

IN THE SUPREME COURT OF OHIO  
CASE NO: 06-0722

THE CINCINNATI INSURANCE CO., et al	)	
	)	
Plaintiffs-Appellants,	)	On Appeal from the Cuyahoga
	)	County Court of Appeals,
vs.	)	Eighth Appellate District
	)	Case Nos. 85967 / 85969
CPS HOLDINGS, INC., et al.	)	
	)	
Defendants-Appellees	)	
	)	

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**APPELLEE'S SECOND SUPPLEMENT TO MERIT BRIEFS**

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**FILED**  
DEC 01 2006  
MARCIA J. MENGEL, CLERK  
SUPREME COURT OF OHIO

**INDEX**

D. Gulf Underwriters Insurance Company Policy..... 0100 – 0138

The above document appears in the record at document 43, Answers to Request for Admissions of Gulf Underwriting Insurance Company to Defendants CPS Holdings, Inc., et.al., Exhibit A.

Respectfully submitted,

*Bob Rutter*

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ROBERT P. RUTTER (0021907)  
One Summit Office Park, Suite 650  
4700 Rockside Road  
Independence, Ohio 44131  
(216) 642-1425

#### CERTIFICATE OF SERVICE

A copy of the foregoing has been sent by regular U.S. mail, this 27<sup>th</sup> day of November 2006, to the following:

Richard M. Garner  
Davis & Young  
101 Prospect Avenue West  
1700 Midland Building  
Cleveland, Ohio 44115-1027  
*Counsel for Appellant*  
*The Cincinnati Insurance Company*

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30 East Broad Street, 26<sup>th</sup> Floor  
Columbus, Ohio 43215

*Attorney for Defendant State of Ohio*  
*Department of Administrative Services*

*Bob Rutter*

---

ROBERT P. RUTTER

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962



# SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

## CLAIMS MADE

YOUR POLICY INCLUDES THIS FRONT PAGE AND THE FOLLOWING PARTS:

- PART 1. Information Page
- PART 2. Notices
- PART 3. Quick Reference to Policy Provisions
- PART 4. Introduction
- PART 5. Insuring Agreements and Exclusions
- PART 6. Definitions Used in This Policy
- PART 7. General Conditions
- PART 8. Endorsements (when required)
- PART 9. A Copy of Your Signed Application or Renewal Application

ALL OF THESE PARTS MUST BE INCLUDED TO MAKE A COMPLETE POLICY.

Notices to the Insurance Company should be made c/o:

Media/Professional Insurance  
A division of Media/Professional Insurance Agency, Inc.  
Two Pershing Square, Suite 800  
2300 Main Street  
Kansas City, Missouri 64108-2404  
Telephone: (816) 471-6118  
Facsimile: (816) 471-6119

--0100

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962  
(herein called "the Insurance Company")

Specialty Errors and Omissions Liability Insurance Policy

Claims Made

PART 1. INFORMATION PAGE

THIS IS A CLAIMS MADE POLICY. CLAIM EXPENSES ARE INCLUDED IN THE LIMIT OF INSURANCE. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Policy No. GU6617496 Renewal of No. New

IN RETURN FOR THE PAYMENT OF THE PREMIUM, WE AGREE WITH YOU TO PROVIDE INSURANCE UNDER THE PROVISIONS IN THIS POLICY.

Item 1. Named Insured and Mailing Address:  
IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY OF POLICY # GU6617496

Item 2. Policy Period: From November 13, 2001 To November 13, 2002  
Inception Date Expiration Date  
12:01 A.M., Standard Time at the Mailing Address stated in Item 1.

Item 3. Retroactive Date: November 13, 1997 IF NO DATE IS STATED HERE, COVERAGE DOES NOT APPLY TO WRONGFUL ACTS COMMITTED PRIOR TO THE INCEPTION DATE STATED IN ITEM 2 ABOVE.

Item 4. Schedule of Insured Services:  
Providing energy management consulting and energy management services to others, including accounting, auditing and administration services.

-- 0101

ART 1. INFORMATION PAGE (Continued)

Named Insured : IQ Solutions, LLC

Policy No. : GU6617496

Item 5. Limit of Insurance: a. \$ 1,000,000 Each Wrongful Act  
b. \$ 1,000,000 Total Limit of Insurance

Item 6. Deductible: \$ 5,000 Each Wrongful Act

Item 7. Premium: \$ 6,169.00

State Surcharge/Tax: \$ Not Applicable

Policy Fee: \$

Surplus Lines Tax: \$

Stamping Fee: \$

Policy Total: \$

HEREBY CERTIFY THAT THIS IS A TRUE AND  
ACCURATE COPY OF POLICY # GU6617496

Item 8. Form(s) and Endorsement(s) made a part of this policy at time of issue:  
Specialty Errors and Omissions Liability Insurance Policy-(7-97)  
1. Change Endorsement  
2. Service of Suit - Form SR-44GE

THIS INFORMATION PAGE, ALONG WITH YOUR SIGNED APPLICATION OR RENEWAL APPLICATION AND ALL OF THE PARTS OF THE POLICY LISTED IN ITEM 8 ABOVE COMPLETE THE POLICY.

Countersigned at Kansas City, Missouri

By [Signature]  
Authorized Representative

Date January 8, 2002

**-0102**  
Media/Professional Insurance  
Agency Producer

PART 2.

NOTICES

A. **Claims Made Policy:**

This insurance coverage is on a claims made basis. Coverage applies only to those **Claims** that are first made during the **Policy Period** and any **Extended Reporting Period** as those terms are described in the policy. Coverage does not apply to any **Wrongful Acts** committed before the **Retroactive Date** stated on the Information Page.

B. **Claim Expenses Within the Limit:**

This insurance coverage contains a provision that reduces the Limit of Insurance stated in the policy by the amount of **Claim Expenses**.

C. **Awareness:**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine **Your** rights and duties, and what is and is not covered. **We** will not pay sums or perform acts or services unless explicitly provided for in this policy.

--0103

**PART 3. QUICK REFERENCE TO POLICY PROVISIONS**

The following is a quick reference indexing of Your policy's provisions, listed in sequential order. The descriptions in the quick reference are not binding. The quick reference should only be used to help You locate the actual policy provisions.

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PART 4.

INTRODUCTION

The words **We**, **Us** and **Our** refer to the Insurance Company named on the Information Page.

The words **You** and **Your** refer individually and collectively to:

1. The **Named Insured** as defined in Part 6.H.;
2. The **Named Insured's** stockholders for their liability as stockholders;
3. The **Named Insured's** partners, officers, directors and employees, but only for **Wrongful Acts** within the scope of their duties in such capacity for the **Named Insured**;
4. Former partners, officers, directors and employees of the **Named Insured**, but only for **Wrongful Acts** both:
  - a. Within the scope of their duties for the **Named Insured**; and
  - b. Made while they were the **Named Insured's** partner, officer, director or employee; and
5. In the event of death, incompetency, insolvency, or bankruptcy of any of **You**, **Your** legal representative but only for **Wrongful Acts** within the scope of their duties for the **Named Insured**.

Other words or phrases that are **bold-faced** have special meaning. Refer to Part 6.

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PART 5.

INSURING AGREEMENTS AND EXCLUSIONS

A. What We Insure

1. Payments

We will pay on Your behalf those sums in excess of the Deductible and within the applicable Limit of Insurance stated in Item 5 on the Information Page that You become legally obligated to pay as Damages or Claim Expenses because of Claims as a result of a Wrongful Act in performing Insured Services for others.

2. Defense

We will have the right and duty to appoint an attorney and defend a covered Claim, even if the allegations are groundless, false or fraudulent. But:

- a. We may, at Our discretion, investigate and settle a covered Claim.
- b. Our right and duty to defend and pay on Your behalf ends when We have used up the applicable Limit of Insurance in payment of Damages or Claim Expenses.

B. What We Do Not Insure--Exclusions

1. We are not obligated to pay Damages or Claim Expenses or defend Claims for or arising directly or indirectly out of:

- a. Bodily Injury or Property Damage.
- b. An act or omission that a jury, court or arbitrator finds dishonest, fraudulent, criminal, malicious or was committed while knowing it was wrongful.
- c. Infringement of:
  - (1) Copyright;
  - (2) Trademark, trade dress, trade name, service mark, service name, title or slogan; or
  - (3) Patent.
- d. Unfair competition, restraint of trade or any other violation of antitrust laws.
- e. Harassment, misconduct or discrimination because of or relating to:
  - (1) Race, creed, color or age;
  - (2) Sex, sexual preference, national origin or religion; or
  - (3) Handicap, disability or marital status.
- f. Gain, profit or advantage to which any of You are not legally entitled.

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- g. Liability assumed by any of **You** under any contract or agreement. This exclusion does not apply to liability **You** would have incurred in the absence of such contract or agreement.
- h. Any of **Your** acts related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provisions of the Employee Retirement Income Security Act of 1974, or any amendment, regulation, ruling or order issued pursuant to the Act.
- i. Violation of:
- (1) The Security Act of 1933 as amended;
  - (2) The Securities Exchange Act of 1934 as amended;
  - (3) Any state blue sky or securities law;
  - (4) Any similar state or federal law; or
  - (5) Any order, ruling or regulation issued pursuant to the above laws.
- j. Insolvency or bankruptcy of:
- (1) Any of **You**; or
  - (2) Any enterprise in which any of **You** own an interest.
- k. The actual or threatened discharge, dispersal or release of any **Pollutant**; or the creation of an injurious condition involving any **Pollutant**; or the existence of any **Pollutant** on any property; or the cleanup, removal, testing, monitoring, containment, treatment, detoxification or neutralization of any **Pollutant**. This exclusion is effective whether or not the pollution was sudden, accidental, gradual, intended, expected or preventable or whether or not any of **You** caused or contributed to the pollution.
- "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to:
- (1) Smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos;
  - (2) Hazardous, toxic or radioactive matter or nuclear radiation;
  - (3) Waste, which includes material to be recycled, reconditioned or reclaimed; or
  - (4) Any other pollutant as defined by applicable federal, state or local statutes, regulations, rulings or ordinances.

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2. **We are not obligated to pay Damages or Claim Expenses or defend Claims made by:**
  - a. Any enterprise:
    - (1) In which any of **You** own an interest or is a partner; or
    - (2) Which is a parent, affiliate or subsidiary company of any of **You**;
  - b. Any enterprise directly or indirectly controlled, operated or managed by an enterprise described in Part 5.B.2.a. above;
  - c. Any of **You**; or
  - d. Any present, former or prospective employees, officers or directors of any of **You** when the **Claim** is in any way related to the present, former or prospective employment relations between the claimant and any of **You**.
3. **We are not obligated to pay Damages or Claim Expenses or defend Claims for the breach of express warranties, guarantees or contracts.**

**C. Where and When We Insure**

**1. Where We Insure**

This insurance applies to a **Wrongful Act** committed anywhere in the world provided that the **Claim** is first brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.

**2. When We Insure**

**a. Claims First Made.**

This insurance applies when a written **Claim** is first made against any of **You** during the **Policy Period**. To be covered, the **Claim** must also arise from a **Wrongful Act** committed during the **Policy Period**.

**We will consider a Claim to be first made against You when a written Claim is first received by any of You.**

This insurance also applies to **Claims** under the following conditions:

**b. Prior Wrongful Acts.**

**We will cover a written Claim first made against any of You arising from a Wrongful Act committed between the Retroactive Date and the Inception Date of the policy, but only if all of the following conditions are met:**

- (1) The written **Claim** is first made against any of **You** during the **Policy Period**. **We will consider a Claim to be first made against You when a written Claim is received by any of You;**
- (2) None of **You** knew prior to the Inception Date of a circumstance that could reasonably be expected to lead to the **Claim**; and

(3) There is no other valid and collectible insurance for the **Claim**.

c. **Reported Wrongful Acts.**

**We** will cover a written **Claim** first made against any of **You** after the end of the **Policy Period**, but only if all of the following conditions are met:

- (1) The **Wrongful Act** is committed between the **Retroactive Date** and the end of the **Policy Period**;
- (2) **We** receive written notice from **You** during the **Policy Period** of the **Wrongful Act**. The notice must include all of the following information:
  - (a) The names of those persons or organizations involved in the **Wrongful Act**;
  - (b) The specific person or organization likely to make the **Claim**;
  - (c) A description of the time, place and nature of the **Wrongful Act**; and
  - (d) A description of the potential **Damages**;
- (3) None of **You** knew prior to the **Inception Date** of a circumstance that could reasonably be expected to lead to the **Claim**; and
- (4) There is no other valid and collectible insurance for the **Claim**.

A **Claim** first made after the end of the **Policy Period** and arising from a reported **Wrongful Act** will be covered under the provisions of the policy in effect on the date **We** receive the notice of the **Wrongful Act**.

d. **Extended Reporting Period.**

This section describes the provisions and conditions that apply to **Claims** first made after the end of the **Policy Period** when **You** have not reported a **Wrongful Act** during the **Policy Period** in accordance with Part 5.C.2.c. above. Such **Claims** are not automatically covered. To cover them, the **First Named Insured** must purchase an **Extended Reporting Period** from **Us**.

If the **First Named Insured** purchases an **Extended Reporting Period**, **We** will cover a **Claim** first made against any of **You** during the **Extended Reporting Period**, but only if all of the following conditions are met:

- (1) The **Wrongful Act** is committed between the **Retroactive Date** and the end of the **Policy Period**;
- (2) None of **You** knew prior to the **Inception Date** of a circumstance that could reasonably be expected to lead to the **Claim**; and
- (3) There is no other valid and collectible insurance for the **Claim**.

**We** will consider a **Claim** to be made during the Extended Reporting Period only if written **Claim** is first received by any of **You** after the Expiration Date of the **Policy Period** and prior to the Expiration Date stated in the Extended Reporting Period Endorsement.

The following provisions and conditions also apply to the Extended Reporting Period:

- (4) If **We** cancel or nonrenew the policy, and upon request by the First **Named Insured**, **We** will sell one of the Extended Reporting Period options listed below, unless **We** cancel or nonrenew the policy because:
- (a) Any of **You** failed to pay the premium or **Deductible**; or
  - (b) Any of **You** failed to comply with policy provisions.

Extended Reporting Period options and the respective percentage of the Premium, as stated in Item 7 of the Information Page, **You** must pay to purchase the Extended Reporting Period are:

One Year = 75%  
Two Years = 125%  
Three Years = 160%  
Four Years = 185%  
Five Years = 200%

Changes or proposed changes in premium or policy provisions shall not be construed as cancellation or nonrenewal of the policy by **Us**.

If **You** cancel or nonrenew the policy, **We** may, at **Our** sole option, offer to sell the First **Named Insured** an Extended Reporting Period for an additional premium.

- (5) **We** must receive the First **Named Insured's** request for the Extended Reporting Period in writing within 30 days after the end of the **Policy Period**. On receipt and acceptance of the request, **We** will issue an endorsement showing the Extended Reporting Period in accordance with the option requested by the First **Named Insured**. At the same time, **We** will bill the additional premium, and **We** must receive payment within 30 days after the billing date for the endorsement to be effective.
- (6) The endorsement shall also include the provisions and conditions applicable to the Extended Reporting Period. Once in effect, the Extended Reporting Period may not be cancelled.
- (7) A **Claim** that is first made during the Extended Reporting Period will be deemed to have been made on the last day of the **Policy Period**. The provisions of the policy in effect on the last day of the **Policy Period** will apply.
- (8) The Extended Reporting Period does not reinstate or increase the Limit of Insurance.

(9) The Extended Reporting Period does not extend the **Policy Period** or change the scope of coverage provided.

e. **Multiple Claims.**

All **Claims** arising from the same **Wrongful Act** will be deemed to have been made on the earlier of the following times:

- (1) The date the first of those **Claims** is made against any of **You**; or
- (2) The first date **We** receive **Your** written notice of the **Wrongful Act**.

The provisions of the policy in effect on that date will apply.

D. **Limit of Insurance, Deductible and Reimbursement**

1. **Limit of Insurance**

a. **Each Wrongful Act.**

The **Each Wrongful Act** Limit of Insurance stated in Item 5.a. on the Information Page is the most **We** will pay for **Damages** and **Claim Expenses** combined for the total of all **Claims** made during the **Policy Period** and any Extended Reporting Period arising from one **Wrongful Act**, no matter how many:

- (1) Of **You** this policy covers;
- (2) **Claims** are made; or
- (3) Persons or organizations make **Claims**.

b. **Total Limit of Insurance.**

The **Total Limit of Insurance** stated in Item 5.b. on the Information Page is the most **We** will pay for **Damages** and **Claim Expenses** combined for the total of all **Claims** made during the **Policy Period** and any Extended Reporting Period, no matter how many:

- (1) Of **You** this policy covers;
- (2) **Claims** are made;
- (3) Persons or organizations make **Claims**; or
- (4) **Wrongful Acts** are committed.

2. **Deductible**

A separate **Deductible** applies to each actual and/or alleged **Wrongful Act**. The **Deductible** applies to **Damages** and **Claim Expenses** combined, and **Our** obligation to pay **Damages** and **Claim Expenses** applies only to the amount of **Damages** and **Claim Expenses** in excess of the **Deductible**. The Limit of Insurance will not be reduced by the application of the **Deductible**. The amount of **Your Deductible** is stated in Item 6 on the Information Page.

3. **Reimbursement**

If, at **Our** option, **We** have paid any amounts for **Damages** or **Claim Expenses** in excess of the applicable **Limit of Insurance** or if **We** have paid part or all of any **Deductible**, the **Named Insured** shall be liable to reimburse such amounts to **Us** upon demand.

**PART 6. DEFINITIONS USED IN THIS POLICY**

**A. "Application or Renewal Application"** means all the following:

1. The **Named Insured's** signed Specialty Errors and Omissions Plan Liability Insurance Policy Application;
2. The **Named Insured's** signed Specialty Errors and Omissions Plan Liability Insurance Renewal Application, if this is a renewal of a policy issued by **Us**; and
3. All attachments to the **Application or Renewal Application** and any other information furnished to **Us** for the purpose of applying for the insurance. All such attachments and information will be kept on file by **Us** and deemed attached to the policy as if physically attached to it.

**B. "Bodily Injury"** means physical injury, sickness or disease sustained by a person, including death resulting from any of these at any time. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright resulting in or from **Bodily Injury**.

**C. "Claim"** means a demand or assertion of a legal right seeking **Damages** made against any of **You**.

**D. "Claim Expenses"** means expenses incurred by **Us** or by **You** with **Our** consent in the investigation, adjustment, negotiation, arbitration, mediation and defense of covered **Claims**, whether paid by **Us** or **You** with **Our** consent. **Claim Expenses** include:

1. Expenses **We** incur;
2. Attorneys fees;
3. Costs taxed against **You** in any suit defended by **Us**;
4. Interest on the full amount of any judgment that accrues after entry of the judgment and before **We** have paid, offered to pay or deposited in court the part of the judgment that is within the applicable **Limit of Insurance**;
5. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable **Limit of Insurance**. **We** do not have to furnish these bonds; and
6. Reasonable expenses incurred by **You** at **Our** request other than:
  - a. Loss of earnings; and
  - b. Salaries or other compensation paid to any of **You**.

- E. **"Damages"** means money judgment, award or settlement, except those for which insurance is prohibited by law. **Damages** does not include fines, penalties or disputes over fees, deposits, commissions or charges for goods or services.
- F. **"Deductible"** means the amount stated in Item 6 on the Information Page and described in Part 5.D. 2. of the policy.
- G. **"Insured Services"** means those services stated in Item 4 on the Information Page.
- H. **"Named Insured"** means:
1. The person or entity listed in Item 1 of the Information Page; and
  2. Any entity which is created or acquired during the **Policy Period** and which is wholly-owned by another **Named Insured**. This provision applies only:
    - a. To **Insured Services** performed on or after the date of creation or acquisition of the new **Named Insured**;
    - b. If **You** advise **Us** within 60 days of the creation or acquisition and provide reasonable information for **Us** to evaluate for material changes in conditions which may affect insurance afforded by the policy; and
    - c. If **You** agree to pay any additional premium **We** believe is reasonable and necessary as a result of the material changes, if any.

The First **Named Insured** is the **Named Insured** first listed on the Information Page.

- I. **"Policy Period"** means the period of time stated in Item 2 on the Information Page, or any shorter period resulting from policy cancellation.
- J. **"Property Damage"** means:
1. Physical injury to tangible property, including all resulting loss of use of that property; or
  2. Loss of use of tangible property that is not physically injured.
- K. **"Retroactive Date"** means the date, if any, stated in Item 3 on the Information Page.
- L. **"Wrongful Act"** means the following conduct or alleged conduct by **You** or any person or organization for whom **You** are legally liable:
1. A negligent act, error or omission;
  2. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  3. Oral or written publication of material that violates a person's right to privacy;
  4. False arrest, detention or imprisonment;
  5. Wrongful entry into or eviction of a person from a room, dwelling or premises that the person occupies; or
  6. Malicious prosecution.

All **Wrongful Acts** that:

1. Take place between the **Retroactive Date** and the end of the **Policy Period** of the last policy **We** issue to **You**, and
2. Are related by common facts, circumstances, transactions, events and/or decisions

will be treated under this policy as one **Wrongful Act**.

**ART 7. GENERAL CONDITIONS**--These conditions apply to the entire policy.

**A. Special Rights and Duties of the First Named Insured**

The **First Named Insured** is responsible for the payment of all premiums and **Deductibles**. The **First Named Insured** has exclusive authority to act on behalf of all of **You** with respect to matters relating to this policy, including:

1. Giving and receiving notice of cancellation and nonrenewal;
2. Receiving refunds;
3. Agreeing to any changes to this policy; and
4. Purchasing an Extended Reporting Period.

**B. What to Do if You Have a Claim or Suit**

1. If there is a **Claim** or a circumstance likely to result in a **Claim**, **You** must do the following:
  - a. Notify **Us** in writing as soon as practicable; this notice must:
    - (1) Be sent to **Us**, in care of **Our** underwriting manager, Media/Professional Insurance, a division of Media/Professional Insurance Agency, Inc., Two Pershing Square, Suite 800, 2300 Main Street, Kansas City, Missouri 64108-2404; and
    - (2) Contain details that identify **You**, the claimant and also reasonably obtainable information concerning the time, place and other details of the **Wrongful Act** and **Claim**;
  - b. Immediately send **Us** copies of all demands, notices, summonses or legal papers received in connection with the **Claim**;
  - c. Authorize **Us** to obtain records and other information;
  - d. Cooperate with and assist **Us** in the investigation, settlement or defense of the **Claim**; and
  - e. Assist **Us**, upon **Our** request, in enforcing any rights of contribution or indemnity against another who may be liable to any of **You**.
2. None of **You** will, except at **Your** own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without **Our** prior written consent.

**C. Legal Action Against Us**

No person or organization has a right under this insurance:

1. To join **Us** as a party or otherwise bring **Us** into a suit asking for **Damages** from any of **You**; or
2. To sue **Us** on this insurance unless all of the policy's provisions have been fully complied with.

A person or organization may sue **Us** to recover on "an agreed settlement" or on a final judgment against **You** obtained after an actual trial; but **We** will not be liable for **Damages** and **Claim Expenses** that are not payable under the provisions of this insurance or that are in excess of the applicable Limit of Insurance. "An agreed settlement" means a settlement and release of liability signed by **Us**, **You** and the claimant or the claimant's legal representative.

**D. Bankruptcy**

The bankruptcy or insolvency of **You** or **Your** estate will not relieve **Us** of **Our** obligation under this insurance. However, this insurance will not apply to liability directly or indirectly due to such bankruptcy, insolvency, receivership or subsequent liquidation.

**E. Other Insurance**

If other valid and collectible insurance is available to any of **You** for any **Claim We** cover, this insurance is excess over such other insurance, except when the other insurance is purchased by the **Named Insured** only to apply in excess of this insurance and no other insurance exists.

**F. Transfer of Rights of Recovery Against Others to Us**

**You** and **We** may have rights to recover all or part of any payment **You** or **We** make under this insurance. If so, those rights are transferred to **Us**.

**You** must do nothing to impair such rights. At **Our** request, **You** will bring suit or transfer those rights to **Us** and help **Us** enforce them. Any recoveries shall be applied as follows:

1. First, to **Us** up to the amount of **Our** payment for **Damages** and **Claim Expenses**;
2. Then, to the First **Named Insured** as recovery of **Deductible** amounts paid as **Damages** and **Claim Expenses**.

**G. Changes in Policy Provisions; Changes in Your Operations**

1. This policy contains all the agreements between the **Named Insured** and **Us** concerning the insurance afforded by this policy. This policy's provisions can be amended or waived only by written endorsement issued by **Us** and made a part of this policy.

2. This policy applies only to the **Insured Services** described on the Information Page and **Named Insured(s)** as defined in the policy or by endorsement as of the Inception Date of the **Policy Period**. This policy shall not apply to any other services or enterprises unless such services or enterprises are added by written endorsement issued by **Us** and made a part of this policy. If an endorsement is added, **You** shall promptly pay any additional premium which may become due.

#### H. **Transfer of Your Rights and Duties Under the Policy**

Your rights and duties under this policy may not be transferred without **Our** written consent.

#### I. **Cancellation**

1. The First **Named Insured** may cancel this policy by mailing or delivering to **Us** or **Our** authorized representative advance written notice of cancellation.
2. **We** may cancel this policy by mailing or delivering to the First **Named Insured** written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if **We** cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if **We** cancel for any other reason.

**We** will mail or deliver **Our** notice to the address stated in Item 1 on the Information Page.

Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.

If this policy is canceled, **We** will send the First **Named Insured** any premium refund due. If **We** cancel, the refund will be pro rata. If the First **Named Insured** cancels, the refund, if any, will be 90% of pro rata. The cancellation will be effective even if **We** have not made or offered a refund.

If notice is mailed, proof of mailing will be sufficient proof of notice.

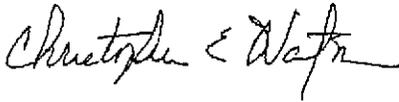
#### J. **Representations**

By accepting this policy, **You** agree:

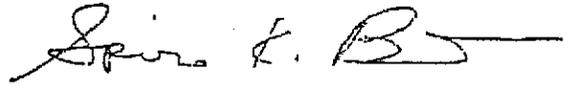
1. The statements in the **Application or Renewal Application** for this insurance furnished to **Us** are accurate and complete;
2. Those statements furnished to **Us** are representations the **Named Insured** made to **Us** on behalf of all of **You**;
3. Those representations are a material inducement to **Us** to issue this policy;
4. **We** have issued this policy in reliance upon those representations; and

5. If this policy is a renewal of a policy issued by **Us**, **Your** representations include the representations made in **Your** original signed Specialty Errors and Omissions Plan Liability Insurance Policy Application, but only as of the inception date of the original policy issued by **Us**. The representations **You** make on **Your** Specialty Errors and Omissions Plan Liability Insurance Renewal Application(s) apply as of the Inception Date of **Your** renewal policy(ies).

IN WITNESS WHEREOF, **We** have caused the policy to be signed by **Our** President and Secretary; but, this policy is not binding unless countersigned on the Information Page by **Our** authorized representative.



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary

PART 8.

ENDORSEMENTS

Required endorsements are attached to the back of this page.

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective November 13, 2001 12:01 a.m., at Your address as shown on the Information Page, this  
Endorsement No. \_\_\_\_\_ is part of Policy No. GU6617496 We have issued to You.

CHANGE ENDORSEMENT

You and We agree Part 5.B.1. of the policy is changed to add:

1. Exclusion l.:

1. Negotiation, placement or maintenance of insurance or reinsurance, or services performed as a licensed insurance agent.

2. Exclusion m.:

- m. The performance of services by any of You which can only be performed by:
  - (1) A licensed attorney; or
  - (2) A certified actuary or public accountant.

3. Exclusion n.:

- n. The performance of the following services:
  - (1) portfolio/asset management;
  - (2) investment advice/consulting;
  - (3) due diligence reviews;
  - (4) development of business valuations;
  - (5) financial modeling.

4. Exclusion o.:

- o. Unauthorized access to, use of or tampering with or introduction of malicious code into data or systems by any person.

If We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by \_\_\_\_\_

Authorized Representative

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective November 13, 2001 12:01 a.m., at Your address as shown on the Information Page, this Endorsement No. 1 is part of Policy No. GU6617496 We have issued to You.

CHANGE ENDORSEMENT (CONT.)

5. Exclusion p.:

p. The warranty or guarantee of future values, assets, earnings or a specified rate of return or interest.

6. Exclusion q.:

q. Malfunction or defect of any hardware, equipment or component. This exclusion does not apply when the malfunction or defect is solely the result of Your Wrongful Act.

7. Exclusion r.:

r. Installation, repair or maintenance of computer hardware, equipment or components.

8. Exclusion s.:

s. Electrical failure including electrical power interruption, surge, brownout or blackout.

You and We also agree Part 5.B.2. is changed to add:

e. Any regulatory authority or administrative actions brought by any federal, state or local governmental entity.

If We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by \_\_\_\_\_

Authorized Representative

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective November 13, 2001 12:01 a.m., at Your address as shown on the Information Page, this  
Endorsement No. 1 is part of Policy No. GU6617496 We have issued to You.

CHANGE ENDORSEMENT (CONT.)

You and We also agree Part 6.E. of the policy is changed to read:

- E. "Damages" means money judgment, award or settlement, except those for which insurance is prohibited by law. Damages does not include fines, penalties, disputes over fees, deposits, commissions, charges for goods or services, or costs of correcting, performing or reperforming Insured Services by You or another party when You had the capability to correct, perform, or reperform the service that generated the cost.

Except as stated above, this endorsement does not change any other provisions of Your policy.

If We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by \_\_\_\_\_  
Authorized Representative

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective November 13, 2001 12:01 a.m., at Your address as shown on the Information Page, this  
Endorsement No. 2 is part of Policy No. GU6617496 We have issued to You.

SERVICE OF SUIT

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, We hereby designate the Superintendent, Commissioner or Director of Insurance of the State of Ohio or other office specified for that purpose in the Statute, or his successor or successors in office, as Our true and lawful attorney in and for the State of Ohio upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of You or any beneficiary hereunder arising out of this contract of insurance.

We also agree that service of process in such suit may be made upon Our President, or his nominee at Gulf Insurance Group, 125 Broad Street, New York, New York 10004, and that in any suit instituted against Us upon this policy, We will abide by the final decision of any court or of any appellate court in the event of an appeal.

Except as stated above, this endorsement does not change any other provisions of Your policy.

If We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by \_\_\_\_\_

Authorized Representative

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective November 13, 2001 12:01 a.m., at Your address as shown on the Information Page, this  
Endorsement No. 3 is part of Policy No. GU6617496 We have issued to You.

POLICY PERIOD CHANGE ENDORSEMENT

For an additional/return premium of \$ 506 FLAT, You and We agree Item 2.  
Policy Period of the Information Page is changed to read:

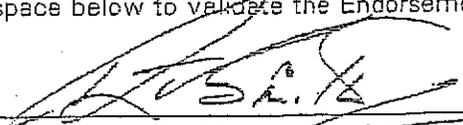
FROM: November 13, 2001 TO: December 13, 2002  
Inception Date Expiration Date

12:01 a.m., standard time at the mailing address stated in Item 1.

Except as stated above, this endorsement does not change any other  
provisions of Your policy.

If We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the  
Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your  
policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by

  
Authorized Representative

PART 9.

A COPY OF YOUR SIGNED APPLICATION OR RENEWAL APPLICATION

A copy of Your signed Application or Renewal Application is attached to the back of this page.

APPLICATION FOR SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

**INSTRUCTIONS:**

The purpose of this application is not only to provide Us with underwriting and rating information, but more importantly, to help make certain You and We have a meeting of minds about what the policy, if issued, will cover and what it will not. Thank You for taking the time to provide Us with accurate information.

1. Answer all questions. If any question does not apply, explain why not.
2. If space is insufficient, continue answers on Your letterhead.
3. The application must be signed and dated by a principal, partner, officer or director of the firm.
4. Attach:
  - A. A recent brochure or similar materials describing activities or services;
  - B. Your most recent financial statement or annual report.
  - C. Copies of standard contracts You enter into with clients; and
  - D. Any other forms or materials which will provide the underwriter with information about the services You perform.

RECEIVED

DEC 21 2001

Media Professional Inc.

**PROPOSED INSURED (APPLICANT):**

1. IQ Solutions, LLC

Name of Your firm:

1801 EAST Ninth Street

Street Address

Cleveland, OH 44114 (216)687-9133

City, State, Zip Code

Telephone No.

2. A. Provide the date Your firm was established. 1995

B. Geographic area in which You provide service(s)  
 • Local • Regional (Multi State) • National • International

3. Are you owned by, or affiliated with other companies, or do you have any subsidiaries? • Yes • No

A. If yes, advise who they are. N/A

B. For which of these do you wish to extend coverage. N/A

4. A. Within the past five years, have You changed Your name, acquired any business, or have You merged or consolidated with any entity? • Yes • No

If yes, provide the following information (if more space is needed, advise by attachment)

Name of Entity	Date of Transaction	Type of Transaction (acquisition, merger or consolidation)
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

B. In any of the transactions listed in 4. A. above, did You assume the liabilities (i.e. responsibility for prior acts) of the acquired, merged or consolidated entity? • Yes • No  
 If yes, provide details of the liability(ies) assumed.

N/A

5. A. Provide the number of Your:

principals, partners or officers 2  
 technical personnel 5  
 clerical personnel 2

B. List the qualifications of key personnel or attach experience resumes of each.

Nancy Moon - 10+ years experience w/ company

C. List professional societies and trade associations relating to the services to be insured in which You or any of Your officers are a member.

D. Do You have any certified or licensed professionals on staff? (i.e. architect, engineer, medical practitioner, attorney, CPA, actuary, or insurance agent or broker, etc.)  
 • Yes • No If yes, what services are they providing.

OPERATIONS:

6. A. Describe the services you provide that You wish to insure. (Attach company brochures, advertising materials, etc. that describe these services.)

Energy Management Consulting & Billing Operation

B. Do You use independent contractors or subcontractors for the services described in A. above?  
 • Yes • No If yes, describe the services they provide and the estimated percentage of time used.

7. Briefly describe Your five largest jobs or projects during the past five years.

Client	Revenue	Service(s) Performed
1. State of OHIO	\$400K	Consulting & Billing
2. City of Chicago	\$250K	
3. Business Owners + Managers Assoc	\$50K	
4. Catholic Diocese of Columbus	\$25K	
5. State of Michigan	\$50K	

8. A. What do You see as Your potential exposure to E&O claims?

- Error in billing or invoicing

B. What safeguards or procedures do You employ to avoid these claims or reduce these exposures?

- State of the art Billing Software Program is used to manage client information.

9. A. Do You use a written contract or agreement describing the services You will provide?  Yes • No

If yes, attach representative contracts, work orders, license agreements or letters of agreements You use with Your clients. If no, explain how you reach agreement with Your clients regarding the services to be insured.

B. Percentage of time agreements in 9. A. above are used 100 %

C. Do your contracts contain the following:

- Hold Harmless or Indemnity Agreement inuring to Your benefit • Yes  No
- Hold Harmless or Indemnity Agreement inuring to Your client's benefit • Yes  No
- Guarantees or Warranties • Yes  No
- Disclaimer inuring to Your benefit • Yes  No

D. Has a law firm experienced in Your field reviewed Your:

- Contracts  Yes • No
- Procedures  Yes • No

10. Provide the following information regarding Your income:

	Past 12 Months	Current 12 Months	Estimate for Coming Year
<b>Domestic Operations</b>			
Gross billings, sales, fees commissions (circle the applicable basis)	\$ <u>1,000,000</u>	\$ <u>900,000</u>	\$ <u>900,000</u>
<b>Foreign Operations</b>			
Gross billings, sales, fees commissions (circle the applicable basis)	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>

CLAIM EXPERIENCE:

11. A. Have any claims, suits or proceedings been made during the past five years against any of You or any of Your predecessors in business, subsidiaries or affiliates or against any of their past or present partners, owners, officers, sales persons or employees? • Yes  No If yes, complete a supplemental claim information form for each.

The policy for which You are applying, if issued, will not insure any claims, suits or proceedings made against any of You before the inception date of the policy or any subsequent claims, suits or proceedings arising therefrom.

- B. Are any of You aware of any actual or alleged fact, circumstance, situation, error or omission which may reasonably be expected to result in a claim being made against You or any of the persons or entities described in 11. A. above? • Yes  No If yes, explain below or in an attachment.

The policy for which You are applying, if issued, will not insure any claims that can reasonably be expected to arise from any actual or alleged fact, circumstance, situation, error or omission known to any of You before the inception date of the policy.

12. Have any of You or any of Your predecessors in business, subsidiaries or affiliates or any of their past or present partners, owners, officers, sales persons or employees been investigated and/or cited by any regulatory agency for violations arising out of Your or their activities? • Yes  No If yes, explain below or attach a statement giving details.

PRIOR OR CURRENT COVERAGE:

13. A. Provide the following information for similar insurance, if any, carried during the last five years

Company	Limit	Deductible	Premium	Policy Term
EVANSTON	\$1M	\$5,000	\$5,500	11/13/00-01
I	I	I	\$5,000	11/13/99-00
I	I	I	\$3,800	11/13/98-99
I	I	I	\$2,500	11/13/97-98

- B. Advise current retroactive date (if claims made) 11/13/97

14. Provide the following information for General Liability coverage currently in force:

Company	Limit	Deductible	Policy Term
Cincinatti	\$1M/2M	\$ None	\$ 6/1/01-02

Does the policy above include coverage for Products/Completed Operations Hazards? •  Yes  No

15. Limit of Liability desired: \$1,000,000 Deductible: \$10,000

REPRESENTATIONS:

By signing this application, You agree that:

- A. The statements and answers given in this application and any attachments to it are accurate and complete;
- B. The statements and answers You furnish to Us are representations You make to Us on behalf of all persons and entities proposed for coverage;
- C. Those representations are a material inducement to Us to provide a proposal for insurance;
- D. Any policy We issue will be issued in reliance upon those representations;
- E. You will report to Us immediately, in writing, any material change in Your operations, condition or answers provided in this application that occur or are discovered between the date of this application and the effective date of any policy, if issued; and
- F. We reserve the right, upon receipt of any such notice, to modify or withdraw any proposal for insurance We have offered.

WARNING

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO FRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND IN NEW YORK SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM:FOR EACH SUCH VIOLATION.

10-24-01  
Date

WR Small  
Your Signature  
CFO  
Your Title

To Be Completed by Producer(s) Only:

RETAIL PRODUCER

PRODUCER NAME: GF Hoch Company  
 CITY, STATE: Cleveland, OH  
 TELEPHONE NUMBER: (216) 861-2727 x512

WHOLESALE PRODUCER

PRODUCER NAME:  
CITY, STATE:  
TELEPHONE NUMBER:

Note: Agent/broker is responsible for collection and filing of any surplus lines taxes and fees that may apply.

DEC 21 2001

Media Professional Inc.

SPECIALTY E & O PLAN

SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY APPLICATION  
MANAGEMENT CONSULTING SUPPLEMENT

1. Name of Your firm: IQ Solutions, LLC

2. Please provide a brief description of the services you provide: \_\_\_\_\_

ENERGY Management Consulting & Billing Operation

(See Brochure for Details)

3. Do you consult on any of the following? Circle appropriate response, and if yes indicate percentage of Your total revenues.

- Yes  No \_\_\_\_\_ % Methods of financing or obtaining funds;
- Yes  No \_\_\_\_\_ % Management of any escrow accounts, trust funds, insurance plans or investment portfolios;
- Yes  No \_\_\_\_\_ % Investment advice/consultation with respect to investment decisions, mergers, acquisitions or divestitures;
- Yes  No \_\_\_\_\_ % Negotiation of contractual relationships on client's behalf;
- Yes  No \_\_\_\_\_ % Estimation of rates of return or future values;
- Yes  No \_\_\_\_\_ % Design of lotteries, sweepstakes or any game of chance
- Yes  No \_\_\_\_\_ % Architectural, engineering or construction maps, plans, opinions, estimates, surveys, designs or specifications;
- Yes  No \_\_\_\_\_ % Business valuations or appraisals

4. Attach the following:

- (a) Copies of standard contracts
- (b) Recent brochure or other materials describing services provided

THIS MANAGEMENT CONSULTING SUPPLEMENT IS ATTACHED TO AND FORMS A PART OF THE SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY APPLICATION. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE AS IN THE BASIC APPLICATION.

10-24-01  
Date

W R Spraw CFO  
Your Signature/Title

NOTE: THE SIGNATURE MUST BE THAT OF AN ACTIVE OWNER, PARTNER OR EXECUTIVE OFFICER OF YOUR FIRM.

Gulf Underwriters Insurance Company  
125 Broad Street, New York, New York 10004  
(800) 932-0962  
(herein called "the Insurance Company")

Specialty Errors and Omissions Liability Insurance Policy

Claims Made

RENEWAL CERTIFICATE

Renewal No. GU6617496 A Preceding No. GU6617496

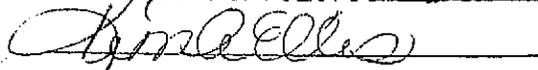
IN RETURN FOR THE PAYMENT OF THE PREMIUM, THE POLICY IS RENEWED FOR THE RENEWAL POLICY PERIOD SUBJECT TO ALL TERMS, CONDITIONS, EXCLUSIONS AND LIMITATIONS OF THE POLICY FOR WHICH THIS IS A RENEWAL, EXCEPT AS OTHERWISE STATED IN THIS CERTIFICATE.

Item 1. Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

I HEREBY CERTIFY THAT THIS IS A TRUE AND

ACCURATE COPY OF POLICY # GU6617496 A



Item 2. Renewal Policy Period: From December 13, 2002 To December 13, 2003  
Inception Date Expiration Date  
12:01 A.M., Standard Time at the Mailing Address stated in Item 1.

Item 3. Retroactive Date: November 13, 1997

Item 4. Schedule of Insured Services:

Providing energy management consulting and energy management services to others, including accounting, auditing and administration services.

Item 5. Limit of Insurance applicable to the  
Renewal Policy Period: a. \$ 1,000,000 Each Wrongful Act  
b. \$ 1,000,000 Total Limit of Insurance

Item 6. Deductible, applicable to the  
Renewal Policy Period: \$ 7,500 Each Wrongful Act

-- 0132

RENEWAL CERTIFICATE (Continued)

Named Insured : IQ Solutions, LLC  
Renewal No. : GU6617496 A

Item 7. Premium: \$ 6,159.00  
State Surcharge/Tax: \$ Not Applicable  
Policy Fee: \$  
Surplus Lines Tax: \$  
Stamping Fee: \$  
Policy Total: \$

Item 8. Form(s) and Endorsement(s) as expiring:  
Specialty Errors and Omissions Liability Insurance Policy-(7-97)  
1. Change Endorsement  
2. Service of Suit - Form SR-44GE

I HEREBY CERTIFY THAT THIS IS A TRUE AND  
ACCURATE COPY OF POLICY # GU6617496 A

Item 9. Additional Form(s) and Endorsement(s) effective on the Inception Date  
of this Renewal Policy Period:  
None

Countersigned at Kansas City, Missouri

By Laura Cosogres  
Authorized Representative

Date January 21, 2003

Gulf Underwriters Insurance Company  
One State Street Plaza, 9th Floor, New York, New York 10004  
(800) 932-0962

Named Insured and Mailing Address:

IQ Solutions, LLC  
1801 East Ninth Street  
Cleveland, Ohio 44114

Effective August 29, 2003 12:01 a.m., at Your address as shown on the Information Page, this  
Endorsement No. 3 is part of Policy No. GU6617496 A We have issued to You.

CANCELLATION ENDORSEMENT

You and We agree that this policy is cancelled effective August 29, 2003  
at 12:01 a.m. standard time, at Your address as shown on the Information  
Page. The return premium is \$ 1,786 \*.

\*Return Premium:

Policy Premium: \$ 6,159

X Pro Rata Unearned Premium: x .29

= Unearned Premium: \$ 1,786

Except as stated above, this endorsement does not change any other  
provisions of Your policy.

We issued this Endorsement to be part of Your policy on the Inception Date, then the countersignature on the  
Information Page also applies to the Endorsement. If this Endorsement is effective after the Inception Date of Your  
policy, We or Our Authorized Representative must countersign in the space below to validate the Endorsement.

Countersigned by

*Laura Crogenes*

Authorized Representative

RENEWAL APPLICATION FOR SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

**INSTRUCTIONS:**

The purpose of this application is not only to provide Us with underwriting and rating information, but more importantly, to help make certain You and We have a meeting of minds about what the renewal policy, if issued, will cover and what it will not. To assist You in providing updated information, a copy of Your original Specialty Errors and Omissions application and all subsequent renewal applications (if applicable) are attached. Thank You for taking the time to provide Us with accurate information.

1. Answer all questions. If any question does not apply, explain why not.
2. If space is insufficient, continue answers on Your letterhead.
3. The application must be signed and dated by a principal, partner, officer or director of the firm.

**PROPOSED INSURED (APPLICANT):**

**RECEIVED**

1. Name, Address, Zip Code and Telephone number of Your firm:

JAN 17 2003

IQ Solutions, LLC  
Name

Media Professional Inc.

1801 East Ninth Street  
Street Address

Cleveland, OH 44114  
City, State, Zip Code

(216) 687-9133  
Telephone Number

2. Is coverage desired for any subsidiary(ies), affiliate(s), or other related entity(ies) not already named on the policy?  Yes  No  
If yes, provide the following information for each by attachment: Name, city, state, date established, description of operations and relationship to You including percentage of ownership, if applicable.

All remaining questions on this application apply to the persons or entity(ies) for which You are requesting coverage.

3. A. Within the last year, have You acquired any business, or have You merged or consolidated with any entity?  Yes  No

If yes, provide the following information:

Name of Entity	Date of Transaction	Type of Transaction (acquisition, merger or consolidation)
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

B. In any of the transactions listed in 3. A. above, did You assume the liabilities (i.e. responsibility for prior acts) of the acquired, merged or consolidated entity?  Yes  No  
 If yes, provide details of the liability(ies) assumed.

N/A

**OPERATIONS:**

4. Have there been any changes in Your name, management/technical personnel, operations or standard contracts during the past year which have not been reported to Us?  Yes  No If yes, provide details below or by attachment.
5. Are any changes in Your name, management technical personnel, operations or standard contracts anticipated for the coming year?  Yes  No If yes, provide details below or by attachment.
6. Have You added any certified or licensed professionals to Your staff who provide services to Your clients (i.e., architect, engineer, attorney, CPA, medical practitioner, actuary, insurance agent or broker, etc.)?  Yes  No If yes, describe what services they provide.
7. Provide the following information regarding Your income:

	Past 12 Months	Current 12 Months	Estimate for Coming Year
<b>Domestic Operations</b>			
Gross billings, sales, fees commissions (circle the applicable basis)	\$ <u>724,219.49</u>	\$ <u>725,000</u>	\$ <u>750,000</u>
<b>Foreign Operations</b>			
Gross billings, sales, fees commissions (circle the applicable basis)	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>

**GENERAL LIABILITY:**

8. Provide the following information for General Liability Coverage currently in force.

Company	Limit	Deductible	Policy Term
<u>Cincinnati</u>	\$ <u>1m/2m</u>	\$ <u>None</u>	<u>6/1/02-03</u>

Does the policy above include coverage for Products/Completed Operations Hazards?  Yes  No

CHANGES IN TERMS AND CONDITIONS:

9. Do You propose any changes in the provisions of the policy for Our consideration?  Yes  No  
If yes, please describe.

10. Limit of Liability desired: \$1,000,000 Deductible: \$5,000 or \$10,000

REPRESENTATIONS:

By signing this application, You agree that:

- A. The statements and answers given in this renewal application and any attachments to it are accurate and complete;
- B. The statements and answers You furnish to Us are representations You make to Us on behalf of all persons and entities proposed for coverage;
- C. Those representations are a material inducement to Us to provide a proposal for insurance;
- D. Any policy We issue will be issued in reliance upon those representations;
- E. You will report to Us immediately, in writing, any material change in Your operations, condition or answers provided in this application that occur or are discovered between the date of this renewal application and the effective date of any policy, if issued;
- F. We reserve the right, upon receipt of any such notice, to modify or withdraw any proposal for insurance We have offered; and
- G. Since this is an application for renewal of a policy issued by Us, Your representations include the representations made in Your original signed Specialty Errors and Omissions Liability Application, but only as of the inception date of the original policy issued by Us. The representations You make on the renewal application(s) apply as of the inception date of Your renewal policy(ies), if issued.

WARNING

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND IN NEW YORK SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

10-16-02  
Date

WR Snow  
Your Signature

CFO  
Your Title

# SPECIALTY E & O PLAN

## SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY APPLICATION MANAGEMENT CONSULTING SUPPLEMENT

1. Name of Your firm: IQ Solutions, LLC.

2. Please provide a brief description of the services you provide: ENERGY MANAGEMENT Consulting & Billing Operation

3. Do you consult on any of the following? Circle appropriate response, and if yes indicate percentage of Your total revenues.

- Yes/No  No \_\_\_\_\_ % Methods of financing or obtaining funds;
- Yes/No  No \_\_\_\_\_ % Management of any escrow accounts, trust funds, insurance plans or investment portfolios;
- Yes/No  No \_\_\_\_\_ % Investment advice/consultation with respect to investment decisions, mergers, acquisitions or divestitures;
- Yes/No  No \_\_\_\_\_ % Negotiation of contractual relationships on client's behalf;
- Yes/No  No \_\_\_\_\_ % Estimation of rates of return or future values;
- Yes/No  No \_\_\_\_\_ % Design of lotteries, sweepstakes or any game of chance
- Yes/No  No \_\_\_\_\_ % Architectural, engineering or construction maps, plans, opinions, estimates, surveys, designs or specifications;
- Yes/No  No \_\_\_\_\_ % Business valuations or appraisals

4. Attach the following:
- (a) Copies of standard contracts
  - (b) Recent brochure or other materials describing services provided

THIS MANAGEMENT CONSULTING SUPPLEMENT IS ATTACHED TO AND FORMS A PART OF THE SPECIALTY ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY APPLICATION. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE AS IN THE BASIC APPLICATION.

Date 10-16-02 Your Signature/Title W.R. Spaw CFO

NOTE: THE SIGNATURE MUST BE THAT OF AN ACTIVE OWNER, PARTNER OR EXECUTIVE OFFICER OF YOUR FIRM.