



**Traveler Casualty and Surety Company of America**  
**Hartford, Connecticut**

*Throughout this supplement "you" and "your" mean the entity or individual applying for this insurance.*

**APPLICANT INFORMATION**

1.  New Business                       Current Travelers policy number \_\_\_\_\_

2. Your full legal name \_\_\_\_\_

**GENERAL INFORMATION**

**A. Securities Practice**

**PUBLIC CLIENTS**

3. Please complete the following chart for your top five publicly-traded clients based on total revenues generated:

Name of Client	Nature of Business	Number of Years a Client	Legal Services Rendered	SEC Reports Prepared	Qualified Opinion Issued	Firm Revenues
				<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
				<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
				<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
				<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
				<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

## SECURITIES OFFERINGS

4. Please complete the following chart for your five largest securities filings. Include filings that were withdrawn, offerings which were unsuccessful, and filings made pursuant to an exemption from registration, and filings anticipated within the next 90 days. Also, provide this information on affiliated reports, statements, or similar offering documents.

Date Offering Began	Name of Issuer	Type of Offering (1)	Nature of Client's Business	Dollar Amount of Offering	Description of Security	Registered or Exempt Offering	Did Firm Render an Opinion	Applicant Attorney For (2)
							<input type="checkbox"/> Yes <input type="checkbox"/> No	
							<input type="checkbox"/> Yes <input type="checkbox"/> No	
							<input type="checkbox"/> Yes <input type="checkbox"/> No	
							<input type="checkbox"/> Yes <input type="checkbox"/> No	
							<input type="checkbox"/> Yes <input type="checkbox"/> No	

(1) Key

Private Placement = PR  
 Public Initial Placement = PUI  
 Public Secondary Placement = PUS  
 Bond (Private) = B

Syndication = SY  
 Municipal Financing = M  
 Limited Partnership = LTP

(2) Key

Issuer = I  
 Underwriter = U  
 Lender = L  
 Purchaser = P  
 Auditor = A  
 Other = O (Please specify)

### B. Securities Concentration in your Firm

5. Please complete the following chart based upon the gross revenue generated in connection with securities transactions (including tax and corporate services rendered in such transactions) in the following areas:

Type	Last Year Dollars (000's)	Highest Annual Revenue in Last 5 Years Dollars (000's)
IPO	\$	\$
Mergers and Acquisitions	\$	\$
Derivatives	\$	\$
G.O. Bonds	\$	\$
I.R. Bonds	\$	\$
Other Bonds	\$	\$
General Partnerships	\$	\$
Limited Partnerships	\$	\$
Private Placements	\$	\$
Hedge Funds	\$	\$
Other Securities	\$	\$

6. Please complete the following chart indicating the number of securities transactions that fell within the designated dollar volume ranges during the last year:

	DOLLAR VOLUME (MILLIONS)						
	<\$1	\$1<5	\$5<10	\$10<20	\$20<50	\$50<100	\$100+
IPO's							
Mergers and Acquisitions							
Derivatives							
G.O. Bonds							
I.R. Bonds							
Other Bonds							
General Partnerships							
Limited Partnerships							
Private Placements							
Hedge Funds							
Other Securities							

7. Please complete the following chart indicating the number of securities transactions that fell within the designated dollar volume ranges during the four years prior to last year:

	DOLLAR VOLUME (MILLIONS)						
	<\$1	\$1<5	\$5<10	\$10<20	\$20<50	\$50<100	\$100+
IPO's							
Mergers and Acquisitions							
Derivatives							
G.O. Bonds							
I.R. Bonds							
Other Bonds							
General Partnerships							
Limited Partnerships							
Private Placements							
Hedge Funds							
Other Securities							

**C. Client Identification and Evaluation**

8. 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?.....Yes No

9. Do you have a written procedure for evaluating a new client seeking securities advice to determine such things as the client's:

a. financial strength.....Yes No

- b. management expertise.....  Yes  No
- c. reputation.....  Yes  No
- d. the nature of its business.....  Yes  No
- e. history of changing securities lawyers and accountants.....  Yes  No

If yes, is such evaluation conducted by an attorney or committee of attorneys who are not anticipated to work directly for the client?.....  Yes  No

**D. Types of Functions**

10. What percentage of your revenues from securities transactions during the *last year* was based on the following types of functions: % of Revenues

- a. Outside general counsel as lead counsel..... \_\_\_\_\_
- b. Outside general counsel as non-lead counsel..... \_\_\_\_\_
- c. Securities counsel in a securities offering as lead counsel..... \_\_\_\_\_
- d. Securities counsel in a securities offering as non-lead counsel..... \_\_\_\_\_
- e. Tax counsel in a securities offering..... \_\_\_\_\_
- f. Securities litigation activities..... \_\_\_\_\_
- g. Other..... \_\_\_\_\_

TOTAL..... \_\_\_\_\_

11. During the last five years, for the single year with the greatest SEC revenues, indicate the percentage of total revenues generated from each of the following functions: % of Revenues

- a. Outside general counsel as lead counsel..... \_\_\_\_\_
- b. Outside general counsel as non-lead counsel..... \_\_\_\_\_
- c. Securities counsel in a securities offering as lead counsel..... \_\_\_\_\_
- d. Securities counsel in a securities offering as non-lead counsel..... \_\_\_\_\_
- e. Tax counsel in a securities offering..... \_\_\_\_\_
- f. Securities litigation activities..... \_\_\_\_\_
- g. Other..... \_\_\_\_\_

TOTAL..... \_\_\_\_\_

12. On how many offerings during the last five years, for which you provided legal services, did you act in more than one of the above capacities in the same transaction?.....# \_\_\_\_\_

*Please explain:*

**E. Defining a Security**

13. Do you have a written procedure requiring your securities attorneys to participate in in-house seminars on current securities developments or to attend continuing legal education seminars on current securities developments?.....  Yes  No

14. Do you have a policy regarding some type of independent partner review of transactions involving the formation of closely-held corporations in connection with the issuance of stock?.....  Yes  No

**F. Avoiding Being Deemed a Statutory Seller**

15. Do you have procedures governing whether attorneys can have in-person contact with potential investors?.....  Yes  No

a. if yes, do your procedures require that such investors will be represented by independent counsel?.....  Yes  No

b. must attorneys in the firm attending such meetings provide written confirmation to such independent counsel that the investor(s) cannot rely on you or your attorneys for information about the investment?.....  Yes  No

16. Do you have procedures governing whether attorneys can communicate *in writing* directly to investors?..... Yes No
- a. do you prohibit sending written communication directly to potential investors, as opposed to sending it to the issuer?..... Yes No
- b. do such procedures require an agreement with the issuer that your name cannot be utilized by the issuer in written documents sent to potential investors without your written permission?..... Yes No
17. Do you accept remuneration (e.g. trade-outs for goods or services, stock in a particular offering, other stock in the issuer, other securities) for securities transactions in any form other than checks?..... Yes No
18. Do you have a written policy prohibiting any arrangement where the client's obligation to pay for the services is contingent upon the closing of a Securities transaction?..... Yes No
19. Do you have a written policy requiring the managing member, executive or management committee to evaluate prior to any attorney serving as director, officer or general partner of a security client whether the attorney may do so?..... Yes No
20. Do you have a written policy prohibiting your attorney who is a director, officer or general partner of a Securities client from working on a Securities transaction of such client?..... Yes No

**G. Use of Engagement Letters in Securities Offerings**

21. Do you use an engagement letter with each new client that retains your firm in connection with any securities transaction?..... Yes No
22. Do you require that an engagement letter be utilized which, at a minimum, includes:
- a. the scope of the engagement?..... Yes No
- b. the basis for the fees and expenses?..... Yes No
- c. which attorneys are assigned to the transaction?..... Yes No
- d. which functions connected with the transaction the issuer agreed to undertake?..... Yes No
- e. functions parties other than the firm and the issuer have agreed to undertake?..... Yes No
- f. under what conditions can the issuer expect that withdrawal from the transaction by the firm is likely?..... Yes No
- g. time deadlines involved in the transaction?..... Yes No

**H. Specific "Due Diligence" Techniques**

23. Do you encourage issuers to utilize due diligence officers for securities transactions?..... Yes No
24. In what percentage of securities transactions do you use securities litigators to review:
- a. all offering documents?..... \_\_\_\_\_ %
- b. some offering documents?..... \_\_\_\_\_ %
25. Do you require that attorneys assigned "due diligence" functions utilize Rule 176 to evaluate whether a reasonable investigation has taken place?..... Yes No
26. Do you require that each offering document be reviewed by a partner who does not otherwise perform services for the issuer?..... Yes No
27. Do you have a written procedure requiring the preservation of the factual source and verification made by you or your attorneys to support legal opinions rendered by your firm?..... Yes No
28. Do you have a written procedure that requires an experienced securities attorney to interview the client's directors, executive officers and principals in connection with disclosure document preparation and review?..... Yes No
29. Do you have a written procedure requiring the preservation of written records of the factual source and verification made by you or your attorneys in connection with disclosure document preparation?..... Yes No

30. Do you have a written procedure precluding the use of pre-signed signature pages for registration statements (other than for immaterial amendments)?..... Yes No

## I. Insider Trading

31. Do you permit partners, other attorneys, employees or any of their immediate families to own stock in any amount in a corporate client, outside of ownership of shares in a mutual fund?..... Yes No
32. Do you require that partners, attorneys, employees or any of their immediate families obtain permission from the firm, before purchasing or selling any stock in a corporate client?..... Yes No
33. Do you require that partners, attorneys and employees, and all of their immediate families sign a form demonstrating they have read the firm's policy on insider trading?..... Yes No
34. Does your trading and investment policy include rules that distinguish between trading and investing by securities attorneys and trading and investing by non-securities attorneys?..... Yes No
35. Do you have a written policy prohibiting a securities attorney with an investment in a client from working on a securities transaction of such client?..... Yes No
36. Do you have any written procedure intended to prevent the improper use of material inside information or the tipping of such information by its attorneys and staff?.....Yes No
37. During the course of securities transactions, including in particular mergers and acquisitions, do you have procedures to control the number of copies and track the location of sensitive documents, including but not limited to offering documents?.....Yes No
38. Do you provide in-house seminars for attorneys and other employees regarding the law applicable to insider trading?..... Yes No

## J. Dealing with "Soft" and Future-Oriented Information

39. Do you disseminate on a regular basis to securities attorneys recent cases involving the "bespeaks caution" doctrine?..... Yes No
40. Do you compare the factual basis for successful summary judgments in "bespeaks caution" doctrine cases with the type of qualifying language utilized in your securities documents?..... Yes No

## K. Tender offers and Exchange Offers

41. Have you provided legal services in connection with any tender offer or exchange offer?..... Yes No
42. Have you advised any client with respect to a tender offer made or proposed to be made involving any entity whose management opposed or opposes such offer?..... Yes No

## L. Proxy Contests

43. Have you provided legal services in connection with any proxy contest involving a public company? Yes No  
*If yes, was your client in connection with any such contest a person or entity opposing director nominees of the public company or its management?*.....Yes No
44. Within the past five (5) years, has the firm provided legal services in connection with the offer and sale of Securities in any transaction involving a Security that was intended to be an exempted security under one of the provisions of Section 3(a) of the 1933 Act?..... Yes No

45. Have you provided legal services in connection with the offer and sale of private placement bonds?.. Yes No
- a. If yes, were disclosure documents used in connection with all private placement bonds with an aggregate price of \$100,000 or more?..... Yes No
- b. If no, were investors required to execute a certificate to the issuer verifying investor satisfaction with access to any requested information?..... Yes No

46. Please provide the following information with regard to bond issues for which you have provided legal services:
- a. For the past five years, what is the approximate number of bond issues for which you provided legal services?
- |                       |         |
|-----------------------|---------|
| Last fiscal year..... | # _____ |
| Three years ago.....  | # _____ |
| Four years ago.....   | # _____ |
| Five years ago.....   | # _____ |
- b. On how many of the bond issues have you ever acted in more than one capacity in the same transaction?.....# \_\_\_\_\_  
Please explain: \_\_\_\_\_
- c. On how many of the bond issues have you been selected by the issuer to serve as underwriter's counsel?.....# \_\_\_\_\_  
Please explain: \_\_\_\_\_
- d. How many of the bond issues:
- |   |         |
|---|---------|
| i) are currently in default?.....               | # _____ |
| ii) have experienced a default proceeding?..... | # _____ |
- e. Is it standard procedure for you to require that a partner, who does not provide services to the client, review written opinions issued in connection with its bond practice?..... Yes No  
If yes, is there a minimum amount of time which each such reviewing partner must be given before an opinion letter can be transmitted?..... Yes No

47. For a period encompassing the past five years, indicate the number of bond issues for which you have provided legal services during the single annual period in which the highest number of such bonds were issued:

**BOND TYPE**

General Obligation.....# \_\_\_\_\_

Nonconduit revenue-tax based..... # \_\_\_\_\_

Nonconduit revenue-project based...# \_\_\_\_\_

Double-barreled.....# \_\_\_\_\_

Conduit.....# \_\_\_\_\_

Refunding.....# \_\_\_\_\_

**BOND TYPE**

Special Assessment - General... # \_\_\_\_\_

Special Assessment - Tax increment financing.# \_\_\_\_\_

Bond anticipation note.....# \_\_\_\_\_

Tax anticipation note.....# \_\_\_\_\_

Revenue anticipation note.....# \_\_\_\_\_

Arbitrage.....# \_\_\_\_\_

48. Indicate the capacity in which you acted in the above Item 47a. indicated bond issues (by approximate percent over the five year period):

**UNDERWRITER COUNSEL**

Sole underwriters counsel.....% \_\_\_\_\_

Co-underwriters counsel-lead...% \_\_\_\_\_

Co-underwriters counsel-non-lead \_\_\_\_\_% \_\_\_\_\_

**BOND COUNSEL**

Sole bond counsel.....% \_\_\_\_\_

Co-bond counsel - lead.....% \_\_\_\_\_

Co-bond counsel - non-lead.....% \_\_\_\_\_

**ISSUER COUNSEL**

Sole issuers counsel.....% \_\_\_\_\_

Co-issuers counsel - lead.....% \_\_\_\_\_

Co-issuers counsel - non-lead...% \_\_\_\_\_

**SPECIAL TAX COUNSEL**.....% \_\_\_\_\_

**CREDIT FACILITIES COUNSEL**

Domestic bank.....% \_\_\_\_\_

Foreign bank.....% \_\_\_\_\_

Insurance Co.....% \_\_\_\_\_

Other Corp.....% \_\_\_\_\_

**FINANCIAL ADVISERS COUNSEL**.....% \_\_\_\_\_

**OTHER** (Please Specify) \_\_\_\_\_% \_\_\_\_\_

49. Complete the schedule below for all your attorneys who practice securities law. In the second and third columns indicate the number of hours the attorney has billed on securities law matters during the past twenty-four months, rounded to the nearest fifty hours.

ATTORNEY NAME	BILLABLE HOURS MOST RECENT 12 MONTHS	BILLABLE HOURS PRIOR 12 MONTHS	PERCENTAGE OF TOTAL PRACTICE DEVOTED TO SECURITIES	YEARS OF SECURITIES EXPERIENCE

50. Complete the schedule below regarding attorneys responsible for reviewing the tax implications of each issue:

ATTORNEY NAME	BILLABLE HOURS MOST RECENT 12 MONTHS	BILLABLE HOURS PRIOR 12 MONTHS	MEMBER OF FIRM	NON-MEMBER E&O COVERAGE
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

***FRAUD WARNINGS***

**Attention: Insureds in AR, CO, DC, KY, LA, NJ, NM, NY, and OH**

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 may also be subject to a civil penalty.

(In New York, the civil penalty is not to exceed five thousand dollars and the stated value of the claim for each such violation.)

(In Colorado, any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder 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.)

**Attention: Insureds in FL**

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 felony of the 3<sup>rd</sup> degree, and may also be subject to a civil penalty.

**Attention: Insureds in ME, TN, VA, and WA**

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.

**Attention: Insureds in PA**

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.

**SIGNATURE AND AUTHORIZATION**

The undersigned authorized representative of the firm, or individual if this application is for an individual, agrees to all of the following:

- The statements and representations made in this application are true and complete and will be deemed material to the acceptance of the risk assumed by Travelers in the event an insurance policy is issued.
- If the information supplied in this application changes between the date of the application and the effective date of any insurance policy issued by Travelers in response to this application, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotation or agreement to bind coverage.
- Travelers is authorized to make an investigation and inquiry in connection with this application.
- Travelers is not bound or obligated to issue any insurance policy or to provide the insurance requested in this application.

\_\_\_\_\_  
Signature (Partner, Member, Officer, Shareholder) Date

\_\_\_\_\_  
Name (print) Title

If you apply your signature to this form electronically, you hereby consent and agree that your use of a key pad, mouse, or other device to click the "Accept" button constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

Accept

**Important note:** This application is not a representation that coverage does or does not exist for any particular claim or loss, or type of claim or loss, under any insurance policy issued by Travelers. Whether coverage exists or does not exist for any particular claim or loss under any such policy depends on the facts and circumstances involved in the claim or loss and all applicable wording of the policy actually issued.

**ADDITIONAL INFORMATION**

In the section below you may provide additional information to any of the questions in this supplement (please reference the question number).