SPONSORED E&O PROGRAM FOR THE REGISTERED REPRESENTATIVES OF:

FSC SECURITIES CORPORATION
ROYAL ALLIANCE ASSOCIATES, INC.
SAGEPOINT FINANCIAL, INC.
WOODBURY FINANCIAL SERVICES, INC.
SECURITIES AMERICA, INC.
TRIAD ADVISORS, LLC.
INFINEX INVESTMENTS, INC.
AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.

Errors & Omissions Liability Handbook

Policy Period
December 31, 2022 to December 31, 2023

E&O Insurers
Everest National Insurance Company
Berkshire Hathaway Specialty Insurance

Broker
Aon

This guide has been prepared to provide general information regarding the coverage provided by the Advisor Group, Inc. Sponsored E&O Liability program. Certain policy terms and conditions may vary for Insureds domiciled in or who have a primary place of business in the state of New York. This guide is not part of the policy, nor does it modify or serve as a conclusive statement of policy terms. It is not intended to interpret the terms of the Policy nor be legal advice. In any event, the actual policy language will prevail.

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E&O Program Highlights

Insurers

Primary

Everest National Insurance Company
461 Fifth Avenue, Fifth Floor, New York, NY 10017-6234
An Admitted Carrier, Rated A+ (Superior): XV*
Policy No. FL5EO00106-221

Excess

Berkshire Hathaway Specialty Insurance Company
An Admitted Carrier
Rated A++ (Superior)*
Policy No. 47-EPF-313072-03

**A.M. Best Ratings provided above are current only as of the publication date and are not in any way Aon's guarantee of the Insurer's financial strength, stability, or solvency.*

Limits of Liability

$ 5,000,000 Each Claim
$ 5,000,000 Aggregate per Insured Rep/IAR
$60,000,000 Policy Aggregate All Insureds (not applicable to NY Insureds)

Defense Costs are included within the limits of liability

Sub-Limits of Liability

Note: Sub-limits are part of and not in addition to the Each Claim and Aggregate limits

Claims involving products placed outside the Advisor Group commission grid
$ 1,000,000 Each Claim
$ 1,000,000 Aggregate per Rep

Trade Errors
$2,000,000 Each Trade Error

Pre-Claims Assistance
$ 50,000 Each Pre-claim

Accounting Services
$ 500,000 Each Claim
$ 500,000 Aggregate per Rep

Covered Referrals
$ 250,000 Each Claim
$ 2,000,000 Aggregate all Insureds

Disciplinary Proceedings
$ 50,000 Each Claim

Retentions (each Claim)

$ 10,000 involving Accounting/Tax Preparation Services

$ 5,000 all other Claims

Retentions apply to the payment of Loss & Claim Expense

Coverage

The Insurer will pay on behalf of a Registered Representative all Loss arising from a Claim first made against such Registered Representative during the Policy Period, or if applicable, the Extended Reporting Period, and reported during the Policy Period, for any Wrongful Act committed by the Registered Representative but only if such Wrongful Act occurs in the rendering of or failure to render Professional Services.

Disciplinary Proceedings Extension

A sublimit of $50,000 each Claim is provided for Disciplinary Proceedings but solely with respect to Claim Expenses. Disciplinary Proceedings means any action brought by a governmental or regulatory authority or self-regulatory body to investigate an actual or alleged Wrongful Act of an Insured in the rendering of or failure to render Professional Services. Disciplinary Proceedings shall include a FINRA 8210 request, FINRA on-the-record testimony request or assistance in responding to a non-routine Department of Insurance inquiry.

Accounting/Tax Preparation Services Extension

A sublimit of $500,000 each Claim and $500,000 Aggregate each Rep applies to Accounting Services provided by an Insured Rep (provided such Rep has requested and received approval for such an Outside Business Activity). Accounting Services shall include the following when provided to individuals or their business entities for compensation in the capacity as an accountant: bookkeeping, the issuance of compilation reports, reviews of unaudited financial statements, management, advisory or consulting services with respect to improving business efficiency, advice on tax or accounting matters, acting as an Enrolled Agent before the Internal Revenue Service (IRS) and the preparation of tax returns. However, Accounting Services shall not include audit services.

Covered Referrals Extension

A sublimit of $250,000 each Claim and $2,000,000 Aggregate all Insureds applies to covered Referrals. Covered Referrals include the referral of a customer or client to an accountant, real estate agent, lawyer or other financial service provider, or Ladenburg Thalmann & Company, Inc., in exchange for a finder or referral fee shared with an Advisor Group Broker/Dealer. The customer or client referred to such accountant, real estate agent, lawyer or other financial service provider, must be provided with full written disclosures concerning such referral, and the Registered Representative must receive a written acknowledgment of receipt of such disclosures from the customer or client. Such referral shall not include sales, marketing, placement, arrangement, advice or consultation regarding any related services provided

by accountants, real estate agents, lawyers or other financial service providers, other than the referral of a customer or client for the services identified above, in exchange for a finder or referral fee shared with an Advisor Group Broker/Dealer.

Pre-Claims Assistance Extension

Until the date a Claim is made, the Insurer may pay, at its sole discretion, all reasonable and necessary fees and expenses it incurs up to a sublimit (excess the Rep retention) of $50,000 each Pre-Claim, as a result of investigating a potential Claim and representing or, if required, defending an Insured for matters reported to the Insurer should a potential Claim be investigated pursuant to this extension, and that potential Claim later becomes a covered Claim under the Policy, then the Limits of Liability applicable to such Claim shall apply.

Insureds

1. Any Registered Representative (Rep) registered with FINRA and who for compensation engages in the business of rendering Professional Services; or is a licensed Investment Adviser Representative (IAR) and who for compensation engages in the business of rendering Investment Advisory Services, while contracted by the Broker/Dealer, has enrolled and paid the applicable premium and is listed on the roster of insureds provided by the Broker/Dealer;

2. Any unlicensed support staff are insureds under the policy. Licensed Registered Assistants and administrative employees are also insureds under the policy but only while they are working solely in an administrative capacity and do NOT produce/sell securities or insurance. This extension is afforded only for activities in support of an insured Registered Representative while providing covered Professional Services.

Remember! Insureds described under 2 through 7 share the same limit with the Insured Rep/IAR

3. Any corporation, partnership, or other business entity engaging in Professional Services which is either owned or controlled by an Insured Rep/IAR, or in which an Insured Rep/IAR is an employee, but only with respect to Professional Services provided by an Insured Rep/IAR;

4. Any disclosed/approved rep-owned Registered Investment Adviser (RIA) but only in connection with Approved Activities (see pre-amble of definition of Professional Services) provided by the Insured Rep/IAR while acting in their capacity as a RIA. No coverage extends to any other individuals performing Professional Services for your independent RIA;

5. Any natural person who was or is a partner, officer, director or employee of 1) or 3) above provided such natural person did not receive any commission income pursuant to an agent, broker or registered representative contract with any insurance company or broker-dealer as a result of providing Professional Services offered by the Insured Rep/IAR;

6. Estates, heirs, or legal representatives of a deceased Insured Rep/IAR and the legal representatives of an Insured Rep/IAR in the event of incompetency, insolvency or bankruptcy, who was an Insured at the time the Wrongful Acts occurred or are alleged to have occurred; and
7. Lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise applicable jurisdiction) of an Insured Rep/IAR for a Claim arising solely out of his or her status as the spouse of an Insured Rep/IAR, including a Claim that seeks damages recoverable from marital community property, property jointly held by the Insured Rep/IAR and the house, or property transferred from the individual Insured to the spouse; provided this extension shall not afford coverage for any Claim for any actual or alleged Wrongful Act of the spouse, but shall apply only to Claims arising out of any actual or alleged Wrongful Acts of an Insured Rep/IAR subject to the policy terms conditions and exclusions.

Professional Services



If rendered in connection with a service of activity performed by a Registered Representative: 1) which has been approved by and Advisor Group Broker/Dealer to be performed by the Registered Representative; 2) which is performed in connection with the purchase or sale of an Approved Product to be transacted through the Registered Representative; and 3) for which the Registered Representative has obtained all licenses required by an Advisor Group Broker/Dealer, an insurance carrier, or applicable law or regulation:

1) the purchase or sale or servicing of securities, including investment companies, variable annuities or variable life insurance for or on the behalf of a customer or client of your Advisor Group Broker/Dealer pursuant to a written agreement between an Advisor Group Broker/Dealer and the customer or client; or
2) the purchase or sale or servicing of any Life Product;
3) providing brokerage services for individual retirement accounts, Keogh retirement plans and employee benefit plans (but excluding in all cases multiple employer or multi-employer welfare arrangements), but only when such plans are funded with the products identified in paragraphs 1) and 2) above;
4) Investment Advisory Services, which includes the following services rendered by an investment advisor representative, pursuant to a written agreement between an Advisor Group Broker/Dealer and the customer or client: providing financial, economic or investment advice or investment management services, but only if the investment advisor representative received approval from an Advisor Group Broker/Dealer prior to rendering such services. Further, with respect to the foregoing services, when in connection with the purchase or sale of an investment and/or insurance product, such product must qualify as an Approved Product;
5) In connection with or incidental to any of the foregoing activities set forth in paragraphs (1), (2) and (3) above, providing:
   (i) economic advice or financial advice;

(ii) financial planning advice, including, without limitation, any of the following activities in conjunction therewith: the preparation of a financial plan or personal financial statements, the giving of advice relating to personal risk management, insurance, savings, investments, retirement planning or taxes; or

(iii) services in the capacity as a notary public;

6) Life Settlements pre-approved by the Insurance Services Department of Advisor Goup, Inc. arranged by a Registered Representative;

7) Accounting Services, including the provision of the following accounting services to individuals or their business entities for compensation in the capacity as an accountant: bookkeeping, the issuance of compilation reports, reviews of unaudited financial statements, management, advisory or consulting services with respect to improving business efficiency, advice on tax or accounting matters, acting as an enrolled agent, and the preparation of tax returns, so long as such activity is approved by an Advisor Group Broker/Dealer.

8) Wholesale Brokerage Services performed by past, present or future employees or independent contractors of BRAMCO Financial Resources or Lifemark Partners, Inc., who on behalf of such entities is/was engaging in Wholesale Brokerage Services (acting as an intermediary between a retail broker and an insurer);

9) Administration of Employee Benefit Plans, herein defined as (1) the consultation with participants in an employee benefit plan in order to explain the provisions of such plan, and (2) the handling of day-to-day ministerial functions required by such plan, including but not limited to the enrollment of participants, record keeping and the filing of reports with government agencies. The Administration of Employee Benefit Plans does not include third party claims administration.

10) The referral of a customer or client to an accountant, real estate agent, lawyer or other financial service provider, or Ladenburg Thalmann & Company, Inc., in exchange for a finder or referral fee shared with an Advisor Group Broker/Dealer. The customer or client referred to such accountant, real estate agent, lawyer or other financial service provider, must be provided with full written disclosures concerning such referral, and the Registered Representative must receive a written acknowledgment of receipt of such disclosures from the customer or client. Such referral shall not include sales, marketing, placement, arrangement, advice or consultation regarding any related services provided by accountants, real estate agents, lawyers or other financial service providers, other than the referral of a customer or client for the services identified above, in exchange for a finder or referral fee shared with an Advisor Group Broker/Dealer;

11) Providing Investment Advisory Services as an independent Registered Investment Adviser, provided such RIA has been disclosed and approved by an Advisor Group Broker/Dealer and if such services when provided involve the purchase or sale of an investment and/or insurance product, such product is an Approved Product (see below). Should a transaction to be completed by you or through your RIA, but not through an Advisor Group Broker/Dealer, no coverage shall apply to such activity unless you receive prior written approval from an Advisor Group Broker/Dealer for such activity.

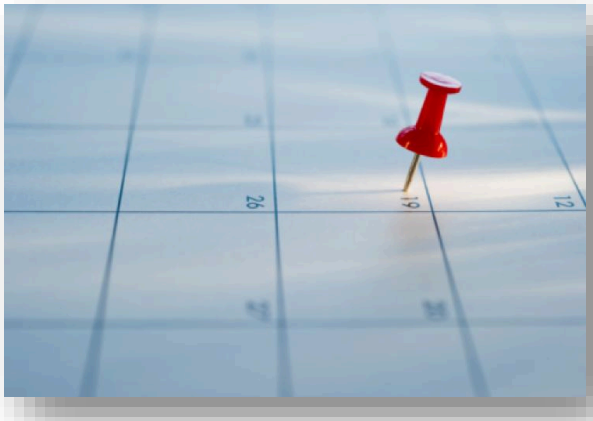
Pursuant to the definition of Professional Services above, the definition of **Approved Product** means, any: 1) securities, including investment companies, variable annuities or variable life insurance products, that are approved by, offered for sale through, an Advisor Group Broker/Dealer; or 2) Life Products, including life insurance, accident, health, fixed annuities, long term care or disability insurance products, offered for sale by an insurance company.

Prior Acts Date

Your Retroactive Date, also referred to as your Prior Acts Date, is the later of: your earliest date of continuously maintained contract with an Advisor Group Broker/Dealer or the Broker/Dealer's Prior Acts Date. For a Claim to be covered under this policy, the actual or alleged error must have occurred on or after the Retroactive Date and prior to your termination date (if any). Subject to all other terms, conditions and exclusions.

Extended Reporting Periods

Upon termination of the Rep contract, active E&O coverage ceases that same date. Some reps may be eligible for an Extended Reporting Period (ERP), sometimes referred to as "tail coverage", depending on reason for termination. ERPs allow reps to report new claims not previously reported on business transacted on or after their retroactive date and on or prior to their termination date which are otherwise covered by the policy for the duration of the ERP.



Automatic ERP for General Terminations

An automatic ERP will be provided until the end of the current policy year for Representatives who terminate their contract for general reasons (not for cause, retirement, disability or death) during the policy period. There is no cost for this automatic Extended Reporting Period. No action must be taken for the ERP to take effect, it simply begins the same date of your contract termination.

Automatic ERP for Termination due to Retirement, Disability or Death

An automatic unlimited ERP will be provided for Representatives who terminate their contract for reason of retirement, disability or death during the policy period. There is no cost for this automatic Extended Reporting Period. No action must be taken for the ERP to take effect, it simply begins the same date of your contract termination.

Optional ERP

An optional ERP of three years is available to Representatives who terminate for general reasons for an additional 200% of the annual E&O cost. A written request for this optional ERP must be received by Aon Affinity Insurance Services within 60 days of contract termination and such request must include the full applicable additional cost. The ERP cost is considered fully earned upon receipt. Representatives who terminated from their Advisor Group Broker/Dealer for disciplinary reasons are not eligible to purchase an optional ERP.

Please mail your request for an Optional ERP along with payment by check to Affinity Insurance Services, Inc. at 500 Ross Street, 154-0455, Pittsburgh, PA 15251-9071. Checks should be made payable to Affinity Insurance Services, Inc.

E&O Program Exclusions

The Insurer shall not be liable for Loss in connection with any Claim:

a) alleging, arising out of, based upon or attributable to the committing in fact of any criminal, dishonest, malicious, knowingly wrongful or fraudulent act committed by or at the direction of an Insured, or any willful violation of any statute, rule or law;

b) alleging, arising out of, based upon or attributable to any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (as amended), 18 USC Sections 1961 et seq., as amended, or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;

c) alleging, arising out of, based upon or attributable to the gaining of any profit or advantage to which an Insured was not legally entitled, including, but not limited to, any actual or alleged commingling of funds or accounts;

For the purposes of determining the applicability of the foregoing Exclusions (a), (b) and (c), the Wrongful Act of any Registered Representative shall not be imputed to any other Registered Representative.

d) for any bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any tangible or intangible property, including the loss of use thereof, or the loss of use of tangible or intangible property which has not been damaged or destroyed; provided, however, this exclusion shall not apply to a Claim, in part, for emotional distress, if such Claim is otherwise covered under this policy;

e) alleging, arising out of, based upon or attributable to the Financial Insolvency of, or suspension of payment or inability or refusal to pay by, any broker or dealer in securities or commodities, clearing agency, bank or banking firm, insurance or reinsurance entity, any Insured, benefit plan, trust or investment vehicle, or any entity in which an Insured has placed or invested funds or obtained coverage for a client; provided, however, this exclusion will not apply:

   (1) to Wrongful Acts in connection with any Insured's investment on the behalf of the claimant in the securities of any of the foregoing entities; or
   (2) if, at the time coverage was obtained, such insurance or reinsurance entity was rated "A-" or better as per A.M. Best Company; or
   (3) Athene Annuity & Life Assurance Company, Aviva Life and Annuity Company, Equitrust Life Insurance Company, Fidelity and Guaranty Life Insurance Company, or Security Benefit Life Insurance Company, if rated B++ or better as per A.M. Best Company, or A- or better by Standard and Poor's Ratings as of the time of placement of such insurance coverage or bond; or
   (4) Jefferson National Life Insurance Company if rated B+ or better as per A.M. Best Company as of the time of placement of such insurance coverage or bond, but solely with respects to insurance products that have no death benefit rider attached and there is documentation that the customer or client waived the death benefit rider at the time of sale.

Furthermore, solely with respect to the insurance companies listed in paragraphs (3) and (4) above, no coverage shall apply to any Claim, if written notice was not immediately provided to a customer or client, providing communication they have the option to move to another insurance company, pending such insurance companies listed above have been downgraded by A.M. Best Company and/or Standard and Poor's, one notch lower than their ratings at the time of sale of such product.

f) alleging, arising out of, based upon or attributable to: (1) any pension, welfare or other employee benefit plan or trust sponsored by any Insured or sponsored by any business enterprise that is operated or managed or owned, directly or indirectly, in whole or in part, by any Insured, or in which any Insured has a financial interest; or (2) any plan in which an Insured is a participant or is a "named fiduciary," as defined in section 402(a) of the Employee Retirement Income Security Act of 1974 (and any amendments thereto);

g) alleging, arising out of, based upon or attributable to, in whole or in part, any Investment Banking Activity by any Insured; provided, however, this exclusion shall not apply to Claims arising from sales by an Insured to a particular client or customer of an open-ended investment company or variable annuity which alleges that a client or customer of an Insured was unsuitable for and wrongfully placed into such investment company or variable annuity;

h) brought by or on behalf of any Insured, or the successors or assigns of any Insured; or by or on behalf of any enterprise, trust or other entity that is operated or managed or owned, directly or indirectly, in whole or in part, by any Insured; or for which any Insured is a trustee, director or officer thereof; provided, however, this exclusion shall not apply to Claims brought by an Insured against a Registered Representative in its capacity as a customer or client;

i) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or Interrelated Wrongful Acts alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;

j) brought by or on behalf of any clearing agency, or alleging, arising out of, based upon or attributable to any function of any Insured as a clearing agency;

k) alleging, arising out of, based upon or attributable to any:

    (1) use by any Insured of; or
    (2) aiding or abetting by any Insured in the use of; or
    (3) participating after the fact by any Insured in the use of;

non-public information in a manner prohibited by the laws of the United States, including, but not limited to: the Insider Trading and Securities Fraud Enforcement Act of 1988 (as amended), Section 10(b) of the Securities Exchange Act of 1934 (as amended), and Rule 10(b)(5) thereunder, and/or the laws of any state, commonwealth, territory or subdivision thereof, or the laws of any other jurisdiction, or any rules or regulations promulgated under any of the foregoing;

l) alleging, arising out of, based upon or attributable to any mechanical or electronic failure, breakdown or malfunction of machines or systems;

m) brought by or on behalf of, or instigated or continued with the solicitation, assistance, participation or intervention of, any state or federal regulatory or administrative agency or bureau or any other governmental, quasi-governmental or self-regulatory entity ("Governmental Entity"), whether directly or indirectly, and whether brought in its capacity as trustee, liquidator, successor or assignee of an Insured, or in any other capacity and whether brought in its own name or in the

name of any other entity; provided, however, this exclusion will not apply to: 1) Claim Expense of a Registered Representative in connection with a covered Disciplinary Proceeding, 2) any Claim brought solely in such Governmental Entity's capacity as a customer or client of an Insured in the ordinary course of business and instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of any Insured, or 3) any Claim brought on behalf of or in the name of a group of or collection of or any other third party clients of an Insured, including Claims where such Governmental Entity was not directly solicited by such third-party client(s) for the purpose of making such Claim, and/or where such Governmental Entity demands monetary remediation on behalf of such third-party client(s);

n) for any Wrongful Act in the rendering of or failure to render Professional Services to any securities broker-dealer; however, this exclusion shall not apply if the Professional Service is solely the purchase or sale of securities to such broker-dealer for its own account;

o) alleging, arising out of, based upon or attributable to the rendering of or failure to render any of the following services or activities: third party claims administrator, actuarial, accounting, legal, real estate agent or broker, or tax preparation or appearing before the Internal Revenue Service as an enrolled agent, or tax advice, except tax advice as an incidental part of Professional Services rendered by a Registered Representative;

p) alleging, arising out of, based upon or attributable to the purchase or sale of (or failure to purchase or sell) any of the following, or any advice in connection therewith:

    (1) any equity security priced under $5.00 at the time that the Wrongful Act triggering such Claim arose; however, this exclusion shall not apply if the security is:
        (i) registered, or approved for registration upon notice of issuance, on a national securities exchange;
        (ii) authorized, or approved for authorization upon notice of issuance, for quotation in the NASDAQ National Market System or the NASDAQ Capital Markets; or
        (iii) issued by an investment company registered under the Investment Company Act of 1940 (as amended);
    (2) commodities, futures contracts, forwards contracts or any type of option or futures contract except;
        (i) buying of puts or calls; or
        (ii) selling of covered call options; or
        (iii) buying of gold futures contracts covered by cash
    (3) any collectible, including but not limited to stamps, art, cards, jewelry, antiques or any other tangible personal property;
    (4) any security in any market outside of the United States of America and its territories and possessions and Canada; or
    (5) viatical products, including viatical settlement and viatical contracts;

q) alleging, arising out of, based upon or attributable to an Insured making or stating any promises or guarantees as to interest rates or market values;

r) alleging, arising out of, based upon or attributable to, or in any way involving, directly or indirectly, the formation, operation, administration or management by an Insured, in whole or in part, of any entity other than an Entity Insured, including without limitation limited partnerships or general partnerships, including but not limited to Claims arising out of an Insured acting as a general partner of any limited partnership and/or managing general partner of any general partnership;

s) alleging, arising out of, based upon or attributable to any liability assumed by an Insured under any indemnification contract or agreement, either oral or in writing;

t) alleging, arising out of, based upon or attributable to, directly or indirectly, any actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or for any direction or request to test, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants;

u) alleging, arising out of, based upon or attributable to any obligation of the Insured, pursuant to any employee benefits, wages, salaries, bonuses, commissions, workers compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar benefits or compensation;

v) alleging, arising out of, based upon or attributable to any one or more of the following:

   (1) any failure or refusal to pay, or delay in the payment of, benefits due or alleged to have been due under any insurance contract or from any pension plan or other benefit plan;

   (2) any lack of good faith or fair dealing in the handling of any claim or obligation arising out of or under any insurance contract or from any pension plan, welfare plan or other benefit plan;

w) alleging, arising out of, based upon or attributable to Professional Services in connection with investment products partially or totally owned by a Registered Representative;

x) alleging, arising out of, based upon or attributable to an Insured exercising discretionary authority or control with regard to management or disposition of assets; provided, however, this exclusion shall not apply to:

   (1) any Registered Representative's purchase or sale of mutual funds that are registered under the Investment Company Act of 1940 (as amended) or variable annuities, in which there is no initial or contingent sales charge or commission; or

   (2) any Claim that arises from a Wrongful Act in connection with Investment Advisory Services pursuant to a written contract defining the scope of such services and the compensation to be paid therefore;

y) for any publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy made by or at the direction of any Insured with the knowledge of the falsity thereof;

z) alleging, arising out of, based upon or attributable to, any Insured notarizing, certifying or acknowledging any signature not made in the presence of such Insured at the time of such notarization, certification or acknowledgement;

aa) alleging, arising out of, based upon or attributable to the actual or alleged sale, attempted sale or servicing of any coverage, alleged coverage or plan placed with any form of Multiple Employer Welfare Arrangement (MEWA) as defined in the Employee Retirement Income Security Act of 1974 (and any amendments thereto); provided, however, this exclusion shall not apply to placement of coverage for a MEWA with an insurance carrier that is rated A- or better as per A.M. Best Company;

bb) alleging, arising out of, based upon or attributable to any solicitation or placement of property and/or casualty insurance; or

cc) alleging, arising out of, based upon or attributable to any act, error, omission, fact or circumstance occurring prior to the First Enrollment Date if, on or before the First Enrollment Date, a Registered Representative knew or reasonably could have foreseen that such act, error, omission, fact or circumstance could give rise to a Claim; provided, however, the knowledge or information possessed by one Registered Representative will not be imputed to any other Registered

Representative for the purposes of determining the applicability of this exclusion with respect to any Claim made against any Registered Representative.

dd) with respect to coverage provided under Coverage A only, alleging, arising out of, based upon or attributable to any Wrongful Act occurring prior to the inception date of the first securities broker-dealer's errors and omissions policy of coverage issued to or for the benefit of an Advisor Group Broker/Dealer by the Insurer and continuously renewed and maintained in effect thereafter to the inception date of this policy, if on or before such date any Insured knew or could have reasonably foreseen that such Wrongful Act could lead to a Claim, or alleging, arising out of, based upon or attributable to any subsequent Interrelated Wrongful Act;

ee) with respect to coverage provided under Coverage B only, alleging, arising out of, based upon or attributable to any activity of, or service provided by, a Registered Representative other than a covered Professional Service, including, but not limited to "selling away"; or

ff) alleging, arising out of, based upon or attributable to any Wrongful Act committed or alleged to be committed directly or indirectly in connection with the sale or recommendation of any instrument issued by any limited partnership, master limited partnership, or any affiliated organization of any of the foregoing not offered and sold through an Advisor Group Broker/Dealer.

gg) alleging, arising out of, based upon or attributable to, directly or indirectly, the rendering of or failure to render Investment Advisory Services to any mutual fund, hedge fund, private equity fund, exchange traded fund, unit investment trust, collective investment trust or similar investment vehicle.

hh) alleging, arising out of, based upon or attributable, directly or indirectly, the theft of customer or client funds by a Registered Representative;

ii) alleging, arising out of, based upon or attributable to any Wrongful Act occurring prior to the Retroactive Date, or arising out of the same or any Interrelated Wrongful Act.

jj) alleging, arising out of, based upon or attributable to any misappropriation of trade secrets or infringement of patent, copyright, trademark, trade dress, or any other intellectual property right.

kk) alleging, arising out of, based upon or attributable to false advertising, misrepresentation in advertising, antitrust, unfair competition, or restraint of trade,

ll) alleging, arising out of, based upon or attributable to the Insured's actual or alleged guarantees, promises or warranties as to interest rates, market values, earnings, future values or future premiums or payments in connection with variable life insurance, universal life insurance, whole life insurance, variable annuities, flexible annuities, scheduled premium annuities, mutual funds or Life Settlements;

mm) alleging, arising out of, based upon or attributable to any actual or alleged Life Settlements comprising a term, variable, universal or whole life insurance policy that was sold or serviced by Registered Representative within the 5 years prior to the arrangement of, or attempt to arrange, any Life Settlement transaction;

nn) alleging, arising out of, based upon or attributable to the arrangement of or attempt to arrange, any Life Settlement comprising a term, variable, universal or whole life insurance policy that was originally sold or serviced by the Registered Representative and initially funded through any form of premium financing;

oo) a willful violation of any laws, orders, rules or regulations of the United States or any state, commonwealth, territory, county, subdivision or municipality thereof, including, but not limited to,

the following, committed by or at the direction of an Insured: the Securities Act of 1933, as amended; the Securities Exchange Act of 1934, as amended; the Investment Advisors Act of 1940, as amended; the Investment Company Act of 1940, the Insider Trading and Securities Fraud Enforcement Act, as amended; the Public Utilities Holding Company Act of 1935; the Trust Indenture Act of 1939; the Racketeer Influenced and Corrupt Organizations Act, as amended; any antitrust, restraint of trade or unfair trade practices law, any state "blue sky" or "securities" law; any regulation or order of the Securities Exchange Commission or the National Association of Securities Dealers, Inc.; any law, order or regulation applying to an Insured by reason of any state or federal license or registration law including any insurance laws or regulations; any law, rule or regulation applying to any Insured as a tax preparer or tax practitioner including, but not limited to, the American Institute of Certified Public Accountants Statements on Responsibilities in Tax Practice, and the United States Treasury Department and Tax Court Rules on those that practice before the IRS and the Tax Court; and any rules or regulations promulgated under any of the foregoing;

pp) a disallowed deduction, credit or other item on a tax return or taxes which would be owed in any case by a client;

qq) Accounting Services by an Insured for any person, partnership, corporation, operation or other entity, where an Insured is also involved in the sale or solicitation for sale of securities, real estate or other investments of said person or entity;

rr) any actual or alleged accounting audits or the failure to identify embezzlements;

(1) Accounting Services rendered or omitted to be rendered to or for any:
(2) savings and loan institution or any other entity Insured or obligated to be Insured by the Federal Savings and Loan Insurance Corporation;
(3) bank or other entity Insured or obligated to be Insured by the Federal Deposit Insurance Corporation;
(4) industrial loan company or other entity subject to the provision of the Industrial Loan Law, Division 7, Section 18,000 et. seq. of California Financial Code or similar laws of other states;
(5) credit union subject to the provisions of Division 5, Section 14,000 et. seq. of the California Financial Code or similar laws of other states, or to the Federal Credit Union Act, Title 12, Section 1751 et. seq. of the United States Code;
(6) audit committee of any of the foregoing;

ss) Accounting Services involving any security that is or should have been registered, qualified or reported under the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Public Utility Holding Company Act of 1935 of any state "blue sky" law or other law governing securities transactions, including their amendments and the rules and regulations adopted under them;

tt) alleging, arising out of, based upon or attributable to any allegation(s) that any Insured intentionally or negligently permitted, or aided or abetted others in using, was aware of others using, or was a participant or connected in any way in the use of: (1) Late Trading; (2) Market Timing; (3) Soft-dollar Activity; (4) Front Running; or (5) Revenue Sharing (as such terms 1-5 are defined by the Policy) related to a mutual fund or variable annuity;

uu) alleging, arising out of, based upon or attributable to Loss resulting directly from the Insured having, in good faith, transferred or delivered customer or client funds, in reliance upon a fraudulent

instruction transmitted to the Insured, including but not limited to via tele facsimile, telephone, or electronic mail;

vv) any Claim alleging, arising out of, based upon or attributable, directly or indirectly, to any of the following products or entities: Medical Capital Holdings, Inc., Medical Capital Corporation, Medical Provider Funding Corporation, Provident Royalties, LLC, Provident Asset Management, LLC, Provident Energy 1, LP, Provident Resources 1, LP, Provident Energy 2, LP, Provident Energy 3, LP, Shale Royalties II, Inc. Shale, Royalties 3, LLC Shale, Royalties 4, Inc. Shale, Royalties 5, Inc. Shale, Royalties 6, Inc. Shale, Royalties 7, Inc. Shale, Royalties 8, Inc. Shale, Royalties 9, Inc. Shale, Royalties 10, Inc. Shale, Royalties 12, Inc. Shale, Royalties 14, Inc. Shale, Royalties 15, Inc. Shale, Royalties 16, Inc. Shale, Royalties 17, Inc. Shale, Royalties 18, Inc. Shale, Royalties 19, Inc. Shale, Royalties 20, Inc. Shale, Royalties 21, Inc. Shale, Royalties 22, Inc., Provident Operating Company, LLC, including any company, corporation, parent, subsidiary, partnership or other business entity directly or indirectly owned or controlled by or associated or affiliated with any entity listed above or any employee, partner, officer, director, agent or representative or other person associated with any of the foregoing.

As respects the Exclusions above, the terms Registered Representative and Insured shall also include any Former Registered Representative. It is further understood and agreed that this policy shall not pay the Loss of a Former Registered Representative arising from any Claim against such Former Registered Representative.

Frequently Asked E&O Questions

1. **Who is Aon?**

   Aon has been appointed by Advisor Group as the insurance broker responsible for the placement of the E&O program. Aon plc is a leading global provider of risk management, insurance brokerage, and reinsurance brokerage solutions. Aon has been brokering Life Agents' and Broker Dealer professional liability programs for more than 35 years.

2. **Who are our Insurers?**

   The primary insurer is Everest National Insurance Company. The excess insurer is Berkshire Hathaway Specialty Insurance Company. Please refer to page 2 for carrier A.M. Best ratings.

3. **What are my Limits of Liability?**

   The limits of liability are $5,000,000 each Claim/$5,000,000 Aggregate per Insured. The per-Claim limit is the maximum the Insurers will pay for any one claim and the aggregate limit is the maximum the Insurers will pay per Policy Period. The first $2,000,000 each Claim/$2,000,000 Aggregate is provided by Everest, the primary insurer. The second $3,000,000 each Claim/$3,000,000 Aggregate is provided by Berkshire Hathaway, the excess insurer.

   The total policy aggregate is $60,000,000. The total policy aggregate does not apply to Insureds who live in and practice in New York.

4. **What is my retention?**

   The retention varies depending on the product/service involved in the Claim. Retentions apply to the payment of both Loss and Defense Costs. The retention schedule is as follows:

   $ 10,000 involving Accounting/Tax Preparation Services

   $ 5,000 all other Claims

5. **What does "Claims Made and Reported" mean?**

   Coverage is written on a Claims Made and Reported basis which means that the policy applies to claims first made against you, and reported to the Insurer, during the Policy Period. You may not select counsel or incur any defense expense prior to advising Everest, as this may jeopardize coverage under the policy. Please refer to "What to do in the Event of a Claim" for further details.

6. Does the Insurer have a duty to defend me?

Yes, the Insurer has the right and duty to defend any Claim made against you within the terms of the policy. If a claim alleges dishonest, fraudulent or malicious acts, a defense will be provided only if there are covered allegations as well.

Please remember that your coverage under the policy could be jeopardized if you admit liability, agree to any settlement or incur any expense without the prior consent of the E&O insurer.

Defense Costs are included in the Limits of Liability.

7. What is my Prior Acts Date (a/k/a Retroactive Date)?

Your Retroactive Date, also referred to as your Prior Acts Date, is the later of: your earliest date of continuously maintained contract with an Advisor Group Broker/Dealer or the Broker/Dealer's Prior Acts Date. For a Claim to be covered under this policy, the actual or alleged error must have occurred on or after the Retroactive Date and prior to your termination date (if any). Subject to all other terms, conditions and exclusions.

8. What happens if my Registered Representative's contract is terminated during the Policy Period?

If your contract is terminated during the policy period, coverage automatically ceases on the date your contract terminates.

9. Are there any Extended Reporting Periods (aka tail coverage) available?

Yes, please refer to page 7 for details on the Extended Reporting Periods which may apply to you.

10. Are my Registered Assistance and/or Support Staff Covered under this policy?

All of an Insured's unlicensed support staff are insureds under the policy. Licensed Registered Assistants and administrative employees are also insureds under the policy but only while they are working solely in an administrative capacity and do NOT produce/sell securities or insurance. This extension is afforded only for activities in support of an insured Registered Representative while providing covered Professional Services. Registered Assistants or Employees of Reps share limits of liability with the rep whom they support and are not eligible for Certificates of Insurance and should obtain their own E&O outside of the Advisor Group sponsored E&O plan if they are producing business.

11. Does the policy cover Trade Errors?

Yes, the policy does cover trade errors/cost of corrections claims, meaning an actual Wrongful Act in connection with the clearance, settlement or execution of trades, coverage is subject to the following:

- The retention per trade error claim will be $5,000;
- The trade error must occur on a non-discretionary investment/trade order
- The trade error is reported to the Insurer within five (5) business days of the discovery of the Trade Error by the Insured; and
- If not corrected such Trade Error would have resulted in a Claim by any customer or client of the Insured for loss for which the Insured would be liable and which, in the absence of any correction, would have constituted a valid covered claim for which the Insurer would be liable.

What to do in the Event of an E&O Claim

1. As soon as you become aware of any circumstances, regardless of whether a lawsuit has been commenced, which may lead to a claim being made, or as soon as an actual claim is made, complete a copy of the Claim Report Form located on the last page of this guide and follow the remittance instructions on the form.

2. If a summons and complaint has been issued, immediately send it along with the Claims Report (if not previously provided) by overnight express mail to Greg Curley of Advisor Group the contact listed below:

   Greg Curley
   Senior Litigation Counsel
   Advisor Group, Inc.
   Phone: 212-551-5723 | Email: gcurley@advisorgroup.com

3. Once an incident has been identified or an errors and omissions claim has been made, great care should be exercised to avoid any disclosures or discussions of any facts or information relating to the claim with anyone, unless they identify themselves to be from Everest National Insurance Company (or a designated representative appointed by Everest to handle your claim), from the compliance or legal/compliance department of your Advisor Group Broker/Dealer, Advisor Group or Aon.

4. Do not engage your own attorney without specific authorization from Everest. Do not make admission of liability, assume any obligation, make any payment, incur any expenses or agree to arbitration without Everest's consent.

5. Should you have questions about the coverage afforded under the policy, call Aon Affinity at 844-203-3108 or email to info@agents-eo.com.

Important E&O Contacts

Certificates of Insurance & Coverage Questions

To reprint your Certificate of Insurance online, please visit: https://ag.advisors-eo.com

For answers to coverage questions, please contact Aon Affinity Insurance Services by email at: info@agents-eo.com or by phone at: 844-203-3108.

Claim Reporting

Greg Curley
Senior Litigation Counsel
Advisor Group, Inc.
Phone: 212-551-5723 | Email: gcurley@advisorgroup.com

Enrollment & Premium Payment Questions

Greg Curley
Senior Litigation Counsel
Advisor Group, Inc.
Phone: 212-551-5723 | Email: gcurley@advisorgroup.com

Advisor Group, Inc. Sponsored E&O Program
Errors & Omissions Claim Report Form
Primary Policy No. FL5EO00106-221 | December 31, 2022 to December 31, 2023

Please select the Advisor Group Broker/Dealer or Entity with which you are affiliated:

□ FSC Securities □ Royal Alliance □ SagePoint □ Woodbury □ Securities America
□ Triad □ LTCO □ Infinex □ American Portfolios □ Highland Capital

Today's Date:	Date you became aware of this Claim:	
Name:	Rep ID#:	Branch #:
Business Address:		
Email Address:		
Phone Number:	Fax Number:	

What type of business does this claim involve? If written through any company other than your Advisor Group Broker/Dealer, provide the name of the company, policy number, and policy dates:

Please attach a description of the circumstances leading to this Claim including copies of all pertinent correspondence. If you have been served with a lawsuit, a copy of the suit must be enclosed.

Alleged Amount in Controversy (if any): $

Who is making this Claim against you:
Name:
Address:

If you have discussed this matter with anyone at your Advisor Group Broker/Dealer's Home Office, please identify the individual below:

Name:
Phone Number:
Email Address:

Besides the policy referenced above, do you have any other Errors and Omissions Insurance? If yes, provide requested details below:

Insurer Name:
Policy Number:
Limits of Liability:

SEND THIS COMPLETED FIRST REPORT FORM TO:

Greg Curley
Senior Litigation Counsel
Advisor Group, Inc.
Phone: 212-551-5723 | Email: gcurley@advisorgroup.com

DO NOT DISCUSS THIS MATTER WITH ANYONE OTHER THAN A REPRESENTATIVE OF EVEREST, AON, OR YOUR B/D.