**APPLICATION  
QUESTIONNAIRE FOR A FINANCIAL INSTITUTION BOND, FORM NO. 14** **FOR MUTUAL FUND DEALERS AND INVESTMENT MANAGERS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ATTACH TO THIS APPLICATION:** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | MOST RECENT AUDITED FINANCIAL STATEMENTS INCLUDING ANNUAL REPORT. | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | ORGANIZATIONAL CHART WITH PERCENTAGE OF OWNERSHIP AND NATURE OF BUSINESS OF EACH ENTITY AND THEIR ADDRESS; | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | LATEST EXTERNAL AUDITOR’S LETTER TO MANAGEMENT ON INTERNAL CONTROLS WITH MANAGEMENT’S RESPONSE, **OR** | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | A LETTER DIRECTLY FROM YOUR AUDITOR STATING ONE WAS NOT ISSUED. | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **ALL QUESTIONS MUST BE ANSWERED, DO NOT LEAVE ANY BLANK OR ANSWER ANY AS N/A.** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Application is hereby made by: | | | | | | |  | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | |  | | | | | | | | | | | | | | | | | | | |  |
|  | | | | | | |  | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | |  | | | | | | | | | | | | | | | | | | | |  |
|  | | | | | | |  | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (List ALL INSUREDS to be covered, including employee benefit plans and do not use general phrases such as all subsidiary, or owned or managed or controlled or affiliated or associated, and so on.) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | |  | | | | | | | | | | | | | | | | | | | | | |  |
| Principal Address: | | | | | |  | | | | |  | | |  | | | | | | | | | | | | | |
|  | | | | | | (No.) | | | | | | | | (Street) | | | | | | | | | | | | | |
|  | | | | | |  | | | | | | | | |  | | | | | | | | | |  | | |
|  | | | | | |  | | | | | | | |  |  | | | | | | | | |  |  | | |
|  | | | | | | (City) | | | | | | | | | (Province) | | | | | | | | | | (Postal Code) | | |
|  | | | | | |  | | | | | | | | |  | | | | | | | | | |  | | |
| (herein called Insured) for a Primary ; Excess ; | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Financial Institution Bond, Form 14,** to become effective as of | | | | | | | | | | | | | | 12:01 a.m. on | | | | | |  | | | to 12:01 a.m. on | | | |  |
|  | |  | | | | | | | | | | | | | | | | | | | |  | | | | | |
| Date Insurance was established: | | | | | | | |  | | | | |  | | Name of prior Carrier: | | | | | |  | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | | Insured is a (check the appropriate category(ies)): | | | | | | | | | | | | | | |  | | | |  | | | | |  | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | Portfolio Manager | | | | | | | Foundation | | | | | | | | | | | | Mutual Fund Dealer | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | Endowment Fund | | | | | | | Investment Counsel | | | | | | | | | | | | Other | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | Investment Trust (not Small Business Investment Company or Real Estate Investment Trust) | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  |  | | | | | | |  | | | | | | |  | | | |  | | | | |  | |
| 2. | | Insured is a (check the appropriate box):  Sole Proprietorship;  Partnership;  Corporation | | | | | | | | | | | | | | | | | | | | | | | |  | |
|  | |  | |  | | | | | |  | | | | | | |  | | | |  | | | | |  | |
| 3. | | List exchanges or self-regulatory organization(s) which the Insured is a member of: (e.g. TSE, MSE, VSE, IDS, SYSE, ASE, NASD, etc.) | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  | | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  | | | | | | | | | | | | | |  | |  | | | | | | | | | |
|  | |  | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  | | | | | | | | | | | | | |  | |  | | | | | | | | | |
|  | |  | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  | | | | | | | | | | | | | |  | |  | | | | | | | | | |
|  | |  | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | | For all Named Insureds, show the total number of: | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  |  | | | | | | | | |  | | | | | | | | | | | | | | | |
|  | | (a) | Officers and Employees: | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | | (b) | Registered Representatives (other than included in (a)): | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  | Total of (a) and (b) above: | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | | (c) | Premises of the Insured (other than the Principal location): | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | |  | | | | | | | | | |
|  | | (d) | Premises occupied by Registered Representatives (other than the principal location or premises included in (c)): | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | | | | | | | | | |  | |
|  | |  |  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | |  |  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | **List any such additional premises below:** | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |
|  | | |  | | | | | | | | | | | | | | |  |  | | | | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. | Complete the following for forms and amounts of coverage desired: | | | | | | | | | | | | | |  | | |
|  | (Actual Amount to be provided may be different than requested and will be indicated in the Declarations of the Bond.) | | | | | | | | | | | | | | | | |
|  |  |  | | | | | | | | | | | | |  | | |
|  |  | **Basic Form of Coverage** | | | | | | | |  | **Amount** | | | | | | |
|  |  |  |  | | | | | | |  |  | |  | | |  | |
|  | (a) | (i) | Basic Bond Coverage: | | | | | | |  | $ | | |  | |  | |
|  |  |  |  | | | | | | |  |  | | |  | |  | |
|  |  | (ii) | Deductible Options: | | | | | | | (1) | $ | | | (2) | | $ | |
|  |  |  |  | | | | | | |  |  | | |  | |  | |
|  |  | **Optional Forms of Coverage** | | | | | | | |  |  | | |  | |  | |
|  | | | | | | | | | | | | | | | | | |
|  | (b) | Is Insuring Agreement D – Forgery or Alteration Coverage desired? | | | | | | | | Yes  No | | | | $ | | | |
|  |  |  | | | | | | | |  | | | |  | | | |
|  | (c) | Is Insuring Agreement E – Securities Coverage desired? | | | | | | | | Yes  No | | | | $ | | | |
|  |  |  | | | | | | | |  | | | |  | | | |
|  | (d) | Other (Specify) | | |  | | | | | Yes  No | | | | $ | | | |
|  |  |  | | | | | | | |  | | | |  | | | |
| 6. | **AUDIT PROCEDURES** | | | | | | | | |  | | | |  | | | |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (a) | Is there an annual  ; semi-annual  ; audit by an independent C.A. or G.C.A.? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (b) | If “Yes”, is it a complete audit made in accordance with generally accepted auditing standards and so certified? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | | |
|  | (c) | If the answer to (b) is “No”, explain the scope of the examination: | | | | | | |  | | | | | | | | |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (d) | Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (e) | Name and Address of auditors: | | | | |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | | | | | | |
|  | (f) | Date of completion of the last audit: | | | | |  | | | | | | | | | | |
|  |  |  | | | | | | | | | | | | | | |  |
| 7. | **INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES)** | | | | | | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (a) | Do you require annual vacations of at least two consecutive weeks for all personnel? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  |  | If “No”, please explain: | | | |  | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (b) | Is there countersignature of all cheques? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  |  | If “No”, please explain: | | | |  | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (c) | Are bank reconciliations completed by person(s) not authorized to deposit or withdraw? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  |  | If “No”, please explain: | | | |  | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (d) | Are monthly statements (provided there has been account activity) mailed by the fund or by the Insured directly to all customers? | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  |  | If “No”, please explain: | | | |  | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (e) | What is the percentage of cheques that your clients make payable directly to the Mutual Fund Company? | | | | | | | | | | | | | | | % |
|  |  |  | | | | | | | | | | | | | | |  |
|  | (f) | On average what is the maximum daily exposure of mutual fund certificates kept on your premises? | | | | | | | | | | | | | | | $ |
|  |  |  | | | | | | | | | | | | | | |  |
| 8. | What is the total amount of assets under management (AUM)? | | | | | | | | | | | | | | | | $ |
|  |  | | | | | | | | | | | | | | | |  |
| 9. | Has there been any change in ownership or management within the last six years? | | | | | | | | | | | | | | | | Yes  No |
|  |  |  | | | | | | | | | | | | | | |  |
|  | If “Yes”, please explain: | | | |  | | | | | | | | | | | |  |
|  |  | | | | | | | | | | | | | | | |  |
| 10. | Has any similar insurance been declined or cancelled during the last six years? | | | | | | | | | | | | | | | | Yes  No |
|  |  | | | | | | | | | | | | | | | |  |
| 11. | List all losses sustained during the past six years, whether reimbursed or not. | | | | | | | | | | | | | | | | **Check if none** |
|  |  | | | | | | | | | | | | | | | | |
|  | **Date** | | | **Type of Loss** | | | | **Amount** | | | | **Details** | | | | | |
|  |  | | |  | | | |  | | | |  | | | | | |
|  |  | | |  | | | | $ | | | |  | | | | | |
|  |  | | |  | | | |  | | | |  | | | | | |
|  |  | | |  | | | | $ | | | |  | | | | | |
|  |  | | |  | | | |  | | | |  | | | | | |
|  |  | | |  | | | | $ | | | |  | | | | | |
|  |  | | |  | | | |  | | | |  | | | | | |
|  |  | | |  | | | | $ | | | |  | | | | | |
|  |  | | | | | | | | | | | | | | | | |
| 12. | Is your firm or anyone in your firm, expected to be, currently is, or within the past three years, been under any special or non-standard reporting or licensing requirement or control of any sort, to any regulatory or governing bodies? | | | | | | | | | | | | | | | | Yes  No |
|  |  | | | | | | | | | | | | | | | | |
|  | **Special Conditions** | | | | | | | **Reason** | | | | | | | | | |
|  |  | | | | | | |  | | | | | | | | | |
|  |  | | | | | | |  | | | | | | | | | |
|  |  | | | | | | |  | | | | | | | | | |
|  |  | | | | | | |  | | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **DECLARATION STAFF HONESTY** | | | | | | |
|  | | | | | | |
| To the Insured’s best knowledge and belief, all employees while in their regular service have always performed their respective duties honestly. There has never come to its notice or knowledge any information, which in the judgement of the Insured indicated that any of the said Employees are dishonest. Such knowledge as any officer signing for the Insured may now have in respect of his own personal acts or conduct, unknown to the Insured, is not imputable to the Insured. | | | | | | |
|  | | | | | | |
| **FALSE INFORMATION** | | | | | | |
|  | | | | | | |
| Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent act, which is a crime. | | | | | | |
|  | | | | | | |
| **MATERIAL CHANGE** | | | | | | |
|  | | | | | | |
| The undersigned declared that to the best of their knowledge and belief, the statements set forth herein are true and complete at the time of the application. | | | | | | |
|  | | | | | | |
| The signing of this application des not bind the Insured or the Company. If there is any material change in answers to the questions provided herein prior to the policy inception, the Insured will notify the Company in writing and any outstanding quotation may be modified or withdrawn. | | | | | | |
|  | | | | | | |
| **AGREEMENT TO ISSUE POLICY IN ENGLISH** | | | | | | |
|  | | | | | | |
| **By submitting this Application in English it is acknowledged by the Proposed Insureds that it is their express request for the Policy and any future amendments and replacements, if and when issued, to be drawn up in English, and so continue unless, or until, requested in French.** | | | | | | |
|  | | | | | | |
| En soumettant la présente **proposition** en anglais les **assurés proposés** reconnaissent qu'ils ont expressément demandé que la **police**, si elle est émise, ainsi que tout avenant ou renouvellement futur, soient rédigés en anglais, et ce, jusqu'à ce que l'assureur reçoive une demande par écrit de fournir la **police** en français. | | | | | | |
|  | | | | | | |
| **AUTHORIZATION AND SIGNATURE** | | | | | | |
|  | | | | | | |
| The Company and its agents(s) are hereby authorized to make any investigation and/or enquiry in connection with this application for insurance as it deems necessary. If coverage is bound subsequently, the Insured agrees that the Company may from time to time use and disclose any and all information it deems necessary to any authority or regulator, its lawyers, affiliates, associated, agents or representatives , as is required for the purposes of its operations. | | | | | | |
|  | | | | | | |
| **The signatory must be the Risk Manager, the person responsible for purchasing insurance, or hold a higher position within the firm.** | | | | | | |
|  | |  | | | | |
|  | |  | | | | |
| Signed at: | | | | , | Date: |  |
|  | | | | (City, Province) | | (Day, Month, Year) |
|  | | | | | | |
|  | |  | | | | | |
|  | |  | | | | | |
|  | |  | | | | | |
|  | |  | | | |  | |
|  | | (Insured’s Signature) | | | | | |
|  | |  | | | | | |
|  | |  | | | | | |
|  | |  | | | | | |
|  | |  | | | | | |
|  | |  | | | |  | |
|  | | Name (please print) | | | | | |
|  | |  | |  | | | |
|  | |  | |  | | | |
|  | |  | | | | | |
|  | |  | | | |  | |
|  | | Title (please print) | | | | | |