



# STATEMENT OF DISCLOSURE

GREAT AMERICAN E & S INSURANCE COMPANY  
Cincinnati, Ohio 45202

This Statement of Disclosure is not an insurance policy or a Certificate of Insurance. This is a condensed summary of the terms and conditions of a claims-made based Compromised Data expense Reimbursement Contractual Liability Insurance policy (the "Policy") issued to the Named Insured. This Statement of Disclosure may not include all terms and conditions of the Policy. The Insured may request a copy of the Policy by writing to the Named Insured or the Insurance Company. Coverage is claims-made.

COMPROMISED DATA EXPENSE REIMBURSEMENT CONTRACTUAL LIABILITY INSURANCE	
Named Insured: Veracity Payment Solutions, Inc.	
Policy Period: 12/01/2009– 12/01/2010	Policy Number: 1191525
Limit of Liability: \$50,000	Retroactive Date: December 1 <sup>st</sup> , 2009
Eligible Merchants: Merchant levels 2, 3 and 4 (based upon Visa transaction volume over most recent 12 months)	

## COVERAGE

The Company will pay on behalf of the **merchant** those **expenses** which the **merchant** is contractually obligated to pay to the **claimant** under one or more **merchant agreements** as a result of an **incident**; provided always that the **incident** is **discovered** during an eligible **Reporting Period**. In no event shall the Company be obligated to pay **expenses** after the applicable Limit(s) of Liability has been exhausted by payment of **expenses**. The Company shall have the right to investigate, contest, defend, appeal and/or settle any **expense** (other than **mandatory audit** fees) assessed or otherwise brought by any party as it deems expedient. The Company shall have the right, but not the obligation, to defend the **Named Insured** or the **merchant** against any legal action or proceeding.

## LIMIT OF LIABILITY

Regardless of the number of **claims** made, the Company's liability for all **expense** arising from each **MID** from an **incident** shall be limited to the lesser of: actual **expenses**; or the "Each **Incident** Each **MID**" Limit of Liability appearing in Item 4 of the Declaration;

less any Deductible(s) appearing in Item 5 of the Declarations. The "Each **Incident** Each **MID**" Limit of Liability shall only apply to **MID's** reported by the **Named Insured** on the Company's **Reporting Schedule** during the **Reporting Period** in which the **incident** is **discovered**. The Company's liability shall be further limited as delineated in paragraphs 2 thru 7 below. Any "Each **Incident** Each **Merchant**" Limit of Liability appearing in Item 4 of the Declarations is the total limit of the Company's liability under this policy for all **expenses** arising from the same **incident**; regardless of the number of **MID's** or **merchant agreements**. "Each **Incident**" Limit of Liability appearing in Item 4 of the Declarations is the total limit of the Company's liability under this policy for all **expenses** arising from the same **incident**; regardless of the number of **MID's**, **merchants** or **merchant agreements**. Any "Aggregate **MID**" Limit of Liability appearing in Item 4 of the Declarations is the total limit of the Company's liability under this policy for all **expense** arising from a single **MID**. Any "Aggregate **Merchant**" Limit of Liability appearing in Item 4 of the Declarations is the total limit of the Company's liability under this policy for all **expense** arising from a single **merchant**; regardless of the number of **MID's** or **merchant agreements**. Any "Aggregate" Limit of Liability appearing in Item 4 of the Declarations is the total limit of the Company's liability under this policy for all **expense**; regardless of the number of **merchants**, **MID's** or **merchant agreements**. Prior to the Company having any obligation to pay **expenses**, the **merchant** shall retain in **expenses** an amount equal to the Deductible appearing in Item 5 of the Declarations.

## EXCLUSIONS

The Company shall not be obligated to pay, and this policy does not apply to, any **claim**, **demand** or **expenses** arising from or in connection with: an **incident** known or discovered outside of the **policy period**. a **merchant**: that is not an Eligible **Merchant** as defined in Item 6 of the Declarations; or a **MID** that was not reported to the Company on the Report Schedule for coverage during the **Reporting Period** in which the **incident** was **discovered**. A **card** transaction that is not an Eligible Card Transaction as defined in Item 7 of Declarations. A **failure of security** specifically known to the **Named Insured** or the **merchant** to exist on or before the **policy period** that gives rise to an **incident**. This exclusion does not apply to network equipment, operating systems, or software applications in the possession of the **merchant**. Any fraudulent, illegal, dishonest or criminal act committed by, at the direction of, or with the knowledge of: any director, officer, employee, representative, consultant or contractor of the **Named Insured**; or the **card association**, card issuer, **acquiring bank**, **ISO** or **processor**; or any director or officer of the **merchant**. An inadvertent accounting or arithmetic error or omission. Any subsequent **incident** or **claim** made by or against a **merchant** that has suffered a data breach as determined by the **mandatory audit**, until an eligible **PCI Compliance Level** as defined in Item 6 of the Declarations, is subsequently attained, maintained or reacquired by such **merchant**. Any costs or expenses incurred or required for a **merchant** to become PCI compliant. Any breach, damage, cost, penalty or fine incurred, assessed, transferred or charged back by any **card association**, card issuer, **acquiring bank**, **ISO** or **processor** for non-compliance with accepted **PCI Data Security Standards** other than an **expense** or

**card replacement cost** contractually recoverable from a **merchant** under the **merchant agreement** arising from a **data compromise** at the **merchant** level. War (whether or not declared), civil war, insurrection, rebellion, or revolution; military, naval, or usurper power, governmental interventions, expropriation, or nationalization; or any of the foregoing including acts certified by the Secretary of the Treasury as an Act of Terrorism subject to the Terrorism Risk Insurance Act of 2002 as amended in 2007. Any software not within the control of the **merchant** unless the merchant has an end user agreement. However, this exclusion is not intended to limit coverage for **expenses** arising from the use by third parties of software, virus, Trojan or malware to infiltrate the **merchant's** systems or to collect data from the **merchant's** systems. Any **data compromise** that occurs in any computer network in which multiple **merchants** with no legal relationship to one another: have their **merchant** accounts hosted on the same web server; or are sharing common hardware and software resources. An actual or alleged **failure of security** or **incident** without: (a.) a formal written notification by the **card association** (including case number) to either the **acquiring bank, ISO** or **merchant** of either an actual or suspected **incident** at the **merchant** level; and (b.) a contractually enforceable **demand** by the **card association** for **expense** reimbursement by the **merchant, Named Insured** or **acquiring bank** for which the **merchant** is liable. Any **chargeback** of a consumer transactions made or processed by the **merchant**. Any transaction against a cardholder's account unless: the transaction is a fraudulent or illegal use of a compromised credit card number; and the compromised credit card number is a direct result of an **incident**; and a fine or **compliance case** is assessed against the **merchant** by the **card association** for such transactions; and the resulting fine or **compliance case** is specifically covered by the policy as a **related cost**.

## DEFINITIONS

When used in this policy, including endorsements and schedules forming a part hereto: "**acquiring bank**" (or acquirer) means a financial institution that accepts or acquires payment transactions for the products or services on behalf of a **merchant** performed using a **card** issued by itself or another financial institution. "**ADCR**" means the Account Data Compromise Recovery process as established by Visa or similar processes as established by other **card associations**. "**card**" means credit cards, debit cards, stored value cards, and pre-funded cards. "**card association**" means any one of the following entities formed to administer and promote cards: MasterCard International, Inc., VISA U.S.A., Inc., VISA International, Inc., Discover Financial Services, American Express, JCB International Credit Card Company, Ltd. or any of the following Debit Provider Networks: Alaska Option, Armed Forces Financial (AFFN), ATH Network, Credit Union 24 (CU24), Exchange/Accel, FleetCor, Fleet One, Jeanie, Interlink, Maestro, NETS Network, NYCE, Plus, PrestoLink, Pulse, Revolution Money, Shazam, STAR, TransAlliance, Voyager, and Wright Express. "**card replacement cost**" means any written **demand** received from the **card association** for reimbursement of the monetary costs required to reproduce and distribute **cards** as a direct result of **data compromise** incurred by the **merchant**. "**chargeback**" means the procedure by which a selling **merchant's** sales draft or other indicator of a **card** transaction (or disputed portion thereof) is returned to the selling **merchant**, the liability for which is the selling **merchant's** responsibility. **Chargeback** does not include **compliance case** liability. "**claim**" means a contractual **demand** against the **merchant** for monetary reimbursement under the **merchant agreement** for **expenses** as a result of an **incident**. "**claimant**" means either a:

**card association** or **acquiring bank** assessing **PCI Assessments, related costs** and/or **card replacement cost** against the **merchant**; or **qualified security assessor** incurring and seeking reimbursement for authorized **mandatory audit** fees; making **demand** for **expense** reimbursement from the **merchant** of such amounts. **Claimant** shall also include such party that has assumed the role by payment of contractually obligated **expenses** assessed against the **merchant**. "**compliance case**" (or PCI-DSS Compliance Case) means a determination by a **card association**, following a written allegation by an issuing bank, that: a **data compromise** of a **merchant** violated a specific operating rule of the **card association**; and the situation giving rise to the allegation is not covered by a **chargeback** right; and the issuing bank suffered a financial loss as the result of the **data compromise**. "**data compromise**" means the exposure of **card** information that compromises the security, confidentiality, or integrity of personally identifiable information due to the **merchant's failure of security**. "**date of discovery**", "**discovered**" or "**discovery**" means the date appearing on the first formal written notification by the **card association** (including case number) to either the **acquiring bank, ISO** or **merchant** of a valid **incident** at the **merchant** level or a request for a **mandatory audit**. "**demand**" means any written request for payment by the **merchant, Named Insured** or **acquiring bank** of **expenses** that are contractually recoverable under the **merchant agreement** from the **merchant**. "**expenses**" means **PCI Assessments, related costs, mandatory audit** fees, and/or **card replacement cost** contractually assessed by the **card association** against the **merchant** as a result of an **incident**. **Expense** does not include: any other economic damage, legal expenses, punitive or exemplary damages, legal or regulatory fines or penalties assessed directly against any **merchant**; that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law; or the cost to restore consumer identities or monitor or verify the creditworthiness, credit accuracy or damage to credit of any consumer (including but not limited to paying for any credit bureau report). **chargeback** expenses. "**failure of security**" means: the actual failure and inability of the security of the **merchant's** computer system to mitigate loss from or prevent computer data infiltration; physical theft of hardware or firmware controlled by the **merchant** (or components thereof) on which electronic data is stored, or through which electronic data passes, from a premises occupied and controlled by the **merchant**. **Failure of security** shall also include such actual failure and inability above, resulting from the theft of a password or access code by non-electronic means; or a physical loss of information from the **merchant** (including loss of receipts, employee theft and

stolen databases). **"incident"** means one or more actions, inactions, errors, omissions, unauthorized accesses, intrusions, breaches of security and/or breaches of duty by or to the **merchant** resulting directly or indirectly in actual or alleged **failure in security** and resulting **data compromise** as identified in and evidenced by a written **demand** letter issued by the **card association**. Regardless of the number of unauthorized accesses, intrusions, security breaches or **data compromise** events, all activities resulting from common intruders (or conspiracy of intruders) or unauthorized software installations shall be considered a single **incident**. Continuous or repeated actions or exposure to substantially the same general harmful condition, injury or damage shall also be considered a single **incident**. A **data compromise** that involves either (a.) multiple intrusions into the **merchant's** computer system that are enabled by the insertion of a worm, virus, key logger, trojan, or other device or (b.) the repeated use of a stolen or compromised password or access code shall be considered a single **incident**. All **expenses** arising from the same **incident** or chain of related **incidents** shall be considered a single **incident**. **"ISO"** means registered Independent Sales Organization or merchant service provider. **"mandatory audit"** means a forensic legal and/or information technology examination of the **merchant** required by the **card association** or acquiring bank that has been triggered by one or more cardholders indicating potential or actual fraudulent activities that the **card association** has cause to believe occurred due to the **merchant's** non-compliance with accepted **PCI Data Security Standards**. **Mandatory audits** must be initiated by the **card association** or **acquiring bank** in writing and must be conducted by a **qualified security assessor** selected by either the **Named Insured**, the **acquiring bank** or the **merchant**. The **mandatory audit** requires the **qualified security assessor** to examine the physical operations of the **merchant** in order to either locate the source of the problem or to determine if non-compliance of the **PCI Data Security Standards** actually occurred. **"merchant"** means a sole proprietorship, partnership, corporation (including affiliates and subsidiaries), limited liability company, holding company or other legal entity (regardless of the number of **MIDs** held) properly authorized by the **processor** to enter and secure approval for **card** transactions through: the **processor's** payment system; or the payment system of a third-party acting in the **processor's** behalf, and for whom **processor** provides **card** processing services, including forwarding sales drafts and **card** vouchers to a **card** issuer. Unless specifically indicated by endorsement, the **merchant** is not an Additional Insured under this policy.

**"merchant agreement"** (or **merchant** account) means an executed written contract between a **merchant** and either an **acquiring bank** or **ISO** establishing the **merchant's** contractual liability for **PCI Assessments**, **related costs**, **mandatory audit** fees, and **card replacement costs** resulting from a **data compromise**. **"MID"** means a **merchant** identification number. **"Named Insured"** means the entity named in Item 1 of the Declarations. **"PCI"** means Payment Card Industry. **"PCI Assessment"** means any written **demand** against the **merchant**, **Named Insured** or **acquiring bank** by the **card association** for monetary assessments or fines due to the **merchant's** non-compliance with accepted **PCI Data Security Standards** that result in a **data compromise** incurred by the **merchant**. **"PCI Compliance Level"** means the Payment Card Industry compliance level assigned by the **card association** based, in part, upon annual transaction volume. **"PCI Data Security Standards"** means generally accepted and published Payment Card Industry standards for data security (DSS), including but not limited to the following objectives: Install and maintain a firewall configuration to protect cardholder data; Do not use vendor-supplied defaults for system passwords and other security parameters; Protect stored cardholder data; Encrypt transmission of cardholder data across open, public networks; Use and regularly update anti-virus software; Develop and maintain secure systems and applications; Restrict access to cardholder data by business need-to-know; Assign a unique ID to each person with computer access; Restrict physical access to cardholder data; Track and monitor all access to network resources and cardholder data; Regularly test security systems and processes; and Maintain a policy that addresses information. **"policy period"** means the period of time beginning at 12:00 a.m. at the address shown in Item 1 of the Declarations on the Policy Effective Date shown in Item 2 of the Declarations and ending at 12:00 a.m. on the earlier of the Policy Expiration Date shown in Item 2 of the Declarations or its earlier cancellation date, if applicable. **"Processor"** means an **acquiring bank**, **ISO** or other **PCI** compliant system vendor approved by the **acquiring bank** to provide **card** processing services. **"qualified security assessor"** shall mean a security assessor that has been certified as such by the **PCI Security Standards Council**. **"related costs"** means any other costs in the process leading up to the **PCI Assessment** as demanded in writing by or from the **card association** and for which the **merchant** is liable under the **merchant agreement**. **Related costs** includes **compliance case** costs of the **card** issuer associated with the monitoring of at risk **card** accounts filed under the rules of the **card** brands. **Related costs** shall include fines and **ADCR** financial liability assessed against the **merchant** by the **card association** for the uncollectible amount of any transaction against a **card** holder's account incurred directly as a result of fraudulent or illegal use of a compromised **card** number. **"reporting period"** means the calendar period of coverage specified in Item 9 of the Declarations. **"reporting schedule"** means the form and/or media format that the Company provides to **Named Insured** for the reporting of premium and establishing coverage for eligible **merchants** and **MID's** for a specific **reporting period**.

#### **CONDITIONS**

**Policy Period and Territory** This Policy becomes effective on the Policy Effective Date shown in Item 2 of the Declarations and shall continue for the initial **policy period** shown in Item 2 of the Declarations or until canceled or non-renewed by the Company or the **Named Insured**, pursuant to the provisions set forth in **Condition 11**. This policy applies only to **expenses** contractually due from **merchants** domiciled in the United States of America (including its territories and possessions). **Premium Reporting and Billings:** The **Named Insured** shown in Item 1 of the Declarations is responsible for the payment of premium and will be the payee for any return premiums. The **Named**

**Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company or their authorized representative at such times as the Company may direct. Premium shall be computed in accordance with the Company's rates as specified in Item 8 of the Declarations or as amended. Within the number of days specified in Item 9 of the Declarations after the close of each **reporting period**, the **Named Insured** shall remit all premiums due to Company accompanied by a **reporting schedule** detailing all **MID's** being included for coverage for such **reporting period**. Coverage for **expenses** arising from a particular **MID** will only be effective for such **reporting period** in which: the Company receives the **reporting schedule**; the **MID** is scheduled on such **reporting schedule**; and the appropriate premium has been paid for such **reporting schedule**. Failure to report or remit premium for any **reporting period** during the **policy period** shall be deemed a waiver of coverage for such **reporting period**. Reporting on the **reporting schedule** shall be in a media format acceptable to the Company and shall contain: **Reporting period**; Coverage Effective Date (if different from first day of **reporting period**); **MID** number(s); **PCI Compliance Level** (if available). **Duties of Insured in the Event of Claim:** As soon as practicable after the **date of discovery**, the **merchant** shall provide a written Notice of **Claim** to either the Company or their authorized representative. Such Notice of **Claim** shall include the fullest information obtainable, including but not limited to: the circumstances by which the **merchant** discovered the **incident**, including but not limited to, a copy of the first formal written notification by the **card association** (including case number) to either the **Named Insured**, **acquiring bank**, **ISO** or **merchant** of either an actual or suspected **incident** at the **merchant** level or a request for a **mandatory audit**; **expenses** which may result or have resulted from the **incident**; evidence and description of the **incident** giving rise to the **claim**; a copy of the executed and legally binding **merchant agreement** or such other documentation (including **merchant** statements) establishing to the Company's satisfaction that the **merchant** is contractually liable for **expenses**; and any **demand**, notification letters, **mandatory audit** reports, fee and **expense** invoices and other documents pertinent to the **claim** that are in the possession of the **merchant**. **Claims** and **incidents** giving rise to a **claim** shall be reported to the Company as follows:

Great American E & S Insurance Company; Attention: FIS Claims Department; 49 East Fourth Street, 9<sup>th</sup> Floor; Cincinnati, OH 45202

Toll Free: (877) 429-3816; E-mail: FISClaims@gaic.com The **Named Insured** and the **merchant** shall cooperate with the Company in the investigation and settlement of all **claims**, including but not limited to: enforcing any contractual right to contest any **expense** (other than **mandatory audit** fees); and assisting in making statements; in the conduct of suits; and in enforcing any right of contribution or indemnity against any party other than the **merchant** who may be liable for **expenses**. If the Company is prejudiced by the failure of the **Named Insured** or the **merchant** to comply with any of these duties, the Company's liability or obligation as to that **claim** shall terminate. Should the **Named Insured** or the **merchant** be unable or unwilling to comply with any of the duties required herein, any successive party contractually liable to the **claimant** for the **expenses** may assume such duties to comply with the terms and conditions of this policy. Payment by any party of **expenses** shall not automatically bind the Company with respect to any **claim**. No party shall, except at their own risk, assume any obligation, incur any cost, charge, or expense or enter into any settlement.

**Payment of Claims:** Upon receipt of a Notice of **Claim**, the Company or their authorized representative shall commence investigation and request all items, statements and information that the Company reasonably believes will be required. Additional requests may be made if, during the investigation of the **claim**, such additional requests are necessary. Within thirty (30) days of receipt of all items, statements and information required by the Company to verify the **claim** and determine coverage (including but not limited to any **mandatory audit** results), the Company shall notify the **Named Insured** and the **merchant** of the Company's acceptance or rejection of the **claim**. If the Company rejects the **claim**, in whole or in part, the Company shall state the reasons for the rejection. The parties may accept such rejection, exercise their rights under the policy, or submit an amended Notice of **Claim**. An amended Notice of **Claim** must be submitted within thirty (30) days of the Company's rejection and contain such additional information as necessary for the Company to reevaluate the reasons for rejection. Payment of the **claim** shall be made within thirty (30) days after the Company reaches agreement with the **claimant**, or the entry of a judgment against the Company. The Company will only make payment to the **claimant** unless it can be demonstrated by the **claimant** and the **Named Insured** that payment has already been made to the **claimant** by another party in the succession of contractual liability (whether that be the **Named Insured**, **acquiring bank**, **ISO** or **merchant**). In such event, the Company will make payment in reimbursement of such **expenses** to the one and only unreimbursed party in the succession of reimbursement. As a condition precedent to payment, the Company shall have the right to require any party, other than the **claimant**, receiving payment to execute a written release agreement acknowledging: (i.) payment by the Company is in satisfaction of liability to the **claimant** under the policy; and (ii.) such party's previous satisfaction of the liability to the **claimant** or such party's duty to remit payment to the **claimant**.

**Other Insurance:** Neither the **merchant**, the **claimant**, nor any other party shall be unjustly enriched by this insurance. The insurance provided hereunder shall be in excess of any other insurance: reimbursing or paying on behalf of the **merchant**, or collected by the **claimant**; for **expenses** covered hereunder. **Multiple Policies:** If this policy and any other insurance policy issued by the Company to the **Named Insured** or the **merchant** applies to the same **incident** or **data compromise**, the maximum Limit(s) of Liability under all policies combined shall not exceed the largest Limit(s) of Liability from any one policy. **Subrogation:** In the event of any payment of **expenses** under this policy, the Company shall be subrogated to all rights of recovery of such **expenses** against any party. The **Named**

**Insured** and the **merchant** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Neither the **Named Insured** nor the **merchant** shall do anything after a **claim** to prejudice such rights without first obtaining the written consent of the Company. The Company shall not exercise any right of recovery against: the **merchant**; or the **ISO, processor, acquiring bank**, or the **Named Insured** in respect of any **claim** paid under this policy unless such **claim** was the direct result of fraudulent, illegal, dishonest or criminal acts of such party. **Assignment:** Unless specifically allowed elsewhere in this policy, no rights or duties may be assigned or transferred without the prior written consent of the Company. **Action Against Company:** No action shall lie against the Company unless, as a condition precedent thereto, there has been full compliance with all of the terms of this Policy, and both the **merchant's** liability and the amount of the **merchant's** obligation to pay has been finally determined either by judgment against the **merchant** after actual trial or by agreement of the **claimant** and the Company, in writing. Any person or organization, or the legal representative thereof, who has secured a judgment or written agreement as referenced in the preceding paragraphs, shall thereafter be entitled to recover under this Policy to the extent the Limit(s) of Liability remains available for payment of **expenses**, and to the extent allowed by law. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Named Insured** or the **merchant** or any other party to determine the **merchant's** liability, nor shall the Company be impleaded by the **Named Insured** or the **merchant** or any other party. **Changes in Policy Terms:** No rights, terms or conditions of this policy may be waived, changed, altered, modified or deleted without the written agreement of the Company and the **Named Insured**. **Cancellation / Non-Renewal:** This policy may be canceled or non-renewed by the **Named Insured** at any time by surrender of this insurance to the Company or by written notice of the future date cancellation or non-renewal is to take effect. Notice by the **Named Insured** shall constitute notice by and to any and all Additional Insureds. The Company may cancel this policy by mailing or delivering to the **Named Insured**, at the last mailing address known to the Company, fifteen (15) days notice of cancellation for fraud or material misrepresentation or non-payment of premium and sixty (60) days notice for any other legal reason. Notice will include the effective date and reason(s) for cancellation. Cancellation for non-payment of premium shall be rescinded by the Company if payment of all premiums due are received by the Company prior to the cancellation date. The effective date of cancellation stated in the notice shall become the end of the **policy period**. The Company may non-renew this policy by mailing or delivering to the **Named Insured**, at the last mailing address known to the Company, sixty (60) days written notice prior to the policy Expiration Date for any legal reason. Notice will include the effective date and reasons for non-renewal.

If Notice of Non-Renewal is received within sixty (60) days prior to the policy Expiration Date, coverage shall continue to remain in effect until sixty (60) days after such notice is received by the **Named Insured**. Proof of mailing of any notice will be sufficient proof of notice. Notice of cancellation or nonrenewal by the Company to the **Named Insured** shall constitute notice of cancellation to any and all Additional Insureds. Any duty to notify **merchants** or Additional Insureds shall belong exclusively to the **Named Insured**. The Company will refund any return premium within thirty (30) days of notice of cancellation. Return premium shall be calculated on a pro-rata basis. **Inspection of Records:** The **Named Insured** and the **merchant** shall keep record of all information relative to this policy. The Company may examine such books and records, at any time during the **policy period** and within two (2) years after the end of the **policy period**, as far as it relates to the subject matter of this policy. By the Company's right to examine or making an examination, the Company makes no representation that such books and records are adequate or in compliance with any law, rule or regulation. **Bankruptcy:** Bankruptcy or insolvency of the **merchant** shall not relieve the Company of any of its obligations under this Policy. In the event of such bankruptcy or insolvency, the Company shall have the right to assert any appropriate claim or demand in such proceedings for payment or any obligations, if any, due to the Company. **Sole Representative:** The **Named Insured** listed in Item 1. of the Declarations agrees to act on behalf of any Additional Insureds or interested parties with respect to providing notices to the Company and receiving communications relating to the policy. **Service of Suit:** Pursuant to any statute of any state or district of the United States of America, which makes provision therefore, the Company hereby designate the Commissioner, Superintendent or Director of Insurance or other Officer specified for that purpose in the statute and his or her successors in office and duly authorized Deputies in the State where this policy is issued, as the Company's true and lawful attorney for service of legal process in any action, suit or proceeding brought in the State where the policy is issued by or on behalf of the **Named Insured** or beneficiary against the Company arising out of the insurance issued under this Policy. Any legal process received by such Attorney for service of legal process shall be forwarded to the Company to the attention as follows: CT Corporation System, 208 South LaSalle Street, Chicago, IL 60604.