



**SPONSORED E&O PROGRAM FOR THE
REGISTERED REPRESENTATIVES OF:**

**OSAIC, INC.
OSAIC WEALTH, INC.
OSAIC FA, INC.
OSAIC FS, INC.
OSAIC INSTITUTIONS, INC.
OSAIC SERVICES, INC.
LADENBURG THALMANN & CO., INC.
AND ENROLLED AGENTS OF
HIGHLAND CAPITAL BROKERAGE**

Errors & Omissions & Cyber Liability Handbook

This guide has been prepared to provide general information regarding the coverage provided by the Osaic, Inc. Sponsored E&O Liability & Cyber Liability programs. 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.



Policy Period

December 31, 2024 to December 31, 2025

E&O Insurers

**Everest National Insurance Company
QBE Insurance Corporation**

Cyber Insurer

Underwriters at Lloyd's of London

Broker

Aon

Contents

I. Errors & Omissions Policy

Program Highlights	2
Exclusions	9
Frequently Asked Questions	16
What to do in the Event of an E&O Claim	18
Important Contacts	19
Appendix: E&O Claim Reporting Form	20

II. Cyber Liability Policy

Program Highlights	21
Exclusions	27
Frequently Asked Questions	31
What to do in the Event of a Cyber Claim	33
Important Contacts	34
Appendix: Cyber Claim Reporting Form	35

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. FL5EO00106-241

Excess

QBE Insurance Corporation
An Admitted Carrier, Rated A (Excellent)*
Policy No. 130008443

**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 Osaic
Commission Grid
\$ 1,000,000 Each Claim
\$ 1,000,000 Aggregate per Rep

Trade Errors
\$2,000,000 Each Trade Error

Pre-Claim Assistance
\$ 50,000 Each Pre-claim

Reimbursement of Travel Expenses
\$ 500 Maximum per day each Insured
\$ 5,000 Aggregate each Insured
\$500,000 Aggregate all Insureds per Policy Period

Claims involving Accounting Services
\$ 1,000,000 Each Claim
\$ 1,000,000 Aggregate per Rep

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

Disciplinary Proceedings
\$ 50,000 Each Claim

Retention

\$ 5,000 Each Covered Claim (applies to both Loss/Damages & Claim Expense/Defense Costs)

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 (a/k/a Discovery 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 \$1,000,000 each Claim and \$1,000,000 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 Osaic 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 Osaic Broker/Dealer.

Pre-Claim Event 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 Event, 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.

Reimbursement of Travel Expenses

In the event that an Insurer requests an Insured to attend any hearings, depositions, arbitrations, mediations or trials related to the defense of a Claim, the Insured shall, with the Insurer's prior written consent, receive expense reimbursement for lodging, meal and transportation expenses incurred in connection with such travel; provided that such expense reimbursement shall be limited to \$500 maximum per day per Insured; \$5,000 aggregate per Insured; \$500,000 Aggregate all Insureds per Policy Period.

Insureds

1. Any individual who (1) is registered with FINRA and who for compensation engages in the business of rendering Professional Services; or is a licensed investment advisor representative (IAR) and who for compensation engages in the business of rendering Investment Advisory Services, while contracted by the Broker/Dealer, (2) has enrolled and paid the applicable premium and surcharges (3) is listed on the roster of Insureds provided by an Osaic Broker/Dealer and (4) has been issued a Certificate of Insurance or for whom a Certificate is otherwise available with Osaic or an entity thereof;
2. Any corporation, partnership, or other business entity engaging in Professional Services which is either owned or controlled by a natural person described in paragraph 1. above, or in which such natural person is an employee, but then only with respect to operations of the corporation, partnership or other business entity directly related to the Professional Services provided by the natural person described in paragraph 1. above;
3. 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 are NOT producing/selling securities or insurance. This extension is afforded only for activities in support of a natural person Insured as described in paragraph 1. above while providing covered Professional Services.
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 natural person Insured while acting in their capacity as a RIA. No coverage extends to any other individuals performing Professional Services for your independent RIA;

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

5. Any natural person who was or is a partner, officer, director or employee of 1) or 2) above, acting in their capacity as such, 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 natural person Insured, and the legal representatives of any deceased natural person Insured in the event of incompetence, insolvency or bankruptcy, who was an Insured at the time the Wrongful Acts occurred or are alleged to have occurred; and
7. Lawful spouse or legally recognized domestic partner of such Insured; or a property interest of such spouse or domestic partner of a natural person Insured for a Claim arising solely out of his/her status as the spouse of a natural person Insured; 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 a natural person Insured subject to the policy terms, conditions and exclusions.

Professional Services

If rendered in connection with a service or activity performed by a Registered Representative: 1) which has been approved by an Osaic 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 Osaic Broker/Dealer, an insurance carrier, or applicable law or regulation:

- 1) the purchase or sale or servicing of securities, including investment companies, brokered certificates of deposit, variable annuities or variable life insurance for or on the behalf of a customer or client of an Osaic Broker/Dealer pursuant to a written agreement between an Osaic Broker/Dealer and the customer or client;
- 2) the purchase or sale or servicing of any Life Product (life insurance, accident, health, fixed annuity, long-term care or disability insurance product, offered for sale by an insurance company);
- 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) the solicitation of a customer or client of an Osaic Broker/Dealer pursuant to a written agreement between the Osaic Broker/Dealer and the customer or client;
- 5) Investment Advisory Services, which includes the following services rendered by an investment advisor representative, pursuant to a written agreement between an Osaic 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 Osaic



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;

- 6) 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;
- 7) the arrangement of Life Settlements pre-approved by the Insurance Services Department of Osaic, Inc. Life Settlements are defined as the sale or a term, variable, universal or whole life insurance policy by the policyholder or owner for valid consideration, prior to his/her death, to a third party for payment of all or a portion of the policy's death benefit, subject to the third party's assumption of all rights and obligations, including but not limited to premiums, under said policy. Such sale or conveyance must be memorialized by a written contract and agreement between the seller and buyer of the policy executed after a Registered Representative provides written disclosures to them;
- 8) Accounting Services, including the provision of the following accounting services to individuals or their business entities for compensation in the Registered Representative's 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 IRS, and the preparation of tax returns, so long as such activity is approved by an Osaic Broker/Dealer;
- 9) Wholesale Brokerage Services performed by past, present or future employee or independent contractor 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);
- 10) the 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.
- 11) 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 Osaic 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 Osaic Broker/Dealer;
- 12) Providing Investment Advisory Services as an independent Registered Investment Adviser, provided such RIA has been disclosed and approved by an Osaic 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). No coverage shall apply to such activity(ies)/transaction(s) completed by you or through your independent RIA, (i.e. not through an Osaic Broker/Dealer or Corporate RIA) unless you receive prior written approval from an Osaic Broker/Dealer for such activity/transaction.

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

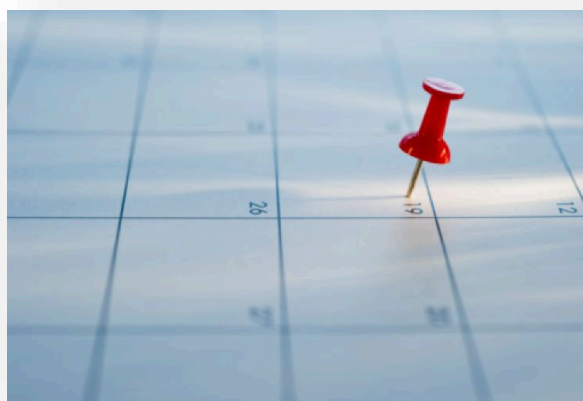
* Solely for OFA and OFS Registered Representatives, the definition of Professional Services is as per the prior carrier policy as per the acquisition agreement.

Prior Acts Date

Your Retroactive Date, also referred to as your Prior Acts Date, is your earliest date of continuously maintained contract with an Osaic Broker/Dealer. For a Claim to be covered under the 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

Active coverage ceases on the same date as your contract termination with an Osaic Broker/Dealer. Some reps may be eligible for an Extended Reporting Period (ERP), sometimes referred to as “tail coverage” or a “discovery period,” 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 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 period under which the Representative terminates their contract for general reasons (not for cause, retirement, disability or death). 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. Retirement is defined as voluntarily ceasing permanently (1) all activities performed in the capacity as a Registered Representative, including the termination of all registrations with the U.S.

Securities and Exchange Commission, any state regulatory body and FINRA; and (2) all contracts with or employment from all Osaic Entities. Registered Representatives who maintain a commission, servicing or similar agreement in place with an Osaic Entity solely for the purpose of receiving trailing commission shall be considered Retired so long as they meet the conditions set forth under paragraphs (1) and (2) above.

Optional ERP

An optional ERP of three years is offered to Representatives who terminate for general reasons (not for cause, retirement, disability or death) for an additional 200% of the annual E&O cost. A written request for this optional ERP must be received by Aon within 60 days of contract termination and such request must include payment of the full applicable additional cost. The ERP cost is considered fully earned upon receipt. Representatives who terminated from their Osaic Broker/Dealer for disciplinary reasons are not eligible to purchase an optional ERP.

Please contact Affinity Insurance Services for an ERP Request Form at info@agents-eo.com or by phone at 844-203-3108.

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: (1) any business interference with clients' lists; or (2) any fees, commissions, brokerage monies or other charges for any Professional Services; or (3) any contract dispute between any Insureds, or between the Insureds and any other entities, insurance companies or securities broker-dealers;
- h) 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;
- i) 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;
- j) 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;
- k) 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;
- l) 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;
- m) alleging, arising out of, based upon or attributable to any: (1) mechanical or electronic failure, breakdown or malfunction of machines or systems, or (2) failure to properly configure, operate or maintain machines or systems; provided, however, that paragraph (m)(2) shall not apply to a Wrongful Act by an Insured while rendering Professional Services;

- n) 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);
- o) 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;
- p) 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; provided however, this exclusion shall not apply to (1) tax advice as an incidental part of Professional Services rendered by a Registered Representative, or (2) Accounting Services;
- q) 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
 - (iv) short puts covered by cash, however, solely with respect to put transactions occurring on or after 12/22/2021;
 - (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;

- r) 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;
- s) 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;
- t) 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, provided however, that this exclusion shall not apply to the extent that the Insured would have been liable in the absence of such contract or agreement;
- u) 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;
- v) 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;
- w) 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;
- x) alleging, arising out of, based upon or attributable to Professional Services in connection with investment products partially or totally owned by a Registered Representative;
- y) 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;
- z) 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;
- aa) 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;
- bb) 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;
- cc) alleging, arising out of, based upon or attributable to any solicitation or placement of property and/or casualty insurance; or
 - dd) 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.
 - ee) 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 Osaic 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 the 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 Financial Industry Regulatory Authority; 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;
- ss) Accounting Services rendered or omitted to be rendered to or for any:
- (1) savings and loan institution or any other entity Insured or obligated to be Insured by the Federal Savings and Loan Insurance Corporation;
 - (2) bank or other entity Insured or obligated to be Insured by the Federal Deposit Insurance Corporation;
 - (3) 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;
 - (4) 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; or
 - (5) audit committee of any of the foregoing;
- tt) 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;
- uu) 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;

- vv) 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; and
- ww) 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 Osaic 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 QBE Insurance Corporation. Please refer to page 2 for carrier A.M. Best ratings.

3. What are my Limits of Liability?

The combined limits of liability between the primary and excess policies 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 QBE, the excess insurer. Please note, certain sublimits apply, see page 2 for details.

The total combined policy aggregate is \$60,000,000. The total policy aggregate does not apply to Insureds who live or work in the state of New York.

4. What is my retention?

The retention for all covered Claims is \$5,000 and applies to the payment of both Loss (Damages) and Defense Costs (Claim Expense).

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 your earliest date of continuously maintained contract with an Osaic Broker/Dealer. 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” or “discovery periods”) 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 are NOT producing/selling 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, are not eligible for Certificates of Insurance and should obtain their own E&O outside of the Osaic sponsored E&O plan if they are producing business or require a certificate of insurance to provide as proof of coverage to a third party.

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 sublimit of liability for covered trade error claims is \$2,000,000 each Claim;
- 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 page 20 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 Osaic the contact listed below:

Greg Curley
Senior Litigation Counsel
Osaic, Inc.

Phone: 212-551-5723 | Email: gcurley@osaic.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 Osaic Broker/Dealer, Osaic 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://osaic.advisors-eo.com>

For answers to coverage questions, or to obtain an ERP Request Form, 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
Osaic, Inc.
Phone: 212-551-5723 | Email: gcurley@osaic.com

Enrollment & Premium Payment Questions

Greg Curley
Senior Litigation Counsel
Osaic, Inc.
Phone: 212-551-5723 | Email: gcurley@osaic.com

<div>Osaic, Inc. Sponsored E&O Program</div> <div>Errors & Omissions Claim Report Form</div> <div>Primary Policy No. FL5EO00106-241 December 31, 2024 to December 31, 2025</div>		
<div>Your Osaic Broker/Dealer (select one):</div> <div><div><input type="checkbox"/> Osaic Wealth</div><div><input type="checkbox"/> Osaic FA</div><div><input type="checkbox"/> Osaic FS</div><div><input type="checkbox"/> Osaic Institutions</div><div><input type="checkbox"/> Osaic Services</div><div><input type="checkbox"/> LTCO</div><div><input type="checkbox"/> Highland Capital</div></div>		
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 Osaic Broker/Dealer, provide the name of the company, policy number, and policy dates:		
<div>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 <u>must</u> be enclosed.</div>		
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 Osaic 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:		
<div>SEND THIS COMPLETED FIRST REPORT FORM TO:</div> <div>Greg Curley</div> <div>Senior Litigation Counsel</div> <div>Osaic, Inc.</div> <div>Phone: 212-551-5723 Email: gcurley@osaic.com</div>		

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

Cyber Program Highlights

Insurer

Lloyd's of London Underwriters
AM Best Rated A (Excellent): XV*
Policy No. FSCE02402753

**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

\$ 250,000 Each Claim
\$ 250,000 Aggregate per Insured
\$ 17,500,000 Policy Aggregate All 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

Bricking

\$ 25,000 Each Claim
\$ 25,000 Aggregate per Rep
\$ 10,000,000 Policy Sub-Aggregate for all Insureds

Cyber Crime (aka Social Engineering)

\$ 25,000 Each Claim
\$ 25,000 Aggregate per Rep
\$ 2,000,000 Policy Sub-Aggregate for all Insureds

Reputational Harm Loss

\$ 50,000 Each Claim
\$ 50,000 Aggregate per Rep
\$ 10,000,000 Policy Sub-Aggregate for all Insureds

Retroactive Date

June 1, 2019

Retention

\$ 5,000 Each Claim (note 10-hour waiting period for Business Interruption coverage part to trigger)

**Retention
applies to the
payment of
Loss & Defense
Costs**

Insureds

1. A Registered Representative or Investment Advisor Representative or Insurance Agent contracted to an Osaic Broker/Dealer or Corporate RIA and/or any insurance agency affiliate thereof who is licensed by the proper authorities and has elected to enroll for coverage under the Policy, has paid the applicable premium and any applicable surcharges; and
2. Any corporation, partnership, or other business entity owned or controlled by a natural person referred to in paragraph 1, above, or which employs such person.

Coverage Parts

Security and Privacy Liability - Coverage Part A

This coverage generally responds to demands made by third parties, typically clients, who are seeking monetary relief for loss of their personal, non-public information due to a privacy breach.

The Insurer will pay on behalf of you, the Insured rep, any Damages and Claims Expenses, including legal fees, in excess of the applicable retention resulting from a Claim arising out of a Security Wrongful Act, Privacy Breach or Security Breach.

Damages may include a monetary judgment, award, claimant's attorneys fees, settlement, pre- and post-judgment interest, as well as punitive and exemplary damages where allowed by law and subject to all the terms and conditions of the policy. Damages do not include your future profits, restitution, disgorgement of profits, and fines or penalties (except as provided under the Regulatory Coverage Part of the policy), the return of fees, charges, royalties or commissions for goods or services provided or to be provided under contract, and any amounts deemed uninsurable by law.

Security Wrongful Act means any act, error or omission committed by you or someone you are legally responsible for, including an outside contractor, that results in:

1. The inability of an authorized third party to access your Computer Systems;
2. Your failure to prevent unauthorized access to or unauthorized use of a Computer System operated by you or on your behalf, which results in the alteration, corruption destruction or deletion of, or damage to, electronic data on your computer system; unauthorized disclosure of information; or a Denial of Service Attack against a third party's internet site or system;

3. The failure to prevent the transmission of a malicious code from your computer system to a third party's.

Privacy Breach means a breach of privacy regulations, confidentiality, infringement, or violation of any right to privacy including, but not limited to, a breach of your privacy policy, breach of a person's right of publicity, false light, intrusion upon a person's seclusion or public disclosure of a person's private information, theft or surrender of private information, failure to develop or administer an identity theft prevention program, or failure to comply with relevant privacy laws.

Security Breach means either:

1. The loss, unauthorized access, misuse, disclosure or personal, non-public information of customers or employees, or in the care, custody or control of a service provider; or
2. The theft of data stored on your computer system.

Security Breach Response Costs - Coverage Part B

This coverage part applies generally to cover your costs in investigating and responding to an actual or suspected security or privacy breach. This coverage may be triggered in the absence of a claim by a third party.

The Insurer will reimburse you any Crisis Management Costs and Breach Response Costs in excess of the applicable retention in the event of a Security Breach involving personal, non-public information.

Crisis Management Costs means any reasonable and necessary fees and costs you incur with the prior written consent of the Insurer to employ a public relations consultant to avert or mitigate the harm to your business due to a publicized event arising from a Security Breach.

Breach Response Costs include the following reasonable and necessary fees, costs, charges and expense incurred within 24 months after your discovery of Security Breach:

1. Forensic professional fees and expenses incurred to determine the cause and scope of the Security Breach and the cost to rectify it;
2. Legal fees and expenses to determine your obligations under applicable privacy regulations to notify authorities or customers or employees who were affected or suspected of being affected by the Security Breach, to assist in drafting and required notifications, and to coordinate the investigation of the breach;
3. Costs to notify the regulatory agencies or customers or employees affected; and
4. Identity Protection Services, such as credit monitoring services, call center services and products deemed appropriate in the discretion of the Insurer.

Privacy Regulatory Claims - Coverage Part C

This coverage part provides assistance in responding to claims by regulators as a result of a security or privacy breach and paying the expenses related to such claims, including any penalties for regulatory violations.

The Insurer will pay in excess of the applicable retention any Damages and Claim Expenses you become legally obligated to pay as a result of a Regulatory Claim arising out of a Privacy Breach or Security Breach.

A Regulatory Claim means any request for information or investigation by the authorities pursuant to regulation or a governmental entity.

PCI-DSS Assessment - Coverage Part D

This coverage applies to any costs, fines and penalties in connection with failure to secure credit cardholder personal information.

The Insurer will pay on your behalf any amounts, in excess of the applicable retention, you are legally obligated to pay as a PCI DSS Assessment and Claims Expenses resulting from a Security Breach or Privacy Event.

PCI-DSS Assessment means the direct monetary fines, penalties, card reissuance costs, assessments, reimbursements (including operational reimbursements), fraud recoveries or assessments owed by you or your acquiring bank under the terms of a Merchant Services Agreement, but only where such fines, penalties, reimbursements, fraud recoveries or assessments result from a breach of cardholder data resulting from an actual or reasonably suspected Security Breach. Coverage does not include any charge backs, interchange fees, discount fees or prospective fees or any other amount arising out of your agreement to comply with PCI standards or payment card company rules.

Cyber Extortion (aka Ransomware) - Coverage Part E

This coverage part applies broadly to cyber threats that hold hostage your systems and data residing there.

The Insurer will indemnify you for any Cyber Extortion Expenses and Cyber Extortion Payments in excess of the applicable retention in connection with a Cyber Extortion Threat.

Cyber Extortion Expenses are those reasonable and necessary expenses incurred with the Insurer's consent to evaluate and respond to a Cyber Extortion Threat, which is defined as a credible threat made by someone other than a director, partner or trustee of your organization to introduce malicious code into your computer system, to interrupt your system or deny access, such as through a denial of service attack, to corrupt, damage, alter or destroy your system, or disseminate or improperly use any personal or confidential information on your system.

Coverage for a Cyber Extortion Payment is predicated on receiving the Insurer's written consent to make a payment that is made in an effort to end the threat.

Business Income and Reputational Harm Loss - Coverage Part F

This coverage part will potentially reimburse you for lost earnings when your computer system is down for a prolonged period.

The Insurer will pay you for Business Income and Reputational Harm Loss in excess of the applicable retention that you sustain during the Period of Restoration resulting directly from a Network Disruption that exceeds 10-hour Waiting Period and that arises directly from a covered cause of loss on or after June 1, 2019. The Period of Restoration is defined as 180 days from the date of the Network Disruption.

Business Income and Reputational Harm Loss means Earnings Loss (i.e., the difference between the actual revenue and the reasonably projected revenue that you would have earned plus payroll and fixed operating expenses during the Period of Restoration, but for the Network Disruption, less the variable and fixed costs that would have been incurred, which you saved as a result of not earning that revenue) and/or Expenses Loss (i.e., the additional expenses you incurred during a Network Disruption to minimize, prevent or mitigate the suspension of business and to continue operations during the Period of Restoration that are over and above the cost that you reasonably and necessarily would have incurred to conduct your business had no Network Disruption occurred, provided that the additional expenses are less than the Earnings Loss thereby avoided—note Restoration Costs to restore your digital assets are treated separately).

Network Disruption means either a 1) detectable failure, interruption, or degradation of your computer system, or 2) the denial, restriction, or hindrance of access to or use of your system or digital assets by authorized users.

Digital Asset Restoration - Coverage Part G

This coverage part is intended to cover the expense of bringing your systems back to the condition they were in before the breach.

The Insurer will reimburse you for Restoration Costs in excess of the applicable retention that you incur due to the alteration, destruction, damage, or loss of Digital Assets discovered during the Policy Period resulting from a covered loss commenced on or after June 1, 2019.

Digital Assets are electronic data, software and firmware you own or control or for which such control was contractually assigned to a service provider; digital assets are not hardware of any kind.

Restoration Costs mean reasonable the necessary costs you incur to replace, restore or re-create your Digital Assets to their level or condition prior to the loss (coverage is not afforded to upgrade or otherwise improve these assets or for the market value of these assets, including trade secrets).

Bricking – Restoration Costs also include the cost to replace computer hardware and devices that have not suffered physical damage but have been rendered inoperative or useless as a result of unauthorized access to, or use of, or transmission of malware to, your computer system. Please note that there is a \$25,000 per rep sublimit applicable to Bricking loss.

Multimedia Liability - Coverage Part H

Protects against claims by third parties for publishing damaging information.

The Insurer will pay any Damages and Claim Expenses in excess of the applicable retention resulting from a Claim arising out of a Multimedia Wrongful Act occurring on or after June 1, 2019.

Multimedia Wrongful Acts are the following acts, errors or omissions committed in the ordinary course of your business in gathering, communicating, reproducing, publishing, releasing or disclosing media content:

1. Defamation, libel, slander, product disparagement, intentional infliction of emotional distress;
2. Invasion of the right privacy or publicity;
3. False arrest, detention, malicious prosecution;
4. Any form of invasion of privacy including infringement of any right to private occupancy, trespass, wrongful entry, eviction or eavesdropping, commercial appropriation of name, persona or likeness;
5. False advertising;
6. Infringement of intellectual property rights (excluding patent), copyright, domain name, trade name;
7. Plagiarism, piracy, misappropriation of ideas or property rights;
8. Negligence regarding content of such media;
9. Unfair competition and trade practices, such as false or misleading advertising.

Cyber Crime (aka Social Engineering) - Coverage Part I

The policy will cover losses due to following fraudulent instructions to transfer client funds or assets.

The Insurer will reimburse you for any Crime Loss you sustain in excess of the applicable retention of \$5,000.

Cyber Crime is defined as the dishonest manipulation or unauthorized misuse by a Malicious Third Party of your computer system or a client's computer system to send fraudulent communications to you purporting to come from a trusted third party but actually sent by the Malicious Third Party. Malicious Third Party can be any natural person not an employee, or a service provider under contract with you, or someone in collusion with an employee). The communication that results in Crime Loss may be electronic, telegraphic, telephonic, instructions or messages.

Crime Loss means the direct financial loss you sustain as a result of the theft or unauthorized transfer of (i) your funds, (ii) funds or assets you hold or process for a client. The most typical example is an email from your client's email account instructing you or your office to transfer client funds.

Important Conditions to Coverage: Before transferring any funds or changing transfer instructions, you MUST 1) obtain two signatures from authorized individual at the broker/dealer for any transfer in excess of \$5,000; and 2) verify new account details or new payees orally by telephone conversation with your client or anyone authorized to make such changes.

Cyber Liability Exclusions

The Insurer shall not be liable for any claim or any amounts for, arising out of or resulting from:

- A. Bodily Injury or Property Damage, except that this exclusion shall not apply to emotional distress or mental anguish arising out of an actual or alleged Privacy Breach, Security Breach or Security Wrongful Act;
- B. Your employment practices or any alleged or actual discrimination against any person or entity on any basis, including without limitation, race, creed, color, religion, ethnic background, national origin, age, handicap, disability, sex, sexual orientation, or pregnancy; provided this exclusion shall not apply to an otherwise covered Claim under Coverage Parts A. or B. or C. by a current or former Employee of your organization; or to the payment of Breach Response Costs involving current or former Employees of your organization;
- C. The failure, malfunction or inadequacy of any satellite, any electrical or mechanical failure and/or interruption, including but not limited to electrical disturbance, outage, spike, brownout or blackout; or any outage to gas, water, telephone, cable, internet service provider, the world wide web, telecommunications, or other infrastructure, unless such infrastructure is under your operational control or the operational control of a Service Provider;
- D. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, an act of God, or any other physical event, however caused;
- E. Based on or arising out of the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services; or any failure of goods, products or services to conform with an advertised quality or performance; or any failure to provide goods or products, or perform services within a specified time period, by a deadline or according to specified milestones; or the authenticity of any products, goods or services; or any cost or profit guarantees, cost representations, contract price, or estimates of probable costs or cost estimates;
- F. Any seizure, confiscation, nationalization, or destruction of, or damage to, or loss of use of any Digital Asset or your Computer Systems by order of any governmental authority;
- G. based upon, arising out of or attributable to any contractual liability or obligation, liability assumed under contract, or any breach of any oral or written contract or agreement;
 - 1. any liability or obligation You would have in the absence of such contract or agreement;
 - 2. any breach of Your written, privacy policy;
 - 3. any liability or obligation you have pursuant to a Merchant Services Agreement;
 - 4. any indemnity by you in a written contract or agreement regarding any Privacy Breach, Security Breach or Security Wrongful Act by you in failing to preserve the confidentiality or privacy of personal information; or
 - 5. any indemnity by You in a written contract or agreement regarding any Privacy Breach, Security Breach or Security Wrongful Act by You in failing to preserve the confidentiality of sensitive, non-public commercial information.
- H. Any of the following:
 - 1. Any presence of pollutants or contamination of any kind;

2. Any actual, alleged or threatened discharge, dispersal, release, or escape of pollutants or contamination of any kind;
 3. Any direction or request to test for, monitor, clean up, abate remove, contain, treat, detoxify, or neutralize pollutants or in any way respond to or assess the effects of pollutants or contamination of any kind;
 4. Manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials, or products containing asbestos, asbestos fibers or asbestos dust;
 5. Ionizing radiation or contamination by radioactivity from any nuclear fuel or any nuclear waste from the combustion of nuclear fuel;
 6. Actual, potential or alleged presence of mold, mildew or fungi of any kind;
 7. The radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or
 8. The existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety, or condition of any person or the environment or that affects the value, marketability, condition, or use of any property;
- I. Any of the following:
1. Purchase, sale, offer of or solicitation of an offer to purchase or sell securities, or alleged or actual violation of any securities law, including but not limited to the provisions of the Companies Act 2006 (UK), the Financial Services and Markets Act 2000 (UK), the EU Prospectus Directive (2003/71/EC), the EU Prospectus Regulation (8092004), the Securities Act of 1933 (US), or the Securities Exchange Act of 1934 (US), as amended, the Sarbanes-Oxley Act of 2002 (US), or any regulation promulgated under the foregoing statutes, or any applicable federal, state, local, or foreign laws similar to the foregoing statutes (including “Blue Sky” laws), whether such law is statutory, regulatory, or common law and including any amendments to any of the foregoing;
 2. Alleged or actual violation of any racketeering or conspiracy law including but not limited to the Proceeds of Crime Act (commonly known as “POCA”), the Organized Crime Control Act of 1970 (commonly known as “Racketeer Influenced And Corrupt Organizations Act” or “RICO”), as amended, or any regulation promulgated thereunder, or any applicable national, federal, state, local, or EU law similar to the foregoing statutes, whether such law is statutory, regulatory, or common law, and including any amendments to any of the foregoing;
 3. Alleged or actual violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Pensions Act 2004, the Employee Retirement Income Security Act of 1974 (US), the Trustee Act 2000 (UK) as amended or any applicable national, federal, state, local or foreign laws similar to the foregoing statutes, including any amendments to any of the foregoing; provided, however, this exclusion J.3. shall not apply to an otherwise covered Claim under Coverage Parts A. and/or C.; or
 4. Alleged or actual anti-trust violations, restraint of trade or unfair competition, including without limitation, violations of the Competition Act 1998, Articles 101, 102 or 107 of the Treaty on the Functioning of the European Union, Council Regulation 139/2004 EC, the Sherman Act (US), the Clayton Act (US), or the Robinson-Patman Act (US), each as amended or any other national, federal, state, local, or EU laws regulating the same or similar conduct, including any amendments to any of the foregoing; provided, however, this exclusion J.4 shall not apply to a Claim for a Multimedia Wrongful Act or Regulatory Claim;

- J. Any Act of terrorism; strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; including all amounts, Damages, or Claim Expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to the above. However, this exclusion shall not apply to Cyber Terrorism;
- K. Any of the following:
 - 1. Any Circumstance first occurring, or act, error, or omission committed, prior to the Retroactive Date of this Policy, if on or before the Retroactive Date of this Policy, your Control Group knew or should reasonably have foreseen such Circumstance, act, error, or omission would be the basis of a Claim;
 - 2. Any Claim, incident, or Circumstance previously notified to and accepted by a prior insurer that could reasonably be expected to be the type of Claim or Loss covered by this Policy; or
 - 3. Any Circumstance first occurring, or act, error, or omission first committed prior to the Retroactive Date;
 - 4. With respect to Cyber Crime:
 - a. Discovery which occurred prior to the inception date of this Policy;
 - b. Crime Loss sustained by you prior to the Retroactive Date
 - c. Discovery notified to a prior insurer; or
 - d. Discovery occurring subsequent to the termination of the Policy;
- L. Any criminal, dishonest, intentional violation of the law, unfair business practice, or, fraudulent, or malicious act, error, or omission committed by you with actual criminal, dishonest, fraudulent, or malicious purpose or intent; provided, however, this exclusion shall not apply to:
 - 1. Claim Expenses incurred in defending any such Claim until there is a final adjudication, judgment, binding arbitration decision or conviction against you in such Claim or an admission by you establishing such conduct, or a plea of nolo contendere or no contest by You regarding such conduct, in which event you shall reimburse Insurer for all Claim Expenses that Insurer has paid and Insurer shall have no further liability for Claim Expenses from such Claim; and
 - 2. any of you who did not personally commit or personally participate in committing or personally acquiesce in such conduct, except that the exclusion shall apply with respect to your organization if a final adjudication, or finding in a proceeding separate or collateral to the Claim establishes that a current principal, partner, director, or officer of your Organization in fact engaged in such conduct;
- M. Any Claim made by or on behalf of:
 - 1. any person or entity within the definition of you against any other Insured person or entity within the definition of you provided this exclusion shall not apply to an otherwise covered Claim under Insuring Agreement I.A. made by a current or former Employee of your organization; or
 - 2. Any entity which:
 - a. is operated, managed, or controlled by you or in which you have an ownership interest in excess of 15% or in which you are an officer or director; or

- b. controls, or manages your organization, or has an ownership interest of more than 15% in your Organization;
- N. Your activities as a trustee, partner, officer, director, or employee of any employee trust, charitable organization, corporation, company or business other than your organization;
- O. Any actual or alleged:
 - 1. infringement or violation of patent rights or misappropriation, theft, copying, display, or publication of any trade secret by, or with active cooperation, participation, or assistance of, you, any of your former Employees, Subsidiaries, directors, officers, partners, trustees, or any of your successors, or assignees; provided, however, this exclusion shall not apply to any misappropriation of any trade secret obtained as a result of a Security Wrongful Act as expressly covered under Coverage Part A;
 - 2. advertisement, display, or sale of your product that actually or allegedly violates a patent;
- P. Any of the following (except these exclusions do not apply to the Cyber Crime/Social Engineering Coverage):
 - 1. Trading losses or trading liabilities;
 - 2. the monetary value of any electronic fund transfers or transactions by or on behalf of you which is lost, diminished, or damaged during transfer from, into or between accounts;
 - 3. the face value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;
 - 4. the theft of any money, securities, or any equivalents thereof (including e-certificates, coupons, gift cards and vouchers); or
 - 5. the monetary value of any transfer of funds, securities, or any equivalents thereof (including e-certificates, coupons, gift cards, and vouchers) made as a result of a fraudulent instruction (including phishing or any other social engineering techniques).
- Q. Any costs of updating, upgrading or remediation of your Computer Systems or your Digital Assets; provided, however, this exclusion shall not apply to Restoration Costs otherwise covered under Insuring Agreement I.G.;
- R. Any Claim or Loss resulting directly from your bankruptcy;
- S. Any act, error, omission, negligence or breach of duty arising out of the rendering or failure to render professional service;
- T. Any Claim based upon, arising out of or resulting from the unlawful or allegedly unlawful collection, use, processing, retention, storage or disposal of biometric information, data or identifiers by you or on your behalf, including but not limited to, any actual or alleged failure to provide required notice of, or obtain required consent for, such practices.

Additionally, the following Exclusions apply to the Cyber Crime coverage part:

- U. Crime Loss resulting from fraudulent features contained in computer programs, developed for sale to or that are sold to multiple customers, at the time of their acquisition from a vendor or consultant;
- V. Crime Loss resulting from any dishonest, fraudulent or criminal act of any Employee (including any director, officer or trustee of your Organization and any member of the Control Group).

Frequently Asked Cyber Questions

1. Who is my Insurer?

The Cyber Coverage is underwritten by certain underwriters at Lloyd's of London (Brit Insurance is lead). Please refer to page 21 for carrier A.M. Best rating.

2. What are my Limits of Liability?

The limits of liability are \$250,000 each Claim/\$250,000 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. Note, certain coverage extensions are subject to sublimits. Sublimits are within these limits of liability and the total policy aggregate.

The total policy aggregate applicable to all Claims and Insureds is \$17,500,000.

3. What is my retention?

The retention of \$5,000 applies to each Claim under all coverage parts.

4. Can I obtain separate Cyber Liability Coverage?

Yes, so long as you purchase coverage under this Policy, there is no prohibition against having separate Cyber Liability Coverage. A Representative can supplement this Policy but may not substitute another policy for this Policy.

5. What are some examples of loss covered by the Cyber Policy?

The policy defines Covered Cause of Loss as:

- The unauthorized access or use of your computer system or your Digital Assets;
- The unauthorized transmission of computer code into your computer system that causes loss or damage to your Digital Assets; or
- A Denial of Service Attack (i.e., the inability of a third party to gain access to your Computer Systems because of unauthorized attacks or deliberate overloading of bandwidth connections and/or web servers by means of the sending of substantial quantities of repeat or irrelevant communication or data with the intent of blocking access to the computer system by third parties) that causes loss or damage to your Digital Assets;
- Accidental physical damage or destruction of electronic media, so that stored Digital Assets are no longer machine-readable;

- Failure in power supply or under/over voltage only if such power supply is under your direct operational control or the direct operational control of a Service Provider. Direct operational control includes back-up generators;
- Electrostatic disturbances, build-up and static electricity;
- An accidental, unintentional, or negligent act, mistake, error, or omission in:
 - a) the entry, or modification of Digital Assets;
 - b) the creation, handling, development, or maintenance of your Digital Assets; or
 - c) on-going Computer System operation or maintenance, and administration excluding the design, architecture, or configuration of your Computer System or a computer system operated on Your behalf;by your Employee or a Service Provider.
- Cyber Crime / Social Engineering or fraudulently induced transfers of client funds

What to do in the Event of a Cyber Claim

Early intervention in the event of security or privacy breach can save considerable claim dollars. Lloyd's has contracted with industry leading forensic firms and breach coaches to support you in the event of a breach. In the event of a suspected breach (including after business hours), remember the following:

DO:

1. Report any and all suspected breaches immediately to the Osaic's incident response team using the Claim Report Form located at Page 35 of this coverage guide. The email address for noticing is incident@osaic.com.
2. For any questions or concerns, you may call Aon or Osaic Legal. The contact information can be found on the following page.
3. Preserve all electronic evidence/logs.

DON'T:

1. Hire outside service providers and vendors without prior written consent of Lloyd's (legal, forensic, public relations, etc.)
2. Wire money to anyone, or
3. Wait to get started.

Important Cyber Contacts

Certificates of Insurance & Coverage Questions

Please contact Aon Affinity Insurance Services by email at: info@agents-eo.com or by phone at: 844-203-3108

Claim Reporting

Refer to Page 33 for instructions on What to Do in the Event of a Cyber Claim.

Enrollment & Premium Payment

Greg Curley
Senior Litigation Counsel
Osaic, Inc.
Phone: 212-551-5723 | Email: gcurley@osaic.com

Osaic, Inc. Sponsored Cyber Liability Program
Cyber Liability Incident Report Form
Policy No.: FSCE02302753 | Policy Period: December 31, 2023 to December 31, 2024

Your Osaic Broker/Dealer (select one):

☐ Osaic ☐ Securities America ☐ Triad ☐ LTCO ☐ Osaic Institutions
☐ American Portfolios ☐ Highland Capital

Today's Date:	Date you became aware of this cyber incident:
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Name:	Rep ID#:	Branch #:
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Business Address:

Email Address:

Phone Number:	Fax Number:
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Please attach a description of the circumstances leading to the incident 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): \$

If a customer has made a Claim against you, please provide customer name & address below:

Name:

Address:

If you have discussed this matter with anyone at your Osaic 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 Cyber Liability Insurance? If yes, provide requested details below:

Insurer Name:

Policy Number:

Limits of Liability:

AS SOON AS YOU BECOME AWARE OF ANY ACTUAL OR SUSPECTED INFORMATION SECURITY INCIDENT OR BREACH, YOU MUST IMMEDIATELY EMAIL AND CONTACT YOUR FIRM'S CYBER INCIDENT TEAM.

SEND THIS COMPLETED FIRST REPORT FORM TO:

incident@osaic.com

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