

INVERSE SECURITIES ENDORSEMENT

The following information, and signature by an authorized representative, is required only when this endorsement is issued subsequent to the preparation of this policy.

First Named Insured:
Policy Number:
Effective Date Of This Endorsement:

This endorsement forms a part of the policy to which it is attached. It is effective on the inception date of the policy unless stated otherwise above.

In consideration of the premium charged, and with respect to the coverage provided under this policy only for those named insureds who are covered under Coverage Option D (1,2,3,4,5,and 6D), as well as Coverage Options G and H (1,2,3 or 4G and 1,2, 3 or 4H) it is understood and agreed as follows:

1. It is understood and agreed that there is coverage under this policy with respect to covered "written claims" arising out of the purchase, sale or servicing of Unleveraged Inverse Mutual Funds and Unleveraged Inverse ETF's and ETN's, but only if each of the following Conditions Precedent to Coverage applies to any such purchase, sale or service:

Conditions Precedent to Coverage under this Endorsement

- a. The purchase, sale or service must be made by a named insured who is an "associated person" or "registered representative"; and
 - b. The Unleveraged Inverse Mutual Funds and Unleveraged Inverse ETF's and ETN's must be used solely to hedge a "client's" portfolio; and
 - c. With respect to an investment account handled pursuant to a "discretionary account agreement" with a "client", such "securities" cannot comprise more than 10%, at any one time, of that "client's" investment portfolio managed by the named insured or the named insured's "registered investment adviser"; and
 - d. With respect to an investment account handled on a non-discretionary basis pursuant to an "investment management agreement" or brokerage account with a "client", such "securities" cannot comprise more than 15%, at any one time, of that "client's" investment portfolio managed by the named insured or his/her "registered investment adviser" or "broker"- "dealer".
2. The following "Retention" and Sub Limits of Liability apply to the coverage provided by this endorsement:

"Retention":	\$15,000.00 Each "Wrongful Act"
Sub Limits of Liability:	\$50,000.00 Each "Wrongful Act"
	\$50,000.00 Named Insured Aggregate

The above Sub Limits of Liability are part of, and not in addition to the Limits of Liability set forth in the Limits of Liability Endorsement.

3. The "retroactive date" for the coverage provided by this endorsement for a named insured with Coverage Option 1,2,3,4,5, or 6D is the later of June 1, 2014 or that named insured's first date of continuous coverage for that Coverage Option under the Defender Max Program. The "retroactive date" for the coverage provided by this endorsement for a named insured with Coverage Option 1,2, 3 or 4G or 1,2, 3 or 4H is that insured's first date of continuous coverage for the type of coverage provided by that Coverage Option.

Nothing herein contained shall vary, alter, waive or extend any of the terms, conditions, provisions, agreements, limitations or exclusions of this policy, other than as stated above.

By: _____
Authorized Representative