

FINRA RULE 4360 – DEFENSE COSTS ENDORSEMENT AND NOTICE

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

In consideration of the payment of the premium, it is hereby understood and agreed that:

1. In the event that a loss, payable under this **"Bond"**, is sustained by an **"Insured"** who is subject directly to Financial Industry Regulatory Authority Rule 4360 (hereinafter called "FINRA"), the third paragraph of **GENERAL AGREEMENT (F) NOTICE OF LEGAL PROCEEDINGS AGAINST INSURED – ELECTION TO DEFEND**, is deleted in its entirety and replaced with the following:

If the **"Underwriter"** elects to defend the **"Insured"**, in whole or in part, any judgment against the **"Insured"** on those counts or causes of action which the **"Underwriter"** defended on behalf of the **"Insured"**, or any settlement in which the **"Underwriter"** participates shall be a loss covered by this **"Bond"**, provided that such amount shall be part of and not in addition to the Limit of Liability. Attorneys' fees, costs and expenses incurred by the **"Underwriter"** in the defense of the litigation shall not erode, but be in excess of, the Limit of Liability available to the **"Insured"**.

2. It is further understood and agreed that:

FINRA – Financial Operations

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Washington, DC, 20006

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shall be notified promptly concerning the termination or cancellation or substantial modification of the attached **"Bond"** as an entirety or as to any **"Employee"** covered thereunder, whether such termination or cancellation or substantial modification be effected by notice from the **"Insured"** or the **"Underwriter"**, and the **"Underwriter"** will use its best efforts to so notify Financial Industry Regulatory Authority, but failure to provide such notice shall not impair or delay the effectiveness of any such termination or cancellation or substantial modification.

All other terms and conditions of the policy remain unchanged.