

**COPY**

National Union Fire Insurance Company of Pittsburgh, Pa.®

175 Water Street  
New York, NY 10038

**LAWYERS PROFESSIONAL LIABILITY POLICY**

POLICY NUMBER: 25465787-00

REPLACEMENT OF:

**NOTICE**

THIS IS A CLAIMS-MADE AND REPORTED FORM. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS GENERALLY LIMITED TO LIABILITY FOR THOSE CLAIMS THAT ARE FIRST MADE AGAINST INSURED(S) DURING THE POLICY PERIOD AND REPORTED TO THE INSURER AS THE POLICY REQUIRES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.

*Terms appearing in bold type have special meanings. See the Definitions for more information*

**DECLARATIONS**

ITEMS			
1 a.	<b>NAME OF FIRM</b>	(the "Firm")	Tescher & Spallina, P.A.
		MAILING ADDRESS:	4855 Technology Way, Suite 720 Boca Raton, FL 33431
1 b.	<b>PREDECESSOR FIRM(S)</b>	(the "Predecessor Firm(s)")	As per Application
2	<b>POLICY PERIOD</b>	Inception Date:	Expiration Date:
		01/01/2014	01/01/2015
		12:01 A.M. at the address stated in Item 1 above.	

ITEMS (continued)	
3	<b>LIMIT OF LIABILITY</b>
	(a) per Claim \$ 2,000,000
	(b) Aggregate \$ 2,000,000
	(c) Separate Limit of Liability - Disciplinary Proceedings \$ 25,000
4	RETROACTIVE DATE 01/01/2008
5	<b>DEDUCTIBLE</b>
	each Claim: \$ 10,000
6	TOTAL PREMIUM \$ 9,465 + \$ 123.05 FL Hurricane Catastrophe Fund Surcharge
7	Name and Address for Notice/Claims Reporting: YORKPro, Inc. One Whitehall Street, 14 <sup>th</sup> Floor New York, New York 10004 Reference: 25465787-00
8	Name and Address of Insurer: National Union Fire Insurance Company of Pittsburgh, Pa. 175 Water Street New York, NY 10038
	Producer: AFPD , a division of NSM Insurance Group Producer Code 64573 Address: 555 North Lane, Suite 6060, Conshohocken, PA 19428

**ADDENDUM TO THE DECLARATIONS**

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.



Robert Schimek  
PRESIDENT



Denis M. Butkovic  
SECRETARY

Granite State Insurance Company  
The Insurance Company of the State of Pennsylvania  
Illinois National Insurance Co.  
New Hampshire Insurance Company  
American Home Assurance Company  
National Union Fire Insurance Company of Pittsburgh, Pa.  
Commerce and Industry Insurance Company

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the Policy.



Ethan D. Allen  
AUTHORIZED REPRESENTATIVE

12/20/2013

COUNTERSIGNATURE DATE

Conshohocken, PA

COUNTERSIGNED AT

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# LAWYERS PROFESSIONAL LIABILITY POLICY

In consideration of the payment of the premium, in reliance upon the statements made to the **Insurer** in the **Application** and subject to the Limits of Liability and all other terms, conditions, exclusions, and limitations contained herein, the insurance company designated in Item 8 of the Declarations, herein called the "**Insurer**", agrees as follows:

## 1. INSURING AGREEMENT

### (a) Coverage

#### (1) Coverage for Loss

This policy will pay on the behalf of the **Insured** any **Loss** arising from a **Claim** first made against the **Insured** during the **Policy Period** or, if applicable, the **Extended Reporting Period** and reported to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act** committed or omitted by an **Insured**, on or after the **Retroactive Date**, whenever or wherever such **Wrongful Act** has been committed by the **Insured** in the rendering or failing to render **Legal Services** for others.

#### (2) Crisis Fund Coverage

This policy shall pay the **Crisis Management Loss** of the **Firm** arising from a **Crisis Management Event** first reported during the **Policy Period**, up to the amount of the **Crisis Management Fund**.

### (b) Defense, Investigation and Settlement (included in the Limits of Liability)

#### (1) Defense

Except as indicated in paragraph (c) below, the **Insurer** will have the right and duty to defend, subject to and as part of the Limits of Liability, any **Claim** made against an **Insured** during the **Policy Period** or, if applicable, **Extended Reporting Period** and reported in writing to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act** for which coverage is afforded under this policy, even if any of the allegations of the **Claim** are groundless, false, or fraudulent.

#### (2) Investigation and Settlement (including Deductible reduction provision)

The **Insurer** will have the right to make any investigation it deems necessary with respect to any **Claim** or notice of **Wrongful Act** under this policy. The **Insurer** will have the right to make, with the written consent of an **Ombudsperson**, any settlement of a **Claim** under this policy.

If the **Insurer** recommends a settlement within the applicable Limit of Liability which is acceptable to the claimant ("**Settlement Opportunity**") and: (i) an **Ombudsperson** consents to such settlement within 45 days of the **Insurer's** recommendation or within the time permitted by the claimant to accept the claimant's demand, whichever is less; or (ii) the **Insured** consents to binding mediation or arbitration pursuant to Section 4. CONDITIONS, paragraph (o) Alternative Dispute Resolution Process: then the "per **Claim**" Deductible amount will be retroactively reduced by 50%. The amount of the Deductible subsequent to such reduction shall not exceed \$25,000.

If, however, a **Settlement Opportunity** arises and an **Ombudsperson** does not consent to the settlement of the **Claim** within the time frame described above,

the "per Claim" Deductible amount will remain the amount set forth in Item 5 of the Declarations, even if consent is given to a subsequent settlement of such Claim. Furthermore, in the event an Ombudsperson does not consent to the settlement within the time frame described above, the Insurer's liability for the Claim will not exceed the amount for which the Insurer could have settled the Claim plus Defense Costs incurred up to the date of the refusal to settle subject to the Limits of Liability. The Insurer will have the right but not the obligation to continue the defense of the Claim after the date of the refusal to settle and may in such a case, at any time after the date of the refusal to settle, deposit in escrow, subject to the applicable Limit of Liability, an amount equal to the proposed settlement amount less any Defense Costs incurred after the date of the refusal to settle and may withdraw from the further defense of the Claim by tendering control of the defense to the Insured.

In all events, the Insurer will not be obligated to settle any Claim, pay any Loss, or undertake or continue defense of any Claim after the applicable Limit of Liability has been exhausted by settlement of any Claim, payment of any Loss, or deposit in escrow of such amount as described in the preceding paragraph. In each such case, the Insurer will have the right to withdraw from the further defense of the Claim by tendering control of the defense to the Insured.

The Insured will not, except at the Insured's own cost, admit or assume any liability, settle any Claim or incur any expenses in connection with a Claim without the written consent of the Insurer.

This paragraph (b) shall have no applicability to Crisis Management Events. There shall be no requirement for the Firm to obtain prior written approval of the Insurer before incurring any Crisis Management Loss, provided that the Crisis Management Firm selected by the Firm to perform the Crisis Management Services has been approved by the Insurer.

(c) **Disciplinary Proceedings**

Notwithstanding the other terms, conditions, limitations and exclusions in this policy, the Insurer will pay reasonable legal fees and expenses to defend a Disciplinary Proceeding: (1) first made against any Insured during the Policy Period or an Extended Reporting Period; and (2) reported to the Insurer in writing during the Policy Period or an Extended Reporting Period.

In the event that the Insurer has paid the full Disciplinary Proceedings Limit, the Insured agrees that the Insurer may withdraw from defending the Insured and the Insurer shall have the right to tender control of said Disciplinary Proceeding to the Insured. The Insured agrees to assume the obligation to pay, on a going forward basis, the counsel who was originally hired and paid by the Insurer, or to cooperate in the withdrawal of counsel hired and paid by the Insurer.

(d) **Loss of Earnings**

With respect only to the defense of a civil lawsuit or arbitration, the Insurer shall pay a natural person Insured a loss of earnings allowance of \$250 for each half-day the Insured attends a trial or arbitration, or attends a deposition, at the request of the Insurer. This payment only applies if the Insurer requests that such Insured attend such proceedings and those proceedings last for two days or more. The aggregate allowance paid to all such Insureds shall not exceed \$5,000 per Claim, and further shall

not exceed \$5,000 per Policy Period, which amounts shall be part of, and not in addition to, the Limit of Liability set forth in Item 3 of the Declarations.

## 2. DEFINITIONS

- (a) “**Application**” means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other documents submitted in connection with the underwriting of this policy or the underwriting of any other previous or prior lawyers professional liability policy issued by the Insurer, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time.
- (b) “**Claim**” means:
- (1) a written and/or oral demand for monetary, non-monetary or injunctive relief;
  - (2) a written and/or oral request to toll or waive a statute of limitations relating to a potential Claim against an Insured;
  - (3) a suit; or
  - (4) a Disciplinary Proceeding.
- (c) “**Controlling Interest**” means the right, directly or indirectly, to (1) vote 50% or more of the issued and outstanding voting stock in an incorporated entity, (2) elect 50% or more of the directors of an incorporated entity, (3) receive 50% or more of the profits of an unincorporated entity, or (4) have the position of general partner of a limited partnership, managing general partner of a general partnership, or comparable position in any other business enterprise.
- (d) “**Crisis Management Event**” means one of the following events:
- (1) The unanticipated and involuntary departure, at any one time or within any thirty (30) day period, of an entire practice group or branch office, which group or office accounted for 25% or more of the Firm’s revenue in the twelve months immediately preceding such departure.
  - (2)
    - (i) An unanticipated and involuntary decrease in the number of attorneys in the firm by 40% or 15, whichever is less.
    - (ii) An unanticipated and involuntary reduction in the aggregate number of attorneys in any one branch office by more than 50%, provided that the departing lawyer or lawyers accounted for 25% or more of the branch office’s revenue in the twelve months immediately preceding such reduction.
  - (3) The unexpected departure, death or total disability of a Managing Partner, Practice Group Head, Partner or Shareholder, whose client base immediately prior to the crisis event accounts for 20% or more of the Firm’s revenue.
  - (4) The closing of the Firm’s principal or home office due to damage caused by fire, windstorm, flood or other natural disaster which renders such location unusable or inoperable because a governmental authority will not permit its use for a period exceeding forty-eight (48) consecutive hours.
  - (5) The filing of an involuntary bankruptcy petition against the Firm.
  - (6) An allegation by any non-insured against any of the Firm’s attorneys which, if subsequently proven, would be likely to result in disbarment or suspension of

such attorney from the practice of law or in the good faith opinion of the Managing Partner of the Firm is likely to cause **Material Harm** to the Firm.

- (e) **"Crisis Management Firm"** shall mean any public relations firm, accounting firm or law firm, excluding bankruptcy counsel, hired by the Firm to perform **Crisis Management Services** in connection with the **Crisis Management Event** which has been consented to by the **Insurer**, the consent for which shall not be unreasonably withheld.
- (f) **"Crisis Management Fund"** shall mean Fifty Thousand Dollars (\$50,000), except for an event which falls solely within sub-paragraph (6) of Section 2. DEFINITIONS, paragraph (d) ("**Crisis Management Event**"), in which case it will be Five Thousand Dollars (\$5,000).
- (g) **"Crisis Management Loss"** shall mean the following amounts incurred directly in connection with the **Crisis Management Event**, regardless of whether a **Claim** is ever made against an **Insured** arising from the **Crisis Management Event** and, in the case where a **Claim** is made, regardless of whether the amount is incurred prior to or subsequent to the making of the **Claim**:
  - (1) Amounts for which the Firm is legally liable for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the Firm arising from a **Crisis Management Event**; and
  - (2) Amounts for which the Firm is legally liable for the reasonable and necessary printing, advertising, mailing of materials, or travel by the partners or employees of the Firm or the **Crisis Management Firm**, in connection with the **Crisis Management Event**.
- (h) **"Crisis Management Services"** means those services performed by the **Crisis Management Firm** in advising the Firm or any partners or employees of the Firm on minimizing potential harm to the Firm arising from the **Crisis Management Event**.
- (i) **"Damages"** means any amount that an **Insured** shall be legally required to pay because of judgments, arbitration awards or settlements negotiated by the **Insurer** or by an **Insured** in accordance with Section 1. INSURING AGREEMENT, paragraph (b) Defense, Investigation and Settlement (included in the Limits of Liability), and furthermore including the **Disciplinary Proceedings Limit**.

**"Damages"** also means with respect to a covered judgment:

- (1) pre-judgment interest;
- (2) post-judgment interest that accrues after entry of judgment and before the **Insurer** has paid, offered to pay or deposited in court that covered part of the judgment within the applicable Limit of Liability; and
- (3) subject to this policy's other terms, conditions, exclusions and other limitations, including but not limited to exclusions relating to profit or advantage, fraud or criminal acts:
  - (i) punitive;
  - (ii) exemplary; and
  - (iii) multiple damages.

The enforceability of this sub-paragraph (3) of this definition shall be governed by the applicable law that most favors coverage for such punitive, exemplary and multiple damages.



Provided, however, **Damages** shall not mean, and this policy shall not cover:

- (1) civil or criminal fines or penalties;
  - (2) taxes;
  - (3) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**;
  - (4) the costs and expenses of complying with any injunctive or other form of non-monetary relief;
  - (5) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
  - (6) court-imposed sanctions and/or penalties;
  - (7) any amount by which any previously agreed upon legal fees and/or costs paid or payable to any **Insured** or to anyone else are altered; or
  - (8) money that an **Insured** owes another attorney for any legal fees and/or costs paid or payable to any **Insured**.
- (j) “**Defense Costs**” means all reasonable and necessary fees charged by an attorney appointed pursuant to the terms of this policy in connection with any suit brought against the **Insured** alleging a **Wrongful Act**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **Claim** by the **Insurer** or by the **Insured** with the **Insurer’s** written consent. **Defense Costs** shall not include: (1) compensation of a natural person **Insured**; or (2) any fees, costs or expenses incurred prior to the time that a **Claim** is first made and reported against an **Insured**, other than those as set forth in above in Section 1. **INSURING AGREEMENT**, paragraph (d) Loss of Earnings.
- (k) “**Disciplinary Proceeding**” means a demand, grievance, or allegation involving a **Wrongful Act** made against any **Insured** by any professional entity charged with the responsibility to oversee lawyer disciplinary matters, whether or not such demand, grievance, or allegation is initiated at or results in a formal civil proceeding in state or federal court, but only to the extent of the coverage afforded by Section 1. **INSURING AGREEMENT**, paragraph (c) Disciplinary Proceedings.
- (l) “**Employed Lawyer**” means any attorney at law admitted to the bar, or otherwise licensed to practice law, in any of the United States of America or its territories, Canada, or any other foreign jurisdiction, but solely while an **Employee** of a **Firm**.
- (m) “**Employee**” means any person who is a part-time, full-time, seasonal, or temporary employee of the **Firm**.
- (n) “**Extended Reporting Period**” means the period of time after the end of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** occurring prior to the end of the **Policy Period**. Terms and conditions relating to the purchase of an **Extended Reporting Period** endorsement are set forth in Section 4. **CONDITIONS**, paragraph (k) **Extended Reporting Period**.
- (o) “**Fiduciary**” means an **Insured’s** capacity as an administrator, conservator, executor, guardian, committee of an incompetent, trustee, receiver, escrow agent, or any similar

capacity but only in the course of rendering or failing to render **Legal Services** for others.

- (p) **"Firm"** means the entity engaged in the practice of law under the name stated in Item 1a. of the Declarations and its **Predecessor Firms**, if any, listed in Item 1b. of the Declarations.
- (q) **"First Policy Inception Date"** means the inception date of the first lawyers professional liability policy issued by the **Insurer** (or any other member company of American International Group, Inc.) and continuously renewed and maintained in effect to the inception date of this policy.
- (r) **"Insured"** means:
  - (1) the **Firm**;
  - (2) any **Employed Lawyer**, including any natural person **Partner** or of Counsel performing **Legal Services** for or on behalf of the **Firm**;
  - (3) any past or present employee of the **Firm** who supports an **Employed Lawyer** in the performance of **Legal Services**;
  - (4) licensed attorney provided by an employment contractor or agency under a written agreement between the **Firm** and the employment contractor or agency to perform **Legal Services** for or on behalf of the **Firm**;
  - (5) any independent contractor that is an attorney at law admitted to the bar in or otherwise licensed to the practice of law in any of the United States of America or its territories, Canada or any other foreign jurisdiction, who, pursuant to a written agreement with the **Firm**, has been retained to provide **Legal Services** for or on behalf of the **Firm**.

In all events, coverage as afforded with respect to a **Claim** made against a **Partner**, **Employed Lawyer**, or **Employee** will only apply for **Wrongful Acts** committed or allegedly committed by such **Insured** after such **Insured** joined the **Firm** as either a **Partner**, **Employed Lawyer**, or **Employee** and prior to the time such **Insured** ceased to be either a **Partner**, **Employed Lawyer**, or **Employee**.

- (s) **"Legal Services"** means any professional legal services that are rendered by:
  - (1) an **Employed Lawyer**, but solely in his or her capacity as a past or present employee of the **Firm**;
  - (2) an **Employed Lawyer**, but solely while a full time or part time, permanent employee of the **Firm**, or licensed attorney or independent contractor as set forth in sub-paragraphs (r)(2), (r)(4) and (5) above; and
  - (3) any natural person **Insured**, but solely while acting under the supervision of and at the direction of an **Employed Lawyer**;

Including, but not limited to:

- 1. Services performed by an **Insured** for others as an attorney, speaker, author of legal treatises, arbitrator, mediator, title agent, bankruptcy trustee, or notary public, but only while all necessary licenses are in effect;
- 2. Services performed by an **Insured** in connection with any bar association, its governing body, or any of its committees;

3. Services as an administrator, conservator, receiver, executor, guardian, trustee, committee of an incompetent person, or services performed in any similar fiduciary capacity, but only for those services typically and customarily performed by an attorney. This coverage shall not apply to any loss or Damages sustained by the Insured as the beneficiary or distributee of any trust or estate; and
4. As to a Scheduled Title Agency, only those title agency services performed by any Insured for a Scheduled Title Agency and that are of a type typically and customarily performed by title agencies.

Legal Services shall also include notarizing, certifying or acknowledging any signature rendered by (1) through (3) above.

- (t) "Loss" means Damages and Defense Costs.
- (u) "Management Control" means: (1) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an organization or firm, to elect, appoint or designate a majority of: the Board of Directors of a corporation, the management committee of a joint venture or partnership or the management board of a limited liability company.
- (v) "Material Harm" shall mean the publication of unfavorable information regarding the Firm which can reasonably be considered to lessen public confidence in the competence, integrity or viability of the Firm. Such publication must occur in either:
  - (1) A daily newspaper, industry or trade journal of general circulation in the geographic area of the Firm; or
  - (2) A radio or television news report broadcast in the geographic area of the Firm.
- (w) "Moonlighting Services" means professional legal services, including, but not limited to, notarizing, certifying or acknowledging any signature, that are rendered by an Employed Lawyer outside the scope of their employment with a Firm; provided that Moonlighting Services shall not include such services performed by an Employed Lawyer in his or her capacity as owner, principal, partner or employee of an entity that is not the Firm.
- (x) "Ombudsperson" means: the (1) Firm's managing or executive Partner; or (2) Firm's management or executive committee.
- (y) "Partner" means, where the Firm is a partnership, any lawyer or law firm which is a partner (other than a contract partner) of the Firm pursuant to the Firm's partnership agreement, and in the case of Partners who are not natural persons then such Partner's stockholders-employees or member-employees, and where the Firm is a limited liability company, any lawyer who is a shareholder of such Firm.
- (z) "Personal Injury Peril" means any:
  - (1) false arrest, detention or imprisonment;
  - (2) malicious prosecution;
  - (3) libel or slander or other defamatory or disparaging materials;

- (4) publication or an utterance in violation of an individual's right to privacy;
  - (5) wrongful entry or eviction, or other invasion of the right to private occupancy;  
or
  - (6) if arising out of (1) through (5) above, mental anguish, mental injury, shock, humiliation or emotional distress.
- (aa) "Policy Period" means the period of time between the inception date shown in Item 2 of the Declarations and the earlier of: (1) the effective date of cancellation; or (2) the expiration date of this policy, but specifically excludes any **Extended Reporting Period**.
  - (bb) "Predecessor Firm" means the lawyer or entity named in Item 1b. of the Declarations who was engaged in the practice of law to whose financial assets and liabilities the Firm named in Item 1a. of the Declarations is the majority successor in interest.
  - (cc) "Related Act(s)" means **Wrongful Act(s)** which are the same, related or continuous, or **Wrongful Act(s)** which arise from a common nucleus of facts, regardless of whether a **Claim** alleging such **Related Act(s)** involve the same or different claimants, **Insureds** or legal causes of action. All **Related Acts** shall be considered made at the time the first such **Wrongful Act** occurred.
  - (dd) "**Retroactive Date**" means the date set forth as such in Item 4 of the Declarations, or in an endorsement to this policy, on or after which the **Wrongful Act**, and any **Related Act**, that forms the basis of a **Claim** must occur in order for coverage to be applicable and no coverage will apply to any **Claim** based upon or arising out of any **Wrongful Act** or **Related Act** that occurs prior to the **Retroactive Date**.
  - (ee) "Retires" or "Retired" means the permanent, complete and voluntary cessation of the practice of law.
  - (ff) "**Scheduled Title Agency**" means a title agency listed in the Declarations or in an endorsement to this policy and which is fully and completely owned by one or more attorneys otherwise insured under this Policy.
  - (gg) "**Wrongful Act**" means any negligent act, error or omission, breach of duty, misstatement or misleading statement, in the performance of **Legal Services** (including but not limited to an **Insured** acting in its capacity as a **Fiduciary**) and any **Personal Injury Peril**.

### 3. EXCLUSIONS

This policy does not cover any **Claim**:

- (a) arising out of, based upon, attributable to, or alleging a **Wrongful Act** occurring prior to the **First Policy Inception Date** if (1) the Firm (if an individual), (2) any **Partner**, (3) any **Employed Lawyer**, (4) any non-**Partner** member of the Firm's management or executive committee, or (5) any person with management responsibility for evaluating or dealing with actual or potential **Claims** on such **First Policy Inception Date** knew or should have reasonably foreseen that such **Wrongful Act** could be the basis of a **Claim**.
- (b) arising out of, based upon, or attributable to a criminal, fraudulent, malicious (other than malicious prosecution), or dishonest **Wrongful Act** on the part of any **Insured**, or the gaining of any profit or advantage to which an **Insured** was not legally entitled; provided, however, the **Insurer** will defend such **Claim** against a natural person **Insured** alleging any of the foregoing conduct until there is a final adjudication against a

natural person **Insured** as to such conduct, at which time the natural person **Insured** shall reimburse the **Insurer** for **Defense Costs**.

[Solely for the purpose of determining the applicability of the foregoing exclusions (a) and (b): (i) the facts pertaining to and knowledge possessed by any natural person **Insured** shall not be imputed to any other natural person **Insured**; and (ii) only facts pertaining to and knowledge possessed by 50% of any past or present members of the management committee (or equivalent positions) of a **Firm** shall be imputed to a **Firm**.]

- (c) alleging, arising out of or resulting from, directly or indirectly, any **Wrongful Act** committed or omitted before the **Retroactive Date** or any **Related Act** thereto.
- (d) alleging, arising out of or resulting from, directly or indirectly, any **Wrongful Acts** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time, whether or not such policy affords coverage for such **Wrongful Acts**.
- (e) brought by or on behalf of an **Insured** against any other **Insured**, unless such **Claim** results from the performance of or failure to perform **Legal Services** by the **Insured** in an attorney-client relationship with the claimant.
- (f) arising out of, based upon, attributable to, or alleging activities performed by an **Insured** performing in the capacity as the beneficiary, recipient or distributee of any trust or estate.
- (g) arising out of, based upon, attributable to, or alleging activities performed by an **Insured** as an alleged fiduciary under the Employee Retirement Income Security Act of 1974, its amendments, or any regulations or orders promulgated pursuant thereto.
- (h) arising out of, based upon, attributable to, or alleging activities performed by an **Insured**, in whole or in part serving, directly or indirectly, as a director, officer, employee (except where the **Insured** is an employee solely to perform **Legal Services** and the remuneration for the **Legal Services** is rendered, directly or indirectly, to the **Firm**), or independent contractor of any entity other than an **Insured**.
- (i) arising out of, based upon, attributable to, or alleging a **Wrongful Act** committed by an **Insured** in connection with any business enterprise which is not an **Insured** if, at the time of such **Wrongful Act** any single **Insured**, or group of **Insureds** in the aggregate, had a **Controlling Interest** in such business enterprise. This exclusion applies whether or not a lawyer-client relationship existed.
- (j) arising out of, based upon, attributable to, or alleging the activities performed by an **Insured** as a public official or as an employee of a governmental body, subdivision, or agency thereof, unless the **Insured** is an employee solely to render **Legal Services** and the remuneration for the **Legal Services** is rendered, directly or indirectly, to the **Firm**.
- (k) arising out of, based upon, attributable to, or alleging bodily injury, sickness, disease, death, mental anguish, emotional distress, or humiliation to any person, or damage to or destruction of any tangible property, including the loss of use thereof, including, without limitation, **Claims** brought by or on behalf of an entity for reimbursement of medical, health, life, or disability benefits. This exclusion will not apply to any **Personal Injury Peril**.
- (l) arising out of, based upon, attributable to, or alleging discrimination against any person based upon such person's age, race, color, creed, national origin, gender (including sexual harassment), religious affiliation, marital status, physical or mental handicap or

disease, sexual preference, or any protected class under federal, state, or local law; or alleging wrongful termination or any other **Wrongful Act** arising out of employment related practices.

- (m) arising out of, based upon, attributable to, or alleging defects in title disclosed by public record of which the **Insured** had actual knowledge at the date of issuance of such title.
- (n) arising out of, based upon, attributable to, or alleging any liability assumed by the **Insured** under any contract or agreement whereby the **Insured** has agreed to participate in the payment of a loss including lawyer's fees, court costs, and expenses payable under a title insurance policy.
- (o) alleging, arising out of or resulting from, directly or indirectly, **Moonlighting Services**.
- (p) based upon or arising out of litigation by, or legal advice given by, the **Insured** related to or concerning any intellectual property matter, including, but not limited to, any matter involving prosecution of or failure to prosecute any patent, the infringement of any patent by anyone, copyright, trademark, certification mark, collective mark, trade name, trade dress, service mark, or trade secrets.
- (q) alleging, arising out of, based upon or attributable to, directly or indirectly, any natural person **Insured** notarizing, certifying or acknowledging any signature not made in the presence of such natural person **Insured** at the time of such notarization, certification or acknowledgment.
- (r) arising out of the rendering, or failure to render, investment advice or the performance, or failure to perform, investment services, including the sale, purchase or retaining of any investments, or any advice as to the sale, purchase or retaining of any investments.

The foregoing exclusions shall not be applicable to the coverage provided by Section I. INSURING AGREEMENT, sub-paragraph (a)(2) Crisis Fund Coverage.

#### 4. CONDITIONS

(a) **Policy Territory**

Where legally permissible, this policy shall apply to **Wrongful Acts** occurring, **Claims** made or **Losses** suffered anywhere in the world.

(b) **Limits of Liability (For All Loss Including Defense Costs)**

The Limits of Liability stated in the Declarations as "per **Claim**", "Aggregate" and "Separate Limit of Liability - **Disciplinary Proceedings**" are described below:

(1) **Per Claim**

The Limit of Liability, designated in Item 3(a) of the Declarations as "per **Claim**," is the maximum limit of the **Insurer's** liability for **Loss** arising from each **Claim** first made against the **Insured** and reported to the **Insurer** during the **Policy Period** or, if applicable, **Extended Reporting Period**.

(2) **Aggregate**

The Limit of Liability, designated in Item 3(b) of the Declarations as "aggregate," is the maximum limit of the **Insurer's** liability for all **Loss** arising from all **Claims** in the aggregate first made against the **Insured** and reported to

the Insurer during the Policy Period or, if applicable, Extended Reporting Period.

(3) **Disciplinary Proceedings**

The Insurer's aggregate liability for defense under Section 1. INSURING AGREEMENT, paragraph (c) Disciplinary Proceedings for all Claims ("**Disciplinary Proceedings Limit**") shall be limited to a maximum of the amounts as set forth in Item 3(c) of the Declarations, for all such proceedings and hearings, and is separate from and in addition to the Limits of Liability as set forth in Section 4. CONDITIONS, paragraph (b) Limits of Liability. Section 1. INSURING AGREEMENT, paragraph (c) Disciplinary Proceedings shall not apply to any criminal proceedings or proceedings or hearings to determine the reasonableness of, or right or entitlement to, any fee or charge by any Insured. The Insured agrees that the Insurer has the right to investigate and defend any complaint or grievance through counsel designated by the Insurer, and such investigation and defense is subject to the **Disciplinary Proceedings Limit**.

The Limits of Liability of the Insurer for the Extended Reporting Period, if any, are part of, and not in addition to, the Limits of Liability stated in Item 3 of the Declarations.

A single Limit of Liability will apply to Loss arising from all Claims alleging a **Wrongful Act or Related Acts**.

The limit of the Insurer's liability for **Crisis Management Loss** arising from all **Crisis Management Events** reported during the **Policy Period**, in the aggregate, shall be the amount set forth as the **Crisis Management Fund**. This limit shall be the maximum limit of the Insurer under this policy regardless of the number of **Crisis Management Events** reported during the **Policy Period**. Provided, however, that the amount set forth as the **Crisis Management Fund** shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations, which shall in all cases be the maximum liability of the Insurer for all Loss under this policy.

(c) **Multiple Insureds, Claims, and Claimants**

All Claims alleging a **Wrongful Act or Related Acts** regardless of the number of Claims, Insureds, or claimants are considered to be one Claim. Further, all such Claims are considered first made at the time the first Claim alleging such **Wrongful Act or Related Acts** was first made. Furthermore, a **Related Act** is deemed to have occurred at the time the first **Related Act** occurred.

(d) **Deductible**

The amount stated in the Declarations as the Deductible applies to each Claim that is first made against any Insured during the **Policy Period** or an **Extended Reporting Period**, and reported to the Insurer in writing during the **Policy Period** or an **Extended Reporting Period**. Such amount shall be paid by the Insureds and the Firm, jointly and severally, within 30 days, and the Deductible shall apply to **Damages and Defense Costs**. The Insurer may direct the Insured to make partial or full payment of the Deductible to others.

The Deductible, as stated in the Declarations, shall not apply to proceedings or hearings subject to Section 1. INSURING AGREEMENT, subparagraph (a)(2) Crisis Fund Coverage, Section 1. INSURING AGREEMENT, paragraph (c) Disciplinary Proceedings, or Section 1. INSURING AGREEMENT, paragraph (d) Loss of Earnings.

(e) **Reimbursement to the Insurer**

If the Insurer has paid any amount of Loss for which an Insured(s) is (are) not entitled, then the Firm or the Partners, jointly and severally, are liable to the Insurer for any and all such sums and, upon demand, will reimburse such sums to the Insurer. If the Firm or its Partners fail, after demand, to reimburse the Insurer for such sums, the Insurer may bring suit to recover such amounts and will also be entitled to recover interest from the date of demand and lawyer's fees and costs incurred in bringing such suit.

(f) **Notice of Claim and Claim Reporting Procedures**

(1) Notice hereunder shall be given in writing to the addressee and at the address identified in Item 7 of the Declarations. Notice shall include and reference this policy number as indicated in the Declarations. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

(2) For all coverage under this policy:

(i) before coverage will apply, notice in writing of a Claim made against an Insured must be given to the Insurer as soon as practicable after notice of such Claim is reported to the Insured, but in all events no later than either:

(A) sixty (60) days after the end of the Policy Period; or

(B) the end of any applicable Extended Reporting Period.

(ii) if written notice of a Claim has been given to the Insurer pursuant to sub-paragraph (i) above, then any Claim which is subsequently made against the Insureds and reported to the Insurer alleging, arising out of, based upon or attributable to the facts alleged in the Claim for which such notice has been given, or alleging any Related Act to that alleged in the Claim of which such notice has been given, shall be considered made at the time such notice was given; and

(iii) if during the Policy Period or during the Extended Reporting Period (if applicable) the Insureds shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against the Insureds and shall choose to give written notice to the Insurer of the circumstances, the Wrongful Acts allegations anticipated and the reasons for anticipating such a Claim, with full particulars as to dates, persons and entities involved, then any Claim which is subsequently made against the Insureds and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any Related Act to that alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

(3) An actual or anticipated Crisis Management Event shall be reported to the Insurer in accordance with this paragraph (f).

(g) **Assistance and Cooperation of the Insured**

In connection with all Claims under this policy the Insured(s) agrees to:



- (1) send the **Insurer** copies of all demands, suit papers, other related legal documents and invoices for **Defense Costs** received by such **Insured**, as soon as practicable;
- (2) immediately record the specifics of any **Claim** and the date such **Insured** first received such **Claim**;
- (3) upon the **Insurer's** request, furnish to the **Insurer** any and all documentation within the possession of the **Insured**;
- (4) provide to the **Insurer**, and to any counsel the **Insurer** selects to represent an **Insured** in connection with a **Claim**, full cooperation and such information as the **Insurer** or the counsel may require;
- (5) cooperate with and help the **Insurer**:
  - (i) in making settlements;
  - (ii) in enforcing any legal rights the **Insured** may have against anyone who may be liable to the **Insured**;
  - (iii) by attending depositions, hearings and trials; and
  - (iv) by securing and giving evidence, and obtaining the attendance of witnesses;
- (6) take such actions which, in the **Insured's** judgment, are deemed necessary and practicable to prevent or limit **Loss** arising from any **Wrongful Act**; and
- (7) not admit any liability, assume any financial obligation or pay out any money without the **Insurer's** prior written consent. If the **Insured** does, it shall be at the **Insured's** own expense. In addition, the **Insured** shall not take any action, or fail to take any required action, without the **Insurer's** written consent, which prejudices the **Insurer's** rights under this policy.

(h) **Subrogation**

The **Insured** may be able to recover all or part of **Loss** from someone other than the **Insured**. The **Insured** must do all that is possible after a **Claim** or **Loss** to preserve any, and all, rights of recovery. As a condition of any payment by the **Insurer** under this policy, the **Insured's** rights to recovery will be transferred to the **Insurer**. The **Insured** will do whatever is necessary, including signing documents, to help the **Insurer** obtain that recovery.

Notwithstanding the foregoing, the **Insured** may waive the **Insured's** rights to recovery against others as long as the **Insured** does so in writing before the **Wrongful Act** occurred.

(i) **Change in Firm Membership**

If, during the **Policy Period**, the total number of lawyers in the **Firm**, increases or decreases by more than 15% the **Firm** must within 30 days of such increase or decrease give the **Insurer** written notice thereof, and the **Insurer** will be entitled to impose such additional coverage terms, adjust the premium or decline to insure the new risk(s) as the **Insurer** may require.

If the **Firm** shall consolidate with, merge into, or sell all or substantially all of its assets to any person or entity or group of persons or entities acting in concert, or if any person or entity or group of persons or entities acting in concert shall acquire

**Management Control** of the **Firm**, the **Insurer** will be entitled to re-underwrite the policy and impose such additional coverage terms, adjust the premium or decline to insure the new risk(s) as the **Insurer** may require.

Any other additions or deletions, not described above, during the **Policy Period** to or from the list of lawyers in the **Application** will not affect the validity of this insurance.

(j) **Notice of Cancellation**

- (1) *By Firm:* This policy may be canceled by the **Firm** at any time only by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer's** authorized agent or to the **Insurer**.
- (2) *By the Insurer:* This policy may be canceled by the **Insurer** delivering to the **Firm** by registered, certified, other first class mail or other reasonable delivery method, at the address of the **Firm** set forth in the Declarations, written notice stating when, not less than thirty (30) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled at the date and hour specified in such notice.
- (3) *Return of Premium:* The **Insurer** shall have the right to the premium amount for the portion of the **Policy Period** during which the policy was in effect. If this policy shall be canceled by the **Firm**, the **Insurer** shall retain the customary short rate proportion of the premium herein. If this policy shall be canceled by the **Insurer**, the **Insurer** shall retain the customary pro rata proportion of the premium herein.

(k) **Extended Reporting Period**

- (1) *Common Extended Reporting Period Terms:* An **Extended Reporting Period** is not cancelable. This sub-paragraph (1) shall not apply to any cancellation resulting from non-payment of premium. The rights contained in this paragraph (k) shall terminate unless written notice of election of an **Extended Reporting Period** together with any additional premium due is received by the **Insurer** no later than thirty (30) days subsequent to the effective date of the cancellation, nonrenewal or change in **Firm** membership.

The additional premium for any **Extended Reporting Period** under this paragraph (k) shall be deemed fully earned when such **Extended Reporting Period** commences, and in the event the **Firm** terminates, for any reason, such **Extended Reporting Period** before its expiration, the **Insurer** shall not be liable for the return to the **Firm** of any portion of the premium for the **Extended Reporting Period**.

The **Extended Reporting Period** does not extend the **Policy Period** or change the scope of coverage provided. The **Extended Reporting Period** does not reinstate or increase the **Insurer's** Limit of Liability. The Limits of Liability applicable to **Claims** reported to the **Insurer** during the **Extended Reporting Period** shall be the same Limits of Liability that would be applicable if the **Claim** had been reported on the last day of the **Policy Period**.

- (2) *Automatic Extended Reporting Period:* If the **Firm** or the **Insurer** shall refuse to renew this policy, the **Firm** shall have the right following the effective date of such nonrenewal to a period of sixty (60) days (the "**Automatic Extended**

Reporting Period”) in which to give written notice to the Insurer of Claims first made against an Insured during the Automatic Extended Reporting Period for any Wrongful Act committed or omitted prior to the end of the Policy Period and otherwise covered by this policy. The Automatic Extended Reporting Period shall not apply where an Extended Reporting Period has been purchased or to Claims that are covered under any subsequent insurance an Insured purchases or that is purchased for their benefit, or that would be covered, but for the exhaustion of the amount of insurance applicable to such Claims or that is within any applicable Deductible amount, or that would be covered under any such subsequent insurance but for the existence of an exclusion set forth in such subsequent insurance stating that coverage for such Claims is provided by a prior policy of insurance.

- (3) *Optional Extended Reporting Period:* Except as indicated below, if the Firm shall cancel or the Insurer or the Firm refuses to renew this policy, the Firm shall have the right to a period of up to an unlimited duration following the effective date of such cancellation or nonrenewal (an “Extended Reporting Period”), upon payment of an additional premium amount in which to give to the Insurer written notice, pursuant to paragraph (f) above, of Claims (1) first made against an Insured during said Extended Reporting Period and (2) solely with respect to a Wrongful Act occurring on or after the Retroactive Date and committed or omitted prior to the end of the Policy Period and otherwise covered by this policy, provided that no liability shall be afforded for such Claims for any Employed Lawyer if such Employed Lawyer was not admitted to the bar or otherwise licensed to practice law upon the date of commencement of such Extended Reporting Period. If the Firm exercises its right to purchase an Extended Reporting Period, that period incepts at the end of the Policy Period and there shall be no Automatic Extended Reporting Period.
- (4) In the event of the Permanent Total Disability of any Partner or Employed Lawyer during the Policy Period, the Insurer will provide such Partner or Employed Lawyer, upon request, with a Permanent Total Disability Extended Reporting Period of an unlimited duration without additional premium for Claims: i) resulting from acts or omissions occurring on or after the Retroactive Date, and prior to the expiration of the Policy Period; ii) that are first made against such Partner or Employed Lawyer during the Policy Period, or during the Permanent Total Disability Extended Reporting Period; and iii) that are reported in writing to the Insurer during the Permanent Total Disability Extended Reporting Period. The Permanent Total Disability Extended Reporting Period will commence at the end of the Policy Period.

This sub-paragraph (4) shall not apply if the Permanent Total Disability is the result of suicide or attempted suicide or is the result of the Insured’s abuse of or dependency upon alcohol, prescription or non-prescription drugs or medications or if such abuse or dependency was a major contributing factor.

The Insurer has the right to require reasonable proof of Permanent Total Disability or death, including, but not limited to, medical records, a death certificate, and a medical examination.

Permanent Total Disability means: (1) permanent, total and continuous disability as a result of sickness, or accidental bodily injury that prevents a natural person Insured from rendering Legal Services to others; or (2) death.

- (5) If, during the **Policy Period**, any **Insured** who is a natural person **Retires**, then such **Insured**, upon payment of an additional premium as set forth herein, shall have the option to extend the reporting period of such policy for such **Retired Insured**, subject otherwise to its terms, **Limits of Liability**, exclusions, limitations, and conditions, for a period of up to an unlimited duration, (hereafter "**Optional Non-Practicing Extended Reporting Period**") for **Claims**: i) resulting from acts or omissions occurring on or after the **Retroactive Date**, if any, and prior to the expiration of the **Policy Period**; ii) that are first made against the **Insured** during the **Policy Period** or the **Optional Non-Practicing Extended Reporting Period**; and iii) that are reported in writing to the **Insurer** during the **Optional Non-Practicing Extended Reporting Period**. If purchased, the **Optional Non-Practicing Extended Reporting Period** will commence at the end of the **Policy Period**.

The additional premium for the **Optional Non-Practicing Extended Reporting Period** shall be a percentage of the per lawyer premium, calculated by taking the total premium for the policy, and dividing it by the number of lawyers for whom a premium was charged by the **Insurer** at the commencement of the **Policy Period**.

There will be no additional premium for an **Optional Non-Practicing Extended Reporting Period** of unlimited duration if the natural person **Insured** who is seeking the **Optional Non-Practicing Extended Reporting Period** has maintained coverage with the **Insurer** for at least three full consecutive years immediately preceding the date the **Insured Retires**.

The additional premium for the **Optional Non-Practicing Extended Reporting Period** shall be deemed fully earned when the **Optional Non-Practicing Extended Reporting Period** commences, and in the event the **Insured** terminates, for any reason, the **Optional Non-Practicing Extended Reporting Period** before its term, the **Insurer** shall not be liable for the return to the **Insured** of any portion of the premium for the **Optional Non-Practicing Extended Reporting Period**.

The **Optional Non-Practicing Extended Reporting Period** does not apply to **Claims** that are covered under any other insurance, whether issued by the **Insurer** or any other insurer, or that would be covered but for the exhaustion of the limit of liability thereunder or but for the failure of any **Insured** to comply with the terms and conditions of that other insurance.

The **Optional Non-Practicing Extended Reporting Period** shall not be available if the natural person **Insured** who has **Retired** has been disbarred, suspended or has resigned in lieu of suspension in any state or court where such natural person **Insured** has a license or has a right to practice.

(l) **Other Insurance**

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is expressly written to be excess over the **Limit of Liability** or any applicable sublimit of liability provided by this policy.

(m) **Assignment**

This policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the

**Insurer.** If an individual **Insured** dies or is adjudged incompetent, this policy will cover the **Insured's** legal representative as the **Insured** with respect to liability previously incurred and covered by this policy.

(n) **Authorization and Notice to Agent**

**Notice** to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or a change in any part of this policy or estop the **Insurer** from asserting any right under the terms, conditions, exclusions, or limitations of this policy; nor will the terms, conditions, exclusions, or limitations of this policy be waived or changed, except by endorsement issued to form a part of this policy and signed by a duly authorized agent of the **Insurer**.

Except as set forth in Section I. INSURING AGREEMENT, sub-paragraph (b)(2) Investigation and Settlement (including Deductible reduction provision), the **Firm** will be the sole agent of all **Insureds** under this policy for the purpose of:

- (1) completing any applications and making any representations;
- (2) paying any premium and receiving any return premium that may become due under this policy;
- (3) effecting or accepting notices of cancellation, nonrenewal, premium increase, or change in policy terms; and
- (4) exercising or declining to exercise any right under this policy, including declining or exercising the **Extended Reporting Period** options set forth in Section 4. CONDITIONS, paragraph (k) **Extended Reporting Period**.

(o) **Alternative Dispute Resolution Process**

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this policy, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, must first be submitted to the non-binding mediation process as set forth in this Section.

The non-binding mediation will be administered by any mediation facility to which the **Insurer** and the **Firm** mutually agree, in which all implicated **Insureds** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association's ("AAA") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the **Firm** is incorporated in the construction or interpretation of the provisions of this policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

- (1) either party shall have the right to commence a judicial proceeding; or
- (2) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the AAA that will be submitted to an arbitration panel of three (3) arbitrators as follows: (i) the **Insured** shall select one (1) arbitrator; (ii) the **Insurer** shall select one (1) arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the AAA's then-prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least 90 days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation.

The non-binding mediation may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1a. of the Declarations as the mailing address for the Firm. The Firm shall act on behalf of each and every Insured in connection with any non-binding mediation under this Section, the selection of arbitration or judicial proceeding and/or the selection of mediators or arbitrators.

In the event a Claim made against an Insured can, by agreement between the Insurer and the claimant, be contested by mediation or arbitration, then the Insurer will have the right to have the Claim so contested. The Insurer will give the Insured written notice of the intention to refer such Claim to arbitration or mediation, and the Insurer will be entitled to exercise any rights of the Insured with respect to mediation or arbitration including, without limitation, choice of arbitrator(s) or mediator(s) as the case may be and choice of venue.

If an Insured shall, at the Insurer's written request, submit a Claim to alternative dispute resolution in accordance with the rules of the AAA, and such Claim is settled through this process, the Deductible obligation shall be deemed to be fifty percent (50%) of the applicable Deductible amount stated in Item 5(a) of the Declarations.

The foregoing paragraph (o) does not apply to the denial of Claims, or the reservation of rights, by the Insurer.

(p) **Action Against the Insurer**

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against the Insured or the Firm to determine the Insured's liability, nor shall the Insurer be impleaded by the Insured or the Insurer or their legal representatives.

(q) **Defined Terms**

Capitalized terms are defined herein or are described in the Declarations.

(r) **Headings**

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

(s) **Integration of Contract**

All the provisions of this policy are intended to be read together as one integrated document. No applicable provision nor any part thereof is intended to be separable from the balance of the applicable policy provisions. The meaning of each applicable

provision of this policy is created by what is written in such provision and by what is written in the balance of the applicable policy provisions.

(t) **Entire Contract**

By acceptance of this policy the **Insureds** agree that the statements in the **Declarations** and **Application** are the **Insureds'** statements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Insureds** and the **Insurer** or any of its agents relating to this insurance.

This Endorsement, effective 01/01/2014 at 12:01 A.M. forms a part of

Policy No: 25465787-00

Issued To: Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

#### SECURITIES WORK EXCLUSION AMENDATORY ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Section 2. **DEFINITIONS**, is amended to append the following to the end thereof:

(SW-1) "Securities Work" means all acts or omissions relating in any way to a sale, a purchase, an offer to sell or purchase, or the solicitation of an offer to sell or purchase, a security covered, or claimed to be covered, in whole or in part by: The Securities Act of 1933, The Securities Exchange Act of 1934, The Investment Advisors Act of 1940, or any other Federal or State Blue Sky or Securities Law, or any rules or regulations issued pursuant to any of the aforementioned, or any amendments or replacements thereof.).

2. Section 3. **EXCLUSIONS**, is amended to append the following to the end thereof:

(SW-1) This policy does not cover any Claim arising out of, in whole or in part, any Securities Work of the Insured.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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This Endorsement, effective 01/01/2014 at 12:01 A.M. forms a part of

Policy No: 25465787-00

Issued To Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

**DECLARATIONS ITEM 4 AMENDATORY ENDORSEMENT  
(SCHEDULED EMPLOYED LAWYERS)**

In consideration of the premium charged it is hereby understood and agreed that, solely with respect to coverage afforded by this policy to each of the Employed Lawyers scheduled below, Item 4 RETROACTIVE DATE of the Declarations Page, is deleted in its entirety and replaced as follows:

EMPLOYED LAWYERS

RETROACTIVE DATE

Lauren . Galvani

01/01/2010

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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This endorsement, effective at 12:01 AM 01/01/2014

forms a part of

Policy number 25465787-00

Issued to: Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT**

**FLORIDA**

This endorsement modifies insurance provided under the following:

**Lawyers Professional Liability Policy**

The policy is amended as follows:

1. Clause 2. **DEFINITIONS**, paragraph (i), **Damages**, is modified to the extent necessary to provide the following:

Punitive, exemplary and multiplied damages are only insurable to the extent (1) such damages are insurable under the law of any jurisdiction other than Florida that has a substantial relationship to the **Firm**, any **Insured**, the **Claim**, **Insured**, or this policy and is most favorable to the insurability of such **Damages** and (2) that this policy is construed by a court of competent jurisdiction, or an arbitration panel, pursuant to the laws of any jurisdiction other than Florida.

2. Clause 4. **CONDITIONS**, paragraph (k), **Extended Reporting Period**, sub-paragraph (5), second paragraph is deleted in its entirety and replaced with the following:

The additional premium for the **Optional Non-Practicing Extended Reporting Period** shall be a percentage of the per lawyer premium.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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Authorized Representative

This Endorsement, effective 01/01/2014 at 12:01 A.M. forms a part of

Policy No: 25465787-00

Issued To: Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

### AGGREGATE DEDUCTIBLE ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Item 5 of the Declarations is deleted in its entirety and replaced with the following:

5	DEDUCTIBLE		
(a)	each Claim:	\$	10,000.00
(b)	aggregate:	\$	10,000.00
(c)	maintenance:	\$	N/A

2. Clause 4. CONDITIONS, paragraph (d) Deductible, is deleted in its entirety and replaced with the following:

**(d) Deductible**

The amount stated in Item 5(a) of the Declarations as the Deductible applies to each Claim that is first made against any Insured during the Policy Period or an Extended Reporting Period, and reported to the Insurer in writing during the Policy Period or an Extended Reporting Period. The Deductible amount set forth in Item 5(b) as "Aggregate" shall apply to all covered Claims first made and reported under this policy. Once the entire Aggregate Deductible amount has been satisfied by the Insured, during the remaining Policy Period, the Insurer shall only be liable for those Damages and Defense Costs arising from any subsequent Claim, that exceed the Maintenance Deductible as set forth in Item 5(c) of the Declarations for each such Claim. Such amounts shall be paid by the Insureds and the Firm, jointly and severally, within 30 days, and the Deductible shall apply to Damages and Defense Costs. The Insurer may direct the Insured to make partial or full payment of the Deductible to others.

The Deductible, as stated in the Declarations, shall not apply to proceedings or hearings subject to Section 1. INSURING AGREEMENT, subparagraph (a)(2) Crisis Fund Coverage, Section 1. INSURING AGREEMENT, paragraph (c) Disciplinary Proceedings, or Section 1. INSURING AGREEMENT, paragraph (d) Loss of Earnings.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

This endorsement, effective 01/01/2014 at 12:01 AM forms a part of

Policy number 25465787-00

Issued to: Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

RELIANCE UPON  
OTHER CARRIER'S APPLICATION  
(AFFIRMATIVE REPRESENTATION)  
(ALL COVERAGE SECTIONS)

In granting coverage under this policy, it is agreed that the Insurer has relied upon the statements and representations contained in the below referenced application (including materials submitted thereto and, if such application is a renewal application, all such previous policy applications, and their attachments and materials, for which this policy is a renewal or succeeds in time) as being accurate and complete. It is further understood and agreed that the Firm and the Insureds affirmatively represent to the Insurer that the statements and representations made in such application were accurate on the date such representations and statement were so given and that in connection therewith the Insureds hereby reaffirm each and every statement made in our application to Carolina Casualty as accurate as of 01/01/2014 as if it was made to the Insurer on such date. All such statements and representations shall be deemed to be material to the risk assumed by the Insurer, are the basis of this policy and are to be considered as incorporated into this policy.

<u>TYPE OF POLICY APPLICATION</u>	<u>CARRIER</u>	<u>DATE SIGNED</u>
Lawyer's Professional Liability	Carolina Casua	12/3/2013

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

OFFICE SHARING EXCLUSIONARY ENDORSEMENT

In consideration of the premium paid it is hereby understood and agreed that this policy does not cover any Claim alleging, arising out of or resulting from, directly or indirectly, any Wrongful Act committed or omitted by any entity which, or individual who, shares office space with the Insured but is not an Insured.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY WILL REMAIN UNCHANGED.

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**FLORIDA ADDENDUM TO THE DECLARATIONS**

If you have questions about your insurance policy, or questions about claims relating to your insurance policy, please contact your insurer at the following:

**Chartis  
175 Water Street  
New York, NY 10038  
(212) 458-5000**

This endorsement, effective 01/01/2014 at 12:01 AM forms part of

policy no.: 25465787-00 issued to Tescher & Spallina, P.A.

by: National Union Fire Insurance Company of Pittsburgh PA

**FLORIDA CANCELLATION/NONRENEWAL ENDORSEMENT**

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy, and 2) "you", "your", "named Insured" and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

It is hereby agreed and understood that the cancellation provision of this policy is to be deleted in its entirety and to be replaced with the following:

A. The Insured shown in the Declarations may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.

B.1. Cancellation for Policies in Effect Ninety (90) Days or Less

If this policy has been in effect ninety (90) days or less the Insurer may cancel this policy by mailing or delivering to the Insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (a) Ten (10) days before the effective date of cancellation if the Insurer cancels for nonpayment of premium; or
- (b) Twenty (20) days before the effective date of cancellation if the Insurer cancels for any other reason, except the Insurer may cancel immediately if there has been:
  - 1. A material misstatement or misrepresentation; or
  - 2. A failure to comply with underwriting requirements established by the Insurer.

B.2. Cancellation for Policies in Effect for More Than Ninety (90) Days

If this policy has been in effect for more than ninety (90) days the Insurer may cancel this policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) The policy was obtained by a material misstatement;
- (c) There has been a failure to comply with underwriting requirements established by us within ninety (90) days of the date of effectuation of coverage;
- (d) There has been a substantial change in the risk covered by the policy; or
- (e) The cancellation is for all insureds under such policies for a given class of insureds.

If the Insurer cancels this policy for any of these reasons, the Insurer will mail or deliver to the Named Insured written notice of cancellation, accompanied by the reasons for the cancellation at least:

1. Ten (10) days before the effective date of cancellation if cancellation is for the reason stated in B2(a) above; or
2. Forty-five (45) days before the effective date of cancellation if cancellation is for the reasons stated in B2 (b), (c), (d) or (e) above.

B.3. If this policy is cancelled, the Insurer will send the Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect.

The following is added:

C.1. Non-Renewal

- (a) If the Insurer decides not to renew this policy the Insurer will mail or deliver to the Insured written notice of nonrenewal, accompanied by the reason for nonrenewal, at least forty-five (45) days prior to the expiration of this policy.
- (b) Any notice of nonrenewal will be mailed or delivered to the Insured's last mailing address known to the Insurer. If notice is mailed, proof of mailing will be sufficient proof of notice.

C.2. Renewal

The Insurer shall give the named insured at least forty-five (45) days advance written notice of the renewal premium.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**



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

**ENDORSEMENT**

This endorsement, effective at 12:01 A.M. 01/01/2014 forms a part of

Policy No: 25465787-00

Issued to: Tescher & Spallina, P.A.

By: National Union Fire Insurance Company of Pittsburgh PA

**ECONOMIC SANCTIONS ENDORSEMENT**

*This endorsement modifies insurance provided under the following:*

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE