

The McGowanPRO Hotline is designed to assist accountants with all of the following:

- ▶▶ Advice on early claim intervention
- ▶▶ Suggestions for appropriate limitation language for engagement letters or client fee-for-service contracts
- ▶▶ Best practice consultation for maintaining client relationships

Claims Triage is used to quickly assess the following attributes of a subpoena, incident or claim:

- ▶▶ Nature and facts of the reported matter
- ▶▶ Potential damages
- ▶▶ Possibility of facts to mitigate damages
- ▶▶ Possible outcomes
- ▶▶ Possible defenses
- ▶▶ Need for experts

Introducing attorney, Ralph Picardi, who has served as our Risk Management Consultant since 2001.



- ▶▶ Ralph graduated cum laude from University of San Diego School of Law, where he served on the editorial board of the Law Review. He graduated magna cum laude from Boston College School of Management with a B.S. in Accounting.
- ▶▶ His legal practice concentrates primarily on the area of defending accountants, lawyers and other professionals in matters of professional liability. In addition to litigation, Ralph specializes in advising accountants, lawyers, and their insurers in matters of coverage, and in matters of loss control through hotlines, seminars, risk management audits and publications.
- ▶▶ He is a current member of the American Institute of Certified Public Accountants, the Massachusetts Society of Certified Public Accountants and the Professional Liability Underwriting Society.

Email: ralph@picardillc.com

Phone: 617-320-7522

This list of **Risk Management Services** is an example of what is available to McGowanPRO policy holders:

- ▶▶ Best practices guidance and review
- ▶▶ Engagement letter review
- ▶▶ Web site and Marketing Content review
- ▶▶ NASBA approved webinars
- ▶▶ Ethics Training
- ▶▶ Client Termination Guidance
- ▶▶ CPA industry alerts and updates
- ▶▶ Tax organizer review
- ▶▶ Quality control document review
- ▶▶ Risk management tools
- ▶▶ CPA Firm Registration Assistance

*Introducing McGowanPRO's Director of Risk Management,
John Raspante.*



- ▶▶ John Raspante, CPA, CDFA, works directly with clients, providing risk management services to top-tier accounts. He also is responsible for developing and delivering McGowan Professional's National Association of State Boards of Accountancy (NASBA) CPE programs. John is the former Director of Compliance and Risk Management and the Director of Education for Graf Repetti & Co. LLP, Certified Public Accountants & Business Advisors.
- ▶▶ Prior to joining Graf Repetti he was employed by CAMICO Mutual Insurance Company as a loss prevention specialist and large account national advisor. John's professional affiliations include memberships in the AICPA and six state accounting societies. He also serves on NYSSCPA's Compilation and Review Committee, NJSCPA's Editorial Board and the Accounting and Auditing interest group, and the National Conference of CPAs' Ethics Committee.
- ▶▶ John is a frequent author and speaker within the accounting profession on issues relating to risk management.

Email: jraspante@mcgowanprofessional.com

Phone: 732-865-1061

CPA OnePRO Professional Liability Program

Evidence of Insurance & Purchasing Group Membership

NAMED INSURED:

Axiom Analytics
 2520 Cutler Ct NE
 Albuquerque , NM 87106

PROGRAM ADMINISTRATOR:

McGowanPRO
(A Division of McGowan & Company, Inc.)
 205 Newbury Street, Suite 205
 Framingham, MA 01701
 Ph: (508) 656-1300 / F: (508) 656-1399

ITEM 1. COVERAGE PERIOD: Effective 1/1/2024 to 1/1/2025 At 12:01 A.M. Standard Time
 At the Named Insured's Mailing Address Shown Above

POLICY NUMBER: LHN H892950 02

ITEM 2. INSURER: The Hanover Insurance Company

ITEM 3. LIMITS OF LIABILITY AND DEDUCTIBLES:

\$500,000.00	For Each Claim; not to exceed	\$5,000.00	Deductible, Each Claim
\$1,000,000.00	For All Claims in the Aggregate Claims Expense is Outside the Limit of Liability.	NA	Deductible, Aggregate Deductible Applies to Loss and Expense.

ITEM 4. FORMS, TERMS & CONDITIONS ATTACHED AT INCEPTION:

See 915-1003.

ITEM 5. IMPORTANT COVERAGE NOTES & ADDITIONAL TERMS, CONDITIONS & EXCLUSIONS:

- 1) You Must Notify Us If You Have A Change In Operations Or Exposures Which Increases The Insurance Company's Risk Of Loss.
- 2) This "Evidence Of Insurance & Purchasing Group Membership" Does Not Convey Or Modify Insurance Coverage. The Policy Is The Controlling Instrument With Regards To The Terms And Conditions Of Insurance Coverage. The Policy Will Also Contain Coverage Enhancement, Coverage Restrictions, And Exclusions. The Application Becomes A Material Part Of The Policy Of Insurance. This "Evidence Of Insurance & Purchasing Group Membership" Is Intended To Highlight The Pertinent Terms & Conditions Of Coverage, Provide A Detailed Statement Of Charges, And Convey Terms And Conditions.

ITEM 6.**SCHEDULE OF CHARGES:**

Total Premium, Fees, Surcharges & Taxes (If Applicable):	\$2,549.00
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Premium:	\$2,549.00	Charged By Insurance Company
Agency Fee:		Charged By Program Administrator
Surplus Lines Tax:		Charged By State
Stamping Fee:		Charged By State
Other State or Municipal Surcharge:		Charged By State or Municipality
Loss Control Inspection Fee:		Charged By Program Administrator or Inspection Service

Purpose & Effect of “Application For Insurance & Purchasing Group Membership.” By Signing An “Application For Insurance & Purchasing Group Membership” (Hereinafter “Application”), Applicant Agreed: (1) To Become A Member Of The National Small Business Purchasing Group (Hereinafter “PG”); (2) To Participate In A Program Of Insurance Designed Exclusively For The Members Of PG; (3) To Accept, Abide By, And Be Bound By The “Terms & Conditions Of Insurance” Posted At www.purchasinggroups.com; (4) To Accept, Abide By, And Be Bound By The “Membership Agreement – Terms & Conditions Of Membership” Posted At www.purchasinggroups.com; (5) To Pay All Premiums (Including Audit And Additional Premiums, If Applicable), Fees (Including Broker & Purchasing Group Membership Fees), And State & Federal Taxes & Surcharges (If Applicable) When Due; (6) That Any Additional Material Supplied By Applicant Or Applicant’s Insurance Broker To The Managing General Underwriter For A Given Program Of Insurance Becomes A Material Part Of The Application For Insurance; (7) That The Application Which It Signed Was The Basis Of The Contract [Policy &/Or “Evidence Of Insurance & Purchasing Group Membership” (Hereinafter “EOI”)], Whether Or Not Said Application Was/Is Attached To The Policy &/Or EOI; (8) That The Application Is A Material Part Of The Policy &/Or EOI, Whether Or Not It Is Attached To The Policy &/Or EOI; And, (9) That The Application Is Considered Attached To The Policy &/Or EOI For Legal Purposes, Whether Or Not It Is Physically Or Electronically Attached To The Policy &/Or EOI.

Disclosure Pursuant To Federal Law Regarding Purchasing Groups [U.S.C. 15 3901, Et Seq.] PG Is A “Purchasing Group,” As Defined Under Federal Law, Formed To Purchase Liability Insurance On A Group Basis For Its Members To Cover The Similar Or Related Liability Exposure(s) To Which The Members Of PG Are Exposed By Virtue Of Their Related, Similar, Or Common Business Or Service. Members Do Not Share Limits And Each Member Is Provided With Its Own Policy &/Or EOI.

Disclosure Pursuant To Terrorism Risk Insurance Program Reauthorization Act of 2007 [Et Seq.]. By Signing the Application, Applicant Agrees That It Has Read And Understands The Most Recent “Disclosure Pursuant To The Terrorism Risk Insurance Program Reauthorization Act of 2007” Which Appears At www.purchasinggroups.com.

To Learn More. Please Visit www.purchasinggroups.com, Which Contains More Information about Your Purchasing Group and Purchasing Groups, In General, As Well As Your Insurance Coverage, Premiums, Fees, Taxes, The MGUs’ Income, And Your Insurance Broker’s Income.

Claim & Risk Management Assistance

As a **CPAOnePro** client you have access to valuable resources

Pre-Claim Assistance & Risk Management Hotline

Through this program you can access no-cost consultation services:

- Loss control
- Best practices
- Potential claim situations
- Managing difficult client relationships
- Preserving client confidentiality
- Guidance on subpoena compliance
- Claims mitigation
- Avoiding conflicts
- Understanding how new rulings affect your profession

Risk Management Attorney: Ralph Picardi, Esq., Picardi LLC
(617)320-7522
Ralph@PicardiLLC.com

McGowanPRO Agency: [Call Toll-Free: 1-866-262-7542](tel:1-866-262-7542)

Contacting the Hotline does not constitute notification of a claim to the insurance company.

Carrier Claim Reporting

In the event you experience any type of claim that this policy insures against, you should report the loss as soon as possible. New claims can be reported to:

Email: ProClaim@hanover.com

Phone: 1-800-628-0250

The recommendation(s), advice and contents of this material are provided for informational purposes only and do not purport to address every possible legal obligation, hazard, code violation, loss potential or exception to good practice. The Hanover Insurance Company and its affiliates and subsidiaries ("The Hanover") specifically disclaim any warranty or representation that acceptance of any recommendations or advice contained herein will make any premises, property or operation safe or in compliance with any law or regulation. Under no circumstances should this material or your acceptance of any recommendations or advice contained herein be construed as establishing the existence or availability of any insurance coverage with The Hanover. By providing this information to you, The Hanover does not assume (and specifically disclaims) any duty, undertaking or responsibility to you. The decision to accept or implement any recommendation(s) or advice contained in this material must be made by you.

Thank you for your participation in the CPAOnePro program!

NOTICE: THIS POLICY IS A CLAIMS-MADE POLICY. PLEASE READ THE POLICY CAREFULLY.

RISK PURCHASING GROUP NOTICE

This Accountants Professional Liability Risk Purchasing Group Policy is not protected by an insurance insolvency guaranty fund in this state, and the insurer or Risk Purchasing Group may not be subject to all the insurance laws and rules of this state.

IMPORTANT NOTICE REGARDING RISK PURCHASING GROUPS

Disclosure Pursuant to Federal Law Regarding Purchasing Groups [15 U.S.C. SEC. 3901, et seq] the National Small Business PG, Inc. is a “Purchasing Group”, as defined under Federal law, formed to purchase liability insurance on a group basis for its Members to cover the similar or related liability exposure(s) to which the Members of the Purchasing Group are exposed by virtue of their related, similar, or common businesses or services. Members do not share limits and each member is provided with its own policy and/or evidence of insurance.

Policy Number

LHN-H892950-02

THE HANOVER INSURANCE COMPANY

440 Lincoln Street
Worcester, MA 01653
(A Stock Insurance Company, herein called the Insurer)

Issue Date 1/3/2024

Item 1. NAMED INSURED AND ADDRESS

AXIOM ANALYTICS
2520 CUTLER CT NE
ALBUQUERQUE, NM 87106

Item 2. POLICY PERIOD

Inception Date: 01/01/2024 Expiration Date: 01/01/2025
(12:01 AM standard time at the address shown in Item 1.)

Item 3. LIMIT OF LIABILITY

- a. \$500,000 for each Claim; not to exceed
- b. \$1,000,000 for all Claims in the Aggregate

Item 4. SUBLIMITS OF LIABILITY

Employment Practices Liability and
Discrimination Coverage

- a. \$50,000 for each Claims; not to exceed
- b. \$50,000 for all Claims in the Aggregate

Privacy and Security Liability Coverage

- a. \$500,000 for each Claim; not to exceed
- b. \$500,000 for all Claims in the Aggregate

Item 5. DEDUCTIBLE

- a. \$5,000 each **Claim**
- b. N/A for all **Claims** in the Aggregate

Item 6. SUPPLEMENTAL COVERAGE

	LIMIT
Disciplinary and Regulatory Proceedings	\$50,000 per Claim / \$100,000 for all Claims in the Aggregate
Crisis Event	\$50,000 per Event / \$50,000 in the Aggregate
Withheld Client Fee Assistance	\$25,000 in the Aggregate
Expense Reimbursement	\$100,000 in the Aggregate

Item 7. RETROACTIVE DATE

01/01/2022

Item 8. PREMIUM FOR THE POLICY PERIOD

\$2,549.00

Total Premium:

\$2,549.00

Item 9. ENDORSEMENTS EFFECTIVE AT INCEPTION: See Schedule of Forms attached.

Item 10. NOTICE TO INSURER

Report a claim to the Company as required by Section G. Duties in the Event of Claim(s) or Potential Claim(s) to:

The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653

National Claims Telephone Number: 800-628-0250. For Cyber Claims: 800-385-5271

Facsimile: 800-399-4734

Email: ProClaim@Hanover.com For Cyber Claims: Cyberclaims@hanover.com

Agent on behalf of:

MCGOWAN & CO, INC.
205 NEWBURY ST STE 205
FRAMINGHAM, MA 01701
3202024

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.



John C. Roche, President



Charles F. Cronin, Secretary

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

SCHEDULE OF FORMS

To be attached to and form part of the Policy Number listed above.

915-1900	01/20	APL RPG Advantage Declarations Page
915-1003	01/20	APL Advantage Schedule of Forms
915-1001	01/20	APL Advantage Professional Liability Policy Form
915-1800 PHN	01/20	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
915-1801 PHN	01/20	Customer Notice Of Privacy Policy And Producer Compensation Practices Disclosures - Privacy Policy Disclosure
915-1805 PHN	01/20	Information Regarding Extended Reporting Period Endorsement ("ERP Coverage")
915-1825 PHN	11/19	Important Policyholder Information Cyber Privacy And Security Risk Management Resources
915-1121	01/20	Cyber First Party Coverages
915-1130	01/20	Professional Liability Enhancements
915-1224	01/20	Claim Expenses In Addition To The Limit Of Liability (Equal)
915-1415	01/20	Specific Services Exclusion
915-1647	01/20	New Mexico State Amendatory Endorsement
915-1901	01/20	CPAONEPRO Plus
915-1902	01/20	Enhanced Privacy and Security Liability Coverage

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

TABLE OF CONTENTS

A. COVERAGE – WHAT THIS POLICY INSURES.....1
 1. Professional Services Coverage.....1
 2. Employment Practices Liability and Discrimination Coverage1
 3. Privacy and Security Liability Coverage1
 4. Supplemental Coverage.....1
 B. DEFENSE AND SETTLEMENT2
 C. LIMIT OF LIABILITY AND DEDUCTIBLE.....3
 1. Limit of Liability3
 2. Deductible.....3
 3. Deductible Reduction Benefits.....3
 3. Aggregate Deductible4
 4. Reimbursement4
 D. DEFINITIONS4
 E. EXCLUSIONS – WHAT THIS POLICY DOES NOT INSURE8
 F. EXTENDED REPORTING PERIODS..... 10
 G. DUTIES IN THE EVENT OF CLAIM(S), POTENTIAL CLAIM(S), OR
 SUPPLEMENTAL COVERAGE MATTER(S)..... 11
 H. CONDITIONS..... 12
 1. Cancellation and Non-Renewal 12
 2. Representations and Application 12
 3. Legal Action Against Us 13
 4. Material Change 13
 5. Transfer of Rights of Recovery Against Others to Us 13
 6. Assignment..... 13
 7. Sole Agent for the Insured..... 13
 8. Coverage Territory and Valuation 13
 9. Other Insurance..... 13
 10. Two or More Policies, Coverage Parts, or Endorsements Issued by Us 14
 11. Conformance to Law and Trade Sanctions..... 14
 12. Section Titles..... 14
 13. Innocent Insureds..... 14
 14. Bankruptcy..... 14
 15. Liberalization..... 15

This is a **CLAIMS-MADE AND REPORTED** Policy. Subject to the terms, conditions, exclusions and limitations of this Policy, coverage is limited to liability for only those Claims that are first made against You and reported to Us in writing after the Retroactive Date and during the Policy Period or any optional Extended Reporting Period, if exercised by You.

This is a “defense within limits” Policy with Claim Expenses included within the Limit of Liability. The Limit of Liability available to pay Damages will be reduced by amounts We pay for Claim Expenses as defined in the Policy. Further note that amounts incurred for Claim Expenses and Damages are subject to the deductible.

Please read this Policy carefully.

Throughout this Policy, the terms **We**, **Us** and **Our** refer to the **Company** providing this insurance. The terms **You** and **Your** refer to the persons and entities insured under this Policy. Other terms in bold print have special meaning and are defined in this Policy.

In consideration of the premium charged, in reliance upon the statements in **Your** application and subject to the Declarations page, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, **We** agree with **You** as follows:

A. COVERAGE

1. Professional Services Coverage

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for a **Wrongful Act**.

2. Employment Practices Liability and Discrimination Coverage

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for **Employment Practices** or **Discrimination**, solely while acting on behalf of the **Named Insured** or any **Predecessor Firm**. There will be no **Extended Reporting Period** for the coverage provided in this section. Any payment made hereunder is subject to the sublimit of liability referenced in Item 4. of the Declarations page. The sublimit of liability is part of, and not in addition to the Limits of Liability referenced in Item 3. of the Declarations page.

3. Privacy and Security Liability Coverage

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for a **Wrongful Act** resulting in a **Privacy Breach** or **Security Breach**. Any payment made hereunder is subject to the sublimit of liability referenced in Item 4. of the Declarations page. The sublimit of liability is part of, and not in addition to the Limits of Liability referenced in Item 3. of the Declarations page.

4. Supplemental Coverage

The **Supplemental Coverage** Limits in Item 6. of the Declarations page, if applicable, are part of, not in addition to, the Limits of Liability referenced in Item 3. of the Declarations page.

a. Pre-Claim Assistance

If **You** report a **Potential Claim** to **Us** in writing during the **Policy Period**, any costs or **Defense Expenses** **We** incur in investigating or monitoring the **Potential Claim** will be paid by **Us**. The decision to incur any costs or **Defense Expenses** in regards to a **Potential Claim** is at **Our** sole discretion.

b. Disciplinary and Regulatory Proceedings

We will pay on **Your** behalf only **Defense Expenses** incurred in responding to a **Disciplinary and Regulatory Proceeding** commenced against **You** and reported to **Us** in writing during the **Policy Period**, or which was commenced during the **Policy Period** and, if exercised, reported to **Us** in writing during any optional **Extended Reporting Period**. Inclusive within this coverage, **We** will pay up to \$500 per day for any salaries and expenses of **Your** employees required to attend or participate in any **Disciplinary and Regulatory Proceeding**. **We** shall not pay any **Damages** incurred as a result of **Disciplinary and Regulatory Proceedings**.

c. Subpoena Assistance

We will pay on **Your** behalf only **Subpoena Response Expenses** for a **Subpoena** first received by **You** and reported to **Us** in writing during the **Policy Period**. Any notice **You** give **Us** of such **Subpoena** that complies with the conditions under Section G.3. will be deemed notification of a **Potential Claim** under Section G.4. of this **Policy**.

d. Crisis Event

We will pay on **Your** behalf **Event Expenses** for a **Crisis Event** first occurring and reported to **Us** in writing during the **Policy Period**.

e. Withheld Client Fee Assistance

If **You** attempt to collect a contractual fee due for **Professional Services** (other than audit or attest services) that **Your** client has refused to pay for more than three (3) months from the time payment was due ("Withheld Client Fee") and:

- 1) As a result of such collection attempts, **Your** client brings a **Claim** against **You** during the **Policy Period** alleging negligence in the rendering of **Your Professional Services** for an amount greater than owed to **You**; and
- 2) **Your Professional Services** were rendered under an **Engagement Letter**; and
- 3) **You** provide **Us** with written confirmation from **Your** client, acceptable to **Us**, that **Your** client will withdraw their **Claim** against **You** ("written confirmation"),
then **We** will pay fifty percent (50%) of **Your** Withheld Client Fee. **We** must receive such written confirmation prior to **Our** payment of **Your** Withheld Client Fee.

f. Expense Reimbursement

We will pay reasonable expenses **You** incur to attend hearings, trials or depositions at **Our** request or with **Our** consent.

The following additional requirements and limitations shall apply to coverage provided under A.1., A.2., A.3. and A.4. above:

- a. The **Wrongful Act** and **Professional Services** must have first occurred on or after the applicable **Retroactive Date(s)**;
- b. None of **You** had knowledge of facts which could have reasonably caused **You** to foresee a **Claim** or **Supplemental Coverage Matter** or knowledge of any **Claim** or **Supplemental Coverage Matter**, prior to the inception date of this **Policy**; and
- c. The **Claim** or **Supplemental Coverage Matter** must first be made and reported to **Us** in writing during the **Policy Period** or any **Extended Reporting Period** if applicable.

B. DEFENSE AND SETTLEMENT

We have the right and duty to defend any **Claim** made under this **Policy** until there is a **Final Adjudication** against **You**, even if the allegations are groundless, false or fraudulent. **We** will pay **Claim Expenses** in connection with a **Claim** **We** defend. **We** are not obligated to defend any criminal investigation, criminal proceeding or prosecution, or any **Claim** for **Equitable Relief**, against **You**. If a **Claim** is not covered under this **Policy**, **We** will have no duty to defend it.

Our duty to defend any **Claim** or pay any amount as **Damages**, **Claim Expenses** or **Defense Expenses** will cease when **Our** Limit of Liability has been exhausted. Upon exhaustion of the limits of liability, **We** will tender control of the defense to the **Named Insured**. The **Named Insured** agrees to accept this tender of defense.

We will not settle a **Claim** without **Your** consent, which shall not be unreasonably withheld. **You** agree to consult with **Us** to resolve any differences relating to such a settlement.

The **Named Insured** is responsible for any expenses, including fees or costs charged by a lawyer defending **You**, incurred without **Our** written consent.

C. LIMIT OF LIABILITY AND DEDUCTIBLE

1. Limit of Liability

- a. The Limit of Liability shown on Item 3.a. of the Declarations page for each **Claim** is the most **We** will pay for the sum of all **Loss** arising out of a single **Claim** or a series of related **Claims**, or single **Supplemental Coverage Matter** or a series of related **Supplemental Coverage Matters**, regardless of the number of persons or entities insured under this **Policy**, number of **Claims** made, number of **Supplemental Coverage Matters** or the number of persons or entities making **Claims** or **Supplemental Coverage Matters** during the **Policy Period** or during any **Extended Reporting Period**, if any.
- b. All **Claim Expenses** and **Defense Expenses** will first be subtracted from the Limit of Liability, with the remainder, if any, being the amount available to pay for **Damages**.
- c. The Aggregate limit shown on Item 3.b. of the Declarations page is the most **We** will pay for the sum of all **Loss** for all **Claims** and for all **Supplemental Coverage Matters** under this **Policy**.
- d. The **Supplemental Coverage** Limits shown on Item 6. of the Declarations page, if applicable, are the most **We** will pay for all **Defense Expenses** arising out of a single **Supplemental Coverage Matter** or a series of related **Supplemental Coverage Matters** for each **Supplemental Coverage**. The Aggregate **Supplemental Coverage** Limits shown on Item 6. of the Declarations page, if applicable, are the most **We** will pay for the sum of all **Defense Expenses** for all **Supplemental Coverage Matters** for each **Supplemental Coverage**. The applicable **Supplemental Coverage** Limits are part of, not in addition to, the Limits of Liability referenced in Item 3. of the Declarations page.

2. Deductible

You will pay the deductible amounts shown on the Declarations page. The deductibles apply as applicable to each **Claim**. **You** must pay the deductible immediately when invoiced or, in the event that offers of judgment or settlement demands are made which **You** and **We** agree should be accepted, prior to the expiration of the time period for responding to such offers or demands.

3. Deductible Reduction Benefits

a. Mediation

If **We** ask, and **You** agree to use **Mediation** to resolve any **Claim** brought against **You** and if the **Claim** is resolved by **Mediation** within one hundred eighty (180) days after **You** receive the suit or demand, **Your** deductible obligation for that **Claim** will be reduced by 100%. The maximum amount of any reduction is \$25,000.

b. Arbitration

If **We** ask, and **You** agree to use **Arbitration** to resolve any **Claim** brought against **You** and if the **Claim** is resolved by arbitration within one hundred eighty (180) days after **You** receive the suit or demand, **Your** deductible obligation for that **Claim** will be reduced by 50%. The maximum amount of any such reduction is \$50,000.

c. Engagement Letter

If a **Claim** is for **Professional Services** that are the subject of an **Engagement Letter**, then **Your** deductible obligation for that **Claim** will be reduced by 50%. The maximum amount of any reduction is \$15,000.

d. Claims Free

If the following qualifications are met then **Your** deductible obligation for a **Claim** will be reduced by twenty-five percent (25%):

- 1) **We** have issued a prior **Policy** to **You** for a minimum of three (3) consecutive annual **Policy Periods**;
- 2) **Your Policy** must be account current with no overdue payments outstanding; and
- 3) **You** have not reported any **Claims** in the last three **Policy Periods**.

The maximum amount of any such reduction is \$5,000.

- e. Deductible reductions may not be combined. Only one reduction in **Your** deductible obligation may be applied to a single **Claim**. A deductible reduction will not be applied:

- 1) To any subsequent **Claims** in the **Policy Period**; or

2) If the **Policy** is cancelled, terminated, or non-renewed.

4. Aggregate Deductible

The Aggregate Deductible amount will be shown in the Declarations page, if applicable, and is the most **You** will pay for the sum of all Deductibles for all **Claims** first made and reported to **Us** during the **Policy Period**.

5. Reimbursement

In the event that **We** voluntarily choose or are compelled by a court of law to make any payment of the deductible or any **Loss** not covered by this **Policy**, and request reimbursement from **You**, the reimbursement is payable immediately, but no later than thirty (30) days after **Our** written demand.

D. DEFINITIONS

Affiliated Firm means an entity with which the **Named Insured** has entered into a professional relationship under a written agreement, prior to performing services, to perform specified services at the direction of and on behalf of the **Named Insured**.

Arbitration means the binding intervention of a qualified neutral third party chosen by **You** and the other party to a **Claim**, with agreement by **Us**.

Bodily Injury means physical injury of a person, sickness, disease or death and, if arising out of the foregoing, mental anguish, emotional distress, mental injury, shock or humiliation.

Breach Notice Law means any federal, state, local or foreign privacy legislation, regulation and their functional equivalent that requires an entity to provide notice to affected natural persons of any actual or potential unauthorized access to their **Confidential Records**.

Claim means a:

1. Written demand received by an **Insured** for **Damages** or **Equitable Relief**;
2. **Suit**;
3. Formal administrative or regulatory proceeding commenced by the filing of charges, formal investigative order or similar document;
4. **Arbitration** or **Mediation** proceeding commenced by the receipt of a demand or mediation or similar document; or
5. Written request first received by an **Insured** to toll or waive a statute of limitations.

All **Claims** made against any **Insured** that include, in whole or in part, allegations of **Wrongful Acts**, facts or circumstances that have a causal or logical connection will be considered one **Claim**. **Wrongful Acts**, facts or circumstances shall be deemed to have a causal connection if one or more of the **Wrongful Acts**, facts or circumstances alleged in one or more of such **Claims** give rise (directly or indirectly) to the **Wrongful Acts**, facts or circumstances alleged in the other of such **Claims**. **Wrongful Acts**, facts or circumstances shall be deemed to have a logical connection if there is a goal, motive or methodology that is both common and central to the matters alleged in such **Claims**. All such **Claims** will be considered first made at the time the earliest such **Claim** was made against any **Insured**.

Claim Expenses means all expenses **We** incur or authorize in writing for the investigation, adjustment, defense or appeal of a **Claim**. These expenses include fees charged by a lawyer, mediator or arbitrator with **Our** consent for which **You** are obligated. **Claim Expenses** also means premiums on appeal, attachment or similar bonds.

Claim Expenses do not include salaries, wages, fees, overhead or benefit expenses associated with:

1. Any **Insured** except as specified in A.4.f. Expense Reimbursement; or
2. **Our** employees.

Company means the insurance company that issued this **Policy**, as shown on the Declarations page or referred to herein as **We**, **Us**, or **Our**.

Computer means a single hardware device or group of hardware devices, on which software, applications, script, code or computer programs, containing **Data** can be operated and viewed.

Confidential Record means a natural person's first name or first initial and last name, in combination with:

1. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations, including social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
2. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
3. Credit, debit or payment card numbers;
4. Any Information related to employment by an **Insured**;
5. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
6. Any individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is owned by an **Insured** or for which an **Insured** is legally liable and is intended by an **Insured** to be accessible only by natural persons or entities it has specifically authorized to have such access.

Crisis Event means:

1. **Wrongful Act**;
2. Potential dissolution of the **Named Insured**;
3. Death, serious illness or departure of a principal, partner, owner, director, executive officer, risk manager or in-house general counsel of the **Named Insured**; or
4. Incident of workplace violence; or
5. The arrest of, initiation of a criminal investigation of or criminal proceeding against the Chief Executive Officer, Chief Financial Officer, President, partner, principal, LLC Managing Member, or member of the board of directors, for the rendering of **Professional Services**

that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.

Crisis Management Firm means any service provider hired by **You** and approved in writing by **Us**. **Our** consent will not be unreasonably withheld.

Cyber Attack means the transmission of fraudulent or unauthorized **Data** that is intended to, and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a **System** without authorization, including **Data** that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a **System**.

Damages means monetary judgments, awards or settlements unless otherwise excluded. **Damages** includes pre-judgment interest; and post judgment interest that accrues after entry of judgment and before **We** have paid, offered to pay or deposited in court that part of the judgment within the applicable Limit of Liability.

Damages also means punitive or exemplary damages, and the multiple portions thereof, if insurable under the law of the applicable jurisdiction most favorable to the insurability of such **Damages**.

Damages does not include any costs or expenses in complying with any demand for or award of **Equitable Relief**, even if such compliance is compelled as a result of a judgment, award or settlement. **Damages** also do not include return, restitution or reduction of professional fees; correcting, re-performing or completing any **Professional Services**; or fines, statutory penalties, or sanctions against **You** (except as provided with respect to punitive or exemplary damages), whether imposed by law or otherwise.

Data means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a **Computer**.

Defense Expenses means all expenses **We** incur or authorize in writing for a **Supplemental Coverage Matter**. These expenses include fees charged by a lawyer, mediator or arbitrator with **Our** consent for which **You** are obligated. **Defense Expenses** do not include **Damages**, other relief or **Claim Expenses**.

Disciplinary and Regulatory Proceeding means any formal administrative or regulatory proceeding by a regulatory or disciplinary official or agency to investigate or prosecute charges alleging professional misconduct or ethical violations in the performance of **Your Professional Services**.

Discrimination means **Your** refusal to provide **Professional Services** where such refusal is based upon age, race, gender, creed, color, religion, national origin, disability, marital status or sexual preference.

Domestic Partner means any natural person granted legal status as a domestic partner under any applicable federal, state or local law or under the provisions of any formal program established by the **Named Insured**.

Employment Practices means any actual or alleged:

1. Wrongful termination of the employment of, or demotion of, or failure or refusal to hire or promote any person in violation of law or in breach of any agreement to commence or continue employment;
2. Unlawful employment discrimination;
3. Sexual harassment of an employee or applicant for employment; or
4. Retaliatory treatment against an employee on account of that employee's exercise or attempted exercise of his or her rights under law.

Employment Practices does not include any labor or grievance arbitration, or other proceeding pursuant to a collective bargaining agreement, unemployment or wage/hour violation.

Engagement Letter means a written document detailing the scope of **Professional Services** to be provided by **You** and the related fee arrangements, signed by **You** and the client within one calendar year prior to providing such **Professional Services**.

Equitable Relief means a remedy other than the payment of expenses or monetary **Damages**. **Equitable Relief** includes non-monetary relief and injunctive relief.

Event Expenses means the reasonable fees and costs for consulting services performed by a **Crisis Management Firm**, as a result of a **Crisis Event**.

Extended Reporting Period means an additional period of time for reporting **Claim(s)**. The **Extended Reporting Period** starts on the **Policy Termination Date** and ends at the **Extended Reporting Period** expiration date.

Final Adjudication means a final judgment or settlement entered into terminating the litigation or administrative proceedings.

Independent Contractor means a natural person who performs **Professional Services** on behalf of the **Named Insured**, subject to a written contract with, and at the direction and control of the **Named Insured**.

Insured, also referred to herein as **You** or **Your**, means the **Named Insured** and:

1. Any **Predecessor Firm**;
2. Any individual, who was, is or becomes a partner, officer, director, stockholder-employee, associate, manager, member or employee of the **Named Insured**, solely while acting in a professional capacity on behalf of the **Named Insured** or a **Predecessor Firm**;
3. The **Named Insured's** temporary or leased employees, but only while acting on behalf of the **Named Insured**;
4. **Your** lawful spouse or **Domestic Partner**, solely for liability arising from any **Wrongful Act** of an **Insured** committed without the participation of such spouse or **Domestic Partner**;
5. **Your** heirs, assigns, and legal representatives in the event of **Your** death, incapacity or bankruptcy to the extent that the **You** would have been covered;
6. A past or present **Independent Contractor**, but solely while acting in such capacity on behalf of the **Named Insured**; or
7. A past or present **Affiliated Firm**, but solely while acting in such capacity on behalf of the **Named Insured**.

Loss means **Claim Expenses**, **Damages** and **Defense Expenses** and does not include **Equitable Relief**.

Material Change means:

1. Any merger, acquisition, spin-off, dissolution or split involving the **Named Insured**; or

2. Financial impairment of the **Named Insured**, including but not limited to the appointment of a receiver, conservator, liquidator, or trustee for the **Named Insured**, or if under the bankruptcy laws, the **Named Insured** has become a debtor in possession.

Mediation means the non-binding intervention of a qualified neutral third party chosen by **You** and the other party to a **Claim** with agreement by **Us**.

Named Insured means the sole proprietor, entity, partnership, or corporation designated in the Declarations page.

Personal Injury means:

1. False arrest, detention or imprisonment;
2. Wrongful entry, eviction or other invasion of private occupancy;
3. Malicious prosecution;
4. Abuse of process;
5. The publication or utterance of libel, slander or other defamatory or disparaging material; or
6. A publication in violation of a person's right of privacy.

Policy means this **Policy** form, the Declarations page, any endorsements to this **Policy** issued by **Us**, and **Your** application.

Policy Period means the period from the inception date of this **Policy** to the **Policy Termination Date**.

Policy Termination Date means the expiration date of this **Policy** as shown on the Declarations page, or the cancellation date of this **Policy**, whichever is earlier.

Potential Claim means a **Wrongful Act**, or any facts or other circumstances, which may subsequently give rise to a **Claim**.

Predecessor Firm means any accounting firm or legal entity that was engaged in **Professional Services**, is dissolved or inactive, and to whose assets and liabilities the **Named Insured** is the majority (more than 50%) successor in interest.

Privacy Breach means:

1. **Your** failure to protect a **Confidential Record**, including a **Cyber Attack** on **Your System**, or the actions of a **Rogue Employee**, which directly results in the unauthorized disclosure of one or more **Confidential Records**;
2. The theft or negligent loss of hardware, **Storage Media**, **System Output**, **Data** or other documents owned or controlled by, or on behalf of, **You** on which **Confidential Records** are stored or recorded;
3. **Your** negligent failure to disclose an event referenced in 1. or 2. above in violation of any **Breach Notice Law**; or
4. **Your** negligent violation of any applicable federal, state, foreign or local privacy legislation or regulation in connection with any **Claim**.

Professional Services means advice given or services performed for others for a fee, provided such services are performed by **You** with the knowledge and consent of the **Named Insured**, and the fee or a portion of the fee inures to the benefit of the **Named Insured**, unless the work has been designated as pro bono and approved in writing as such by the **Named Insured** at the onset of the engagement.

Professional Services also means advice given or services performed by **You** for any institute of accountants, any professional standards board, or any similar professional body pertaining to the practice of public accountancy, whether or not on behalf of the **Named Insured** or any **Predecessor Firm**.

Property Damage means physical injury to, loss of, or destruction of tangible property, including the resulting loss of use thereof; or loss of use of tangible property which has not been physically injured or destroyed. **Data** is not tangible property.

Retroactive Date refers to the date shown in Item 7. of the Declarations page.

Rogue Employee means a permanent employee of the **Named Insured** who has gained **Unauthorized Access**, or has exceeded authorized access, to a **System** or **Confidential Records** owned or controlled by **You** or an entity that is authorized by **You** to hold, process or store **Confidential Records** for **Your** exclusive benefit.

Security Breach means:

1. The failure or violation of the security of **Your System**, including the impairment or denial of access to **Your System**, a **Cyber Attack**, or unauthorized acts or omissions by a **Rogue Employee** which damages or harms **Your System** or the **System** of a third party with whom **You** provide services for a fee;
2. The theft or loss of hardware or **Storage Media** controlled by, or on behalf of, **You** on which **Data** is stored; or
3. The failure to disclose an event in 1. or 2. above which violates any **Breach Notice Law**.

Storage Media means objects on which **Data** is stored so that it can be read, retrieved or processed by a **Computer**. **Storage Media** does not mean paper. **Storage Media** also does not mean money, financial instruments, or documents.

Subpoena means a subpoena received by **You** for documents or testimony arising out of **Your** rendering of **Professional Services** provided that:

1. The subpoena arises out of a lawsuit to which **You** are not a party; and
2. **You** have not been engaged to provide advice or testimony in connection with the matter or have not provided such advice or testimony in the past.

Subpoena Response Expenses means attorney fees incurred in response to a **Subpoena** to provide advice regarding the production of documents, to prepare **You** for sworn testimony, and to represent **You** at depositions of **You**, by an attorney retained by **Us**.

Suit means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. **Suit** includes a binding arbitration proceeding in which **Damages** are alleged, and to which **You** must submit or do submit with **Our** consent.

Supplemental Coverage means coverages under Section A.4. Supplemental Coverage.

Supplemental Coverage Matter means facts or other circumstances which are covered under Section A.4. Supplemental Coverage.

System means a **Computer**, **Storage Media** and all input, output, processing storage and communication devices controlled, supervised or accessed by the operation systems that are proprietary to, or licensed to, the owner of the **Computer**.

System Output means a tangible substance on which one or more **Confidential Records** are printed from a **System**.

Totally and Permanently Disabled means a disability that wholly prevents rendering **Professional Services**, provided that such disability is reasonably expected to be continuous and permanent.

Unauthorized Access means the use of or access to **Systems** by a person not authorized to do so by the **Named Insured**; or the use or access to **Systems** in a manner not authorized by the **Named Insured**.

Wrongful Act and **Wrongful Acts** mean any actual or alleged negligent act, error, omission, misstatement, or **Personal Injury** in the rendering or failure to render **Your Professional Services**. When a **Claim** is based upon or arises out of more than one **Wrongful Act**, the date of all such **Wrongful Acts** shall be deemed to be the date of the first such **Wrongful Act**.

E. EXCLUSIONS

1. This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** based upon, arising out of, or in any way relating to, directly or indirectly:

- a. Conduct

Any **Insured** committing any intentional, dishonest, criminal, malicious or fraudulent act or omission. However, **We** will defend **Claims** alleging any of the foregoing conduct until there is a judgment, **Final Adjudication**, or finding of fact against, or adverse admission by, **You** as to such conduct at which time **You** shall reimburse **Us** for **Claim Expenses**. **We** shall not cover any **Claim** if **You** plead nolo contendere or no contest to a criminal proceeding against **You** arising out of the same, or essentially the same, material facts as such **Claim**;

This exclusion 1.a. does not apply to an **Insured** who did not personally commit or personally participate in committing any intentional, dishonest, criminal or fraudulent act or omission, provided that:

- 1) Such **Insured** had neither notice nor knowledge of such intentional, dishonest, criminal or fraudulent act or omission; and
 - 2) Such **Insured**, upon receipt of notice or knowledge of such intentional, dishonest, criminal or fraudulent act or omission, immediately notifies **Us**;
- b. Unearned Personal Profit
Any **Insured** gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;
- c. Non-Monetary Relief
Any demand for **Equitable Relief**;
- d. Computer Development
The development of computer hardware or software for others, however this exclusion 1.d. does not apply to training, consulting, sales, installation, integration, or maintenance of hardware or packaged software products related to accounting, bookkeeping and tax preparation;
- e. Fiduciary
Your capacity as:
 - 1) An administrator, trustee or fiduciary of an employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon trustees, administrators or fiduciaries by the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein. However, this exclusion 1.e.1) does not apply if **You** are deemed to be a fiduciary solely as a result of **Professional Services** provided by **You** to such plan as an accountant, including accounting, audit, attest, consulting, tax, investment advisory services, and administrative services to an employee benefit plan as an independent third party consultant; or
 - 2) A trustee of any organization or entity, or of a pension, welfare, profit-sharing, mutual or investment fund or trust. However, this exclusion 1.e.2) does not apply to **You** in **Your** capacity as trustee of a trust established for the sole benefit of an individual or family, trustee of a charitable remainder trust as defined under Internal Revenue Code Section 664, or as court-appointed bankruptcy trustee or receiver;
- f. Related Trusts
Professional Services rendered by **You** as an executor, administrator or personal representative of an estate or as a trustee if **You** or **Your** spouse are a beneficiary or distributee of the estate or trust;
- g. Bodily Injury or Property Damage
Bodily Injury or **Property Damage**, however this exclusion 1.g. does not apply to **Property Damage** to client records which are in **Your** care, custody or control;
- h. Contract
Liability **You** assume under any contract or agreement; however, this exclusion 1.h. does not apply to liability **You** would have in the absence of such contract or agreement;
- i. Misappropriation
Any actual or alleged **Insured's** conversion, commingling, misappropriation, or improper use of funds, monies or property;
- j. False Pretenses
Any transfer, payment or delivery of funds, money or property, by anyone, which was caused or induced by trick, artifice, or the misrepresentation of a fact including, but not limited to, funds transfer fraud, social engineering, computer fraud, pretexting, phishing, spear phishing or any other confidence trick. However this exclusion 1.j. does not apply to failure to detect fraud at a client when such fraud has no actual or alleged involvement of an **Insured**;
- k. Securities Laws
Your capacity as a broker or dealer in securities, as those terms are defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934;

I. Deceptive Business Practices

Any actual or alleged anti-trust law violation or agreement or conspiracy to restrain trade unless the allegations arise solely from **Your** performance of **Professional Services** as a member of a formal accreditation, standards review or similar professional board or committee, related only to accountancy, and such services are within the scope of that committee's or board's established guidelines; or

m. Related Entities

Services rendered to, services failed to be rendered to, or claims made by, any entity not named in the Declarations in which **You**:

- 1) Hold an interest of more than 15%, as a partner, member, principal or stockholder;
- 2) Are an employee, officer, or director at any time **Professional Services** were rendered or failed to be rendered; or
- 3) Directly control, operate or manage;

However this exclusion 1.m. does not apply to a **Claim** by a non-profit entity for which **You** are an officer or director.

2. Network Security

This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** based upon, arising out of, or in any way relating to, directly or indirectly:

- a. Controlling, creating, designing, or developing any third party's Website;
- b. Controlling, creating, designing, developing, determining, or providing the content or material of any third party's website, other than providing accounting articles to an accounting industry website;
- c. Controlling, facilitating, providing, or failing to control, facilitate, or provide, access to the internet;
- d. Any infringement of, violation of, or assertion of, any right to or interest in any software, software source content or material **Computer** code, **Computer** source content or material or expression method, or process designed to control or facilitate any operation or other use of a **Computer** or automated system; or
- e. The failure of goods, products, or services to conform with any electronic, oral, written, or other representation or warranty with respect to durability, fitness, performance, quality or use.

3. Insured vs Insured

This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** based upon, arising out of, or made by any **Insured** under this **Policy** against any other **Insured** under this **Policy** unless the **Damages** are solely for **Professional Services** rendered to such **Insured** as a client of the **Named Insured**. However this exclusion does not apply to Section A.2. Employment Practices Liability Coverage.

F. EXTENDED REPORTING PERIODS

1. Automatic Extended Reporting Period

You will be entitled to an automatic **Extended Reporting Period** for no additional premium. This extension is applicable to any **Claim** made against **You** during the **Policy Period** and reported to **Us** in writing, during the sixty (60) days immediately following the **Policy Termination Date**.

2. Optional Extended Reporting Period

We will provide an optional **Extended Reporting Period** as described below:

If this **Policy** is canceled, terminated or non-renewed, **You** shall have the right, upon payment of an additional premium, to an extension of the reporting period for any **Claim** against **You** first made and reported after the **Policy Termination Date**, but only with respect to **Wrongful Acts** committed after the applicable **Retroactive Date** and prior to the **Policy Termination Date** and otherwise covered by this **Policy**.

If purchased, this optional **Extended Reporting Period** shall be in place of, not in addition to, the automatic **Extended Reporting Period**.

- a. The available optional **Extended Reporting Period** options and additional premium are determined in accordance with the rules, rates and rating plans **We** then have in effect in **Your** state.
- b. **You** must request the optional **Extended Reporting Period** in writing and must pay **Us** the additional premium within sixty (60) days following the date of such cancellation, termination or non-renewal. If **We** do not receive **Your** request and premium payment within sixty (60) days following the date of such cancellation, termination or nonrenewal, **Your** right to purchase the optional **Extended Reporting Period** will cease.
- c. If **We** cancel for non-payment of premium, the **Named Insured** may purchase the optional **Extended Reporting Period** only after any earned premium due **Us** is paid within ten (10) days after the date of cancellation or **Policy** expiration, whichever comes first.
- d. All premiums paid for an optional **Extended Reporting Period** shall be deemed fully earned as of the first day of the optional **Extended Reporting Period**. Once the premium for the optional **Extended Reporting Period** is paid, it may not be cancelled.

The optional **Extended Reporting Period** does not extend the **Policy Period** or change the scope of coverage provided. There are no separate, additional or reinstated limits of liability for the **Extended Reporting Period**.

3. Death or Disability Extended Reporting Period

If, during the **Policy Period**, the **Named Insured** who is a sole proprietor, dies or becomes **Totally and Permanently Disabled**, having been continuously insured by **Us** under a Professional Liability Insurance policy for the immediately preceding three (3) full years, does not have any other available insurance coverage, and meets **Our** eligibility requirements, **We** will issue a death or disability **Extended Reporting Period** endorsement without additional charge. The death or disability **Extended Reporting Period** expires when the executor or administrator of **Your** estate is discharged or **Your** disability ends. **You** or **Your** estate must, as soon as practicable but no later than sixty (60) days after the **Policy Termination Date**, notify **Us** in writing if this coverage is desired. This death or disability **Extended Reporting Period** does not apply to **Claims** that are covered under any subsequent insurance available to **You**, or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

We also require:

- a. Written proof of **Your** permanent and total disability, including the date it happened, certified by **Your** attending physician. **You** agree to submit to medical examination(s) by any physician(s) **We** designate if requested; or
- b. Written proof of the date of **Your** death.

4. Retirement Extended Reporting Period

If, during the **Policy Period**, the **Named Insured** who is a sole proprietor, retires completely from rendering **Professional Services** specifically covered by this **Policy**, has been continuously insured by **Us** under a Professional Liability Insurance policy for the immediately preceding three (3) full years, does not have any other available insurance coverage, and meets **Our** eligibility requirements, **We** will issue a retirement **Extended Reporting Period** endorsement without additional charge. **You** must, within sixty (60) days after the **Policy Termination Date**, notify **Us** in writing if this coverage is desired. This retirement **Extended Reporting Period** does not apply to **Claims** that are covered under any subsequent insurance available to **You**, or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

We also require:

- a. **You** are fifty-five (55) years of age or older;
- b. **Your** license or right to provide **Professional Services** has not been revoked, suspended, or **You** have not relinquished **Your** license or right to provide **Professional Services** in lieu of suspension or revocation, in any state or jurisdiction; and
- c. **Your Policy** was not cancelled (unless reinstated) for failure to pay premium when due.

The retirement **Extended Reporting Period** expires when **You** resume rendering **Professional Services**.

G. DUTIES IN THE EVENT OF CLAIM(S), POTENTIAL CLAIM(S), OR SUPPLEMENTAL COVERAGE MATTER(S)

1. If **You** receive a **Claim**, **You** must provide **Us** written notice of the **Claim** or **Regulatory Proceeding**, with full details including the date received, as soon as practicable, but in no event later than sixty (60) days after the **Policy Termination Date** or during an **Extended Reporting Period**, if provided.
2. No **Insured** will, except at that **Insured's** own cost, voluntarily make a payment, assume any obligation, agree to a settlement or incur any expense related to a **Claim** without **Our** consent.
3. If **You** become aware of a **Potential Claim**, **You** must provide **Us** written notice as soon as practicable, but in no event later than the **Policy Termination Date**. To the extent possible notice should include:
 - a. Where the **Wrongful Act** took place and any facts or circumstance concerning the **Wrongful Act**; and
 - b. The names and addresses of any persons and entities involved; and
 - c. The reasons why the **Potential Claim** may reasonably be expected to give rise to a **Claim**.
4. Any **Claim** arising out of the **Potential Claim** which is subsequently made against **You** shall be deemed to have been first made at the time **We** received such written notice from **You**, if **We** receive proper notice of the **Potential Claim** according to paragraph 3. above.
5. If **You** receive a **Supplemental Coverage Matter**, **You** must provide **Us** with written notice of the **Supplemental Coverage Matter**, with full details, including the date received, as soon as practicable, but in no event later than the **Policy Termination Date**.
6. **You** and any other involved **Insured** must:
 - a. Immediately send **Us** copies of any demands, notices, summonses or legal papers received in connection with the **Claim**, **Potential Claim** or **Supplemental Coverage Matter**;
 - b. Authorize **Us** to obtain records and other information;
 - c. Cooperate with **Us** in the investigation, defense or settlement of the **Claim**, **Potential Claim** or **Supplemental Coverage Matter**; and
 - d. Assist **Us**, upon **Our** request, in the enforcement of any right against any person or entity which may be liable to **You** because of **Damages** to which this insurance may apply.

The date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

H. CONDITIONS

1. Cancellation and Non-Renewal
 - a. **We** may cancel this **Policy** by written notice to the **Named Insured**, consistent with state law.
 - b. The **Named Insured** may cancel this **Policy** by written notice to **Us** stating when thereafter the cancellation shall be effective. If this **Policy** is cancelled, earned premium shall be calculated on a pro rata basis.
 - c. **We** are not required to renew this **Policy**. However, written notice of **Our** intent to non-renew this **Policy** shall be sent to the **Named Insured** consistent with state law.
2. Representations and Application

By accepting this **Policy**, **You** agree that:

 - a. The statements in the Declarations are accurate and complete;
 - b. Those statements are based on representations **You** made to **Us** in **Your** application for this insurance **Policy**, or to **Us** for a **Policy** of which this **Policy** is a renewal or replacement;
 - c. The representations made in **Your** application are the basis of this **Policy** and are to be considered as incorporated into and constituting a part of this **Policy**;
 - d. Those representations are material to the acceptance of the risk **We** assumed under this **Policy**;
 - e. **We** have issued this **Policy** in reliance upon the truth, accuracy and completeness of such representations.

3. Legal Action Against Us

No person or entity has a right under this **Policy** to:

- a. Join **Us** as a party or otherwise bring **Us** into a **Suit** asking for **Damages** from an **Insured**; or
- b. Sue **Us** on this **Policy** unless all of its terms have been fully complied with.

A person or entity may sue **Us** to recover on an agreed settlement or on a final judgment against an **Insured**; but **We** 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 Liability. An agreed settlement means a settlement and release of liability signed by **Us**, the **Insured** and the claimant or the claimant's legal representative.

4. Material Change

If a **Material Change** occurs during the **Policy Period**, **You** will notify **Us** as soon as practicable, but not later than thirty (30) days after the effective date of the **Material Change**. **You** shall provide such additional information, pay any additional premium and agree to any amendment of the provisions of this **Policy** as **We** require.

If **You** fail to meet the conditions described above, coverage under this **Policy** shall continue until termination of the **Policy Period**, but only with respect to **Claims** made for **Wrongful Acts** which took place prior to the transaction.

5. Transfer of Rights of Recovery Against Others to Us

If **You** have rights to recover all or part of any payment **We** have made under this **Policy**, these rights are transferred to **Us**. **You** must do nothing after a **Loss** to impair **Our** rights to seek or obtain recovery from others. At **Our** request, **You** will sue those responsible or transfer those rights to **Us** and help **Us** enforce them. In the event of any payment under this **Policy**, **We** will be subrogated to the extent of such payment to all of **Your** rights of recovery. **You** will execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and will do nothing to prejudice or compromise such rights without **Our** express written consent.

6. Assignment

No change in, modification of or assignment of interest in this **Policy** will be effective except when made by a written endorsement to the **Policy**.

7. Sole Agent for the Insured

By accepting this **Policy**, **You** agree that only the **Named Insured** is authorized to act as the sole agent on behalf of all **Insureds** with respect to the following: effecting or accepting notices under this **Policy**, and amendments to or cancellations of this **Policy**, completing of any application, making of statements representation and warranties, consenting to settlement or releasing rights under this **Policy**, payment of premiums, receiving return premiums, requesting any optional **Extended Reporting Period** and agreeing to any changes in this insurance **Policy**. Each **Insured** agrees that the **Named Insured** will act on its or their behalf with respect to such matters.

8. Coverage Territory and Valuation

- a. This **Policy** applies anywhere in the world. If **We** are prevented by law or otherwise unable to defend or investigate a **Claim** brought outside the United States, the **Insured**, under our supervision, may arrange for the investigation, appointment of counsel and defense of such **Claim**. Subject to the Limit of Liability, **We** will reimburse the **Insured** for any reasonable and necessary **Claim Expenses** incurred that **We** would have paid if **We** had defended such **Claim**.
- b. All premiums, limits, deductibles, Loss and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of **Loss** under this **Policy** is stated in a currency other than the United States of America dollars, payment under this **Policy** will be made in United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of **Loss** is due, respectively

9. Other Insurance

- a. If other valid and collectible insurance is available to **You** for **Loss** covered under this **Policy**, the insurance provided by this **Policy** will be excess over such other insurance, regardless of whether or not such insurance

is primary, contributory, excess, contingent or otherwise. This condition will not apply to insurance specifically purchased as excess over this **Policy**.

- b. When this insurance is excess **We** have no duty to defend **You** against any **Claim** if any other **Insurer** has a duty to defend **You** against the **Claim**. If no other insurer defends **We** will undertake to do so but **We** will be entitled to **Your** rights against those other insurers.
- c. When this insurance is excess over other insurance **We** will pay only **Our** share of the amount of **Loss**, if any, that exceeds the sum of:
 - 1) The total amount that all such other insurance would pay for the **Loss** in the absence of this insurance; and
 - 2) The total of all deductibles, self-insurance and retentions under all other insurance.

We will share the remaining **Loss**, if any, with any other insurance that is not described in this provision and was not bought specifically to apply in excess of the Limit of Liability shown on the Declarations of this **Policy**.

d. Method of Sharing

If all the other insurance permits contribution by equal shares, **We** will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Liability or none of the **Loss** remains, whichever comes first.

If any other insurance does not permit contribution by equal shares, **We** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Liability to the total applicable limits of liability of all insurers.

10. Two or More Policies, Coverage Parts, or Endorsements Issued by Us

It is **Our** stated intention that this **Policy** and any other policy, coverage part or endorsement issued by **Us**, or by any company of The Hanover Insurance Group, shall not provide duplicate or overlapping coverage for the same **Claim** or **Supplemental Coverage Matter**. If this **Policy** and any other policy issued by **Us**, or by any company of The Hanover Insurance Group, to **You** apply to the same **Claim** or **Supplemental Coverage Matter** then, Condition 9. Other Insurance notwithstanding:

- a. **We** shall not be liable under this **Policy** for a greater proportion of the **Loss** than the applicable Limit of Liability of this **Policy** bears to the sum of the total limits of liability of all such policies; and
- b. The maximum amount payable under all such policies combined shall not exceed the highest applicable Limit of Liability under any one policy.

11. Conformance to Law and Trade Sanctions

Coverage under this **Policy** does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit **Us** from providing insurance. The terms of this **Policy** which are in conflict with the statutes of the state in which this **Policy** is issued are amended to conform to those statutes.

12. Section Titles

The titling of sections and paragraphs within this **Policy** is for convenience only and will not be interpreted as a term or condition of this **Policy**.

13. Innocent Insureds

Exclusion 1.a. does not apply to an **Insured** who did not personally commit or personally participate in committing any intentional, dishonest, criminal or fraudulent act or omission, provided that:

- a. Such **Insured** had neither notice nor knowledge of such intentional, dishonest, criminal or fraudulent act or omission; and
- b. Such **Insured**, upon receipt of notice or knowledge of such intentional, dishonest, criminal or fraudulent act or omission, immediately notifies **Us**.

14. Bankruptcy

You or **Your** estate's bankruptcy or insolvency does not relieve **Us** of **Our** obligations under this **Policy**.

15. Liberalization

If **We** adopt any revisions to the terms and conditions of this **Policy** form to provide more coverage without an additional premium charge during the **Policy** term, the broadened coverage will immediately apply. However, the broadened terms and conditions will not apply to any **Claims** or **Supplemental Coverage Matters** that were first made against **You** prior to the effective date of the revision.

**U.S. Treasury Department's
Office of Foreign Assets Control ("OFAC")
Advisory Notice To Policyholders**

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

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

The Office of Foreign Assets Control ("OFAC") administers and enforces sanctions policy, based on Presidential Declarations of National Emergency.

OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site: <http://www.treas.gov/ofac>.

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

Other limitations on the premiums and payments also apply.

CUSTOMER NOTICE OF PRIVACY POLICY AND PRODUCER COMPENSATION PRACTICES DISCLOSURES—PRIVACY POLICY DISCLOSURE

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
 - credit history, driving record (including records of any operators who will be insured under the policy); and/or
 - an appraisal of your dwelling or place of business that may include photos and comments on its general condition.
-

Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.

There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency,

Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc. - Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc. - Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

**INFORMATION REGARDING
EXTENDED REPORTING PERIOD ENDORSEMENT
("ERP COVERAGE")**

The enclosed policy provides coverage for claims reported during the policy period. Subject to the policy's terms and conditions, you may purchase an Extended Reporting Period Endorsement, also known as "ERP coverage", that will extend the time for reporting claims arising out of professional services rendered while the policy was still in effect although the policy may have been cancelled or non-renewed or terminated. Please refer to Section F. of your policy for the terms and conditions for eligibility, purchasing or obtaining an Extended Reporting Period endorsement. *There is a limited time for requesting such an endorsement.*

The premium charged for the endorsement is expressed as a percentage of your policy's annual premium.

<i>Length of "ERP Coverage" Offered</i>	<i>"ERP Coverage" Premium</i>
12 months	100 % of expiring annual premium
24 months	150 % of expiring annual premium
36 months	200 % of expiring annual premium
48 months	225 % of expiring annual premium
60 months	250 % of expiring annual premium
Unlimited	300 % of expiring annual premium

**Extended Reporting Period Endorsements may be subject to state regulatory requirements.*

Please contact your agent or customer service representative for pricing specific to your situation and location.

IMPORTANT POLICYHOLDER INFORMATION CYBER PRIVACY AND SECURITY RISK MANAGEMENT RESOURCES

We are pleased to provide our policyholders with access to the eRisk Hub®, powered by NetDiligence®. The eRisk Hub is a private web-based portal containing information and technical resources that can assist you in the prevention of network, cyber and privacy breaches and support you in the timely reporting and recovery of losses if an incident occurs.

The eRisk Hub features news, content and services from leading practitioners in risk management, computer forensics, forensic accounting, crisis communications, legal counsel, and other highly-specialized segments of cyber risk.

Please note the following:

1. The eRisk Hub portal is a private site for policyholders of The Hanover Group only. Please do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.
2. Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.
3. This portal contains a directory of experienced providers of cyber risk management and breach recovery services. Hanover does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.
4. Should you experience a data breach event, you may choose to call the Breach Coach® listed in the portal for immediate triage assistance. Your initial consultation is free of charge. Please be aware that the Breach Coach service is provided by a third-party law firm. Therefore, contacting the Breach Coach does NOT satisfy the claim notification requirements of your policy.

To register for the Hanover eRisk Hub:

1. Go to <https://www.eriskhub.com/hanover.php>.
2. Complete the **New User Registration** form in the center of the webpage. Create your own User ID and password. Enter **14014** in the **Access Code** field.
3. Once you've completed registration, you can login immediately by entering the User ID and password you just created in the **Member Login** box in the top right corner of the screen.

Please note that the independent risk management services offered by eRisk Hub powered by NetDiligence are accessible to you as a Policyholder of The Hanover Insurance Company or one of its subsidiaries and affiliates. The Hanover is independent from NetDiligence and depending on the terms, conditions, and exclusions of your Hanover policy, may not be responsible for any fees or charges you may incur for services or products which may be offered to you by NetDiligence, eRisk Hub, or for which you may contract with any provider listed in eRisk Hub. Under no circumstances should the recommendations, services or products of eRisk Hub be construed as recommendations, services or products of The Hanover Insurance Group, Inc. By making this service accessible to you, The Hanover does not assume (and specifically disclaims) any duty, undertaking or responsibility to you regarding the kidnap response and risk management services of eRisk Hub and Net Diligence.

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

CYBER FIRST PARTY COVERAGES

In consideration of the premium charged it is agreed that:

SCHEDULE			
<u>Cyber First Party Coverages</u>	<u>Limit of Liability</u>	<u>Deductible</u>	<u>Retroactive Date</u>
Cyber Expense	\$100,000	\$1,000	01/01/2022

A. Section A. Coverage is amended to include:

Cyber First Party Coverages

a. Breach Event Expenses

We will pay Breach Event Expenses directly resulting from a **Privacy Breach** or **Security Breach** first discovered by **You** during the **Policy Period**.

b. Breach Restoration Expenses

We will pay Breach Restoration Expenses directly resulting from a **Security Breach** first discovered by **You** during the **Policy Period** and which results in the damage, deletion or destruction of **Data** owned by **You** or for which **You** are legally liable.

c. Cyber Investigation Expenses

We will pay Cyber Investigation Expenses directly resulting from a **Regulatory Investigation** regarding a **Privacy Breach** or **Security Breach** first discovered by **You** during the **Policy Period**.

d. Cyber Business Interruption and Extra Expense

We will pay loss of Business Income and additional **Extra Expense**, incurred by **You** during the **Period of Restoration**, directly resulting from a **Security Breach** which first occurs during the **Policy Period** and which results in an actual impairment or denial of service of **Business Operations** during the **Policy Period**.

e. Cyber Extortion

We will pay Cyber Extortion Expenses directly resulting from a **Threat** first made against **You** during the **Policy Period** and which results in **You** surrendering any funds or property to a natural person who makes such **Threat**.

f. Cyber Theft

We will pay Cyber Theft Loss first discovered by **You** during the **Policy Period**.

B. For the purposes of coverage provided by this endorsement, Section C.1. Limit of Liability is amended to include:

The most **We** will pay for all **Cyber Expenses** resulting from a **Cyber Event** first discovered by **You** during the **Policy Period** shall be the Limit of Liability stated in the Schedule above.

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

The Limit of Liability stated in the Schedule above shall be part of, and not in addition to, the Limits of Liability shown in Item 3. of the Declarations page.

- C. For the purposes of coverage provided by this endorsement, Section C.2. Deductible, is amended to include:

You will pay the deductible amounts shown in the Schedule above. The deductibles apply as applicable to each **Cyber Expense**. **You** must pay the deductible immediately when invoiced. If different parts of a **Claim** or related **Cyber Expenses** are subject to different deductibles in different Insuring Agreements, the applicable deductibles will be applied separately to each part of such **Claim** or **Cyber Expense** but the sum of such deductibles shall not exceed the largest applicable deductible for a single **Claim** and related **Cyber Expenses**. **Cyber Expenses** are subject to the deductible applicable to the **Policy Period** during which such **Cyber Event** was deemed to have been discovered.

- D. Section D. Definitions, the definition of **Loss**, is amended to include:

Loss also includes **Cyber Expense**.

- E. Section D. Definitions is amended to include:

Breach Event Expenses means the reasonable and necessary expenses incurred for a stipulated period of time with **Our** prior approval, from the date a **Security Breach** or **Privacy Breach** is first discovered by any of **You**:

1. To conduct an investigation and forensic analysis to determine the cause of a covered **Security Breach** or **Privacy Breach**;
2. To determine and notify the individuals whose **Confidential Records** were accessed or acquired including, but not limited to the cost of mailing, printing, advertising and other communications;
3. To establish a call center to be used by individuals whose **Confidential Records** were accessed or acquired;
4. For credit or identity monitoring or identity theft education assistance including fees, costs or expenses associated with the purchase of an identity fraud insurance policy to benefit individuals whose **Confidential Records** were accessed or acquired;
5. To retain a public relations crisis management or law firm as consultants to minimize harm directly arising from a covered **Security Breach** or **Privacy Breach**; or
6. For any other expenses or services pre-approved in writing by **Us** at **Our** sole and absolute discretion.

Breach Restoration Expenses means the reasonable cost of the blank **Storage Media**, and the reasonable cost of labor, with **Our** prior approval, for the actual transcription or copying of **Data** or **Storage Media**, furnished by **You**, in order to reproduce such **Data** or replace such **Storage Media**, from data and/or **Storage Media** of comparable kind or quality, respectively.

Business Income means **Your**:

1. Net profit or loss that would have been earned or incurred before income taxes; and
2. Continuing normal operating and payroll expenses.

Business Income does not include interest or investment income.

Business Operations means **Your** usual and regular business activities.

Cyber Event means **Cyber Theft, Privacy Breach, Regulatory Investigation, Security Breach, or Threat**. All **Cyber Events** based upon, arising out of or in any way related to, directly or indirectly, any **Claim**,

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

Potential Claim, Pre-Claim Assistance, investigation, proceeding, fact, circumstance, situation, **Cyber Event**, or logically or causally connected **Cyber Event**, will be considered one **Cyber Event**. Such **Cyber Event** will be considered first discovered at the time the earliest such **Cyber Event** is discovered by any of **You**.

Cyber Expense means **Breach Event Expenses, Breach Restoration Expenses, Cyber Investigation Expenses, Business Income, Extra Expense, Cyber Extortion Expenses, and Cyber Theft Loss.**

Cyber Extortion Expenses means:

1. Funds or property **You** surrender or pay, with the prior written authority of law enforcement and **Us**, and any of the following expenses set forth below, incurred by **You** with **Our** prior written approval:
2. Reasonable fees and expenses paid by **You** to an independent negotiator or consultant;
3. Reasonable travel and accommodation expenses; or
4. Any other reasonable expense; and
5. Loss resulting directly from the actual destruction, disappearance, confiscation or wrongful abstraction of funds or property, intended as an extortion payment, while being held or conveyed by any natural person or entity, duly authorized by **You** to have custody of such funds or property.

Cyber Investigation Expenses means all expenses **We** incur or authorize in writing for the investigation, adjustment, defense or appeal of a **Regulatory Investigation**.

Cyber Theft Loss means loss resulting directly from the unauthorized transfer, payment or delivery of funds by a natural person (other than any of **You**) who has gained unauthorized access to **Your System** or through a **Network** into **Your System**.

Extra Expense means the reasonable and necessary expenses **You** incur, with **Our** prior approval, in an attempt to continue **Business Operations** that are over and above the expenses **You** would have normally incurred. **Extra Expense** does not include any costs of updating, upgrading or remediation of **Your System**.

Liquidated Damages means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.

Network means any services provided by or through the facilities of any electronic or **Computer** communication system, including any shared networks, Internet access facilities, or other similar facilities for such systems, in which **You** participate, allowing the input, output, examination, visualization or transfer of **Data** or programs, from one **Computer** to **Your Computer**.

Period of Restoration means that period which begins:

1. For **Extra Expenses**, immediately after the actual or potential impairment or denial of **Business Operations** occurs; and
2. For the loss of **Business Income**, twenty-four (24) business hours after the actual impairment or denial of **Business Operations** occurs; and
continues until the earlier of the following:
 - a. The date **Business Operations** are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
 - b. Sixty (60) days after the date **Your Services** are fully restored, with due diligence and dispatch, to the level that would have existed had there been no impairment or denial of such operations; provided that the expiration date of this **Policy** shall not cut short the **Period of Restoration**.

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

Regulatory Investigation means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

Services means **Computer** time, data processing, storage functions or other uses of **Your System**.

Threat means a declaration made by a natural person that he or she will or has gained access to **Your System** and intends to:

1. Cause **You** to transfer, pay or deliver any funds or property using **Your System**;
2. Sell or disclose a **Confidential Record** to another natural person or to an entity;
3. Alter, damage or destroy **Your Data** while stored within **Your System**;
4. Alter, damage, or destroy **Your Data** through a **Security Breach**; or
5. Impair or deny **Your Services**,

where there exists a demand for an extortion payment or a series of such payments as condition for the mitigation or removal of such **Threat**.

F. Section E. Exclusions is amended to include:

A. This insurance does not apply to any **Claim, Supplemental Coverage Matter, or Cyber Event**:

1. Prior Notice

Based upon, arising out of, or in any way related to, directly or indirectly, any **Cyber Event**, investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice given to any other insurer, under any similar policy prior of which this **Policy** is a direct or indirect renewal or replacement; or

2. Past Events

Based upon, arising out of, or in any way related to, directly or indirectly, any **Cyber Event**, investigation, proceeding, act, event, result, damage, transaction, decision, fact, circumstance or situation which occurred, in whole or in part, prior to the applicable **Retroactive Dates** set forth in the Schedule above.

B. This insurance does not apply to any **Cyber Event** for:

1. Assumed Obligations

Any costs or expenses incurred to perform any obligation assumed by, on behalf of, or with the consent of any **Insured**; however, this Exclusion shall not apply to **Breach Event Expenses**;

2. Return of Payments

Any return of fees, charges, commissions or other compensation paid to an **Insured**;

3. Investigations

Any costs, fees or expenses incurred or paid by any **Insured** in establishing the existence of, or amount of loss. However, this Exclusion shall not apply to **Breach Event Expenses** for the retention of an information security forensic investigator or forensic accountant;

4. System Changes

Any costs or expenses incurred to replace, upgrade, update, improve, or maintain a **System**;

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

5. Non-monetary Relief

Any costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief; however, this Exclusion shall not apply to **Breach Event Expenses**;

6. Taxes, Fines and Penalties

Any fines or penalties imposed by law, taxes or **Liquidated Damages**;

7. Potential Income

Any potential income not realized by any **Insured**; however, this Exclusion shall not apply to loss of **Business Income** as provided under the Cyber Business Interruption and Extra Expense Insuring Agreement;

8. Uniform Commercial Code

Any loss, costs or expenses any **Insured** agrees to incur or incurs on behalf of another natural person or entity when such **Insured** is not obligated to incur such loss, costs or expenses under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity, provided that this Exclusion does not apply to the Breach Event Expenses or Cyber Business Interruption and Extra Expense Insuring Agreements;

9. Consequential Loss

Any loss, costs or expenses based upon, arising from or in consequence of an indirect or consequential loss of any nature; however, this Exclusion shall not apply to Cyber Business Interruption Coverage and Extra Expense Insuring Agreements;

10. Malfunction or Error

Any loss, costs or expenses resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, **Storage Media** failure or breakdown or any malfunction or error in programming, or error or omission in processing; or

11. War and Military Action

Any **Loss** based upon, arising out of, or in any way related to, directly or indirectly:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

G. Section G. Duties in the Event of Claim(s), Potential Claims(s) or Supplemental Coverage Matter(s) is amended to include:

With respect to the Breach Event Expenses, Breach Restoration Expenses, Cyber Investigation Expenses, Cyber Business Interruption and Extra Expense, Cyber Extortion, and Cyber Theft Insuring Agreements:

Coverage: APL

Endorsement Number: 1

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

1. Discovery of a **Cyber Event** is deemed to occur when any of **You** become aware of circumstances, acts or actual or potential liability to a third party regardless of when the act or acts causing or contributing to such **Cyber Event** occurred, even if the amount of the associated **Cyber Expense** does not exceed the deductible stated in the Schedule above or the exact amount or details of such **Cyber Event** or **Cyber Expense** may not be known.
2. **You** shall provide **Us** with written notice of any **Cyber Event** or potential **Cyber Event** as soon as practicable, but in no event later than sixty (60) days after any of **You** discover such **Cyber Event** or potential **Cyber Event**. The notice must include the nature of the alleged **Cyber Event**, and the manner in which **You** first became aware of it.
3. **You** shall provide **Us** assistance, information and cooperation, as **We** may require.
4. **You** shall provide **Us** proof of loss, duly sworn to, with full particulars, within six (6) months after discovery.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 2

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

PROFESSIONAL LIABILITY ENHANCEMENTS

In consideration of the premium charged it is agreed that:

A. Item 6. of the Declarations page is amended to include:

SUPPLEMENTAL COVERAGE	LIMIT
Cancelled Conferences	\$25,000 for each Policy Period
Counseling Support	\$5,000 for each Claim; not to exceed \$5,000 for all Claims in the aggregate
Emergency Web Hosting	\$500 for each Policy Period
Pet Boarding	\$500 for each Claim; not to exceed \$500 for all Claims in the aggregate
Real Estate Emergency Consulting	\$50,000 for each Policy Period
Replacement of Key Officers	\$50,000 or ten (10) times the annual premium paid for this Policy, whichever is lesser, for each Policy Period
Temporary Meeting Space	\$25,000 for each Policy Period
Travel Disruption Due to Terrorism	\$50,000 for each Policy Period
Workplace Violence Counseling	\$50,000 for each Policy Period

B. Section A.4. Supplemental Coverage is amended to include:

Cancelled Conferences

We will reimburse **You** for any business-related conference expenses, paid by the **Named Insured** and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a **Natural Catastrophe** or a **Communicable Disease** outbreak that forces the cancellation of the conference.

It is further agreed as follows:

1. The employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

Coverage: APL

Endorsement Number: 2

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

Counseling Support

We will reimburse **You** for emotional counseling expenses incurred by an **Insured** directly as a result of a **Claim** made against you during the **Policy Period**. The emotional counseling expenses incurred must have been for **Insureds** directly involved in the **Claim**.

Emergency Web Hosting

We will reimburse **You** for emergency web hosting fees necessitated by the **Named Insured's** need to relocate web hosting due to the **Unforeseeable Destruction** of the **Principal Location** during the **Policy Period**. Coverage will exist only for web hosting required for a web site.

Pet Boarding

We will reimburse **You** up to \$50 per day for an individual **Insured** for reasonable pet boarding expenses incurred for attendance at hearings, trials, mediations, arbitrations or depositions, at **Our** request or with **Our** consent, by such **Insured**.

Real Estate Emergency Consulting

We will reimburse **You** for a real estate agent's fee or real estate consultant's fee necessitated by the **Named Insured's** need to relocate due to the **Unforeseeable Destruction** of the **Principal Location** during the **Policy Period**.

Replacement of Key Officers

We will reimburse **You** for **Expenses for Replacement of Key Officers** if the chief executive officer, president, managing partner or managing member suffers an **Injury** during the **Policy Period** which results in the loss of life during the **Policy Period**.

Temporary Meeting Space

We will reimburse **You** for rental of meeting space which is required by the temporary unavailability of the **Principal Location** due to the failure of a climate control system, or leakage of a hot water heater during the **Policy Period**. Reimbursement is only provided for the renting of temporary meeting space required for meeting with parties who are not insured under this policy.

Travel Disruption Due to Terrorism

We will reimburse an individual **Named Insured**, or current principal, partner, director or officer of the **Named Insured**, for **Emergency Travel Expenses** required due to a **Certified Act of Terrorism** during the **Policy Period**.

Workplace Violence Counseling

We will reimburse **You** for emotional counseling expenses incurred directly as a result of **Workplace Violence** during the **Policy Period**. The emotional counseling expenses incurred must have been for:

1. **Insureds** who were victims of, or witnesses to, **Workplace Violence**;
2. The spouse or **Domestic Partner** of **Insureds** who were victims of, or witnesses to, **Workplace Violence**; and
3. Any client who directly witnessed **Workplace Violence**.

Coverage: APL

Endorsement Number: 2

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

C. Section D. Definitions is amended to include:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Federal Terrorism Risk Insurance Act. The Federal Terrorism Risk Insurance Act sets forth the following criteria for a **Certified Act of Terrorism**:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Federal Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Communicable Disease means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent.

Emergency Travel Expenses mean:

1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of, a **Certified Act of Terrorism**; and
2. The net additional expense incurred resulting from re-scheduling comparable transport, to replace a similar scheduled transport canceled by a commercial transportation carrier in direct response to a **Certified Act of Terrorism**;

provided that these expenses are on behalf of the **Named Insured** and not otherwise reimbursable.

Expenses for Replacement of Key Officers means the following reasonable expenses:

1. Costs of advertising the employment position opening;
2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, costs to verify background and references of applicants, and legal expenses incurred to draw up an employment contract.

Injury means physical damage to the body caused by violence or an accident.

Natural Catastrophe means hurricane, tornado, earthquake, tsunami, meteor impact, volcanic eruption, or flood.

Principal Location means the first address of the **Named Insured** listed on the Declarations page.

Unforeseeable Destruction means damage resulting from a **Certified Act of Terrorism**, fire, collision or collapse which renders the **Principal Location** completely unusable.

Workplace Violence means any actual or alleged intentional and unlawful use of deadly force with intent to cause harm, occurring at the **Principal Location** and resulting in **Injury**.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 3

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

CLAIM EXPENSES IN ADDITION TO THE LIMIT OF LIABILITY (EQUAL)

In consideration of the premium charged it is agreed that:

Section C.1. Limit of Liability, paragraphs a., b., and c., are deleted and replaced by:

- a. The Limit of Liability shown on Item 3.a. of the Declarations page per each **Claim** is the most **We** will pay for the sum of all **Damages** and **Defense Expenses** arising out of a single **Claim** or a series of related **Claims**, or single **Supplemental Coverage Matter** or a series of related **Supplemental Coverage Matters**, regardless of the number of persons or entities insured under this **Policy**, number of **Claims** made, number of **Supplemental Coverage Matters** or the number of persons or entities making **Claims** or **Supplemental Coverage Matters** during the **Policy Period** or during any **Extended Reporting Period**, if any.
- b. An amount equal to 100% of the each **Claim** limit shown in the Declarations page is the Limit of Liability for **Claim Expenses** arising out of all **Claims** first made against an **Insured** during the **Policy Period** and any **Extended Reporting Period**, if any. The Limit of Liability for **Claim Expenses** is in addition to any applicable limit of liability stated in Item 3. of the Declarations page. For any sub-limit, **Claim Expenses** are included within and not in addition to, the applicable sub-limit. In the event the Limit of Liability for **Claim Expenses** is exhausted, then **Claim Expenses** will be subtracted from the Limit of Liability stated in Item 3. of the Declarations page, with the remainder, if any, being the amount available to pay for **Damages** and **Defense Expenses**.
- c. The Aggregate limit shown on Item 3.b. of the Declarations page is the most **We** will pay for the sum of all **Damages** and **Defense Expenses** for all **Claims** and for all **Supplemental Coverage Matters** under this **Policy**.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 4

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

SPECIFIC SERVICES EXCLUSION

In consideration of the premium charged it is agreed that:

Section E. Exclusions is amended to include:

This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** based upon, arising out of, or in any way relating to, directly or indirectly, the rendering of or failure to render any of the following services, advice or instruction by **You** or on **Your** behalf: Professional Services to Public Traded Firms.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 5

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

NEW MEXICO STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

A. Section B. the first paragraph of Defense and Settlement is deleted and replaced by:

We have the right to appoint counsel and the exclusive right and duty to defend any **Claim** made under this **Policy** until there is a **Final Adjudication** against **You**, even if the allegations are groundless, false or fraudulent. **You** may participate in and assist in the direction of any **Claim** with such participation and assistance not limiting **Our** right to control the defense. **You** may recommend counsel to **Us**. **We** may accept that recommendation of counsel and such acceptance will not be unreasonably withheld, provided such counsel agrees to comply with **our** litigation management guidelines and agrees to accept **Our** hourly fee payment. **We** will pay **Claim Expenses** in connection with a **Claim We** defend. **We** are not obligated to defend any criminal investigation, criminal proceeding or prosecution, or any **Claim** for **Equitable Relief**, against **You**. If a **Claim** is not covered under this **Policy**, **We** will have no duty to defend it.

B. Section H.1. of Conditions is deleted and replaced by:

1. Cancellation and Non-Renewal

a. **We** may cancel this **Policy** by mailing written notice of cancellation to the **Named Insured**:

1. Ten (10) days before such cancellation is effective, based upon nonpayment of premium, unless such premium is paid within such ten (10) day period;
2. Ten (10) days before such cancellation is effective, for any other reason if this **Policy** has been in effect for less than sixty (60) days and is not a renewal policy **We** issued. The effective date of cancellation shall fall within the sixty (60) day period.
3. Thirty (30) days before such cancellation is effective, based upon discovery of a substantial change in the risk assumed;
4. Fifteen (15) days before such cancellation is effective, based upon one or more of the following other reasons, if this **Policy** has been in effect for sixty (60) days or more, or is a renewal of a policy **We** issued:
 - a) The **Policy** was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by **Us**;
 - b) Willful and negligent acts or omissions by the **Insured** have substantially increased the hazards insured against; or
 - c) The **Named Insured** presented a **Claim** based on fraud or material misrepresentation.

Regardless of the reason for cancellation, return of unearned premium shall be calculated on a pro rata basis.

b. The **Named Insured** may cancel this **Policy** by written notice to **Us** stating when thereafter the cancellation shall be effective. If this **Policy** is cancelled, earned premium shall be calculated on a pro rata basis.

Coverage: APL

Endorsement Number: 5

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

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- c. **We** are not required to renew this **Policy**. However, written notice of **Our** intent to non-renew this **Policy** shall be sent to the **Named Insured** at least thirty (30) days prior to expiration of the **Policy Period**.
- d. Notice of cancellation or non-renewal will be delivered or mailed to the **Named Insured** at the last mailing address known to **Us**. Such notice will state the effective date of cancellation or non-renewal and the specific reason for cancellation or nonrenewal. A copy of the notice will be mailed to the agent of record. Proof of mailing shall be sufficient proof of notice.
- e. Notice of renewal on different terms, including different rates, shall be mailed to the **Named Insured** in writing not less than thirty (30) days prior to the expiration of the **Policy Period**.
- C. Section H.1. of Conditions is amended to include:
- Loss Information
- We** will provide the **Named Insured** with **Loss** information including **Losses** paid, **Loss** reserves, **Claim Expenses** paid, **Claim Expense** reserves, and the balance of the limit of liability remaining on this **Policy** within sixty (60) days of the **Named Insured's** written request.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 6

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

CPAONEPRO PLUS

In consideration of the premium charged it is agreed that:

A. Section A. Coverage is amended to include:

Third Party Discrimination Coverage

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for **Discrimination**, solely while acting on behalf of the **Named Insured** or any **Predecessor Firm**. Payment made hereunder is not subject to the deductible and is subject to the Limits of Liability referenced in Item 3. of the Declarations page. This coverage is subject to the additional requirements and limitations in paragraphs a., b. and c. of the last sentence of Section A. Coverage.

B. Section A.4. Supplemental Coverage, Paragraphs a. and f. are deleted and replaced by:

a. Pre-Claim Assistance

- 1) Until the date a **Claim** is made, **We** will pay all costs or **Defense Expenses** **We** incur at **Our** sole discretion as a result of investigating a **Potential Claim** that **You** report to **Us**.
- 2) Pre-claim Assistance is subject to the following:
 - a) **You** must provide a written request for assistance;
 - b) The Pre-claim Assistance matter must not have already been reported as a **Claim**, to **Us** or any other insurer;
 - c) The Pre-claim Assistance matter must arise from a **Wrongful Act** that first occurred on or after the applicable **Retroactive Date(s)** and before the end of the **Policy Period**;
 - d) Pre-claim Assistance ends when a **Claim**, which arises out of the matter for which the Pre-claim Assistance is provided, is made; and
 - e) The manner in which Pre-claim Assistance is provided, and its extent, is determined by **Us** in our sole discretion.
- 3) Any payment made hereunder will not be subject to the deductible and notwithstanding Section C.1. Limit of Liability, Paragraph d., this Supplemental Coverage Limit is in addition to the Limits of Liability referenced in Item 3. of the Declarations page.

f. Reimbursement for Loss of Income

Subject to a limit of \$1,250 each day, **We** will pay actual loss of earnings and reasonable expenses **You** incur to attend hearings, trials or arbitration proceedings at **Our** request.

C. Section A.4. Supplemental Coverage is amended to include

Reimbursement for IRS Fines and Penalties

We will reimburse **You**, subject to an aggregate limit of \$50,000, for fines or penalties assessed against **You** pursuant to Internal Revenue Code Sections 6694, 6695(a) or 6713. Multiple penalties imposed under Internal Revenue 6694, 6695(a) and 6713 shall not be deemed to be **Claims** with a causal or logical connection unless they arise from **Wrongful Acts** with a goal, motive or methodology that is both common

Coverage: APL

Endorsement Number: 6

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

and central to the matters alleged in such **Claims**. Any payment made hereunder will not be subject to the deductible and notwithstanding Section C.1. Limit of Liability, Paragraph d., this Supplemental Coverage Limit is in addition to the Limits of Liability referenced in Item 3. of the Declarations page.

Regulatory Consumer Privacy Protections Penalty Extension

We will pay, subject to an aggregate limit of \$10,000, fines, sanctions and/or penalties assessed against **You** for failure to comply with consumer privacy protection regulations promulgated by the Federal Trade Commission's final rule on privacy of consumer financial information (Title 16 CFR Part 313, otherwise known as the Gramm Leach Bliley Act of 1999), where insurable by law. Any payment made hereunder will not be subject to the deductible and notwithstanding Section C.1. Limit of Liability, paragraph d., this Supplemental Coverage Limit is in addition to the Limits of Liability referenced in Item 3. of the Declarations page.

Nonprofit Directors and Officers Expense

We will pay, subject to an aggregate limit of \$10,000, only **Defense Expenses** on **Your** behalf arising out of a **Suit** made against **You** during the **Policy Period** and reported to **Us** in writing during the **Policy Period**, for **Your** acts, errors or omissions as a director or officer of a **Nonprofit Entity** provided that such activities as a director or officer of a **Nonprofit Entity** have been previously disclosed to **Us** in **Your** application or other written form accepted by **Us**.

The coverage provided under this Nonprofit Directors and Officers Expense shall be excess of all other valid and collectable Directors and Officers Liability Insurance whether provided on a primary, excess, contingent or any other basis which has been issued to such **Nonprofit Entity** or **You**.

D. Section C.1. Limit of Liability is amended to include:

If the Limit of Liability shown in item 3.a and item 3.b the Declarations page are exhausted, an additional limit equal to 10% of the each **Claim** limit shown in the Declarations page (or \$250,000, whichever is less) will be available to reimburse **You** for additional **Claim Expenses** **You** incur with **Our** prior written consent, defending any unresolved **Claims**.

E. Section C.3. Deductible Reduction Benefits is deleted and replaced by:

- a. If **We** ask, and **You** agree, to use **Mediation** or **Arbitration** to resolve any **Claim** brought against **You**, and if the **Claim** is resolved by such **Mediation** or **Arbitration**, without litigation, **Your** deductible obligation for that **claim** will be reduced by:
 - 1) 100% to a maximum amount of \$30,000; and
 - 2) If **Your** deductible exceeds \$30,000, **We** will reduce **Your** next \$20,000 of deductible obligation on that **Claim** by 50%.
- b. If a **Claim** is for **Professional Services**, other than audit or review, that are the subject of an **Engagement Letter**, then **Your** deductible obligation for that **Claim** will be reduced by 50%. The maximum amount of any reduction is \$25,000 for each **Claim**, not to exceed \$50,000 for all **Claims** in the Aggregate.
- c. **Your** deductible obligation will be reduced by 10%, subject to a maximum reduction of 50%, each consecutive twelve (12) month policy period in which **You** do not have a **Claim**. After a **Claim** is made, the reduction resets to zero (0%).
- d. Deductible reductions may not be combined. Only one reduction in **Your** deductible obligation may be applied to a single **Claim**. A deductible reduction will not be applied:
 - 1) To any subsequent **Claims** in the **Policy Period**; or

Coverage: APL

Endorsement Number: 6

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

2) If the **Policy** is cancelled, terminated, or non-renewed.

F. Section D. Definitions is amended to include:

Connected Firm means any person(s) or entities with which the **Named Insured** has entered into a written professional relationship, contract or agreement, prior to performing services, to perform **Professional Services** at **Your** direction or on **Your** behalf.

Insured also means:

1. A past or present **Subsidiary** of the **Named Insured**, but only for **Professional Services** rendered while a **Subsidiary** of the **Named Insured**;
2. A **Connected Firm**, but only while acting in such capacity on behalf of the **Named Insured**; or
3. An Association, Affiliation or Networking Group, solely for actual or alleged negligent act, error, omission, misstatement, or **Personal Injury** in the rendering or failure to render **Your Professional Services** on **your** behalf.
4. **Your** lawful spouse or **Domestic Partner**, solely for liability arising from any **Wrongful Act** of an **Insured** committed without the participation of such spouse or **Domestic Partner**.

Non-Profit Entity means a tax-exempt organization described in section 501(c)3 of the Internal Revenue Code of 1986, as amended.

Professional Services also includes services performed by **You** for others for a fee as a **Trustee** for a **Trust**, but solely when such services are performed on behalf of, and with the knowledge and consent of, the **Named Insured**. **Professional Services** only includes services performed by **You** for others for a fee, and the fee or a portion of the fee inures to the benefit of the **Named Insured**, as an attorney, provided the details of the services are disclosed on the application or supplemental applications, approved by **Us**, and endorsed to the **Policy**.

Subsidiary means any entity of which the **Named Insured** owns more than fifty percent (50%) either directly or indirectly; and

1. Is identified by **You** in **Your** last application provided to **Us** for this **Policy**, or to **Us** for a **Policy** of which this **Policy** is a renewal or replacement; or
2. Which becomes a subsidiary during the **Policy Period** provided that such entity does not represent more than a ten percent (10%) increase in the total assets or gross revenue of the **Named Insured**. Where such entity represents an increase in the total assets or gross revenue of the **Named Insured** of more than ten percent (10%), such entity shall be deemed a **Subsidiary** under the **Policy**, but only upon the condition that within ninety (90) days of its becoming a subsidiary, **You** shall have provided **Us** with full particulars of the new subsidiary and agree to any additional premium and/or amendment of the provisions of this **Policy** required by **Us** relating to such new subsidiary, subject to the review and acceptance by **Us** of full and complete underwriting information. Further, coverage as shall be afforded to the new subsidiary is conditioned upon the **Named Insured** paying when due any additional premium required by **Us** relating to such new subsidiary.

Trust means a legal entity, created by a grantor under the laws of a state and governed by a valid trust instrument, for the benefit of designated beneficiaries.

Trustee means a natural person acting in a fiduciary relationship where the **Trustee** is responsible for paying premiums for, or managing the liabilities, assets and income of, a **Trust**, for the economic benefit of the beneficiaries of the **Trust**. A **Trustee** does not render any services for **You** or **Your** employees as a fiduciary.

Coverage: APL

Endorsement Number: 6

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

F. Section E. Exclusions, Paragraph 1.e.2) is amended to include:

However, this exclusion 1.e.2) does not apply to **You** in **Your** capacity as a **Trustee** of a **Trust** where the **Trust** is an investment fund established for the benefit of an entity or group of unrelated individuals;

G. Section E. Exclusions is amended to include:

This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** based upon, arising out of, or in any way relating to, directly or indirectly, any defect in real estate title performed by **You**.

H. Section F. Extended Reporting Periods, paragraphs 3. and 4., are amended to include:

For purposes of determining eligibility for either respective extended reporting period endorsement, whole years continuously insured with the CPA ProSecure program shall be considered years with **Us**.

I. Section H.9. Other Insurance, is amended to include:

Coverage provided under this endorsement shall be excess over, and shall not contribute with, any Trust Agreement Indemnification, or other insurance, unless such other insurance is specifically written to be excess of this **Policy**.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage: APL

Endorsement Number: 7

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

ENHANCED PRIVACY AND SECURITY LIABILITY COVERAGE

In consideration of the premium charged it is agreed that:

A. Section A.3. Privacy and Security Liability Coverage is deleted and replaced by:

3. Privacy and Security Liability Coverage

a. Privacy Breach or Security Breach

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for a **Wrongful Act** resulting in a **Privacy Breach** or **Security Breach**. Any payment made hereunder is not subject to the deductible and is subject to the sub-limit of liability referenced in Item 4. of the Declarations page which is part of, and not in addition to, the Limits of Liability referenced in Item 3. of the Declarations page.

b. Security Breach (Non-Professional Services Claims)

We will pay on **Your** behalf those sums which **You** become legally obligated to pay as **Damages** because of any **Claim** made against **You** for a **Security Breach**, provided that the **Security Breach** must have first occurred on or after the applicable **Retroactive Date(s)**. Any payment made hereunder is not subject to the deductible and is subject to the sublimit of liability referenced in Item 4. of the Declarations page, which is part of, and not in addition to, the Limits of Liability referenced in Item 3. of the Declarations page. However, the most **We** will pay for the sum of all **Damages** and **Claim Expenses** for all **Claims** covered under Section A.3.b. of this Endorsement is \$250,000 or the Limits of Liability shown in Item 3. of the Declarations page, whichever is less, which is part of, and not in addition to, the Limits of Liability shown Item 3. of the Declarations.

c. The most **We** will pay for the sum of all **Damages** and **Claim Expenses** for all **Claims** under both Section A.3.a. and Section A.3.b. of this Endorsement shall not exceed the Limits of Liability referenced in Item 4. of the Declarations page, or the Limits of Liability shown in Item 3. of the Declarations page, whichever is less. However, the most **We** will pay for the sum of all **Damages** and **Claim Expenses** for all **Claims** under Sections A.3.a. and A.3.b. of this Endorsement is \$500,000.

B. Section D. Definitions, the definition of **Disciplinary and Regulatory Proceeding**, is deleted and replaced by:

Disciplinary and Regulatory Proceeding means any formal administrative or regulatory proceeding by a regulatory or disciplinary official or agency to investigate or prosecute charges alleging professional misconduct or ethical violations in the performance of **Your Professional Services** or for an actual or alleged **Privacy Breach** or **Security Breach**.

C. Section E. Exclusions is amended to include:

This **Policy** does not apply to **Claim(s)** or **Supplemental Coverage Matter(s)** for any **Privacy Breach** or **Security Breach** that is based upon, arising out of, or relating to, directly or indirectly:

1. Any costs to research or correct any deficiency;

Coverage: APL

Endorsement Number: 7

Issued To: AXIOM ANALYTICS

Policy Number: LHN-H892950-02

Issued By: The Hanover Insurance Company

Effective Date: 01/01/2024

2. **Your** intentional or willful complicity or **Your** reckless disregard for the security of **Your System** or **Data**;
3. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by **You**;
4. Any criminal investigations or proceedings;
5. Any propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by **You** for sale, lease or license to third parties;
6. Any extortion or blackmail;
7. Any **Privacy Breach** involving data that is being transmitted electronically, unless such **Data** is encrypted to protect the security of the transmission;
8. **Your** reckless disregard for the security of **Confidential Records** in your care, custody or control; or
9. Any aggregation or sale of information about individuals.

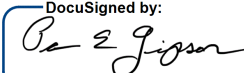
All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

NEW MEXICO PUBLIC EDUCATION COMMISSION BOARD OF FINANCE DESIGNATION

The governing body of SUN MOUNTAIN COMMUNITY CHARTER SCHOOL has maintained the following:

- An affidavit of a business manager and a copy of the business manager's license.
- A statement signed by all the current governing body members that they agree to consult with the Public Education Department
- An affidavit from each current governing body member that they are not currently a member of any governing body of any other charter school and have never been a member of any other charter school that was suspended or failed to maintain their board of finance designation.
- A certificate of insurance that indicates that SUN MOUNTAIN COMMUNITY CHARTER SCHOOL is adequately bonded and insured.

The Public Education Commission has designated SUN MOUNTAIN COMMUNITY CHARTER SCHOOL'S governing body as a Board of Finance.

DocuSigned by:


3328DF79DDDF411...
PATRICIA GIPSON, CHAIR, The New Mexico Public Education Commission

10/18/2024

Date Signed

Certificate Of Completion

Envelope Id: 88FFDA2AAF96416A8AD9BF950B8670CA	Status: Completed
Subject: Complete with DocuSign: BOF CERTIFICATE SMCS.docx	
Source Envelope:	
Document Pages: 1	Signatures: 1
Certificate Pages: 1	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	Melissa (Missy) Brown
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	Melissa.Brown@ped.nm.gov
	IP Address: 164.64.166.159

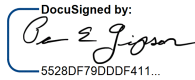
Record Tracking

Status: Original 10/3/2024 8:25:19 AM	Holder: Melissa (Missy) Brown Melissa.Brown@ped.nm.gov	Location: DocuSign
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Signer Events

Patricia Gipson
 PEC.DistrictSeven@ped.nm.gov
 Public Education Commissioner of District Seven
 Public Education Commission of the Public
 Education Department
 Security Level: Email, Account Authentication
 (None)
Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Signature



Signature Adoption: Uploaded Signature Image
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Timestamp

Sent: 10/3/2024 8:25:49 AM
 Viewed: 10/3/2024 8:43:11 AM
 Signed: 10/3/2024 8:43:18 AM

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	10/3/2024 8:25:49 AM
Certified Delivered	Security Checked	10/3/2024 8:43:11 AM
Signing Complete	Security Checked	10/3/2024 8:43:18 AM
Completed	Security Checked	10/3/2024 8:43:18 AM

Payment Events

Status

Timestamps



New Mexico Public Education Commission (PEC)

Personnel Change Notification Instructions

Purpose: To notify the Public Education Commission (PEC) of a change in the school's Head Administrator, Business Manager or Procurement Officer.

Submission Deadline: Changes to the school personnel do not require prior approval of the PEC; however, notice must be received within 30 calendar days of the change. Only one personnel change may be submitted per form. If more than one personnel change is being submitted, the school must submit separate forms.

Notifications completed 14 days prior to the next PEC meeting will be placed on the next agenda. Notifications of this type are typically placed on the consent agenda; however, any notification may be removed from the consent agenda and moved to the regular agenda for full discussion and possible action by the PEC.

Meeting minutes of the governing board of the school and the PEC will serve as an amendment to, or compliance with, the charter contract regarding this personnel change. Business Manager and Procurement Officer changes will be added to the board of finance documentation on file with CSD.

The school must provide:

- Fully completed form

For Head Administrator:

- Approved board minutes or certification of the vote taken by the board to hire the new administrator and status as interim or permanent position offered
- Copy of NMPED School Administrator License for new administrator
- Resignation letter of outgoing administrator or board minutes showing the vote to terminate or not to renew the outgoing administrator's contract

For Business Manager:

- Board minutes approving the business manager change
- Affidavit of financial record custodian (a completed and notarized affidavit of financial record custodian)
- Certificate of insurance (a certificate of insurance indicating the business manager is adequately bonded to take responsibility as the financial record custodian)
- School business official license (copy of current, valid school business official license)

For Procurement Officer:

- Board minutes approving the procurement officer change
- Chief procurement officer certificate

Contact charter.schools@ped.nm.gov if you have questions about completing or submitting documents.

Personnel Change Notification Form

Submit this form and all supporting documents to charter.schools@ped.nm.gov

The Charter Contract was entered into by and between the New Mexico Public Education Commission (PEC) and Sun Mountain Community School, hereafter "the school," effective on TBD.

The school is notifying the PEC of a change in personnel (check one):

Head Administrator Business Manager Procurement Officer

For a Head Administrator change, indicate whether the appointment is for (check one):

Permanent Head Administrator Interim Head Administrator

Current Head Administrator/Business Manager/Procurement Officer: N/A

New Head Administrator/Business Manager/Procurement Officer: Katie Rarick, Axiom Analytics

Contact information for new Head Administrator/Business Manager/Procurement Officer (phone, email): 2520 Cutler Cr NM, Albuquerque, NM 87106; 505-917-4023; katie.rarick@axiomanalytics.org

Number of personnel changes (Head Administrator/Business Manager/Procurement Officer, Governing Board Member), including this change, submitted to PEC in the last 12 months: 0

Effective Date: 10/1/2024

The school's notification is hereby submitted by:

Signature of School Representative:  _____ **Date:** 9.26.24

Signature of Governing Board Chair:  _____ **Date:** 9/26/24

For PEC/CSD use only

PEC Meeting Date:

Agenda: Consent (typical) Regular (unusual circumstance)

The school's notification was: Accepted Rejected (provide reason)

Electronic signature of CSD Director: _____ **Date:** _____

STATE OF NEW MEXICO



In Recognition of
The Fulfillment of the Requirements for
School Personnel Licensure
this

LEVEL TWO SCHOOL BUSINESS OFFICIAL
is issued to

KATIE NOEL RARICK

Effective from July 01, 2020 to June 30, 2029
Licensure Number: 384491

A handwritten signature in black ink, reading "Ryan Stewart".

Secretary of Education



New Mexico Public Education Commission (PEC)

Governing Body Member Change Notification Instructions

Purpose: To notify the Public Education Commission (PEC) of a change in a member or members of the school's Governing Body. The school may report multiple member resignations/removals and designations on the same form.

Submission Deadline: Changes to the Governing Body membership do not require prior approval of the PEC; however, notice must be received within 30 calendar days of the change. Vacancies must be filled within 45 days; one 30-day extension may be requested.

Notifications completed 14 days prior to the next PEC meeting will be placed on the next agenda. Notifications of this type are typically placed on the consent agenda; however, any notification may be removed from the consent agenda and moved to the regular agenda for full discussion and possible action by the PEC.

Meeting minutes of the governing board of the school and the PEC will serve as an amendment to, or compliance with, the charter contract regarding this membership change. The documentation will be added to the board of finance documentation on file with CSD.

The school must provide:

- Fully completed form
- Approved board minutes or certification of the board's vote accepting the new member
- Resignation Letter or board meeting minutes removing the previous member
- Statement of Governing Body Member to Consult with PED
- Affidavit of Governing Body Member
- Assurances of Governing Body Member

Contact charter.schools@ped.nm.gov with questions about completing or submitting documents.

Governing Body Member Change Notification Form

Submit this form and all supporting documents to charter.schools@ped.nm.gov

The Charter Contract was entered into by and between the New Mexico Public Education Commission (PEC) and Sun Mountain Community School, hereafter "the school," effective on TBD to enter a date..

Current Governing Body Members and Positions: Jayita Sahni (Chair/Acting President), David Burling, Mary Freitas, Nicholas Stinson, Jessica Wireman

Governing Body Member(s) Resigning or Removed: N/A

New Governing Body Member(s) and Position(s): N/A

Contact information for New Governing Body Member(s) (phone, email): 505-231-1333, jsahni@santafewaldorf.org

Is the school requesting an extension to fill a vacancy: yes no

If so, provide date of vacancy: Click or tap here to enter text.

Number of personnel changes (Head Administrator/Business Manager/Procurement Officer, Governing Board Member), including this change, submitted to PEC in the last 12 months: N/A

Effective Date: 9/4/2024

The school's notification is hereby submitted by:

Signature of School Representative:  **Date:** 9.4.24

Signature of Governing Board Chair:  **Date:** 9/4/2024

For PEC/CSD use only

PEC Meeting Date:

Agenda: Consent (typical) Regular (unusual circumstance)

The school's notification was: Accepted Rejected (provide reason)

Electronic signature of CSD Director: _____ **Date:** _____

STATEMENT OF GOVERNING BODY TO CONSULT WITH PED

We, the undersigned, make up the governing body of the Sun Mountain Community School located in Santa Fe, New Mexico.

In accordance with 6.80.4.16 NMAC, we agree to consult with the New Mexico Public Education Department on any matter not covered by the manual of accounting and budgeting before taking any action related to funds held as a board of finance.

We make this statement as part of Sun Mountain Community School's application to the Public Education Commission for status as a board of finance under 6.80.4.16 NMAC.

We understand that we must retain or hire a Licensed School Business Manager as soon as financial feasible and, thereafter, notify the New Mexico Public Education Commission within 30 days of hiring and/or changing in a Licensed School Business Manager for the school, and a new, signed "Affidavit of Financial Custodian" must be submitted.

We understand that we must submit an Affidavit of Governing Body Member to the Public Education Commission within 60 days of a change in membership of our governing body.

THE FOLLOWING MEMBERS OF THE SUN MOUNTAIN COMMUNITY SCHOOL GIVE THE FOREGOING STATEMENT THIS DAY OF , 2024.

1. David Burling
[signature]

David Burling
[print]

2. Jessica H. Wireman
[signature]

Jessica H. Wireman
[print]

3. Jayita Sahni
[signature]

Jayita Sahni
[print]

4. Mary M. Freitas
[signature]

MARY M. FREITAS
[print]

5. Nicholas Stinson
[signature]

Nicholas Stinson
[print]

Attach additional pages if membership exceeds five.

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

I, DAVID BURLING, after being duly sworn, state:

- 1. My name is DAVID BURLING and I reside in Lamy, New Mexico.
- 2. I am a member of the governing body of the Sun Mountain Community School in Santa, New Mexico.
- 3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.
- 4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.
- 5. I understand that as a member of the Sun Mountain Community School's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]
[Signature]

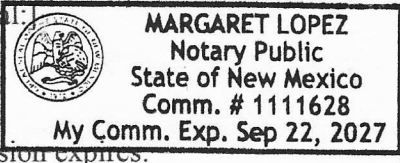
8/27/24
Date

DAVID BURLING
[Print]

VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 27 day of August, 2024.

[Notary Seal:



[Signature]
NOTARY PUBLIC

My commission expires , 20 .

ASSURANCES

My name is David Burling and I reside in Lamy, Nm. I am a member of the governing body for Sun Mountain Community School a charter school which is located at Santa Fe, Nm. I assure that in my capacity as a member of the governing body, the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational, programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

David Burling
Printed Name

David Burling
Signature

8/27/24
Date

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

I, Jessica Wireman, after being duly sworn, state:

1. My name is Jessica Wireman and I reside in Santa Fe, New Mexico.
2. I am a member of the governing body of the Sun Mountain Community School in Santa, New Mexico.
3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.
4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I understand that as a member of the Sun Mountain Community School's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]
[Signature]

8/30/24
Date

Jessica H. Wireman
[Print]

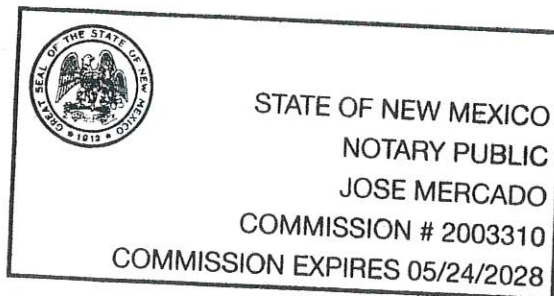
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 30th day of August, 2024.

[Notary Seal:]

[Signature]
NOTARY PUBLIC

My commission expires: May 24, 2024.




ASSURANCES

My name is Jessica Wireman and I reside in Santa Fe, NM. I am a member of the governing body for Sun Mountain Community School a charter school which is located at 26 Puesta del Sol, Santa Fe, NM 87506. I assure that in my capacity as a member of the governing body, the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational, programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Jessica Wireman
Printed Name


Signature

8/30/24
Date

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

I, Jayita Sahni, after being duly sworn, state:

1. My name is Jayita Sahni and I reside in Santa Fe, New Mexico.

2. I am a member of the governing body of the Sun Mountain Community School in Santa Fe, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the Sun Mountain Community School's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

Jayita Sahni
[Signature]

8/26/2024
Date

Jayita Sahni
[Print]

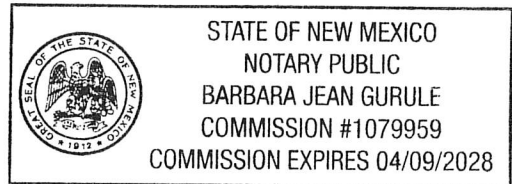
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 26th day of August, 2024.

[Notary Seal:]

Barbara Jean Gurule
NOTARY PUBLIC

My commission expires: April 9, 2028.



ASSURANCES

My name is Jayifa Sahnij and I reside in Santa Fe. I am a member of the governing body for Sun Mountain Community School a charter school which is located at 26 Puesta del Sol Santa Fe, NM 87508. I assure that in my capacity as a member of the governing body, the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational, programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Jayita Sahni

Printed Name

Jay

Signature

8/26/2024

Date

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)

COUNTY OF)

I, ^{mm3} Mary M. Freitas, after being duly sworn, state:

1. My name is Mary M Freitas and I reside in Santa Fe, New Mexico.

2. I am a member of the governing body of the ^{Sun Mountain Community School mm3} ~~[insert name of school]~~ in Santa Fe, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the [insert name of school]'s governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

Mary M. Freitas
[Signature]

8/23/2024
Date

Mary M. Freitas
[Print]

VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 23rd day of Aug, 2024.

[Notary Seal:]

Leihanne S. Mendiola
NOTARY PUBLIC

My commission expires: April 1, 2026

STATE OF NEW MEXICO
NOTARY PUBLIC
LEIHANNE S. MENDIOLA
COMMISSION # 1085182
COMMISSION EXPIRES 04/01/2026

ASSURANCES

My name is Mary M. Freitas and I reside in Santa Fe, New Mexico. I am a member of the governing body for Sun Mountain Community School a charter school which is located at 26 Puesta del Sol
Santa Fe, New Mexico. I assure that in my capacity as a member of the governing body, the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational, programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Mary M. Freitas

Printed Name

Mary M. Freitas

Signature

8/23/2024

Date

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE)

I, Nicholas Stinson, after being duly sworn, state:

1. My name is Nicholas Stinson and I reside in Glorieta, New Mexico.

2. I am a member of the governing body of the Sun Mountain Community School in Santa Fe, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the Sun Mountain Community School's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Handwritten Signature]
[Signature]

8/26/24
Date

Nicholas Stinson
[Print]

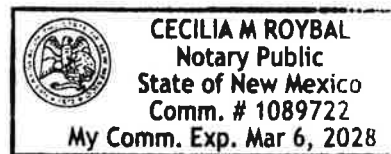
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 26th day of August, 2024.

[Notary Seal:]

Cecilia M. Roybal
NOTARY PUBLIC

My commission expires: 03-06, 2028.



ASSURANCES

My name is Nicholas Stinson and I reside in Glorietta, NM. I am a member of the governing body for Sun Mountain Community School a charter school which is located at 26 Puerta del Sol. I assure that in my capacity as a member of the governing body, the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational, programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Nicholas Stinson

Printed Name



Signature

8/26/24

Date

AFFIDAVIT OF FINANCIAL RECORD CUSTODIAN

STATE OF NEW MEXICO)

COUNTY OF Bernalillo)

I, Katie Rasick, [affiant] after being duly sworn, state:

1. I live in the City of Albuquerque, County of Bernalillo, New Mexico.
2. In accordance with 6.80.4.16 NMAC, I agree to accept the responsibility of keeping the financial records of the charter school and recognized that I am in charge of maintaining public funds with fidelity and in accordance to public finance laws, rules and regulations.
3. I have completed the following training in the maintenance of financial records:
 - a) 16 hours of NMASBO PD
 - b) Degree w/ 21 hours of accounting
 - c) CFO training
4. Attached is a certificate of insurance that indicates that I am adequately bonded to take this responsibility.
5. I have earned the following certificates, licensures and/or degrees:

Certificate, licensure or degree	Educational Institution	Date	Current Yes/No
<u>B.A.</u>	<u>UNM</u>	<u>2006</u>	<u>yes</u>
<u>Master's</u>	<u>University of PEW</u>	<u>2008</u>	<u>yes</u>
<u>Level II</u>	<u>PED</u>	<u>2020</u>	<u>yes</u>

FURTHER AFFIANCE SAYETH NAUGHT.

Katie Rasick
[Signature of Affiant]

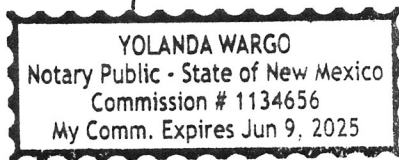
5/29/24
Date

Katie Rasick
[Print Name of Affiant]

VERIFICATION

The forgoing Affidavit of Financial Records Custodian was subscribed and sworn to before me, this 29 day of May, 2024.

[Notary Seal:]



Yolanda Wargo
NOTARY PUBLIC

My commission expires: June 9, 2025.