

This endorsement, effective at 12:01 AM

forms a part of

Policy number

Issued to:

By:

### **PONZI SCHEME EXCLUSION**

In consideration of the premium charged, it is hereby understood and agreed that Section II. of Clause **4. EXCLUSIONS** is amended by adding the following paragraph to the end thereof:

PS-1) to any Claim alleging, arising out of, based upon or attributable to any Ponzi Scheme(s) (as defined below) including, but not limited to, any resulting civil and/or criminal fines, fees, penalties or other monetary sanctions assessed or imposed by the U.S. Securities Exchange Commission (SEC), the U.S. Federal Trade Commission (FTC), and/or any other similar state, local or foreign regulatory agency(ies).

As used herein, "Ponzi Scheme(s)" means any: (1) multi-level marketing plan(s); (2) "network" or "matrix" marketing; (3) "pyramid scheme(s)" or "pyramiding"; (4) "Peter-Paul" scheme(s); (5) plan(s) or scheme(s) in which an investor(s)' return on investment is derived, achieved or generated, primarily or entirely, by or through future investments made by other investors; or (6) fraudulent, deceptive and/or unfair business or trade practice(s) in any way related, directly or indirectly, to any of the foregoing.

As used herein, "Claim" means:

- (i) any written or oral demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations);
- (ii) any civil, criminal, administrative, regulatory or arbitration proceeding for monetary or non-monetary relief; and
- (iii) any civil, criminal, administrative or regulatory investigation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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