



**Errors & Omissions Handbook**  
**For**  
**Registered Representatives,**  
**Registered Investment Advisors,**  
**Investment Advisor Representatives**  
**and Insurance Agents**  
**of**  
**Spire Wealth Management LLC**  
**Spire Securities LLC/Spire Insurance Agency LLC**

**Policy Period: 10/8/2022 to 10/8/2023**

**Insurance Company:**  
**Evanston Insurance Company**

**Broker/Administrator:**  
**InterWeb Specialty Group**  
California Lic. # 0M54055 Arizona's InterWeb Insurance Agency

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## **Highlights of the E&O Program**

Spire Wealth Management, LLC, Spire Securities, LLC and Spire Insurance Agency, LLC requires its registered representatives (Reps), registered investment advisors (RIAs), investment advisor representatives (IARs) and insurance agents (IAs) to purchase Errors & Omissions (E&O) coverage under the terms and conditions of an insurance policy (Policy) issued to Spire and its Reps/RIAs/IARs/IAs.

When a Rep/RIA/IAR/IA registers with Spire, coverage under the Policy is automatically effective as of the first day of the Reps/RIAs/IARs/IAs registration with Spire.

**Program Limits:**

- \$1,000,000 each loss – Spire Securities, LLC and Reps
- \$2,000,000 each loss – Spire Wealth Management, LLC and RIAs/IARs
- Spire Insurance Agency, LLC and IAs
- \$5,000,000 policy aggregate for all loss

**Sub Limits:**

- “Alternative Investments”
- \$500,000 each loss
- \$500,000 policy aggregate for all loss
- “Life Settlements” – Referral activity only
- \$250,000 each loss
- \$250,000 policy aggregate for all loss
- “Premium Financing” Referral activity only
- \$1,000,000 each loss
- \$1,000,000 policy aggregate for all loss
- Execution Error Correction
- \$1,000,000 each loss
- \$1,000,000 aggregate

**Retentions:** Spire/Reps/RIAs  
IARs/IAs

- \$100,000 each & every loss (Penny Stocks also)
- \$250,000 Alternative Investments
- \$100,000 Life Settlements
- \$100,000 Premium Financing
- \$100,000 Execution Error

### **Summary of Coverage:**

Coverage is afforded on a “Claims Made” basis, which applies to claims first made against an insured and reported in writing to the insurance company during the policy period involving wrongful acts as defined the policy document.

### **Who is Covered:**

Spire Wealth Management, LLC, Spire Securities, LLC and Spire Insurance Agency, LLC including any past, present or future directors, officers, partners, employees or ICs of Spire, and any present or future RRs, RIAs, and Insurance Agents of Spire including support employees (solely while acting on behalf of the RRs, RIAs, and/or Insurance Agents, within the scope of their duties and only with respect to his or her rendering of Professional Services on behalf of Spire, including the heirs, executors, administrators, or legal representatives of any individual described in the event of death, incapacity or bankruptcy of the individual.

Any entity owed, or controlled or employing an Insured RRs, IARs, or Insurance Agents. Also any additional insured(s) as included by endorsement.

**What Activities are Covered:**

Coverage is afforded for any actual or alleged wrongful act, error, omission, misstatement, misleading statement, negligent act or omission, or neglect or breach of duty by an insured solely in their capacities as such in rendering or in failing to render Professional Services.

**What does Professional Services Include:**

The following services which are provided by an Insured to others:

Broker; Dealer; or any Registered Representatives, or Investment Adviser Representative and Insurance Agents performing professional services

Professional service(s) means services rendered for or advice given to others by an insured for a fee, remuneration, pro bono or other consideration in an insured's business and explicitly listed on the Schedule Of Professional Service Providers endorsement or other endorsement to the Policy.

Financial planning services means financial or investment advice given to individuals or their owned business organizations as part of a written financial plan, comprehensive or modular, including advice with respect to personal risk management, investments, estate planning, retirement planning, college planning and taxes.

Investment advisory services means financial planning services, or financial, economic or investment advice regarding investments or investment management services performed or required to be performed by an insured adviser for or on behalf of a customer pursuant to a written agreement between such customer and the insured adviser for a fee, commission, other monetary consideration, pro bono or other remuneration which inures to the benefit of the insured adviser. In addition, investment advisory services includes service performed:

1. As a fiduciary adviser as defined under Section 601 of the Pension Protection Act of 2006;
2. As a functional fiduciary commonly defined or described in Section 3(21) of ERISA when performing a covered service and solely arising out of rendering investment advice for a fee or other compensation;
3. As a fiduciary as an investment manager defined or described in Section 3(38) of ERISA when performing a covered service;
4. Or related securities or insurance purchases or sales by an insured within the normal scope of retirement or benefit planning services performed by an insured adviser.

As regards coverage extended for "Alternative Investments": Limit of Liability is \$500,000 per claim and \$500,000 in the aggregate for all loss. Retention (applicable to each claim) \$250,000.

As regards coverage for "Execution Error(s)": Limit of Liability is \$1,000,000 each loss (including Defense Costs) and \$1,000,000 aggregate for all loss (including Defense Costs). Retention (applicable to each loss) is \$100,000.

As regards coverage for "Life Premium Finance": Limit of Liability is \$1,000,000 each loss (including Defense Costs) and \$1,000,000 aggregate for all loss (including Defense Costs). Retention (applicable to each claim) is \$100,000.

For purpose of the above **Professional Services** the following **definitions** apply:

- *Alternative Investments* shall include hedge funds, funds of hedge funds, Real Estate Investment Trusts (REITs), Delaware Statutory Trusts(DSTs) Tennant-in-Common Interests (TICs), limited partnerships, direct participation programs (DPPs), limited liability company interests, other pooled investment vehicles, structured investment products, 1031 exchanges, collateralized mortgage obligations (CMOs), real estate interest (excluding primary residence), interval funds or any like kind investment generally accepted in the securities industry as alternative.
- *Claim* means:
  1. Any demand for monetary damages in a legal action, mediation, arbitration or injunctive relief;
  2. A civil proceeding commenced by the service of a complaint or similar pleading;
  3. An execution error;
  4. A criminal proceeding commenced by the return of an indictment, information or similar document;
  5. Any administrative or regulatory proceeding commenced by the filing of a notice of charges, service or filing of a complaint, receipt of a Wells Notice or receipt or filing of any other pleading or document similar or comparable to the foregoing;
  6. Any investigation of the insureds initiated by any governmental body or self-regulatory organization after service of a subpoena, Wells Notice, "target letter" (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), civil investigative demand or other notice of investigation or other similar document or notification;
  7. Any written request to toll or waive any statute of limitations commenced by the receipt of such request;
  8. Any written request or other written statement seeking extradition or rendition of an insured commenced by the receipt of such written request or statement; or
  9. Any foreign equivalent of any of the foregoing;  
made upon an insured for a wrongful act.
- *Execution Error* means any claim based upon, arising out of, or relating to the erroneous execution or failure to execute an order to transfer, purchase or sell securities by an insured.
- *Insured Person(s)* The insured executives, Independent Contractors, Registered Representative(s), the chief compliance officer; Any person who has been, now is or will become an employee of an insured entity, but solely while providing investment advisory services, life and health services or professional services on behalf of such insured entity; The estates, heirs, or legal representatives of any person described above in the event of their death, incompetency, insolvency or bankruptcy; or The lawful spouse of any person described in above, but solely with respect to a claim arising solely out of his or her status as the spouse of such person; provided, however, an insured person does not include a lawful spouse with respect to a claim against such person for his or her own wrongful acts.
- *Outside business activity* means a business activity approved by the Named Entity, but outside the scope of the registered representative's relationship with the Named Entity in which the registered representative is being compensated, or in which there is a reasonable expectation of being compensated, from another person or entity as a life insurance agent and/or providing investment advisory services.

**What happens to my coverage if I leave Spire?**

You continue to have coverage under the current policy term for your Professional Services activity only while you were employed and/or registered with Spire companies. You will not have any coverage under the current program for your activities done post your termination date with Spire.

**What happens if I retire?**

You continue to have coverage under the current policy term for your Professional Services activity only while you were employed and/or registered with Spire companies.

**What Extended Discovery Period Coverage or Tail Coverage is available to me?**

The Spire E&O program does not offer individual discovery period options however our broker has a “Prior Acts Only” coverage option available to qualified individuals.

Contact InterWeb Insurance at 1-866-277-7162

Or visit <https://program.interwebinsurance.com/defendermax/landing.aspx?type=prioracts>  
for more information.

**Does this policy provide coverage for any Cyber or Data Breach Liability?**

Our current E&O program does not include coverage for Network Security and Privacy Coverage. Spire has a separate Cyber Liability policy that includes coverage for our reps and advisors solely while working on behalf of Spire. You are welcome to contact our broker to explore additional Cyber Liability coverages for your approved Outside Businesses.

Contact InterWeb Insurance at 1-866-277-7162

Or visit <https://interwebinsurance.com/service/cyber-insurance/>  
for more information.

# EXCLUSIONS

## What is not covered?

This Policy provides no coverage for any loss in connection with any claim alleging, arising out of, based upon, or attributable to:

A. Any:

1. Insured gaining any profit, remuneration or pecuniary advantage to which they were not legally entitled, including but not limited to, any remuneration to an insured not properly approved by any shareholders; or
2. Deliberately fraudulent, dishonest or criminal actions of an insured; provided, however, that any of the above is established by admission of an insured in writing or a final, non-appealable adjudication in the underlying action.

*For the purpose of determining the applicability of this exclusion, knowledge possessed by any insured person will not be imputed to any other insured person, but knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer, comptroller or general counsel (or equivalent position) of the Named Entity or an insured entity will be imputed to any insured entity.*

B. Any wrongful act or any matter, fact, circumstance, situation, transaction, cause or event and interrelated wrongful act which has been the subject of any notice given under any prior policy of which this Policy is a renewal or replacement or which it may succeed in time.

C. Any demand, suit, proceeding, investigation or claim pending as of or made against any insured prior to the Pending And Prior Proceeding Date shown in the Declarations; or Any wrongful act or matter, fact, circumstance, situation, transaction, cause or event and interrelated wrongful act, regardless of the legal theory upon which demand, suit, proceeding, investigation or claim made against any insured prior to the Pending And Prior Proceeding Date shown in the Declarations is predicated.

D. Any actual or alleged act or omission of insured persons serving as, or any insured person's status as, a director, officer, trustee, governor, manager, general counsel or risk manager of any organization other than an insured entity or individual or entity specifically listed on the Schedule Of Professional Service Providers endorsement to this Policy regardless of whether an insured directed or requested such an insured person to serve in such other position or capacity.

E. Any claim by, or on behalf of, or in the right of (whether such right is transferred or assigned by operation of law or otherwise) any insured; provided, however, this exclusion does not apply to any derivative action on behalf of the insured entity or any shareholder class action where such action is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, any insured.

F. Any:

1. Bodily injury, sickness, disease, or death of any person, including any emotional distress, mental anguish, outrage, or humiliation associated with such bodily injury, sickness, disease or death;
2. Personal injury, trespass, nuisance, assault, battery, or loss of consortium; or
3. Damage to or destruction of any tangible or intangible property including loss of use.

*Paragraph 1. of this exclusion does not apply to a claim for emotional distress or mental anguish arising solely from the rendering of or failure to render accounting services, life and health services, professional services and investment advisory services.*

*Paragraphs 1., 2. and 3. of this exclusion do not apply to any libel, slander, oral or written publication of defamatory or disparaging material committed by an insured in the performance of professional services otherwise covered by this Policy.*



## **What is not covered? continued**

G. Any discharge, dispersal, seepage, migration, release or escape of pollutants at any time, or any request, demand or order to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants, including but not limited to a claim alleging damage to the insured entities, their security holders, or their creditors.

H. Violation of any of the responsibilities, obligations or duties imposed upon fiduciaries under ERISA, its amendments or any similar provisions of state or foreign statutory or common law in connection with any pension, employee benefit or welfare plan or trust established or maintained for the purpose of providing benefits to the employees of an insured entity or the Named Entity.

I. Breach of contract; provided, however, this exclusion does not apply to any claim for rendering or failing to render investment advisory services, accounting services, life and health services or professional services

J. Any:

1. Activities of any insured as an underwriter, or mortgage broker (as those terms are defined in the Investment Company Act of 1940, the Securities Act of 1933, or the Securities Exchange Act of 1934, including their amendments) in securities;

2. Investment banking, leveraged buyouts, going private transactions, fairness opinions, mergers, acquisitions, restructurings, divestitures, securities offerings, syndications, underwriting or similar activities.

K. The inability of any bank or banking firm, broker or dealer in securities or commodities, or any other person or entity, to make any payment by or to settle or effect any transaction of any kind.

L. Unauthorized access to the insured's electronic communications system.

M. Any obligations or duties imposed under a workers' compensation, disability benefits or unemployment compensation law or any similar law or regulation.

N. Any refusal or failure to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, sexual harassment, humiliation, discrimination, or other employment-related torts including, but not limited to, wrongful termination, failure or refusal to hire or promote, wrongful discipline; wrongful reference, deprivation of a career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment including, without limitation offensive, intimidating, coercive or unwelcome conduct, advances, contact or communications, negligent hiring, retention, supervision, training or performance evaluation; and employment-related misrepresentation, defamation, or invasion of privacy or infliction of emotional distress.

O. Any unintentional data compromise.

P. Any services rendered during the period of any suspension or revocation of an insured's certification, licensure, accreditation, appointment or other right to practice accounting services, investment advisory services, life and health services or professional services.



## **What is not covered? continued**

Q. Activities as a partner, principal, officer, director, manager, member, employee, independent contractor or administrative staff of any organization or public office other than the Named Entity or an organization specifically endorsed by name onto this insurance.

R. Any claim involving the amount of, return of, disgorgement of or reimbursement of fees, commissions or other sums paid to an insured for accounting services, investment advisory services, life and health services or professional services rendered by an insured; provided, however, that this exclusion will not apply to defense costs.

S. Any funds transfer fraud:

1. Arising out of accounting services, investment advisory services, life and health services or professional services; and
2. Resulting directly from the insured having authorized or transferred, paid or delivered any funds, established any credit, debited any account or given any value on the faith of a fraudulent transfer request.

T. Any:

1. Disallowed deduction(s), credit(s) or other item(s) on a tax return; or
2. Taxes owed by a customer.

U. Any actual or alleged violation of the Fair Labor Standards Act (except the Equal Pay Act) or any other law concerning wage and hour practices, including but not limited to any law addressing off-the-clock work, providing rest or meal periods, reimbursement of expenses, classification of employees as exempt or non-exempt, timely payment of wages, conversions, unjust enrichment, or unfair business practices.

V. Any actual or alleged error, misstatement, misleading statement, negligent act or omission, or neglect or breach of duty by an insured in their capacities as such in connection with any actual or alleged violation of any law or public policy concerning discrimination or harassment against anyone who is not an insured.

Additional Exclusions applied by endorsements:

- Warranty or Guarantee of Future Assets – No coverage for any claim attributable to the warranty or guarantee of future values, assets, earning or a specified rate of return or interest.
- Cryptocurrency including, but not limited to, Bitcoin, Litecoin, Ethereum, Ripple, Dash, Zcash or Monero. However, this endorsement shall not apply to mutual funds, publicly traded real estate investment trusts, publicly traded master limited partnerships, publicly traded limited partnerships, non-leveraged exchange traded products, non-inverse exchange traded products, agency backed securities or FDIC insured structured CD products.
- The insolvency, receivership, bankruptcy, liquidation or financial inability to pay, of any insurance company, reinsurer, risk retention group or captive (or any other self-insurance plan or trust by whatsoever name) in which the Insured has placed or obtained coverage for a customer or an account. However, this exclusion shall not apply if the insurance company, reinsurer, risk retention group or captive (or any other self-insurance plan or trust by whatsoever name):
  1. Held an A.M. Best rating of B+ or higher at the time that the Insured placed insurance with such entity; and
  2. Was neither owned, controlled, managed or operated by the Insured or an affiliate or subsidiary of the Insured, or the Insured's parent.

## **To Report a Claim or Potential Claim**

A. The Named Entity will, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer of a claim made against an insured as soon as practicable after the Named Entity's risk manager, or general counsel or functional equivalent first becomes aware of the claim, but in all events no later than either:

1. The end of the Policy Period or the Extended Reporting Period, if applicable; or
2. Within 60 days after the end of the Policy Period or the Extended Reporting Period, if applicable, as long as such claim was first made against an insured within the final 60 days of the Policy Period or the Extended Reporting Period, if applicable.

B. If, during the Policy Period, an insured becomes aware of any circumstances which may reasonably be expected to give rise to a claim being made against an insured and gives written notice to the Insurer of the circumstances, the anticipated allegations of the wrongful act and the reasons for anticipating such a claim, with full particulars as to dates, persons and entities involved, then any claim subsequently made against the insured and reported to the Insurer for any wrongful act or interrelated wrongful acts will be deemed to have been made at the time such notice was received by the Insurer under this provision.

C. All notices under this Policy will be provided to the Insurer shown in the Declarations and will refer to the Policy Number.

The notices will be in writing and sent by mail, electronic mail, prepaid express courier or facsimile to the address shown in the Policyholder Notice.

D. Notice will be effective on the date of receipt by the Insurer.

In every case, once the situation has been identified as an errors and omissions Claim, great care should be exercised to avoid any disclosures or discussions of any facts or information relating to the Claim with anyone other than Spire or a designated insurance representative appointed to handle your Claim.

Every effort will be made to keep you advised of all developments in a Claim. However, this is not a "consent to settle" policy, and Spire will handle Claims as it deems appropriate, including but not limited to engaging in settlement without your consent.

Please remember that a Claim does not need to be valid to be made against you. Very frequently claims without merit are prosecuted. Since these Claims require a defense, you should be prepared to report them to the Legal Department as soon as you become aware of circumstances which lead you to believe that there will be a Claim made against you. You need not wait until the Claim is actually made; under the awareness provision contained in the Policy, the Policy does permit you to report a potential Claim, which we strongly urge you to do in order to preserve your rights under the Policy.

## **Important Contact Information**

To report a Claim or potential Claim and for questions or assistance regarding an existing Claim Contact:

Sue McKeown  
Chief Compliance Officer  
Spire Securities, LLC  
7901 Jones Branch Drive, Ste. 800  
McLean, VA 22102  
Phone: 703-657-6060  
SMcKeown@spireip.com

To request a certificate of insurance Contact:

Compliance Department  
Spire Securities, LLC  
SpireCompliance@Spireip.com  
Phone: 703-657-6064

For questions regarding coverage Contact:

Dee Cordea  
Executive V. P. Business Development  
InterWeb Specialty Group  
Direct: (804) 761-6608  
[Dee@InterWebInsurance.com](mailto:Dee@InterWebInsurance.com)

