

**NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**



## ***POLICY DECLARATIONS***

### **MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY**

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES, INCLUDING JUDGMENTS OR SETTLEMENT AMOUNTS, MAY BE REDUCED BY AMOUNTS INCURRED FOR CLAIM EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR CLAIM EXPENSES MAY BE APPLIED AGAINST THE APPLICABLE RETENTION AMOUNT.

**PLEASE READ THIS POLICY CAREFULLY.**



ANV GLOBAL SERVICES INC  
 ON BEHALF OF  
 ANV SYNDICATE 1861 AT LLOYD'S - 50%  
 RENAISSANCE RE SYNDICATE 1458 AT LLOYD'S - 50%  
 UMR: B087515A22T5001  
 ANV1  A

### Item A

Policy Number: ANV#####A

Renewal of Policy Number: N/A

Insurance is provided by: Certain Underwriters at Lloyd's as indicated on this Policy

### Item B

**Named Insured:**

DocMagic, Inc

**Mailing Address:**

1800 W. 213th St  
Torrance, CA 90501

**Broker Name:**

Innovative Risk Solutions

**Mailing Address:**

P.O. Box 530210  
Debary, FL 32753

### Item C

**Policy Period:**

From December 1, 2015 to December 1, 2016

at 12:01 A.M. Standard Time at your mailing address shown above.

### Item D

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#### PROFESSIONAL SERVICES

As per the **Professional Services** definition as stated in the Loan Application Forms And Document Processing Coverage endorsements attached to this Policy. for the benefit of customers as scheduled by endorsement attached to this policy.

### Item E

LIMITS OF LIABILITY*	Limit
Each Claim	\$ 50,000
Aggregate	\$5,000,000

\*Includes Claim Expenses



### Item F

RETENTION	Retention
Each <b>Claim</b>	\$5,000

### Item G

EXTENDED REPORTING PERIOD	
Term	Additional Premium
As stated in Item 8. of the Loan Application Forms And Document Processing Coverage endorsement attached to this Policy.	Included

### Item H

RETROACTIVE DATE	Date
All <b>Claims</b>	December 1, 2015

### Item I

**Notices to:**

**Notice of Claim or Potential Claim:**

Attn: Claims Department  
 ANV Global Services, Inc.,  
 101 Hudson Street, Suite 3606  
 Jersey City, NJ 07302  
 Email: [MGAClaims@anv.us.com](mailto:MGAClaims@anv.us.com)

**All other notices**

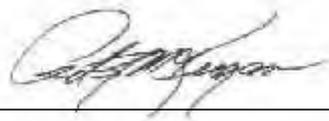
PL Underwriting Group  
 ANV Global Services, Inc.  
 101 Hudson Street, Suite 3606  
 Jersey City, NJ 07302  
[PLUnderwriting@anv.us.com](mailto:PLUnderwriting@anv.us.com)

### Item J

**Premium:** \_\_\_\_\_

**IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY, WE AGREE TO PROVIDE THE INSURED WITH THE INSURANCE AS STATED IN THIS POLICY.**

**THESE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION FOR THIS POLICY INCLUDING INFORMATION FURNISHED IN CONNECTION THEREWITH, AND THE COVERAGE FORM AND ANY ENDORSEMENTS ATTACHED HERETO, CONSTITUTE THE ABOVE NUMBERED INSURANCE POLICY.**



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(Date)

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(Authorized Representative)



**THIS IS A CLAIMS MADE AND REPORTED POLICY WITH CLAIM EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. COVERAGE APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE DURING THE POLICY PERIOD AND REPORTED DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. COVERAGE DOES NOT APPLY TO ANY WRONGFUL ACTS COMMITTED BEFORE THE RETROACTIVE DATE STATED ON THE DECLARATIONS PAGE. WORDS PRINTED IN BOLD FACE, OTHER THAN CAPTIONS, ARE DEFINED IN THE POLICY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

## **MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY**

In consideration of the payment of the premium, the undertaking of the **Named Insured** to pay the **Retention** as described herein and in the amount stated in the Declarations and in reliance upon all statements made and information furnished to the **Insurer**, including those furnished in the **Application** which is deemed incorporated into this Policy, and subject to all terms, conditions and limitations of this Policy, the **Insured** and the **Insurer** agree as follows:

### **SECTION I. – INSURING AGREEMENT**

#### **A. Miscellaneous Professional Liability**

Subject to the applicable Limit of Liability, the **Insurer** will pay on behalf of any **Insured** all **Damages** and **Claim Expenses** in excess of the **Retention**, which an **Insured** becomes legally obligated to pay as a result of a covered **Claim** first made against the **Insured** during the **Policy Period** and reported in writing to the **Insurer** during the **Policy Period**, or within thirty (30) days after the end of the **Policy Period**, or the Extended Reporting Period if applicable, for a **Wrongful Act** by an **Insured** or by any person for whom the **Insured** is legally responsible, in the rendering of **Professional Services**; provided, however, that such **Wrongful Act** was committed or allegedly committed on or after the **Retroactive Date** set forth in Item H. of the Declarations.

### **SECTION II. – DEFENSE, INVESTIGATION AND SETTLEMENT**

- A.** The **Insurer** shall have the right and duty to defend any covered **Claim** that is brought against an **Insured** alleging a **Wrongful Act** arising from **Professional Services**, even if the allegations are groundless, false or fraudulent. The **Insurer** has the exclusive right to select and appoint defense counsel. The **Insurer**, at its discretion, has the right to investigate and settle any covered **Claim**.
- B.** The **Insured** shall not admit liability, assume any financial obligation or agree to pay money without the **Insurer's** prior written consent and shall not take any action, or fail to take any action, which prejudices the rights of the **Insurer**. Notwithstanding the foregoing, it is understood that the **Insured** may settle any **Claim** for an amount which, together with **Claim Expenses**, is less than the amount of the remaining **Retention**. The **Insurer** shall not be liable for any **Claim Expenses**, settlement, expense or obligation to which it has not given its prior written consent.
- C.** The **Insurer** may, with the consent of the **Named Insured**, settle any **Claim** it deems reasonable and necessary. If the **Named Insured** refuses to consent to any settlement opportunity or judgment recommended by the **Insurer** and instead elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the **Insurer's** liability for any **Damages** and **Claim Expenses**, shall not

exceed the amount for which the **Claim** could have been resolved, less any remaining amounts on the **Retention**, including **Claim Expenses**.

- D. Claim Expenses** are part of and subject to the Limit of Liability. The **Insurer's** duty to defend ends after the applicable Limit of Liability has been exhausted by payment of **Claim Expenses** and **Damages**. The **Insurer** shall not be obligated to settle any **Claim**, pay any **Damages** or **Claim Expenses**, or continue to defend any **Claim** after the applicable Limit of Liability has been exhausted, except where specifically noted otherwise in this Policy. Nothing in this provision will cause the **Insurer's** liability to exceed the applicable Limits of Liability set forth in Item E. of the Declarations.

### SECTION III. — DEFINITIONS

- A. Application** shall mean all applications and proposals and any attachments and other information furnished to the **Insurer** for the purpose of applying for this Policy. All such attachments and information shall be deemed attached to the Policy as if physically attached to it. **Application** shall also mean any warranties submitted over the last three (3) years relating to any coverage for which this Policy is a renewal or replacement.
- B. Bodily Injury** shall mean physical injury, sickness or disease sustained by a person, including death resulting from any of these at any time. **Bodily Injury** also includes disability, mental illness, mental anguish, mental injury, emotional distress, pain or suffering, or shock or fright sustained by that person, whether or not resulting from physical injury, sickness, disease or death of any person.
- C. Claim** shall mean a written demand received by an **Insured** for **Damages** or non-monetary relief based on any actual or alleged **Wrongful Act**, whether or not the nature or extent of the **Damages** or non-monetary relief is known or asserted at the time of the demand. **Claim** includes a civil proceeding for monetary, non-monetary or injunctive relief commenced by service of a complaint or similar pleading, including a demand for arbitration. However, a **Claim** does not include any criminal, investigative, or regulatory proceedings initiated against an **Insured** or subpoenas served upon an **Insured**.

A **Claim** will be considered first made when it is received by an **Insured**.

All **Claims** arising out of the same **Wrongful Act** or **Related Wrongful Acts** shall be deemed to be a single **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

- D. Claim Expenses** shall mean 1) all reasonable and necessary fees, costs and expenses, including the fees of attorneys and experts designated by the **Insurer**, incurred by or on behalf of the **Insured** in the investigation, adjustment, defense, appeal, and settlement of a **Claim**; and 2) the cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Liability. The **Insurer** does not have any obligation to apply for or furnish any such bond.

**Claim Expenses** shall not include 1) any loss of earnings; salaries, wages or expenses of any **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim**; 2) the defense of any criminal investigation, criminal grand jury proceeding, or criminal action or 3)

amounts incurred by an **Insured** in connection with a disciplinary proceeding or responding to a subpoena.

- E. Damages** shall mean any monetary amount that any **Insured** is legally obligated to pay because of a judgment or arbitration award rendered against the **Insured**, or for settlements negotiated by the **Insurer** with the **Insured's** consent on account of a covered **Claim**. **Damages** shall include, but are not limited to:
1. pre-judgment interest;
  2. post-judgment interest that accrues after the entry of judgment and before the **Insurer** has paid, or offered to pay or deposited in court that part of the judgment within the applicable Limit of Liability; and
  3. punitive, exemplary and multiple damages (where insurable by law).

**Damages** do not include 1) fines, penalties, taxes, sanctions or that portion of any multiplied damages award which exceeds the damage award so multiplied; 2) profits, restitution, disgorgement of unjust enrichment or profits by an **Insured** or the cost of complying with orders granting injunctive or equitable relief; 3) return or offset of fees, deposits, commissions, profits or charges for goods or services rendered or contracted to be provided; 4) discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients; 5) any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**; or 6) matters deemed uninsurable under the law pursuant to which this Policy shall be construed.

**Damages** also do not include costs of correcting, performing or re-performing **Professional Services** by:

1. any **Insured**; or
2. another party, when an **Insured** had the opportunity to correct, perform or re-perform the service that generated the cost.

For purposes of insuring punitive damages under this Policy, the law of the jurisdiction most favorable to the insurability of punitive damages shall control, provided such jurisdiction is where any **Insured** is incorporated or otherwise organized or has a place of business.

- F. Disciplinary Proceeding** shall mean a proceeding brought by a state or other regulatory or disciplinary official board or agency to investigate charges of professional misconduct by the **Insured** solely in the rendering or failing to render **Professional Services**. **Disciplinary Proceeding** does not include criminal investigations or charges.
- G. First Inception Date** is the Inception Date of the earliest errors and omissions insurance policy the **Insurer** issued to the **Named Insured**, provided that there has been uninterrupted coverage by the **Insurer** for the **Named Insured** from that earliest policy to this Policy.
- H. Individual Insured** shall mean, individually and collectively:
1. any past or present partner, officer, director or employee of the **Named Insured** or any **Subsidiary**, but only with respect to their activities within the scope of their duties in such capacity in the performance of **Professional Services** by the **Named Insured** or any **Subsidiary**; or
  2. any independent contractor, temporary worker, or leased employee of the **Named Insured** but only for **Professional Services** performed on behalf of and at the direction of the **Named Insured**.

- I. Insured** shall mean:
1. the **Named Insured**;
  2. the **Individual Insured**;
  3. any **Subsidiary** of the **Named Insured**;
  4. the lawful spouse or domestic partner of an **Individual Insured**, but only for a **Claim** arising out of any actual or alleged **Wrongful Act** of such **Individual Insured**; or
  5. the estates, heirs, legal representatives or assigns of any **Insured** in the event of the death, incapacity of an **Individual Insured** or the bankruptcy of an **Insured**, but only for **Claims** arising out of any actual or alleged **Wrongful Act** of such **Insured**.
- J. Insurer** shall mean the Underwriters providing this insurance.
- K. Named Insured** shall mean the person or entity identified on the Declarations.
- L. Personal Injury** shall mean injury, other than **Bodily Injury**, arising out of one or more of the following offenses:
1. oral or written publication of material that slanders, libels or defames a person or organization or disparages a person's or organization's goods, products or services, trade libel, prima facie tort, infliction of emotional distress, outrage, outrageous conduct or other tort related to the disparagement or harm to the reputation or character of any person or organization;
  2. oral or written publication of material that violates a person's right to privacy, including but not limited to false light, public disclosure of private facts, intrusion and invasion or interference with the right to privacy;
  3. false arrest, detention or imprisonment;
  4. wrongful entry into or eviction of a person from a room, dwelling or premises that the person occupies; or
  5. malicious prosecution.
- M. Policy Period** shall mean the period of time between the inception date stated in the Declarations and the effective date of termination, expiration or cancellation of this Policy.
- N. Pollutant** shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to:
1. smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead or materials containing lead, silica, radon, mold or asbestos;
  2. hazardous, toxic or radioactive matter or nuclear radiation;
  3. waste, which includes material to be recycled, reconditioned or reclaimed; or
  4. any other **Pollutant** as defined by applicable federal, state or local statutes, regulations, rulings or ordinances.
- O. Pollution** shall mean the actual, alleged or threatened discharge, release, migration, escape or disposal of **Pollutants** into or on real or personal property, water or the atmosphere. **Pollution** also means any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so.
- P. Professional Services** shall mean those services scheduled in Item D. of the Declarations when performed by an **Insured** for others for a fee.

**Q. Property Damage** shall mean:

1. physical injury to or destruction of property, including all resulting loss of use of that property; or
2. loss of use of tangible property that is not physically injured.

**R. Related Wrongful Acts** shall mean any **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, transaction, event or cause or series of causally connected facts, circumstances, situations, transactions, events or causes.

**S. Retention** shall mean the amount stated in Item F. of the Declarations and described in Section V., B. of the Policy.

**T. Retroactive Date** means the date, if any, stated in Item H. of the Declarations and/or as specifically endorsed to the Policy and is the earliest date that any **Wrongful Act** can commence for coverage to be provided under this Policy.

**U. Subsidiary** shall mean any entity in which, on or before the effective date of this Policy the **Named Insured**, either directly or indirectly:

1. owns more than fifty (50) percent of the issued and outstanding voting equity securities; or
2. controls voting rights representing the present right to vote for election or to appoint more than fifty (50) percent of the directors or trustees.

**Subsidiary** shall also include any entity that shall become owned or controlled, as described above, after the effective date of this Policy; provided that, with respect to any entity that becomes a **Subsidiary** after the effective date of the Policy, should the entity's gross revenues exceed 10% of the **Insured's** annual gross revenues at the inception date of the Policy, the entity shall only be deemed a **Subsidiary** under this Policy for a period of ninety (90) days from the date it became a **Subsidiary**. If the **Insured** gives written notice within ninety (90) days of the creation or acquisition of the **Subsidiary**, including the necessary underwriting information the **Insurer** may require, and pays any reasonable additional premium as the **Insurer** may require, then the **Insurer** will issue an endorsement including such entity in the definition of **Subsidiary** for the duration of the **Policy Period**. There is no coverage for **Wrongful Acts** by any **Subsidiary**, or **Individual Insured** thereof, occurring prior to the time such entity became a **Subsidiary**, or occurring after a **Subsidiary** ceases to be a **Subsidiary**.

**V. Wrongful Act** shall mean any actual or alleged breach of duty, negligent act, error, omission or **Personal Injury** offense committed by an **Insured** solely in the performance of, or failure to perform, **Professional Services**.

#### SECTION IV. — EXCLUSIONS

This Policy does not apply to any **Claim**, and the **Insurer** is not obligated to defend or pay **Damages** or **Claim Expenses** for any **Claim** alleging, arising out of, based upon, relating to, or attributable to, directly or indirectly:

**A.** false advertising, misrepresentation in advertising, antitrust, unfair competition, restraint of trade, unfair or deceptive business practices, misappropriation of advertising ideas or style of doing business;

**B. Bodily Injury** or **Property Damage**;

- C. any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law or the gaining of any profit or advantage to which any **Insured** is not legally entitled. However, this exclusion shall not apply to **Claim Expenses** or the duty of the **Insurer** to defend any such **Claim** until there is a judgment against, binding arbitration against, adverse admission by, finding of fact against, or plea of *nolo contendere* or no contest by the **Insured**, at which time the **Named Insured** shall reimburse the **Insurer** for any **Claim Expenses** paid by the **Insurer** and the **Insurer** shall have no further liability for **Claim Expenses**.

No **Wrongful Act** by any **Individual Insured** shall be imputed to any other **Individual Insured** for the purpose of determining the applicability of this exclusion;

- D. piracy, plagiarism, infringement or misappropriation of any intellectual property right, including but not limited to a copyright; patent, trademark, trade dress, trade secrets, trade name, service mark, service name, title or slogan;
- E. harassment, misconduct or discrimination because of or relating to. race, creed, color, age, gender sex, sexual preference, national origin, religion, handicap, disability, marital status, or any other status or class protected under anti-discrimination laws whether federal, state or local. This exclusion applies whether an **Insured** may be liable as an employer, prospective employer, or in any other capacity;
- F. any violation of:
1. The Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO);
  2. The Securities Act of 1933;
  3. The Securities Exchange Act of 1934;
  4. The Investment Advisor's Act of 1940;
  5. any state blue sky or securities law or any common law liability in connection with the offer, purchase or sale of securities;

or any amendments thereto, including any regulation promulgated thereunder or any other similar local, state, federal or foreign statutes, laws, rules, regulations or ordinances.

- G. insolvency or bankruptcy of:
1. any **Insured**; or
  2. any enterprise over which the **Insured** exercises control or in which any **Insured** owns an interest;
- H. any **Claim** arising out of based upon or attributable directly or indirectly resulting from, or in consequence of, or in any way involving **Pollution** or the actual, alleged or threatened existence, discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, including, but not limited to any loss, cost or expense arising out of any:
1. request, demand or order that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the existence, non-existence or effects of **Pollutants**; or
  2. any **Claim** by or on behalf of a governmental authority or others for **Damages** because of testing for, identifying, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, communicating information about, responding to, or assessing the existence, non-existence or effects of **Pollutants**; including the failure to perform any of these activities;

- I. any **Wrongful Act**:
  1. committed or allegedly committed prior to the **Retroactive Date**, including but not limited to any **Related Wrongful Acts**;
  2. that was the subject of any notice given under any other policy prior to the beginning of the **Policy Period**; or
  3. about which the **Insured** had knowledge prior to the **First Inception Date** if the **Insured** had a reasonable basis to believe that such **Wrongful Act** could give rise to a **Claim**;
  
- J. by or on behalf of:
  1. any **Insured**,
  2. any business enterprise in which any **Insured** has greater than a fifteen percent (15%) ownership interest or
  3. any parent company or other entity which owns more than fifteen percent (15%) of the **Named Insured**;
  
- K. for the breach of express warranties, guarantees or contracts; provided, however, with respect to allegations of breach of contract, this exclusion shall not apply to any liability that would have attached in the absence of such contract;
  
- L. work or activities performed by or on behalf of the **Insured** or for the **Insured** as an accountant, architect, surveyor, healthcare provider or practitioner, lawyer, or civil or structural engineer;
  
- M. any alleged violation of any of the responsibilities, obligations or duties imposed by the the Employee Retirement Income Security Act of 1974; Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, and any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law;
  
- N. arising out of any computer network security breach, including:
  1. unauthorized corrupting, or harmful software code, computer viruses, Trojan horses, keystroke loggers, cookies, spyware, adware, worms and logic bombs;
  2. any intentional or unintentional release of confidential information via a computer system data security breach; or
  3. the failure to provide notice of a network security breach.
  
- O. any **Insured's** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Named Insured** or a **Subsidiary**;
  
- P. any violation of local, state federal or foreign law regulation or ordinance pertaining to unsolicited telemarketing, solicitations, emails, faxes, text messages, or any other communications of any type or nature;
  
- Q. Except as provided in Section V., D.1 Subpoenas and 2. Disciplinary Proceedings Defense; any actions, decisions, proceedings or investigations brought by any local, provincial, state or federal governmental entity, including but not limited to the United States Federal Trade Commission, the United States Federal Communications Commission and the United States Department of Health and Human Services;
  
- R. failure to procure or maintain any form of insurance, suretyship or bond;

- S. actual or alleged deceptive or unfair business practices, violation of any consumer protection laws, false or deceptive advertising, any antitrust violation, restraint of trade, unfair competition, violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, or any amendments thereto, or any similar federal, state, local or foreign statutes, laws, rules or regulations or ordinances;
- T. any:
1. fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event however caused;
  2. strikes or similar labor action, war, invasion, act of foreign enemy, hostilities, or warlike operations (whether declared or not), civil war, mutiny, civil commotion, assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions;
  3. electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout.

## SECTION V. — LIMITS OF LIABILITY

### A. Limits of Liability

1. The **Insurer's** maximum liability for **Damages** and **Claim Expenses** combined on account of each **Claim** first made during the **Policy Period** shall be the Limit of Liability set forth in Item E. of the Declarations. The **Insurer's** maximum liability for **Damages** and **Claim Expenses** combined on account of all **Claims** first made during the same **Policy Period** shall be the Aggregate Limit of Liability set forth in the Declarations, regardless of the time of payment or the number of **Claims**.
2. **Claim Expenses** shall be part of, and not in addition to, the Limit of Liability stated in Item E. of the Declarations. Such **Claim Expenses** shall reduce the Limit of Liability.

### B. Retention

1. The applicable **Retention** specified in Item F. of the Declarations shall be a condition precedent and must be paid by the **Named Insured** before the **Insurer** has any payment obligation, and shall apply to both covered **Damages** and **Claim Expenses**. The **Retention** will not erode the Limits of Liability as shown on the Declarations.
2. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insured** shall be considered a single **Claim**, and only one **Retention** shall be applicable to such single **Claim**. The **Named Insured** shall be responsible for any amount within the **Retention**. All such **Claims** constituting a single **Claim** shall be deemed to have been first made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which the notice of circumstance involving any such **Wrongful Act** or **Related Wrongful Acts** were reported under this Policy or any other policy providing similar coverage.

### C. Reimbursement and Allocation

#### 1. Reimbursement

If, for any reason, the **Insurer** advances, at its sole option, any amounts for **Damages** or **Claim Expenses** in excess of the Limit of Liability or within the **Retention**, or for non-covered liabilities or defenses, the **Insured** shall reimburse such amounts to the **Insurer** upon demand.

2. **Allocation**

If a **Claim** made against an **Insured** includes both covered and uncovered matters, or is made against an **Insured** and others not insured, the **Insured** and the **Insurer** recognize that there must be an allocation between covered and uncovered amounts. The **Insured** and the **Insurer** shall use their best efforts to agree upon a fair and proper allocation between covered and uncovered amounts, taking into account the relative legal and financial exposures, and the relative benefits obtained by each **Insured** or uninsured party.

**D. Supplemental Payments**

All payments made by the **Insurer** pursuant to coverage provided by this Section D. shall not be subject to any **Retention**; however any payments under this Section D. shall be part of and reduce the available Limits of Liability.

1. **Subpoena Expenses**

The **Insurer** will pay upon written request reasonable and necessary fees and expenses up to \$5,000 in the aggregate per **Policy Period** incurred by the **Insured** in responding to a subpoena resulting from the performance of **Professional Services** which is received by the **Insured** during the **Policy Period** and reported to the **Insurer** in writing during the **Policy Period**, or within 30 days after the end of the **Policy Period**.

2. **Disciplinary Proceedings Defense Expenses**

The **Insurer** will pay up to \$10,000 in the aggregate per **Policy Period** for the defense of **Disciplinary Proceedings** resulting from the performance of **Professional Services** brought against the **Insured** during the **Policy Period** and reported to the **Insurer** during the **Policy Period**, or within 30 days after the end of the **Policy Period**.

3. **Additional Payments**

The **Insurer** will pay the reasonable expense incurred by the **Insured**, including provable loss of wages sustained by an **Insured**, for the attendance of trial, court ordered hearings, depositions, arbitration or mediation at the **Insurer's** request. The **Insurer** will pay expenses incurred up to \$250 per day, \$5,000 per **Claim**, and \$10,000 per **Policy Period**.

**SECTION VI — NOTICE OF CLAIM**

**A.** The **Insured** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim** which is made during the **Policy Period** or Extended Reporting Period, if applicable. Such notice shall be given as soon as practicable, but in no event later 1) than thirty (30) days after the end of the **Policy Period** or 2) the expiration date of the Extended Reporting Period, if applicable.

Notice to the **Insurer** shall include details that identify the **Insured**, the claimant and also reasonably obtainable information concerning the time, place and other details of the **Claim**;

The **Insured** shall:

1. immediately send the **Insurer** copies of all demands, notices, summonses, complaints or other legal papers received in connection with the **Claim**;
2. authorize the **Insurer** to obtain records and other information;
3. cooperate with and assist the **Insurer** in the investigation, settlement or defense of the **Claim**; and

4. assist the **Insurer**, upon its request, in enforcing any rights of contribution or indemnity against another who may be liable to any **Insured** or owe contribution or indemnity.

If notice is provided pursuant to this section, any **Claim** subsequently made against an **Insured** and reported to the **Insurer** alleging, arising out of, based upon or attributable to the prior noticed **Claim** or alleging any **Related Wrongful Acts**, shall be considered related to the prior **Claim** and made at the time notice of the prior **Claim** was first provided.

- B.** If during the **Policy Period**, the **Insured** becomes aware of any **Wrongful Acts** committed between the **Retroactive Date** and the end of the **Policy Period** which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and gives written notice to the **Insurer** of the circumstances, the **Wrongful Act** allegations and the reasons for anticipating such a **Claim**, then a **Claim** which is subsequently made against such **Insured** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Wrongful Acts**, shall be considered made at the time notice of such circumstances was given, provided, however,

1. The notice must include all of the following information:
  - a. the names of those persons or organizations involved in the **Wrongful Act**;
  - b. the specific person or organization likely to make the **Claim**;
  - c. a description of the time, place and nature of the **Wrongful Act**; and
  - d. a description of the potential **Damages**.
2. No **Insured** knew prior to the **First Inception Date** of the **Wrongful Act** or circumstance that could reasonably be expected to lead to the **Claim**; and
3. There is no other valid and collectible insurance for the **Claim**.

## SECTION VII. — CONDITIONS

### A. Action Against the Insurer

1. No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the obligation of the **Insured** to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, claimant and the **Insurer**.
2. No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against an **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

### B. Application

It is agreed by the **Named Insured** and the **Individual Insureds** that the particulars and statements contained in the **Application** and any information provided therewith (which shall be on file with the **Insurer** and be deemed attached hereto as if physically attached hereto) are true, accurate and complete and that such particulars and statements are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the **Named Insured** and the **Individual Insureds** that the statements in the **Application** or in any information provided therewith are their representations, that they are material, and that this Policy is issued in reliance upon the truth of such representations.

### C. Assignment

This Policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be at the sole and absolute discretion of the **Insurer**.

### D. Bankruptcy

Bankruptcy or insolvency of the **Named Insured**, any **Subsidiary** or any **Insured** shall not relieve the **Insurer** of any of its obligations under this Policy.

### E. Cancellation or Non-Renewal

1. This Policy may be cancelled by the **Named Insured** at any time by written notice to the **Insurer**. Upon cancellation by the **Named Insured**, the **Insurer** shall retain the customary short rate portion of the premium, unless this Policy is converted pursuant to Section VII. G of this Policy wherein the entire premium for this Policy shall be deemed fully earned.
2. This Policy may only be cancelled by the **Insurer** if the **Named Insured** does not pay the premium when due.
3. If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Named Insured** with no less than sixty (60) days advance notice thereof.

### F. Changes

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the **Insurer** shall not effect a waiver or a change in any part of this Policy and shall not estop the **Insurer** from asserting any right under the terms of the Policy. The terms of this Policy shall not be waived or changed, except by written endorsement issued to form a part of this Policy, and this Policy embodies all agreements existing between the **Insured** and the **Insurer** or any of its agents relating to this insurance.

### G. Changes in Ownership

If after the inception date of this Policy:

1. another entity or person or group of entities and/or persons acting in concert acquires a majority of the voting securities of the **Named Insured** or majority successor in interest of the **Named Insured**;
  2. the **Named Insured** is merged into or consolidated with another entity such that the **Named Insured** is not the surviving entity; or
  3. a receiver, liquidator, conservator, trustee or similar official is appointed with respect to the **Named Insured**;
- then, the Policy will remain in effect until the end of the **Policy Period**, but only with respect to any **Wrongful Act** or **Personal Injury** which occurred before such change in ownership. The **Named Insured** shall give written notice of such change in ownership to the **Insurer** as soon as practicable, but in no event later than sixty (60) days after such change in ownership. Further, the entire premium for this Policy will be considered fully earned upon the occurrence of any of the above events in consideration of the coverage extended.

### H. Choice of Law

All matters arising hereunder including questions related to the validity, interpretation, performance and enforcement of this Policy shall be determined in accordance with the law and practice of the State of New York notwithstanding New York's conflicts of law rules.

### I. Dispute Resolution

In the event any dispute arises in connection with this Policy that cannot be resolved by agreement, prior to commencing a judicial proceeding or arbitration, the **Insured**

may submit the dispute to binding mediation in which the **Insurer** and the **Insured** shall attempt in good faith to resolve such dispute in accordance with the American Arbitration Association's ("AAA") then-prevailing Commercial Mediation Rules. In the event the **Insured** does not elect to engage in binding mediation or such binding mediation does not result in a settlement of the subject dispute or difference, either the **Insured** or the **Insurer** shall have the right to commence a judicial proceeding or, if the parties agree, a binding arbitration under the then-prevailing AAA Commercial Arbitration Rules, to resolve such dispute. The costs and expenses of mediation, or arbitration, shall be split equally by the parties.

#### J. Entire Agreement

1. By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Declarations, **Application** submitted to the **Insurer** and any information provided therewith) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.
2. This Policy applies only to the **Professional Services** described in the Declarations page and **Insured(s)** as defined in the Policy or by endorsement as of the Inception Date of the **Policy Period**. This Policy shall not apply to any other services or enterprises unless such services or enterprises are added by written endorsement issued by the **Insurer** and made a part of this Policy. If an endorsement is added, the **Insured** shall promptly pay any additional premium charged.

#### K. Headings

The descriptions in the headings of this Policy form no part of the terms and conditions of the coverage under this Policy.

#### L. Named Insured As Sole Representative

By acceptance of this Policy, the first person or organization identified as the **Named Insured** on the Declarations shall act on behalf of all **Insureds** with respect to completing any **Application** for this Policy, including the representations of the truth, accuracy and completeness of all information and documents provided. It shall also act on behalf of all **Insureds** with respect to the giving and receipt of any notices required under this Policy, including notice of **Claim**, cancellation or non-renewal. The **Named Insured** also acts on behalf of all **Insureds** with respect to the payment of any premiums, receipt of return premiums, satisfaction of any **Retentions**, consent to settlement of a **Claim**, any and all changes to this Policy and election of any **Extended Reporting Period** pursuant to Section VIII. of this Policy.

#### M. Other Insurance

All amounts payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. Nothing in this provision shall prevent the **Insurer** or the **Insured** from seeking contribution or coverage from any other company or indemnitor.

#### N. Representative of the Insurer

ANV Global Services, Inc., (101 Hudson Street , Suite 3606, Jersey City, NJ 07302) shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence, provided, however, notice of Claims shall be given pursuant to Section VI. of this Policy.

**O. Service of Suit**

The service of process in any **Claim** or suit on the Policy against ANV Global Services, Inc. may be made upon the highest one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the Policy is issued. The one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the Policy is issued is hereby authorized and directed to accept service of process on the **Insurer's** behalf in any such **Claim** or suit.

**P. Subrogation**

In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery and the **Insured** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Individual Insured** or the **Named Insured** or any **Subsidiary**. Any recoveries shall be applied as follows:

1. First, to the **Insurer** up to the amount of the **Insurer's** payment for **Damages** and **Claim Expenses**.
2. Then, to the **Named Insured**, as recovery of **Retention** amounts paid as **Damages** and **Claim Expenses**.

**Q. Territory (Worldwide Provision)**

The coverage provided under this Policy shall apply worldwide, however the Policy shall not apply to any **Wrongful Acts** which are in violation of the laws of the United States, including, but not limited to, U.S. economic or trade sanctions or export control laws administered by the U.S. Treasury, State Department or Commerce Department.

**SECTION VIII. — EXTENDED REPORTING PERIOD**

1. In the event of non-renewal of this Policy by the **Insurer** or **Named Insured**, for reasons other than non-payment of Premium and/or Retention or non-compliance with the terms and conditions of this Policy, the **Named Insured** will have the right to purchase an Extended Reporting Period.

The right to purchase the Extended Reporting Period will terminate unless written notice of the intention of the **Named Insured** to purchase it, together with payment of the additional Premium due, is received by the **Insurer** within thirty (30) days after the effective date of the termination or cancellation.

The additional Premium for the Extended Reporting Period will be calculated using the percentage shown in Item G. and the Premium shown in Item J. of the Declarations. The additional Premium for the Extended Reporting Period will be fully earned. Once purchased, the Extended Reporting Period may not be cancelled.

2. A **Claim** made during the Extended Reporting Period will be deemed to have been made on the last day of the **Policy Period**. All terms and conditions in effect on that day will apply to the **Claim**.
3. The Extended Reporting Period does not extend the **Policy Period** or change the scope of coverage provided nor does it provide an additional or renewed Aggregate Limit of Liability. It applies only to **Claims** first made against an **Insured** during the Extended Reporting Period for a **Wrongful Act** in the rendering of **Professional Services** committed after the **Retroactive Date** and before the Expiration Date of the Policy.

## ***Insured Education Document***

### **Representative of the Insurer**

ANV Global Services, Inc., (101 Hudson Street , Suite 3606, Jersey City, NJ 07302) shall act on behalf of the Insurer for all purposes including, but not limited to, the giving and receiving of all notices and correspondence, provided, however, notice of Claims shall be given pursuant to Section V of the Policy.

### **Insurer**

This Policy is underwritten by Lloyd's Syndicate ANV 1861 (ANV) whose registered office is at 47 Mark Lane, London, EC3R 7QQ, United Kingdom.

### **Law**

All matters arising hereunder including questions related to the validity interpretation, performance and enforcement of this Policy shall be determined in accordance with the law and practice of the State of New York notwithstanding New York's conflicts of law rules.

### **Queries**

Any query or question about this Policy or any claim under it should be addressed in the first instance to your broker.

### **Complaints**

ANV aims to provide a professional service to its customers. Should you have any questions or concerns about your Policy or the handling of a Claim you should, in the first instance, contact your broker.

In the event that you remain dissatisfied and wish to make a complaint, it may be possible in certain circumstances for you to refer the matter to the Policyholder and Market Assistance team at Lloyd's.

Their address is:

Policyholder & Market Assistance  
Market Services  
Lloyd's  
One Lime Street  
London EC3M 7HA  
Tel No: 00 44 207 327 5693  
Fax No: 00 44 207 327 5225  
E-mail: [complaints@lloyds.com](mailto:complaints@lloyds.com)

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address. If you remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the United Kingdom Financial Ombudsman Service.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LOAN APPLICATION FORMS AND DOCUMENT PROCESSING COVERAGE**

This endorsement modifies insurance provided under the following:

**MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY**

<b>Customer:</b>	As per scheduled <b>Customers</b> endorsements attached to this policy
<b>Contract Reference:</b>	<b>Contract Dated:</b> DSI LOS End User License Agreement and SmartClose – Terms of Use Dated as per <b>Customer</b> specific Contract Dated as shown in Scheduled <b>Customer</b> Endorsements attached to this Policy
<b>Covered Provisions:</b>	Liability of the <b>Insured</b> as stated in the following document(s) made part of the <b>Contract Reference</b> and attached to this Policy: <ol style="list-style-type: none"> <li>1. <b>Exhibit Number:</b> <u>  F  </u>  <b>Title:</b> Enhanced Representations and Warranties</li> <li>2. SmartCLOSE Addendum paragraphs 3 and 4</li> </ol>

In consideration of the premium charged, it is agreed by the **Insured** and **Insurer** that the following is added to the policy form:

1. **Section III. Definitions** is hereby amended as follows

The definition of “**Damages**” is hereby deleted and replaced with the following:

**F. Damages** means any monetary amount that any **Insured** is legally obligated to pay because of a judgment or arbitration award rendered against the **Insured**, or for settlements negotiated by the **Insurer** with the **Insured’s** consent on account of a covered **Claim** where a realized loss on the value of the loan can be determined by a liquidation of the underlying collateral through a foreclosure proceeding or a completed sale of the loan to an unaffiliated purchaser. **Damages** shall include, but are not limited to:

1. arbitral or court imposed pre-judgment interest;
2. post-judgment interest that accrues after the entry of judgment and before the **Insurer** has paid, or offered to pay or deposited in court that part of the judgment within the applicable Limit of Liability.
3. out-of-pocket cost and expenses of the **Insured** incurred in correcting, performing or re-performing **Professional Services** and paid to an unaffiliated third party provided that the **Insured** did not have the opportunity to correct, perform or re-perform the service that generated the cost or expense.

**Damages** do not include:

- 1) fines, penalties, taxes or sanctions
- 2) any unrealized loss or markdown of value of loans still in the portfolio of the **Customer** scheduled above.
- 3) disputes over or return or restitution of fees, deposits, commissions, profits or charges for goods or services rendered;
- 4) discounts, coupons, prizes, awards or other incentives offered to the **Insured’s** customers or clients;
- 5) any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured** or which exceed the **Remedies** as outlined in Section 5.5 of the **Contract Reference** ; or



- 6) amounts paid to resolve matters deemed uninsurable under the law pursuant to which this Policy shall be construed.
- 7) Internal cost and expenses of the Insured due to correcting, performing or re-performing **Professional Services** by:
  1. any **Insured**; or
  2. another party, when an **Insured** had the opportunity to correct, perform or re-perform the service that generated the cost.

The definition of “**Professional Services**” is hereby deleted and replaced with the following:

**P. Professional Services** means **Mortgage Loan** document preparation, delivery, imaging, annotation eSIGNATURE, eDELIVERY, SmartCLOSE and automated compliance tests and audits, delivered through **Insured’s** Software and Software Documentation performed by the **Insured** pursuant to the representations and warranties stated in the specific **Contract Reference** and **Covered Provisions** scheduled above, for a fee or other compensation.

The Terms "**Input Error**" and "**Loan-Specific Information**" shall have the same meanings as defined in the **Contract Reference** scheduled above and are added to Section III Definitions of this policy as follows:

"**Input Error**" means Customer's placement or omission, whether intentional by advisement, directive, policy, or procedure, negligent, inadvertent, by default, or otherwise, of any Loan-Specific Information, character or other information into any data entry field in the Software, or into any other software product that exports any Loan-Specific Information, character or other information to, or from which any Loan-Specific Information, character or other information is otherwise uploaded into the Software that is directly or indirectly inconsistent or incompatible with either (a) the production of TILA Calculations that are computed accurately within legally permissible tolerances established under TILA and Regulation Z, or (b) the selection or completion, or both, of any of the **Uniform Instruments, Federally-Mandated Documents, State-Mandated Documents**, and any applicable **Non-Uniform Instruments**. Input Error includes, by way of example and not limitation, the following: the misdesignation or mischaracterization of the terms of the applicable **Mortgage Loan** program; the failure to disclose all finance charges, other fees, or premiums; the misstatement of the security for the **Mortgage Loan**; the misstatement of the existence or amount of any premiums for credit insurance or fees for debt cancellation coverage on the **Mortgage Loan**, or the fact that such insurance or coverage is required; the misstatement of the assumability of the **Mortgage Loan**; the misstatement of the obligation of the obligor(s) on the **Mortgage Loan** to pay a prepayment fee or the amount of the prepayment fee; the misstatement of the terms or amount of any mortgage insurance premiums; the misstatement of the allocation of **Mortgage Loan** proceeds; the misstatement of the existence of a demand feature; the misstatement of the existence of a required deposit; the misstatement of the existence, nature, or amount of any, seller, consumer or lender split, or other buy-down or subsidy arrangement affecting the **Mortgage Loan**; the misstatement of the rebatable status of any prepaid finance charge; the misstatement of the purpose of the **Mortgage Loan**; the misstatement of the name of the creditor or the obligor(s) in the **Mortgage Loan** transaction; the misstatement of the interest rate of the **Mortgage Loan**; the misstatement of the **Mortgage Loan's** funding date, closing date, signing date, consummation date, disbursement date or other date; the misstatement of the existence or nature of any discount or premium arrangement for the **Mortgage Loan**; the misstatement of the existence or amount of any yield spread premium or similar payment; the misstatement of the existence or terms of any conversion option for the **Mortgage Loan**; the failure to identify those finance charges, fees or other items that are estimated; the mischaracterization of any fee or charge as a finance charge or not a finance charge; the failure of any fee that is characterized as excluded from the finance charge to be bona fide and reasonable in amount; the incorrect identification of the person paying any fee or charge; the incorrect identification of, and/or **Customer** affiliation with, the person receiving any fee or charge; and any changes, modifications or overrides made at **Customer** request or which Customer otherwise implement.

"**Loan-Specific Information**" means all terms, conditions, facts and data relating to a specific **Mortgage Loan** transaction, including, by way of example and not limitation, the **Mortgage Loan** number; the obligor's name; the security property address; the **Mortgage Loan** amount; the **Mortgage Loan** type; the loan purpose; the interest rate and, to the extent applicable, the index, the index value, the margin, and the periodic and lifetime rate and payment caps; the associated fees, charges and/or premiums; the late charge days and amount; the amounts of any impounds; all dates; the occupancy status of the security property; and the prepayment charge term and amount, that are relevant for purposes of computing the TILA Calculations and/or otherwise necessary to select or complete, or both, any of the Uniform Instruments, Federally-Mandated Documents, State-Mandated Documents and Non-Uniform Instruments.



It is also agreed by the **Insured** and the **Insurer** that the following definitions are added to the Policy:

“**Customer**” means the corporation, legal entity or individual who is a party to the **Contract Reference** and for which the **Insurer** has been notified and has been scheduled pursuant to the terms and conditions specified in the Scheduled **Customers** Endorsement attached to this Policy, and any other authorized agent(s) or employee(s) of the **Customer** who access and use DSI Products and Services. **Customer** shall not include any of **Customer’s** clients.

“**Mortgage Loan**” means a closed-end or open-end credit transaction, repayment of which is secured by a residential dwelling consisting of one to four units situated on real property for which the **Insured** has provided its **Professional Services** to the **Customer** scheduled above, through the **Customer’s** LOS System as defined in the **Contract Reference**, and pursuant to the terms of the **Covered Provisions** of the **Contract Reference**. Coverage under this Policy shall automatically apply to any **Mortgage Loan** for which the **Insurer** has been notified pursuant to the terms and conditions specified in any Covered Mortgage Loan Reporting Endorsement attached as part of this Policy and for which the applicable premium has been paid.

2. Paragraph **K. of Section IV. Exclusions** is hereby deleted and replaced in its entirety as follows:

**K.** for the breach of express warranties guarantees or contracts; provided, however, with respect to allegations of breach of contract this exclusion shall not apply to the **Covered Provisions** of the **Contract Reference** scheduled above or to any liability that would have attached in the absence of such contract.

3. Paragraph **B. Retention of Section V. LIMITS OF LIABILITY** is hereby deleted and replaced by the following:

**B. Retention**

1. The applicable **Retention** specified in Item F of the Declarations shall be a condition precedent and must be paid by the **Named Insured** before the **Insurer** has any payment obligation, and shall apply to both covered **Damages** and **Claim Expenses**. The **Retention** is part of and will erode the **LIMITS OF LIABILITY** as shown in Item E of the DECLARATIONS.

4. Paragraph **E. Cancellation or Non-Renewal of Section VII. Conditions** is hereby deleted and replaced by the following:

**E. Cancellation, Non-Renewal or Change in Premium Calculation Factor**

1. This Policy may be cancelled by the **Named Insured** at any time by written notice to the **Insurer**. Upon cancellation by the **Named Insured**, the **Insurer** shall retain all premiums paid, which shall be deemed fully earned, and coverage shall only apply for **Wrongful Acts** committed in the servicing of **Mortgage Loans** previously reported and their respective premiums paid to the **Insurer**.

2. This Policy may only be cancelled by the **Insurer** if the **Named Insured** does not pay the initial Policy premium when due, thirty (30) days from the Policy effective date. In the event of failure to pay any Covered **Mortgage Loan** Reporting Endorsement premium when due as respects any extension of coverage for specific **Mortgage Loans** scheduled via bordereaux submission by the **Insured** will result in the voiding ab initio of any coverage provided under such endorsement. .

3. If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Named Insured** with no less than one hundred and twenty (120) days advance notice thereof.

4. In the event the **Insurer** requires a change in the per loan premium rate for future covered loans at the Policy Renewal, the **Insurer** shall provide the **Named Insured** with no less than sixty (60) days advance notice thereof

5. Paragraph **G. Changes in Ownership of Section VII. Conditions** is hereby deleted and replaced by the following:

**G. Changes in Ownership**

If after the inception date of this Policy:

1. another entity or person or group of entities and/or persons acting in concert acquires a majority of the voting securities of the **Named Insured** or majority successor in interest of the **Named Insured**;



2. the **Named Insured** is merged into or consolidated with another entity such that the **Named Insured** is not the surviving entity;
3. the operating unit within the **Named Insured** providing the **Professional Service**, is divested, sold or ceases its operations, or
4. a receiver, liquidator, conservator, trustee or similar official is appointed with respect to the **Named Insured**;

then, the Policy will remain in effect until the end of the **EXTENDED REPORTING PERIOD** specified in Item G of the DECLARATIONS, but only with respect to any **Wrongful Act** which occurred prior to the end of the **Policy Period** and before such change in ownership and only as respects loans previously reported to and accepted by the **Insurer**.

Subject to written approval by the **Insurer**, coverage provided by this Policy for **Wrongful Acts** occurring subsequent to the change in ownership, and otherwise covered by this Policy, shall extend to the successors of the **Insured** as their interest may appear, whether by sale, merger, change of control, operation of law, or otherwise provided that the **Named Insured** shall have given written notice of such change in ownership to the **Insurer** as soon as practicable, but in no event later than thirty (30) days prior to such change in ownership.

Further, the entire premium for this Policy will be considered fully earned upon the occurrence of any of the above events in consideration of the coverage extended.

6. Paragraph **Q. Territory** of **Section VI. – CONDITIONS** is hereby deleted and replaced by the following:

**Q. Territory**

Coverage applies to **Wrongful Acts** committed within the United States of America provided that any action, arbitration, or other proceeding for, in relation to, or arising from the **Claim** is brought within the United States of America, its territories or possessions. **Damages** or **Claim Expenses** shall be paid in United States of America dollars.

7. **SECTION VI. — NOTICE OF CLAIM** is hereby deleted and replaced by the following:

**SECTION VI. — NOTICE OF CLAIM**

- A.** The **Insured** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim** which is made during the **Policy Period** or Extended Reporting Period. Such notice shall be given as soon as practicable, but in no event later than 1) 30 days of a **Claim** being made against the **Insured** alleging a **Wrongful Act**, 2) the end of the **Policy Period** or the expiration date of the Extended Reporting Period or 3) ,in the event a **Claim** is made against the **Insured** within 30 days prior to the expiration of the Extended Reporting Period, within 30 days of such **Claim** being made against the **Insured** but in no event later than thirty (30) days following the expiration of the Extended Reporting Period as respects the specific defective loan for which the **Claim** has been made.

Notice to the **Insurer** shall include details that identify the **Insured**, the claimant and also reasonably obtainable information concerning the time, place and other details of the **Wrongful Act** and **Claim**;

The **Insured** shall:

1. immediately send the **Insurer** copies of all demands, notices, summonses, complaints or other legal papers received in connection with the **Claim**;
2. authorize the **Insurer** to obtain records and other information;
3. cooperate with and assist the **Insurer** in the investigation, settlement or defense of the **Claim**; and
4. assist the **Insurer**, upon its request, in enforcing any rights of contribution or indemnity against another who may be liable to any **Insured** or owe contribution or indemnity.

If notice is provided pursuant to this section, any **Claim** subsequently made against an **Insured** and reported to the **Insurer** alleging, arising out of, based upon or attributable to the prior noticed **Claim** or alleging any **Related Wrongful Acts**, shall be considered related to the prior **Claim** and made at the time notice of the prior **Claim** was first provided.



8. **SECTION VIII. — EXTENDED REPORTING PERIOD** is hereby deleted and replaced by the following:

**SECTION VIII. — EXTENDED REPORTING PERIOD**

- A. At the expiration of this policy, the **Named Insured** shall have the right, for no additional premium, to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of thirty-six (36) months after loan funding date, for any loan otherwise covered under this Policy, and reported to the **Insurer** during such thirty-six (36) month period, but only with respect to any **Wrongful Act** committed or alleged to have been committed before the end of the **Policy Period**. This thirty-six (36) month period shall be referred to in this Policy as the Extended Reporting Period.
- B. As a condition precedent to the right to elect the Extended Reporting Period, the total premium for this Policy and all endorsements must have been paid.
- C. The fact that the coverage provided by this Policy may be extended by virtue of the election of the Extended Reporting Period shall not in any way increase or reinstate the Limit of Liability stated in the LIMITS OF INSURANCE section of the Declarations. For purposes of the Limit of Liability, the Extended Reporting Period is considered to be part of, and not in addition to, the **Policy Period**.

9. **Section IV. Exclusions** of the policy is amended by the addition of the following:

- U. any transaction in which any **Insured** or the **Customer** scheduled above or any affiliate of any **Insured** or the **Customer** scheduled above has a direct or indirect beneficial ownership interest as a buyer, owner or seller of real property;
- V. any distributing, disseminating, sharing, selling or otherwise releasing information about any applicant for a mortgage except to the **Customer** scheduled above;
- W. the **Customer** ignoring a warning message or overriding a fatal warning message on a compliance audit or test;
- X. **Input Error** on **Loan Specific Information** entered or failed to be entered by the **Customer**;
- Y. **Customer** failure to provide the **Loan Specific Information** necessary to properly fire an audit and such incorrect entry or omission fails to trigger a warning
- Z. Incorrect entry or omission by **Customer** of **Loan Specific Information** needed by **Insured** to perform **Professional Services**;
- AA. Failure of **Customer** to review the initial setup of the DSI Products and Services in order to determine in its sole discretion that the DSI Products and Services are appropriate for **Customer's** purposes for the **Mortgage Loans** it originates as specified in the **Covered Contract** .
- BB. Any loan program or package for which the **Customer** failed to participate in DSI's prescribed mutually acceptable onboarding and validation process, and failed to verify that the required Uniform Instruments, Federally-Mandated Documents and State-Mandated Documents are returning in the loan packages for the loan programs that Customer utilizes.
- CC. System shutdown or breakdown causing the inability for **Customer** to access DSI system or **Insured** to provide **Professional Services** in a timely manner.
- DD. any actions occurring subsequent to the completion by any **Insured** of duties defined within the **Covered Provisions** scheduled above; or
- EE. Violation of **Customer's** regulatory or statutory obligations as it relates to the review of any **Mortgage Loan** Transaction
- FF. Violation of Section III. **TERMS AND DUTIES OF USE - CUSTOMER**, in the **Covered Contract / Licensing Agreement**.
- GG. On any transaction where the ordering of a Closing Document Package, and the triggering of a billable event for **Customer** did not occur.

All other terms, conditions, and exclusions under the Policy are applicable to this Endorsement and remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SPECIFIED LOAN EXCLUSION

This endorsement modifies insurance provided under the following:

### MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium charged, it is agreed by the **Insured** and **Insurer** that the following is added to the policy form:

It is also agreed by the **Insured** and the **Insurer** that the following definitions are added to the Policy:

1. **Alt-A Loan** means a loan extended, granted, originated, or underwritten without a borrower's having to provide, with respect to one or more elements of income (including, without limitation, salary or wages), independent written documentation verifying the borrowers' income (including, without limitation, a pay check, pay stub, or wage statement).
2. **Designated Loans** means any **Alt-A Loan(s)**, **Subprime Loan(s)**, or **Teaser Rate Loan(s)**.
3. **Subprime Loan** means a loan that does not fit within the guidelines of Fannie Mae's or Freddie Mac's definition of a Conventional or Streamlined Refinance Loan, and is a loan to a borrower with an impaired, minimal, or weakened credit history including, without limitation, a borrower who, at the time of origination or purchase of the loan, displayed one of the following characteristics:
  - a. one or more 60-day delinquencies in the last 24 months;
  - b. a judgment, foreclosure, repossession, or charge-off in the last 24 months;
  - c. a bankruptcy in the last five years;
  - d. a Fair, Isaac and Company (FICO) score of 620 or less, or other credit bureau risk or proprietary scores with equivalent default-probability likelihood;
  - e. a debt-service-to-income ratio of 50 percent or greater.
4. **Teaser Rate Loan** means an adjustable rate loan with an initial interest rate set lower than the rate would result from the addition of:
  - a. the index rate for such loan in effect at the time of its origination, and
  - b. the margin for such loan,as such index rate and margin are to be calculated in resetting the interest rate for such loan on a subsequent interest-rate adjustment date.

It is also agreed that the **Insurer** is not obligated to pay **Damages** or **Claim Expenses** or defend **Claims** arising out of any actual or alleged **Designated Loan(s)**, including the:

1. purchase, repurchase, sale, extension, grant, origination, processing, pooling, servicing, brokering, commitment, restructuring, termination, transfer, or underwriting of any **Designated Loans(s)**;
2. performance of, or the failure to perform, **Professional Services** in connection with any **Designated Loans(s)** or securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Designated Loan(s)**;
3. purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formation, promotion, or management of any securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Designated Loan(s)**; and
4. purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formulation, promotion, or management of:
  - a. any derivative including, without limitation, a future, forward, option, or swap; or
  - b. any contractual right or duty,

All other terms, conditions, and exclusions under the Policy are applicable to this Endorsement and remain unchanged.



## LENDERS LEGAL LIABILITY / LOAN ORIGATION EXCLUSION

This endorsement modifies insurance provided under the following:

### MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the premium charged, it is agreed by the **Insured** and **Insurer** that the following is added to the policy form:

This Policy does not apply to any **Claim**, and the **Insurer** is not obligated to defend or pay **Damages** or **Claim Expenses** for any **Claim** alleging, arising out of, based upon, relating to, or attributable to, directly or indirectly:

- a. any violation of the Federal Fair Housing Act of 1968 its amendments or replacements, or any comparable state or local law or ordinance;
- b. the termination, cancellation, acceleration, withdrawal, demand for payment, or failure to advance funds in connection with any credit;
- c. the foreclosure on or the taking possession, assignment or subordination of, or the taking of or failure to take any other action in respect of, any collateral in connection with any credit;
- d. the imposition of financial, business or management controls or requirements upon any client or customer to whom credit has been granted or extended;
- e. any borrower initiated claim(s) arising from the purchase, participation in or sale of any loan or extension of credit or the sale of any participation in any loan or extension of credit;
- f. any borrower initiated claim(s) arising from the funding of mortgage loans, including funding from a warehouse line of credit;
- g. any **Insured** or the **Customer** scheduled above advising others by making promises, warranties or guarantees as to the future value of any property;

All other terms, conditions, and exclusions under the Policy are applicable to this Endorsement and remain unchanged.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDED SERVICE OF SUIT CLAUSE - CALIFORNIA**

This endorsement modifies insurance provided under the following:

**EMPLOYEE BENEFIT PLAN FIDUCIARY INSURANCE POLICY  
EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY  
EXCESS PROFESSIONAL LIABILITY INSURANCE POLICY  
NOT FOR PROFIT INDIVIDUAL AND ORGANIZATION MANAGEMENT LIABILITY  
INSURANCE POLICY  
PRIVATE COMPANY MANAGEMENT LIABILITY INSURANCE POLICY  
PUBLIC COMPANY DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY  
SIDE-A DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY  
MISCELLANEOUS PROFESSIONAL LIABILITY POLICY**

In consideration of the premium charged, it is agreed by the **Insured** and **Insurer** that Section IX. General Conditions paragraph S. Service of Suit is deleted in its entirety and replaced by the following:

**S. Service of Suit**

The **Insurer's** representatives designated in Section IX, (M) are authorized and directed to accept service of process on behalf of the **Insurer** in any suit on the Policy against the **Insurer**. The service of process in any **Claim** or suit on the Policy against the **Insurer** may also be made upon the following service of suit nominee:

Wilson, Elser, Moskowitz, Edelman & Dicker  
555 S. Flower Street  
Suite 2900  
Los Angeles  
California 90071

Said service of suit nominee is authorized to mail such process or a true copy thereof to the **Insurer's** representatives designated in Section IX (M).

All other terms, conditions and exclusions under the policy are applicable to this endorsement and remain unchanged.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN  
ASSETS CONTROL ("OFAC")  
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

