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12 **UNITED STATES BANKRUPTCY COURT**
13 **DISTRICT OF NEVADA**
14

15 In re:
16
17 Robert C. Graham, Ltd., F/D/B/A/ ROB
Graham & Associates and Lawyerswest,
18
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21
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Case No.: BK-S-16-16655-BTB
(Chapter 7)

**MOTION OF MARKEL
INSURANCE COMPANY FOR
RELIEF FROM STAY PURSUANT
TO 11 U.S.C. 362 TO PROCEED IN
NON-BANKRUPTCY FORUM**

Date: March 14, 2017
Time: 10:00 a.m.


23 Markel Insurance Company ("MIC") hereby moves this Court for an order,
24
25 pursuant to 11 U.S.C. § 362(d), granting MIC relief from the automatic stay to pursue
26 in an appropriate non-bankruptcy forum an action for declaratory relief and to rescind
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1 the MIC Lawyers Professional Liability Insurance Policy issued to the Debtor, Robert
2 C. Graham, Ltd., based on misrepresentations made in the Policy application.

3 This Motion is supported by the Points and Authorities and Exhibits attached
4 hereto, the Declarations of Chad Zupke and Scott Culler filed herewith, the pleadings,
5 papers and records on file in this action, and any oral argument to be presented at the
6 time of the hearing of the Motion.
7

8 Respectfully submitted this 8th day of February, 2017.
9

10 **MORRIS POLICH & PURDY LLP**

11
12 By: 
13 NICHOLAS M. WIECZOREK, ESQ.
14 Nevada Bar No. 6170
15 CANDACE C. CARLYON, ESQ.
16 Nevada Bar No. 2666
17 3800 Howard Hughes Pkwy., Suite 500
18 Las Vegas, Nevada 89169
19 Attorneys for Markel Insurance Company
20

21 **MEMORANDUM OF POINTS AND AUTHORITIES**

22 **I. INTRODUCTION**

23 Inquiries from former clients led to the discovery, in December 2016, that
24 Robert C. Graham, the principal in the law firm Robert C. Graham, Ltd. ("Debtor"),
25 had allegedly misappropriated to his own use millions of dollars of client funds.
26 Shortly thereafter, Mr. Graham was indicted on three counts of theft of client funds
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1 and other criminal misconduct. The district attorney's financial expert apparently
2 testified before the grand jury that Debtor's client trust account should have been
3 holding some \$13 million in client funds but only \$132,000 remained. Since late
4 December, approximately 390 parties have notified Debtor's professional liability
5 insurer, Markel Insurance Company, of possible malpractice claims stemming from
6 the misappropriation.
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9 The criminal indictment against Mr. Graham and other publicly available
10 information indicate that Mr. Graham began misappropriating client funds long before
11 December 10, 2015 when Mr. Graham signed and submitted his application for the
12 January 1, 2016 MIC Lawyers Professional Liability Insurance Policy (the "Policy").
13 Based on this information, Debtor clearly misrepresented material facts in its
14 Application for the Policy by stating that Debtor was unaware of any existing
15 "circumstance, situation, act, error or omission" that could lead to a claim or suit
16 against Debtor. Under unequivocal statutory and case law, this misrepresentation
17 alone entitles MIC to rescind the Policy. Accordingly, MIC will seek rescission of the
18 Policy and a declaration that no coverage is available, and asks this Court for relief
19 from the automatic stay to pursue such relief in another forum.
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23 Good cause exists to grant this relief. Allowing MIC's proposed coverage
24 action to go forward will provide certainty, to the Trustee, to MIC and to the
25 approximately 390 parties who have notified MIC of possible malpractice claims, as
26 to whether professional liability coverage is or is not available for any claims that may
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1 be pursued against Debtor and its non-Debtor former professionals. The state law
2 nature of the proposed action, the presence of non-debtor parties, and the existing case
3 law all militate in favor of granting the requested relief.
4

5 **II. BACKGROUND**

6 **A. Misappropriation of Client Funds**

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8 1. On December 16, 2017, various Petitioners (former clients of Debtor)
9 who had initiated this involuntary Chapter 7 proceeding, moved for the appointment
10 of a trustee, presenting evidence that Debtor's principal, Robert C. Graham,
11 misappropriated to his own use more than \$12 million of Debtor's clients' money held
12 in trust accounts. (See Motion to Appoint Interim Trustee in Involuntary Case [ECF
13 #3].)
14

15 2. A criminal indictment filed on January 4, 2017 in Clark County District
16 Court charges that Mr. Graham stole substantial sums from three of Debtor's former
17 clients. The indictment states that Mr. Graham's theft in this regard occurred
18 "between July 9, 2013 and December 2, 2016," "between September 6, 2013 and
19 December 2, 2016" and "between March 20, 2014 and December 2, 2016,"
20 respectively. (See Exhibit "1," criminal indictment.)
21

22 3. On January 20, 2017, the Las Vegas Review-Journal reported that,
23 according to the transcripts of grand jury testimony it had obtained, the District
24 Attorney's financial expert testified that Debtor's client-trust account should have
25 been holding at least \$13 million in client funds, but contained only \$132,000 by the
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1 end of 2016. (See *Jailed Attorney Siphoned Client Money to Pay Bills, Grand Jury*
2 *Transcripts Say*, Las Vegas Review Journal, January 19, 2017,
3 [http://www.reviewjournal.com/crime/jailed-attorney-siphoned-client-money-pay-bills-](http://www.reviewjournal.com/crime/jailed-attorney-siphoned-client-money-pay-bills-grand-jury-transcripts-say)
4 [grand-jury-transcripts-say.](http://www.reviewjournal.com/crime/jailed-attorney-siphoned-client-money-pay-bills-grand-jury-transcripts-say)) According to this news report, prosecutors have alleged
5 that Mr. Graham may have stolen more than \$15 million in client funds over a period
6 of at least three years, and that additional criminal charges are expected to be filed.
7
8 (*Id.*)
9

10 4. In an interview with the Las Vegas Review Journal, Mr. Graham
11 reportedly stated that his law practice was a 20-year failure and Mr. Graham's theft of
12 client funds had gone on for years. The article quotes Mr. Graham as saying: "I was
13 responsible for the litigation and felt I had no out . . . so bit by bit, I moved the chairs
14 on the deck. Each year, things got worse and worse, and I tried to bail myself out and
15 just couldn't." (*Id.*)
16
17

18 5. On December 9, 2016, the Nevada Supreme Court issued an Order
19 suspending Mr. Graham from the practice of law, concluding that "[t]he petition and
20 supporting documentation demonstrate that Graham appears to have misappropriated
21 client funds entrusted to him . . ." (See Exhibit "2," Nevada Supreme Court Order.)
22
23

24 B. The MIC Policy

25 6. MIC policy no. LA303630, in effect from January 1, 2016 to January 1,
26 2017, and issued to Named Insured Robert C. Graham, Ltd. (the "Policy"), provides
27 coverage for sums which the Insured shall become legally obligated to pay as
28

1 Damages for Claims which are first made against the Insured during the Policy Period,
 2 and which are reported to the Company per the applicable reporting requirements,
 3 arising out of any act, error or omission in the rendering of or failure to render
 4 Professional Services by an Insured, provided certain requirements are met. (See
 5 Exhibit “3”, MIC policy, pp. MIC000001; MIC000006.) The Policy provides limits
 6 of \$1,000,000 Each Claim and \$2,000,000 Aggregate (i.e., for all covered Claims
 7 combined). (*Id.*, p. MIC000001.) The Policy includes a defense obligation that
 8 applies only to “suits” against the Insured seeking Damages to which the insurance
 9 applies. (*Id.*, p. MIC000006.)

10 7. Question 3.c. on page 7 of the Application, which is incorporated into the
 11 Policy, asks the Insured:

12 *After inquiry, does any Applicant member know of any*
 13 *circumstance, situation, act, error or omission that could result in*
 14 *a professional liability claim or suit against the Applicant or its*
 15 *predecessor(s) in business or any of the current or former*
 16 *members of the Applicant or its predecessor(s) in business?*

17 8. Debtor’s principal, Robert C. Graham, answered “no” to this question
 18 and signed the Application on December 10, 2015. (Exh. “3”, p. MIC000025.) The
 19 publicly available information discussed above indicates that Mr. Graham’s answer to
 20 this question was false and constitutes grounds to void or rescind the policy.¹ See e.g.,
 21 *Westport Ins. Corp. v. Gionfriddo*, 524 F.Supp.2d 167, 175 (D. Conn. 2007) (insured’s
 22 answers to questions on application for lawyers professional liability insurance,
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 28 ¹ MIC believes other material misrepresentations or non-disclosures may also have been made by Debtor in applying for the Policy.

1 indicating that he was not aware of “any fact or circumstance, act, error, omission, or
2 personal injury which might be expected to be the basis of a claim or suit” against
3 him, constituted misrepresentations, as required for voiding policy, since insured
4 intentionally converted and appropriated client funds to cover his gambling debts
5 during period before submitting application on which he falsely stated lack of
6 knowledge of any potential claims against him); *Minn. Lawyers Mut. Ins. Co. v.*
7 *Hancock*, 600 F. Supp.2d 702 (E.D. Va. 2009) (attorney’s embezzlement of client
8 funds prior to the policy’s inception demonstrated that response on application that
9 law firm was not aware of any incident that could reasonably result in a claim was
10 false; insurer was entitled to rescind legal malpractice policy); *Westport Ins. Corp. v.*
11 *Lydia S. Ulrich Testamentary Trust*, 42 Fed.Appx. 578 (4th Cir. 2002) (attorney’s
12 failure to reveal his on-going embezzlement of funds from trust for which he was
13 serving as trustee, in response to question about potential claims in application for
14 lawyers’ professional liability policy, constituted material misstatement entitling
15 insurer to rescind policy); *TIG Ins. Co. v. Robertson, Cecil, King & Pruitt*, 116
16 Fed.Appx. 423 (4th Cir. 2004) (law firm partner’s response of “no change” to question
17 on professional liability insurance renewal application as to whether any attorney in
18 firm was aware of incidents, wrongful acts, errors, or omissions that could result in a
19 professional liability claim when that attorney had converted clients’ funds, was an
20 untruthful statement which warranted rescission of policy); *Mt. Airy Ins. Co. v.*
21 *Millstein*, 928 F.Supp. 171 (D. Conn. 1996)(attorney knowingly made material
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1 misrepresentation by failing to disclose on insurance application that he took funds
2 that should have been used in mortgage refinancing; rescission granted).

3 9. MIC is therefore entitled to rescind the Policy. *Ibid.*; N.R.S. §687B.110
4 (rescission of an insurance policy based on the insured's response to an application
5 question does not require an intentional misrepresentation; rather, it requires only an
6 incorrect statement that was material to the insurer's acceptance of the risk or issuance
7 of the policy); *Randono v. CUNA Mutual Ins. Group*, 106 Nev. 371 (1990); *Foremost*
8 *Ins. Co. v. Bowden*, 2006 WL 1966745 (D. Nev. 2006) *Great American Ins. Co. v.*
9 *General Builders, Inc.*, 113 Nev. 346 (1997).

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13 C. Notices Given to MIC Beginning in Late December 2016

14 10. Since late December 2016, MIC has received notices from or on behalf
15 of approximately 390 individuals and/or entities which generally indicate that such
16 parties are aggrieved or potentially aggrieved former clients of Debtor. Such notices
17 refer to Mr. Graham's alleged misappropriation of client funds and many note
18 possible claims against the Debtor for legal malpractice and other wrongdoing arising
19 therefrom. (See Declaration of Chad Zupke, ¶ 3.)
20
21

22 D. MIC's Proposed Coverage Action

23 11. MIC's proposed coverage action would seek judicial rescission of the
24 Policy, on the ground that Debtor's answers to Application question 3.c., noted above,
25 and potentially others, were false, that Debtor failed to disclose and/or concealed
26 material information, and that MIC would not have issued the Policy if the
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1 Application answers had been truthful and such information had been disclosed. The
2 action would also seek a judicial declaration of “no coverage” based on MIC’s
3 entitlement to rescission. MIC contemplates that the defendants in the action would
4 be Debtor, and several professionals (former employees of Debtor) who may qualify
5 as “Insureds” under the Policy.
6

7 **III. ARGUMENT**

8 **A. Jurisdiction**

9
10 This Court has jurisdiction to hear the instant Motion, which is a core
11 proceeding under 28 U.S.C. §157(b)(2)(G). However, this Motion seeks relief in
12 order to litigate purely state law claims regarding whether the Policy is void or subject
13 to rescission, which is a non-core matter and not subject to this Court’s jurisdiction
14 under either 28 U.S.C. §157 or the Constitutional boundaries of this Court’s
15 jurisdiction as set forth in *Stern v. Marshall*, 564 U.S. 462, 131 S.Ct. 2594, 180
16 L.Ed.2d 475 (2011). Accordingly, MIC consents to the jurisdiction of the Bankruptcy
17 Court only in connection with the instant Motion, but respectfully does not consent to
18 the jurisdiction of this Court with regard to the determination of the proposed foreign
19 proceeding.
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23 **B. Authority for Granting Relief From The Automatic Stay**

24
25 The bankruptcy code provides that all proceedings against a debtor are stayed
26 once the debtor files for bankruptcy. 11 U.S.C. § 362(a). Section 362(d)(1) provides
27 that “[o]n request of a party in interest and after notice and a hearing, the court shall
28

1 grant relief from the stay. . . (1) for cause . . .” 11 U.S.C. § 362(d)(1); *Mataya v.*
2 *Kissinger (In re Kissinger)*, 72 F.3d 107, 108–09 (9th Cir.1995).

3 What constitutes “cause” for granting relief from the automatic stay is decided
4 on a case-by-case basis. *Kronemyer v. Am. Contractors Indem. Co. (In re*
5 *Kronemyer)*, 405 B.R. 915, 921 (9th Cir. BAP 2009); *Christensen v. Tucson Estates,*
6 *Inc. (In re Tucson Estates, Inc.)*, 912 F.2d 1162, 1166 (9th Cir.1990) (“Once a prima
7 facie case [of “cause”] has been established, the burden shifts to the debtor to show
8 that relief from the stay is unwarranted”).
9

10
11 The courts generally consider 12 non-exclusive factors to determine whether
12 cause exists to grant relief from the automatic stay to allow litigation against a debtor
13 in a non-bankruptcy forum. These twelve factors originated in *In re Curtis*, 40 B.R.
14 795, 799–800 (Bankr.D.Utah 1984) and were adopted by the Second Circuit Court of
15 Appeals in *In re Sonnex Indus.*, 907 F.2d 1280, 1285 (2d Cir. 1990). Other courts
16 have also adopted them. *See, e.g., Schneiderman v. Bogdanovich (In re*
17 *Bogdanovich)*, 292 F.3d 104, 110 n. 1 (2d Cir. 2002); *Mazzeo v. Lenhart (In re*
18 *Mazzeo)*, 167 F.3d 139, 142-143 (2d Cir. 1999); *Goya Foods, Inc. v. Unanue–Casal*
19 *(In re Unanue–Casal)*, 159 B.R. 90, 96 (D.P.R.1993), *aff’d*, 23 F.3d 395 (1st
20 Cir.1994); *Walker v. Wilde (In re Walker)*, 103 B.R. 281, 284–85 (D.Utah 1989);
21 *Busch v. Busch (In re Busch)*, 294 B.R. 137, 141 n. 4 (10th Cir. BAP2003); *Truebro,*
22 *Inc. v. Plumberex Specialty Prods., Inc. (In re Plumberex Specialty Prods., Inc.)*, 311
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1 B.R. 551 (Bankr.C.D.Cal.2004).” *In re Smith*, 389 B.R. 902, 919 (Bankr. D. Nev.
2 2008).

3 Not all 12 factors are always relevant, and some carry more weight than others.
4
5 *Plumberex*, 311 B.R. at 560.

6 C. **The Relevant Non-Exclusive Factors Weigh Heavily in Favor of**
7
8 **Lifting the Stay**

9 1. **Whether the relief will result in a partial or complete**
10 **resolution of the issues**

11 The first factor considers whether the action in the non-bankruptcy forum
12 would completely resolve the issues. The answer is yes. The issue to be determined
13 is whether the Policy is void, and this will be completely disposed of in MIC’s
14 proposed coverage action.
15

16
17 2. **The lack of any connection with or interference with the**
18 **bankruptcy case**

19 As recognized by the Nevada Bankruptcy Court in *In re Endoscopy Ctr. of S.*
20 *Nevada, LLC*, 451 B.R. 527, 547 (Bankr. D. Nev. 2011), where the function of a
21 malpractice policy is to pay sums which the insured shall become legally obligated to
22 pay to third party claimants as damages, “Debtors have no equitable interest in the
23 proceeds from the Policy and that the proceeds would not be property of the Debtors’
24 bankruptcy estates.” Thus, a dispute involving the proceeds of the debtor’s insurance
25 potentially payable to third party claimants is not considered a “core proceeding.” In
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1 *In re United States Brass Corporation*, 110 F.3d 1261 (7th Cir. 1997), the Court of
2 Appeals held that the bankruptcy court properly abstained from hearing declaratory
3 relief proceedings brought to resolve insurance coverage disputes because they were
4 non-core proceedings to the bankruptcy. Judge Posner, writing for the Seventh
5 Circuit, aptly noted that, while the policy was property of the estate, “no one is trying
6 to take away [Debtor’s] property. The issue in these cases is the *scope* of the
7 insurance policies, an issue of contractual interpretation, not their ownership.” *Id.* at
8 1268. Debtor’s “claimed right to insurance coverage is a creation of state contract law
9 and one that could be vindicated in an ordinary breach of contract suit if [Debtor]
10 were not a bankrupt.” *Id. Accord, In re Lawrence Group, Inc.*, 285 B.R. 784, 788
11 (N.D.N.Y. 2002) (holding that an insurance coverage dispute was not a core
12 proceeding merely because proceeds of any recovery obtained by the debtor would
13 inure to the benefit of the estate, since “a proceeding to determine the parties’ rights
14 under the policy is entirely independent of the bankruptcy proceedings”).
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19 Here, the MIC professional liability Policy does not provide direct financial
20 benefits to Debtor but rather is a potential source of judgment satisfaction to third
21 parties.²
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26 ² Any defense costs that might be available if coverage existed under the Policy would not flow to
27 Debtor because suits against Debtor are stayed; to the extent relief from stay was granted for a
28 claimant to pursue Debtor in another forum, such relief would presumably be subject to the
condition that such action is limited to available insurance proceeds, thus precluding Debtor from
receiving any direct benefit from defense costs under the Policy.

1 Not only does the Bankruptcy Court lack authority to issue final decisions in
2 non-core matters pursuant to 28 U.S.C. §157, the Supreme Court in *Stern v. Marshall*,
3 564 U.S. at 487, held that reversal was necessary where the bankruptcy court
4 “exercised the ‘judicial Power of the United States’ in purporting to resolve and enter
5 final judgment on a state common law claim.” Moreover, MIC’s proposed coverage
6 action involves solely state law issues of insurance law. The fact that it is outside both
7 the core and Constitutional jurisdiction of this Court militates in favor of granting the
8 Motion.
9

10
11 While not identical, this case is analogous to *In re Pintlar Corporation*, 124
12 F.3d 1310 (9th Cir. 1997), in which the Ninth Circuit held that the automatic stay was
13 not applicable to an insurer’s action against the debtor’s covered officers and directors
14 seeking a declaration that a policy exclusion barred insurance coverage in separate,
15 pending actions. The Court of Appeals held that the liability coverage was not
16 “property of the estate” and therefore vacated the order issued by the Bankruptcy
17 Court to enforce the stay. While the Policy in this case extends to the Debtor as well
18 as other professionals, in those circumstances relief is still appropriate to permit the
19 determination of coverage in the non-bankruptcy forum. *See Peerless Ins. Co. v.*
20 *Rivera*, 208 B.R. 313 (D. R.I. 1997), in which the Court granted relief from the stay in
21 order to proceed against the Debtor (as well as others) in a declaratory relief action to
22 determine the availability of insurance coverage.
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1 3. Whether the foreign proceeding involves the debtor as a
2 fiduciary

3 “Generally, proceedings in which the debtor is a fiduciary . . . need not be
4 stayed because they bear no relationship to the purpose of the automatic stay, which is
5 debtor protection from his creditors.’” *In re Adams*, 27 B.R. 582, 585 (D. Del. 1983),
6 quoting H.R.Rep. No. 95–595, 95th Cong., 1st Sess. (1977), *reprinted in* 1978,
7 U.S.Code Cong. & Ad.News 6295, 6300. To the extent this factor is applicable,
8 Debtor’s breach of duty to answer the Policy Application questions truthfully and
9 disclose material facts favors granting the Motion.
10
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12 4. Whether a specialized tribunal has been established to hear the
13 particular cause of action and whether that tribunal has the
14 expertise to hear such cases

15 This factor is not applicable.
16

17 5. Whether the debtor's insurance carrier has assumed full
18 financial responsibility for defending the litigation

19 This factor is inapplicable.
20

21 6. Whether the action essentially involves third parties, and the
22 debtor functions only as a bailee or conduit for the goods or
23 proceeds in question

24 This factor favors granting the Motion. Even if the Policy is not rescinded and
25 provides coverage for sums Debtor or its former professionals become legally
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1 obligated to pay as damages to former clients, such indemnity payments may quickly
2 be exhausted, given that some 390 separate former clients have already notified MIC
3 regarding possible claims. Debtor would clearly act as merely a conduit for such
4 proceeds.³

6 7. **Whether the litigation in another forum would prejudice the**
7 **interests of other creditors, the creditors' committee and other**
8 **interested parties**

10 Consistent with *Pintlar*, here, all parties would benefit, not be prejudiced, by
11 adjudication of the coverage issue in one proceeding in a single non-bankruptcy
12 forum. *Pintlar* indicates that MIC may proceed with such an action naming the non-
13 Debtor professionals without violating the automatic stay. A single action, involving
14 Debtor as well as the professionals would be more efficient, and those who have
15 claims against Debtor would presumably have an opportunity to intervene if they felt
16 their interests were at stake. As recognized in *Peerless*, the coverage issue will
17 ultimately be litigated, and if such litigation is not the subject of a single action, all
18 interests would be prejudiced by the depletion of resources and possibility of
19 inconsistent judgments. 208 B.R. at 317.

23 8. **Whether the judgment claim arising from the foreign action is**
24 **subject to equitable subordination under Section 510(c)**

26 This factor is not applicable.

28 ³ See Footnote 3, *supra*, regarding defense costs under the Policy.

1 9. Whether movant's success in the foreign proceeding would
2 result in a judicial lien avoidable by the debtor under Section
3 522(f)
4

5 This factor is not applicable.

6 10. The interests of judicial economy and the expeditious and
7 economical determination of litigation for the parties
8

9 Similar to factor 7, allowing MIC's proposed coverage action to proceed in a
10 single non-bankruptcy forum with those who have an interest in the outcome being
11 given the opportunity to join, would remove the possibility of inconsistent judgments
12 and eliminate duplicative and needless litigation. *See Peerless*, 208 B.R. at 317 ("by
13 resolving the coverage issue via a declaratory judgment, the personal injury claimants
14 could benefit from enhanced settlement prospects if they are successful; or, if they are
15 unsuccessful, by avoiding the unnecessary expense of litigation with *Peerless* that
16 would require the presentation of evidence with respect to liability and damages").
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18

19 Allowing MIC's proposed coverage action to proceed will also minimize
20 litigation by former clients against Debtor. If no liability coverage is available to
21 Debtor for malpractice claims, former clients of Debtor who may otherwise be
22 inclined to pursue such claims would see that the investment of substantial time and
23 resources needed to pursue that litigation might not be worthwhile. Likewise, an
24 alternative determination that insurance coverage *is* available for former clients'
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1 claims against Debtor would encourage the early resolution of those claims and reduce
2 the time and resources incurred pursuing them. *Peerless*, 208 B.R. at 317–18.

3 Further, even if Debtor does not have available resources to litigate the
4 coverage action (which is necessary regardless of the forum), former client claimants
5 may, and their interest may be greater if the Policy is the only available source of
6 recovery for them. As in *Peerless*, “[t]he injured claimants have a vital interest in
7 resisting *Peerless*’ bid for a declaratory judgment because it is apparent that any
8 judgments they obtain can be satisfied only from the policy proceeds.” *Id.* at 317. In
9 this regard, the *Peerless* Court concluded that “the effect that lifting or continuing the
10 stay would have on the public interest in the fair and efficient administration of justice
11 . . . is considerable and it strongly militates in favor of granting [the insurer’s] motion
12 for relief from the stay.” *Id.*

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17 **11. Whether the foreign proceedings have progressed to the point**
18 **where the parties are prepared for trial**

19 This factor is not applicable.

20
21 **12. The impact of the stay on the parties and the “balance of**
22 **hurt.”**

23 This factor favors granting this Motion. If the stay is not lifted, Debtor’s former
24 clients may still pursue claims against the individual professionals, and MIC will still
25 be entitled to litigate a coverage action against those professionals who may qualify as
26 “Insureds” under the Policy. Moreover, a coverage action involving Debtor within
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1 these bankruptcy proceedings presumably would be subject to the assertion that the
2 Bankruptcy Court lacks jurisdiction to issue a final decision, and that, as such, either
3 the reference should be withdrawn or the Bankruptcy Court should issue only
4 proposed findings and conclusions subject to *de novo* review in the District Court.
5 This multiplicity of proceedings would operate to the extreme detriment of the
6 Movant, and provide no benefit to the estate or its creditors. As noted in *Peerless*, all
7 parties would benefit from having the coverage issue determined once and in a single
8 proceeding, which is possible only if the stay is lifted.

11 IV. CONCLUSION

13 Here, and like the circumstances in *Pintlar* and *Peerless*, MIC's proposed
14 coverage action seeks a determination that no coverage is available under the Policy.
15 Accordingly, the Court should lift the automatic stay so that MIC's proposed coverage
16 action may proceed in a non-bankruptcy forum.

18 Based on the foregoing, and all papers filed herewith, MIC respectfully requests
19 that the Court grant the Motion, and issue such other and further relief as the Court

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1 may deem just and proper.

2 Respectfully submitted this 8th day of February, 2017.

3 **MORRIS POLICH & PURDY LLP**

4
5
6 By: 

7 NICHOLAS M. WIECZOREK, ESQ.

8 Nevada Bar No. 6170

9 CANDACE C. CARLYON, ESQ.

10 Nevada Bar No. 2666

11 3800 Howard Hughes Pkwy., Suite 500

12 Las Vegas, Nevada 89169

13 Attorneys for Markel Insurance Company

EXHIBIT “A”

EXHIBIT “A”

* * § 362 INFORMATION SHEET * *

Robert C. Graham, Ltd.

16-16655-btb

DEBTOR

BK-

MOTION #:

Markel Insurance Company

CHAPTER: 7

MOVANT

Certification of Attempt to Resolve the Matter Without Court Action:

Moving counsel hereby certifies that pursuant to the requirements of LR 4001(a)(2), an attempt has been made to resolve the matter without court action, but movant has been unable to do so.

Date: 2/8/16Signature: [Signature]

Attorney for Movant

PROPERTY INVOLVED IN THIS MOTION: N/A-Seek to file Dec. Relief in Non-BK ForumNOTICE SERVED ON: Debtor(s) ☒; Debtor's counsel ☒; Trustee ☒;

DATE OF SERVICE:

MOVING PARTY'S CONTENTIONS:

The EXTENT and PRIORITY of LIENS:

1st _____

2nd _____

3rd _____

4th _____

Other: _____

Total Encumbrances: _____

APPRAISAL of OPINION as to VALUE:

DEBTOR'S CONTENTIONS:

The EXTENT and PRIORITY of LIENS:

1st _____

2nd _____

3rd _____

4th _____

Other: _____

Total Encumbrances: _____

APPRAISAL of OPINION as to VALUE:

**TERMS of MOVANT'S CONTRACT
with the DEBTOR(S)::**

Amount of Note: _____

Interest Rate: _____

Duration: _____

Payment per Month: _____

Date of Default: _____

Amount in Arrears: _____

Date of Notice of Default: _____

SPECIAL CIRCUMSTANCES:

Dec. relief re right to rescind insurance
Policy; state law claims/multiple parties

SUBMITTED BY: Candace Carlson**DEBTOR'S OFFER of "ADEQUATE
PROTECTION" for MOVANT :**

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SPECIAL CIRCUMSTANCES:

SUBMITTED BY: _____

SIGNATURE: _____

EXHIBIT “1”

EXHIBIT “1”

FILED IN OPEN COURT
STEVEN D. GRIERSON
CLERK OF THE COURT

JAN - 4 2017

1 IND
STEVEN B. WOLFSON
2 Clark County District Attorney
Nevada Bar #001565
3 JAY P. RAMAN
Chief Deputy District Attorney
4 Nevada Bar #010193
200 Lewis Avenue
5 Las Vegas, Nevada 89155-2212
(702) 671-2500
6 Attorney for Plaintiff

BY,
ALAN PAUL CASTLE, SR, DEPUTY

DISTRICT COURT
CLARK COUNTY, NEVADA

9 THE STATE OF NEVADA,

10 Plaintiff,

CASE NO: C-17-320381-1

11 -vs-

DEPT NO: IV

12 ROBERT GRAHAM #5062044

13 Defendant.

INDICTMENT

15 STATE OF NEVADA }
16 COUNTY OF CLARK } ss.

17 The Defendant above named, ROBERT GRAHAM, accused by the Clark County
18 Grand Jury of the crime(s) of THEFT (Category B Felony - NRS 205.0832, 205.0835.4 - NOC
19 55991); EXPLOITATION OF AN OLDER/VULNERABLE PERSON (Category B Felony -
20 NRS 200.5092, 200.5099 - NOC 50304) and DESTROYING EVIDENCE (Gross
21 Misdemeanor - NRS 199.220 - NOC 52980), committed at and within the County of Clark,
22 State of Nevada, on or between July 9, 2013 and December 11, 2016, as follows:

23 COUNT 1 - THEFT

24 did on or between July 9, 2013 and December 2, 2016, willfully, knowingly,
25 feloniously, and without lawful authority, use the services or property of another person
26 entrusted to him, or placed in his possession for a limited, authorized period of determined or
27 prescribed duration or for a limited use, having a value of \$3,500.00 or more, belonging to
28 THE ESTATE OF LOIS LEE and/or VALERIE LEE-WEINBERG and/or WILLIAM LEE

1 and/or CARALINDA LEE and/or EDWARD ROLNICK and/or ANDREA GLANCE, in the
2 following manner, to wit: by acting as the attorney for THE ESTATE OF LOIS LEE and/or
3 VALERIE LEE-WEINBERG and/or WILLIAM LEE and/or CARALINDA LEE and/or
4 EDWARD ROLNICK and/or ANDREA GLANCE and by using said position to convert
5 and/or spend and/or wrongfully transfer approximately \$595,596.90 in funds entrusted to the
6 Defendant by THE ESTATE OF LOIS LEE and/or VALERIE LEE-WEINBERG and/or
7 WILLIAM LEE and/or CARALINDA LEE and/or EDWARD ROLNICK and/or ANDREA
8 GLANCE, Defendant's actions resulting in a loss to THE ESTATE OF LOIS LEE and/or
9 VALERIE LEE-WEINBERG and/or WILLIAM LEE and/or CARALINDA LEE and/or
10 EDWARD ROLNICK and/or ANDREA GLANCE of approximately \$595,596.90.

11 COUNT 2 - EXPLOITATION OF AN OLDER PERSON

12 did on or between July 9, 2013 and December 2, 2016, willfully, unlawfully and
13 feloniously exploit an older person, to wit: VALERIE LEE-WEINBERG and/or WILLIAM
14 LEE and/or CARALINDA LEE and/or EDWARD ROLNICK and/or ANDREA GLANCE,
15 each person being over the age of 60 years old, by Defendant, having the trust or confidence
16 of VALERIE LEE-WEINBERG and/or WILLIAM LEE and/or CARALINDA LEE and/or
17 EDWARD ROLNICK and/or ANDREA GLANCE or by use of a power of attorney or
18 guardianship, obtain control, through deception, intimidation or undue influence, over money,
19 assets or property belonging to THE ESTATE OF LOIS LEE and/or THE HEIRS OF LOIS
20 LEE and/or by converting money, assets or property belonging to THE ESTATE OF LOIS
21 LEE and/or THE HEIRS OF LOIS LEE, Defendant intending to permanently deprive
22 VALERIE LEE-WEINBERG and/or WILLIAM LEE and/or CARALINDA LEE and/or
23 EDWARD ROLNICK and/or ANDREA GLANCE of the ownership, use, benefit or
24 possession of their money, assets or property having an value of more than \$5,000.00, by
25 converting and/or wrongfully transferring approximately \$595,596.90 in funds entrusted to the
26 Defendant by the said VALERIE LEE-WEINBERG and/or WILLIAM LEE and/or
27 CARALINDA LEE and/or EDWARD ROLNICK and/or ANDREA GLANCE.

28 ///

1 COUNT 3 - THEFT

2 did on or between September 6, 2013 and December 2, 2016, willfully, knowingly,
3 feloniously, and without lawful authority, use the services or property of another person
4 entrusted to him, or placed in his possession for a limited, authorized period of determined or
5 prescribed duration or for a limited use, having a value of \$3,500.00 or more, belonging to
6 MICHAEL MACKNIN and/or THE ESTATE OF MICHAEL MACKNIN and/or BARBARA
7 MACKNIN, in the following manner, to wit: by acting as the attorney for MICHAEL
8 MACKNIN and/or THE ESTATE OF MICHAEL MACKNIN and/or BARBARA
9 MACKNIN and by using said position to convert and/or wrongfully spend and/or transfer
10 approximately \$1,045,335.08 in funds entrusted to the Defendant by said MICHAEL
11 MACKNIN and/or THE ESTATE OF MICHAEL MACKNIN and/or BARBARA
12 MACKNIN, Defendant's actions resulting in a loss to MICHAEL MACKNIN and/or THE
13 ESTATE OF MICHAEL MACKNIN and/or BARBARA MACKNIN of approximately
14 \$1,045,335.08.

15 COUNT 4 - EXPLOITATION OF AN OLDER PERSON

16 did on or between September 6, 2013 and December 2, 2016, willfully, unlawfully and
17 feloniously exploit an older person, to wit: BARBARA MACKNIN, being approximately 66
18 years old, by Defendant, having the trust or confidence of BARBARA MACKNIN or by use
19 of a power of attorney or guardianship, obtain control, through deception, intimidation or
20 undue influence, over BARBARA MACKNIN's money, assets or property and/or by
21 converting BARBARA MACKNIN's money, assets or property, Defendant intending to
22 permanently deprive BARBARA MACKNIN of the ownership, use, benefit or possession of
23 his money, assets or property having an value of more than \$5,000.00, by converting and/or
24 wrongfully transferring approximately \$1,045,335.08 in funds entrusted to the Defendant by
25 said BARBARA MACKNIN.

26 COUNT 5 - THEFT

27 did on or between March 20, 2014 and December 2, 2016, willfully, knowingly,
28 feloniously, and without lawful authority, use the services or property of another person

1 entrusted to him, or placed in his possession for a limited, authorized period of determined or
2 prescribed duration or for a limited use, having a value of \$3,500.00 or more, belonging to
3 THANE PARTON and/or THE SPECIAL NEEDS TRUST OF THANE PARTON, in the
4 following manner, to wit: by acting as the attorney for THANE PARTON and/or THE
5 SPECIAL NEEDS TRUST OF THANE PARTON and by using said position to convert and/or
6 wrongfully spend and/or transfer approximately \$471,585.64 in funds entrusted to the
7 Defendant by said THANE PARTON, Defendant's actions resulting in a loss to THANE
8 PARTON and/or THE SPECIAL NEEDS TRUST OF THANE PARTON of approximately
9 \$471,585.64.

10 COUNT 6 - EXPLOITATION OF A VULNERABLE PERSON

11 did on or between March 20, 2014 and December 2, 2016, willfully, unlawfully and
12 feloniously exploit an vulnerable person, to wit: THANE PARTON, by Defendant, having
13 the trust or confidence of THANE PARTON or by use of a power of attorney or guardianship,
14 obtain control, through deception, intimidation or undue influence, over THANE PARTON's
15 money, assets or property and/or by converting THANE PARTON's money, assets or property,
16 Defendant intending to permanently deprive THANE PARTON of the ownership, use, benefit
17 or possession of his money, assets or property having an value of more than \$5,000.00, by
18 converting and/or wrongfully transferring approximately \$471,585.64 in funds entrusted to the
19 Defendant by said THANE PARTON.

20 COUNT 7 - DESTROYING EVIDENCE

21 did on or about December 8, 2016, willfully and unlawfully, with intent to conceal the
22 commission of a felony, to wit: Theft and/or Exploitation of an Elder or Vulnerable Person,
23 or to protect or conceal the identity of any person committing the same, or with the intent to
24 delay or hinder the administration of the law, or to prevent the production thereof at any time
25 in any Court, or before any Officer, Tribunal, Judge, or Magistrate, destroy evidence, to wit:
26 by logging into the Dropbox account of Robert Graham and Associates and/or Lawyers West
27 and/or Robert Graham and deleting multiple documents related to clients and/or fund transfers
28 and/or other business records of the Robert Graham and Associates and/or Lawyers West.

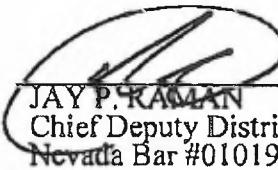
1 COUNT 8 - DESTROYING EVIDENCE

2 did on or about December 11, 2016, willfully and unlawfully, with intent to conceal the
3 commission of a felony, to wit: Theft and/or Exploitation of an Elder or Vulnerable Person,
4 or to protect or conceal the identity of any person committing the same, or with the intent to
5 delay or hinder the administration of the law, or to prevent the production thereof at any time
6 in any Court, or before any Officer, Tribunal, Judge, or Magistrate, destroy evidence, to wit:
7 by logging into the Dropbox account of Robert Graham and Associates and/or Lawyers West
8 and/or Robert Graham and deleting multiple documents related to clients and/or fund transfers
9 and/or other business records of the Robert Graham and Associates and/or Lawyers West.

10 DATED this 3rd day of January, 2017.

11 STEVEN B. WOLFSON
12 Clark County District Attorney
13 Nevada Bar #001565

14 BY

15  12/19/15 for
16 JAY P. KAMAN
17 Chief Deputy District Attorney
18 Nevada Bar #010193

19 ENDORSEMENT: A True Bill

20 
21 Foreperson, Clark County Grand Jury
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1 Names of Witnesses and testifying before the Grand Jury:

2 CASSADY, BRANDY, c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

3 HEINDL, ERIC, LVMPD

4 ISAACSON, JANEEN, STATE BAR NEVADA

5 JACKSON, ROBERT, c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

6 LEE-WINBERG, VALERIE, c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

7 MACKNIN, BARBARA c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

8 PARTON, THANE, c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

9 SCHULTZ, TIM, c/o CCDA, 200 Lewis Avenue, Las Vegas, NV

10
11 Additional Witnesses known to the District Attorney at time of filing the Indictment:

12 CUSTODIAN OF RECORDS, CCDC

13 CUSTODIAN OF RECORDS, LVMPD COMMUNICATIONS

14 CUSTODIAN OF RECORDS, LVMPD RECORDS

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27 16AGJ159X/mc-GJ
28 (TK)

EXHIBIT “2”

EXHIBIT “2”

IN THE SUPREME COURT OF THE STATE OF NEVADA

FILED

IN THE MATTER OF THE DISCIPLINE
OF ROBERT C. GRAHAM, BAR NO.
4618.

No. 71849

DEC 09 2016

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY *[Signature]*
CHIEF DEPUTY CLERK

*ORDER GRANTING PETITION, SUSPENDING ATTORNEY, AND
RESTRICTING HANDLING OF CLIENT FUNDS*

This is a petition by the State Bar for an order temporarily suspending attorney Robert C. Graham from the practice of law, pending the resolution of formal disciplinary proceedings against him. The petition and supporting documentation demonstrate that Graham appears to have misappropriated client funds entrusted to him and abandoned his practice without complying with SCR 115.

SCR 102(4)(b) provides, in pertinent part:

On the petition of bar counsel, supported by an affidavit alleging facts personally known to the affiant, which shows that an attorney appears to be posing a substantial threat of serious harm to the public, the supreme court may order, with notice as the court may prescribe, the attorney's immediate temporary suspension or may impose other conditions upon the attorney's practice.

In addition, SCR 102(4)(c) provides that we may place restrictions on an attorney's handling of funds.

We conclude that the documentation before us demonstrates that Graham poses a substantial threat of serious harm to the public, and that his immediate temporary suspension is warranted under SCR

102(4)(b). We further conclude that Graham's handling of funds should be restricted.¹

Accordingly, attorney Robert C. Graham is temporarily suspended from the practice of law, pending the resolution of formal disciplinary proceedings against him. Graham is precluded from soliciting or accepting new clients and from continuing to represent existing clients upon service of this order. See SCR 102(4)(d) (allowing attorney to represent clients for 15 days after service of the order "unless the court orders otherwise"). In addition, pursuant to SCR 102(4)(b) and (c), we impose the following conditions on Graham's handling of funds:

1. All proceeds from Graham's practice of law and all fees and other funds received from or on behalf of his clients shall, from the date of service of this order, be deposited into a trust account from which no withdrawals may be made by Graham except upon written approval of bar counsel; and

2. Graham and anyone else with access to the accounts, see NRCP 65(d), are prohibited from withdrawing any funds from any and all accounts in any way relating to his law practice, including but not limited to his general and trust accounts, except upon written approval of bar counsel.²

¹Our decision is based solely on the petition and supporting documents as provided by SCR 102(4)(b). Graham "may request dissolution or amendment" of this order by complying with SCR 102(4)(e).

²This restriction includes, but is not limited to, the accounts held at City National Bank, Nevada State Bank, JP Morgan Chase, Utah Community Credit Union, Cetra Advisors, TINC Wealth Advisors, Pershing Advisor Solutions, LLC, and WBI Wealth Management that
continued on next page ...

The State Bar shall immediately serve Graham with a copy of this order. Such service may be accomplished by personal service, certified mail, delivery to a person of suitable age at Graham's place of employment or residence, or by publication. When served on either Graham or a depository in which he maintains an account, this order shall constitute an injunction against withdrawal of the proceeds except in accordance with the terms of this order. See SCR 102(4)(c). Graham shall comply with the provisions of SCR 115. The State Bar shall comply with SCR 121.1.³

It is so ORDERED.⁴

Parraguirre C.J.
Parraguirre

Hardesty J.
Hardesty

Cherry J.
Cherry

Dongas J.
Dongas

Gibbons J.
Gibbons

Pickering J.
Pickering

... continued

relate in any way to Graham's law practice or that hold funds belonging to his clients.

³Because we grant the petition, this matter is no longer confidential. SCR 121(5).

⁴The Honorable Lidia S. Stiglich, Justice, did not participate in the decision of this matter. This is our final disposition of this matter. Any new proceedings shall be docketed under a new docket number.

cc: Chair, Southern Nevada Disciplinary Board
Robert C. Graham
Lawyers West, Inc.
P. Sterling Kerr
C. Stanley Hunterton, Bar Counsel, State Bar of Nevada
Kimberly K. Farmer, Executive Director, State Bar of Nevada
Perry Thompson, Admissions Office, U.S. Supreme Court

EXHIBIT “3”

EXHIBIT “3”



Lawyers Professional Liability Declarations

Markel Insurance Company
"A Stock Company"

Ten Parkway North
Deerfield, IL 60015

This is a claims made and reported policy

Please read this policy and all endorsements and attachments carefully.

Claims Made and Reported Coverage: The coverage afforded by this policy is limited to liability for only those Claims which are first made against the Insured during the Policy Period or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V - When to Report a Claim.

Notice: This policy may contain provisions that reduce the Limits of Liability stated in the policy by the costs of legal defense, unless the Named Insured has selected to purchase separate Limits of Liability for Claims Expenses as noted in Item 4. of the Declarations. This policy may contain provisions that permit legal defense costs to be applied against the deductible, unless the Named Insured has selected to purchase the deductible applicable to Damages only as noted in the Item 5. of the Declarations.

Please read the policy carefully.

Policy Number: LA303 630 **Renewal of Policy:** LA302300
1. NAMED INSURED: Robert C. Graham, Ltd. dba: Lawyers West dba: Rob Graham & Associates
ADDRESS: 10000 West Charleston Boulevard
Suite 140
Las Vegas, NV 89135

2. POLICY PERIOD: From 01-Jan-2016 to 01-Jan-2017
at 12:01 A.M. Standard Time at the Named Insured's address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE COMPANY AGREES WITH THE INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

3. LIMITS OF LIABILITY: Each Claim: \$1,000,000
Aggregate: \$2,000,000

4. CLAIMS EXPENSES: Option Purchased
A. Included within the Limits of Liability []
B. Have separate Limits of Liability [X]

5. DEDUCTIBLE: Each Claim and Aggregate: \$25,000
A. Deductible applies to Damages only []
B. Deductible applies to Damages and Claims Expenses [X]

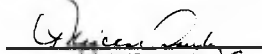
6. ANNUAL PREMIUM: \$11,583.00

7. RETROACTIVE DATE: UNLIMITED

8. Forms and endorsements applying to this Coverage part and made part of this policy at the time of issue:
MLP 0001 07 13
MLP 1400-NV 07 13

9. Report Claims by fax, registered mail or email to:
Claims Service Center: Markel Service Incorporated; Ten Parkway North, Deerfield, Illinois 60015
Fax (847) 572-6338 E-mail: newclaims@markelcorp.com

These Declarations, together with the Common Policy Conditions and Coverage Form(s) and any Endorsement(s), complete the above numbered policy.


Authorized Representative

Producer Name: RPS Plus Companies, 520 U.S. Highway 22, Bridgewater, NJ 08807
MDLP 1000 07 13
Issue Date: 12/28/2015

Markel Producer # 36993

MIC000001



MARKEL INSURANCE COMPANY

Endorsement

Named Insured:

Robert C. Graham, Ltd. DBA: Lawyers West dba: Rob Graham & Associates

Attached to and forming
a part of Policy No.:

LA303630

Endorsement No.:

1

Effective Date of Endorsement: **01/01/2016**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEVADA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

LAWYERS PROFESSIONAL LIABILITY INSURANCE COVERAGE FORM

IX. – GENERAL CONDITIONS

Paragraph **H. Cancellation** is amended to read as follows:

This policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing or delivering to the Company written notice stating when thereafter the cancellation shall be effective.

The policy may be canceled by the Company by delivering or mailing by certified or first class mail to the **Named Insured** at the last address known to the Company written notice stating the reason for cancellation and when not less than:

1. sixty (60) days thereafter such cancellation is effective if the Company cancels the policy when it has been in effect seventy (70) days or more for any of the following reasons:
 - a. conviction of the **Insured** of a crime arising out of acts increasing the hazard insured against;
 - b. discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a **Claim** under the policy;
 - c. discovery of:
 - i. an act or omission; or
 - ii. a violation of any condition of the policy;which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;
 - d. a material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - e. a determination by the Commissioner of Insurance that continuation of the Company's present volume of premiums would jeopardize the Company's solvency or be hazardous to the interests of the Company's policyholders, its creditors or the public; or
 - f. a determination by the Commissioner of Insurance that continuation of the policy would violate, or place the Company in violation of, any provision of the Nevada Insurance Code.
2. ten (10) days thereafter such cancellation is effective if the Company cancels:
 - a. in the case of nonpayment of premium; or
 - b. for any reason when this policy has been in effect less than seventy (70) days.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Personal delivery of such written notice by the Company shall be equivalent to such mailing.

If either the **Named Insured** or the Company cancels, earned premium shall be the pro-rated amount of the annual premium. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed as aforesaid shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the aggregate limit of liability of this policy has been exhausted, the entire premium shall be considered earned.

Paragraph I. **Nonrenewal** is amended to read as follows:

The Company may nonrenew this policy by mailing, by certified or first class mail, or by personally delivering, to the **Named Insured** at the last address known to the Company, written notice of nonrenewal stating the reason for nonrenewal at least sixty (60) days before the expiration date of this policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute nonrenewal.

All other terms and conditions remain unchanged.

MLP 1400-NV 07 13

Page 2 of 2

MIC000003



MARKEL INSURANCE COMPANY
LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

This policy is issued by the stock insurance company listed above.

NOTICE

THIS IS A CLAIMS MADE AND REPORTED FORM.

Claims Made and Reported Coverage: The coverage afforded by this policy is limited to liability for only those **Claims** which are first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V – When to Report a Claim.

Please review the policy carefully. This policy contains important exclusions and conditions. All words or phrases (other than captions) that are printed in bold face are defined in the policy. Please discuss any questions concerning the coverage with your insurance agent or broker.

WHAT TO DO IN CASE OF A CLAIM

In the event of a **Claim** against you arising from **Professional Services** or an awareness of an event or circumstance which you could reasonably expect to result in a **Claim** from **Professional Services**, you should immediately report the details to:

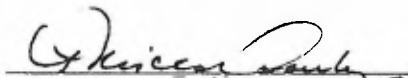
Claims Service Center
Markel Service Incorporated
Ten Parkway North
Deerfield, IL 60015
Fax: (855) 662-7535
E-mail: newclaims@markelcorp.com

Note: Failure to promptly report a **Claim** could jeopardize coverage under this policy.

IMPORTANT

This policy is not effective unless a Declarations Page is issued.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary and countersigned where required by law on the Declarations page by its duly authorized representative.


President


Secretary

LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

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PROFESSIONAL LIABILITY

LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

Claims Made and Reported Coverage: The coverage afforded by this policy is limited to liability for only those **Claims** which are first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V – When to Report a Claim.

MARKEL INSURANCE COMPANY, hereinafter called the Company, agrees with the **Named Insured** as shown in the Declarations which are made a part of this policy; in consideration of the payment of the premium, and in reliance upon the statements on the application and the Declarations Page and subject to the Limits of Liability, exclusions, conditions and other terms of this policy, as follows:

INSURING AGREEMENTS

SECTION I – COVERAGE

- A. The Company will pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** for **Claims** which are first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V – When to Report a Claim, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by an **Insured** or any entity or individual for whom the **Named Insured** is legally liable; provided always that such act, error, omission or **Personal Injury** happens:
1. during the **Policy Period**; or
 2. prior to the **Policy Period** provided that:
 - a. such act, error, omission or **Personal Injury** happened on or after the **Retroactive Date** as indicated on the Declarations Page of this policy; and
 - b. at the inception date of the first Lawyers Professional Liability Insurance Policy issued by this Company to the **Named Insured** or its **Predecessor in Business** and continuously renewed and maintained in effect to the inception of this **Policy Period**, no **Insured** had a reasonable basis to believe that any **Insured** had breached a professional duty or a reasonable basis to believe an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** might be expected to result in a **Claim** or **Suit**.

The Company shall have the right and duty to defend any **Suit** against the **Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Suit** are groundless, false or fraudulent. However, the Company shall have no duty to defend the **Insured** against any **Suit** seeking **Damages** to which this insurance does not apply. For covered **Claims** which are not **Suits**, the Company, at its option, shall select and assign defense counsel; however, the **Insured** may engage additional counsel, solely at their own expense, to associate in the defense of any such **Claim**. The **Insured** shall not assume any liability, any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

The Company shall also have the right to investigate any **Claim** and negotiate the settlement, as it deems expedient, but the Company shall not commit the **Named Insured** to any settlement without the **Named Insured's** consent. If the **Named Insured** refuses to consent to any settlement recommended by the Company, and elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the Company shall be relieved of any further duty to defend the **Claim**, and the liability of the Company for **Damages** and **Claims Expenses** for such **Claim** shall not exceed the amount for which the **Claim** could have been settled, as well as the **Claims Expenses**

incurred by the Company or with the Company's consent up to the date of such refusal. Such amounts are subject to the provisions of SECTION III - Limits of Liability and Deductible.

In the event that the **Claims Expenses** Option indicated in:

1. Item 4.A. of the Declarations Page is purchased, **Claims Expenses** shall be part of, and not in addition to, the Limits of Liability specified in Item 3. of the Declarations Page; or
2. Item 4.B. of the Declarations Page is purchased, **Claims Expenses** shall have separate Limits of Liability which shall be limited to an amount equal to the "each **Claim**" and "aggregate" Limits of Liability in Item 3. of the Declarations Page.

In no event shall the Company be obligated to pay **Damages** or **Claims Expenses** or to defend, or continue to defend, any **Suit** or **Claim** after the applicable limits of the Company's liability have been exhausted by payments of **Damages** or **Claims Expenses**.

B. Supplementary Payments

The Company will pay, in addition to the applicable Limits of Liability and without application of any Deductible:

1. Up to \$500 for loss of earnings to each individual **Insured** for each day or part of a day of such **Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a **Suit** against such **Insured** for covered **Damages**, but the amount so payable for any one or series of trials, hearings or arbitration proceedings shall in no event exceed \$5,000 for all **Suits** and all **Insureds** covered hereunder; and
2. Up to \$10,000 per **Policy Period** for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, local disciplinary board, self-regulatory agency, ethics commission or governmental regulatory body incurred as the result of a notice of a proceeding, first received by the **Insured** and reported to the Company during the **Policy Period**, that arises out of any act, error, omission or **Personal Injury** happening on or after the **Retroactive Date** in the rendering of or failure to render **Professional Services** by an **Insured** covered under this policy; and
3. Up to \$5,000 in the aggregate for awards granted during the **Policy Period** under Rule 11 of the Federal Rules of Civil Procedure.

SECTION II - INSUREDS

Each of the following is an **Insured** under this policy to the extent set forth below:

- A. The entity or person named in Item 1. of the Declarations Page as the **Named Insured**;
- B. Any **Predecessor in Business** or **Successor in Business**;
- C. Any past or present partners, officers, directors, stockholders, members, managing members or employees of any person or entity specified in Item A. or B. above, but only while acting within the scope of their duties on behalf of such person or entity;
- D. Any non-affiliated person, but solely for **Professional Services** performed within the course and scope of their written contract with, and on behalf of, the **Named Insured, Predecessor in Business** or **Successor in Business**;
- E. The estate, heirs, executors, administrators and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this policy;
- F. Retained Of Counsel, but solely for **Professional Services** performed within the scope of their employment by the **Named Insured** or any **Predecessor in Business**.

In all events, coverage as afforded with respect to a **Claim** made against an **Insured** as specified in Items A. through F. above, will only apply to an act, error, or omission or **Personal Injury** committed or allegedly committed by such **Insured** after such **Insured** joined the entity specified in Item A. or B. above and prior to the time such **Insured** ceased to be an **Insured** as specified in Items A. through F. above.

With respect to Items B. through D. above, this policy shall not apply if the **Successor in Business** is also an **Insured** under any similar insurance policy issued by the Company, regardless of such policy's exhaustion of its limits of liability. With respect to any **Successor in Business**, this coverage shall terminate at the earlier of policy termination or ninety (90) days from the date of dissolution of the **Named Insured** unless written notice is given to the Company, together with

such information as the Company may request, and the **Successor in Business** shall pay any additional premium required in the event the Company agrees to continue the policy.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** covered under this policy or the number of claimants or the number of **Claims** made, the Company's liability is limited as follows:

- A. In the event **Claims Expenses** are included within the Limits of Liability as specified in Item 4.A. of the Declarations Page, the Limit of Liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for all **Damages** and **Claims Expenses** for each **Claim** which is first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which is reported to the Company in accordance with SECTION V – When to Report a Claim.

All **Claims** arising from the same or related acts, errors or omissions or **Personal Injuries** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same Limit of Liability, with all such **Claims** to be considered as first made at the earliest of the date the first **Claim** was made or the date the act, error, omission or **Personal Injury** was first reported to the Company.

The Limit of Liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages** and **Claims Expenses**.

- B. In the event **Claims Expenses** have separate Limits of Liability as specified in Item 4.B. of the Declarations Page, the Limit of Liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for **Damages** resulting from each **Claim** which is first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which is reported to the Company in accordance with SECTION V – When to Report a Claim. There shall be a separate "each **Claim**" Limit of Liability applicable to **Claims Expenses** for each such **Claim** equal to the Company's limit of liability for **Damages**.

All **Claims** arising from the same or related acts, errors or omissions or **Personal Injuries** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same Limit of Liability, with all such **Claims** to be considered as first made at the earliest of the date the first **Claim** was made or the date the act, error, omission or **Personal Injury** was first reported to the Company.

The Limit of Liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages**. There shall be a separate "aggregate" Limit of Liability applicable to all **Claims Expenses** for all **Claims** covered by this policy, equal to the Company's limit of liability for **Damages**.

- C. In the event the Deductible applies to **Damages** only as specified in Item 5.A. of the Declarations Page, the Company's liability for **Damages** resulting from "each **Claim**" is in excess of the Deductible amount stated on the Declarations Page. The **Insured** shall pay for **Damages** in the amount of the Deductible for each **Claim**.
- D. In the event the Deductible applies to **Damages** and **Claims Expenses** as specified in Item 5.B. of the Declarations Page, the Company's liability for **Damages** and **Claims Expenses** resulting from "each **Claim**" is in excess of the Deductible amount stated on the Declarations Page. In the event that there is a separate aggregate Limit of Liability for **Claims Expenses** and for **Damages** and the Deductible amount applies to **Claims Expenses** and **Damages**, the Deductible amount applies once for each **Claim**. The **Insured** shall pay for **Claims Expenses** and/or **Damages** in the amount of the Deductible for each **Claim**.
- E. The total amount of **Damages** or **Claims Expenses** for which the **Insured** will be responsible as respects all **Claims** shall not exceed the Deductible amount stated in Item 5. of the Declarations Page.

Once the **Named Insured** has paid the Deductible amount stated in Item 5. of the Declarations Page, the **Named Insured** does not have to pay any further amount as a Deductible.

The **Named Insured** shall remit the Deductible within ten (10) days of the Company's written demand. Failure of the **Named Insured** to remit the Deductible upon receipt of such demand shall disqualify the **Named Insured** from being able to exercise the option to purchase an Extended Reporting Period endorsement.

SECTION IV – TERRITORY

The insurance afforded by this policy applies to any **Claim** made or **Suit**, if any, brought within the United States of America, its territories, possessions, Puerto Rico or Canada.

SECTION V – WHEN TO REPORT A CLAIM

- A. Written notice shall be given by the **Insured** to the Company when the **Insured** first becomes aware of a **Claim** or **Suit** first made against an **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and the **Insured** shall immediately forward to the Company copies of any and all demand letters, legal pleadings and other information relative to such **Claim** or **Suit**. In any event, such **Claim** or **Suit** must be reported to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois, 60015, on behalf of the Company, within thirty (30) days after the end of the **Policy Period** or any applicable Extended Reporting Period.
- B. Written notice shall be given by the **Insured** to the Company if during the **Policy Period** or any applicable Extended Reporting Period, the **Insured** first becomes aware of a breach of a professional duty, or an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** or any event or circumstance, which could reasonably be expected to result in a **Claim** against an **Insured** within the scope of coverage of this policy. If such written notice is received by the Company within thirty (30) days after the expiration of the **Policy Period** or any applicable Extended Reporting Period, any **Claim** subsequently made against the **Insured** arising out of such reported matter will be deemed to have been first made on the date on which such written notice is received by the Company.

Such written notice to the Company should contain a description of the matter referred to in the paragraph above, the date on which such matter took place, the injury or damage which has or may result from such matter and the identity of any injured persons and/or organization subject to such injury or damage. Such matter shall be subject to all terms, conditions and provisions in this policy as applicable to a **Claim**.

SECTION VI – EXCLUSIONS

This insurance does not apply to **Claims**:

- A. Arising out of an illegal, dishonest, fraudulent, criminal, knowingly wrongful, or malicious act, error or omission, or an intentional or knowing violation of the law, including but not limited to the Racketeer Influenced and Corrupt Organizations Act (commonly known as RICO), committed by, at the direction of, or with the knowledge of any **Insured**; however, for such **Claims** otherwise covered by this policy, the Company will provide a defense until such time as the act, error, or omission is found to be illegal, dishonest, fraudulent, criminal, malicious, or was an intentional or knowing violation of the law by trial, court ruling, regulatory ruling or admission;
- B. Based on or arising out of the rendering of or failure to render **Professional Services** by any **Insured** in their capacity as an employee, owner, partner, stockholder, director or officer of any sole proprietorship, partnership or corporation or other business enterprise which is not defined as **Named Insured**, **Predecessor in Business** or **Successor in Business**;
- C. For:
1. **Bodily Injury**; or
 2. Physical injury, damage to or destruction of or loss of use of tangible property;
- This exclusion does not apply to mental illness, emotional distress or humiliation which results solely from an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services**;
- D. Based on or arising out of any obligations for which an **Insured** or any carrier acting as his insurer may be liable under any workers' compensation, unemployment compensation, disability, retirement plan, pension or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974, Public Law 93-406 (ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while any **Insured** is acting as a fiduciary within the meaning of said laws. This exclusion shall not apply if an **Insured** is deemed to be a fiduciary solely on the basis of rendering legal advice with respect to a particular employee benefit plan;
- E. Based on or caused by any **Insured** acting in the capacity of trustee or administrator of any kind of an employee benefit plan, pension, retirement, or profit sharing plan, or investment pool, fund or trust;
- F. Based on or arising out of **Professional Services** performed for any entity, other than the **Named Insured**, which at the time of the act, error, omission or **Personal Injury** giving rise to the **Claim**, was owned, controlled, managed or operated by any **Insured**. This exclusion shall not apply if at the time the **Professional Services** were rendered, the

percentage of ownership in such entity, by any **Insured**, their spouse, or a cumulation of **Insureds**, did not exceed 10%;

- G. Seeking restitution, reduction, disgorgement, set off, return, or payment of any form of legal fees, related fees, or any other costs, expenses, or charges;
- H. Made by an **Insured** against any other **Insured**, unless such **Claim** arises solely out of **Professional Services** performed for an **Insured** by another **Insured** in a lawyer-client relationship;
- I. Based on or arising out of the actual or alleged notarized certification or acknowledgement by any **Insured** of a signature on any document that the **Insured** did not witness being placed on the document;
- J. Based on or arising out of an **Insured** acting or serving as an elected or appointed public official or employee of any governmental agency, body or subdivision. However, this exclusion shall not apply to any **Claim** made which arises solely and exclusively from the performance of **Professional Services** by an **Insured** for the governmental agency, body or subdivision;
- K. For unlawful discrimination or wrongful termination or any **Claim** based on or arising out of any other employment related practices.

SECTION VII – DEFINITIONS

When used in this policy (including endorsements forming a part of the policy):

- A. **Alternative Dispute Resolution** means the use of mediation or non-binding arbitration proceedings in which the **Insured** participates with the consent of the Company.
- B. **Bodily Injury** means bodily harm, sickness, disease, emotional distress or death that results to any person.
- C. **Claim** means a demand for money, the filing of **Suit** or the institution of arbitration or mediation proceedings naming the **Insured**, received by the **Insured** and alleging an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services**.

Claim does not include proceedings seeking injunctive or other non-pecuniary relief or that portion of a proceeding seeking monetary relief that seeks injunctive or other non-pecuniary relief.

- D. **Claims Expenses** means:
 1. Fees charged by an attorney(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, **Suit** or proceeding arising in connection therewith, if incurred by the Company, or by an **Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
 2. All costs taxed against an **Insured** in such **Suits**, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or otherwise, the part of the judgment which does not exceed the limit of the Company's liability;
 3. Prejudgment interest; or
 4. Premiums on appeal bonds and premiums on bonds to release attachments in such **Suits**, but not premiums for bond amounts in excess of the applicable Limit of Liability of this policy. Notwithstanding the foregoing, the Company shall have no obligation to pay for or furnish any bond.
- E. **Damages** means compensatory judgments, settlements or awards, but does not include punitive or exemplary damages, fines or penalties, sanctions, the return of fees or other consideration paid to the **Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law. **Damages** does not include matters uninsurable in the jurisdiction governing this policy.

However, if a **Suit** is brought against an **Insured** with respect to a **Claim** falling within the scope of coverage afforded by this policy, and such **Suit** seeks both compensatory and punitive or exemplary or multiplied damages, then the Company will afford a defense to such action without liability for payment of such punitive or exemplary or multiplied damages.

- F. **Insured** means any person or organization qualifying as an **Insured** under SECTION II – Insureds, of this policy. The insurance afforded applies separately to each **Insured** against whom a **Claim** is made or **Suit** is brought except with respect to the limits of liability.

- G. **Named Insured** means the person or organization named in Item 1. of the Declarations Page.
- H. **Personal Injury** means:
1. False arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy or malicious prosecution; or
 2. The publication or utterance of a libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.
- I. **Policy Period** means the period from the inception date of this policy to the policy expiration date as stated on the Declarations Page, or its earlier termination date, if any.
- J. **Predecessor in Business** means any law firm which has undergone dissolution and:
1. Some or all of such firm's, principals, owners, officers or partners have joined the **Named Insured**, provided such persons were responsible for producing in excess of 50% of the prior firm's annual gross revenues and such billings have been assigned or transferred to the **Named Insured**; or
 2. At least 50% of the principals, owners, partners or officers of such firm have joined the **Named Insured**; or
 3. The **Named Insured** has assumed 50% or greater of the prior firm's assets and liabilities.
- K. **Professional Services** means:
1. Services performed or advice given by the **Insured** in the **Insured's** practice as a lawyer, arbitrator, mediator or title agent;
 2. Services as a notary public;
 3. Services as a trustee, administrator, conservator, executor, guardian, receiver or similar fiduciary capacity except when any **Insured** is a beneficiary or distributee of any trust or estate serviced and the fee accruing from such work inures to the benefit of any **Insured**;
 4. Advice given or services performed in connection with any professional institute or any standards board or any other professional body whether or not it is performed on behalf of the **Named Insured**;
 5. The publication or presentation of legal research papers or similar legal materials, but only if direct pecuniary compensation per publication or presentation is less than \$3,000;
 6. Services performed by the **Insured** in the course of a lawyer-client relationship on behalf of one or more clients shall be deemed for the purpose of this section to be the performance of **Professional Services** for others in the **Insured's** capacity as a lawyer, although such services could be performed wholly or in part by non-lawyers;
 7. Services as stated in K.1.-6. above when performed as legal pro bono work.
- L. **Retroactive Date** means the **Retroactive Date** as stated on the Declarations Page, or any endorsement attached hereto, on or after which any act, error, omission or **Personal Injury** must have happened in order for any **Claim** arising therefrom to be covered under this policy. Any **Claim** arising from any act, error, omission or **Personal Injury** happening prior to the **Retroactive Date** is not covered by this policy.
- M. **Successor in Business** means, after dissolution of the **Named Insured**, any firm in which:
1. Some or all of the principals, owners, officers or partners of the **Named Insured** have joined an existing, or formed a new firm, provided such persons were responsible for producing more than 50% of the **Named Insured's** annual gross revenues at the time of dissolution and such revenues have been assigned or transferred to the successor firm; or
 2. At least 50% of the principals, owners, partners or officers of the **Named Insured** have joined an existing, or formed a new firm; or
 3. At least 50% of the assets and liabilities of the **Named Insured** have been assumed.
- N. **Suit** means a civil adjudicatory proceeding in a court.

SECTION VIII – AUTOMATIC EXTENDED REPORTING and EXTENDED REPORTING OPTIONS
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A. **Automatic Extended Reporting Period:**

In the case of cancellation or non-renewal of this policy by the **Named Insured** or the Company, for any reason, an automatic thirty (30) day extended reporting period, effective at the termination of the **Policy Period**, will be provided by the Company at no additional cost. This Automatic Extended Reporting Period shall extend the time in which an **Insured** must give written notice to the Company of **Claims** first made against the **Insured** during this Automatic Extended Reporting Period arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which happens after the **Retroactive Date** and prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions. The Automatic Extended Reporting Period shall not extend the **Policy Period**.

B. **Extended Reporting Period Option:**

1. Eligibility

In the case of cancellation or nonrenewal of this policy by the **Named Insured** or the Company for any reason other than cancellation by the Company for nonpayment of premium or Deductible, or material misrepresentation by any **Insured** in the application for this policy, the **Named Insured** shall have the right to purchase an extension of the time during which **Claims** must be reported for an additional premium of:

- 100% of the full annual premium for this policy, by a period of twelve (12) months; or
- 150% of the full annual premium for this policy, by a period of twenty-four (24) months; or
- 185% of the full annual premium for this policy, by a period of thirty-six (36) months; or
- 210% of the full annual premium for this policy, by a period of forty-eight (48) months; or
- 225% of the full annual premium for this policy, by a period of sixty (60) months; or
- 300% of the full annual premium for this policy, to an unlimited period;

following the effective date of such cancellation or non-renewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which happens after the **Retroactive Date** and prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions. This right shall terminate, however, unless written notice of such election together with the full additional premium is received by the Company or its authorized agent from the **Named Insured** within thirty (30) days after the effective date of cancellation or nonrenewal.

The **Named Insured's** failure to remit any Deductible upon receipt of such demand shall disqualify the **Named Insured** from being able to exercise the option to purchase an Extended Reporting Period endorsement.

2. Termination of Any Extended Reporting Period Option

At the commencement of any Extended Reporting Period, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Insured** any portion of the premium for any Extended Reporting Period.

3. The fact that the period during which **Claims** must be first made against the **Insured** under this policy is extended by virtue of any Extended Reporting Period shall not in any way increase the Limits of Liability of this policy. The Limits of Liability available under any Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability available under this policy issued to the **Named Insured**.4. Any Extended Reporting Period shall not extend the **Policy Period**. Furthermore, the Automatic Extended Reporting Period does not extend the time to purchase the Extended Reporting Period Option. The Deductible amount shown in Item 5. of the Declarations Page shall apply to any **Claim** made during any Extended Reporting Period.C. **Nonpracticing Extended Reporting Period:**

1. Eligibility

a. The provisions of this subsection entitled "Nonpracticing Extended Reporting Period" apply to any lawyer employed by the **Named Insured** (hereinafter referred to as "**you**" or "**your**") who falls within the definition of "**Insured**" set forth in SECTION II Item C., but not to such lawyers acting as "of counsel", as independent contractors, or as lawyers contracting on a *per diem* basis.

b. If **you** retire or otherwise cease the private practice of law during the **Policy Period**, then **you** have the option to extend the insurance afforded by this policy subject otherwise to its terms, limits of liability, exclusions and

conditions. Such extension (hereinafter, "Nonpracticing Extended Reporting Period") shall apply to **Claims** first made against **you** during the period of months as purchased immediately following the effective date of such retirement or cessation of private practice, or the effective date of this policy's cancellation, if sooner (hereinafter, "**Effective Date**"), but only for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** committed by **you** after the **Retroactive Date** and before such **Effective Date** and otherwise covered by this insurance, provided there is no other insurance in effect on or after such **Effective Date** which covers **you** for such liability or **Claim**.

2. A specific Nonpracticing Extended Reporting Period must be purchased by **you**. For each of **you** purchasing the Nonpracticing Extended Reporting Period, the premium is:

- a. 100% of the full annual premium for this policy, for a period of twelve (12) months; or
150% of the full annual premium for this policy, for a period of twenty-four (24) months; or
185% of the full annual premium for this policy, for a period of thirty-six (36) months; or
210% of the full annual premium for this policy, for a period of forty-eight (48) months; or
225% of the full annual premium for this policy, for a period of sixty (60) months; or
300% of the full annual premium for this policy, for an unlimited period;

modified by the number of **you** purchasing the Nonpracticing Extended Reporting Period divided by the total number of lawyers in the **Named Insured**.

- b. The Company will waive the premium for any Nonpracticing Extended Reporting Period if **you**:

- (1) die, except by suicide; or
- (2) become totally and permanently disabled; or
- (3) retire or otherwise cease the private practice of law;

during the **Policy Period** and have been insured by the Company under a Lawyers' Professional Liability Insurance Policy continuously for the last three (3) full years.

- c. The Deductible amount and Deductible provisions of this policy will be waived with respect to **Claims** first made against **you** during the Nonpracticing Extended Reporting Period, if purchased by **you**.

3. Nonpracticing Extended Reporting Period Limits of Liability

- a. The limits of liability applicable to any and all Nonpracticing Extended Reporting Periods provided under the policy will be part of and not in addition to the limits of liability stated in the Declarations. The purchase of any Nonpracticing Extended Reporting Periods will not increase the limits of liability stated in the Declarations, which shall be the Company's maximum liability for the **Policy Period** and all Nonpracticing Extended Reporting Periods combined regardless of the number of Nonpracticing Extended Reporting Periods purchased.
- b. If other insurance exists which covers **Claims** first made during the Nonpracticing Extended Reporting Period, the coverage provided under this policy for the Nonpracticing Extended Reporting Period will not apply.

4. Purchasing the Nonpracticing Extended Reporting Period

- a. As a condition precedent to the **Your** right to elect the Nonpracticing Extended Reporting Period, any and all premium and Deductibles that are due must have been paid and **you** must have complied with all other terms and conditions of this policy.
- b. The Nonpracticing Extended Reporting Period will not be available if **you** are disbarred, suspended or resign in lieu of suspension in any state or court where **you** have a license or have a right to practice.
- c. **Your** right to purchase the Nonpracticing Extended Reporting Period must be exercised by notice in writing to the Company not later than thirty (30) days after the effective date of **your** retirement or cessation of private practice, or not later than the effective date of this policy's cancellation, if sooner, even if the Company has waived the premium pursuant to Item C.2.b. above. Such notice must indicate the date of **your** retirement or cessation of private practice and must include payment of the entire premium, if any, for such Nonpracticing Extended Reporting Period. **You** may not change the option purchased once that has been purchased. At the commencement of any Nonpracticing Extended Reporting Period **you** purchase, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Insured** any portion of the premium for any Nonpracticing Extended Reporting Period.

SECTION IX – GENERAL CONDITIONS
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A. Premium

All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. The **Named Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.

B. Assistance and Cooperation of Insured

All **Insureds** shall fully cooperate in the Company's investigation of any matter tendered under the policy, including submitting to a statement under oath when requested by the Company and shall fully cooperate with the Company in the defense of any **Claim** made under this policy.

Upon the Company's request, all **Insureds** shall assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution, subrogation or indemnity against any person, organization or other insurer which may be liable to the **Insured** or the Company for **Damages** or **Claims Expenses**. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. No **Insured** shall, except at the **Insured's** own cost, voluntarily make any payments, assume any obligation or incur any expense. The **Insured** may provide for **Alternative Dispute Resolution** with a client under an engagement letter or any other written contract as long as such agreement is executed in writing prior to any **Claim** or potential **Claim**.

The **Insured** will consent to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for the **Insured's** liability and any **Damages** awarded if **Suit** or any other proceeding is brought on the **Claim**.

C. Assignment

This policy may not be assigned without first obtaining the written consent of the Company. No **Insured's** rights under this policy are assignable. If any **Insured** shall die or be adjudged incompetent, this insurance shall terminate for such person, but shall cover the **Insured's** legal representative with respect to liability previously incurred and covered by this insurance.

D. Legal Action Against the Company

No action shall lie against the Company unless there shall have been full compliance with all of the terms and conditions of this policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined, either by judgment against the **Insured** or by written settlement agreement between the **Insured** and the claimant, entered into with the written consent of the Company.

Any person or organization or the legal representative thereof who has secured a judgment or written settlement agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. A written settlement agreement means a settlement and release of liability signed by the **Insured** and the claimant with the written consent of the Company. No person or organization shall have any right under this policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or his legal representative.

The Company will not be liable for **Damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance.

E. Conformity to Statute

In the event that any terms, conditions or exclusions of this policy conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall, by this statement, be amended to conform to such law or laws.

F. Other Insurance

If there is other valid insurance (whether primary, excess, contingent or qualified self-insurance, including Extended Reporting Period coverage in the **Insured's** previous insurance) which may apply to a **Claim** covered by this policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance or qualified self-insurance.

When this insurance is excess, the Company shall have no duty under this policy to defend any **Claim** or **Suit** that any other insurer or qualified self-insurer has a duty to defend. If such other insurer or self-insurer refuses to defend such **Claim** or **Suit**, the Company shall be entitled to the **Insured's** rights against all other insurers or qualified self-insurers for any **Claims Expenses** and **Damages** incurred by the Company.

If a loss occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata.

G. Subrogation

To the extent of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery against any person, organization or entity, and all **Insureds** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after any loss to prejudice or terminate such rights and shall fully cooperate with the Company. The Company shall not exercise any such rights against any persons, firms or companies included in the definition of **Insured**. Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an **Insured** in respect of any **Claim** brought about or contributed to by any dishonest, criminal, fraudulent, malicious or illegal acts or omissions.

H. Cancellation

This policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

The policy may be canceled by the Company by mailing to the **Named Insured** at the address shown in the policy written notice stating when not less than sixty (60) days thereafter, or ten (10) days in the case of nonpayment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to such mailing.

If either the **Named Insured** or the Company cancels, earned premium shall be the pro rated amount of the annual premium. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed as aforesaid shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the aggregate limit of liability of this policy has been exhausted, the entire premium shall be considered earned.

I. Nonrenewal

The Company may nonrenew this policy by mailing or delivering to the **Named Insured** at the address stated in the Declarations Page written notice of nonrenewal at least sixty (60) days before the expiration date of this policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute nonrenewal.

J. Changes

The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.

K. Bankruptcy or Insolvency of Insured

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations under this policy.

L. Declarations and Application

By acceptance of this policy, all **Insureds** agree that the statements in the application are the **Insureds'** agreements and representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations, that this policy embodies all agreements existing between the **Insureds** and the Company or any of its agents relating to this insurance. The application, which is deemed attached, forms a part of and is incorporated within the policy issued to the **Named Insured**.

M. Reimbursement

While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

1. Within the amount of the applicable Deductible; or
2. In excess of the applicable Limit of Liability; or
3. Under a reservation of rights to seek reimbursement;

and it is determined that the Company is entitled to reimbursement, all **Insureds** shall be jointly and severally liable to the Company for such amounts. Upon written demand, the **Insured** shall repay such amounts to the Company within thirty (30) days. Failure to pay any amount indicated may lead to policy termination.

N. Liberalization

If the Company adopts any revision to this standard policy wording that would broaden the coverage under this policy without additional premium at any time during the **Policy Period**, the broadened coverage will immediately apply to this policy, without any effect on the other terms and conditions, such as the Limits of Liability.

O. Waiver of Exclusion and Breach of Notification or Reporting Requirements

Whenever coverage under any provision of this policy would be excluded, suspended or lost:

1. because of EXCLUSION A; or
2. because of noncompliance with SECTION V – When to Report a Claim by any **Insured** whose failure to give written notice to the Company was due to:
 - a. the concealment by another **Insured** of the acts, errors, omissions or **Personal Injuries** which gave rise to a **Claim**; and
 - b. the failure of that other **Insured** to give written notice to the Company;

then the Company agrees that such insurance as would otherwise be afforded under this policy shall not be excluded, suspended or lost with respect to any **Insured** who did not personally commit, participate or acquiesce in one or more of the acts or omissions by another **Insured** triggering the application of EXCLUSION A; or who, with respect to SECTION V – When to Report a Claim, did not personally fail to comply, or did not remain passive after learning of another **Insured's** failure to comply with such Condition, and did comply with such Condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

In any event, such **Claim** or **Suit** must be reported to Markel Service, Incorporated, Ten Parkway North, Deerfield, Illinois, 60015, on behalf of the Company, within thirty (30) days after the end of the **Policy Period**, or any applicable Extended Reporting Period.

P. Nuclear Energy Liability Exclusion (Broad Form)

The insurance does not apply:

1. Under any Liability Coverage, to **Bodily Injury** or **Property Damage**:
 - a. With respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the **Hazardous Properties of Nuclear Material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. Under any Medical Payments Coverage, to expenses incurred with respect to **Bodily Injury** resulting from the **Hazardous Properties of Nuclear Material** and arising out of the operation of a **Nuclear Facility** by any person or organization.
3. Under any Liability Coverage, to **Bodily Injury** or **Property Damage** resulting from the **Hazardous Properties of Nuclear Material**, if:
 - a. The **Nuclear Material** (1) is at any **Nuclear Facility** owned by, or operated by or on behalf of, an **Insured** or (2) has been discharged or dispersed therefrom;
 - b. The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - c. The **Bodily Injury** or **Property Damage** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or

possessions or Canada, this exclusion c. applies only to **Property Damage** to such **Nuclear Facility** and any property thereat.

4. As used in this exclusion:

Hazardous Properties includes radioactive, toxic or explosive properties.

Nuclear Material means **Source Material**, **Special Nuclear Material** or **By-Product Material**.

Source Material, **Special Nuclear Material**, and **By-Product Material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Spent Fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**.

Waste means any waste material (1) containing **By-Product Material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **Source Material** content, and (2) resulting from the operation by any person or organization of any **Nuclear Facility** included under the first two paragraphs of the definition of **Nuclear Facility**.

Nuclear Facility means:

- a. Any **Nuclear Reactor**;
 - b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
 - c. Any equipment or device used for the processing, fabricating or alloying of **Special Nuclear Material** if at any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **Waste**;
- and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear Reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Property Damage includes all forms of radioactive contamination of property.



520 U.S. Highway 22
P.O. Box 6920
Bridgewater, NJ 08807-0920
Tel 908.685.7650
Fax 908.685.7655

Dear Valued Client:

As a further benefit of your Markel insurance policy you have been enrolled as a member of the Premier Attorneys Purchasing Group, Inc. The purpose of the RPG is to provide its member firms with high quality professional liability insurance and innovative risk management material and assistance.

Our loss control website contains a large variety of information in a user friendly format. The site includes timely articles and publications, loss control checklists, ethics rules, firm policy considerations, model letters to clients and non clients and a selection of FAQs.

In addition to the above, the site offers a portal to our *Pre Claim Hotline*. The *Pre Claim Hotline* is administered by the renowned law firm of Hinshaw & Culbertson and provided at no charge to our policyholders. The essence of the *Pre Claim Hotline* is to avail our clients with a facility to discuss sensitive pre claim details on an actual lawyer/client basis. All matters are kept confidential and not reported or discussed with the insurer, broker or claims administrator.

To gain access to the loss control information and *Pre Claim Hotline* first enter our website at www.premierattorneysrpg.com.

From our website click on the *Loss Control* link.

When prompted your login is *premier*, password *insure*.

Alternatively, you may access the *Pre Claim Hotline* directly by phone by dialing 855-214-2633.



- ☐ Deerfield Insurance Company
☐ Evanston Insurance Company
☐ Essex Insurance Company
☐ Markel American Insurance Company
☐ Markel Insurance Company
☐ Associated International Insurance Company

Broker Name
 Broker Street
 Broker City, State, Zip

LAWYER'S ERRORS & OMISSIONS LIABILITY INSURANCE APPLICATION

THIS IS AN APPLICATION FOR CLAIMS-MADE AND REPORTED INSURANCE. THIS COVERAGE IS LIMITED TO CLAIMS FIRST MADE AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AS STATED IN THE DECLARATIONS OR ANY APPLICABLE EXTENDED REPORTING PERIOD. IT IS IMPORTANT THAT YOU REPORT ANY CURRENTLY KNOWN CLAIMS OR CIRCUMSTANCES THAT COULD RESULT IN A CLAIM TO YOUR CURRENT INSURER OR PURCHASE AN EXTENDED REPORTING PERIOD ENDORSEMENT TO COVER SUCH CLAIMS OR INCIDENTS. THE INSURER WILL NOT PROVIDE COVERAGE FOR CLAIMS OR INCIDENTS WHICH YOU ARE AWARE OF PRIOR TO THE INCEPTION DATE OF THIS COVERAGE, IF OFFERED AND ACCEPTED.

INSTRUCTIONS FOR COMPLETING APPLICATION:

Enclose a copy of the Applicant's letterhead. Please type or print clearly in ink. All questions must be answered completely. If any questions are considered "not applicable," please explain why. If you need more space, continue on a separate sheet and indicate the question number. This application and all supplemental forms must be signed and dated by a principal of the Applicant.

Proposed Effective Date: From 01/01/2016 To 12/31/2016
 12:01 a.m. Standard Time at the address of the Applicant

I. GENERAL INFORMATION

- Applicant: Robert C. Graham, Ltd./DBA Lawyers West/DBA Rob Graham & Associates
- Street Address: 10000 West Charleston Blvd., #140 City: Las Vegas
 County: Clark St: NV Zip: 89135
 Do you have additional office locations? If Yes, please provide details on a separate attachment. x Yes ☐ No
- a. Telephone Number: 702-255-6161 b. Fax Number: 702-255-8383
 c. Website Address: Lawyerswest.com

4. Date the Applicant was established: 1993

5. List all Predecessors in Business:

"Predecessor in Business" means any law firm which has undergone dissolution and to which any of the following apply:

- some or all of such firms, principals, owners, officers or partners have joined the **Named Insured**, provided such persons were responsible for producing in excess of 50% of the prior firm's annual gross revenues and such billings have been assigned or transferred to the **Named Insured**; or
- at least 50% of the principals, owners, partners or officers of the prior firm have joined the **Named Insured**; or
- The **Insured** has assumed 50% or greater of the prior firm's assets and liabilities.

NAME OF FIRM	DATE FORMED	DATE OF MERGER OR DISSOLUTION IF APPLICABLE	PERCENTAGE OF ASSETS AND LIABILITIES ASSUMED	NO. OF PRINCIPALS OR PARTNERS	NO. OF EMPLOYED LAWYERS

(d) What was the date of establishment of the oldest "Predecessor in Business"? _____

6. Does the Applicant have any subsidiaries, or conduct any ancillary business or professional activities or services? ☐ Yes ☒ No
 If Yes, advise name of subsidiary or ancillary business, detailed description of operation, and amount of gross annual revenues: _____

7. Staff:	Number Currently Employed	Number Who Left The Applicant in Past Year
Lawyers	7	3
Paralegals	4	1
Non-Lawyer Employees	9	3

8. List all Lawyers to be insured along with the proper designation code.
 Designation Codes: P = Partner L = Lawyer OC = Of Counsel IC = Independent Contractor

NAME	DESIGNATION CODE (If "OC" or "IC", indicate approximate hours per week worked for Named Insured)	YEAR FIRST ADMITTED TO BAR	STATES WHERE LICENSED	YEAR LAWYER JOINED APPLICANT
Robert C. Graham	P	1992	NV	1992
Linda M. Graham	P	1993	NV	1994
Delwyn Webber	P	2008	NV	2008
Michele Chambers	IC	1998	UT	2009
William Ellison	L	2014	CO, UT	2014
Audrey Galloway	L	2006	CO	2014
Olesya Sidorkina	L	2015	NV	2015

*If Applicant has more than ten (10) lawyers, please list remainder by separate attachment.

9. Provide total gross revenues for the Applicant for the past three (3) years or fiscal year period. If newly established, indicate anticipated gross revenues for the current year.
 \$2,678,914.00 current year
 \$2,988,790.00 last year
 \$3,021,714.00 2 years ago

II. APPLICANT'S PRACTICE

1. a. Practice Areas. Describe the Applicant's practice by showing the approximate percentage of gross billable dollars during the past year derived from the following:

CATEGORY A		CATEGORY B		CATEGORY C	
Administrative	3	Government Law		International Law	
Appellate	1	Title/Commercial		Juvenile	
Arbitration		Title/Residential		Labor/Management Representation	
Criminal		Traffic			
Immigration					
Mediation					
Municipal Law					
SUBTOTAL A	4	SUBTOTAL B		SUBTOTAL C	

CATEGORY D		CATEGORY E		CATEGORY F	
Litigation:		Civil Rights		Admiralty	
Plaintiff: BI/PI	10	Foreign Law		Antitrust	
Class Action +		Guardianships	10	Banking	
Medical				Commercial Law	
Other Litigation				Corporate Formation	
Defense: Class Action +				Foreclosures +	
Insurance				General Corporate Advice	9
(Excluding Med Mal)				Lobbying	
Medical Malpractice				Tax Preparation	4
Other BI/PI					
Other Litigation	10				
SUBTOTAL D	20	SUBTOTAL E	10	SUBTOTAL F	13

CATEGORY G		CATEGORY H		CATEGORY I	
Bankruptcy	7	Entertainment+		Adoptions	
Collection +		Fiduciary	2	Environmental Law +	
Construction		Investment Counseling +		High Profile Divorce (greater than 10 Million Marital Assets)	
Estate Planning	10	Labor/Union Representation +		Limited Partnership Formation ++	
Estate, Trust, Wills	31	Mergers/Acquisitions (Corporate) +		Oil/Gas/Mining +	
Family Law		Purchase/sale of business	3	Real Estate Development +	
Patent, Trademark, Copyright Litigation +					
Tax Opinions					
SUBTOTAL G	48	SUBTOTAL H	5	SUBTOTAL I	

CATEGORY J		CATEGORY K		CATEGORY L	
Real Estate Syndication		Real estate closin•s/general		Tribal Law	
Securities / Bonds ++				Patent, Trademark, Copyright Prosecution or Searches +	
				Water Law	
SUBTOTAL J		SUBTOTAL K		SUBTOTAL L	

+ Complete the appropriate supplemental application if any percentage within the last two (2) years.

++ Complete the appropriate supplemental application if any percentage within the last five (5) years.

NOTE - Total of Categories A through L must equal 100%

- b. With respect to the Applicant's litigation practice, what is the approximate average caseload per attorney (annually)? 6
- c. With respect to the Applicant's litigation practice, when accepting a case in an uncommon venue or jurisdiction, what procedures are utilized to ensure that statutes of limitations and other deadlines are properly identified?

1. Inquire As to date of damage 2. Research Statute in other Jurisdiction before being Retained 3. Evaluate Ability to meet Statute 4. Retainer signed 5. Statute date

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- d. Does an attorney meet with every client prior to accepting the representation of that client?
If no, please explain in complete detail on a separate sheet.

☒ Yes ☐ No

2. Check each box below if, at any time during the past year, you have represented or provided any kind of legal service to any of the dual or multiple parties shown below, relative to the same basic matter or transaction:

- | | |
|--|---|
| <input type="checkbox"/> Buyer and Seller | <input type="checkbox"/> Husband and Wife in divorce |
| <input type="checkbox"/> Corporation and Individual Shareholders | <input type="checkbox"/> Investors and Real Estate Developers |
| <input type="checkbox"/> Employer and Employee | <input type="checkbox"/> Lender and Borrower |
| <input type="checkbox"/> Franchisor and Franchisee | <input type="checkbox"/> Licensor and Licensee |

Please attach detailed description relative to each box above that is checked, including but not limited to complete conflict of interest disclosure procedures utilized with each party and whether each individual party consented to such dual or multiple representation in writing or not.

3. a. Securities Related Activities. Indicate if any past or present lawyer in any way associated with the Applicant has had any involvement in the following areas within the past five (5) years:

- i. Registration, issuance, offering, or sale of any bonds or securities.

☐ Yes ☒ No

If Yes, please complete the Supplemental Securities Application.

- ii. Promoter, syndicator, general partner, or managing general partner of any limited partnership.

☐ Yes ☒ No

If Yes, please complete the Limited Partnership Supplemental Application.

- b. Business Related Activities. Indicate if any past or present lawyer in any way associated with the Applicant has had any involvement in any of the following areas within the past two years:

- i. Discretionary investment authority over client funds, except for wills and trusts.

☐ Yes ☒ No

- ii. Deal maker. Locate potential investors, buyers, partners or lenders for any project, business, or other venture.

☐ Yes ☒ No

- iii. Due diligence on behalf of a prospective buyer of a business.

☐ Yes ☒ No

- iv. Drafted or negotiated any terms of any buy-sell agreement involving cash or stock, relative to the purchase of any business, corporate stock or assets, or any commercial property or real estate, where the values involved were \$5,000,000 or more?

☐ Yes ☒ No

- v. Accept compensation on a commission basis or based on dollar value of sale.

☐ Yes ☒ No

- c. If Yes to 3.b.i. through 3.b.v., please complete the Business Related Activities Supplement.

4. Business Involvements with Clients/Outside Interests. For all past or present clients of the Applicant, has the Applicant or any predecessor in business or any lawyer or employee thereof within the past two (2) years served as a director, officer, or employee, or had any kind or amount of equity or ownership interest in the client, or engaged in any kind of business venture with the client?

☐ Yes ☒ No

If "Yes", complete the Outside Interest Supplemental Application.

5. Within the last five (5) years, has the Applicant or any Insured ever acted as either In House General Counsel, or as Outside General Counsel for any Publicly Owned Client?

☐ Yes ☒ No

If "Yes", complete the Publicly Owned Clients Supplemental Application.

Note:

For purposes of this Application, the following three definitions apply:

- (1) "In House General Counsel" means any lawyer of the Applicant who provides legal advice or legal services as an employee or independent contractor working in the offices of any Publicly Owned Client.
- (2) "Outside General Counsel" means the Applicant, or any lawyer of the Applicant, who provides legal advice or legal services to any Publicly Owned Client relative to all or most of that client's corporate, commercial, or contractual related legal matters.
- (3) "Publicly Owned Client" includes any former or present client of the Applicant whose outstanding stock has been sold or traded at any time via any public stock exchange.

III. CLIENT RELATIONS

1. Major Client. Did any one client (including affiliated or related clients) account for twenty-five percent (25%) or more of your gross revenues during the past twelve (12) months?

☐ Yes ☒ No

If Yes, please provide complete details on a separate attachment.

2. a. Suits for Fees. How many suits for collection of fees have been filed against clients in the last two (2) years? 0

- b. Provide the following information on each suit for unpaid legal fees filed within the last two (2) years. Please attach separate sheet if necessary:

DATE FILED	NAME OF CLIENT	\$ AMOUNT SOUGHT	STATUS/RESULT

- c. What steps have been taken by the Applicant to reduce or avoid the necessity of future fee collections suits?

Larger retainers, stop work earlier & flat fee work.

- d. When evaluating whether a case should be sent for collection, does the Applicant review the file for the purpose of evaluating whether the possibility of a counterclaim alleging malpractice might be filed in response thereto?

☒ Yes ☐ No

3. Insolvent Clients. Please check the applicable box(s) if any past or present client for whom you provided any kind of legal service or advice subsequently became insolvent, bankrupt, or went into liquidation or receivership during the past two (2) years unless your representation was solely limited to bankruptcy work:

- a. At any time, had you been corporate counsel or general counsel for the client?

☐ Yes ☒ No

- b. Was client publicly owned, or had its stock been traded on any stock exchange?

☐ Yes ☒ No

- c. Was client any type of financial institution, financial services company, insurance company, or investment company?

☐ Yes ☒ No

- d. Did the Applicant provide any environmental, investment counseling, patent, real estate or securities legal service advice to the client?

☐ Yes ☒ No

If Yes to any part of Question 3, please provide complete details on a separate attachment.

4. Financial Institution Clients. During the past two (2) years, have you provided any of the following services to any type of Financial Institution client?

- a. Acted as general counsel?

☐ Yes ☒ No

- b. Served on any executive or loan committee?

☐ Yes ☒ No

- c. If Yes to Question 4.b., did you approve loans for any of the Applicant's clients, the Applicant or its employees, their spouses or individuals known to be family members of an Applicant's employee?

☐ Yes ☐ No

- d. Performed any commercial loan due diligence or commercial loan documentation work?

☐ Yes ☒ No

If Yes, please complete the Financial Institution Supplemental Application.

IV. APPLICANT MANAGEMENT AND ADMINISTRATION

1. General. Does the Applicant have and actively use the following:

- a. Full time office administrator.

☒ Yes ☐ No

- b. Formalized professional liability risk management program.

☐ Yes ☒ No

- c. CPA audited or CPA compiled annual financial statement.

☒ Yes ☐ No

- d. Fidelity Bond.

☐ Yes ☒ No

- e. Formalized peer review program or procedure.

☐ Yes ☒ No

- f. Standard pre-printed new client interview forms.

☒ Yes ☐ No

- g. Engagement letters on new clients and new matters.

☒ Yes ☐ No

- h. Disengagement or non-engagement letters.

☒ Yes ☐ No

2. a. Does the Applicant ever sub-contract or refer any kind of work to other law firms or other third parties? ☒ Yes ☐ No
If Yes, what is the total percentage of work that is sub-contracted 3 %
- b. If Yes, does the Applicant require and confirm that the subcontracting entity carries separate errors and omissions insurance? ☒ Yes ☐ No
- c. Please attach a separate sheet detailing what kind of work is sub-contracted or referred, and what steps are taken to protect the Applicant from suits due to the errors and omissions of the firm to whom the client is referred. Co-litigation. Added to our Insurance.

3. Internet Activity. Is the Applicant involved "on-line", other than attorney-client e-mail, in the following activities?
- a. Marketing for new clients and accepting new clients. ☒ Yes ☐ No
- b. Providing any legal services or advice to anyone. ☐ Yes ☒ No
- c. Providing case status updates to clients. ☐ Yes ☒ No
- d. Maintenance of any legal bulletin boards or chat rooms. ☐ Yes ☒ No
- e. Briefly describe the efforts to ensure the security of the Applicant's website/and/or related electronic communication. Delegated to third party storage and Dual Verification Access Provider

4. Computerization/Automation. Check each of the below functions or areas for which the Applicant is automated or computerized:

- ☒ Accounts Receivable Management ☐ Expert Systems ☐ Legislative Tracking
☒ Attorney Timekeeping ☒ Financial Management ☒ Litigation Support
☒ Billing ☐ In-house Work Products Index ☒ Other Hot Docs for Estate & Procedure forms
☐ Case Management Systems ☒ Legal Research

5. Diary System/Docket Control. Check each of the below methods used by the Applicant along with other factors that apply:

- ☒ Computer ☒ Perpetual Calendar ☒ Tickler
☒ Day timer ☒ Pocket Calendar ☐ No Formal System
☒ System is centralized and used by the Applicant members.
☒ System tracks court dates and deadlines and statute of limitations dates.
☐ Software calculates/identifies all key dates upon initial entry of a matter.
☒ Open calendar entries are circulated to all lawyers on a weekly basis.

6. Conflict of Interest System/Conflict Avoidance. Check each of the below methods used by the Applicant along with other factors that apply:

- ☒ Computer ☒ Oral/Memory ☐ No Formal System
☐ Multiple Index Files ☐ Single Index Files
☒ System is centralized and used by the Applicant members.
☐ System retains and checks client name, client's principals and subsidiaries, opposing party and opposing counsel.

V. PRIOR INSURANCE INFORMATION (Check here if None ☐)

1. List the Lawyers Professional Liability insurance purchased for each of the past three (3) years, including periods of no coverage:

POLICY PERIOD		INSURANCE COMPANY	LIMIT OF LIABILITY PER CLAIM/ AGGREGATE	DEDUCTIBLE (IF ANY)	NO. OF LAWYERS COVERED	PREMIUM
FROM: MM/DD/YY	TO: MM/DD/YY					
1/1/2015	1/1/2016	Markel Insurance	\$1,000,000/\$2,000,000	\$ 25,000	9	\$ 12,635.00
1/1/2014	1/1/2015	Markel Insurance	\$ 1,000,000/\$2,000,000	\$ 25,000	8	\$ 11,385.00
1/1/2013	1/1/2014	Markel Insurance	\$1,000,000/\$2,000,000	\$ 5,000	6	\$ 12,733.00

2. a. Does your current policy contain a prior acts limitation or a retroactive date?

☒ Yes ☐ No
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- b. If Yes, indicate the date and attach a copy of your current policy's prior acts endorsement and Declarations Page:

3. MISSOURI APPLICANTS DO NOT ANSWER THIS QUESTION.

- a. Has the Applicant or any predecessor in business or any lawyer ever had any Insurer decline, cancel, refuse to renew, or accept only on restricted terms any Professional Liability Insurance, or has the Applicant or any individual lawyer ever purchased an extended reporting period endorsement? ☐ Yes ☒ No
- b. If Yes, please attach complete details on a separate sheet.

VI. DISCIPLINARY PROCEEDINGS AND CLAIM ACTIVITY

IMPORTANT NOTICE: All known claims and/or circumstances that could result in a Professional Liability claim are specifically excluded from coverage. Report all such claims and/or circumstances to your current insurer. If any circumstance, act, error, or omission exists that could result in a professional liability claim, then such claim and/or any claim arising from such act, error, omission or circumstance is excluded from coverage that may be provided under this proposed insurance.

1. a. Has any Applicant member, past or present, ever been refused admission to practice, disbarred, suspended, reprimanded, sanctioned, fined, or held in contempt by any court, state or local bar association, administrative agency, or regulatory body? ☐ Yes ☒ No
- b. If Yes, please provide complete details on a separate sheet, including a copy of the courts final opinion.
2. a. To Applicant's knowledge, has any Applicant member had a disciplinary complaint or grievance made to any court, bar association, administrative agency or regulatory body in the last five (5) years that resulted in any formal censure or other formal action? ☐ Yes ☒ No
- b. If Yes, please provide complete details on a separate sheet.
3. a. Has any professional liability claim or suit been made in the past five (5) years against the Applicant or its predecessor(s) in business or any current or former member of the Applicant or its predecessor(s) in business? ☐ Yes ☒ No
- b. If Yes, indicate total number of claims: _____
- c. After inquiry, does any Applicant member know of any circumstance, situation, act, error or omission that could result in a professional liability claim or suit against the Applicant or its predecessor(s) in business or any of the current or former members of the Applicant or its predecessor(s) in business? ☐ Yes ☒ No
- d. If Yes, indicate total number of such incidents: _____

If Yes to any part of Question 3, a Supplemental Claim Form must be completed for each claim or incident in order for your Application to be considered.

VII. COVERAGE REQUESTED

LIMIT OF LIABILITY

Each claim / Aggregate

- | | |
|--|--|
| <input type="checkbox"/> \$ 250,000 / \$ 250,000 (N/A in AR, NJ, NM, NY, SD) | <input type="checkbox"/> \$ 2,000,000 / \$ 2,000,000 |
| <input type="checkbox"/> \$ 500,000 / \$ 500,000 (N/A in AR, NJ, SD) | <input type="checkbox"/> \$ 2,000,000 / \$ 4,000,000 |
| <input type="checkbox"/> \$ 1,000,000 / \$ 1,000,000 | <input type="checkbox"/> \$ 3,000,000 / \$ 3,000,000 |
| <input checked="" type="checkbox"/> \$ 1,000,000 / \$ 2,000,000 | <input type="checkbox"/> \$ 4,000,000 / \$ 4,000,000 |
| <input type="checkbox"/> \$ 1,000,000 / \$ 3,000,000 | <input type="checkbox"/> \$ 5,000,000 / \$ 5,000,000 |

Claims expenses

- ☐ Included within the Limits of Liability
- ☒ Have separate Limits of Liability

AGGREGATE DEDUCTIBLE

This is the total of your contribution for all reported claims in any policy year.

- ☐ \$ 2,500 X \$ 25,000
☐ \$ 5,000 ☐ Other Specify amount \$ _____
☐ \$ 10,000

PLEASE PROVIDE ADDITIONAL COMMENTS THAT WOULD FURTHER CLARIFY THE INFORMATION ABOVE OR ADDRESS CHARACTERISTICS OF YOUR PRACTICE NOT SPECIFICALLY ADDRESSED HEREIN.

By signing this Application, you represent and agree to each of the following five (5) items:

1. You have made a comprehensive internal inquiry or investigation to determine whether any member of the Applicant is aware of any actual or alleged fact, circumstance, situation, act, error or omission which may reasonably be expected to result in a claim, and have fully and completely divulged any and all such situations in Section VI. of this Application; and
2. This Application, along with each of the following applicable Supplemental Applications, are hereby being submitted to the Company. (Please check all that apply):

<input type="checkbox"/> Bond Supplemental App.	<input type="checkbox"/> Labor Union Supplemental App
<input type="checkbox"/> Business Related Activities Supplemental App	<input type="checkbox"/> Limited Partnership Formation Supplemental App
<input type="checkbox"/> Claim Information Supplemental Application(s)	<input type="checkbox"/> Medical Malpractice – Plaintiff Supplemental App
<input type="checkbox"/> Class Action Supplemental App	<input type="checkbox"/> New Lawyers Supplemental Application(s)
<input type="checkbox"/> Collection Work Supplemental App	<input type="checkbox"/> Oil/Gas/Mining Supplemental App
<input type="checkbox"/> Corporate Mergers & Acquisitions Supplemental App	<input type="checkbox"/> Outside Interest Supplemental App
<input type="checkbox"/> Entertainment Supplemental Application	<input type="checkbox"/> Prior Acts Ext. – Specified Lawyers at Specified Firms
<input type="checkbox"/> Environmental Practice Area Supplemental App	<input type="checkbox"/> Publicly Owned Clients Supplemental App
<input type="checkbox"/> Financial Institution Supplemental App	<input type="checkbox"/> Real Estate Development Supplemental App
<input type="checkbox"/> Foreclosure Supplemental App	<input type="checkbox"/> Securities Supplemental App
<input type="checkbox"/> Intellectual Property Supplemental App	<input type="checkbox"/> Title Agency Supplemental App
<input type="checkbox"/> Investment Counsel/Money Mgmt Supplemental App	<input type="checkbox"/> Other: _____

3. Each of the statements and answers given in this Application, and in each of the Supplemental Applications checked in Number 2. above, are:
 - a. Accurate, true and complete to the best of your knowledge;
 - b. No material facts have been suppressed or misstated;
 - c. Representations you are making on behalf of all persons and entities proposed to be insured;
 - d. A material inducement to the insurance company to provide insurance, and any policy issued by the insurance company is issued in specific reliance upon these representations.
4. **THIS PARAGRAPH DOES NOT APPLY TO NORTH CAROLINA, UTAH OR WISCONSIN APPLICANTS.** This Application, along with each of the Supplemental Applications checked in Number 2. above, are hereby deemed to be attached to the policy contract, and incorporated into the policy contract, whether or not any of the Supplemental Applications are physically attached to a particular copy of the policy contract, and regardless of whether any of the Supplemental Applications are signed or dated.
5. You agree to promptly report to the Company, in writing, any material change in your operations, conditions, or answers provided in this Application, or any Supplemental Application, that may occur or be discovered after the completion date of said Application(s), but before the inception date of the policy. Upon receipt of any such written notice, the Company has the right to modify or withdraw any proposal for insurance.

IMPORTANT NOTICE: Failure to report any claim made against you during your current policy term, or facts, circumstances or events which may give rise to a claim against you to your current insurance company BEFORE expiration of your current policy term may create a lack of coverage. Please see IMPORTANT NOTICE in Section VI.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL ATTACH TO THE POLICY.

NOTICE: By applying for this insurance, the applicant also is applying for membership in Premier Attorneys Purchasing Group, Inc., a purchasing group formed and operating pursuant to the Federal Liability Risk Retention Act of 1986 (15 USC 3901 et seq.). This purchasing group was formed for the sole purpose of providing professional errors and omissions liability insurance to lawyers. The sole purpose of becoming a member is to purchase professional liability insurance.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

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.

An authorized representative who is an active owner, officer, or partner of the Applicant must sign this Application within sixty (60) days prior to the policy inception date.



Signature of Owner, Officer or Partner

12/16/15
Date

Robert C. Graham, Managing Senior Partner

Print or Type Name and Title

PRODUCERS MUST COMPLETE:

PRODUCED BY (Insurance Agent or Broker):

Producer Name: _____ Producer Signature: _____
 Producer License No.: _____ Date: _____

FRAUD WARNINGS:

NOTICE TO APPLICANTS: (Not applicable to applicants in AL, AR, CO, DC, FL, KS, KY, LA, MD, ME, NJ, NM, NY, OH, OK, PA, RI, TN, VA, VT, WA or WV.) Any person who knowingly and with intent to defraud any insurance company or another 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 may subject the person to criminal and civil penalties.

NOTICE TO ALABAMA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO RESTITUTION, FINES, OR CONFINEMENT IN PRISON, OR ANY COMBINATION THEREOF.

NOTICE TO ARKANSAS, DISTRICT OF COLUMBIA, NEW MEXICO, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

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 POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER 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 AUTHORITIES.

NOTICE TO KANSAS APPLICANTS: IT IS UNLAWFUL TO COMMIT A "FRAUDULENT INSURANCE ACT" WHICH MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, ANY INFORMATION CONCERNING ANY FACT MATERIAL THERETO.

NOTICE TO KENTUCKY APPLICANTS: 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 MAINE, 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 MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO 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 VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.