injury regardless of cause;

B. any claim for damage to, destruction of, or loss of use of tangible property.

This exclusion does not apply to client records which are in your care, custody or control;

C. any claim based on or arising out of liability assumed under any contract or agreement unless you would have been liable if the contract or agreement did not exist;

D. any claim based on or arising out of a dishonest, fraudulent, criminal or malicious act by any of you. We shall provide you with a defense of such claim unless or until the dishonest, fraudulent, criminal or malicious act has been determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. Such defense will not waive any of our rights under this Policy. Criminal proceedings are not covered under this Policy regardless of the allegations made against you;

E. any claim based on or arising out of professional services performed for any entity, including an entity held in a personal trust, if at the time of the act or omission giving rise to the claim, you or your spouse were an officer, director, partner or manager of such entity, or the owner of more than a 10% equity interest in such entity;

F. any claim based on or arising out of professional services rendered by you as an executor, administrator or personal representative of an estate or as a trustee if you or your spouse are a beneficiary or distributee of said estate or trust;

G. any claim based on or arising out of your capacity as:
   1. an officer, director, trustee, partner or other member of a governing body of an entity, other than the Named Insured;
   2. a guardian or conservator of an individual;
   3. a conservator, receiver or bankruptcy trustee of an entity;
   4. a trustee for an investment fund established for the benefit of any entity or group of unrelated individuals. This exclusion shall not apply to an accountant when acting as a trustee for a personal trust;
   5. a plan administrator of an employee benefit plan, or the trustee of any trust established to fund such plan, or any other fiduciary of such plans, regardless of whether the claim is brought against you under the
Employee Retirement Income Security Act of 1974, its amendments or any other similar state or local law. This exclusion does not apply if you are deemed to be a fiduciary solely by virtue of professional services you render as an accountant to the plan, including accounting, audit, attest, consulting, tax, investment advisory services, or administrative services to an employee benefit plan as an independent third party consultant.

H. any claim based on or arising out of your capacity as a broker or dealer in securities, as those terms are defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934.

I. any claim based on or arising out of any anti-trust law violation or any agreement or conspiracy to restrain trade unless the allegations arise solely from your performance of professional services as a member of a formal accreditation, standards review or similar professional board or committee, related only to accountancy, and such services are within the scope of that committee's or board's established guidelines;

J. any claim based on or arising out of the gaining of any personal profit or advantage to which you are not legally entitled in the rendering of professional services in your capacity as a personal fiduciary.

V. POLICY CONDITIONS

A. Coverage Territory

This Policy applies to professional services performed anywhere in the world. Claim must be brought against you, however, within the United States of America, including its territories and possessions, Puerto Rico or Canada.

B. Sole Agent

The Named Insured shall be the sole agent of all of you for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellation of this Policy; for the completing of any applications; for the making of any statements, representations and warranties; for the payment of any premium and the receipt of any return premium that may become due under this Policy; and for the exercising of, or declining to exercise any right under this Policy.

C. Duties in the event of a claim

1. You must give us written notice as soon as reasonably possible during the policy period of any claim made against you. We agree that you may have up to, but not to exceed, 60 days after the Policy expiration to report to us a claim made against you during the policy period if the reporting of such claim is as soon as reasonably possible.

2. You must:
a. immediately forward all documents received in connection with the claim to us;
b. fully cooperate with us or our designee in the investigation, the making of settlements, the conduct of suits or other proceedings, or enforcing any right of contribution or indemnity against another who may be liable to you in connection with a claim;
c. attend depositions, hearings and trials;
d. assist in securing and giving evidence obtaining the attendance of witnesses; and,
e. refuse, except at your own cost, to admit any liability, assume any damages, voluntarily make any payments, or incur any claim expenses.

D. Duties in the event of a potential claim

If, during the policy period, you become aware of an act or omission that may reasonably be expected to be the basis of a claim against you, you must give written notice to us prior to the expiration of the policy period. Such notice must state the reasons for anticipating a claim, with full particulars, including but not limited to:

1. the specific act or omission;
2. the dates and persons involved;
3. the identities of anticipated or possible claimants;
4. the circumstances by which you first became aware of the potential claim.

If such notice is given, then any claim that is subsequently made against you and reported to us shall be deemed to have been made at the time such written notice was received by us.

In the event we determine there is an opportunity to avoid a claim arising out of a potential claim you have reported to us and we incur legal or expert expenses to do so, such expense will be at our cost and not be subject to your deductible.

E. Notice

Notice of any claim or potential claim should be reported to Director of Claims, Accountants Professional Liability, CNA, CNA Plaza, 333 South Wabash Street, Chicago, Illinois 60604.

F. Changes/Transfer of Interest

Notice to any of our agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy. You agree to first obtain our written consent to make any changes, transfers or assignments of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued to form a part of this Policy.
G. Entire contract

This Policy consists of the Declarations, the Policy form, all endorsements attached to the Policy, the completed and signed application and all supplementary information and statements you have provided to us.

By acceptance of this Policy you agree that all of the information and statements provided to us by you are true, accurate and complete. This Policy has been issued in reliance upon the truth and accuracy of those representations.

No concealment, misrepresentation or fraud shall avoid or defeat recovery under this Policy unless such concealment, misrepresentation or fraud was material. Concealment, misrepresentation or fraud in the procurement of this Policy which if known by us would have led to refusal by us to make this contract or provide coverage for a claim hereunder will be deemed material.

H. Other Insurance

If you have other valid and collectible insurance that applies to the claim, this insurance shall be excess over any other insurance, self-insurance, self-insured retention or similar programs, whether primary, excess, contingent or on any other basis.

If no other insurer defends a claim that we have an obligation to defend, we will do so, but we will be entitled to your rights against all those other insurers.

We will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay in absence of this insurance and the total of all deductible and self-insured amounts under all such other insurance or other available programs. This provision does not apply to other insurance that was purchased by you specifically to apply in excess of the limits of liability shown on the Declarations of this Policy.

I. Legal Action Limitation

You agree not to bring any legal action against us concerning this Policy unless you have fully complied with all the provisions of this Policy, and the amount of your obligation to pay has been finally decided. Such amount can be decided by final judgment against you or by written agreement between you, us and the claimant. You agree to bring any such action within two years, or during any applicable statute of limitations for the bringing of such action, whichever is longer.
No individual or entity, or their legal representative, is entitled to recover under this Policy until they have secured such judgment or written agreement. Recovery is limited to the extent of the insurance afforded by this Policy. No individual or entity has any right under this Policy to include us in any action against you to determine your liability, nor will we be brought into such an action by you or your representative.

J. Subrogation

In the event of any payment under this Policy, we shall be subrogated to all your rights of recovery thereof against any person or organization, including any rights you may have against any other person insured under this Policy who is involved in dishonest, fraudulent, criminal, malicious or intentional conduct. You shall execute and deliver instruments and papers and do whatever else is necessary to secure and collect upon such rights. You shall do nothing to prejudice such rights.

K. Premium

Premiums for this Policy are payable to us in advance. They may be paid to us or our authorized representative. The first premium is due on the effective date of this Policy.

L. Innocent Partners

If coverage under this Policy would be excluded as a result of any criminal, dishonest, fraudulent or malicious acts of any of you, we agree that the insurance coverage that would otherwise be afforded under this Policy will continue to apply to any of you who did not personally commit, have knowledge of, or participate in such criminal, dishonest, fraudulent or malicious acts or in the concealment thereof from us.

M. Reimbursement

While we have no duty or obligation to do so, if we advance any amounts in payment of damages or claim expenses within the amount of the applicable deductible or in excess of the applicable limit of liability, you agree to be jointly and severally liable to us for such amounts. Upon demand, you agree to immediately repay such amounts to us.

N. Bankruptcy/Insolvency

The insolvency or bankruptcy of you, or the insolvency of your estate, shall not release us from the payment of damages or claim expenses recoverable under this Policy.
O. Cancellation/Non-Renewal

*Your* rights and ours are stated in the attached State Provisions endorsement.

P. Liberalization

In the event we make any filing with the insurance supervisory authorities of the state in which this Policy is issued that would broaden coverage under this Policy, and;
1. such filing is approved or accepted by such insurance authorities to be effective while this Policy is in force; and
2. such filing includes provisions that would extend or broaden this insurance without additional premium;
the benefit of such extended or broadened provisions shall inure to *your* benefit as though substitution of policy form had been made. However, such benefit shall not apply to any claim which has been made against *you* or potential claim reported to us on or prior to the date such benefit is approved or accepted.

VI. EXTENDED CLAIM REPORTING PERIOD

As used herein, "*extended claim reporting period*" means the period of time after the end of the *policy period* for reporting *claims* to us that are made against *you* during the applicable *extended claim reporting period* by reason of an act or omission that happened prior to the end of the *policy period* and is otherwise covered by this Policy. It is understood and agreed that the *extended claim reporting period* shall not be construed to be a new policy and any *claim* submitted during such period shall otherwise be governed by this Policy.

A. Automatic *extended claim reporting period*

If this Policy is canceled or non-renewed by either us or by the Named Insured, we will provide to the Named Insured an automatic, non-cancelable *extended claim reporting period* starting at the termination of the *policy period* if the Named Insured has not obtained another policy of accountants professional liability insurance. This automatic *extended claim reporting period* will terminate after sixty (60) days.

B. Optional *extended claim reporting period*

If this Policy is canceled or non-renewed by either us or by the Named Insured, then the Named Insured shall have the right to purchase an optional *extended claim reporting period*. Such right must be exercised by the Named Insured within sixty (60) days of the termination of the *policy period* by providing written notice to us.
C. Elimination of right to any extended claim reporting period

There is no right to the optional extended claim reporting period if we cancel or refuse to renew this Policy due to non-payment of premiums or any material misrepresentations in the application for this Policy.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary