

Scottsdale Indemnity Company

Home Office:

One Nationwide Plaza • Columbus, Ohio 43215

Administrative Office:

8877 North Gainey Center Drive • Scottsdale, Arizona 85258

1-800-423-7675

APPLICATION FOR ASSET SHIELD ASSET MANAGEMENT PROTECTION POLICY

THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY PAYMENT OF DEFENSE COSTS. DEFENSE COSTS ARE SUBJECT TO THE APPLICABLE RETENTION. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

Fully answer all questions and submit all requested information. Terms appearing in **bold** in this **Application** are defined in the Policy and have the same meaning in this **Application** as in the Policy. The **Company** will hold this **Application**, including all materials submitted herewith, in confidence.

GENERAL INFORMATION

1. a. Name of Applicant: _____
b. Mailing Address: _____

City State Zip
c. State of Incorporation (if applicable): _____
d. Applicant Contact Person: _____
Phone: _____ E-mail: _____
e. Web site Address: _____
f. Type of Organization: Corporation Sole Proprietorship Partnership
 Limited Liability Company Limited Liability Partnership
g. Year investment operations commenced: _____
h. Is the Applicant registered with either the SEC or the appropriate state regulatory authority? Yes No
If the Applicant is registered with a state, which state? _____
i. How many offices does the Applicant have: _____
(1) In the US and Canada: _____
(2) Elsewhere: _____

2. Please provide the following information about the Applicant's current insurance coverage:

	Effective	Carrier	Limit	Retention	Premium
Investment Advisors E&O					
Investment Company E&O/D&O					
Directors & Officers Liability					
Fidelity Bond					
ERISA Bond					

Has any carrier ever refused or cancelled coverage? Yes No
If "Yes," please provide a brief explanation: _____

3. a. Limit of Liability Requested: (1) \$ _____ (2) \$ _____ (3) \$ _____
 b. Retention Requested: (1) \$ _____ (2) \$ _____ (3) \$ _____

4. Stock Ownership of Applicant: _____

- a. Total number of common shares outstanding: _____
 b. Total number of common stock shareholders: _____
 c. Total number of common shares owned by its Directors & Officers (direct & beneficial): _____
 d. List of any shareholder(s) owning five percent or more of the common shares directly or beneficially of the Applicant.

Name	Title	Ownership Percentage
		%
		%
		%
		%
		%

- e. Has the Applicant been involved in any actual or proposed merger, acquisition, consolidation, and tender offer or divestment during the past three years? Yes No
 f. Are any of the Applicant's equity securities publicly traded? Yes No
 If "Yes," on which exchange are the securities traded? _____
 g. Does the Applicant anticipate any public offering of securities or any registration of securities under the Securities Act of 1933 or qualification of securities under Regulation A within the next twelve (12) months? Yes No
 If "Yes," attach full details and submit prospectus: _____

6. a. Number of persons serving as Partners, Directors, or Officers: _____
 If less than ten (10), attach biographical information for items 6.a. and 6.b.

- b. Number of portfolio managers not included in 6.a.: _____
 c. Size of research staff not included in 6.a. and 6.b.: _____
 d. Total number of other employees: _____
 e. Have there been any changes in senior management or the portfolio managers within the last year? Yes No

7. Is insurance desired for any other entity or activity related to Applicant? Yes No
 If "Yes," state entity or activity and describe its function and relationship: _____

IF ANY APPLICANT IS A STATE OR SEC REGISTERED INVESTMENT ADVISER, PLEASE COMPLETE QUESTIONS 8. THROUGH 19.

8. a. Total asset value of all accounts: Current Year \$ _____ Prior Year \$ _____
 b. Asset value of largest account: Current Year \$ _____ Prior Year \$ _____
 c. Total number of accounts: Current Year _____ Prior Year _____
 d. Total number of clients: Current Year _____ Prior Year _____

- e. Number of accounts lost, terminated or otherwise closed during last twelve (12) months: _____
- f. Total asset value of lost, terminated or closed accounts: \$ _____
- g. Explanation for lost accounts: _____

- h. Minimum size of accounts currently accepted as new accounts: \$ _____
- i. Percentage of accounts for which the Applicant acts as custodian? %

9. For those accounts for which the Applicant acts as investment counselor or adviser, please provide a breakdown of assets under management, number of accounts and number of clients that fall into each of the categories listed in the left column:

Discretionary Accounts	Market Asset Value	Number of Accounts	Number of Clients
ERISA Defined Benefit Plans (except HR 10s and IRAs)			
ERISA Defined Contribution Plans			
HR 10 and IRA Plans			
Non-ERISA Pension And Employee Benefit Plans			
Mutual Funds (to which the applicant serves as investment adviser or sub-adviser)			
Limited Partnerships (to which the applicant serves as investment adviser or sub-adviser excluding Hedge Funds)			
Hedge Funds (to which the applicant serves as general partner, managing member, investment adviser, or sub-adviser)			
REITS (to which the applicant serves as investment adviser or sub-adviser)			
All other accounts (including Personal Accounts)			
Accounts for which Applicant is Trustee			
Total Book Value of all accounts			

Non-Discretionary Accounts	Market Asset Value	Number of Accounts	Number of Clients
ERISA Defined Benefit Plans (except HR 10s and IRAs)			
ERISA Defined Contribution Plans			
HR 10 and IRA Plans			
Non-ERISA Pension And Employee Benefit Plans			
Mutual Funds (to which the applicant serves as investment adviser or sub-adviser)			
Limited Partnerships (to which the applicant serves as investment adviser or sub-adviser excluding Hedge Funds)			
Hedge Funds (to which the applicant serves as general partner, managing member, investment adviser, or sub-adviser)			
All other accounts (including Personal Accounts)			
Total Book Value of all accounts			

10. a. For how many multi-employer (Taft-Hartley), union or governmental employee benefit plans does the Applicant act as investment adviser? _____
- b. What are the Applicant's total assets under management for multi-employer (Taft-Hartley), union or governmental employee benefits plans? \$ _____
- c. Please attach list of multi-employer (Taft-Hartley), union or governmental employee benefit plan clients and the dollar amounts of assets managed.
11. a. May clients select their own brokers for executions? Yes No
- b. Are some client transactions executed by an "in-house" broker-dealer? Yes No
- c. Name of "in-house" broker-dealer: _____
- d. Does the Applicant use outside selected custodians, broker dealers or client accounting facilities? .. Yes No
12. a. Describe the Applicant's investment style:
- Large Cap Mid cap Small cap Micro cap Fixed Income (maturity S, I or L)
- Balanced Value Growth Capital Preservation MM Funds
- Domestic Foreign Emerging Markets Other: _____
- b. Please provide a brief description of Applicant's operations: _____
- _____
- (1) Non-investment grade bonds %
- (2) Commodity Futures %
- (3) Real Estate %
- (4) Options %
- (5) Private Placement %
- (6) Unregistered Securities %
- (7) Direct Placements..... %
- (8) Oil & Gas Joint Ventures %
- (9) Limited Partnerships..... %
- (10) Hedge Funds %
13. Has the Applicant been inspected by either the SEC or a State Regulatory Authority in the last five years? Yes No
- If "Yes," please provide a copy of the report along with management's response.
14. a. Is there an "approved" list of securities which can be recommended to clients? Yes No
- b. How are exceptions to this list handled internally and with clients? _____
- c. How often do clients receive portfolio financial statements? _____
- d. Describe Applicant's policy for timely notification of discretionary clients of securities transactions and changes in portfolio: _____
- _____
- e. Describe measures Applicant has instituted to assure that clients' plans comply with ERISA: _____
- _____
- f. Describe procedure for decisions and executions when a portfolio manager is not available: _____
- _____
15. a. Does the Applicant have formal written procedures for each of the following?
- (1) To determine and document client investment goals and risk tolerance? Yes No
- (2) To explain and document client understanding of security investment risks? Yes No
- (3) To verify suitability of client security purchases? Yes No

- b. Is there an individual responsible for risk management and compliance for the Applicant? Yes No
- c. Does the Applicant have formal written procedures for documenting telephone conversations and a diary/suspense system for follow-up? Yes No
- d. Does the Applicant have formal written procedures in place for both a client to follow for notifying the Applicant of new funds deposited to accounts under the Applicant's management and for the Applicant to follow in confirming the receipt of such funds to the client?..... Yes No
- e. Does the Applicant have a policy concerning the liquidation of securities transferred to firm's management? Yes No
- f. Does the Applicant have procedures to confirm that trade orders are understood and executed properly? Yes No
If "Yes," are instructions or confirmations provided to the broker electronically or via fax? Electronically Fax

16. a. Annual fees for investment advising services: \$ _____

b. Other income: \$ _____

Explain sources of other income: _____

17. Has the Applicant filed any amendments to item 11. in its form ADV filed with the SEC or state regulatory authority? Yes No

If "Yes," provide details: _____

18. a. Name and address of outside counsel:

Name

Address

City

Street

Zip

b. Has the Applicant changed its outside counsel in the past three years? Yes No

If "Yes," provide details: _____

19. a. Name and address of firm employed as public accountants:

Name

Address

City

Street

Zip

b. Has the Applicant changed its auditor in the past three years?..... Yes No

If "Yes," provide details: _____

IF ANY APPLICANT IS A REGISTERED INVESTMENT COMPANY OR HEDGE FUND, PLEASE COMPLETE QUESTIONS 20. THROUGH 25.:

20. With respect to each fund to be covered under this policy, please provide the following information. (Attach an extra sheet if necessary and attach all Prospectus and/or Private Placement Memoranda.)

a.

Name of Each Fund	Year Established	Total Assets	Sales During Past 12 Months	Redemptions During Past 12 Months

b. Name and Address of Advisers and/or Sub-Advisers:

Name

Address

City

Street

Zip

c. Name and Address of General Distributor:

Name

Address

City

Street

Zip

d. Name and Address of the Bank or Firm performing prime brokerage and/or shareholder accounting services:

Name

Address

City

Street

Zip

21. a. Have there been any changes or modifications in the investment restrictions or limitations of any fund during the past two years? Yes No
 If "Yes," provide details: _____

b. Have there been any material changes in the administration operations or investment policies of any fund during the past two years? Yes No
 If "Yes," provide details: _____

22. Indicate the date(s) of the last inspection conducted by the SEC for each investment company for which coverage is desired: _____

23. a. Name and Address of Law firm acting as counsel for the funds:

Name

Address

City

Street

Zip

b. Has the Applicant changed its outside counsel in the past three years? Yes No

If "Yes," provide details: _____

c. Does the law firm supply a written opinion as to the legality of any change in Investment and Management Policy? Yes No

24. a. Name and address of firm employed as accountants for the funds:

Name

Address

City

Street

Zip

b. Has the Applicant changed its auditor in the past three years? Yes No

If "Yes," provide details : _____

c. State frequency and nature of auditing services conducted: _____

25. Who provides portfolio evaluation services for the Investment Companies/Hedge Funds? _____

QUESTIONS 26. THROUGH 28. MUST BE COMPLETED BY ALL APPLICANTS. (RENEWAL APPLICANTS NEED NOT ANSWER QUESTION 28.)

26. Has any claim or litigation been brought against the Applicant or any of its Partners, Directors, Officers Trustees, or Employees in their capacities as Investment Advisers, Financial Planners, or in connection with the operation of an Investment Company? Yes No

If "Yes," provide details: _____

27. Does the Applicant or any of its Partners, Directors, Officers Trustees, or Employees have any knowledge of any fact, circumstances or act which might give rise to a claim under the proposed policy? Yes No

If "Yes," provide details: _____

AS TO QUESTIONS 26. AND 27. ABOVE, IT IS UNDERSTOOD AND AGREED THAT IF THE UNDERSIGNED OR ANY INSURED PROPOSED FOR THIS INSURANCE HAS KNOWLEDGE OF ANY SUCH CLAIM, LITIGATION, FACT, CIRCUMSTANCE OR ACT, THEN ANY SUCH CLAIM OR LITIGATION AND ANY CLAIM THAT MIGHT ARISE FROM ANY SUCH CLAIM, LITIGATION, FACT, CIRCUMSTANCE OR ACT IS EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

28. Following documents are attached and considered to be made a part of this Application and any policy subsequently issued:

- a. Applicant's latest audited annual report and each Fund's latest Prospectus and Statement of Additional Information or Private Placement Memorandum;
- b. Applicant's latest 10-K report filled with the SEC and most recent proxy statement (if the Applicant is publicly traded);
- c. Copy of brochure and sample contract offered to clients;
- d. Information indicating overall portfolio performance for past five years and include comparative results to Standard and Poors, Salomon Brothers Bond Index or similar indices;
- e. Brief resumes of all Professionals in the Applicant;
- f. Latest ADV Report as filed with the SEC;
- g. Complete list of all Directors and their principal business affiliations;
- h. A copy of the report from any SEC inspection occurring within the last five years (or since the last renewal if this is an application for renewal with Freedom Specialty) and management's response to such report.

The persons signing this **Application** declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insureds** to facilitate the proper and accurate completion of this **Application** for the proposed policy. Signing this **Application** does not bind the undersigned to purchase the insurance, but this **Application** shall be the basis of the contract should a policy be issued.

It is agreed by all concerned that the particulars and statements contained in this **Application** are true and shall be deemed material to the decision of the **Company** to issue the insurance. The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** inaccurate or incomplete, then the undersigned shall notify the **Company** of such occurrence, event or circumstance and shall provide the **Company** with information that would compete, update or correct such information. In such event, the **Company** in its sole discretion may modify or withdraw any outstanding quotation.

The **Company** shall maintain on file this **Application**, including material submitted therewith, which shall be considered to be physically attached to and part of the Policy, if issued. The information requested in this **Application** is for underwriting purposed only and does not constitute notice to the **Company** under any policy of a **Claim** or potential claim. All such notices must be submitted to the **Company** pursuant to the terms of the Policy, if and when issued.

Notice to Arizona Applicants: For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

Notice to Arkansas Applicants: 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.

Notice to Colorado Applicants: 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 policy holder 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.

Notice to District of Columbia Applicants: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Notice to Florida Applicants: 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 in the third degree.

Notice to Kentucky Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing materially false information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Notice to Louisiana Applicants: 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.

Notice to Maine Applicants: 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 or a denial of insurance benefits.

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

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to New Mexico Applicants: 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.

Notice to Ohio Applicants: Any person who, with intent to defraud or knowing that he 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.

Notice to Oklahoma Applicants: 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.

Notice to Pennsylvania Applicants: 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.

Notice to Tennessee and Washington Applicants: 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.

Notice to Virginia Applicants: 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.

Notice to New York Applicants: 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 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.

This **Application** must be signed by (1) the Chairman of the Board, and (2) either the Chief Executive Officer or President of the Applicant. If the Chairman of the Board and the Chief Executive Officer or President are the same individual, the **Application** must also be signed by the Chief Financial Officer, Chief Operating Officer or General Counsel.

Date: _____ Signature: _____

Title: _____

Date: _____ Signature: _____

Title: _____

A POLICY CANNOT BE ISSUED UNLESS THIS APPLICATION IS PROPERLY SIGNED AND DATED.

Agent Name: _____ License Number: _____

(Applicable to Florida Agents Only)

Iowa Licensed Agent: _____

(Applicable in Iowa Only)