

STRYKER CORP
Form S-8
February 28, 2007

As filed with the Securities and Exchange Commission on February 28, 2007

Registration No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

STRYKER CORPORATION

(Exact name of registrant as specified in its charter)

Michigan

38-1239739

(State or other jurisdiction of incorporation or organization)
2825 Airview Boulevard, Kalamazoo, Michigan

(I.R.S. Employer Identification No.)
49002

(Address of Principal Executive Offices)

(Zip Code)

2006 LONG-TERM INCENTIVE PLAN

(Full title of the Plan)

THOMAS R. WINKEL

Vice President, Administration and Secretary

Stryker Corporation

2825 Airview Boulevard, Kalamazoo, Michigan 49002

(Name and address of agent for service)

(269) 385-2600

(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be registered	Amount to be Registered	Proposed Maximum Offering Price Per Share ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee
Common Stock, par value \$.10 per share	20,000,000 shares	\$62.925	\$1,258,500,000	\$38,656

(1) Estimated solely for the purpose of calculating the registration fee based upon the average high and low price of the Common Stock on February 26, 2007 as reported on the New York Stock Exchange-Composite Transactions.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents, descriptions, amendments and reports filed with the Securities and Exchange Commission (the "Commission") by Stryker Corporation ("Stryker" or the "Company") are incorporated by reference into this Registration Statement:

- (a) Stryker's Annual Report on Form 10-K for the year ended December 31, 2006;
- (b) All other reports filed by Stryker pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since December 31, 2006; and
- (c) The description of the Stryker Common Stock contained in the Registration Statement on Form 8-A filed with the Commission under the Exchange Act on July 1, 1997 and in any amendment or report filed by Stryker for the purpose of updating such description.

All documents subsequently filed by Stryker pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment that indicates that all securities offered pursuant hereto have been sold or that deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

Item 4. Description of Securities

Not Applicable.

Item 5. Interests of Named Experts and Counsel

Not Applicable.

Item 6. Indemnification of Directors and Officers

The following is a brief summary of certain indemnification provisions of the Michigan Business Corporation Act (the "MBCA") and the Company's Restated Articles of Incorporation (the "Restated Articles") and By-Laws. The summary is qualified in its entirety by reference to the provisions of MBCA, the Restated Articles and the By-Laws.

The MBCA permits a Michigan corporation to include in its articles of incorporation a provision that a director is not personally liable to the corporation or its shareholders for monetary damages for a breach of the director's fiduciary duty of care under certain circumstances. The Company's Restated Articles provide that the personal liability of the Company's directors to the Company and its shareholders shall be limited and eliminated to the full extent authorized or permitted under the MBCA as from time to time in effect, thus automatically incorporating any future revisions of the MBCA with respect to director liability without the necessity of any further action by the Company's shareholders.

In general, the MBCA allows a corporation to indemnify its directors and officers if the director or officer acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company or its shareholders and with respect to any criminal action or proceeding, had a reason to believe his or her conduct was unlawful. The Company's By-Laws provide for the Company to indemnify, to the full extent authorized by law, any person who is made, or threatened to be made, a party in any civil, criminal, administrative or investigate proceeding by reason of the fact that such person is or was a director or officer of the Company or served another corporation at the request of the Company. Such indemnification could include liabilities arising under the Securities Act.

The Company has a directors and officers liability insurance policy designed to reimburse the Company, subject to certain exclusions, for payments made pursuant to the indemnification provisions set forth above.

Item 7. Exemption from Registration Claimed

Not Applicable.

Item 8. Exhibits

4. Instruments defining the rights of security holders, including indentures.

(i) 2006 Long-Term Incentive Plan - incorporate by reference to Exhibit 10.1 to the Company's Form 8-K dated February 9, 2006 (Commission File No. 000-09165).

(ii) Composite copy of Restated Articles of Incorporation as amended through April 19, 2000 - incorporated by reference to Exhibit 3(i) to the Company's Form 10-K for the year ended December 31, 2000 (Commission File No. 000-09165).

(iii) By-Laws - incorporated by reference to Exhibit 3(ii) to the Company's Form 10-Q for the quarter ended June 30, 1988 (Commission File No. 000-09165).

5. Opinion re legality.

Opinion of Miller, Canfield, Paddock & Stone, P.L.C., including consent.

23. Consent of experts and counsel.

(i) Consent of Independent Registered Public Accounting Firm.

(ii) The consent of Miller, Canfield, Paddock & Stone, P.L.C. is contained in the opinion filed as Exhibit 5 of this Registration Statement.

24. Power of attorney.

Included on the signature page hereof.

Item 9. Undertakings

Stryker hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by Stryker pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Stryker hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of Stryker's Annual Report pursuant to Section 13(a) or 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of Stryker, Stryker has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Stryker of expenses incurred or paid by a director, officer or controlling person of Stryker in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Stryker will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant, Stryker Corporation, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kalamazoo, State of Michigan, on February 28, 2007.

STRYKER CORPORATION

By: /s/ THOMAS R. WINKEL

Thomas R. Winkel

Vice President, Administration and Secretary

POWER OF ATTORNEY

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KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below hereby constitutes and appoints Thomas R. Winkel and Dean H. Bergy, and each of them, with full power of substitution and resubstitution, as attorneys or attorney to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file with the Securities and Exchange Commission the same, with all exhibits thereto, and any and all applications or other documents to be filed with the Securities and Exchange Commission pertaining thereto, with full power and authority to do and perform any and all acts and things whatsoever required and necessary to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, hereby ratifying and confirming all that said attorneys, and any of them and any such substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on February 28, 2007.

Signature	Title
<u>/s/ STEPHEN P. MACMILLAN</u> Stephen P. MacMillan	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ DEAN H. BERGY</u> Dean H. Bergy	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
<u>/s/ JOHN W. BROWN</u> John W. Brown	Director
<u>/s/ HOWARD E. COX, JR.</u> Howard E. Cox	Director
<u>/s/ DONALD M. ENGELMAN</u> Donald M. Engelman	Director
<u>/s/ LOUISE L. FRANCESCONI</u> Louise L. Francesconi	Director
<u>/s/ JEROME H. GROSSMAN</u> Jerome H. Grossman	Director
<u>/s/ WILLIAM U. PARFET</u> William U. Parfet	Director
<u>/s/ RONDA E. STRYKER</u> Ronda E. Stryker	Director

EXHIBIT INDEX

Exhibit

Number

4. Instruments defining the rights of security holders, including indentures.

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(i) Consent of Independent Registered Public Accounting Firm.

(ii) The consent of Miller, Canfield, Paddock & Stone, P.L.C. is contained in the opinion filed as Exhibit 5 to this Registration Statement.

24. Power of attorney.

Include in Part II of this Registration Statement.

Section 3.

This bond applies to loss discovered by the Insured during the Bond Period. Discovery occurs when the Insured first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this bond has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when the Insured receives notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances which, if true would constitute a loss under this bond.

Section 4.

A) Aggregate Limit of Liability.

The Underwriter's total liability for all losses discovered during the Bond Period shown in the first paragraph of Endorsement 6 shall not exceed the Aggregate Limit of Liability shown in item 3 of the Declarations. The aggregate Limit of Liability shall be reduced by the amount of any payment made under the terms of this bond. Upon exhaustion of the Aggregate Limit of Liability by such payments:

- (a) the Underwriter shall have no further liability for loss or losses regardless of when discovered and whether or not previously reported to the Underwriter, and
- (b) The Underwriter shall have no obligation under General Agreement F to continue the defence of the Insured, and upon notice by the Underwriter to the Insured that the Aggregate Limit of Liability has been exhausted; the Insured shall assume all responsibility for its defence at its own cost.

The Aggregate Limit of Liability shall not be increased or reinstated by any recovery made and applied in accordance with subsections (a), (b) and (c) of Section 7. In the event that a loss of Property is settled by the Underwriter through the use of a lost instrument bond, such loss shall not reduce the Aggregate Limit of Liability of USD1,250,000.

B) Single Loss Limit of Liability.

Subject to the Aggregate Limit of Liability, the Underwriter's liability for each Single Loss shall not exceed the applicable Single Loss of Liability shown in item 4 of the Declarations.

If a single Loss is covered under more than one Insuring Agreement or Coverage, the maximum payable shall not exceed the largest applicable Single Loss Limit of Liability.

C) Single Loss Defined.

Single Loss means all covered loss, including court costs and attorneys fees incurred by the Underwriter under General Agreement F, resulting from

- (a) any one act or series of related acts of burglary, robbery or attempt thereat, in which no Employee is implicated, or
- (b) any one act or series of related unintentional or negligent acts or omissions on the part of any person (whether an Employee or not) resulting in damage to or destruction or misplacement of property, or
- (c) all acts or omissions other than those specified in (a) and (b) preceding, caused by any person (whether an Employee or not) or in which such person is implicated, or
- (d) any one casualty or event not specified in (a), (b) or (c) preceding.

Section 5. Notice/Proof Legal Proceedings Against Underwriter.

- A) At the earliest practicable moment, not to exceed 30 days, after discovery of loss, the Insured shall give the Underwriter notice thereof.
- B) Within 6 months after such discovery, the Insured shall furnish to the Underwriter proof of loss, duly sworn, with full particulars.
- C) Lost Certificated Securities listed in a proof of loss shall be identified by certificate or bond numbers if such securities were issued therewith.
- D) Legal proceedings for the recovery of any loss hereunder shall not be brought prior to the expiration of 60 days after the original proof of loss is filed with the Underwriter or after the expiration of 24 months from the discovery of such loss.
- E) If any limitation in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to equal the minimum period of limitation provided by such law.
- F) This bond affords coverage only in favour of the Insured. No suit, action or legal proceedings shall be brought hereunder by any one other than the named Insured.

Section 6. Valuation

A) Currency, Exchange Rate

Any loss, or loss payable in money, shall be paid, at the option of the Insured, in the Money of the Country in which the loss was sustained or in the United States of America dollar equivalent thereof determined at the rate of exchange at the time of payment of such loss.

B) Securities.

The Underwriter shall settle in kind its liability under this bond on account of a loss of any securities or, at the option of the Insured, shall pay to the Insured the cost of replacing such securities, determined by the market value thereof at the time of such settlement. However, if prior to such settlement the Insured shall be compelled by the demands of a third party or by market rules to purchase equivalent

securities, and gives written notification of this to the Underwriter, the cost incurred by the Insured shall be taken as the value of those securities. In case of a loss of subscription, conversion or redemption privileges through the misplacement or loss of securities, the amount of such loss shall be the value of such privileges immediately preceding the expiration thereof. If such securities cannot be replaced or have no quoted market value, or if such privileges have no quoted market value, their value shall be deemed by agreement or arbitration.

If the applicable coverage of this bond is subject to a deductible Amount and/or is not sufficient in amount to indemnify the Insured in full for the loss of securities for which claim is made hereunder, the liability of the Underwriter under this bond is limited to the payment for, or the duplication of, so much of such securities as has a value to the amount of such applicable coverage.

C) Books of Accounts and Records.

In case of loss of, or damage to, books of account or other records used by the Insured in its business, the Underwriter shall be liable under this bond only if such books or records are actually reproduced and then for not more than the cost of the blank books, blank pages or other material plus the cost of labour for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such books and other records.

D) Property other than Money, Securities or Records.

In case of loss of, or damage to, any Property other than Money, securities, books or account or other records, or damage covered under Section 1.2 Insuring Agreement (B)(2), the Underwriter shall not be liable for more than the actual cash value of such Property, or of items covered under Section 1.2 Insuring Agreement (B)(2). The Underwriter may, as its election, pay the actual cash value of, replace or repair such property. Disagreement between the Underwriter and the Insured as to the cash value or as to the adequacy of repair or replacement shall be resolved by arbitration.

E) Set-Off

Any loss covered under this bond shall be reduced by a set-off consisting of any amount owed to the Employee causing the loss if such loss is covered under Section 1.2 Insuring Agreement (A).

Section 7. Assignment-Subrogation-Recover-Cooperation.

- A) In the event of payment under this bond, the Insured shall deliver, if so requested by the Underwriter, an assignment of such of the Insured's rights, title and interest and causes of action as it has against any person or entity to the extent of the loss payment.
- B) In the event of payment under this bond, the Underwriter shall be subrogated to all of the Insured's rights of recovery therefore against any person or entity to the extent of such payment.

- C) Recoveries, whether effected by the Underwriter or by the Insured shall be applied net of the expense of such recovery first to the satisfaction of the Insured's loss which would otherwise have been paid but for the fact that it is in excess of either the Single or Aggregate Limit of Liability, secondly, to the Underwriter as reimbursement of amounts paid in settlement of the Insured's claim, and thirdly, to the Insured in satisfaction of any Deductible Amount. Recovery on account of loss of securities as set forth in the second paragraph of Section 6 or recovery from reinsurance and/or indemnity of the Underwriter shall not be deemed a recovery as used herein.
- D) Upon the Underwriter's request and at reasonable times and places designated by the Underwriter the Insured shall
- 1) Submit to examination by the Underwriter and subscribe to the same under oath; and
 - 2) Produce for the Underwriter's examination all pertinent records, and
 - 3) Cooperate with the Underwriter in all matters pertaining to the loss
- E) The Insured shall execute all papers and render assistance to secure the Underwriter the rights and causes of action provided for herein. The Insured shall do nothing after discovery of loss to prejudice such rights or causes of action.

Section 8. Limit of Liability under this Bond and Prior Insurance.

With respect to any loss set forth in Section 4 of this bond which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss there under is discovered, the total liability of the Underwriter under this bond and under such bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on such loss or the amount owed to the Insured under such other bonds or policies, as limited by terms and conditions thereof, for any such loss if the latter amount be the larger.

If the coverage of this bond supersedes in whole or in part the coverage of any other bond or policy of insurance issued by an Insurer other than the Underwriter and terminated, cancelled or allowed to expire, the Underwriter, with respect to any loss sustained prior to such termination, cancellation or expiration and discovered within the period permitted under such other bond or policy for the discovery or loss there under, shall be liable under this bond only for that part of such loss covered by this bond as is in excess of the amount recoverable or recovered on account of such loss under such other bond or policy, anything to the contrary in such other bond or policy notwithstanding.

Section 9. Other Insurance or Indemnity.

Coverage afforded hereunder shall apply only as excess over any valid and collectible insurance or indemnity obtained by the Insured, or by one other than the Insured on Property subject to exclusion (q) or by a Transportation Company, or by another entity on whose premises the loss occurred or which employed the person causing the loss or the messenger conveying the Property involved.

Section 10. Ownership

This bond shall apply to loss of Property (1) owned by the Insured, (2) held by the Insured in any capacity, or (3) for which the Insured is legally liable. This bond shall be for the sole use and benefit of the Insured named in the Declarations.

Section 11. Deductible Amount.

The Underwriter shall be liable hereunder only for the amount by which any single loss, as defined in Section 4, exceeds the Single Loss Deductible amount for the Insuring Agreement or Coverage applicable to such loss, subject to the Aggregate Limit of Liability and the applicable Single Loss Limit of Liability.

The Insured shall, in the time and in the manner prescribed in this bond, give the Underwriter notice of any loss of the kind covered by the terms of this bond, whether or not the Underwriter is liable thereof, and upon the request of the Underwriter shall file with it a brief statement giving the particulars concerning such loss.

Section 12. Termination or Cancellation.

This bond terminates as an entirety upon occurrence of any of the following: -(a) 60 days after the receipt by the Insured of a written notice from the Underwriter of its desire to cancel this bond, or (b) immediately upon the receipt by the Underwriter of a written notice from the Insured of its desire to cancel this bond, or (c) immediately upon the taking over of the Insured by a receiver or other liquidator or by State or Federal officials, or (d) immediately upon the taking over of the Insured by another institution, or (e) immediately upon exhaustion of the Aggregate Limit of Liability, or (f) immediately upon expiration of the Bond Period as set forth in Item 2 of the Declarations.

This bond terminates as to any Employee or any partner, officer or employee of any Processor (a) as soon as any Insured, or any director or officer not in collusion with such person, learns of any dishonest or fraudulent act committed by such person at any time, whether in the employment of the Insured or otherwise, whether or not of the type covered under Insuring Agreement (a), against the Insured or any other person or entity, without prejudice to the loss of any Property then in transit in the custody of such person, or (b) 15 days after the receipt by the Insured of a written notice from the Underwriter of its desire to cancel this bond as to such person.

Termination of the bond as to any Insured terminates liability for any loss sustained by such Insured which is discovered after the effective date of such termination.

Notwithstanding anything to the contrary contained in this Section 12, this Bond shall not be cancelled, terminated or modified except after written notice shall have been given by the acting party to the affected party and the Securities and Exchange Commission not less than 60 days prior to the effective date of cancellation, termination or modification.

Attachment 1:

It is agreed that:

1. Section 1. (a), Definition of Employee is deleted in its entirety and replaced with the following:

(a) Employee means

(1) any of the Insureds officers or employees while performing services for the Insureds offices, and

(2) any of the officers or employees of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

(3) attorneys retained by the Insured to perform legal services for the Insured and the employees of such attorneys while such attorneys or the employees of such attorneys are performing such services for the Insured, and

(4) guest students pursuing their studies or duties in any of the Insureds offices, and

(5) directors or trustees of the Insured but only while performing acts coming within the scope of the usual duties of an officer or employee or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the property of the Insured, and

(6) any individual or individuals assigned to perform the usual duties of an employee within the premises for the Insured, by any agency furnishing temporary personnel on a contingent or part-time basis, and

(7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured,

(8) any employee or any partner of any named Insured,

All other terms and conditions remain unaltered.

Attachment 2:

It is agreed that:

- 1) The attached bond shall not be cancelled or terminated as provided in Section 12, or modified by rider, except after written notice shall have been given by the acting party to the affected party, and to the Securities and Exchange Commission, Washington, D.C., not less than sixty days prior to the effective date of such cancellation, termination or modification.

All other terms and conditions remain unaltered.

Attachment 3:

It is agreed that:

- a. The attached bond is amended by adding an additional Insuring Agreement as follows:

COMPUTER SYSTEMS

Loss resulting directly from a fraudulent

- (1) entry of data into, or
- (2) change of data elements or programs within

the Insured's proprietary Computer System or a Computer System listed in b below; provided the fraudulent entry or change causes

- (a) Property to be transferred, paid or delivered,
- (b) An account of the Insured, or of its customer, to be added, deleted, debited or credited

Or

- (c) an unauthorized account or a fictitious account to be debited or credited.

- b. As used in this rider, Computer System means

- i) computers with related peripheral components, including storage components, wherever located,
- ii) systems and applications software,
- iii) terminal devices,
- iv) related communication networks

by which data are electronically collected, transmitted, processed, stored and retrieved.

- c. In addition to the exclusions in the attached bond, the following exclusions are applicable to this Insuring Agreement:

- i) loss resulting directly or indirectly from the theft of confidential information, material or data; and
- ii) loss resulting directly or indirectly from entries or changes made by an individual authorized to have access to a Computer System who acts in good faith on instructions, unless such instructions are given to that individual by a software contractor (or by a partner, officer or employee thereof) authorized by the Insured to design, develop, prepare, supply, service, write or implement programs for the Insured's Computer System.

- d. The coverage afforded by this rider applies only to loss discovered by the Insured during the period this rider is in force. The first sentence of Section 3 of the attached bond does not apply to this Insuring Agreement.

- e. All loss or series of losses involving fraudulent activity of one individual, or involving fraudulent activity, in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as a Single Loss. A series of losses involving unidentified individuals but arising from the same method of operation may be deemed by the Underwriter to involve the same individual and in that event shall be treated as a Single Loss.

- f. The Single Loss Limit of Liability and Retention for the coverage provided by this rider shall be:

<u>Limit</u>	<u>Retention</u>
\$1,250,000	\$0

it being understood, however, that such liability shall be part of and not in addition to the Aggregate Limit of Liability stated in Item 3 of the Declarations of the attached Bond.

- g. the Underwriter shall be liable hereunder for the amount by which Single Loss exceeds the Deductible Amount in item 4 of the Declarations, but not in excess of the Single Loss Limit of Liability stated above.

- h. Coverage under this rider shall terminate upon termination or cancellation of the bond to which this rider is attached. Coverage under this rider may also be terminated or cancelled without cancelling this bond as an entirety
 - i) 60 days after receipt by the Insured of written notice from the Underwriter of its desire to terminate or cancel; coverage under this rider, or
 - ii) Immediately upon receipt by the Underwriter of a written request from the Insured to terminate or cancel coverage under this rider.

All other terms and conditions remain unaltered.

Attachment 4:

It is agreed that:

1. In consideration of the annual premium included herein, this policy is extended to indemnify the Insured against any and all sums which the Insured shall become obligated to pay by reason of the Liability imposed upon the Insured by law for damages:
 - (a) for having either complied with or failed to comply with any written notice of any depositor of the Insured or any authorized Representative of such depositor to stop payment of any cheque or draft made or drawn by such depositor or any Authorized Representative of such depositor, or
 - (b) for having refused to pay any cheque or draft made or drawn by any depositor of the Insured or any Authorized Representative of such depositor.

Provided always that:

- (1) the Insured shall bear the first \$5,000 for each and every loss.
 - (2) the Underwriters Liability under this rider shall be limited to \$100,000 for any one loss and in all during each policy year, subject to a \$100,000 Annual Aggregate.
 - (3) the term **Policy Year** as used in this rider shall mean each period of twelve calendar months commencing the effective date of the attached bond.
2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as above stated.
All others terms and conditions remain unaltered.

Attachment 5:

COVERAGE FOR UNCOLLECTABLE ITEMS OF DEPOSIT

It is agreed that:

Coverage will be afforded for loss resulting from payments of dividends or fund shares, or withdrawals permitted from any, customer's, shareholder's or subscriber's account based upon Uncollectible Items of Deposit of a customer, shareholder or subscriber credited by the Insured or the Insured's agent to such customer's, shareholder's or subscriber's Mutual Fund Account; or

Loss resulting from any Item of deposit processed through an Automated Clearing House which is reversed by the customer, shareholder or subscriber and deemed uncollectible by the Insured.

Loss includes dividends and interest accrued not to exceed 15% of the Uncollectible Items which are deposited.

This insuring Agreement applies to all Mutual Funds with exchange privileges if all Fund(s) in the exchange program are insured by a National Union Fire Insurance Company of Pittsburgh, PA for Uncollectible Items of Deposit. Regardless of the number of transactions between Fund(s), the minimum number of days of deposit within the Fund(s) before withdrawal as declared in the Fund(s) prospectus shall begin from the date a deposit was first credited to any Insured Fund(s).

It is further understood and agreed that the Limit of Liability for this endorsement shall be \$100,000 and the per claim deductible shall be \$5,000.

All other terms and conditions remain unaltered.

Attachment 6:

It is agreed that:

1. The following is inserted Section 1.1 Insuring Agreement (G) of the Financial Institutions Bond.

Audit Expense. Expense incurred by the Insured for that part of the cost of audits or examinations required by State or Federal supervisory authorities to be conducted either by such authorities or by independent accountants by reason of the discovery of loss sustained by the Insured through dishonest or fraudulent acts of any of the Employees. The total liability of the Underwriter for such expense by reason of such acts of any Employee or in which such Employee is concerned or implicated or with respect to any one audit or examination is limited to the amount stated opposite Audit Expense Coverage, it being understood however, that such expense shall be deemed to be loss sustained by the Insured through dishonest or fraudulent act of one or more of the Employees and the liability of the Underwriter under this Insuring Agreement (G) shall be part of and not in addition to the Single Loss of Limited Liability stated in Item 3 of the declarations.

Audit Expense Coverage	\$100,000	Retention	\$5,000
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2. The following paragraph is substituted for Section 2(d):

- (d) loss resulting directly or indirectly from any director or trustee of the Insured other than one employed as a salaried, pensioned or elected official or an Employee of the Insured, except (i) when performing acts coming within the scope of the usual duties of an Employee, or (ii) while acting as a member of any committee duly elected or appointed by resolution of the board of directors or trustees of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured;

3. The following paragraph is substituted for Section 2(U):

- (u) all fees, costs and expenses incurred by the Insured
 - (1) in establishing the existence of or amount of loss covered under this bond, except to the extent covered under the Insuring Agreement (G) entitled Audit Expense, or
 - (2) as a party to any legal proceeding whether or not such legal proceeding exposes the Insured to loss covered by this bond;

4. The following paragraph is added as (g) of Section 5:

If the Insured is an institution under the supervision of the Federal Home Loan Bank Board, it is understood and agreed that in case of any loss hereunder discovered either by the Insured or by the Federal Home Loan Bank of which the Insured is a member, the said Federal Home Loan Bank is empowered to give notice of the loss to the Underwriter within the period limited therefore.

5. The following is added as the final paragraph of Section 12:

If the Insured is an institution insured by the Federal Savings and Loan Insurance Corporation, termination or cancellation of this bond in its entirety, whether by the Insured or the Underwriter, as provided in parts (a) and (b) in the first paragraph of Section 12, shall not take effect prior to the expiration of ten days from the receipt by the Federal Home Loan Bank of which the Insured is a member of written notice of such termination or cancellation unless an earlier date of termination or cancellation is approved by said Federal Home Loan Bank.

All others terms and conditions remain unaltered.

Attachment 7:

It is agreed that:

The attached bond is amended to include the following as Section 1.1 Insuring Agreement (H):

Unauthorized Signatures.

Loss resulting directly from the Insured having accepted, paid or cashed and check or withdrawal order made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on file with the Insured as a signatory on such account it shall be a condition precedent to the Insured's right of recovery under this Coverage that the Insured shall have on file signature of all persons who are signatories on such account.

The Limit of Liability on this Insuring Agreement (H) is \$100,000 subject to a deductible of \$5,000.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as above stated.

All other terms and conditions remain unaltered.

Attachment 8:

It is agreed that:

1. The attached bond is amended by adding the following as Section 1.1 Insuring Agreement (I):
Voice Initiated Funds Transfers.

Loss resulting directly from the Insured having transferred any funds on the faith of any voice initiated funds transfer instructions directed to the Insured authorizing the transfer of funds in a customer's account to other financial institutions for credit to persons designated by the customer, and which instructions were made over the telephone to those employees of the Insured specifically authorized to receive said instructions at the Insured's offices, and fraudulently purport to have been made by a person authorized and appointed by a customer to request by telephone the transfer of such funds, but which instructions were not made by said customer, or by any officer, director, partner or employee of said customer, or were fraudulently made by an officer, director, partner or employee of said customer whose duty, responsibility or authority did not permit him to make, initiate, authorize or validate or authenticate customer voice initiated transfer instruction, which fraudulent acts were committed by said person who intended to cause the Insured, or the customer, to sustain such loss and to obtain personal financial benefit for such person or another person or entity.

Proof of loss filed as direct result of claims arising from voice instructions or advices covered under this Insuring Agreement must include electronic recordings of such voice instructions or advices. Electronic recording must also include call back verification of such voice instruction.

Special Definition

Customer as used in this Insuring Agreement (I) means any corporate, partnership or trust customer or similar business entity, which has a written agreement with the Insured for customer voice, initiated funds transfers.

The Underwriter's total liability under this Insuring Agreement (I) shall be limited to **\$1,250,000** each and every loss and **\$1,250,000** in the aggregate, it being understood, however, that such liability is part of and not in addition to the limits of liability stated in Sections 3 and 4 of the Declarations, and is subject to an each and every loss deductible of **\$0**.

All other terms and conditions remain the same.

Attachment 9:

It is agreed that:

1. The attached bond is amended to include the following as Section 1.1 Insuring agreement (J):
Loss and costs directly arising from larceny and embezzlement, covering each officer and employee of the Insured, who may singly, or jointly with others, have access to securities or funds of the Insured, either directly or through authority to draw upon such funds or to direct generally the disposition of such securities.

All other terms and conditions remain the same.

Resolution for Approval of Fidelity Bond

RESOLVED, that the Board of Directors of the Fund, including all the Directors who are not interested persons of the Fund (as that term is defined by Rule 2(a)(19) under the 1940 Act), hereby determines that a fidelity bond issued by Liberty Mutual Insurance Company, for a one year period covering officers and employees of the Fund in accordance with the requirements of Rule 17g-1 promulgated by the Securities and Exchange Commission under Section 17(g) of the 1940 Act, in the amount of \$1,250,000, is reasonable in form and amount, after having given due consideration to the value of the aggregate assets of the Fund to which any such covered person may have access, the type and terms of the arrangements made for the custody and safekeeping of such assets and the nature of the securities in the Fund's portfolio.