

BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH HUDSON INSURANCE COMPANY (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE PART SECTIONS OF PRIVATE DEFENDER PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST NAME DURING THE "POLICY PERIOD," OR ANY APPLICABLE DISCOVERY PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

I. APPLICATION INSTRUCTIONS

1. Whenever used in this Application, the term "Applicant" shall mean the parent Company and all Subsidiaries, whether used in the singular or plural.
2. The terms used herein shall have the meanings defined by the Policy, whether used in the singular or plural.
3. The Application must be signed by an executive officer.
4. All Applicants are required to complete the General Information section, and Application section 3. Application sections 4-7 should be completed only to the extent Applicant is applying for the respective coverage section.
5. If more space is needed to answer a question, please attach a separate sheet of paper.
6. This Application and all attachments shall form a part of the Policy if issued and shall be held in the strictest of confidence.

II. GENERAL COMPANY INFORMATION

1. a) Name of Applicant: _____
 Address: _____
 City: _____ State: _____ Zip: _____ Telephone: _____
- b) Officer authorized to receive notice and information regarding the proposed policy;
 Contact Name: _____
 Title: _____
 Phone Number: _____
 E-mail address: _____
- c) List of newly acquired or formed Subsidiaries in the last 12 months requested to be included under this proposed insurance policy (include name, date acquired/formed and identify nature of operations:

 Please attach additional list of Subsidiaries, (if necessary)

2. Indicate below the Coverage Parts for which the Applicant seeks renewal:

- Directors and Officers Liability Employment Practices Liability
 Fiduciary Liability Crime

III. FINANCIAL INFORMATION

Please provide the following financial information for the Applicant and its Subsidiaries. Information must be based on the most recent audited financials or interim financials if audited financials are not available.

1. Please provide the following Financial Information for the Applicant and its Subsidiaries.

Based on Financial Statements Dated:	_____ (Year/Month)
Total Assets	\$
Total Liabilities	\$
Total Revenues/Contributions	\$

Net Income	Net Loss	\$
Cash flow from Operations		\$
Long Term Debt		\$

2. Is the **Applicant** or any of its **Subsidiaries** currently in default of any debt, creditor or contractual obligation or in violation of any debt covenant or agreement? Yes No
 If "Yes" attach an explanation to the Application including a statement on your plan to address such issues.

Is the **Applicant's** most recent audit qualified as a "Going Concern" or does the **Applicant** anticipate such a qualification in its next audit? Yes No N/A
 If "Yes", please attach an explanation that includes whether the **Applicant** has sufficient financing for the next 12 months and current available or pending sources of financing.

3. Have the **Company's** auditors identified "material weakness" in the **Applicant's** internal accounting controls? Yes No N/A
 If "Yes" please attach a full explanation and the **Applicant's** plan to remediate such weaknesses (including any CPA management letter and the response thereto)

IV. DIRECTORS AND OFFICERS LIABILITY INFORMATION

1. Has there been any changes to the percentage of voting shares of greater than 10% in the last 12 months? Yes No

If "Yes", please list all holders of greater than 10% plus their percentage owned and the reasons for the change: _____

2. In the next 12 months (or during the past 12 months) is the **Applicant** currently contemplating or anticipating any (or has the **Applicant** completed or been in the process of completing)
- (a) merger or consolidation with or acquisition of another entity whose consolidated assets exceeded 25% of the **Applicant's** consolidated assets? Yes No
 - (b) sale, distribution or divestiture of any assets or stock in an amount exceeding 25% of the **Applicant's** consolidated assets? Yes No
 - (c) registration for a public offering of securities? Yes No
 - (d) private placement of securities? Yes No
 - (e) reorganization, restructuring or arrangement with creditors under federal or state law? Yes No
 - (f) Any branch, location, facility, office, or subsidiary closings, consolidations or layoffs? Yes No

If the **Applicant** answered "Yes" to any part of Question 2, please attach a full description of the details.

3. Have there been any changes in the Board of Directors or Senior Management of the **Applicant** within the past 12 months for reasons other than death or retirement? Are any changes currently anticipated within the next 12 months? Yes No If "Yes" please attach a full description of the details.

V. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. Number of employees:
 Total _____ Full Time: _____ Part Time: _____ Temporary: _____
 California: _____ Texas: _____ Florida: _____ Foreign: _____

2. Number of employees who have left the Applicant over the past 12 months:
 Voluntary _____ Involuntary _____ Layoffs _____

3. Within the last year, has the Applicant updated its employment practices handbook, or human resources policies and procedures or department? Yes No If "Yes" please attach a full description of the details.

VI. FIDUCIARY LIABILITY INFORMATION

Please list the names and types of **Applicant's** employee benefits plan(s) for which coverage is requested. (Do not included health and welfare plans)

Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP)

Plan Name	Plan Type: DC, DB, ESOP	Number of Participants	Total Plan Assets	Funding Status (%)

In the last 12 months or within the next 12 months, does the **Applicant** plan to merge, terminate, or suspend any plans(s)? Yes No If "Yes" please attach a full description of the details.

VII. CRIME INFORMATION

Total Number of: Domestic Employees _____ Foreign Employees _____ Locations _____

Does the **Applicant**:

1. Allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? Yes No

2. How often does the **Applicant** perform a physical inventory check of stock and equipment?

3. In the last 12 months or within the next 12 months, has the **Applicant** updated or amended their Vendor procedures in any way? Yes No If "Yes" please attach a full description of the details.

VIII. REPRESENTATIONS, FRAUD WARNINGS AND SIGNATURES

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 act, which is a crime.

The Applicant's submission of this **Application** does not obligate the **Company** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Company** to make any inquiry in connection with this **Application**.

It is understood and agreed that if such knowledge or information exists, any claim arising therefrom is excluded from this proposed insurance.

The undersigned authorized director or officer agrees that if the information supplied on this **Application** changes between the date the **Application** is executed and the time the proposed insurance policy is bound or coverage commenced, the **Company** will immediately notify the insurer in writing of such changes. The insurer fully reserves its rights with respect to the underwriting acceptance or denial of such changes, including the right to modify or withdraw any outstanding quotation.

The undersigned authorized director or officer declares on behalf of the **Company**, and its directors and executive officers, that to the best of his/her knowledge and belief, the statements set forth herein and attached hereto are true and that the **Company** has made reasonable good faith efforts to obtain sufficient information to accurately complete this **Application**.

It is agreed that the statements in this **Application** or in any materials submitted herewith are representations of the **Company** and its directors and executive officers. These representations shall be deemed material to the acceptance of the risk assumed by the insurer under the policy which, if issued, will be issued in reliance upon the truth thereof.

A policy cannot be issued unless the **Application** is properly signed and dated by the following individual who is authorized to sign on behalf of all assureds including the **Company** and any persons for whom the insurance is to be provided: **President, CEO OR CFO**.

WARNING

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT S(HE) IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NAME _____ TITLE _____

SIGNATURE _____ DATE _____

NOTE: This Application must be signed by the CEO, President or CFO

If this Application is completed in Florida, please provide the Insurance Agent's name and license number as designated. If this Application is completed in Iowa, please provide the Insurance Agent's name only.

PRODUCER (Insurance Agent or Broker)	INSURANCE AGENCY OR BROKERAGE
INSURANCE AGENCY TAXPAYER I.D. OR SOCIAL SECURITY NO.	AGENT OR BROKER LICENSE NO.
ADDRESS OF AGENT OR BROKER (Include Street, City and Zip Code)	
E-MAIL ADDRESS OF AGENT OR BROKER	
SUBMITTED BY (Insurance Agency)	INSURANCE AGENCY TAXPAYER I.D. OR SOCIAL SECURITY NO.
ADDRESS OF AGENT OR BROKER (Include Street, City and Zip Code)	

Wage & Hour Questionnaire (Must be answered by all entities for which insurance coverage is provided):

- a) For each entity for which coverage is requested, have any employees complained about violations of state or federal wage and hour laws in the past 24 months? Has the **Company** ever been found to be in violation of any state or federal wage and hour laws? Has the **Company** ever had any wage & hour **Claims**? Is the **Company** in compliance with all applicable state and federal wage and hour laws including but not limited to all record keeping and notice provisions?
- b) For each entity for which coverage is requested, on **Company** letterhead please state that the **Company** is not aware of any violations or complaints by employees of violations of the FLSA or any state law covering wage and hour compliance including but not limited to the New York State Wage Theft Prevention Act. It is agreed that if the **Company** or any Director or Officer is aware of such a **Claim**, it is hereby excluded from this policy. Please have this statement signed and dated by the President or CEO.
- c) Do any exempt employees receive a salary of less than \$455 per week? Yes No
- d) Do all exempt management personnel, as part of their primary duties:
- 1) have direct management control over at least two employees? Yes No
 - 2) have authority to hire and fire or to make recommendations on hiring and firing? Yes No
 - 3) spend less than 50% of their time supervising employees? Yes No
- e) Do all exempt administrative personnel, as part of their primary duties, have authority to make independent decisions (e.g. sign contracts, bind the **Applicant**, hire/fire)? Yes No
- f) Do all exempt outside sales personnel get paid on a commission or partial commission basis? Yes No

- g) Do any non-exempt employees get paid less than minimum wage, including but not limited to, those with the expectation that the difference will be made up by gratuities, commissions or piece rate? Yes No
- h) Are any non-exempt personnel not paid for any time that they are required to be on **Applicant's** premises (i.e. putting on or removing uniforms or equipment) or traveling at **Applicant's** direction? Yes No
- i) Do any non-exempt employees receive reduced hours in exchange for working more than 40 hours in one week in lieu of overtime pay? Yes No
- j) If **Applicant** has independent contractors, do they:
- 1) work under the direct supervision and control of **Applicant's** employees? Yes No
 - 2) use equipment or tools supplied by **Applicant**? Yes No
 - 3) receive **Company** benefits? Yes No
 - 4) wear **Company** uniform? Yes No
 - 5) have a mandate to attend **Company** meetings? Yes No
- k) Does **Applicant** contract with an outside **Company** for services to be performed on **Applicant's** premises by that **Company's** employees? Yes No

If Yes, is there a written indemnity agreement holding **Applicant** harmless for any wage and hour violations? Yes No

- l) When was the last time the **Applicant** audited or reviewed its wage and hour practices to ensure compliance with state and federal laws, including but not limited to its classification of exempt and non-exempt employee's, how overtime is calculated, and meal and rest break periods? _____
Is an attorney involved and how frequent are the audit Yes No

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- m) Does **Applicant** retain payroll records for the last three years? Yes No
- n) Does **Applicant** track the number of hours of salaried employees for payroll purposes? Yes No
- o) Has the **Applicant** changed the status of any non-exempt job category in the last four (4) years? If Yes, please provide details. Yes No
- p) Does the **Applicant** maintain job descriptions for each employee at each location and periodically review them against the employee's actual job duties? Yes No
- q) Does the **Applicant** regularly review job descriptions and update them with the assistance of an attorney? Yes No
- r) For any non-exempt employees that are required to be on-call or stand-by to the extent that they are restricted from doing their normal activities, (i.e., must stay within a three (3) mile radius from work), are they compensated for this time? Yes No
- s) Does the **Applicant** have a wage and hour compliance program that includes: wage and hour training course for their employees and managers? Yes No
- t) Has there been any wage and hour law related actions, demands, lawsuits, administrative or regulatory proceedings or hearings that resulted in any fines, penalties, defense costs, paid settlements or other losses involving the **Applicant** or any entity or person proposed for this insurance during the last five (5) years ? Yes No
- u) Has the **Company** been audited by a state or federal labor department or agency in the past 3 years? Yes No
Or Is such an audit pending or scheduled? Yes No
If "yes" to either question please explain.