Decision 17-07-007 July 13, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902E) for Authority to Implement Optional Pilot Program to Increase Customer Access to Solar Generated Electricity.	Application 12-01-008 (Filed January 17, 2012)
And Related Matters.	Application 12-04-020 Application 14-01-007

DECISION MODIFYING THE AMLAW 100 SECURITIES OPINION REQUIREMENT FOR ENHANCED COMMUNITY RENEWABLES PROJECTS UNDER THE GREEN TARIFF SHARED RENEWABLES PROGRAM IN D.15-01-051

Summary

This decision grants the Petition for Modification by San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company and modifies the Decision 15-01-051 AmLaw 100 securities opinion requirement for Enhanced Community Renewables projects in accordance with the revised standard proposed by the utilities.

1. Background

Decision (D.) 15-01-051 began the implementation of Senate Bill 43 (Stats. 2013, ch. 413 (Wolk)) which sets a formal requirement for utilities to develop the Green Tariff Shared Renewables (GTSR) Program. GTSR includes both a Green Tariff Option (Green Tariff) component and Enhanced Community

Renewables (ECR) component. The overall objective of the legislation is to expand customers' access to renewable energy resources and encourage ECR projects.

D.15-01-051 established a framework for the procurement of ECR capacity and adopted standards to protect customers who are contracting with ECR project developers (D.15-01-051 at 56-72). Developers of an ECR project are required to hire an AmLaw 100[1] firm to issue a securities opinion (D.15-01-051 at 71 and Conclusion of Law 29) to address the risk of litigation related to unregistered securities transactions. (D.15-01-051 at 71.) Failure to meet this requirement prevents the utilities from accepting a project with a customer-developer contract. (D.15-01-051 at 71.) Adoption of this standard was justified by the complexity of securities law, the potential risk of costly litigation for the parties, and the absence of an alternative standard for evaluating the qualification of law firms to give securities opinions. Nevertheless, the Commission acknowledged the parties' concern regarding the cost of this requirement for developers and did not exclude further consideration of an alternative evaluation standard proposed by the parties. (D.15-01-051 at 72.)

D.16-05-006 specifically invited the parties to confer on an alternative to the AmLaw 100 firm securities opinion requirement (D.16-05-006 at 44, Ordering Paragraph 12) and directed that any proposal should "limit customer and ratepayer risk and simultaneously reduce cost to developers." (D.16-05-006 at 34 and Ordering Paragraph 12.) Energy Division and Legal Division were ordered to host a workshop with the parties to discuss and develop a petition to modify AmLaw 100 securities opinion requirement.

[1] An AmLaw 100 firm is identified by the annual survey by The American Lawyer magazine, which ranks law firms in the United States.

The workshop was held on October 13, 2016. The Petition for Modification identified the following entities as participating in the workshop: The Vote Solar Initiative; Interstate Renewable Energy Council, Inc.; Solar Energy Industries Association; California Solar Energy Industries Association; Pacific Gas and Electric Company (PG&E); San Diego Gas & Electric Company (SDG&E); and Southern California Edison Company (SCE); and Wilson Sonsini Goodrich & Rosati, PC.[2] Based on the discussions at the workshop, PG&E, SDG&E, and SCE (the Joint Utilities), filed this Petition for Modification to revise the AmLaw 100 securities opinion requirement. A revised three-part standard – sufficient experience in securities law, license to practice law in California, and $10 million in professional liability insurance coverage – is proposed by Joint Utilities in lieu of an AmLaw 100 securities opinion.

2. Procedural Issues

On March 27, 2017, Joint Utilities filed the instant Petition for Modification of D.15-01-051 under Rule 16.4 of the California Public Utilities Commission's Rules of Practice and Procedure and Ordering Paragraph 12 of D.16-05-006. SELC filed a response on April 26, 2017. Joint Utilities replied on May 8, 2017.

Rule 16.4(b) provides, in pertinent part:

> A petition for modification of a Commission decision must concisely state the justification for the requested relief …. Any factual allegations must be supported with specific citations to the record in the proceeding or to matters that may be officially noticed. Allegations of new or changed facts must be supported by an appropriate declaration or affidavit.

[2] In comments on the Proposed Decision, the Sustainable Economies Law Center (SELC) represents that it attended the workshop.

3. Requested Relief

Joint Utilities ask the Commission to loosen the securities opinion requirements for ECR projects under the GTSR Program to make it less financially burdensome for ECR project developers to comply. In particular, Joint Utilities ask that the Commission modify the requirement that developers of an ECR project obtain a securities opinion from an AmLaw 100 law firm. Joint Utilities believe the Commission's objective – to protect customers and ratepayers from entering into an unregistered securities transaction – can be achieved through the adoption of the following three-part standard:

> (i) The lawyer primarily responsible for the issuance of the opinion has, within the last eight (8) years, practiced federal and California securities law as a significant portion of their practice (meaning at least five (5) years), and such experience includes registering or qualifying offerings or sales of securities, effecting private placements of securities, and/or advising issuers or sellers of securities with respect to exemptions from qualification and registration requirements;
>
> (ii) The lawyer primarily responsible for issuance of the opinion is licensed to practice law in California and the lawyer's license is active and not under suspension; and
>
> (iii) The law firm issuing the opinion carries a minimum of $10 million in general liability or malpractice insurance coverage. (Joint Utilities' Petition for Modification, May 8, 2017 at 5-6.)

In addition, and for consistency, the investor-owned utilities propose the following amendments to the securities opinion language in the currently approved sample ECR rider:

> Prior to or upon the Execution Date, Seller shall deliver to Buyer an original legal opinion, in form and substance acceptable to Buyer, and addressed to Buyer**.** ~~, issued by a law firm listed in The American Lawyer annual "AmLaw 100" list for the then-current~~

~~year~~ **The legal opinion shall state** ~~stating~~ that the transactions between the Customers and Seller: ~~(a) comply with securities law, and that Buyer and its ratepayers are not at risk for securities claims associated with the Project, and (b) comply with one of the following:~~ **either (x)** ~~(i)~~ do not involve the offer or sale of "securities" under California or federal law, **or, (y) to the extent that such transactions involve the offer or sale of securities under California or federal law, the transactions (i)** ~~(ii)~~ involve the offer or sale of securities that are registered under federal securities law and exempt from qualification under California securities law, **(ii) involve the offer or sale of securities that are registered under federal securities law and are qualified under California securities law,** (iii) involve the offer or sale of securities that are exempt from registration under federal securities law and are qualified under California securities law, or (iv) involve the offer or sale of securities **that are** exempt from registration under federal securities law and exempt from qualification under California securities law, as applicable. The legal opinion may not contain any exceptions or qualifications unacceptable to Buyer in its reasonable discretion. The Seller must submit to Buyer an attestation from an officer of Seller that the fact certificate provided by an officer of the Seller to the law firm issuing the legal opinion is true and complete and that Seller's business model with Customers is, and throughout the Delivery Term will be, as described in the legal opinion. (*Joint Utilities Petition for Modification of D.15-01-051, Appendix A.*)

Therefore, the Joint Utilities request that the Commission either (i) order the investor-owned utilities to file Tier 1 advice letters to include these changes in their tariffs, or (ii) approve the amendments to the securities opinion language sample for automatic insertion into the sample ECR rider.

4. Discussion

4.1. Should the securities opinion requirement be eliminated?

The intent of the Commission is to mitigate potential risks of litigation associated with securities claims to protect the parties involved in ECR projects.

The structure of the contractual relationship between customers and developers could raise securities law issues. (SDG&E April 9, 2014 Reply Brief at 10-15, and December 9, 2015 Reply Comments at 39-43.) In fact, a certain degree of flexibility is left to developers and customers to design the Customer Developer Agreement (CDA). D.15-01-051 provides that the "[d]eveloper and customer are free to design their own transaction structure to maximize the goals of customers and developers, and to ensure that projects are financeable." (D.15-01-051 at 64.) The Commission adds that "[t]hrough this arrangement the developer could for example, sell the customer the right to a portion of the facility's capacity."

Adopting a securities opinion requirement avoids the unfortunate situation where, by taking a share in an ECR project, customers are entering into a financial transaction potentially qualified as a sale of a security and subject to registration with the Securities and Exchange Commission (SEC) and/or the California Department of Business Oversight. The uniqueness of each CDA justifies taking additional steps to protect customers, developers and utilities from costly litigation, and civil and criminal sanctions for non-compliance with state or federal securities law.

In this context, SELC's argument that "[n]o such requirement appears to exist for the multitude of legal issues and risks that developers navigate" is not meritorious because it ignores the uniqueness of each CDA, the inherent technical nature of securities law and financial consequences of non-compliance with securities law. (SELC April 26, 2017 Response at 2.) Furthermore, SELC's assertion that "[n]umerous community renewable projects have arisen around the U.S. either by avoiding the creation of securities or by qualifying for federal and state exemptions" is misleading. Indeed, National Renewable Energy Laboratory (NREL) report "*Shared Solar: Current Landscape, Market Potential, and*

the Impact of Federal Securities Regulation," which SELC referred to in its citation, concludes that "Shared solar projects that avoid SEC regulation by not being considered a security or by qualifying for an exemption may be subject to regulation by other federal, state, and local laws." (NREL report at vii.) The report adds that "while the SEC has provided some guidance on this issue, judicial authority supersedes administrative guidance." (NREL report at vii.) Hence, considering the uncertainties around the applicability of securities law, we will not completely eliminate the securities option requirement at this time.

4.2. Should the securities opinion requirement resulting from the workshop be adopted?

The securities opinion requirement ensures that ratepayers are protected from the risk of potentially costly litigation for non-compliance with state and federal securities laws but it should not deter developers to bid for ECR projects as the success of the GTSR depends on successful ECR development. (D.16-05-006 at 36.) In this regard, the approach formulated by the Joint Utilities lowers the cost barrier associated with AmLaw 100 law firms and gives developers more flexibility in the choice of the law firm they can hire while maintaining fair protection for contracting parties. SELC agreed that the adoption of a standard based on the lawyer's experience and admission to the California bar (Joint Utilities revised standard at (i) and (ii)) does "broaden the pool of attorneys allowed to provide a securities opinion" (SELC April 26, 2017 Response at 2) but challenged the third element which requires a minimum of $10 million in professional liability insurance coverage.

4.2.1. Requirements related to securities law experience and license

The proposed revisions set a three-part standard with the first and second prong marking a shift of the focus to the expertise of the lawyer

responsible for the issuance of the opinion rather than the law firm's national ranking. The first prong reads "(i) [t]he lawyer primarily responsible for the issuance of the opinion has, within the last eight (8) years, practiced federal and California securities law as a significant portion of their practice (meaning at least five (5) years), and such experience included registering or qualifying offerings or sales of securities, effecting private placements of securities, and/or advising issuers or sellers of securities with respect to exemptions from qualification and registration requirements," and the second prong adds "(ii) [t]he lawyer primarily responsible for issuance of the opinion is licensed to practice law in California and the lawyer's license is active and not under suspension."

It is not debated by the parties that, at the minimum, the lawyer in charge should be admitted and in good standing with the State Bar of California.

Setting the requirement based on the lawyer's experience provides a comprehensive and clear standard to assess the expertise of the lawyer hired by the developers to render the securities opinion.

4.2.2. Requirement related to malpractice insurance coverage

We agree with the Joint Utilities that a minimum level of malpractice coverage should be adopted because elimination of such a requirement would defeat the purpose of the securities opinion requirement.

In the event of a successful securities claim against a party, it is foreseeable that party will bring a lawsuit against the lawyer responsible for the opinion to recover the amount of the penalty for violation of securities law. Contrary to SELC's argument, this additional requirement is not designed to "provide the utilities with financial insurance" (SELC April 26, 2017 Response at 3), rather it

provides protection to customers and developers. It would be unfortunate for the party that was initially supposed to be protected by the securities law opinion to find no recourse against the faulty lawyer because of lack or insufficient malpractice coverage. In fact, the purpose of legal professional insurance is (i) "to defend the client's former attorney against the claims," and (ii) "to allot resources to pay the client in the event that the defendant is found guilty of malpractice."[3]

Although disclosure of professional liability insurance status is required, the State Bar of California does not require legal practitioners to subscribe to a professional insurance policy. (Rules of Professional Conduct of the State Bar of California at Rule 3-410.) For these reasons, and because the intent of the securities opinion requirement would not otherwise be fulfilled, it is necessary to add a minimum malpractice coverage requirement to ensure effective protection of the parties.

The Petition for Modification seeks the adoption of a minimum of $10 million in general liability or malpractice coverage. Instead, the SELC strongly recommends "that minimum should be either $1 million, or at most $2 million" arguing that the "original basis for requiring a securities opinion was for the verification of securities law compliance, not to provide the utilities with financial insurance." (SELC April 26, 2017 Response at 3-4.) SELC ignores the very purpose of the securities opinion requirement, which is to protect the parties, including the customer, to the CDA. As pointed out by the Joint Utilities, SELC has not demonstrated its experience as a developer in support of this lower insurance threshold, whereas developers were well represented at the workshop

[3] American Bar Association, Malpractice Insurance at http://www.americanbar.org/portals/solo_lawyers/going_solo/malpractice_insurance.html.

that generated the proposal in the Petition for Modification. (Joint Utilities May 8, 2017 Reply at 4.) Therefore, we reject SELC's lower insurance threshold proposition.

Law firms determine their professional liability insurance policy limit based on multiple factors, including the numbers of lawyers in the firm, the practice areas, and the years of experience of lawyers in the firm.[4] Because securities claims tend to be expensive to resolve, a law firm practicing securities law will generally have a high insurance coverage limit.[5] In addition, the amount of insurance reflects the experience of the lawyer, so experienced lawyers generally have larger coverage because they have more accumulated assets than less experienced lawyers who are not eligible under the experience requirement.[6] Hence, if the lawyer hired meets the experience and California Bar standing requirements, the minimum professional liability insurance coverage will most likely be met as a matter of course. In this regard, the Commission does not find the minimum coverage proposed by Joint Utilities to be a burdensome requirement for ECR developers. We adopt a minimum of

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[4] Professional Liability Insurance – How Much Will It Cost? American Bar Association, Standing Committee on Lawyer's Professional Liability at: http://apps.americanbar.org/legalservices/lpl/insurancecost.html.

[5] T.C. Scott, *Attorney's Malpractice Insurance Coverage: Who's Got Your Back? American Bar Association, Opening a Law Office*, (2014) Vol.31 No.1 at: http://www.americanbar.org/publications/gp_solo/2014/january-february/attorney_malpractice_insurance_whos_got_your_back.html. *See* also J. Sistrunk, *5 Questions To Ask About Your Legal Malpractice Insurance*, Law360 (2014) at: https://www.law360.com/articles/591296/5-questions-to-ask-about-your-legal-malpractice-insurance.

[6] B. Ahern, *What All Young Attorney Need to Know about Professional Liability Insurance?* American Bar Association, Young Lawyer Division at: http://www.americanbar.org/content/dam/aba/publishing/young_lawyer/yld_tyl_may10_liability.authcheckdam.pdf.

$10 million in professional liability insurance coverage as proposed in the Petition for Modification.

The annual policy limit, per claim, should be a minimum of $10 million. In addition, the insurance coverage requirement can be met either with general liability insurance or the more specific malpractice insurance coverage, but it must include coverage for securities practice.

4.3. Should the Commission exempt nonprofits, cooperatives, government entities, and projects under 1 megawatt from the securities opinion requirement or establish an alternative insurance requirement?

In its response to the Joint Utilities' Petition for Modification, SELC asks the Commission to consider granting exemptions to projects developed by nonprofits, cooperatives, and government entities or projects under one megawatt. (SELC April 26, 2017 Response at 6.) Joint Utilities argue exemptions were not raised or discussed during (or following) the workshop when the parties had an opportunity to raise this suggestion. (Joint Utilities May 8, 2017 Reply at 3-4.) Joint Utilities also contend that this request does not fit within the scope of the Petition as described in D.15-01-051 and D. 16-05-006. (Joint Utilities May 8, 2017 Reply at 4.)

Considering exemptions exceeds the scope of D.16-05-006's Ordering Paragraph 12 and therefore, the Commission is not inclined to grant exemptions for the securities opinion requirement at this time. The parties were specifically invited to work together to propose an alternative objective standard to replace the standards for law firms that render securities opinions described herein for projects developed by nonprofits, cooperatives, and government entities or projects under one megawatt. Considering exemptions exceeds the scope of

D.16-05-006's Ordering Paragraph 12 and therefore, the Commission is not inclined to grant exemptions for the securities opinion requirement at this time.

In comments on the Proposed Decision, SELC for the first time recommends that the insurance coverage requirement be differentiated based on project size. Joint Utilities oppose this recommendation as it was not proposed during the workshop or proposal development process that preceded the Petition for Modification at issue in this decision. Joint Utilities also argue that $10 million insurance coverage is the amount necessary to support the securities expertise required for the securities opinion and should not be adjusted based on project size. We agree with Joint Utilities on both procedural and substantive grounds, and do not modify the outcome as a result of SELC's comments on the Proposed Decision.

4.4. Incorporating the modified securities opinion language in the ECR rider

For the reasons mentioned above, the Commission approves the proposed three-part standard and the modifications to the securities opinion language in the ECR rider. The language changes are reflected in Appendix A. The modifications to the securities opinion language should be implemented via Tier 1 advice letter.

5. Comments on Proposed Decision

The proposed decision of the Administrative Law Judge (ALJ) in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on June 26, 2017 by Joint Utilities and SELC, and reply comments were filed on July 3, 2017 by Joint Utilities.

Minor changes were made throughout the decision in response to comments.

6. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Michelle Cooke is the assigned ALJ in these consolidated proceedings.

Findings of Fact

1. D.15-01-051 required developers of an ECR project to hire an AmLaw 100 firm to issue a securities opinion.
2. The intent behind the AmLaw 100 firm requirement is to reduce the risk of litigation related to unregistered securities transactions.
3. Parties voiced their concerns regarding the cost of this requirement for developers and potential barriers for the success of the GTSR program.
4. D.16-05-006 ordered the parties to discuss an alternative objective standard during a workshop which was hosted by Energy Division and Legal Division on October 13, 2016.
5. D.16-05-006 directed that any proposal should "limit customer and ratepayer risk and simultaneously reduce cost to developers."
6. As a result of the workshop, a three-part standard is proposed by Joint Utilities.
7. The revised standard is based on the lawyer's experience in securities law, the admission and good standing with the State Bar of California, and $10 million in professional liability insurance coverage.
8. The revised standard takes into account balancing the interests of the developers and other parties to the ECR projects.
9. The revised standard gives developers more flexibility in the choice of the law firm to provide a securities opinion.

10. The revised standard ensures customers are not entering into a transaction subject to securities law without their knowledge.

Conclusions of Law

1. The uniqueness of each CDA justifies taking additional steps to protect customers, developers, and utilities from potential costly litigation and civil and criminal sanctions for non-compliance with state or federal securities law.

2. Considering the uncertainties around the applicability of securities law, the Commission should not eliminate the securities opinion requirement at this time.

3. The proposed securities opinion requirement would not accomplish its intended purpose if the minimum professional liability coverage requirement is removed.

4. If the lawyer hired by the ECR developer meets the experience and California Bar standing requirement, the professional liability insurance coverage requirement will most likely be met as a matter of course.

5. The minimum insurance coverage requirement should be $10 million per claim.

6. The revised securities opinion requirements provide adequate safeguards for balancing the interests involved.

7. The Commission should adopt the revised securities opinion requirement proposed by Joint Utilities.

8. The ECR rider should be modified in accordance with the securities opinion requirement adopted today.

O R D E R

IT IS ORDERED that:

1. The securities opinion requirement in Decision 15-01-051 is modified to replace the requirement to obtain a securities opinion from an AmLaw100 firm with:

   (i) The lawyer primarily responsible for the issuance of the opinion has, within the last eight (8) years, practiced federal and California securities law as a significant portion of their practice (meaning at least five (5) full-time years), and such experience included registering or qualifying offerings or sales of securities, effecting private placements of securities, and/or advising issuers or sellers of securities with respect to exemptions from qualification and registration requirements;

   (ii) The lawyer primarily responsible for issuance of the opinion is licensed to practice law in California and the lawyer's license is active and not under suspension; and

   (iii) The law firm issuing the opinion carries a minimum of $10 million in professional liability insurance coverage that includes coverage for securities practice.

2. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company must file a Tier 1 Advice Letter within 15 days of the effective date of this decision to reflect the adopted securities opinion requirement in their Enhanced Community Renewables Rider as set forth in Appendix A.

3. Applications 12-01-008, 12-04-020, and 14-01-007 are closed.

This order is effective today.

Dated July 13, 2017, at San Francisco, California.

MICHAEL PICKER
President
CARLA J. PETERMAN
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
Commissioners

APPENDIX A

Approved Amendments to CR-RAM Rider

Key:
Red reflects utility specific instructions
Bold reflects new language
~~Strikethrough reflects deleted language~~

The last paragraph of Section [3.1(m)] *{For SDG&E ECR Rider and Amendment to the RAM PPA and PG&E GTSR ECR Rider and Amendment to 2015 PG&E RAM Power Purchase Agreement}* [3.12(c)(xiv)] *{For SCE GTSR CR Rider and Amendment to the RAM PPA}* of the Enhanced Community Renewables Renewable Auction Mechanism Power Purchase Agreement Rider ("ECR RAM PPA Rider") is amended as follows:

> [Prior to or upon the Execution Date,] {Delete bracketed phrase for SCE CR-RAM Rider only} Seller shall deliver to Buyer an original legal opinion, in form and substance acceptable to Buyer, and addressed to Buyer**.** ~~,~~ ~~issued by a law firm listed in The American Lawyer annual "AmLaw 100" list for the then-current year~~ **The legal opinion shall state** stating that the transactions between the Customers and Seller~~: (a) comply with securities law, and that Buyer and its ratepayers are not at risk for securities claims associated with the Project, and (b) comply with one of the following:~~ **either (x)** ~~(i)~~ do not involve the offer or sale of "securities" under California or federal law, **or, (y) to the extent that such transactions involve the offer or sale of securities under California or federal law, the transactions (i)** ~~(ii)~~ involve the offer or sale of securities that are registered under federal securities law and exempt from qualification under California securities law, **(ii) involve the offer or sale of securities that are registered under federal securities law and are qualified under California securities law,** (iii) involve the offer or sale of securities that are exempt from registration under federal securities law and are qualified under California securities law, or (iv) involve the offer or sale of securities **that are** exempt from registration under federal securities law and exempt from qualification under California securities law, as applicable. The legal opinion may not contain any exceptions or qualifications unacceptable to Buyer in its reasonable discretion. The Seller must submit to Buyer an attestation from an officer of Seller that the fact certificate provided by an officer of the Seller to the law firm issuing the legal opinion is true and complete and

that Seller's business model with Customers is, and throughout the Delivery Term will be, as described in the legal opinion.

The last paragraph of Section [10.2(l)] *{For SDG&E ECR Rider and Amendment to the RAM PPA}* [7(C)] *{For PG&E GTSR ECR Rider and Amendment to 2015 PG&E RAM Power Purchase Agreement}* [10.02] *{For SCE GTSR CR Rider and Amendment to the RAM PPA}* of the ECR RAM PPA Rider is amended as follows:

With respect to the legal opinion delivered pursuant to Section [3.1(m)] *{For SDG&E ECR Rider and Amendment to the RAM PPA and PG&E GTSR ECR Rider and Amendment to 2015 PG&E RAM Power Purchase Agreement}* [3.12(c)(xiv)] *{For SCE GTSR CR Rider and Amendment to the RAM PPA}* **, Seller hereby represents and covenants that:**

(i) **The lawyer primarily responsible for the issuance of the opinion has, within the last eight (8) years, practiced federal and California securities law as a significant portion of their practice (meaning at least five (5) full-time years), and such experience included registering or qualifying offerings or sales of securities, effecting private placements of securities, and/or advising issuers or sellers of securities with respect to exemptions from qualification and registration requirements;**

(ii) **The lawyer primarily responsible for issuance of the opinion is licensed to practice law in California and the lawyer's license is active and not under suspension; and**

(iii) **The law firm issuing the opinion carries a minimum of $10 million in professional liability insurance coverage that includes coverage for securities practice.**

(End of Appendix A)