

Application

FINANCIAL INSTITUTION BOND STANDARD FORM NO. 14 FOR BROKER/DEALERS

FL- 033 BOND 14



APPLICATION IS HEREBY MADE BY (List all insured's, including Employee Benefit Plans) _____

PRINCIPAL ADDRESS (Herein called the insurer) _____

FOR A FINANCIAL INSTITUTION BOND, STANDARD FORM NO. 14, TO BECOME EFFECTIVE AS OF 12:01 A.M. ON _____

TO 12:01 A.M. ON _____ IN THE AGGREGATE LIMIT OF LIABILITY OF \$ _____

DATE INSURED WAS ESTABLISHED _____ NAME OF PRIOR CARRIER _____

1. INSURED IS A (CHECK THE APPROPRIATE BOX):

- STOCK BROKER INVESTMENT BANKER DEALER IN SECURITIES (NOT DEALER IN MORTGAGES OR COMMERCIAL PAPER)
 INVESTMENT TRUST (NOT SMALL BUSINESS INVESTMENT COMPANY OR REAL ESTATE INVESTMENT TRUST) MUTUAL FUND
 FOUNDATION ENDOWMENT FUND COMMODITY BROKER (IF STOCK EXCHANGE MEMBER) OTHER _____

2. INSURED IS A (CHECK THE APPROPRIATE BOX): SOLE PROPRIETORSHIP, PARTNERSHIP, CORPORATION

3. LIST EXCHANGES WHICH YOU ARE A MEMBER OF:

NAME	NAME
_____	_____
_____	_____
_____	_____

4. ARE YOU A MEMBER OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.? YES NO

5. FOR ALL INSURED'S, SHOW THE TOTAL NUMBER OF: NO. OF

- A) SALARIED OFFICERS AND EMPLOYEES, RETAINED ATTORNEYS AND PERSONS PROVIDED BY EMPLOYMENT CONTRACTORS: _____
- B) NASD REGISTERED REPRESENTATIVES (OTHER THAN THOSE COUNTED IN (A) ABOVE): _____
- C) LOCATIONS (OTHER THAN THE HOME OFFICE OF THE FIRST NAMED INSURED) IN THE U.S., CANADA, PUERTO RICO AND VIRGIN ISLANDS _____
- D) LOCATIONS OUTSIDE THE U.S., CANADA, PUERTO RICO AND VIRGIN ISLANDS, LIST BELOW:

_____	_____
_____	_____
_____	_____

6. COMPLETE THE FOLLOWING:

- A) AS OF LATEST DEC. 31 TOTAL ASSETS \$ _____
- B) AS OF LATEST JUNE 30 TOTAL ASSETS \$ _____

7. COMPLETE THE FOLLOWING FOR OPTIONAL COVERAGE'S DESIRED:

FORM OF COVERAGE			SINGLE LOSS LIMIT
A) IS INSURING AGREEMENT (D) – FORGERY OR ALTERATION COVERAGE DESIRED?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	\$ _____
B) IS INSURING AGREEMENT (E) – SECURITIES COVERAGE DESIRED?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	\$ _____
C) IS EXTORTION – THREATS TO PERSONS COVERAGE DESIRED?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	\$ _____

If "YES", list below locations to be excluded:

LOCATION	LOCATION
_____	_____
_____	_____
_____	_____

8. ARE YOU A DIRECT PARTICIPANT IN A DEPOSITORY FOR THE CENTRAL HANDLING OF SECURITIES? YES [] NO []

NAME & LOCATION	NAME & LOCATION
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

9. FOR DEDUCTIBLES, COMPLETE THE FOLLOWING: (NOTE: DEDUCTIBLES ON INSURING AGREEMENTS (D) AND (E) MUST BE AT LEAST EQUAL TO THAT CARRIED ON THE BASIC BOND COVERAGE. DEDUCTIBLES ON EXTORTION COVERAGE MAY BE WRITTEN IN ANY AMOUNT.)

COVERAGE SINGLE

LOSS DEDUCTIBLE

A) ALL COVERAGE'S EXCEPT INSURING AGREEMENTS (D), (E) AND EXTORTION	\$ _____
B) INSURING AGREEMENT (D) – FORGERY OR ALTERATION	\$ _____
C) INSURING AGREEMENT (E) – SECURITIES	\$ _____
D) EXTORTION – THREATS TO PERSONS	\$ _____
E) EXTORTION – THREATS TO PROPERTY	\$ _____

10. IF COVERAGE IS BEING WRITTEN ON AN EXCESS, CONCURRENT OR CO-SURETY BASIS, SHOW THE NAMES OF THE OTHER CARRIERS AND BOND LIMITS. IN THE CASE OF CO-SURETY ALSO SHOW PERCENTAGE PARTICIPATIONS:

11. IF COVERAGE IS BEING WRITTEN ON A COINSURANCE BASIS, SHOW YOUR PERCENTAGE PARTICIPATION _____ %.
(NOTE: Insured may assume a participation of between 5% and 25%.)

12. ARE ACCOUNTS INSURED BY THE SECURITIES INVESTORS PROTECTION CORPORATION? YES [] NO []

13. AUDIT PROCEDURES:

A) IS THERE AN ANNUAL [] , SEMI-ANNUAL [] AUDIT BY AN INDEPENDENT CPA? YES [] NO []

B) IF "YES", IS IT A COMPLETE AUDIT MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND SO CERTIFIED?

C) IF ANSWER TO (B) IS "NO", EXPLAIN THE SCOPE OF THE CPA'S EXAMINATION:

D) IS THE AUDIT REPORT RENDERED DIRECTLY TO ALL PARTNERS IF A PARTNERSHIP OR TO THE BOARD OF DIRECTORS IF A CORPORATION? YES [] NO []

E) NAME AND LOCATION OF CPA: _____

F) DATE OF COMPLETION OF LAST AUDIT BY CPA: _____

G) IS THERE A CONTINUOUS INTERNAL AUDIT BY AN INTERNAL AUDIT DEPARTMENT? YES [] NO []

H) IF "YES", ARE MONTHLY REPORTS RENDERED DIRECTLY TO ALL PARTNERS IF A PARTNERSHIP OR TO THE BOARD OF DIRECTORS IF A CORPORATION? YES [] NO []

I) ARE MONEY AND SECURITIES ACTUALLY COUNTED AND VERIFIED? YES [] NO []

J) ARE THE LEDGER BALANCES TO THE CREDIT OF CUSTOMERS VERIFIED? YES [] NO []

14. INTERNAL CONTROL (OTHER THAN AUDIT PROCEDURES):

A) DO YOU REQUIRE ANNUAL VACATIONS OF AT LEAST TWO CONSECUTIVE WEEKS FOR ALL PERSONNEL? YES [] NO []

If "NO", explain: _____

B) ARE BANK ACCOUNTS RECONCILED BY SOMEONE NOT AUTHORIZED TO DEPOSIT OR WITHDRAW? YES [] NO []

If "NO", explain: _____

C) IS COUNTERSIGNATURE OF CHECKS REQUIRED? YES [] NO []

If "NO", explain: _____

D) ARE MONTHLY STATEMENTS (WHETHER OR NOT THERE WAS ACTIVITY IN THE ACCOUNT) MAILED DIRECTLY TO ALL CUSTOMERS?

YES [] NO [] If "NO", explain: _____

15. HAS THERE BEEN ANY CHANGE IN OWNERSHIP OR MANAGEMENT WITHIN THE PAST THREE YEARS? YES [] NO []

If "YES", explain: _____

16. HAS ANY INSURANCE BEEN DECLINED OR CANCELED DURING THE PAST THREE YEARS? YES [] NO []

If "YES", explain: _____

17. LIST ALL LOSSES SUSTAINED DURING THE PAST THREE YEARS, WHETHER REIMBURSED OR NOT, FROM _____ / _____ / _____
 TO _____ / _____ / _____ . CHECK 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	IF LOSS OCCURRED AT OTHER THAN MAIN OFFICE, STATE LOCATION
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$

THE INSURED REPRESENTS THAT THE INFORMATION FURNISHED IN THIS APPLICATION IS COMPLETE, TRUE AND CORRECT. ANY 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.

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.

DATED AT _____ THIS _____ DAY OF _____ YEAR _____

 (Insured) BY _____ (Name and Title)

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