

Accountants Professional Liability Insurance

CLAIMS MADE WARNING FOR APPLICATION

THIS PROPOSAL FORM IS FOR A CLAIMS MADE AND REPORTED POLICY, RELATING TO CLAIMS MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

Whenever printed in this Supplement Form, the terms in boldface type shall have the same meanings as indicated in the Policy. This Supplement Form is to be completed with respect to the entire Applicant Firm.

Name of Applicant Firm _____

APPLICANT FIRM'S INSTRUCTIONS

IF SPACE IS INSUFFICIENT TO ANSWER ANY QUESTIONS FULLY, PROVIDE SEPARATE ATTACHMENTS.

Public Client Services Information

Public Client Services include: audit, review or forecast / projection engagements performed in connection with, but not limited to: (1) Registration Statement(s) filed with the Securities and Exchange Commission ("SEC") or similar State Securities Commission; or (2) Report(s) filed with the SEC, any State Securities Commission, NASD, or any Stock Exchange, or similar organization.

- Complete the following for all public clients, including any subsidiary(ies) or employee benefit plan(s), where professional services were (1) provided by the Applicant Firm, any **Predecessor Firm**, subsidiary, affiliated entity, or any member of the Applicant Firm, within the last 3 years; and (2) bid on in the last 12 months or are currently in the process of bidding or plan to bid on, by the Applicant Firm, any **Predecessor Firm**, subsidiary, affiliated entity, or any member of the Applicant Firm.

<u>Client Name and ticker symbol</u>	<u># Months as Client</u>	<u>Date and Type of Report Last Issued</u>	<u>Describe Professional Services Provided</u>
_____	#	_____	_____
_____	#	_____	_____
_____	#	_____	_____
_____	#	_____	_____
_____	#	_____	_____

- For each public client listed above, provide the following information regarding the most recent engagements performed.

<u>Client Name</u>	<u>Net Loss?</u>	<u>Negative Cash Flow?</u>	<u>Negative Retained Earnings?</u>	<u>Significant Uncertainties or Contingencies?</u>	<u>Going Concern Reference?</u>
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

- List each professional of the Applicant Firm responsible for the supervision of public client engagements and describe their industry experience.

<u>Name(s)</u>	<u>Years of Supervisory Experience in Auditing Public Clients</u>	<u>Years of Audit Field Work in Auditing Public Clients</u>	<u>Years of Relevant Industry Experience</u>
_____	#	#	#
_____	#	#	#
_____	#	#	#
_____	#	#	#
_____	#	#	#

Carolina Casualty Insurance Company

4. Is the Applicant Firm registered with the Public Company Accounting Oversight Board ("PCAOB")? Yes No
5. Has the Applicant Firm ever undergone an investigation by the Public Company Accounting Oversight Board?
If "Yes", provide details. _____

6. Is the Applicant Firm a member of the AICPA SEC Practice Section or Center for Public Company Audit Firms? Yes No
7. Describe how professional staffing requirements are determined and how staff is supervised for public client engagements.

8. Does the Applicant Firm have written guidelines for the acceptance / continuance of public client engagements and are these guidelines viewed and documented on an annual basis?
If "No", provide details. _____

9. During the past 3 years, for public audit engagements performed, including any subsidiary(ies) or employee benefit plan(s), which were new to the Applicant Firm in the last 12 months, were there any client disagreements with the predecessor auditor in the year prior to the change in auditors, which were disclosed in SEC filings?
If "Yes", identify the client and describe the disagreements. Yes No

10. During the past 3 years, have any public clients, including any subsidiary(ies) or employee benefit plan(s), issued corrected financial statements, or has an auditor (including the Applicant Firm, or by the predecessor auditor) withdrawn an audit report or issued a revised audit report? Yes No
If "Yes", provide details, including (1) client name; (2) year(s) the financial statements were corrected / revised / withdrawn; (3) reason the financial statements were corrected / revised / withdrawn; and (4) the nature of the inquiry or investigation.

11. During the past 3 years, have any public clients, including any subsidiary(ies) or employee benefit plan(s), received a letter of comments or deficiencies from the SEC regarding financial statement reporting or disclosure matters?
If "Yes", provide details, including (1) client name; (2) description of the SEC comments; (3) client's response; and (4) resolution status. Yes No

12. Has the Applicant Firm contemporaneously provided any non-audit / review services to their public clients, including any subsidiary(ies) or employee benefit plan(s)? Yes No
If "Yes", complete the Securities Services Supplemental Form (APL 28820).

Carolina Casualty Insurance Company

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

NOTICE TO NEW MEXICO, PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO APPLICANTS OF KENTUCKY: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

NOTICE TO APPLICANTS OF FLORIDA, MINNESOTA, NEW JERSEY, OHIO, AND OKLAHOMA: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUDS OR DECEIVES ANY INSURER OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, IS GUILTY OF A FELONY AND IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO DISTRICT OF COLUMBIA, MAINE, MASSACHUSETTS, TENNESSEE, VIRGINIA, AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

Please Read Carefully

I understand that the information submitted herein becomes a part of the Applicant Firm's Accountants Professional Liability Insurance Proposal Form and is subject to the same representations and conditions.

Dated

Signature of Owner, Partner, Officer or Principal

Title

Owner, Partner, Officer or Principal (Print Name)

This Carolina Casualty Insurance Company Proposal Form, including any material submitted herewith, shall be held in strictest confidence.

A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL FORM IS PROPERLY SIGNED AND DATED.

Please submit this Proposal Form including appropriate documentation to:

Monitor Liability Managers, Inc., 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039