

LAWYERS PROFESSIONAL LIABILITY POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY
PLEASE READ CAREFULLY

PROVISIONS

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VII).

In consideration of payment of the premium, in reliance upon the statements in the Declarations, Endorsements, and Application made a part hereof, and subject to all the terms, conditions, notice of "claim" provisions, Deductible, Limits of Insurance, and Exclusions of this Policy, we agree with you as follows:

SECTION I - COVERAGES

1. Insuring Agreement

- a. We will pay, in excess of the Deductible shown in the Declarations, those sums the insured becomes legally obligated to pay as "damages" because of "professional services" rendered or that should have been rendered to which this insurance applies. We will have the right and duty to defend the insured against a "claim" seeking those "damages". However, we will have no duty to defend the insured against any "claim" seeking "damages" for "professional services" to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any "claim" that may result. But:
 - (1) The amount we will pay for "damages" is limited as described in Section III – LIMITS OF INSURANCE AND DEDUCTIBLE;
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or defense costs.
- b. This insurance applies to "claims" for "damages" only if:
 - (1) The "damage" arises out of an act, error or omission in the conduct of the insured's "professional services";
 - (2) The "damage" arises out of a "professional service" that occurs subsequent to the Policy effective date or Retroactive Date, if applicable, and prior to the expiration of the Policy; and
 - (3) The "claim" or an event about which any insured obtains knowledge which might result in a "claim" is reported in writing to us subsequent to the effective date and prior to the expiration date of the Policy or Extended Reporting Periods, if applicable.
- c. All "claims" for "damages" arising out of "professional services" to the same person or organization will be deemed to have been made at the time the first of those "claims" is made against any insured and reported to us.
- d. We will pay, with respect to any "claim" or suit against an insured:
 - (1) All fees, costs or expenses resulting from the defense and appeal of a covered "claim" other than salary costs of our employees.
 - (2) All expenses we incur.

- (3) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance.
- (4) All reasonable expenses incurred by the insured at our request to assist in the investigation or defense of a "claim" or suit, including actual loss of earnings up to \$100 a day because of time missed from work.
- (5) All costs taxed against the insured in a suit.
- (6) Prejudgment interest awarded against an insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will reduce the Limits of Insurance.

2. Exclusions

This Policy does not apply to any "claim":

- a. Based on or directly or indirectly arising from:
 - (1) A "professional service" rendered prior to the effective date of the Policy if any insured knew or could have reasonably foreseen that the "professional service" could give rise to a "claim";
 - (2) Any common fact, circumstance, transaction advice or decision involved in a "professional service" reported as a claim or potential claim under any prior Policy;
 - (3) Any "claim", suit, act, error or omission disclosed in the application for this Policy;
- b. Based on or directly or indirectly arising from an insured's "professional services" for:
 - (1) Any other insured under the Policy;
 - (2) Any firm, organization, entity or trust not named in the Declarations in which the insured
 - (a) has or had any ownership interest,
 - (b) is or was a director, officer, partner, principal, shareholder or employee, or
 - (c) at any time managed, operated or exercised direct or indirect control;however (2) above does not apply to any entity that qualifies as "predecessor firm";
- c. Based on or directly or indirectly arising out of the rights or duties under any agreement including disputes over fees for services;
- d. Based on or directly or indirectly arising out of any actual or alleged bodily injury to or sickness, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;
- e. Based on or directly or indirectly arising out of the insured's services or capacity as an accountant or advisor, agent or broker in real estate, investments, insurance or tax liability;
- f. Based on or directly or indirectly arising out of:
 - (1) The registering, qualifying or reporting under:
 - (a) the Securities Act of 1933
 - (b) the Securities Exchange Act of 1934
 - (c) the Investment Company Act of 1940
 - (d) the Public Utility Holding Company Act of 1935

- (e) state Blue Sky laws, and
 - (f) any other law governing the registration or issuance of transactions involving securities;
- (2) Private placement of private securities, limited partnerships, syndicates of any kind or real estate investment trusts;
- g. Based on or directly or indirectly arising out of or resulting from an act, error, or omission of an individual or entity with whom the insured shares common office space or common office facilities who is not an insured under this Policy;
- h. Based on or directly or indirectly arising out of or resulting from any insured's activities performed in the capacity of a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto; except if the insured is deemed to be a fiduciary solely by reason of legal advice rendered with respect to any employee benefit plan;
- i. Based on or directly or indirectly arising out of or resulting from the notarization of a signature without the physical appearance of the signatory before the insured;
- j. Based on or directly or indirectly arising out of or resulting from any insured's capacity as an elected public official or as an employee of a governmental body, subdivision, or agency thereof unless the insured is deemed as employee solely by virtue of rendering legal services to such governmental body, the remuneration for which services inures to the benefit of an insured;
- k. Based on or directly or indirectly arising out of or resulting from any conspiracy, intentional breach of contract, intentional interference with rights or obligations, assault, battery, trespass or violations of the provisions of the Racketeer Influenced and Corrupt Organization Act 18 USC Sections 1961 et seq.;
- l. Based on or directly or indirectly arising out of or resulting from:
 - (1) Any act committed with knowledge of its wrongful nature or with the intent to cause damage;
 - (2) The gaining by the insured of any personal profit, gain or advantage to which the insured is not legally entitled; or
 - (3) Any criminal, fraudulent, or dishonest act. However, we shall defend such allegations against the insured if it involves a "claim" otherwise covered under the Policy until final adjudication;
- m. Based on or directly or indirectly arising out of any "claim" based on discrimination by the insured on the basis of age, color, race, sex, creed, national origin, marital status, handicap, physical disability or sexual preference;
- n. For payment of any fine, sanction or penalty of any nature against the insured;
- o. Relating in whole or in part to the dissolution of any law firm unless the insured is not a party to the dissolution and the "claim" is based on or directly or indirectly arises out of the insured's representation of one or more parties to the dissolution;
- p. Based on or directly or indirectly arising out of or resulting from:
 - (1) Injury or "damages" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "hazardous materials" at any time;
 - (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "hazardous materials"; or

- (b) "Claim" or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "hazardous materials";
 - (3) The failure to discover or disclose the existence or amount of "hazardous materials";
 - (4) Any obligations to share "damages" with or indemnify another party whom must pay "damages" because of injury or damage relating to "hazardous materials";
 - (5) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with paragraphs (1), (2), (3), or (4) above;
- whether or not such "hazardous material(s)" has any function in your business, operations, premises, site or location.;
- q. Based on or directly or indirectly arising out of or resulting from Infringement of patent, copyright, trademark, service mark or trade name; or unfair competition based upon actual or alleged infringement of patent, copyright, trademark, service mark, or trade name.

SECTION II – WHO IS AN INSURED

1. The Named Insured stated in the Policy Declarations and any "predecessor firm" of the Named Insured.
2. Any person who is or was your partner, officer, member, director, or stockholder, but only for "professional services" rendered on your behalf or on behalf of any "predecessor firm".
3. Any person who is or was your employee but only for "professional services" rendered on your behalf or on behalf of any "predecessor firm";

however 2. and 3. above do not include any such employee, member, partner, officer, director, or stockholder who joins your firm after the inception date of this policy unless reported to us as required and so acknowledged by us.

4. The heirs, executors, administrators and legal representatives of each insured, as defined in 1., 2. and 3. above, in the event of death, incapacity or bankruptcy of such insured, but only for liability arising out of "professional services" rendered by the insured prior to such insured's death, incapacity, or bankruptcy.

SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE

1. Our liability for each "claim" covered under this Policy shall not exceed the amount stated in the Declarations as LIMIT OF INSURANCE – EACH CLAIM. This limit is the maximum amount for which we are liable for the sum of all fees, costs and expenses incurred in the defense of and "damages" paid on each "claim" or suit covered hereunder.
2. Subject to LIMIT OF INSURANCE – EACH CLAIM, our liability for all "claims" covered under this Policy shall not exceed the amount stated in the Declarations as LIMIT OF INSURANCE – AGGREGATE. This limit is the maximum amount for which we are liable for the sum of all fees, costs and expenses incurred in the defense of and "damages" paid for all "claims" covered under this Policy.
3. The number of insureds covered by the Policy shall not operate to increase the Limits of Insurance.
4. Two or more "claims" or suits arising out of the same, related or continuous "professional services" shall be considered a single "claim".
5. If two or more Policies of insurance issued by us apply to the same "claim" or "claims" for which any insured is legally liable, we shall not be liable under this Policy for more than the Limit of Insurance of that Policy issued by us which has the highest applicable Limit of Insurance. If the Limit of Insurance on each Policy is the same, only one limit will apply.
6. The Deductible stated in the Declarations applies to each "claim" and shall be paid by you. The Deductible applies to "damages" and fees, costs and expenses incurred in the defense of a suit. We

may advance payment of all or part of the Deductible. Within thirty (30) days of our request therefore, you shall reimburse us for the deductible amount we have advanced.

SECTION IV – TERRITORY

This Policy only applies to “claims” which are brought in the United States, its territories or possessions, or Canada.

SECTION V – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this Policy.

2. Notice of Claim or Loss

a. The insured shall provide written notice to us as soon as practicable following any “claim” or any event which the insured shall have reason to believe might result in a “claim”. The insured shall also include in such written notice details of the event.

The insured shall notify us in writing of any of the following:

- (1) Any “claim” or suit made against or received by the insured;
- (2) Any action or proceeding which may impose a legal obligation on the insured for a “claim”;
- (3) Any conditions, events, circumstances that may give rise to a “claim” that, if first reported to us during the “Policy period”, may be covered by this Policy; or
- (4) Any conditions, events or circumstances for which notification to any governmental agency is required.

b. If a “claim” is received by any insured:

- (1) Immediately record the specifics of the “claim” and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the “claim” as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or a suit;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the “claim” or defense against the suit; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of “damage” to which this insurance may also apply.

d. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense.

3. Legal Action Against Us

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a suit asking for “damages” from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial but we will not be liable for “damages” that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the “policy period” shown in the Declarations of this insurance and applies to “professional services” on other than a claims-made basis, if:
 - (a) No Retroactive Date is shown in the Declarations of this insurance; or
 - (b) The other insurance has a “policy period” which continues after the Retroactive Date shown in the Declarations of this insurance;
- (2) That is valid and collectible during the Supplemental Extended Reporting Period, if applicable.

When this insurance is excess, we will have no duty to defend the insured against any suit if any other insurer has a duty to defend the insured against that suit. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all Deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer’s share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this Policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

6. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

7. First Named Insured as Sole Representative

The First Named Insured shall act on behalf of all insureds with respect to completing the Application for this insurance, including representing the truth and completeness of all information as required in Section V. 2. Notice of Claim or Loss, giving or receiving notice of cancellation or non-renewal, paying premium or receiving unearned premium, agreeing to any changes in this Policy, and electing whether or not to purchase the Supplemental Extended Reporting Period described in Section VI – EXTENDED REPORTING PERIODS.

8. Cancellation and Non-Renewal

This Policy may be cancelled by the First Named insured by surrender thereof to us or by mailing to us written notice stating when thereafter the cancellation shall be effective. We may cancel this Policy by mailing a written notice to the First Named Insured at the address shown in this Policy. The effective dates of such cancellation shall be not less than 30 days (ten days for non-payment of premium) following receipt of the notice of cancellation by the First Named Insured. The time of surrender or the effective date of cancellation stated in the notice shall become the end of the “policy period”.

Delivery of such written notice either by the First Named Insured or by us shall be equivalent to mailing. If this Policy is issued to comply with any law or regulation that requires notice of cancellation to any governmental body, cancellation shall not be effective until the required notice has been provided by you or us.

If we cancel this Policy, unearned premium shall be computed pro rata; if the First Named insured cancels, the unearned premium shall be the customary short rate proportion of the premium. In either event, the applicable unearned premium shall be returned to the First Named Insured as soon as practicable following the effective date of the cancellation. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of the effective date of the cancellation.

If we elect not to renew this Policy for an additional “policy period”, we shall mail written notice to the First Named Insured at the address shown in the Declarations. Such written notice of non-renewal shall be mailed at least 30 days prior to the end of the “policy period”.

9. Change in Membership of the Firm

The Named Insured shall report to us in writing within 30 days but before policy expiration, whichever is earlier, of any members or employees providing “professional services”:

- a. Added to your firm after the inception date of this policy; or
- b. Any disciplinary actions against any insured;

and provide any additional information or applications as we may require. We shall have the right to amend or cancel this policy or charge an additional premium.

SECTION VI – EXTENDED REPORTING PERIODS

In the event this Policy is cancelled or non-renewed by you or us, you may be entitled to the following extensions of coverage.

1. Basic Extended Reporting Period

- a. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "policy period" and lasts for thirty (30) days. This extension of coverage does not apply if other insurance insures the "claim" for "damages" arising out of "professional services".
2. Supplemental Extended Reporting Period
- a. A Supplemental Extended Reporting Period of up to sixty (60) months is available, but only by endorsement and for an extra premium charge.
 - b. You must give us a written request for the endorsement and pay any premium due within thirty (30) days after the end of the "policy period". The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.
 - c. The Supplemental Extended Reporting Period starts when the Basic Extended Reporting period set forth in paragraph a. above ends.

However, there shall be no entitlement to these extensions if cancellation or non-renewal is due to your:

1. Non-payment of premium or deductible due, or
2. Failure to comply with the terms and conditions of the Policy.

These extensions of coverage shall be subject to all the terms and conditions of this Policy and shall apply to "claims" first made against the insured and reported to us that result from "damages" that arise out of a "professional service" performed subsequent to the Policy effective date or Retroactive Date, if any, and before the end of the "Policy period".

The fact that the period during which "claims" may be reported to us under this Policy is extended by virtue of the Basic and Supplemental Extended Reporting Periods does not in any way increase the Limits of Insurance of this Policy.

SECTION VII – DEFINITIONS

Defined terms are in quotation marks throughout this Policy and may be used in either the singular or plural, as appropriate.

1. "Claim" means a demand for monetary "damages" arising out of a "professional service" made against the insured by service of suit, the institution of arbitration or administrative proceedings or otherwise, but does not include a demand for equitable or non-pecuniary relief.
2. "Damages" means judgments, awards and settlements an insured is legally obligated to pay as a result of a "claim" to which this policy applies.
3. "Hazardous materials" means "pollutants", lead, asbestos, silica, mold, fungi or bacteria, or radon and materials containing them.
4. "Policy period" means the period shown as such in the Declarations, unless earlier cancelled pursuant to Section V. 8. of this Policy.
5. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
6. "Predecessor firm" means an entity that was engaged in "professional services" to whose financial assets and liabilities the Named Insured is the majority successor in interest prior to the effective date of this policy.
7. "Professional services" means usual and customary services of the profession described in the Declarations of this Policy.