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**BRIAN A. OLIVER**

**UNITED STATES DISTRICT COURT**

**DISTRICT OF OREGON**

**PORTLAND DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

Plaintiff,

vs.

**AEQUITAS MANAGEMENT, LLC;  
AEQUITAS HOLDINGS, LLC;  
AEQUITAS COMMERCIAL FINANCE,  
LLC; AEQUITAS CAPITAL  
MANAGEMENT, INC.; AEQUITAS  
INVESTMENT MANAGEMENT, LLC;  
ROBERT J. JESENİK; BRIAN A.  
OLIVER; and N. SCOTT GILLIS,**

Defendants.

Case No. 3:16-cv-00438-PK

**DECLARATION OF JASON P. CRONIC IN  
SUPPORT OF MOTION OF DEFENDANTS  
BRIAN A. OLIVER AND N. SCOTT GILLIS  
FOR RELIEF FROM RECEIVERSHIP  
ORDER**

Complaint Filed: March 11, 2016



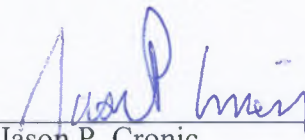
I, Jason P. Cronic, declare as follows:

1. I am counsel for Catlin Specialty Insurance Company ("Catlin"). I have personal knowledge of the facts set forth in this declaration, and, if called and sworn as a witness, I could and would testify to the following facts.

2. Attached hereto as Exhibit A is a true and correct copy of Private Equity Management Liability Insurance Policy No. MFP-686757-0714 issued to Aequitas Holdings, LLC, for the Policy Period of July 1, 2014 to November 1, 2015, as amended by Endorsement 8 (the "Catlin Policy").

3. Subject to its terms, conditions, and limitations, the Catlin Policy provides specified coverage, in relevant part, for "Loss," inclusive of "Defense Costs," resulting from "Claims" made against "Insured Persons," as those terms are defined by the Catlin Policy. Catlin Policy, Section I.(A). The Limit of Liability for such coverage is \$5,000,000, which is the maximum aggregate amount that XL Catlin is obligated to pay under the Catlin Policy. *Id.*, Section V.(A). Catlin has paid \$5 million in Loss on behalf of Insured Persons under the Catlin Policy through the advancement of Defense Costs and the Catlin Policy has thus been fully exhausted.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 21, 2017 in Washington, D.C.

  
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Jason P. Cronic

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# EXHIBIT A

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## FRAUD NOTICE

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

### STATE SPECIFIC PROVISIONS

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Hawaii	For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.
Kansas	Any person who knowingly and with the intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy, or a claim for payment or other benefit pursuant to an insurance policy which such person knows to contain materially false information concerning any fact material thereto; or conceals for the purpose of misleading, information concerning any fact material thereto is guilty of a crime and may be subject to fines and confinement in prison.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.

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Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
New York	<p><b>All commercial insurance forms, except as provided for automobile insurance:</b>  Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p><b>Automobile insurance forms</b>  Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p><b>Fire Insurance:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	<b>WARNING:</b> Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

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**Oregon**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A. The misinformation is material to the content of the policy;
- B. We relied upon the misinformation; and
- C. The information was either:
  - 1. Material to the risk assumed by us; or
  - 2. Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

**Pennsylvania**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Puerto Rico**

Any person who knowingly and with the intention to defraud includes false information in an application for insurance or file, assist or abet in the filing of a fraudulent claim to obtain payment of a loss or other benefit, or files more than one claim for the same loss or damage, commits a felony and if found guilty shall be punished for each violation with a fine of no less than five thousand dollars (\$5,000), not to exceed ten thousand dollars (\$10,000); or imprisoned for a fixed term of three (3) years, or both. If aggravating circumstances exist, the fixed jail term may be increased to a maximum of five (5) years; and if mitigating circumstances are present, the jail term may be reduced to a minimum of two (2) years.

**Rhode Island**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Tennessee**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Virginia**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Washington**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**West Virginia**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.



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# PRIVACY POLICY

Callin Insurance group [the "Companies"], believes personal information that we collect about our customers, potential customers, and proposed insureds [referred to collectively in this Privacy Policy as "customers"] must be treated with a high degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act ["GLBA"], we have developed a Privacy Policy that applies to all of our U.S. based companies. For purposes of our Privacy Policy, the term "personal information" includes all nonpublic information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

## Our Privacy Statement

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, our practice is to:

1. Follow appropriate standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. Verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, risk management, or claims handling and only with reputable references and clearinghouse services;
3. Collect and use information about you and your business to advise you about and deliver to you excellent service and products and to administer our business;
4. Train our employees to handle personal information about you or your business in a secure and confidential manner and maintain reasonable access controls. Not disclose personal information about you or your business to any organization outside the Callin Insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are permitted to do so by law;
5. Not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
6. Attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information [unless prohibited by law], and will advise you how to correct errors or make changes to that information; and
7. Audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

## Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

**Submission** – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;

**Quotes** – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek. We collect most of our information directly from you through our agents or broker. Depending on the nature of your insurance transaction we may need additional information from outside sources such as motor vehicle records, loss information reports, court records or other public records. In some instances, we may send someone to inspect your property and verify information about its value and condition, and a photo of the property may be taken;

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Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;

Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and

Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide. If coverage is declined or the charge for coverage is increased because of information contained in a consumer report, we will tell you as required by law. We will also give you the name and address of the consumer reporting agency making the report.

#### **Retention and Correction of Personal Information**

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

#### **Storage of Personal Information**

We have in place safeguards to protect electronic data and paper files containing personal information.

#### **Sharing/Disclosing of Personal Information**

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose "consumer credit report" type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer's eligibility for credit, insurance or employment. "Consumer credit report type information" means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

#### **Policy for Personal Information Relating to Nonpublic Personal Health Information**

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.



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### Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

Your independent insurance agent or broker;

An independent claim adjuster or investigator, or an attorney or expert involved in the claim;

Persons or organizations that conduct scientific studies, including actuaries and accountants;

An insurance support organization;

Another insurer if to prevent fraud or to properly underwrite a risk;

A state insurance department or other governmental agency, if required by federal, state or local laws; or

Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Lienholder, mortgagee, assignee, lessor, or other person shown on our records or our agent's as having a legal or beneficial interest in a policy of insurance.

Parties acting in a fiduciary or representative capacity to you or parties administering transactions as requested or authorized by you.

### Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

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## U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Policyholder Notice provides information concerning the possible impact on your insurance coverage provided under your policy due to directives issued by OFAC. Please read this Policyholder Notice carefully.

OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals based on Presidential declarations of "national emergency." OFAC has identified and listed numerous:

- Foreign agents
- Front organizations
- Terrorists
- Terrorist organizations
- Narcotics traffickers

as "Specially Designated Nationals and Blocked Persons." This list can be found on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated US sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

## NOTICE TO POLICYHOLDERS

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### CLAIMS NOTICE

All claims must be reported to Catlin at:

Catlin  
Attn: Claims  
P.O. Box 8049  
Scottsdale, AZ 85252

E-mail: [catlinclaimspl@catlin.com](mailto:catlinclaimspl@catlin.com)

Phone: 404-443-4910\888-443-4910

Fax: 404-443-4912

# Policy Declarations

## Private Equity Management Liability Insurance

Policy No.: MFP-686757-0714

Renewal of Policy No.: NEW

This Is A "Claims Made" Policy. Subject To Its Terms, This Policy Only Affords Coverage For Claims First Made Against The Insureds During The Policy Period Or Extended Reporting Period, If Applicable. In Addition, Defense Costs Are Included In And Shall Reduce The Limits Of Liability.

Please Read This Entire Policy Carefully. Consult Your Broker Or Other Representative If You Do Not Understand Any Terms Of This Policy.

<b>Insurer</b> Catlin Specialty Insurance Company 160 Greentree Drive Suite 101 Dover, DE 19904	<b>Underwriting office</b> 140 Broadway, 43 <sup>rd</sup> Floor New York, NY 10005	<b>Producer</b> Woodruff Sawyer & Co. 50 California Street 12th Floor San Francisco, CA
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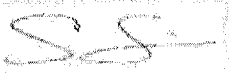
Terms appearing in Bold are defined in the Policy.

Item 1.	<b>Named Insured:</b> Aequitas Holdings, LLC <b>Principal Address:</b> 5300 Meadows Road, Suite 400 Lake Oswego, OR 97035		
Item 2.	<b>Policy Period</b> From: 07/01/2014 at 12:01 a.m. (local time at the address stated in Item 1.) To: 07/01/2015 at 12:01 a.m. (local time at the address stated in Item 1.)		
Item 3.	Limit of Liability:	\$ <u>5,000,000</u>	
Item 4.	Retention:  a. \$ <u>500,000</u> each Claim other than an Employment Claim, under Insuring Agreement B. b. \$ <u>500,000</u> each Claim other than an Employment Claim, under Insuring Agreement C. c. \$ <u>500,000</u> each Employment Claim, under Insuring Agreement B. d. \$ <u>500,000</u> each Employment Claim, under Insuring Agreement C.		
Not applicable for Insuring Agreement A. (Insured Person Liability), and Coverage Extensions A. (Informal Investigations Coverage) and C. (Portfolio Company Outside Directorship Liability Coverage).			
Item 5.	Pending or Prior Litigation Date: Per expiring		

Item 6.	Premium Development	Premium: \$ <u>225,938.00</u>
		TRIA: \$ <u>Included</u>
		Total Premium (Including TRIA) \$ <u>225,938.00</u>
	Additional Premium for the Extended Reporting Period:	<u>225</u> % of Annualized Premium
	Length of Extended Reporting Period:	<u>12</u> Months
Item 8.	Endorsements Applicable to Coverage at Inception of Policy: See schedule of forms and endorsements	

These Declarations, Together With The Completed And Signed Application For This Policy, All Materials Submitted Therewith Or Made A Part Thereof And The Policy Form Attached Hereto, Constitute The Policy.

This Policy shall not be valid unless also signed by another duly authorized representative of the insurer.

Countersigned: 	By:
Date: 09/03/2014	Authorized Representative: 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured Aequitas Holdings, LLC	
Policy Number MFP-686757-0714	Policy Period From 07/01/2014 To 07/01/2015

Forms and Endorsements	
PLPQ001 0810	Private Equity Management Liability Insurance Policy Declarations
PLPQ050 0810	Private Equity Management Liability Insurance Policy
PLPQ412 1112	Delete Informal Investigations Coverage Endorsement
ABAP401 1012	In Witness Endorsement
PLPQM023 0714	Regulatory Exclusion Endorsement
PLPQM024 0714	Amended Exclusions Endorsement
PLPQM025 0714	Amended Definition of Asset Management Services Endorsement
PLPQM026 0714	Securities Claims Endorsements
PLPQM027 0714	Amend Defense of Claim Endorsement
PLPQM028 0714	Amended Imputation Language Endorsement
ABAP 900 1008	Service of Suit



Policy

Private Equity Management Liability Insurance

This is a "Claims Made" Policy. Subject to its terms, this Policy only affords coverage for Claims first made against the Insureds during the Policy Period or Extended Reporting Period, if applicable. In addition, Defense Costs are included in and shall reduce the limits of liability.

Please read this entire Policy carefully. Consult your broker or other representative if you do not understand any terms of this Policy.

In consideration of the payment of the premium, and in reliance upon the statements made in the **Application**, which is incorporated into this Policy and forms a part hereof, the Insurer designated as such in the Declarations (the "**Insurer**") and the **Insureds** agree as follows:

## **I. Insuring Agreements**

### **A. Insured Person Liability**

The **Insurer** shall pay on behalf of any **Insured Person** all **Loss** for which the **Insured Organization** has not indemnified such **Insured Person**, resulting from a **Claim** (including an **Employment Claim**) first made against such **Insured Person** during the **Policy Period** or **Extended Reporting Period**, if applicable, for a **Wrongful Act**.

### **B. Insured Organization Reimbursement**

The **Insurer** shall pay on behalf of an **Insured Organization** all **Loss** for which the **Insured Organization** is permitted or required to indemnify any **Insured Person**, resulting from a **Claim** (including an **Employment Claim**) first made against such **Insured Person** during the **Policy Period** or **Extended Reporting Period**, if applicable, for a **Wrongful Act**.

### **C. Insured Organization Liability**

The **Insurer** shall pay on behalf of an **Insured Organization** all **Loss** which the **Insured Organization** becomes legally obligated to pay resulting from a **Claim** (including an **Employment Claim**) first made against such **Insured Organization** during the **Policy Period** or **Extended Reporting Period**, if applicable, for a **Wrongful Act**.

## **II. Coverage Extensions**

### **A. Informal Investigations Coverage**

Subject to the terms of this Policy, coverage is afforded for reasonable and necessary pre-**Claim** fees, costs and expenses consented to by the **Insurer** and incurred by an **Insured Person** solely in connection with such **Insured Person's** preparation for or response to a subpoena (including but not limited to, verifiable request(s) to appear at a meeting or interview, or to produce documents), served upon an **Insured Person** by any local, state, federal or foreign investigatory authority, that, in any case, concerns the business of the **Insured Organization** and the **Asset Management Services** provided by the **Insured Person** to such **Insured Organization**.

This coverage shall be subject to a \$250,000 aggregate sublimit of liability. Such sublimit of liability shall be the maximum aggregate amount that the **Insurer** shall pay under this Coverage Extension. Such sublimit of liability shall be part of, and not in addition to, the Limit of Liability specified in Item 3. of the Declarations.

### **B. Non-Profit Entity Outside Directorship Liability Coverage**

Subject to the terms of this Policy, coverage is afforded for **Loss** resulting from any **Claim** against an **Insured Person** for a **Wrongful Act** while serving in a **Non-Profit Capacity**.

This coverage shall be specifically excess of, and shall not contribute with, any indemnity available from such **Non-Profit Entity** and any valid and collectible insurance available from or provided by such **Non-Profit Entity**.

Payment by the **Insurer**, or any insurance company controlling, controlled by or under common control with the **Insurer**, under any other insurance policy resulting from a **Claim** against an **Insured Person** for a **Wrongful Act** while serving in a **Non-Profit Capacity** shall reduce, by the amount of such payment, the **Insurer's Limit of Liability** under this Policy for such **Claim**.

**C. Portfolio Company Outside Directorship Liability Coverage**

Subject to the terms of this Policy, coverage is afforded for **Loss** resulting from any **Claim** against an **Insured Person** for a **Wrongful Act** while serving in a **Portfolio Company Capacity**. This coverage shall be specifically excess of, and shall not contribute with: (i) any indemnity available from such **Portfolio Company**, except to the extent that such **Portfolio Company** fails to provide such indemnification by reason of its financial insolvency; or (ii) any valid and collectible insurance available from or provided by such **Portfolio Company**.

If prior to or during the **Policy Period**, any:

1. **Insured Person** ceases serving in a **Portfolio Company Capacity**, coverage shall continue for such **Insured Person** in such **Portfolio Company Capacity** until the termination of this Policy, but only for **Wrongful Acts** occurring prior to the time such **Insured Person** ceased serving in such **Portfolio Company Capacity**; or
2. **Portfolio Company** ceases to be a **Portfolio Company**, coverage shall continue for each **Insured Person** serving in a **Portfolio Company Capacity** with such **Portfolio Company** until the termination of this Policy.

**D. Successor-In-Interest Coverage**

Subject to the terms of this Policy, coverage is afforded for **Defense Costs** resulting from any **Claim** made against an **Insured**:

1. for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty committed by any entity prior to such entity becoming an **Insured Organization** or **Portfolio Company**; and
2. as a "successor-in-interest" or solely by reason of such **Insured's** status as a **Controlling Person**,

provided that this Coverage Extension shall be subject to a \$250,000 aggregate sublimit of liability. Such sublimit of liability shall be the maximum aggregate amount that the **Insurer** shall pay under this Coverage Extension. Such sublimit of liability shall be part of, and not in addition to, the **Limit of Liability** specified in Item 3. of the **Declarations**.

**E. Selling Shareholder Representative Coverage**

Subject to the terms of this Policy, coverage is afforded for **Loss** resulting from any **Claim** for a **Wrongful Act** of an **Insured** while serving as a selling shareholder representative on behalf of persons or entities who are not **Insureds** in connection with the private sale or disposition of a **Portfolio Company**.

**F. Spousal, Domestic Partner, Estate and Legal Representative Coverage**

Subject to the terms of this Policy, coverage shall apply to a **Claim** made against the lawful spouse or **Domestic Partner** of an **Insured Person**, or if an **Insured Person** dies, becomes incapacitated, or files for bankruptcy, such **Insured Person's** estate, heirs, assigns, or legal representatives, provided that:

1. such **Claim** arises solely out of:
  - a. such person's status as a spouse, **Domestic Partner**, trustee, beneficiary, heir, assignee or legal representative of such **Insured Person**; or
  - b. such person's ownership of property sought as recovery for a **Wrongful Act**;
2. the **Insured Person** is named in such **Claim** along with such persons or entities; and
3. no coverage shall apply to any **Claim** for a **Wrongful Act** of such persons or entities.

Coverage for such **Claim** shall be on the same terms and conditions (including, without limitation, the Retention) as apply to the **Claim** made against the **Insured Person**.

**G. Environmental Claim Coverage**

Subject to the terms of this Policy, coverage under **Insuring Agreements A., B. and C.** shall include coverage for any **Environmental Claim**.

**III. DEFINITIONS**

Whether used in the singular or plural, the following terms shall have the meanings specified below:

- A. "**Advisory Board**" means a board or committee of an **Insured Organization** formed pursuant to an **Insured Organization's** partnership agreement, resolutions, or equivalent organizational or governance documents.
- B. "**Acquisition Vehicle**" means any entity under **Management Control** specifically created to undergo a transaction with another entity with the intent to have such combined entity become a **Portfolio Company**.
- C. "**Affiliated Entity**" means any of the following entities while under **Management Control**, whether directly or indirectly through one or more other **Affiliated Entities**:
  1. the General Partner, managing general partner, investment manager, investment advisor, manager or advisor of any **Investment Fund**;
  2. any investment or other management company that renders **Asset Management Services**;
  3. any blocker or feeder vehicle or other acquisition vehicle of any **Investment Fund** specifically created for the purpose of collecting or distributing funds or amounts to investors in such **Investment Fund**;
  4. any co-investment fund or parallel fund of any **Investment Fund**; or
  5. any entity that monitors, liquidates, dissolves or winds down an **Investment Fund**,

provided that **Affiliated Entity** shall not include a **Portfolio Company**, **Investment Fund**, or **Investment Holding Company**.

- D. "Application" means the application for this Policy, including any information submitted in connection with or incorporated therein.
- E. "Asset Management Services" means any advisory or other services:
1. for or on behalf of or for the benefit of any **Insured Organization**, including, without limitation, any management, investment, financial, monitoring, operational or financial advisory or other services;
  2. for or on behalf of any **Portfolio Company**; or
  3. involving the organization, capitalization or formation of any **Insured Organization**, including, without limitation, the purchase or sale of, or a solicitation or offer to purchase or sell, any interest in, or the calling of committed capital to, any **Investment Fund** including, but not limited to, the preparation of any offering documents.
- F. "Claim" means any:
1. written demand or notice for civil monetary or non-monetary relief (including, but not limited to, injunctive relief) commenced by an **Insured's** receipt of such demand or notice;
  2. civil proceeding, including, without limitation, any demand for mediation, arbitration proceeding or other alternative dispute resolution proceeding, commenced by the service upon an **Insured** of a written notice of a complaint, demand for arbitration, request for mediation or similar document, including a foreign equivalent thereof;
  3. criminal proceeding, including an appeal therefrom and an extradition proceeding, commenced by the return of an indictment, information, or similar document, including a foreign equivalent thereof, or by the service upon an **Insured** of such document together with an accusation, information, complaint, summons or similar charging document filed in criminal court;
  4. administrative or regulatory proceeding commenced by the filing of a notice of charges, administrative complaint, including a complaint pursuant to a Wells Notice, or any similar document, including a foreign equivalent thereof;
  5. civil, criminal, administrative, or regulatory investigation of an **Insured** by any natural person or entity or any local, state, federal or foreign investigating authority commenced upon such **Insured's** receipt of a formal order of investigatory, or once such **Insured** is identified by name in a Wells Notice, subpoena or "target" letter (within the meaning of Title 9, 11.151 of the United States Attorney's Manual), formal order of investigation or other formal investigative document as a person or entity against whom or which a proceeding described in paragraphs 2., 3. or 4. above may be commenced; or
  6. written request to an **Insured** to toll or waive a period or statute of limitations regarding a potential **Claim** as described above commenced by the **Insured's** receipt of such request.
- G. "Claim Manager" means any natural person in the office of Managing General Partner, Chief Financial Officer, General Counsel or Risk Manager of the **Named Insured**.
- H. "Co-Investment Vehicle" means any entity not under **Management Control** specifically created to aggregate or combine capital of an **Investment Fund** or **Special Purpose Vehicle** with capital of persons or entities who are not **Insureds** to invest jointly in a **Portfolio Company**.

- I. **"Controlling Person"** means any person or entity that:
1. directly or indirectly owns a ten percent (10%) or more equity ownership interest in; or
  2. controls within the meaning of Section 15 of the Securities Act of 1933, Section 20 of the Securities and Exchange Act of 1934, section 48 of the Investment Company Act, the Investment Advisers Act, or any similar law,
- any **Insured Organization** or **Portfolio Company**.
- J. **"Debtor in Possession"** means a "debtor in possession" as such term is defined in Chapter 11 of the United States Bankruptcy Code or any similar law.
- K. **"Defense Costs"** means reasonable and necessary fees and expenses incurred in the defense or appeal of a **Claim**, including **Extradition Costs**. **Defense Costs** shall include the costs of any appeal, attachment or similar bond, provided that the **Insurer** shall have no obligation to issue such bond. **Defense Costs** shall not include any compensation, benefit expenses, or overhead of any **Insureds**.
- L. **"Derivative Suit"** means any civil proceeding against an **Insured Person** for a **Wrongful Act** of such **Insured Person** made on behalf of, or in the name or the right of, an **Insured Organization** by any security holders of such **Insured Organization**, in their capacity as such, if such proceeding is made without the assistance, participation or solicitation of any **Executive**.
- M. **"Domestic Partner"** means any natural person qualifying as a domestic partner under any federal, state or local law or under the provisions of any formal program established by an **Insured Organization**.
- N. **"Employee"** means any natural person whose labor or service is engaged by and directed by an **Insured Organization**, including any full-time, part-time, leased, loaned, seasonal and temporary workers, interns and volunteers. **Employee** shall not include any **Independent Contractor**.
- O. **"Employment Claim"** means any **Claim** for an **Employment Practices Wrongful Act**, provided that such **Claim** is brought by or on behalf of any:
1. **Employee**, applicant for employment with an **Insured Organization**, governmental agency, or **Independent Contractor**;
  2. employee of or applicant for employment with any **Portfolio Company**, or governmental agency, against an **Insured Person** acting in a **Portfolio Company Capacity**; or
  3. employee of or applicant for employment with any **Portfolio Company**, or governmental agency against any **Insured** resulting from such **Insured's**:
    - a. rendering or failing to render **Asset Management Services**; or
    - b. capacity as a **Controlling Person** of such **Portfolio Company**.
- P. **"Employment Practices Wrongful Act"** means any actual or alleged:
1. refusal to employ;
  2. termination of employment; or
  3. coercion, demotion, retaliation, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies, acts or omissions.



**Q. "Environmental Claim"** means a Claim based upon, arising out of or attributable to an Environmental Concern if and to the extent that such Claim:

1. is a Claim brought by or on behalf of any security holder of an Insured Person, in their capacity as such, or is based upon, arises from or is attributable to the purchase or sale of, or offer to purchase or sell, any securities issued by any Insured Person;
2. is an Employment Claim against an Insured Person;
3. is brought against an Insured Person for Wrongful Acts in connection with misrepresenting or failing to disclose information in financial statements relating to Greenhouse Gases or actual or alleged global warming or climate changes; or
4. results in Loss incurred by Insured Persons for which the Insured Organization does not indemnify the Insured Persons either because the Insured Organization is neither permitted nor required to grant such indemnification or because of Insolvency.

**R. "Environmental Concern"** means:

1. the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of Pollutants or Greenhouse Gases into or on real or personal property, water or the atmosphere; or
2. any direction or request that the Insured Organization or the Insured Person test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants or Greenhouse Gases, or any voluntary decision to do so, whether or not such Greenhouse Gases are Pollutants.

**S. "Executive"** means any natural person while serving as a duly elected or appointed:

1. director, officer, trustee, or member of the board of managers or management committee or equivalent executive of an Insured Organization;
2. in-house general counsel of an Insured Organization;
3. general partner, manager, managing member, administrative general partner or equivalent position of any Investment Fund; or
4. manager of an Insured Organization organized outside the United States of America if such manager holds a position equivalent to those specified in sub-paragraphs 1. or 2. above.

Regarding an Employment Claim, "Executive" also means the director of human resources of an Insured Organization or its functional equivalent.

**T. "Extradition Costs"** means fees and expenses incurred by an Insured Person to lawfully oppose, challenge, resist or defend against any request for extradition of such Insured Person from his or her current country of employment and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such Insured Person.

**U. "Greenhouse Gases"** means carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>), or any other gas or substance defined by, or identified on any list of greenhouse gasses issued by, the United States Environmental Protection Agency or any similar state, local or foreign counterpart.

- V. "Independent Contractor" means a natural person, other than an **Employee**, while engaged by an **Insured Organization** pursuant to a written contract to provide **Asset Management Services** for such **Insured Organization**, including, without limitation, acting as a consultant, entrepreneur-in-residence, executive-in-residence, operating executive, or other industry or sector specialist or advisor, or as a shareholder representative, outside director, board observer or member of the Board of Managers of a **Portfolio Company**.
- W. "Insolvency" means the status of any **Insured Organization** due to:
1. the appointment of any conservator, liquidator, receiver, trustee, or similar official to control, supervise, or liquidate such **Insured Organization**; or
  2. such **Insured Organization** becoming a **Debtor in Possession**.
- X. "Insured" means any:
1. **Insured Organization**; or
  2. **Insured Person**.
- Y. "Insured Organization" means the **Named Insured** or any:
1. **Affiliated Entity**;
  2. **Advisory Board**;
  3. **Investment Fund**; or
  4. **Investment Holding Company**,
- including any such organization as a **Debtor in Possession**. "Insured Organization" shall not include any **Portfolio Company**.
- Z. "Insured Person" means any:
1. **Executive**;
  2. **Employee**;
  3. **Independent Contractor** if, and to the extent, an **Insured Organization** indemnifies such person for a **Claim**; or
  4. natural person while serving as a member of an **Advisory Board**.
- AA. "Interrelated Wrongful Acts" means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- BB. "Investment Fund" means any pooled investment vehicle:
1. sponsored, created, owned, managed or controlled by an **Insured Organization** for the purpose of conducting investment activities in accordance with the objectives set forth in such entity's private placement memorandum, prospectus or similar document;
  2. sponsored or created by an **Insured Organization** during the **Policy Period** in accordance with Section XII.C of this Policy;
  3. listed as a "Fund" in a written endorsement issued by the **Insurer**;



5. any amounts incurred by the **Insured Organization** or the **Insured Persons** to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants** or **Greenhouse Gases**, regardless of whether such amounts are incurred compulsorily or voluntarily.

Regarding **Employment Claims, Loss**, other than **Defense Costs**, shall also not include any:

1. future compensation of a claimant who was, is or shall be hired, promoted or reinstated to employment;
2. employment-related benefits, retirement benefits, perquisites, vacation and sick days, medical or insurance benefits, stock benefits (including, without limitation, any stock, stock options, or stock appreciation rights), deferred compensation or any other type or compensation other than salary, wages or bonus compensation; or
3. compensation earned by or due to a claimant in the course of employment but not paid, other than back pay or front pay.

EE. "**Management Control**" means the **Named Insured**:

1. directly or indirectly owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of: (i) a majority of the Board of Directors of a corporation; (ii), the members of the Board of Managers of a limited liability company; or (iii) the General Partners of a limited partnership; or
2. having the right, pursuant to a written contract or the articles of incorporation, bylaws, operating agreement, partnership agreement, or equivalent organizational or governance documents of an entity, to control the operation of such entity.

FF. "**Named Insured**" means the entity named in Item 1. of the Declarations.

GG. "**Non-Profit Capacity**" means service by an **Insured Person** as a director, officer, trustee, regent, governor, board observer or equivalent executive of any **Non-Profit Entity** with the knowledge and consent, or at the request, of an **Insured Organization**.

HH. "**Non-Profit Entity**" means any entity that is:

1. not an **Insured Organization** or a **Portfolio Company**; and
2. exempt from federal income tax as an entity described in Section 501(c)(3), (4) or (10) or Section 527 of the Internal Revenue Code of 1986.

II. "**Policy Period**" means the period specified in Item 2. of the Declarations, subject to any cancellation prior to the scheduled expiration date.

JJ. "**Pollutants**" means any solid, liquid, gaseous, biological, radiological or thermal contaminant or irritant, including, without limitation, smoke, vapor, soot, fumes, acids, alkalis, chemicals, mold, fungi, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos containing products, waste or any electric, magnetic, or electromagnetic field of any frequency. "Waste" includes, without limitation, material to be recycled, reconditioned, or reclaimed. "**Pollutants**" also means any substance identified on a list of hazardous substances issued by any governmental agency, including, without limitation, the Environmental Protection Agency.

KK. "Portfolio Company" means any:

1. entity during any time in which an **Insured Organization** directly, or indirectly through one or more **Investment Holding Companies**, has, had, or proposes to have: (a) any type of financial interest in such entity's debt or equity securities; (b) a seat on such entity's board; or (c) board observer or advisor status;
2. **Co-Investment Vehicle** or subsidiary of such entity; or
3. **Acquisition Vehicle** if, after the effective time of the transaction for which such **Acquisition Vehicle** was specifically created, such entity is a surviving entity, and any subsidiary of such entity.

LL. "Portfolio Company Capacity" means service by an **Insured Person** as a director, officer, trustee, regent, governor, board observer, member of the board of managers or equivalent executive of any **Portfolio Company** with the knowledge and consent, or at the request, of an **Insured Organization**.

MM. "Special Purpose Vehicle" means any entity under **Management Control** that is a blocker, feeder or other special purpose vehicle that:

1. distributes capital (whether upstream or downstream) between (i) an **Investment Fund** and (ii) an **Acquisition Vehicle**, **Co-Investment Vehicle** or **Portfolio Company**; or
2. aggregates capital of one **Investment Fund** with capital of any combination of (i) other **Investment Funds**, (ii) **Affiliated Entities**, (iii) any other **Special Purpose Vehicle**, or (iv) investors in an **Investment Fund**, to invest in a **Portfolio Company**.

NN. "Whistleblowing" means the lawful act of an **Insured Person** in which such **Insured Person** provides information, causes information to be provided, or otherwise assists in an investigation regarding any conduct which the **Insured Person** reasonably believes constitutes a violation of any federal, state, local or foreign law, when the information or assistance is provided to, or the investigation is conducted by:

1. a federal, state, local or foreign regulatory or law enforcement agency;
2. any member of Congress or any committee of Congress; or
3. a person with supervisory authority over the **Insured Person** (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct).

OO. "Wrongful Act" means:

1. regarding an **Insured Person**, any actual or alleged:
  - a. act, error, omission, statement, misstatement, misleading statement, neglect or breach of duty by an **Insured Person** in his or her capacity as such, including, without limitation: (i) in rendering of, or failure to render, **Asset Management Services**; or (ii) any **Employment Practices Wrongful Act**; or
  - b. claim against an **Insured Person** solely by reason of their serving in such capacity, including service in any Non-Profit Capacity or **Portfolio Company Capacity**; or
2. regarding an **Insured Organization**, any actual or alleged act, error, omission, statement, misstatement, misleading statement, neglect or breach of duty by an **Insured Organization**:
  - a. in rendering, or failing to render, **Asset Management Services**;

- b. in its capacity as:
  - i. a **Controlling Person**;
  - ii. a purchaser of, investor in, or lender to a **Portfolio Company** or potential **Portfolio Company**;
  - iii. a selling shareholder of a **Portfolio Company**; or
  - iv. a general partner, limited partner or member of any other **Insured Organization** that is a limited partnership or limited liability company.
- c. constituting an **Employment Practices Wrongful Act**.

#### IV. EXCLUSIONS

##### A. General Exclusions

The Insurer shall not pay Loss:

1. in connection with any **Claim** arising from, based upon, or attributable to any fact, circumstance or situation that, before the inception date of this Policy, was the subject of any notice given under any other liability insurance policy;
2. in connection with any **Claim** arising from, based upon, or attributable to:
  - a. any demand, suit or proceeding made or initiated against any **Insured** on or prior to the applicable Pending or Prior Litigation Date in Item 5. of the Declarations; or
  - b. any **Wrongful Act** specified in such prior demand, suit or proceeding or any **Interrelated Wrongful Acts** thereto;
3. for (i) bodily injury, sickness, disease, or death of any person; (ii) damage to or destruction of any tangible property (including loss of use thereof); or (iii) defamation, disparagement or invasion of privacy (except to the extent alleged in any **Employment Claim**);
4. in connection with any **Claim** arising from, based upon, or attributable to:
  - a. the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Pollutants**, nuclear material or nuclear waste; or
  - b. any direction, demand, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**, nuclear material or nuclear waste,

provided that this exclusion shall not apply to any **Environmental Claim**;
5. for any violation of the Employee Retirement Income Security Act of 1974, English Pension Scheme Act 1993, English Pensions Act 1995, or any similar law involving an employee benefit plan sponsored by an **Insured Organization** or a **Portfolio Company**;
6. in connection with any **Claim** by or on behalf of any **Insured**, provided that this exclusion shall not apply to a **Claim**:
  - a. that is a **Derivative Suit**;



- b. by an **Insured Person** for contribution or indemnification if such **Claim** directly results from a **Claim** that is otherwise covered under this Policy;
  - c. by any **Employee** who is not a present **Executive** if such **Claim** is made without the assistance, participation or solicitation of any **Executive**; provided, however, that assistance, participation, or solicitation shall not include **Whistleblowing**;
  - d. that is an **Employment Claim**;
  - e. by a former **Executive** who has not served as an **Executive** for at least two (2) years prior to such **Claim** being made, provided that such **Claim** is made without the assistance, participation or solicitation of any current **Executive** or any former **Executive** who has served as an **Executive** during the two (2) years prior to such **Claim** being made, and further provided that assistance, participation, or solicitation shall not include **Whistleblowing**;
  - f. by any bankruptcy or insolvency trustee, examiner, receiver, creditors committee or similar officials for any **Insured Organization** or any assignee of such trustee, examiner, receiver, creditors committee or similar officials;
  - g. made in a jurisdiction outside the United States of America, Canada or Australia by an **Insured Person** of an **Insured Organization** organized in such jurisdiction;
  - h. against an **Insured Person** arising from, based upon, or attributable to **Whistleblowing**; or
  - i. by any **Investment Fund** if, prior to such **Claim** being made, the **Investment Fund** is advised in a written opinion by independent legal counsel selected by the **Investment Fund** with the consent of the **Insurer**, such consent not to be unreasonably withheld, that failure to make such **Claim** would be a breach of fiduciary duty owed by an **Insured** to such **Investment Fund** or to investors in such **Investment Fund**.
7. in connection with any **Claim** arising from, based upon, or attributable to any **Insured Person** serving as a director, officer, trustee, regent, governor or equivalent executive or as an employee of any entity other than an **Insured Organization** even if such service is at the direction or request of an **Insured Organization**, provided that this exclusion shall not apply to a **Claim** for a **Wrongful Act** by an **Insured Person** in a **Non-Profit Capacity** or a **Portfolio Company Capacity**;
8. in connection with any **Claim** against an **Insured Organization** arising from, based upon, or attributable to any contract or agreement (other than the organizational documents of any **Insured Organization**), provided that this exclusion shall not apply to **Loss** resulting from: (i) liability that would have been incurred in the absence of such contract or agreement; (ii) an **Employment Claim**; (iii) **Asset Management Services**; or (iv) any express or implied promise to purchase, invest in, or lend money to a **Portfolio Company** or potential **Portfolio Company**;

**B. Exclusions Applicable to Loss But Not to Defense Costs**

The **Insurer** shall not pay any portion of **Loss** (other than **Defense Costs**):

- 1. of an **Insured** arising from, based upon, or attributable to the gaining of any personal profit, remuneration or advantage to which such **Insured** was not legally entitled if established by a final non-appealable adjudication, provided that this exclusion shall not apply to **Loss** resulting from violations of Sections 11, 12, or 15 of the Securities Act of 1933; or

2. of an **Insured** arising from, based upon, or attributable to any deliberately fraudulent or deliberately criminal act or omission by such **Insured** if established by a final, non-appealable adjudication.

Regarding paragraphs B.1. and B.2. above: (i) no **Wrongful Act** of any **Insured** shall be imputed to any other **Insured**; and (ii) only a **Wrongful Act** by any managing principal, Chief Executive Officer, Chief Financial Officer or General Counsel of an **Insured Organization** shall be imputed to such **Insured Organization**.

**C. Employment Claim Exclusions**

Regarding any **Employment Claim**, the **Insurer** shall not pay **Loss**:

1. resulting from a criminal proceeding or investigation;
2. in connection with any **Claim** arising from, based upon, or attributable to any: (i) labor or grievance proceeding initiated pursuant to any collective bargaining agreement; or (ii) lockout, strike, or hiring of replacement workers in connection with any labor dispute, labor negotiation or collective bargaining agreement;
3. for any liability resulting from a breach of written, implied or oral employment contract, provided that this exclusion shall not apply to any **Loss** that would have been incurred absent such a contract;
4. for any liability of others assumed by any **Insured** under any contract or agreement, provided that this exclusion shall not apply to the extent that liability would have been incurred in the absence of such contract or agreement;
5. in connection with any **Claim** arising from, based upon, or attributable to any breach of contract or agreement specifying the terms of an **Insured Organization's** engagement of an **Independent Contractor**; or
6. in connection with any **Claim** arising from, based upon, or attributable to any federal, state, or local law regulating:
  - a. the payment of salary or wages, including, without limitation, the Fair Labor Standards Act (except the Equal Pay Act) or any similar law;
  - b. the payment of overtime, on-call time or minimum wages or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws; or
  - c. meal and rest periods or the maintenance of accurate time records.

provided that this exclusion shall not apply to **Loss** resulting from a retaliation claim; or
7. for any violation of: (i) any law governing workers' compensation, unemployment insurance, social security, disability or pension benefits; (ii) the National Labor Relations Act; (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985; (iv) the Occupational Safety and Health Act, or (v) any similar laws to those mentioned in (i) through (iv) above, provided that this exclusion shall not apply to **Loss** resulting from a retaliation claim.

## V. Limit Of Liability

- A. The Limit of Liability specified in Item 3. of the Declarations is the maximum aggregate amount that the Insurer shall pay for all Loss under this Policy. The Limit of Liability applies to all Claims first made against the Insureds during the Policy Period and the Extended Reporting Period, if applicable. If the Limit of Liability is exhausted, the premium for this Policy shall be fully earned.
- B. Defense Costs shall be part of, and not in addition to, the Limit of Liability. Payment of Defense Costs by the Insurer shall reduce the Limit of Liability.

## VI. Retention

- A. The **Insurer** shall pay **Loss** arising from each **Claim** covered under this Policy only to the extent that such **Loss** exceeds the applicable Retention specified in Item 4. of the Declarations.
- B. The Retention shall be borne by the **Insureds** uninsured at the **Insureds'** own risk.
- C. If a **Claim** is subject to multiple Retentions, the total Retention for such **Claim** shall be the highest applicable Retention.
- D. No Retention shall apply to any **Claim** covered under:
1. **Insuring Agreement A.;**
  2. **the Informal Investigations Coverage Coverage Extension** as provided in Section II.A.; or
  3. **the Portfolio Company Outside Directorship Liability Coverage Coverage Extension** as provided in Section II.C., including any **Employment Claim** described in Definition O.2.
- E. If any **Insured Organization** is permitted or required by its by-laws or organizational documents to indemnify an **Insured Person** for **Loss**, or to advance **Defense Costs** on their behalf, and fails to do so other than because of **Insolvency**, then any coverage for such **Loss** shall be subject to:
1. regarding any **Claim** other than an **Employment Claim**, the applicable Retention specified in Item 4.a. or 4.b. of the Declarations; or
  2. regarding any **Employment Claim**, the applicable Retention specified in Item 4.c. or 4.d. of the Declarations.
- F. For purposes of determining whether an **Insured Organization** is permitted or required to indemnify an **Insured Person**, or to advance **Defense Costs** on their behalf, any:
1. organizational or corporate governance document of any **Insured Organization** that is not an **Investment Fund**, including, without limitation, any formation agreement, operating agreement, articles of organization, or bylaws, shall be deemed to permit indemnification and advancement of **Defense Costs** to the maximum extent permissible under common or statutory law, regardless of the actual provisions of such documents; and
  2. organizational document or partnership agreement of any **Investment Fund**, including, without limitation, any formation agreement, operating agreement, articles of organization, or bylaws, shall be deemed to permit indemnification and advancement of **Defense Costs** to the maximum extent permitted by the terms of such documents.

## **VII. Defense Of Claims**

- A. It shall be the duty of the **Insureds** to defend any **Claim**, provided that the **Insurer** shall have the right to effectively associate with the **Insureds** in the defense of any **Claim** and make any investigation it deems appropriate.
- B. The **Insurer** shall advance **Defense Costs**, excess any applicable Retention, no later than ninety (90) days after the receipt by the **Insurer** of such defense invoices. If any advance payments of **Defense Costs** are made by the **Insurer**, the **Insureds** agree to repay the **Insurer**, severally according to their respective interests, all such payments in the event that it is determined that any such **Insured** is not entitled to payment of such **Loss** under the terms of this Policy.
- C. The **Insureds** shall not admit nor assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**, such consent not to be unreasonably withheld. The **Insurer** shall not be liable for any admission, assumption, settlement, stipulation, or **Defense Costs** to which it has not consented.
- D. The **Insureds** shall give to the **Insurer** all information and cooperation as the **Insurer** may reasonably request. Upon the **Insurer's** request, the **Insureds** shall attend proceedings, hearings and trials, and shall assist in effecting settlements, securing and giving evidence, and obtaining the attendance of witnesses.

## **VIII. Allocation**

- A. If the **Insureds** incur **Loss** that is only partially covered by this Policy because a **Claim** includes both covered and uncovered matters or is made against both covered and uncovered parties, then the **Insurer** and the **Insureds** shall use their best efforts to allocate such **Loss** based upon: (i) the relative legal and financial exposures of any covered and uncovered parties or covered and uncovered matters; and (ii) if a settlement occurs, the relative benefit of the parties from settlement of such covered and uncovered portions of such **Claim**.
- B. If the **Insurer** and the **Insureds** cannot agree on the amount of **Defense Costs** to be advanced under this Policy, then the **Insurer** shall advance the **Defense Costs** it believes to be covered under this Policy, if any, until a different amount shall be agreed upon or determined pursuant to this Policy and applicable law.

## **IX. Claim And Potential Claim Notices**

- A. As a condition precedent to coverage, the **Claim Manager** shall give the **Insurer** written notice of any **Claim** as soon as practicable, but no later than ninety (90) days after the expiration of the **Policy Period** or the **Extended Reporting Period**, if applicable.
- B. If during the **Policy Period** or **Extended Reporting Period**, if applicable, the **Claim Manager** becomes aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim** against an **Insured**, and if written notice of such **Wrongful Act** is given to the **Insurer** during the **Policy Period** or **Extended Reporting Period**, if applicable, specifying the (i) reasons for anticipating such a **Claim**, (ii) nature and date of such **Wrongful Act**, (iii) identity of the **Insureds** involved, (iv) injuries or damages sustained, (v) names of potential claimants, and (vi) manner in which the **Insureds** first became aware of the **Wrongful Act**, any **Claim** subsequently arising from such **Wrongful Act** shall be deemed a **Claim** first made during the **Policy Period**.

**X. Interrelated Claims**

All **Claims** arising from, based upon, or attributable to the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to be a single **Claim** first made on the earliest date that:

- A. any such **Claim** was first made, even if such date is before the **Policy Period**;
- B. proper notice of such **Wrongful Act** or any **Interrelated Wrongful Act** was given to the **Insurer** pursuant to Section IX.B; or
- C. notice of such **Wrongful Act** or any **Interrelated Wrongful Act** was given under any prior directors and officers, management, or similar insurance liability policy.

**XI. Extended Reporting Period**

- A. If the **Insurer** or **Named Insured** shall refuse to renew this Policy for any reason other than non-payment of premium, or if the **Named Insured** shall cancel this Policy, the **Insureds** shall have the right, upon payment of the additional premium stated in Item 6. of the Declarations, to a continuation of the coverage afforded by this Policy for the additional period stated in Item 6. of the Declarations (the "Extended Reporting Period"). If elected, the Extended Reporting Period shall commence upon the effective date of such nonrenewal or cancellation. Such continuation of coverage shall apply only to a **Claim**, otherwise covered by this Policy, first made against the **Insureds** during the Extended Reporting Period for a **Wrongful Act** occurring prior to the expiration of the **Policy Period**.
- B. The rights contained in this Section shall terminate unless a written notice of election together with the additional premium due is received by the **Insurer** within ninety (90) days after the effective date of nonrenewal or cancellation.
- C. The additional premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period. The Extended Reporting Period is not cancelable.
- D. There is no separate Limit of Liability for the Extended Reporting Period.

**XII. Changes in Control****A. Takeover of Named Insured**

If, during the **Policy Period**:

- 1. any person or entity or group of persons and/or entities acting in concert acquires securities or voting rights resulting in ownership by such person(s) and/or entity(ies) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors or equivalent positions of the **Named Insured**; or
- 2. the **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity,

then coverage shall continue under this Policy, but only for **Wrongful Acts** occurring before such transaction. No coverage shall be available for any **Wrongful Act** occurring after such transaction. Upon such transaction, the entire premium for this Policy shall be deemed fully earned. The **Insureds** shall give the **Insurer** written notice of such transaction as soon as practicable, but not later than ninety (90) days after the effective date of such transaction.

**B. Acquisition or Creation of an Entity**

If, during the **Policy Period**, any **Insured Organization**:

1. acquires or creates an **Affiliated Entity** or **Investment Holding Company**; or
2. merges with another entity such that the **Insured Organization** is the surviving entity,

then such newly created, acquired or merged entity and its **Insureds** shall be covered for **Wrongful Acts** occurring after such acquisition, merger or creation. Except for Section II.D. **Successor-In-Interest Coverage**, no coverage shall be available for any **Wrongful Act** occurring before such transaction or for any **Interrelated Wrongful Acts** thereto.

If the fair value of the assets of any newly acquired or merged entity exceeds thirty-five percent (35%) of the total consolidated assets of the **Named Insured** as reflected in its most recent audited consolidated financial statements prior to the inception of this Policy, then, as a condition precedent to coverage for such new **Insureds**, the **Named Insured** shall: (i) provide written notice of the transaction to the **Insurer** as soon as practicable but no later than sixty (60) days after the effective date of such transaction; (ii) provide all information regarding such transaction as requested by the **Insurer**; and (iii) pay any reasonable additional premium and accept any additional terms and conditions required by the **Insurer**.

**C. Sponsorship or Creation of an Investment Fund**

If, during the **Policy Period**, any **Insured Organization** sponsors or creates an **Investment Fund**, then such newly sponsored or created **Investment Fund** and its **Insureds** shall be covered for **Wrongful Acts** occurring after such sponsorship or creation. No coverage shall be available for any **Wrongful Act** occurring before such transaction or for any **Interrelated Wrongful Acts** thereto.

If the investment objectives (as set forth in the private placement memorandum, prospectus or similar document issued by the **Insured Organization**) of any newly sponsored or created **Investment Fund** differs substantially from all existing **Investment Funds** or if the offering size of any newly sponsored or created **Investment Fund** exceeds two hundred percent (200%) of the offering size of the largest **Investment Fund** sponsored by any **Insured Organization** prior to the inception of this Policy, then coverage shall be afforded for Loss arising from **Wrongful Acts** occurring subsequent to the creation of the newly sponsored or created **Investment Fund** for **Claims** first made within the earlier of: (i) sixty (60) days after the effective date of such creation or acquisition; or (ii) the expiration of the **Policy Period**. After such time, coverage under this Policy shall only be provided if the **Named Insured**:

1. provides written notice of such new investment fund to the **Insurer**;
2. provides all information regarding such transaction as requested by the **Insurer**; and
3. pays any reasonable additional premium and accepts any additional terms and conditions required by the **Insurer**.

**D. Loss of Affiliated Entity or Investment Holding Company Status**

If, during or prior to the **Policy Period**, any entity ceases to be an **Affiliated Entity** or an **Investment Holding Company**, then coverage for such entity and its **Insured Persons** shall continue until termination of this Policy but only for **Wrongful Acts** occurring prior to the date such entity ceased to be an **Affiliated Entity** or **Investment Holding Company**.



### **XIII. General Conditions**

#### **A. Cancellation**

1. The **Insurer** may cancel this Policy for non-payment of premium by sending not less than ten (10) days notice to the **Named Insured**. This Policy may not otherwise be cancelled by the **Insurer**.
2. Except as otherwise provided, the **Named Insured** may cancel this Policy by sending written notice of cancellation to the **Insurer**. Such notice shall be effective upon receipt by the **Insurer** unless a later cancellation date is specified therein.
3. If the **Insurer** cancels this Policy, unearned premium shall be calculated on a pro rata basis. If the **Insureds** cancel this Policy, unearned premium shall be calculated at the **Insurer's** customary short rates. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The **Insurer** shall make payment of any unearned premium as soon as practicable.

#### **B. Action Against the Insurer**

1. No suit or other proceeding shall be commenced by the **Insureds** against the **Insurer** unless there shall have been full compliance with all the terms of this Policy.
2. No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against the **Insureds** nor shall the **Insurer** be impleaded by the **Insureds** in any such **Claim**.

#### **C. Priority of Payments**

1. If **Loss** is incurred that exceeds the remaining Limit of Liability for this Policy, the **Insurer** shall pay **Loss** under **Insuring Agreement A**, before paying any other **Loss**.
2. If **Loss** is incurred other than under **Insuring Agreement A**, the **Named Insured** shall have the right to direct the **Insurer** to delay payment of such **Loss** until such time as the **Named Insured** specifies. Any such direction by the **Named Insured** to delay or make payment of **Loss** shall be by written notice to the **Insurer**. The **Insurer's** liability under this Policy shall not be increased, and the **Insurer** shall not be liable for any interest, as a result of any such delayed **Loss** payment. Any such delayed **Loss** payment shall be available to the **Insurer** to pay **Loss** covered under **Insuring Agreement A**. Any **Loss** payment under **Insuring Agreement A**, by the **Insurer** out of funds withheld pursuant to this provision shall terminate the **Insurer's** liability to make a delayed **Loss** payment under any other **Insuring Agreement** by the amount of such payment.

#### **D. Bankruptcy**

The bankruptcy or **Insolvency** of any **Insureds** shall not relieve the **Insurer** of any of its obligations under this Policy.

#### **E. Application and Severability**

1. This Policy is issued in reliance upon the truth of the material representations and omissions contained in the **Application**. The **Application** shall be construed as a separate application for coverage by each **Insured** and shall be deemed attached to, and incorporated into, this Policy.

2. For purposes of determining coverage for each **Insured**:

- a. knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
- b. only knowledge possessed by any managing principal, Chief Executive Officer, Chief Financial Officer, or General Counsel of an **Insured Organization** shall be imputed to such **Insured Organization**.

Except as described above, no knowledge possessed by any **Insured** shall be imputed to any other **Insured**.

3. Notwithstanding any other terms of this Policy, the **Insurer** shall not rescind this Policy.

F. Other Insurance

Except for personal liability insurance maintained by an **Insured Person**, coverage under this Policy shall apply only in excess of any other valid and collectible insurance regardless of whether such other insurance is stated to be excess, contributory, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other insurance to this Policy's Policy Number.

G. Subrogation

1. The **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery regarding any payment of **Loss** under this Policy. The **Insureds** shall do everything necessary to secure and preserve such rights, including, without limitation, the execution of any documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insureds**. The **Insureds** shall do nothing to prejudice the **Insurer's** position or any rights of recovery.
2. The **Insurer** shall not subrogate against any **Insured**.

H. Assignment

Assignment of any interest under this Policy shall not bind the **Insurer** unless such assignment is acknowledged by a written endorsement to this Policy.

I. Entire Agreement

This Policy, including the Declarations, any written endorsements, and the **Application** shall constitute the entire agreement between the **Insurer** and the **Insureds** regarding the insurance provided hereunder.

J. Policy Changes

This Policy shall not be changed in any manner except by a written endorsement issued by the **Insurer**.

K. Authorization

The **Named Insured** shall act on behalf of all **Insureds** regarding all matters under this Policy, including, without limitation, cancellation, election of the Extended Reporting Period, transmission and receipt of notices, reporting of **Claims**, acceptance of endorsements, payment of premiums, and receipt of return premiums.

**L. Territory**

This Policy shall apply on a worldwide basis.

**M. Notices**

1. Notices to the **Insureds** shall be sent to the **Named Insured** at the address specified in Item 1. of the Declarations.
2. Notices to the **Insurer** shall be sent to the applicable address specified on the declarations page or on the Claims Notice including the policy number of this Policy, and become effective upon receipt at such address.

**N. References to Laws**

1. Any statute, act, or code mentioned in this Policy shall be deemed to include all amendments of, and rules and regulations promulgated under, such statute, act, or code.
2. Any statute, act, or code mentioned in this Policy that is followed by the phrase "or any similar law" shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, any common law.

**O. Headings**

The descriptions in the headings and any subheading of this Policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of the terms hereof.

**This policy shall not be valid unless completed by the attachment hereto of a declaration page and signed by a duly authorized representative of the Insurer.**

## IN WITNESS ENDORSEMENT

### CATLIN SPECIALTY INSURANCE COMPANY

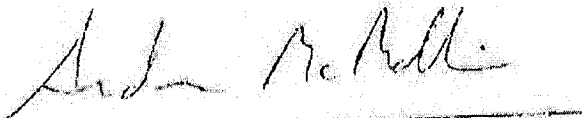
ADMINISTRATIVE OFFICE: 3340 Peachtree Road N.E.  
Tower Place 100  
Suite 2950  
Atlanta, GA 30326

STATUTORY HOME OFFICE: 160 Greentree Drive  
Suite 101  
Dover, Delaware 19904

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Andrew McMellin  
President



Steven C. Adams  
Secretary

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SERVICE OF SUIT**

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The following service of suit provision is added and replaces any other Service of Suit provision contained elsewhere in this policy:

The Superintendent, Commissioner or Director of Insurance of the State is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

**Steve Adams  
Legal Counsel  
3340 Peachtree Road N.E.  
Suite 2950  
Atlanta, GA 30326**

as its agent to whom such process shall be forwarded by the Director of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of an Illinois exposure and this contract of insurance.

All other terms, conditions and exclusions remain unchanged.

## Endorsement

### Delete Informal Investigations Coverage Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that Section II, **COVERAGE EXTENSIONS, A. Informal Investigations Coverage**, of the Policy is deleted in its entirety.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the Policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 1

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

# Endorsement

## Amended Imputation Language Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:

1. Section IV. EXCLUSIONS, Subsection B. is deleted and replaced with the following:

**B. Exclusions Applicable to Loss But Not to Defense Costs**

The Insurer shall not pay any portion of Loss (other than Defense Costs):

1. of an Insured arising from, based upon, or attributable to the gaining of any personal profit, remuneration or advantage to which such Insured was not legally entitled if established by a final non-appealable adjudication, provided that this exclusion shall not apply to Loss resulting from violations of Sections 11, 12, or 15 of the Securities Act of 1933; or
2. of an Insured arising from, based upon, or attributable to any deliberately fraudulent or deliberately criminal act or omission by such Insured if established by a final, non-appealable adjudication.

Regarding paragraphs B.1. and B.2. above: (i) no Wrongful Act of any Insured shall be imputed to any other Insured; and (ii) only a Wrongful Act by any managing principal, Chief Executive Officer or Chief Financial Officer of an Insured Organization shall be imputed to such Insured Organization.

2. Section XIII. General Conditions, Subsection E. Application and Severability, Paragraph 2. is deleted and replaced with the following:

2. For purposes of determining coverage for each Insured:

- a. knowledge possessed by any Insured Person shall not be imputed to any other Insured Person; and
- b. only knowledge possessed by any managing principal, Chief Executive Officer or Chief Financial Officer of an Insured Organization shall be imputed to such Insured Organization.

Except as described above, no knowledge possessed by any Insured shall be imputed to any other Insured.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_

Policy No.: \_\_\_\_\_

Endorsement No. 2

Insured: \_\_\_\_\_

Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_



## Endorsement

### Amended Defense of Claims Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that Section VII. **DEFENSE OF CLAIMS**, Subsection C. of the Policy is deleted and replaced with the following:

- C. The **Insureds** shall not admit nor assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**, such consent not to be unreasonably withheld; provided, however, and subject always to the requirements of Subsection D. of this Section, the **Insureds** may settle any **Claim** without the **Insurer's** prior written consent if the total **Loss** resulting from such **Claim** is less than fifty percent (50%) of the amount of the applicable retention set forth in Item 4. of the Declarations. The **Insurer** shall not be liable for any admission, assumption, settlement, stipulation, or **Defense Costs** to which it has not consented.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 3

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

## Endorsement

### Securities Claims Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, It is hereby understood and agreed that the Policy is amended as follows:

1. Section III. DEFINITIONS, Subsection OO. "Wrongful Act", is deleted and replaced with the following:  
OO. "Wrongful Act" means:
  1. regarding an **Insured Person**, any actual or alleged:
    - a. act, error, omission, statement, misstatement, misleading statement, neglect or breach of duty by an **Insured Person** in his or her capacity as such, including, without limitation:
      - (i) in rendering of, or failure to render, **Asset Management Services**; or
      - (ii) any **Employment Practices Wrongful Act**; or
    - b. claim against an **Insured Person** solely by reason of their serving in such capacity, including service in any **Non-Profit Capacity** or **Portfolio Company Capacity**; or
  2. regarding an **Insured Organization**, any actual or alleged act, error, omission, statement, misstatement, misleading statement, neglect or breach of duty by an **Insured Organization**:
    - a. in rendering, or failing to render, **Asset Management Services**;
    - b. in its capacity as:
      - i. a **Controlling Person**;
      - ii. a purchaser of, investor in, or lender to a **Portfolio Company** or potential **Portfolio Company**;
      - iii. a selling shareholder of a **Portfolio Company**; or
      - iv. a general partner, limited partner or member of any other **Insured Organization** that is a limited partnership or limited liability company.
    - c. constituting an **Employment Practices Wrongful Act**;
    - d. alleged in a **Securities Claim**.
2. Section III. DEFINITIONS, is amended by adding the following definition:  
  
"Securities Claim" means any Claim that a security holder of the Company brings in his or her capacity as a security holder of the Company.
3. Section III. DEFINITIONS, F. "Claim" is amended as follows:  
  
Claim shall include a **Securities Claim**.

4. Section IV. **EXCLUSIONS**, Subsection A. **General Exclusions**, is amended by adding the following exclusion:

The **Insurer** shall not pay any **Loss** for any actual or alleged violation of the Securities Act of 1933, the Securities Act of 1934, any state "blue sky" securities law, or any other federal, state or local securities law, including amendments thereto, or any rule or regulation promulgated thereunder or any similar common law imposing liability in connection with the offering, sale or purchase of securities of the **Company**. This Exclusion shall not apply to any **Claim** arising out of the offering, sale or purchase of securities, whether debt or equity, in a transaction that is exempt from registration under the Securities Act of 1933, provided, however, that this exclusion shall apply to any **Claim** arising from, based upon or attributable to an Initial Public Offering under Title I of the Jumpstart Our Business Startups (JOBS) Act.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 4

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

## Endorsement

### Amended Definition of Asset Management Services Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:

Section III. **DEFINITIONS**, Subsection E., "Asset Management Services" is deleted and replaced with the following:

E. "Asset Management Services" means:

- (1) any advisory or other services, including, without limitation, any management, investment, financial, monitoring, operational or financial advisory or other services; (i) for or on behalf of or for the benefit of any **Insured Organization**; or (ii) for or on behalf of any **Portfolio Company**;
- (2) investment or asset management services, administrative services, portfolio management and asset allocation services;
- (3) financial, economic, or investment advice regarding investment in securities or investment vehicles;
- (4) the formation, capitalization, operation, management, administration, marketing, solicitation or dissolution of, or raising capital for, any **Investment Fund**, including but not limited to the preparation of any offering documents;
- (5) the creation, syndication, offering, sales, operation, administration, management or divestiture of any investment products including any debt or equity securities, private note or private credit facility, fund, limited partnership, or limited liability company interests;
- (6) the extension or refusal to extend credit, or granting or refusal to grant a loan or any transaction in the nature of a loan;
- (7) the origination and servicing of any loan, lease or extension of credit, including but not limited to the following servicing activities: record keeping; billing and disbursements of principal or interest; receipt or payment of insurance premiums and taxes; credit reporting or statements of customer's creditworthiness; and determination of the depreciation amount of property; or
- (8) the acquisition, administration, valuation, securitization or divestiture or sale of individual and portfolio receivables.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 5

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

# Endorsement

## Amended Exclusions Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:

Section IV. **EXCLUSIONS**, Subsection A. **General Exclusions** of the Policy is amended by adding the following Exclusions:

The Insurer shall not pay Loss:

- (aa) for fees or charges for the Insured's services;
- (bb) in connection with any **Claim** arising from, based upon, or attributable to the Insured's written representation, promise or guarantee of the past performance of future value of any insurance or investment product;
- (cc) for liability arising from the insolvency of any bank, banking firm, broker, or dealer in securities, or any other person or entity, or the inability of such person or entity to make any payment or settle any transaction of any kind; provided, however, that this Exclusion shall not apply to any **Claim** arising from any change in an investment's performance due solely to the default in payment obligations in connection with an asset underlying or forming part of such investment.
- (dd) in connection with any **Claim** arising from, based upon, or attributable to:
  1. discrimination or harassment including but not limited to the violation of any foreign, federal, state or local laws, whether statutory or common law, concerning discrimination or harassment, including but not limited to the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
  2. labor or grievance proceeding initiated pursuant to any collective bargaining agreement;
  3. lockout, strike, or hiring of replacement workers in connection with any labor dispute, labor negotiation or collective bargaining agreement;
  4. employment-related torts; or
  5. violations of the Fair Labor Standards Act, as amended, or any other foreign, federal, state, or local law, whether statutory or common law, governing the classification of employees to determine their eligibility for compensation or the payment of wages, overtime, on-call time, rest periods or minimum wages;

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 6

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

## Endorsement

### Regulatory Exclusion Endorsement

This Endorsement Changes The Policy. Please Read It Carefully.

In consideration of the payment of the premium for this Policy, It is hereby understood and agreed that Section IV. **EXCLUSIONS**, Subsection A. **General Exclusions** of the Policy is amended by adding the following Exclusion:

The Insurer shall not pay **Loss** arising from, based upon, or attributable to any **Claim** brought by, on behalf of, or in the right of any governmental, quasi-governmental, or self-regulatory entity; provided, however, that this Exclusion shall not apply: (i) if such governmental, quasi-governmental or self-regulatory entity brings the **Claim** solely in its capacity as a third party client; or (ii) to any **Claim** under **Insuring Agreement A**.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: \_\_\_\_\_ Policy No.: \_\_\_\_\_ Endorsement No. 7

Insured: \_\_\_\_\_ Premium: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_