

# Application

## ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE

FL- 152 ACCT PI



EXCEPT WHERE LIMITED OR PROHIBITED BY LAW THE POLICY PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR "CLAIMS EXPENSES" AND THE AMOUNTS INCURRED FOR "CLAIMS EXPENSES" SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

1. NAME OF APPLICANT: \_\_\_\_\_

2. PRINCIPAL BUSINESS ADDRESS: \_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_ FACSIMILE NO: \_\_\_\_\_

3. APPLICANT IS A(AN):  PARTNERSHIP  INDIVIDUAL  PROFESSIONAL CORPORATION  PROFESSIONAL ASSOCIATION

4. PERSONNEL:

A. PLEASE PROVIDE THE FOLLOWING INFORMATION FOR EACH OWNER, PARTNER, PRINCIPAL, DIRECTOR, SHAREHOLDER, EMPLOYED CPA, AND PER DIEM CPAS WORKING MORE THAN 30 DAYS PER YEAR FOR THE APPLICANT. (PLEASE ATTACH COPY OF THE APPLICANT'S LETTERHEAD):

NAME	*DESIGNATION CODE	YEAR OF CERTIFICATION	YEARS IN PRACTICE	PROFESSIONAL MEMBERSHIPS

\* DESIGNATION CODES:

O- OWNERS, DIRECTORS OR SHAREHOLDERS  
P- PARTNERS IS A PARTNERSHIP

S- SALE PROPRIETOR  
E- EMPLOYED CPA (MUST BE AN EMPLOYEE OF THE APPLICANT)

D- PER DIEM CPAS WORKING FOR THE APPLICANT OVER 30 DAYS PER YEAR FOR WHOM COVERAGE IS DESIRED.

A. NUMBER OF OTHER ACCOUNTING PROFESSIONALS (NOT LISTED IN 4A) EMPLOYED BY THE APPLICANT IN THE PERFORMANCE OF PROFESSIONAL ACCOUNTING SERVICES (DO NOT INCLUDE CLERICAL OR OTHER EMPLOYEES NOT ENGAGED IN OR ON WORK FOR CLIENTS OF THE APPLICANT):

5. A. HOW MANY PROFESSIONALS LISTED IN 4A HAVE PARTICIPATED IN FORMAL CONTINUING PROFESSIONAL EDUCATION PROGRAMS ROTATING AT LEAST 40 HOURS DURING THE PAST YEAR? \_\_\_\_\_

B. WHAT IS THE APPLICANT'S PRACTICE WITH REGARD TO ANY PROFESSIONALS WHO HAVE NOT MET THE CPE REQUIREMENTS? \_\_\_\_\_

6. ATTACH A LIST OF ALL BRANCH OFFICES. PLEASE INDICATE THE NUMBER OF ACCOUNTING PROFESSIONALS AND RECEIPTS FOR EACH LOCATION.

7. ARE THERE ANY PREDECESSOR FIRMS OR ACQUIRED FIRMS?

YES  NO

If YES, please provide details including firm name, date of acquisition or merger, insurance history, and number of accountants. Only those predecessor firms listed will be eligible for coverage consideration. \_\_\_\_\_

8. ANNUAL GROSS RECEIPTS FOR:

A. LAST FISCAL YEAR \$ \_\_\_\_\_

B. ESTIMATE FOR CURRENT FISCAL YEAR \$ \_\_\_\_\_

9. PLEASE INDICATE THE APPROXIMATE PERCENTAGE OF YOUR LAST FISCAL YEAR'S RECEIPT IN EACH OF THE FOLLOWING TYPES OF ENGAGEMENT:

	%		%
A. AUDITS:	_____	G. FIDUCIARY SERVICES:	_____
I. MUNICIPAL/GOVERNMENT	_____	I. ADMINISTRATOR, EXECUTOR OR ERISA TRUSTEE	_____
II. PUBLICLY HELD COMPANIES	_____	II. BANKRUPTCY TRUSTEE OR RECEIVER	_____
III. OTHER	_____	III. OTHER TRUSTEE ACTIVITIES	_____
B. REVIEWS	_____	H. MANAGEMENT SERVICES (PLEASE ATTACH DESCRIPTION)	_____
C. COMPILATIONS	_____	I. EDP/COMPUTER HARDWARE/SOFTWARE SALES AND CONSULTING	_____
D. BOOKKEEPING/WRITE-UPS	_____	J. BUSINESS INVESTMENT ADVICE (INCLUDE TAX SHELTER SYNDICATION, TAX SHELTER	
E. TAX SERVICES:	_____	ADVICE, BUSINESS ACQUISITION EVALUATION AND PROJECTIONS)	_____
I. INDIVIDUAL RETURNS	_____	K. SECURITIES ACTIVITIES IF ANY, A SECURITIES SUPPLEMENT MUST BE COMPLETED.	
II. CORPORATE RETURNS	_____		_____
III. LIMITED PARTNERSHIP RETURNS	_____	L. OTHER (PLEASE ATTACH DESCRIPTION)	_____
IV. OTHER	_____		
F. PERSONAL FINANCIAL PLANNING	_____		_____ 100%

10. DOES THE APPLICANT ANTICIPATE ANY MATERIAL CHANGE TO THE FIRM OR ITS PRACTICE IN THE COMING YEAR? YES [ ] NO [ ]

If YES, please describe: \_\_\_\_\_

11. EXCLUDING ACTIVITIES AS A TRUSTEE OR RECEIVER, PLEASE ATTACH THE FOLLOWING INFORMATION FOR EACH CLIENT WHICH HAS BEEN THE SUBJECT OF BANKRUPTCY, INSOLVENCY OR RECEIVERSHIP PROCEEDINGS WITHIN THE PAST THREE (3) YEARS:

- |  |                                    |
|--|------------------------------------|
| I. DATE OF CLIENT'S BANKRUPTCY, INSOLVENCY OR RECEIVERSHIP | IV. PROJECTED FEES THIS YEAR       |
| II. SERVICES RENDERED BY THE APPLICANT                     | V. DATE OF FIRST ENGAGEMENT        |
| III. CLIENT'S ANNUAL SALES FOR THE LAST 3 YEARS            | VI. WAS AN ENGAGEMENT LETTER USED? |

12. DOES THE APPLICANT CURRENTLY, OR AT ANY TIME IN THE LAST 10 YEARS, PROVIDE ANY ACCOUNTING SERVICES TO ANY FINANCIAL INSTITUTION (FINANCIAL INSTITUTION IS DEFINED AS ANY BANK, SAVINGS AND LOAN, CREDIT UNION OR ASSOCIATION, BUILDING AND LOAN ASSOCIATION, BROKER-DEALER OR INSURANCE COMPANY)? YES [ ] NO [ ]

13. WITHIN THE LAST SIX (6) YEARS, HAS THE APPLICANT PERFORMED ANY PUBLIC AUDIT WORK? YES [ ] NO [ ]

If YES, please complete a Securities Supplement.

14. WHAT PERCENTAGE OF THE APPLICANT'S RECEIPTS ARE DERIVED FROM THE FOLLOWING CLIENT TYPES:

	%		%
A. GOVERNMENT	_____	D. REAL ESTATE	_____
B. RETAILING	_____	E. HEALTH CARE	_____
C. MANUFACTURING	_____	F. CONSTRUCTION	_____
			_____ 100%

15. WHAT PERCENTAGE OF THE APPLICANTS RECEIPTS ARE DERIVED FROM CLIENTS ORGANIZED AS FOLLOWS:

	%		%
A. INDIVIDUALS	_____	C. PUBLICLY HELD COMPANIES	_____
B. PRIVATELY HELD COMPANIES	_____	D. NON-PROFIT ORGANIZATIONS	_____
			_____ 100%

16. DOES ANY SINGLE CLIENT REPRESENT MORE THAN 15% OF THE APPLICANT'S RECEIPTS? YES [ ] NO [ ]

If YES, please attach the following information for each client:

- |  |                |
|--|----------------|
| I. CLIENT NAME   |                |
| II. NATURE OF CLIENT'S BUSINESS                        |                |
| III. ACCOUNTING SERVICES PERFORMED                     |                |
| IV. PERCENTAGE OF APPLICANT'S RECEIPTS FOR THIS CLIENT |                |
| V. IS THE CLIENT PUBLICLY TRADED?                      | YES [ ] NO [ ] |

17. DOES THE APPLICANT OBTAIN AN ENGAGEMENT LETTER FROM ALL CLIENTS? YES [ ] NO [ ]

(ATTACH SAMPLES OF ENGAGEMENT LETTER WHICH ARE USED.)

If No, please describe when engagement letters are not used. \_\_\_\_\_

18. DOES THE APPLICANT CONTRACT WORK TO OTHER PARTIES? YES [ ] NO [ ]  
 If YES, what percentage of receipts is from work that is contracted? \_\_\_\_\_%
19. WITHIN THE LAST SIX (6) YEARS, HAS THE APPLICANT HAD A PEER REVIEW OR QUALITY REVIEW? YES [ ] NO [ ]  
 If YES, was the most recent review un qualified? YES [ ] NO [ ]  
 If No, please attach the recommendations.
20. WITHIN THE PAST FIVE (5) YEARS, HAS THE APPLICANT PROVIDED PROFESSIONAL SERVICES TO CLIENTS IN WHICH ANY APPLICANT OR SPOUSE:  
 A. SERVED AS AN OFFICER, DIRECTOR, OR PARTNER? YES [ ] NO [ ]  
 B. OWNED AN EQUITY OR FINANCIAL INTEREST? YES [ ] NO [ ]  
 If YES to a or b., please attach the following information for each client:  
 I. CLIENT NAME V. \*APPLICANT'S CAPACITY  
 II. NATURE OF CLIENT'S BUSINESS VI. ACCOUNTING SERVICES RENDERED  
 III. APPLICANT'S DOLLAR INTEREST VII. FEES EARNED  
 IV. APPLICANT'S EQUITY AS A PERCENT OF CLIENT'S CAPITAL VIII. WAS LACK OF INDEPENDENCE DISCLOSED AND AN ENGAGEMENT LETTER USED?  
 \*APPLICANT'S CAPACITY:  
 O- OFFICER P-PARTNER C- COMMISSION PERSON  
 S- SHAREHOLDER D- DIRECTOR Z-OTHER (EXPLAIN) \_\_\_\_\_
- 
21. WITHIN THE PAST SIX (6) YEARS, HAS THE APPLICANT:  
 A. RECEIVED COMMISSIONS, FEES, RECIPROCITY OR REVENUE FOR THE SALE OR PROMOTION OF INVESTMENTS, OR TAX SHELTERS? YES [ ] NO [ ]  
 B. ORGANIZED, ARRANGED, OR PROCURED INVESTMENTS, REAL ESTATE, OR TAX SHELTERS OR PREPARED PROJECTIONS FOR USE IN THESE AREAS? YES [ ] NO [ ]  
 C. PARTICIPATED IN THE MANAGEMENT OF ANY LIMITED PARTNERSHIP OR OTHER INVESTMENT? YES [ ] NO [ ]  
 D. RECEIVED LOANS FROM ANY CLIENT? YES [ ] NO [ ]  
 E. MADE RECOMMENDATIONS AS TO THE SALE OR PURCHASE OF ANY INVESTMENT, INCLUDING SPECIFIC STOCKS, BONDS, OR OTHER SECURITIES? YES [ ] NO [ ]  
 If yes to any of the above, please attach a description.
22. WITHIN THE PAST SIX (6) YEARS, HAS THE APPLICANT INVESTED, RECEIVED, DISBURSED OR IN ANY WAY ACTED IN A DECISIONMAKING CAPACITY WITH RESPECT TO CLIENT'S FUNDS (EXCLUDING PAYROLL ACTIVITIES)? YES [ ] NO [ ]  
 If YES, please attach the following information for each client:  
 I. NATURE OF CLIENT'S OPERATIONS IV. SOLE CHECK SIGNING AUTHORITY  
 II. AMOUNT OF FUNDS CONTROLLED V. ARE YOU BONDED FOR THE HANDLING OF YOUR CLIENT'S FUNDS, AND THE AMOUNT OF SUCH BOND, IF ANY?  
 III. ACCOUNTING SERVICES PROVIDED
23. IS THE APPLICANT OR ANY MEMBER OF THE APPLICANT'S FIRM A PRACTICING LAWYER, REAL ESTATE AGENT OR BROKER, SECURITIES DEALER, INSURANCE AGENT OR BROKER, OR INVESTMENT ADVISOR? YES [ ] NO [ ]
24. WITHIN THE LAST THREE (3) YEARS, HAS THE APPLICANT SUED TO COLLECT FEES? YES [ ] NO [ ]  
 If YES, please attach the following for each suit:  
 I. FEE AMOUNT  
 II. SUIT DATE  
 III. SERVICES RENDERED
25. HAVE ANY CLAIMS OR SUITS INVOLVING THE APPLICANT'S ACCOUNTING PRACTICE OR OTHER PROFESSIONAL SERVICES BEEN MADE DURING THE PAST SIX (6) YEARS AGAINST THE APPLICANT, ANY PREDECESSOR IN BUSINESS, OR ANY PARTNER, OFFICER, SHAREHOLDER, OR EMPLOYED ACCOUNTANT? YES [ ] NO [ ]  
 If YES, complete a separate Supplemental Claim Form for each claim.
26. IS THE APPLICANT AWARE OF ANY CIRCUMSTANCES WHICH MAY RESULT IN A CLAIM BEING MADE AGAINST THE APPLICANT, ANY PREDECESSOR IN BUSINESS, OR ANY PARTNER, OFFICER, SHAREHOLDER, OR EMPLOYEE OF THE APPLICANT? YES [ ] NO [ ]  
 If YES, complete a separate Supplemental Claim Form for each claim.
27. HAVE THE MATTERS DETAILED IN QUESTIONS 25 AND 26 BEEN REPORTED TO THE APPLICANT'S APPROPRIATE PROFESSIONAL LIABILITY INSURANCE COMPANY? YES [ ] NO [ ]  
 If No, please attach explanation.
28. HAS THE APPLICANT, ANY PREDECESSOR IN BUSINESS, OR ANY PAST OR PRESENT MEMBER OF THE APPLICANT EVER:  
 A. HAD THEIR STATE ACCOUNTING LICENSE SUSPENDED OR REVOKED? YES [ ] NO [ ]  
 B. BEEN SUBJECT TO ANY INVESTIGATION BY ANY STATE BOARD OF ACCOUNTING, AICPA, OR STATE CPA SOCIETY? YES [ ] NO [ ]  
 C. BEEN SUBJECT TO ANY DISCIPLINARY ACTION BY ANY STATE BOARD OF ACCOUNTING, AICPA, STATE CPA SOCIETY? YES [ ] NO [ ]  
 D. BEEN SUBJECT TO ANY REPRIMAND, CRIMINAL PENALTY OR FINE (INCLUDING A TAX PREPARER'S FINE LEVIED BY THE IRS) RELATED TO THE PERFORMANCE OF PROFESSIONAL ACCOUNTING SERVICES? YES [ ] NO [ ]  
 If YES to any of the above, please attach explanations.

29. APPLICANT'S PROFESSIONAL LIABILITY INSURANCE HISTORY FOR THE LAST FIVE (5) YEARS:

POLICY PERIOD	LIMIT OF LIABILITY	DEDUCTIBLE	RETROACTIVE DATE	PREMIUM	INSURANCE COMPANY

30. HAS THE APPLICANT OR ANY PREDECESSOR IN BUSINESS HAD ANY PROFESSIONAL LIABILITY INSURANCE APPLICATION DENIED, POLICY CANCELLED OR NOT RENEWED DURING THE PAST FIVE (5) YEARS, FOR REASONS OTHER THAN AN INSURANCE COMPANY LEAVING THE MARKET?

YES [ ] NO [ ]

If YES, please explain. \_\_\_\_\_

31. A. REQUESTED EFFECTIVE DATE: \_\_\_\_\_

B. LIMIT OF LIABILITY REQUESTED (AGGREGATE):

- [ ] \$100,000
- [ ] \$200,000
- [ ] \$500,000
- [ ] \$750,000
- [ ] \$1,000,000
- [ ] \$2,000,000
- [ ] \$5,000,000
- [ ] OTHER \_\_\_\_\_

C) DEDUCTIBLE REQUESTED (EACH CLAIM):

- [ ] ZERO
- [ ] \$2,000
- [ ] \$5,000
- [ ] \$10,000
- [ ] \$25,000
- [ ] OTHER \_\_\_\_\_

NOTICE TO APPLICANT—PLEASE READ CAREFULLY

APPLICANT DECLARED THAT THE STATEMENTS AND INFORMATION CONTAINED HEREIN AND ANY SUPPLEMENTAL DATA AND DOCUMENTS PROVIDED HERewith ARE COMPLETE AND TRUE AND THE APPLICANT HAS NOT SUPPRESSED OR MISSTATED ANY FACTS. IF THE INFORMATION PROVIDED CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF INSURANCE, THE APPLICANT WILL IMMEDIATELY NOTIFY THE COMPANY OF SUCH CHANGES, AND THE COMPANY MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AGREEMENT TO BIND THE INSURANCE.

SIGNING THIS APPLICATION AND/OR TENDERING PREMIUM DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED.

APPLICANT HEREBY ACKNOWLEDGES THAT THEY ARE AWARE THAT THE LIMIT OF LIABILITY CONTAINED IN THE POLICY SHALL BE REDUCED AND MAY BE COMPLETELY EXHAUSTED BY THE COSTS OF CLAIMS EXPENSES, AND IN SUCH EVENT, THE COMPANY SHALL NOT BE LIABLE FOR THE COSTS OF CLAIMS EXPENSES OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT IT EXCEEDS THE LIMIT OF LIABILITY OF THE POLICY. ALSO, CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE DEDUCTIBLE AND BE THE RESPONSIBILITY OF THE APPLICANT.

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO DEFRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

MUST BE SIGNED AND DATED BY AN OWNER, PARTNER, OR OFFICER AS DULY AUTHORIZED ON BEHALF OF THE APPLICANT.

SIGNATURE OF OWNER, PARTNER, OR OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

NOTICE TO NEW YORK AND OHIO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AND APPLICATION FOR INSURANCE OR 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.

SIGNATURE OF OWNER, PARTNER, OR OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

**SUPPLEMENTAL CLAIM FORM**

IF YOU ANSWERED YES TO THE QUESTIONS REGARDING CLAIMS OR POTENTIAL CLAIMS (QUESTIONS 25 AND 26), COMPLETE A SEPARATE SUPPLEMENTAL CLAIM FORM FOR EACH ACTUAL OR POTENTIAL CLAIM. ANSWER EACH QUESTION FULLY.

1. APPLICANT'S NAME: \_\_\_\_\_
2. FULL NAME OF INDIVIDUAL(S) OF APPLICANT INVOLVED IN THE CLAIM: \_\_\_\_\_
3. ADDITIONAL DEFENDANTS: \_\_\_\_\_
4. FULL NAME OF CLAIMANT: \_\_\_\_\_
5. A. DATE TO ALLEGED ERROR: \_\_\_\_\_ B. DATE CLAIM WAS MADE: \_\_\_\_\_
6. TO WHAT INSURANCE COMPANY DID YOU REPORT THIS CLAIM? \_\_\_\_\_
7. PRESENT STATUS OF CLAIM:         OPEN/INCIDENT                       IN SUIT                       CLOSED
8. IF CLOSED:
- I. TOTAL DAMAGES PAID AND OUTSTANDING (INCLUDING DEDUCTIBLE): \_\_\_\_\_
- II. DATE CLOSED: \_\_\_\_\_
9. IF OPEN/PENDING:
- I. CLAIMANT'S SETTLEMENT DEMAND \$ \_\_\_\_\_      III. INSURER'S RESERVE \$ \_\_\_\_\_
- II. DEFENDANT'S OFFER FOR SETTLEMENT \$ \_\_\_\_\_      IV. AMOUNT PAID TO DATE \$ \_\_\_\_\_
10. DESCRIPTION OF CLAIM OR INCIDENT. PLEASE DO NOT ATTACH A COPY OF SUIT PAPERS, REFER TO FILE, OR INSTRUCT TO CONTACT COMPANY REPRESENTATIVE. INFORMATION MUST BE PROVIDED TO ALLOW AN EVALUATION OF THE CLAIM OR INCIDENT.
- A. ALLEGATION UPON WHICH CLAIMANT BASES CLAIMS: \_\_\_\_\_
- B. DESCRIPTION OF CASE AND EVENTS: \_\_\_\_\_
11. WHAT STEPS HAVE BEEN TAKEN TO PREVENT A SIMILAR CLAIM? \_\_\_\_\_

APPLICANT UNDERSTANDS THE INFORMATION SUBMITTED HEREIN BECOMES A PART OF THE APPLICANT'S ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION AND IS SUBJECT TO THE SAME REPRESENTATION AND CONDITIONS.

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO DEFRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

SIGNATURE OF OWNER, PARTNER, OR OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

**FINANCIAL INSTITUTION SUPPLEMENT**

IF YOU ANSWERED YES TO QUESTION 12 REGARDING ACCOUNTING SERVICES FOR FINANCIAL INSTITUTIONS WITHIN THE LAST 10 YEARS, COMPLETE THE FOLLOWING FOR EACH FINANCIAL INSTITUTION (FINANCIAL INSTITUTION IS DEFINED AS ANY BANK, SAVINGS AND LOAN, CREDIT UNION OR ASSOCIATION, BUILDING AND LOAN ASSOCIATION, BROKER-DEALER OR INSURANCE COMPANY).

1. APPLICANT'S NAME: \_\_\_\_\_

2. PLEASE ATTACH THE FOLLOWING INFORMATION FOR EACH MEMBER OF THE APPLICANT WHO PROVIDES OR PROVIDED PROFESSIONAL SERVICES TO ANY FINANCIAL INSTITUTION:

- I. NAME OF APPLICANT EMPLOYEE OR REPRESENTATIVE
- II. EXPERIENCE IN HANDLING FINANCIAL INSTITUTION ENGAGEMENTS

3. A. PROVIDE THE FOLLOWING INFORMATION FOR EACH FINANCIAL INSTITUTION:  
(MAKE COPIES OF THIS SUPPLEMENT OR ATTACH SEPARATE SHEETS AS NECESSARY.)

- I. NAME OF FINANCIAL INSTITUTION
- II. LOCATION (CITY & STATE)
- III. TYPE OF INSTITUTION
- IV. NATURE OF ENGAGEMENTS
- V. YEAR OF LAST ENGAGEMENT
- VI. NUMBER OF YEARS A CLIENT
- VII. LAST AND HIGHEST ANNUAL FEES
- VIII. WAS AN ENGAGEMENT LETTER USED FOR ALL FINANCIAL INSTITUTION ENGAGEMENTS? YES [ ] NO [ ]

- B. HAS THE FINANCIAL INSTITUTION:
- I. FAILED? YES [ ] NO [ ]
  - II. BEEN MERGED OR SOLD AT REGULATORY DIRECTION? YES [ ] NO [ ]
  - III. CURRENTLY UNDER CONSERVATIONSHIP CONTROL? YES [ ] NO [ ]
  - IV. OPERATING UNDER ANY FORM OF REGULATORY DIRECTION OR AGREEMENT? YES [ ] NO [ ]

If YES to any of the above, please provide:

- I. NAME OF CLIENT
  - II. DESCRIPTION OF EVENTS?
- C. HAS ANY PARTNER, OFFICER, EMPLOYEE OR REPRESENTATIVE OF THE APPLICANT SERVED IN ANY OF THE FOLLOWING CAPACITIES:
- I. DIRECTOR OR OFFICER? YES [ ] NO [ ]
  - II. EXECUTIVE COMMITTEE MEMBER? YES [ ] NO [ ]
  - III. LOAN COMMITTEE MEMBER? YES [ ] NO [ ]
  - IV. INVESTMENT ADVISOR/COMMITTEE MEMBER? YES [ ] NO [ ]
  - V. INTERNAL AUDIT COMMITTEE MEMBER? YES [ ] NO [ ]

D. DESCRIBE THE STEPS THE FIRM HAS TAKEN TO MINIMIZE THE POTENTIAL CONFLICTS OF INTEREST IN RELATION TO QUESTION 3C.

\_\_\_\_\_

\_\_\_\_\_

E. HAS THE RTC, OTS, FSLIC, FDIC OR THEIR SUCCESSORS FILED ANY LAWSUIT OR IS ANY LITIGATION (INCLUDING ANY SHAREHOLDER DERIVATIVE ACTION) PENDING AGAINST ANY DIRECTOR OR OFFICER OF THE FINANCIAL INSTITUTION? YES [ ] NO [ ]

If YES, please provide complete details: \_\_\_\_\_

\_\_\_\_\_

APPLICANT UNDERSTANDS THE INFORMATION SUBMITTED HEREIN BECOMES A PART OF THE APPLICANT'S ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION AND IS SUBJECT TO THE SAME REPRESENTATION AND CONDITIONS.

MUST BE SIGNED AND DATED BY AN OWNER, PARTNER, OR OFFICER AS DULY AUTHORIZED ON BEHALF OF THE APPLICANT.

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO DEFRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

SIGNATURE OF OWNER, PARTNER, OR OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_

## SECURITIES ACTIVITIES SUPPLEMENT

IF YOU INDICATED ANY ACTIVITY OR ANSWERED YES TO QUESTIONS 9K OR 13 REGARDING SECURITIES OR PUBLIC AUDIT ACTIVITY, PLEASE COMPLETE THE FOLLOWING INFORMATION.

1. APPLICANT'S NAME: \_\_\_\_\_

2. WITHIN THE LAST SIX (6) YEARS, HAS THE APPLICANT PROVIDED PROFESSIONAL SERVICES:

- A. TO PUBLICLY TRADED CLIENTS? YES [ ] NO [ ]  
 B. IN CONNECTION WITH THE REGISTRATION, SALE OR OFFERING OF SECURITIES FOR CLIENTS? YES [ ] NO [ ]  
 C. IN CONNECTION WITH THE OFFER AND SALE OF PRIVATE PLACEMENT BONDS? YES [ ] NO [ ]

If No to a, b and c above, further information is no required. Sign and date on the bottom of page 9.

If YES to 2a, provide the following information for each public client:

I. NAME OF CLIENT

II. NATURE OF BUSINESS

III. YEARS OF CLIENT

IV. ACCOUNTING SERVICES RENDERED

V. LAST AND HIGHEST FEES BILLED

VI. WERE SEC REPORTS PREPARED? YES NO

VII. WAS A QUALIFIED OPINION ISSUED? YES [ ] NO [ ]

If YES to 2b., provide the following information for each filing (include filings which were withdrawn, offerings which were unsuccessful, and filings made pursuant to an exemption from registration, and filings anticipated in within then next 90 days). Also, provide this information on affiliated reports, statements or similar offering documents:

I. DATE OFFERING COMMENCED

II. NAME OF CLIENT/ISSUER

III. TYPE OF OFFERING

IV. NATURE OF CLIENT'S BUSINESS

V. DOLLAR AMOUNT OF OFFERING AND DESCRIPTION OF SECURITY

VI. REGISTERED OR EXEMPT OFFERING

VII. DID FIRM RENDER TAX OPINION? YES [ ] NO [ ]

VIII. APPLICANT WAS ACCOUNTANT FOR:

[ ] ISSUER [ ] LENDER [ ] AUDITOR

[ ] UNDERWRITER [ ] PURCHASER [ ] OTHER

If YES to 2c., provide the following information:

I. IS DUE DILIGENCE DOCUMENTATION RETAINED FOR SERVICES IN CONNECTION WITH ALL PRIVATE PLACEMENT BONDS WITH AN AGGREGATE PRICE OF \$100,000 OR MORE? \_\_\_\_\_

II. NUMBER OF BOND ISSUES FOR WHICH THE APPLICANT HAS PROVIDED ACCOUNTING SERVICES: \_\_\_\_\_

PLEASE INDICATE THE PERCENT OF BONDS ISSUED BY TYPE:

	%		%
GENERAL OBLIGATION	_____	REFUNDING	_____
REVENUE	_____	OTHER	_____

III. HOW MANY OF THE INDICATED BOND ISSUES ARE IN DEFAULT OR HAVE EXPERIENCED A DEFAULT PROCEEDING?

3. IS YOUR FIRM A MEMBER OF:

A. THE AICPA DIVISION OF FIRMS PRACTICE SECTION (SECPS)? YES [ ] NO [ ]

B. THE AICPA PUBLIC COMPANIES PRACTICE SECTION (PCPS)? YES [ ] NO [ ]

4. FOR EACH EMPLOYEE OR REPRESENTATIVE OF THE APPLICANT HANDLING SECURITIES MATTERS, PLEASE PROVIDE THE FOLLOWING INFORMATION:

I. NAME OF APPLICANT EMPLOYEE OR REPRESENTATIVE

II. SECURITIES PRACTICE BILLABLE HOURS LAST YEAR

III. SECURITIES PRACTICE BILLABLE HOURS PREVIOUS YEAR

IV. YEARS OF SECURITIES EXPERIENCE

5. HAS ANY APPLICANT EMPLOYEE OR REPRESENTATIVE SERVED AS AN OFFICER, DIRECTOR OR TRUSTEE OF ANY CLIENT IN QUESTION 2?

YES [ ] NO [ ]

6. DOES THE APPLICANT HAVE A PROCEDURE FOR NEW CLIENT IDENTIFICATION INTENDED TO ASSURE THAT THERE WILL BE NO CONFLICT OF INTEREST WITH RESPECT TO THE SECURITIES MATTERS TO BE UNDERTAKEN BY THE APPLICANT?

YES [ ] NO [ ]

6. DOES THE APPLICANT HAVE A PROCEDURE FOR NEW CLIENT IDENTIFICATION INTENDED TO ASSURE THAT THERE WILL BE NO CONFLICT OF INTEREST WITH RESPECT TO THE SECURITIES MATTERS TO BE UNDERTAKEN BY THE APPLICANT? YES [ ] NO [ ]
7. DOES THE APPLICANT HAVE A PROCEDURE FOR EVALUATING A NEW CLIENT SEEKING SECURITIES ADVICE RELEVANT TO A PROPOSED TRANSACTION OR OFFERING TO DETERMINE SUCH THINGS AS THE CLIENT'S FINANCIAL STRENGTH, ITS MANAGEMENT EXPERTISE, ITS REPUTATION, THE NATURE OF ITS BUSINESS, AND ITS HISTORY OF CHANGING SECURITIES ATTORNEYS AND ACCOUNTANTS? YES [ ] NO [ ]  
 If YES, is this evaluation conducted by an accountant or committee who are not anticipated to work directly for the client? YES [ ] NO [ ]
8. DOES THE APPLICANT USE AN ENGAGEMENT LETTER WITH EACH SECURITIES ENGAGEMENT, INCLUDING CURRENT CLIENTS? YES [ ] NO [ ]
9. DOES THE APPLICANT HAVE A POLICY THAT PROHIBITS ITS ACCOUNTANTS AND STAFF FROM PARTICIPATING IN THE SECURITIES SELLING PROCESS (E.G. , NOT PARTICIPATING IN MARKETING MEETINGS OR CALLS INVOLVING PROSPECTIVE INVESTORS)? YES [ ] NO [ ]
10. HAS ANY EMPLOYEE OR REPRESENTATIVE OF THE APPLICANT EVER HELD AN EQUITY OR FINANCIAL INTEREST IN A ANY CLIENT IN QUESTION 2? YES [ ] NO [ ]  
 If YES, please identify client and nature and extent of equity. \_\_\_\_\_
11. DOES THE APPLICANT HAVE A POLICY PROHIBITING ANY ARRANGEMENT WHERE THE CLIENT SECURITIES BY ANY EMPLOYEE OR REPRESENTATIVE (REGARDLESS IF THEY ARE INVOLVED WITH THE ENGAGEMENT OR NOT)? YES [ ] NO [ ]
12. DOES THE APPLICANT HAVE A POLICY PROHIBITING ANY ARRANGEMENT WHERE THE CLIENT'S OBLIGATION TO PAY FOR SECURITIES SERVICES IS CONTINGENT UPON THE CLOSING OF A SECURITIES TRANSACTION? YES [ ] NO [ ]
13. DOES THE APPLICANT HAVE A POLICY PROHIBITING ANY ARRANGEMENT WHERE A SECURITIES CLIENT PAYS FOR THE APPLICANT'S SERVICES WITH CLIENT SECURITIES? YES [ ] NO [ ]
14. HAS THE APPLICANT HAD A DISPUTE WITH A CLIENT IN QUESTION 2 WHICH NECESSITATED DISCLOSURE TO THE SECURITIES AND EXCHANGE COMMISSION? YES [ ] NO [ ]  
 If YES, please provide the following:  
 I. NAME OF CLIENT  
 II. DATE OF WITHDRAWAL OR DISPUTE  
 III. DESCRIPTION OF WITHDRAWAL OR DISPUTE
15. HAS ANY PAST OR PRESENT APPLICANT MEMBER BEEN NAMED AS A PARTY TO:  
 A. ANY INVESTIGATION OR ADMINISTRATIVE ACTION UNDERTAKEN BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY BODY? YES [ ] NO [ ]  
 B. ANY LEGAL ACTION UNDER THE SEC ACTS OF 1933 AND 1934 OR STATE STATUTE RELATING TO THE ISSUANCE, OFFERING OR SALE OF SECURITIES? YES [ ] NO [ ]  
 If YES, please describe fully. \_\_\_\_\_

Applicant understands the information submitted herein becomes a part of the Applicant's Accountants Professional Liability Insurance Application and is subject to the same representation and conditions.

Must be signed and dated by an Owner, Partner, or Officer as duly authorized on behalf of the Applicant.

NOTICE: Any person who knowingly and with the intent to defraud provides false information in an insurance application, or presents, assists, or makes a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same incident of damage or loss, will commit a felony and if convicted will be sentenced for each violation with a fine of no less than five thousand (\$5,000) dollars and not exceeding ten thousand (\$10,000) dollars, or be sentenced to imprisonment for a three (3) year term, or both penalties. In the event of aggravating circumstances, the term could be increased to a maximum of five (5) years; in the event of intervening extenuating circumstances it could be reduced up to a minimum of two (2) years.

SIGNATURE OF OWNER, PARTNER, OR OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_

DATE \_\_\_\_\_



SUPPLEMENTARY AUDIT QUESTIONNAIRE

PROPOSER DETAILS

1. PRACTICE TITLE(S) (INCLUDING SERVICE COMPANIES) \_\_\_\_\_  
 \_\_\_\_\_

2. PRINCIPAL ADDRESS, INCLUDING POST CODE \_\_\_\_\_  
 \_\_\_\_\_

3. Does the Practice undertake any audit work in relation to publicly held companies? YES [ ] NO [ ]  
 If "Yes" please specify by Company the Exchange on which they are listed (use a separate sheet of your letter headed paper if insufficient room below)

4. FOR EACH COMPANY PLEASE SPECIFY THE AUDIT FEES IN RESPECT OF THE LAST TWO COMPLETED FINANCIAL YEARS.  
 \_\_\_\_\_  
 \_\_\_\_\_

5. HAS THE PRACTICE PROVIDE ANY ADDITIONAL PROFESSIONAL SERVICES TO ANY COMPANY DECLARED IN THE ABOVE QUESTIONS  
 IN THE LAST TWO COMPLETED FINANCIAL YEARS? YES [ ] NO [ ]

6. IF "YES" PLEASE SPECIFY BY COMPANY THE FEES IN RESPECT OF THE ADDITIONAL PROFESSIONAL SERVICES (USE A SEPARATE SHEET OF YOUR  
 LETTER HEADED PAPER IF INSUFFICIENT ROOM BELOW)

7. IN RELATION TO ANY COMPANY DECLARED IN THE ABOVE QUESTIONS HAS THE PRACTICE EVER ISSUED A QUALIFIED AUDIT  
 YES [ ] NO [ ]

8. IF "YES" PLEASE PROVIDE BY COMPANY FULL DETAILS AND TYPE OF QUALIFICATION

9. HAS ANY COMPANY DECLARED IN THE ABOVE QUESTIONS EVER HAD REASON TO RESTATE ANY FINANCIAL STATEMENTS PREPARED  
 BY THE PRACTICE? YES [ ] NO [ ]

10. IF "YES" PLEASE PROVIDE ON A SEPARATE SHEET OF YOUR LETTER HEADED PAPER FULL DETAILS BY COMPANY?

11. HAS THE PRACTICE EVER BEEN DISMISSED OR REPLACED AS AUDITORS TO ANY PUBLICLY HELD COMPANY IN THE LAST FIVE YEARS?  
 YES [ ] NO [ ]

12. IF "YES" PLEASE PROVIDE ON A SEPARATE SHEET OF YOUR LETTER HEADED PAPER FULL DETAILS BY COMPANY?

13. HAS THE PRACTICE PROVIDED ANY PROFESSIONAL SERVICES IN RELATION TO THE OFFERING, SALE OR ISSUANCE OF ANY SECURITY OF ANY  
 CLIENT IN THE LAST THREE YEARS YES [ ] NO [ ]

14. IF "YES" PLEASE PROVIDE ON A SEPARATE SHEET OF YOUR LETTER HEADED PAPER FULL DETAILS.

NOTICE: Any person who knowingly and with the intent to defraud provides false information in an insurance application, or presents, assists, or makes a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same incident of damage or loss, will commit a felony and if convicted will be sentenced for each violation with a fine of no less than five thousand (\$5,000) dollars and not exceeding ten thousand (\$10,000) dollars, or be sentenced to imprisonment for a three (3) year term, or both penalties. In the event of aggravating circumstances, the term could be increased to a maximum of five (5) years; in the event of intervening extenuating circumstances it could be reduced up to a minimum of two (2) years.

FOR AND ON BEHALF OF THE PRACTICE: \_\_\_\_\_

SIGNATURE OF PARTNER(S) \_\_\_\_\_ PLEASE PRINT PARTNER'S NAME \_\_\_\_\_

DATE: \_\_\_\_\_