



Financial Guaranty Insurance Brokers Inc.
 709 East Colorado Blvd. Suite 230, Pasadena, CA 91101
 Phone: (626) 793-3330 Fax: (626) 793-1886

**DIRECTORS & OFFICERS LIABILITY INSURANCE
 Application for Indication**

NAME OF COMPANY: _____

ADDRESS: _____

TELEPHONE: _____

1. THE OFFICER DESIGNATED AS AGENT OF THE COMPANY AND OF ALL INSURED DIRECTORS OR OFFICERS TO RECEIVE ANY AND ALL NOTICES FROM THE INSURER OR THEIR AUTHORIZED REPRESENTATIVES CONCERNING THIS INSURANCE:

NAME	TITLE
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2. DATE SINCE THE COMPANY HAS CONTINUOUSLY CARRIED ON BUSINESS: _____

3. DESCRIPTIVE NATURE OF OPERATIONS: _____

4. (a) TOTAL NUMBER OF COMMON SHARES OUTSTANDING _____

(b) TOTAL NUMBER OF COMMON STOCK SHAREHOLDERS _____

(c) ARE ANY OTHER SECURITIES CONVERTIBLE TO COMMON STOCK? IF >YES=, PROVIDE DETAILS _____ YES _____ NO

(d) ARE THE COMMON SHARES PUBLICLY TRADED? IF >YES=, SPECIFY THE EXCHANGE(S) LISTING THE SHARES AND THE STOCK SYMBOL(S) _____ YES _____ NO

(e) PLEASE PROVIDE THE PRICE RANGE PER SHARE AND CLOSING PRICE EARNINGS (P/E) RATIO FOR THE COMPANY=S COMMON STOCK FOR EACH OF THE LAST 4 QUARTERS:

1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
High	Low	P/E	High	Low	P/E	High	Low	P/E	High	Low	P/E

5. TOTAL NUMBER OF SHARES OF THE COMPANY=S COMMON STOCK OWNED DIRECTLY OR BENEFICIALLY BY ITS DIRECTORS AND OFFICERS:

6. DOES ANY SHAREHOLDER OWN DIRECTLY OR BENEFICIALLY 10% OR MORE OF THE COMMON STOCK OUTSTANDING OR DOES ANY OTHER SECURITY HOLDER HAVE THE RIGHT TO OWN DIRECTLY OR BENEFICIALLY 10% OR MORE OF THE COMMON STOCK OUTSTANDING? IF >YES=, PROVIDE DETAILS _____ YES _____ NO



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7. HAS THE COMPANY OR ANY SUBSIDIARY ACQUIRED OR CONTEMPLATED ____ YES ____ NO
 ACQUIRING WITHIN THE PAST 18 MONTHS OR WITHIN THE NEXT 12
 MONTHS ANY OF ITS OWN SECURITIES? IF >YES=, PROVIDE DETAILS

8. PROVIDE THE NUMBER OF DIRECTORS AND OFFICERS PROPOSED FOR THIS INSURANCE:
 NUMBER OF DIRECTORS _____ NUMBER OF OFFICERS _____

9. ATTACH A LISTING OF THE NAMES AND PRINCIPALS BUSINESS AFFILIATIONS, INCLUDING
 DIRECTORSHIPS OF OTHER COMPANIES/CORPORATIONS, FOR ALL DIRECTORS AND SENIOR
 OFFICERS PROPOSED FOR THIS INSURANCE.

**IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED UNDER THIS POLICY
 FOR OUTSIDE POSITIONS LISTED IN CONJUNCTION WITH THE ABOVE QUESTION.**

10. HAVE THERE BEEN ANY CHANGES IN SENIOR MANAGEMENT (BOARD CHAIRMAN,
 PRESIDENT, EXECUTIVE VICE PRESIDENT, ETC) IN THE LAST 5 YEARS FOR REASONS OTHER
 THAN DEATH OR RETIREMENT AT THE NORMAL RETIREMENT AGE? IF ____ YES ____ NO
 'YES' PROVIDE DETAILS: _____

11. PLEASE PROVIDE THE FOLLOWING INFORMATION ON ALL SUBSIDIARIES (INCLUDING
 SUBSIDIARIES OF SUBSIDIARIES):

IF ANONE=, PLEASE INDICATE: _____ NONE

- | | | |
|-------------------------|-------------------------------|------------------|
| A. NAME | D. NATURE OF BUSINESS | G: NET WORTH* |
| B. DATE OF ACQUISITION | E. DOMESTIC OR FOREIGN | H. TOTAL ASSETS* |
| C. PERCENT OF OWNERSHIP | F. NAME OF PARENT INSTITUTION | I. NET INCOME* |

*MOST RECENT YEAR-END FIGURES

**IT IS UNDERSTOOD AND AGREED THAT COVERAGE IS NOT PROVIDED FOR SUBSIDIARIES
 UNLESS LISTED ABOVE OR BY AN ATTACHMENT HERETO PROVIDING SIMILAR
 INFORMATION.**

12. A) HAS THE COMPANY DIVESTED ITSELF OF ANY SUBSIDIARIES WITHIN ____ YES ____ NO
 THE PAST 5 YEARS? IF AYES=, PLEASE STATE NAMES OF SUCH SUBSI-
 DIARIES AND DATES AND REASONS FOR DIVESTMENT.

B) HAS THE COMPANY BEEN INVOLVED IN ANY MERGER, ACQUISITION, ____ YES ____ NO
 CONSOLIDATION, TENDER OFFER, OR DIVESTMENT OR SALE OF ITS
 STOCK IN EXCESS OF 10% OF THE TOTAL STOCK OUTSTANDING WITH-
 IN THE LAST 5 YEARS? IF AYES=, PROVIDE DETAILS: _____



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C) IS THE COMPANY PRESENTLY INVOLVED IN, OR IS IT PRESENTLY CONSIDERING ANY MERGER, CONSOLIDATION, ACQUISITION, TENDER OFFER, OR DIVESTMENT OR SALE OF ITS STOCK IN EXCESS OF 10% OF THE TOTAL STOCK OUTSTANDING? IF A YES, PROVIDE DETAILS: _____ YES _____ NO

D) HAS THE COMPANY OR ANY SUBSIDIARY CONTEMPLATED OR BEEN INVOLVED IN ANY BANKRUPTCY PROCEEDINGS DURING THE PAST 5 YEARS OR WITHIN THE NEXT 12 MONTHS? IF A YES, PROVIDE DETAILS: _____ YES _____ NO

E) DOES THE COMPANY OR ANY SUBSIDIARY HAVE ANY CONTINGENT LIABILITIES THAT EXCEED 10% OF THE COMPANY'S CONSOLIDATED SHAREHOLDERS' EQUITY OTHER THAN THOSE DISCLOSED IN THE FINANCIAL STATEMENTS SUBMITTED WITH THIS PROPOSAL FORM? IF A YES, PROVIDE DETAILS: _____ YES _____ NO

13. HAS THE COMPANY RECEIVED IN THE LAST 12 MONTHS OR IS ANY DIRECTOR OF OFFICER PROPOSED FOR THIS INSURANCE AWARE OF ANY ACTUAL OR CONTEMPLATED S.E.C. RULE 13d FILING UNDER THE SECURITIES EXCHANGE ACT OF 1934? IF A YES, PROVIDE DETAILS: _____ YES _____ NO

14. HAS THE COMPANY FILED OR CONTEMPLATED FILING ANY REGISTRATION STATEMENT WITH ANY GOVERNMENTAL AUTHORITY WITHIN THE **PAST 18 MONTHS OR WITHIN THE NEXT 12 MONTHS** FOR A PUBLIC OFFERING OF SECURITIES? IF A YES, FURNISH COPY OF PROSPECTUS. _____ YES _____ NO

15. A) HAS THE COMPANY ADOPTED ANY TAKEOVER PROVISIONS IN THE CERTIFICATE OF INCORPORATION OR BY-LAWS? IF A YES, PROVIDE DETAILS: _____ YES _____ NO

B) IF A YES, HAVE SUCH PROVISIONS BEEN APPROVED BY THE SHAREHOLDERS? _____ YES _____ NO

16. HAS THE COMPANY, UNDER STATE LAW OR STATUTE, ADOPTED A PROVISION LIMITING THE PERSONAL LIABILITY OF IT DIRECTORS AND/OR OFFICERS? IF A YES, PROVIDE THE NAME OF THE STATE UNDER WHICH SUCH PROVISION WAS ADOPTED: _____ YES _____ NO



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17. INDICATE THE FORMAL WRITTEN POLICIES AND/OR PROCEDURES THE BOARD OF DIRECTORS HAS IMPLEMENTED THAT ADDRESS THE FOLLOWING AREAS:

- MERGER & TENDER OFFER PROCEDURES
- INVESTMENT POLICY
- AUDIT POLICY
- SELECTION PROCESS FOR NEW DIRECTORS
- RELATED PARTY TRANSACTIONS
- PERSONNEL POLICY
- CONFLICT OF INTEREST POLICY
- OPERATION PROCEDURES
- OTHER POLICIES/PROCEDURES _____

18. DOES THE BOARD OF DIRECTORS REGULARLY REVIEW THE FOLLOWING:

- FINANCIAL STATEMENTS OF THE CORPORATION YES NO
- INVESTMENT ACTIVITIES (PURCHASE, SALES, GAINS & LOSSES) YES NO
- THREATENED OR ACTUAL LITIGATION YES NO
- INSURANCE COVERAGES YES NO

19. PROVIDE THE FOLLOWING INSURANCE INFORMATION:

- A) GENERAL LIABILITY INSURANCE -
 LIMIT _____ RETENTION _____ EXPIRATION DATE _____
- B) IS A PERSONAL INJURY EXTENSION INCLUDED: YES NO

20. DURING THE LAST 5 YEARS, HAS THE COMPANY OR ITS DIRECTORS OR OFFICERS BEEN INVOLVED IN, OR HAD ANY KNOWLEDGE OF:

- A) ANY PENDING ANTI-TRUST, COPYRIGHT OR PATENT LITIGATION? YES NO
 IF >YES= PROVIDE DETAILS: _____
- B) ANY CIVIL OR CRIMINAL ACTION OR ADMINISTRATIVE PROCEEDING INVOLVING A VIOLATION OF ANY FEDERAL OR STATE SECURITY LAW OR REGULATION? IF A YES=, PROVIDE DETAILS: _____

- C) ANY CIVIL OR CRIMINAL ACTION OR ADMINISTRATIVE PROCEEDING INVOLVING A VIOLATION OF ANY FEDERAL OR STATE ANTI-TRUST OR FAIR TRADE LAW? IF A YES=, PROVIDE DETAILS: _____

- D) ANY REPRESENTATIVE ACTIONS, CLASS ACTION OR DERIVATIVE SUITS? IF A YES=, PROVIDE DETAILS: _____

- E) PLEASE PROVIDE DETAILS ON ANY OTHER PENDING/PRIOR LITIGATION OTHER THAN NOTED ABOVE: _____

PERTAINING TO QUESTION 20, IT IS AGREED THAT ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THE PROPOSED COVERAGE.



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21. HAVE THERE BEEN DURING THE LAST 5 YEARS, OR ARE THERE NOW _____ YES _____ NO
 PENDING, ANY SUITS AGAINST ANY PERSON PROPOSED FOR INSURANCE
 IN THEIR CAPACITY AS EITHER DIRECTOR, OFFICER OR EMPLOYEE OF
 THE COMPANY OR ITS SUBSIDIARIES? IF AYES≡, PROVIDE DETAILS:

**IT IS AGREED THAT ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THE PROPOSED
 COVERAGE.**

22. IS THE UNDERSIGNED OR ANY DIRECTOR OFFICER PROPOSED FOR THIS _____ YES _____ NO
 INSURANCE AWARE OF ANY FACT, CIRCUMSTANCE OR SITUATION
 INVOLVING THE COMPANY OR ITS SUBSIDIARIES OR THE DIRECTORS OR
 OFFICERS OF THE COMPANY OR ITS SUBSIDIARIESWHICH HE HAS
 REASON TO BELIEVE MIGHT RESULT IN ANY FUTURE CLAIM? IF AYES≡,
 PROVIDE DETAILS: _____

**IT IS AGREED THAT IF KNOWLEDGE OF ANY SUCH FACT, CIRCUMSTANCE OR SITUATION EXISTS,
 ANY CLAIM OR ACTION SUBSEQUENTLY ARISING THEREFROM SHALL BE EXCLUDED FROM
 COVERAGE.**

23. PREVIOUS DIRECTORS AND OFFICERS LIABILITY INSURANCE (ANSWER EACH ITEM).

A) CARRIER _____

B) LIMIT _____ RETENTION _____ POLICY PERIOD _____

C) PREMIUM _____

D) HAS ANY CLAIM BEEN MADE UNDER ANY D&O POLICY OR HAS _____ YES _____ NO
 NOTICE BEEN GIVEN TO ANY D&O INSURER?

E) HAS ANY CARRIER REFUSED, CANCELED OR NON-RENEWED D&O _____ YES _____ NO
 COVERAGE?

F) IF CANCELED OR NON-RENEWED, HAS THE DISCOVERY OPTIONS _____ YES _____ NO
 BEEN EXERCISED?

G) IF AYES≡ TO ANY PART OF QUESTION 23, PLEASE PROVIDE DETAILS: _____



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THE UNDERSIGNED CHIEF EXECUTIVE OFFICER (OR OTHER SENIOR OFFICER IF THE CHIEF EXECUTIVE OFFICER IS ALSO CHAIRMAN, BOARD OF DIRECTORS) AND CHAIRMAN OF THE BOARD OF DIRECTORS DECLARE THAT TO THE BEST OF THEIR KNOWLEDGE THE STATEMENTS SET FORTH HEREIN ARE TRUE AND CORRECT AND THAT REASONABLE EFFORTS HAVE BEEN MADE TO OBTAIN SUFFICIENT INFORMATION FROM EACH AND EVERY DIRECTOR OR OFFICER PROPOSED FOR THIS INSURANCE TO FACILITATE THE PROPER AND ACCURATE COMPLETION OF THIS PROPOSAL FORM. THE UNDERSIGNED FURTHER AGREES TAT IF ANY SIGNIFICANT ADVERSE CHANGE IN THE CONDITION OF THE APPLICANT IS DISCOVERED BETWEEN THE DATE OF THIS PROPOSAL FORM AND THE EFFECTIVE DATE OF THE POLICY, WHICH WOULD RENDER THIS PROPOSAL FORM INACCURATE OR INCOMPLETE, NOTICE OF SUCH CHANGE WILL BE REPORTED IN WRITING TO THE INSURER IMMEDIATELY. THE SIGNING OF THIS PROPOSAL FORM DOES NOT BIND THE UNDERSIGNED TO PURCHASE THE INSURANCE, BUT IT IS AGREED THAT THIS PROPOSAL FORM AND ANY MATERIAL SUBMITTED THEREWITH ARE THEIR REPRESENTATIONS AND THAT THEY ARE MATERIAL IT I FURTHER AGREED THAT THIS PROPOSAL FORM AND ANY MATERIAL SUBMITTED THEREWITH SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND THIS PROPOSAL FORM AND ANY ATTACHMENTS THERETO WILL BE ATTACHED TO AND BECOME A PART OF THIS POLICY.

BY: _____ BY: _____
SIGNATURE OF CHIEF EXECUTIVE OFFICER OR SIGNATURE OF CHAIRMAN, BOARD OF DIRECTORS
OTHER SENIOR OFFICER IF THE CHIEF EXECUTIVE
OFFICER IS ALSO THE CHAIRMAN, BOARD OF DIRECTORS

TITLE: _____ DATE: _____

*** A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED BY TWO DIFFERENT INDIVIDUALS AND DATE *.**