THEFT GUARD STANDARD SM

MERCHANTS BONDING COMPANY™

PHONE: FAX:

Bond Number: _____

In consideration of the agreed premium, Merchants Bonding Company (Mutual), an Iowa Corporation (the Surety) hereby agrees to indemnify_____

of _____ (the Insured), against any loss of money or other property which the Insured shall sustain or for which the Insured shall incur liability to any Customer or Subscriber of the Insured through any fraudulent or dishonest act or acts committed by any Employee or Employees of the Insured acting alone or in collusion with others, the amount of indemnity on each of such Employees being _____ Dollars (_____).

THE FOREGOING AGREEMENT IS SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

1. TERM OF BOND

The term of this Bond begins with the _____ day of _____, _____ 12:01 am, standard time, at the address of the Insured above given, and ends at 12:00 night, standard time, on the effective date of the cancellation of this Bond in its entirety.

2. EXCLUSIONS

This Bond does not apply to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation. In addition this Bond does not apply to the defense of any legal proceedings brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceedings whether or not such proceedings results or would result in a loss to the Insured covered by this Bond. In addition, the Company shall not be liable for costs, fees and other expense incurred by the Insured in establishing the existence or the amount of loss covered under this Bond.

3. DISCOVERY PERIOD

Loss is covered under this Bond only (a) if sustained through any act or acts committed by any Employee of Insured while this Bond is in force as to such Employee, and (b) if discovered prior to the expiration or sooner cancellation of this Bond in its entirety as provided in Section 10, or from its cancellation or termination in its entirety in any other manner, whichever shall first happen.

4. DEFINITION OF EMPLOYEE

The word Employee or Employees, as used in this Bond, shall be deemed to mean, respectively, one or more of the natural persons (except directors or trustees of the Insured, if a corporation, who are not also officers or employees thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the term of this Bond, and whom the Insured compensates by salary or wages and has the right to govern and direct in the performance of such service, and who is engaged in such service within any of the States of the United States of America, or within the District of Columbia, or elsewhere for a limited period, but not to mean brokers, factors, commission merchants, consignees, independent contractors, or other agents or representatives of the same general character.

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5. FRAUDULENT OR DISHONEST ACT

A FRAUDULENT OR DISHONEST ACT OF AN EMPLOYEE OF THE INSURED SHALL MEAN AN ACT WHICH IS PUNISHABLE UNDER THE CRIMINAL CODE IN THE JURISDICTION WITHIN WHICH ACT OCCURRED, FOR WHICH SAID EMPLOYEE IS TRIED AND CONVICTED BY A COURT OF PROPER JURISDICTION.

6. MERGER OR CONSOLIDATION

If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees, the Insured shall give the Surety written notice thereof and shall pay an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

7. NON-ACCUMULATION OF LIABILITY

Regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Surety under this Bond shall not be cumulative in amount from year to year or from period to period.

8. LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE

With respect to loss or losses caused by an Employee or which are chargeable to such Employee as provided in Section 5 and which occur partly under this Bond and partly under other bonds or policies issued by the Surety to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss or losses thereunder are discovered, the total liability of the Surety under this Bond and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under this Bond on such loss or losses or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, or any such loss or losses, if the latter amount be the larger.

9. SALVAGE

If the Insured shall sustain any loss or losses covered by this Bond which exceed the amount of coverage provided by this Bond, the Insured shall be entitled to all recoveries, except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Surety, by whomsoever made, on account of such loss or losses under this Bond until fully reimbursed, less the actual cost of effecting the same; and less the amount of the deductible carried on the Employee causing such loss or losses; and any remainder shall be applied to the reimbursement of the Surety.

10. CANCELLATION AS TO ANY EMPLOYEE

This Bond shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at 12:00 night, standard time, upon the effective date specified in a written notice served upon the Insured or sent by mail. Such date, if the notice be served, shall be not less than ten days after such service, or if sent by mail, not less than fifteen days after the date of mailing. The mailing by Surety of notice, as aforesaid, to the Insured at its principal office shall be sufficient proof of notice.

11. CANCELLATION AS TO BOND IN ITS ENTIRETY

This Bond shall be deemed cancelled in its entirety at 12:00 night, standard time, upon the effective date specified in a written notice served by the Insured upon the Surety or by the Surety upon the Insured, or sent by mail. Such date, if served by the Surety, shall be not less than ten days after such service, or if sent by the Surety by mail not less than fifteen days after the date of mailing. The mailing by the Surety of notice, as aforesaid, to the Insured at its principal office shall be sufficient proof of notice. The Surety shall refund to the Insured the unearned premium computed pro rata if this Bond be cancelled at the instance of the Surety, or if cancelled at the instance of the Insured.

COPY

12. PRIOR FRAUD, DISHONESTY OR CANCELLATION

No Employee, to the best of the knowledge of the Insured, or of any partner or officer thereof not in collusion with such Employee, has committed any fraudulent or dishonest act in the service of the Insured or otherwise. If prior to the issuance of this Bond, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been cancelled as to any of such Employees by reason of (a) the discovery of any fraudulent or dishonest act on the part of such Employees, or (b) the giving of written notice of cancellation by the insurer issuing said fidelity insurance, whether the Surety or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Surety shall not be liable under this Bond on account of such Employees unless the Surety shall agree in writing to include such Employees within the coverage of this Bond.

13. LOSS-NOTICE-PROOF-LEGAL PROCEEDINGS

At the earliest practical moment, and at all events not later than fifteen days after discovery of any fraudulent or dishonest act on the part of any Employee by the Insured, or by any partner or officer thereof not in collusion with such Employee, the Insured shall give the Surety written notice thereof and within four months after such discovery shall file with the Surety affirmative proof of loss, itemized and duly sworn to, and shall upon request of the Surety render every assistance, not pecuniary, to facilitate the investigation and adjustment of any loss. No suit to recover on account of loss under this Bond shall be brought before the expiration of two months from the filing of proof as aforesaid on account of such loss, nor after the expiration of fifteen months from the discovery as aforesaid of the fraudulent or dishonest act causing such loss. If any limitation in this Bond for giving notice, filing claim or bringing suit is prohibited or made void by law controlling the construction of this Bond, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

14. PART-TIME OR TEMPORARY EMPLOYEES

The named Insured shall not at any time while this Bond is in force direct any temporary or part-time Employee(s) to any subscriber's premises unless such Employee(s) is accompanied by a foreman who is in the regular employ of the Insured.

Copy

The initial one/three year premium on this Bond is _____ payable upon delivery.

Dated _____

Attested by:

By _____

Merchants Bonding Company (Mutual)

By _____

By_____