Administered by:

NSM Insurance Group

SUPPLEMENTAL APPLICATION K: SEC Supplement

CPA Cover
A division of NSM Insurance Group
400 Kelby Street, 11th Floor
Fort Lee, NJ 07024
P. 201-944-7000
F. 201-944-0058
www.CPAcover.com

INSTRUCTIONS FOR COMPLETING APPLICATION:

1. Please answer all the questions. This information is required to make an underwriting and pricing evaluation. Your answers hereunder are considered legally material to that evaluation.
2. If a question is not applicable, state "N/A". If more space is required to answer a question, please attach exhibit with the question number.
3. Application must be signed and dated by authorized person.

APPLICANT:

Complete for any SEC work other than audit work for publicly traded companies.
Complete only if your firm provides services that fall under the 1933 or 1934 SEC Acts. Do not complete for broker/dealer audits - unless the broker/dealer is publicly traded.

1. Describe the type of services provided: _____

2. Complete the following table for the Applicant's practitioners' expertise with regard to SEC services:

Individual(s)	Number of Years SEC Experience	Number of Hours SEC CPE in Past 3 Years	Securities-Billable Hours most recent 12 months	Securities-Billable Hours prior 12 months

3. How many annual hours of continuing education courses on current securities developments are required of your securities accountants? _____ Hours

4. Do you have current membership in the AICPA's SEC Practice Section? ☐ Yes ☐ No

5. Is the Applicant currently registered with the Public Company Accounting Oversight Board? ☐ Yes ☐ No

6. Percentage of total revenue derived from SEC engagements: _____%

Client Identification

7. Do you have a written 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 you? ☐ Yes ☐ No

8. Is there a written policy requiring yearly reviews of existing clients for potential conflicts? ☐ Yes ☐ No

9. Do you have a written procedure for evaluating a new client seeking securities advice relevant to a proposed transaction or offering to determine the client's financial strength, its management expertise, its reputation, the nature of its business and its history of opinion shopping or changing attorneys and accountants? ☐ Yes ☐ No
   a. Do these procedures include background checks on senior management? ☐ Yes ☐ No
   b. Has your firm ever declined a potential client based on these procedures? ☐ Yes ☐ No

10. Do you have a written procedure requiring that at least one accountant who is not working on the transaction in question, review and approve all written materials to be furnished in the transaction? ☐ Yes ☐ No

Internal Procedures and Risk Management

11. Do you have a written policy that prohibits your firm members from participating in the securities selling process (e.g., not participating in marketing meetings or calls involving prospective investors)? ☐ Yes ☐ No

12. Do you have a written policy governing trading and investing in client securities by firm members? ☐ Yes ☐ No

    a. If yes, does this policy establish rules that distinguish between trading and investing by securities employees and trading and investing by non-securities employees? ☐ Yes ☐ No

    b. Do you have a written policy prohibiting firm members with an investment in a client from working on a securities transaction for such client? ☐ Yes ☐ No

13. Do you have a written policy prohibiting any firm member who is a director, officer, or general partner of a securities client or limited partnership from working on a securities transaction for such client? ☐ Yes ☐ No

14. Do you have a written policy prohibiting any contingency payment arrangement or any arrangements where a securities client pays for the applicant's services with client securities? ☐ Yes ☐ No

15. Do you have written procedure that is intended to prevent the improper use of material inside information or the tipping of such information by its firm members? ☐ Yes ☐ No

16. Do you have a written policy requiring Executive or Management Committee review prior to any firm member serving as director, officer or general partner of a securities client? ☐ Yes ☐ No

17. During the past (5) five years have you been the subject of any investigations by the SEC or been terminated by a securities client or had a dispute with a client necessitating disclosure to securities regulators? ☐ Yes ☐ No
    If yes, provide the following:

Client Name	Date of Withdrawal	Description of Withdrawal or Dispute

18. Have you been named as a party to any legal action under the SEC Acts of 1933 or 1934 or state statute relating to the issuance, offering, or sale of securities? ☐ Yes ☐ No
    If yes, describe: _____

Private or Public Offering Supplement

19. Provide the following for each private or public offering within the past five years.

Client Name	Industry	Dates and Services Provided	Type of Offering*	Size of Offering	Fees

* **A. Primary public** **C. Private partnership** **E. Private stock sale**
B. Secondary public **D. Private trust**

List the names, positions,

If additional space is needed, please provide details on a separate attachment.

I understand the information submitted herein becomes a part of my Professional Liability Insurance Application and is subject to the same warranty and conditions.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act.

Signature of Owner, Officer or Partner	Print or Type Name and Title	Date (month-day-year)