

**UNDERWRITTEN IN FEDERAL INSURANCE COMPANY OR
VIGILANT INSURANCE COMPANY**

MINIMUM ELIGIBILITY REQUIREMENTS

- ◆ Copy of Form-BD and Form U-4
- ◆ Limit of Liability of \$1,000,000 or less
- ◆ No claims made against any bond within last three (3) years
- ◆ Home office not domiciled in Texas or a foreign location

Please answer all of the following inquiries. If the COMPANY agrees to issue a Bond, all of the information which the Applicant provides will become part of any bond issued to the Applicant by Federal Insurance Company or Vigilant Insurance Company. Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact in this APPLICATION will be grounds for rescission.

ALL SECTIONS MUST BE ANSWERED IN THEIR ENTIRETY

Contact: _____

Phone No.: _____ Fax No.: _____

Name of Applicant: _____ NASD ID No.: _____

Street Address: _____

Mailing Address: _____

E-Mail Address: _____

A. Number of non-registered Employees: _____

B. Number of Registered Representatives (include non-employee Associated Persons): + _____

C. TOTAL A. + B. = _____

D. Number of Registered branch offices (excluding main office): _____

E. Name of Clearing Broker (Clearing Brokers cannot be considered as additional joint insureds):

F. Memberships:

NFA _____	NYSE _____	ASE _____	NASD _____	Arkansas _____
SEC _____	SIPC _____	Midwest _____	CBOT _____	Other _____

G. Do you require any additional insureds named to the bond other than those noted below? YES NO

List name of in-house pension plans _____

List other additional insureds _____

H. Highest required minimum net capital over last twelve (12) months _____

I. Minimum required bond amount (net capital x 120%) _____

J. Name of CPA auditor _____

K. Most recent FYE Total Assets _____ Most recent FYE Net Income * _____

***YEAR-END NET LOSS RESULTS REQUIRE TRANSMITTAL OF LAST TWO QUARTERLY FOCUS REPORTS, MOST RECENT FYE AUDITED FINANCIALS, WRITTEN EXPLANATION FOR LOSSES AND FUTURE BUSINESS PLAN.**

L. Has your capital been within regulatory requirements during each of the past three (3) years? YES NO

M. Is capital currently within regulatory requirements? YES NO

IF YOU ANSWERED NO TO (L) AND/OR (M), PLEASE ATTACH EXPLANATION TO THIS APPLICATION.

N. Have there been any censures or sanctions against the firm or the principals of the firm in the past twelve (12) months? YES NO

O. Does applicant or any named insured provide facilities, services or accommodations of any type which allow customers day-trading capabilities? YES NO

IF YOU ANSWERED YES TO (N) OR (O), PLEASE ATTACH EXPLANATION TO THIS APPLICATION.

P. Have you at any time during the past three (3) years put your insurance carrier on notice of any potential or actual losses under your bond program? YES NO

If yes, please provide, on separate sheet, full details.

If you have not had a bond at any time during this period, have there been any losses that would have been submitted under a bond program if you had such bond? YES NO N/A

Q. Please summarize any litigation/legal action settled within the past three (3) years or now pending that is not listed in question P. immediately above, or any action which you have reason to anticipate may be filed against you or any director, partner, officer or employee which would be a subject of coverage under a bond program.

If necessary, please attach a separate sheet providing such information. If not, please check NONE.

COMPLETION OF THE APPLICATION DOES NOT GUARANTEE ISSUANCE OF A BOND BY THE COMPANY UNTIL A BINDER OR A FEDERAL INSURANCE COMPANY OR VIGILANT INSURANCE COMPANY BOND IS PROVIDED TO YOU. REQUESTS FOR ADDITIONAL NAMED INSURED MAY REQUIRE ADDITIONAL UNDERWRITING INFORMATION AND MAY RESULT IN A REVISED COVERAGE PROPOSAL.

The undersigned persons declare that to the best of their knowledge the statements set forth above and in any attachments to this APPLICATION are true and correct, and that every reasonable effort has been made to obtain sufficient information to facilitate the proper and accurate completion of this APPLICATION. The undersigned agree that if any significant change in the condition of the Applicant is discovered between the date of this APPLICATION and the effective date of the Bond which would render this APPLICATION inaccurate or incomplete, notice of such change will be reported in writing to the COMPANY immediately and, if necessary, any outstanding quotation may be modified or withdrawn. The undersigned persons understand and further agree that the completion and signing of this APPLICATION neither binds the COMPANY to sell nor the Applicant to purchase the insurance.

PLEASE NOTE: ONLY DULY APPOINTED AGENTS OF THE COMPANY AND LICENSED BROKERS ARE AUTHORIZED TO SOLICIT APPLICATIONS FOR COVERAGE. AGENTS AND BROKERS ARE NOT AUTHORIZED TO BIND COVERAGE. NO COVERAGE SHALL BE PROVIDED UNLESS THE COMPANY ACCEPTS THE APPLICATION AND BINDS THE COVERAGE.

False Information:

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 material fact thereto, commits a fraudulent insurance act, which is a crime.

False Information (Florida Only):

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 of the third degree.

False Information (Louisiana Only):

Any person who, knowingly and with intent to deceive 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 material fact thereto, commits a fraudulent insurance act, which is a crime.

False Information (Maine Only):

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 denial of insurance benefits.

False Information (Nebraska Only):

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 material fact thereto, commits a fraudulent insurance act, which is a crime, when such person subsequently submits a claim.

False Information (New Mexico Only):

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.

False Information (New York Only):

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 material fact thereto, commits a fraudulent insurance act, which is a crime, and 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.

False Information (Oklahoma Only):

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claims for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

False Information (Oregon Only):

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 material fact thereto, may be guilty of an insurance fraud.

False Information (Pennsylvania Only):

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 material fact thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

False Information (Vermont Only):

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 material fact thereto, commits a fraudulent insurance act, and the Policy may be voided.

False Information (Virginia Only):

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 material fact thereto, commits a fraudulent act, which is a crime.

(Date, sign and print name and title where indicated. Please note that application must have an original signature by an Authorized Officer.)

Signed this _____ day of _____, 20____

(Name of Applicant)

By _____
(Authorized Officer)

Print Name and Title: _____