



DIRECTORS AND OFFICERS & COMPANY LIABILITY INSURANCE APPLICATION
(THIS IS AN APPLICATION FOR CLAIMS MADE INSURANCE)

NOTICE: THIS INSURANCE PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY DEFENSE COSTS, CHARGES AND EXPENSES. FURTHER NOTE THAT SUCH DEFENSE COSTS, CHARGES AND EXPENSES SHALL BE APPLIED AGAINST THE APPLICABLE DEDUCTIBLE(S)/RETENTION(S).

- 1. Parent Company
2. Principal Address
3. State of Incorporation Date of Incorporation
4. Nature of Operations
5. Amount of insurance desired

6. Complete the following in respect of the classes of shares issued by the Parent Company:

Table with 3 columns: Description, COMMON, PREFERRED. Rows include Class of shares, Number of shares outstanding, Number of shares owned by Directors, and Number of shares owned by Officers who are not Directors.

7. (a) Total number of wholly owned Subsidiaries as of the date of the Application:

Domestic Foreign

List all such Subsidiaries for which coverage is requested and the date created or acquired on a separate sheet.

(b) Total number of controlled Subsidiaries (more than 50% but less than 100% owned) as of the date of the application:

Domestic Foreign

List all such Subsidiaries for which coverage is requested and the date created or acquired on a separate sheet.

8. Does any person or entity own ten (10%) percent or more of the issued and outstanding voting stock of the Parent Company? YES____ NO____ If YES, please give details _____

9. Has the Parent Company or its subsidiaries at any time over the last five (5) years been in breach of any of its debt covenants or loan agreements? YES____ NO____ If YES, please give details _____

10. Has the Parent Company or its subsidiaries under consideration at the present time or does it contemplate any future acquisitions, tender offers or mergers? YES____ NO____ If YES, please give details _____

11. Has the Parent Company or its subsidiaries ever repurchased its own shares at a price in excess of the market value at the time? YES____ NO____ If YES, please give details _____

12. Has the Parent Company or its subsidiaries filed or issued within the past eighteen (18) months or does it contemplate filing within the next twelve (12) months any registration statement with the Securities and Exchange Commission for a public offering of securities? YES____ NO____ If YES, please furnish copy of such prospectus.
13. Have any filings been made concerning the Parent Company or its subsidiaries pursuant to Section 13(d) of the Securities Exchange Act of 1934 during the last two years? YES____ NO____ If YES, please attach a copy of each such filing.
14. What percentage of the Parent Company's common stock was sold and purchased during the last twelve (12) months?
_____ %
15. (a) Have there been any changes in the Board of Directors or Senior Management of the Parent Company within the past three (3) years for reasons other than death or retirement? YES____ NO____ If YES, please explain

- (b) Has the Parent Company changed outside auditors in the last three (3) years? YES____ NO____ If YES, please explain _____

- (c) Have the outside auditors stated there are no material weaknesses in the Parent Company's or its subsidiaries system of internal controls? YES____ NO____ If NO, please provide the latest CPA letter to management and management's response.
16. Have there been or are there now pending any claims or suits against the Parent Company, its subsidiaries and/or its Directors and Officers? NONE____ NONE EXCEPT FOR _____

17. Is any person proposed for this insurance cognizant of any Wrongful Act which he/she has reason to believe might afford ground for any future Claim such as would fall within the scope of the proposed insurance?

NONE____ NONE EXCEPT FOR _____

18. Has the Parent Company or its subsidiaries been involved in or has knowledge of any pending anti-trust, price-fixing, tax, copyright, patent litigation or governmental regulatory or administrative proceedings?

NONE____ NONE EXCEPT FOR _____

IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS, ANY CLAIM OR ACTION SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM COVERAGE UNDER THE PROPOSED INSURANCE.

19. Is there Directors and Officers & Company Liability Insurance currently in force?

YES____ NO____ If YES, please complete the following:

(a) Insurer _____

(b) Limit _____ Retention _____ Policy Period _____

(c) Premium _____

(d) Has any claim been made or has notice of potential claim(s) been given to such insurer?

NONE____ NONE EXCEPT FOR _____

20. The following officer is designated as the representative of the Parent Company and of all proposed Insureds to receive any and all notices from the Insurer or its Authorized Representatives concerning this insurance:

Name _____ Title _____

THE UNDERSIGNED, ON BEHALF OF ALL OF THE PROPOSED INSURED, DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE POLICY, THE UNDERSIGNED WILL IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

NOTICE TO **FLORIDA, KENTUCKY, NEW JERSEY, NEW YORK, OHIO, OKLAHOMA AND 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. UNDER PENNSYLVANIA LAW, SUCH PERSON SHALL ALSO BE SUBJECT TO CRIMINAL AND CIVIL PENALTIES. UNDER NEW YORK LAW, SUCH PERSON 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.

SIGNING THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT IF INSURANCE IS BOUND, AND WILL BE ATTACHED TO AND BECOME A PART OF THE INSURANCE CONTRACT.

Signed _____
(Must be Signed by Chairman of the Board or President)

Title _____

Date _____

PLEASE ENCLOSE THE FOLLOWING:

- (a) Latest CPA audited financial statement or Form 10K
- (b) Latest Quarterly financial statement or Form 10Q
- (c) Indemnification Provisions of By-Laws

Submitted by _____
Broker

Date _____

THIS APPLICATION MUST BE SUBMITTED TO:
Miscellaneous Professional Liability
A Division of NSM Insurance Group
555 North Lane, suite 6060, Conshohocken, PA 19428
P. 800-970-9778 F. 610-941-9889