



THE INVESTMENT ADVISORS AFFILIATED WITH RIA REGISTRAR, LLC

Errors & Omissions Program Outline of Coverage



Policy Period: August 1, 2024 to August 1, 2025

Policy Number: LRA79GU24

Insurer: Aspen Specialty Insurance Company
A non-admitted carrier

Rated A (Excellent): XV (\$2 Billion or greater) by A.M. Best.

The information obtained from A.M. Best effective June 16, 2023 is not in any way CalSurance Associate's warranty or guaranty of the financial stability of the insurer in question, and that the information is current only as of the date of the publication.

Claims Administration:

Lancer Claims Services

A Division of Brown & Brown Program Insurance Services, Inc.

Sponsoring Organization: RIA Registrar, LLC members of The Financial Sales Professionals Purchasing Group

Insured:

1. a Registered Investment Advisor affiliated with the Sponsoring Organization, provided it has been listed on the roster of the Sponsoring Organization as a participating insured under this program and has paid the applicable premium;
2. an Associated Person of the Registered Investment Advisor;
3. any past, present or future director, officer, partner or employee of Sub-section 1., above, solely while performing Professional Services on behalf of the Registered Investment Advisor, or
4. the lawful spouse or domestic partner of any individual which qualifies as an Insured under Sub-section 1. or 2., above, for a Claim arising solely out of spousal or domestic partner status, and not out of any alleged independent Wrongful Acts, of such individual.
5. An entity owned and controlled by Registered Investment Advisor or Associated Person, but solely in connection with Professional Services provided by the Registered Investment Advisor or Associated Person.

Risk Purchasing Group:

By applying for this insurance, Agents are applying for membership in the Financial Sales Professionals Purchasing Group, a group formed and operating pursuant to the Liability Risk Retention Act of 1986 (15 USC 3901 et seq.). There is no additional charge for membership.

Limits of Liability:

\$1,000,000 each claim/\$1,000,000 RIA Aggregate; or
\$1,000,000 each claim/\$2,000,000 RIA Aggregate; or
\$2,000,000 each claim/\$2,000,000 RIA Aggregate
\$25,000,000 Policy Aggregate

See Specimen Policy for details on sublimits of liability for certain coverages.

Leveraged Exchange or Inverse Exchange Traded Funds:

\$ 250,000 each claim / \$ 250,000 RIA Aggregate

FDIC Insured Equity Linked Certificates of Deposit:

\$ 250,000 each claim / \$ 250,000 RIA Aggregate

Structured Products:

\$ 250,000 each claim / \$ 250,000 RIA Aggregate

Privacy and Network Security Coverage:

\$250,000 Aggregate

Fines & Penalties: \$100,000 aggregate (part of above \$250,000 agg.)

Extortion demands: \$25,000 aggregate (part of above \$250,000 agg.)

Data Forensics: \$25,000 aggregate

Public Relations: \$25,000 aggregate

Incident Response Consultation: \$150,000 aggregate

Notification, Fraud Monitoring and Resolution Services and Call Center

Services are provided for up to 10,000 individuals

Funds Transfer Fraud: \$50,000 Each Claim / \$250,000 Policy Aggregate

Employee Theft Coverage:

\$ 50,000 each claim / \$ 50,000 RIA Aggregate

Trade Error/Cost of Correction:

\$ 100,000 Policy Aggregate

Deductibles Available:

\$5,000 each claim (Applicable to Damages & Defense)

Defense Costs:

Within the Limits of Liability

Duty to Defend:

The Insurer has the sole right to appoint defense counsel and the right and duty to defend any Claim made against the Insured.

Coverage (including but not limited to):

The Insurer shall pay on behalf of the Insured all sums in excess of the Deductible amount identified in the Declarations which the Insured shall become legally obligated to pay as Damages resulting from Claims first made against the Insured during the Policy Period, or Extended Reporting Period, if applicable, as a result of a Wrongful Act by an Insured or any entity for whom the Insured is legally liable.

Professional Services:

Professional Services means:

- a) financial, economic and/or investment advice;
- b) financial planning services including but not limited to advice regarding personal risk management or planning for insurance, savings, investments or retirement;
- c) investment management services including the execution of the purchase or sale of Securities pursuant to a valid Power-of-Attorney agreement;
- c) services rendered as a licensed Life or Health Insurance Agent or as an Insurance Consultant as designated by the State of Oregon;
- d) products sold or serviced as a Registered Representative while previously affiliated with a Broker-Dealer that has approved these services and products;
- e) Bill Paying Services;
- f) Tax Preparation Services.

Retroactive Date:

The effective date of the first claims made professional liability policy from which date coverage has been maintained by the Insured without interruption; however, with respect to coverage based upon, arising out of, directly or indirectly, or in any way involving, products sold or services provided as a Registered Representative, there is no coverage for any Wrongful Acts or Interrelated Wrongful Acts occurring on or after the inception date of the first Policy issued to the Insured under this sponsored program.

Extended Reporting Period:

If, during the Policy Period, an Insured retires or becomes disabled or deceased, the Insured or its legal representative may elect to purchase an Extended Reporting Period for a period of (3) years or (5) years for an additional premium equal to 200 /o or 300 /o, respectively, of the Insured's last annual premium, to report to the Insurer any Claim which is first made during the applicable Extended Reporting Period and which arises out of a Wrongful Act committed on or after the Retroactive Date and prior to the expiration of the Policy Period.

Please review the policy and program materials. A complete copy of the specimen policy is available by calling 800-745-7189 or by visiting www.calsurance.com/riaregistrar. This document is a summary of the coverage provided. All statements contained herein are subject to all terms, conditions, and exclusions of the actual policy. In all circumstances the actual policy language will prevail.

RIA Registrar, LLC Exclusions

This Policy does not apply to any Claim:

- A. based upon, arising from, or in any way related to any deliberately dishonest, intentional, malicious, or fraudulent act or omission or any willful violation of law by any Insured if a judgment or other final adjudication adverse to the Insured establishes such an act, omission, or willful violation. The Insurer shall continue to defend the Insured, if these allegations arise out of Wrongful Acts otherwise covered under this Policy, but the Insured shall reimburse the Insurer for Claims Expenses if such conduct is established as a matter of fact in a civil, arbitration, criminal or other proceeding, or is admitted to by the Insured;
- B. based upon, arising out of, directly or indirectly, or in any way involving any:
- 1) Unregistered Security;
 - 2) Leveraged Exchange or Inverse Exchange Traded Funds; however, this Exclusion shall not apply to services as a Registered Investment Advisor and coverage is subject to a sub-limit of liability of \$250,000 Each Claim and \$250,000 each Registered Investment Advisor in the Aggregate. However, as a condition precedent to coverage, all of the following must be met:
 - a. Inverse Exchange Traded Funds may only be used to hedge a portfolio managed by the Insured; and
 - b. Leveraged Exchange Traded Funds cannot comprise more than 10% of a client's portfolio at any one time; and cannot be in excess of one (1) time leverage.
 - 3) Private equity investments;
 - 4) Derivatives including, but not limited to, any type of option contract (except Covered Call and Protective Put options), warrants, futures contracts (including but not limited to commodities and currency) forward contracts, Exchange Traded Notes, or interest rate swaps; however, this Exclusion shall not apply to FDIC - Insured Equity Linked Certificates of Deposit and coverage is subject to a sub-limit of liability of \$250,000 Each Claim and \$250,000 Each Registered Investment Advisor in the Aggregate.
 - 5) Structured financial products including, but not limited to, structured notes, asset-backed or mortgage-backed securities, collateralized mortgage or debt obligations, or credit-linked notes; However, this Exclusion shall not apply to structured notes approved by Gradient Securities, LLC and/or Gradient Investments, LLC.
 - 6) Promissory notes; Issuer callable, or step-up or step-down Certificates of Deposits; or Auction Rate Securities;
 - 7) Viatical or Life settlements, reverse mortgages, or any similar transaction in which the present value of a conditional contract is exchanged or sold;
 - 8) Structured Settlements,
 - 9) Proprietary investment products of an Insured;
 - 10) Tangible personal property, whether directly or indirectly including, but not limited to, any precious metals, gemstones, stamps, sports or other cards, antiques, jewelry, coins, or other collectibles; however, this exclusion shall not apply to gold or silver;
 - 11) Securities traded exclusively outside of the U.S., its territories or possessions, or Canada;
 - 12) Securities priced under \$5.00 at the time of sale; however, this Exclusion shall not apply if the securities are approved for registration upon issuance on a national securities exchange in the U.S. or authorized for quotation in the NASDAQ National Market System or Small Cap Market or issued by a mutual fund;
 - 13) Junk Bonds or High Yield Bonds.
- C. based upon, arising from, or in any way related to bodily injury, sickness, disease, death, emotional distress, mental, anguish, false arrest or imprisonment, abuse of process, malicious prosecution, libel, slander, defamation, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction, or for damage to or destruction of any tangible property, including loss of use thereof;
- D. based upon, arising from, or in any way related to any fact, circumstance or Wrongful Act which has been reported or has been the subject of any notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy which this Policy may succeed in time;
- E. based upon, arising from, or in any way related to (a) any demand, suit, or other proceeding against an Insured which existed or was pending prior to the effective date of this Policy; or (b) the same or substantially the same facts, circumstances or allegations involved in such demand, suit, or other proceeding;
- F. brought or maintained by or on behalf of any Insured; however, this Exclusion shall not apply to Claims involving Professional Services;
- G. based upon, arising from, or in any way related to Insured gaining in fact any profit, remuneration or financial advantage to which they are not legally entitled; or any disputes involving an Insured's fees, charges, entitlements, or other compensation, or client lists or information;
- H. based upon, arising out of, directly or indirectly, in whole or in part, or in any way involving any, insolvency, receivership, bankruptcy, liquidation of any entity or financial inability to pay of a natural person, any company, organization, entity, insurer, reinsurer, benefit plan, risk retention group, captive, vehicle or arrangement of any nature in which any Insureds place or recommended to be placed funds; however, this Exclusion shall not apply to a Claim in connection with the investment of stock in any such entity, or with respect to any insurer, self-insurer, insurance plan, trust or any other vehicle or instrumentality which provides coverage or benefits or in which an Insured has placed or obtained insurance coverage, or placed the funds of a client, provided at the time the Insured place or obtained insurance coverage or placed the funds of a client, the insuring entity was rated B+/B++ or better by A.M. Best;
- I. Any pension, profit sharing, health/welfare or other employee benefit plan, insurance plan or trust, sponsored by an Insured or Affiliated Entity or in which an Insured or Affiliated Entity is a participant, trustee or named fiduciary, as defined under the Employee Retirement Income Security Act of 1974, as amended; however this Exclusion shall not apply to services:
1. As defined in the Pension Protection Act of 2006, and any amendments thereto, which are otherwise covered under this Policy;
 2. As a fiduciary in recommending securities, as described in Section 3 (21)(A)(ii) of ERI SA; or
 3. Acting as a Registered Investment Advisor for a qualified plan as described in Section 3(38) of ERISA.
- Provided, however, that this Coverage applies solely to defined contribution plans where the Insured had an industry accreditation/certification relative to such services at the time of providing these services; proof of such accreditation/certification to be established by Insured up on request.

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RIA Registrar, LLC
Exclusions

- J. based upon, arising from, or in any way related to (a) the Insured giving advice or performing services with respect to any aspect of mergers, acquisitions, leveraged buy-outs, tender offers, proxy contests, recapitalizations, financial restructurings, divestitures or investment banking activities; (b) the Insured forming, syndicating, operating, administering, advising, or rolling up a limited partnership or real estate investment trust, or any type of charitable enterprise or entity or (c) the Insured acting as a "broker" or "dealer" in securities, as those terms are defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934, as amended;
- K. Any services as, or which may only be performed by, an accountant, actuary, lawyer, life insurance general or managing general agent, real estate agent/broker, property/casualty agent or third-party claims administrator; however, this Exclusion shall not apply to Tax Preparation Services.
- L. based upon, arising out of, directly or indirectly, or in any way involving the sale, servicing, or administration of, or advice or planning with respect to, any Multiple Employer Welfare Arrangement or any IRS Section 412 or 419 plans;
- M. based upon, arising from, or in any way related to the liability of others assumed by an Insured under any contract or agreement, unless such liability would have attached to an Insured even in the absence of such an agreement; or any guarantees or warranties; The coverage provided by the carve-back to the Contractual Liability Exclusion includes, but is not limited to, liability resulting from the US Department of Labor's Rules regarding Best Interest Contracts including, but not limited to, DOL Section DOL 84-24. Subject to the following Sub-Limit of Liability (which is part of and not in addition to the Limits of Liability):
Each Claim: \$1,000,000
Insured Aggregate: \$1,000,000
Coverage based upon, arising out of, directly or indirectly, or in any way involving, products sold or services provided as a Registered Representative pursuant to DEFINITION O.5., is subject to the following Sub-Limit of Liability (which is part of and not in addition to the Limits of Liability):
Each Claim: \$500,000
Insured Aggregate: \$500,000
- N. any commingling or misuse of client funds or accounts, or to the illegal use of non-public information; however, this Exclusion shall not apply to the extent it is inconsistent with the coverages provided in Sections II.A. and C. EXTENSIONS OF COVERAGE.
- O. this Policy does not apply to any Claim based upon, arising out of, directly or indirectly, or in any way involving: Bernard L. Madoff or Bernard L. Madoff Investment Services, LLC; Stanford International Bank, Stanford Group Company, or Stanford Capital Management; DBSI, Inc.; Land America Financial Group, Inc.; Medical Capital Corporation, Medical Capital Holdings, Inc., or Medical Provider Funding Corporation, VI.; Provident Royalties, LLC, Provident Asset Management, LLC, Provident Energy1, LP, Provident Resources 1, LP, Provident Energy 2, LP, Provident Energy 3, LP, or Provident Operating Company, LLC; Shale Royalties, Inc., Shale Royalties II, Inc. or Shale Royalties 3-22; Somerset Lease Holdings, Inc., or Somerset Development, Inc.; MetCap Securities, LLC; Reserve Fund-Primary Fund; IMH Secured Loan Fund, LLC; GEM Financial Associates, Inc.; CRI Securities, LLC; Advantus Capital Management, Inc.; Acorn Capital Management; Maximum Return Investments, Inc.; Market Street Advisors; Gemini Fund 1, LP; DISP, LLC; North Hills Fund; WG Trading Company, WG Trading Investors Co.; Westridge Capital Management, Inc.; Core Realty Holdings, LLC.; TNP Strategic Retail Trust, Inc.; The Woodbridge Group of Companies and any past or present insured or applicant that has sold any products issued by these companies, Smartt Wealth Solutions, LJM Growth and Preservation Fund; Luke Financial Company LLC; Elevated Asset Management LLC; PGH Advisors LLC; McNamara Capital Investment Group, KNR Consulting, Wealth Management, and M3 Six Advisors, LLC

- P. based upon, arising out of, directly or indirectly, or in any way involving:
- 1) Any Stranger Owned Life Insurance (STOLI), Speculator Initiated Life Insurance (SPINLIFE), or any other type of policies where the purchaser of the life product does not have an insurable interest in the insured under such life product;
 - 2) Any unauthorized access to, or breach of, a n Insured's computers or network security, including the loss, theft or unauthorized disclosure or dissemination of Personal Information, or the damage, destruction, or theft of confidential information of any Insured, except as otherwise provided in Section II. C. Extensions of Coverage, Privacy Breach Coverage Extension.
 - 3) Any loss of client or customer funds in reliance upon fraudulent instructions.
 - 4) Any life insurance policy with respect to which the premium was paid for in whole or in part by or through any premium finance mechanism or any premium finance company; however, this Exclusion shall not apply to any Life Settlements that may be otherwise covered under this Policy.

Solely with respect to Claims for Privacy and Network Security Wrongful Acts, this Policy does not apply to any Claim:

- 1) for the failure to transfer funds, monies or securities;
- 2) for any derivative suit or any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, the Securities Act of 1933, the Securities Exchange Act of 1934, or any other federal, state or local securities laws or regulations;
- 3) based upon or arising out of any actual or alleged discharge, dispersal, release or escape of toxic chemicals, liquids or gases, waste materials or other contaminants, or pollutants, however caused;
- 4) based upon or arising out of any suspension or reduction in utilities or telephone communications services not under the Insured's control;
- 5) based upon or arising out of declared war;
- 6) based upon or arising out of any infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or
- 7) based upon or arising out of any actual or alleged unfair competition, deceptive trade practices, restraint of trade, or antitrust.

Provided however, that Exclusions 1) through 7) above shall not apply to that portion of an otherwise covered Claim for a Privacy and Network Security Wrongful Act.

Solely with respect to Claims for Privacy and Network Security Wrongful Acts and Privacy and Network Security Incidents based upon or arising out of any actual or alleged matter that prior to the Policy Period an Executive Officer knew or reasonably should have known would likely lead to a Claim or Expense.

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