

Edgar Filing: FPA U.S. VALUE FUND INC - Form 40-17G

FPA U.S. VALUE FUND INC
Form 40-17G
October 13, 2015

First Pacific Advisors

11601 Wilshire Boulevard

Los Angeles, CA 90025

October 13, 2015

Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549

VIA EDGAR

RE: Rule 17g-1 Filing

FPA Capital Fund, Inc. (Capital) (File No. 811-01596)
FPA Funds Trust (the Trust) (File No. 811-08544)
FPA Paramount Fund, Inc. (Paramount) (File No. 811-00852)
FPA New Income Fund, Inc. (New Income) (File No. 811-01735)
FPA U.S. Value Fund, Inc. (formerly FPA Perennial Fund, Inc.) (U.S. Value) (File No. 811-03896)
Source Capital, Inc. (Source) (File No. 811-01731)
(each an FPA Fund and collectively the Funds)

Dear Sir or Madam:

Pursuant to Rule 17g-1 of the Investment Company Act of 1940, as amended (1940 Act), on behalf of the Funds, please find enclosed for filing the following:

1. The Funds Joint Investment Company Blanket Bond in the amount of \$9,550,000 (Bond).
2. The certificate of the Secretary of the Funds attesting to the authenticity and accuracy of a resolution unanimously adopted by the members of the Boards of Directors/Trustees of the Funds (including those members who are not interested persons of the Funds as defined in the 1940 Act) authorizing the amount, type, form and coverage of the Bond consistent with Rule 17g-1 under the 1940 Act; and
3. The allocation agreement between each FPA Fund with respect to the Bond

The premium has been paid for the period August 23, 2015 to August 23, 2016 policy year.

Had Capital, the Trust, Paramount, New Income, U.S. Value and Source not been named as the insureds under the attached joint insured bond, each of Capital, the Trust, Paramount, New Income, U.S. Value and Source would have provided and maintained a single insured bond in the amount of \$1,250,000, \$3,250,000, \$525,000, \$2,500,000, \$750,000 and \$900,000, respectively. These amounts are at least the minimum required amounts pursuant to Rule 17g-1(d).

Please contact me if you have any questions or require additional information.

Very truly yours,

/s/ Francine S. Hayes
Francine S. Hayes
Secretary of the Funds

Enclosures

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producercompensation or by calling 1-800-706-3102.

91222 (4/13)

INVESTMENT COMPANY BLANKET BOND**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

(A stock Insurance Company, herein Called the Underwriter)

DECLARATIONS

Item 1. Name of Insured Source Capital, Inc. **BOND NUMBER**
5618242

Principal Address: Attn: Sherry Sasaki
11601 Wilshire Blvd, Suite 1200
Los Angeles, CA 90025

(Herein called the Insured)

Item 2. Bond Period from 12:01 a.m on 08/23/2015 to 12:01 a.m. on 08/23/2016.

The effective date of the termination or cancellation of this bond, standard time at the Principal Address as to each of the said dates.

Item 3. Limit of Liability -
Subject to Section 9, 10, and 12 hereof:

	Limit of Liability	Deductible Amount
Insuring Agreement A - FIDELITY	\$ 9,550,000	\$ 0
Insuring Agreement B - AUDIT EXPENSE	\$ 25,000	\$ 5,000
Insuring Agreement C - ON PREMISES	\$ 9,550,000	\$ 50,000
Insuring Agreement D - IN TRANSIT	\$ 9,550,000	\$ 50,000
Insuring Agreement E - FORGERY OR ALTERATION	\$ 9,550,000	\$ 50,000
Insuring Agreement F - SECURITIES	\$ 9,550,000	\$ 50,000
Insuring Agreement G - COUNTERFEIT CURRENCY	\$ 9,550,000	\$ 50,000
Insuring Agreement H - STOPPAYMENT	\$ 25,000	\$ 5,000
Insuring Agreement I - UNCOLLECTIBLE ITEMS OF DEPOSIT	\$ 25,000	\$ 5,000

OPTIONAL COVERAGE SADDLED BY RIDER:

Insuring Agreement J - COMPUTERSYSTEMS	\$ 9,550,000	\$ 50,000
Insuring Agreement K - UNAUTHORIZED SIGNATURES	\$ 25,000	\$ 5,000
Insuring Agreement L - AUTOMATED PHONE SYSTEMS	Not Covered	Not Covered
Insuring Agreement M - TELEFAC SIMILE	\$ 9,550,000	\$ 50,000

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If Not Covered is inserted above opposite any specified Insuring Agreement or Coverage, such Insuring Agreement or Coverage and any other reference thereto in this bond shall be deemed to be deleted there from.

Item 4. Office or Premises Covered - Offices acquired or established subsequent to the effective date of this bond are covered according to the terms of General Agreement A. All other Insured s offices or premises in existence at the time this bon becomes effective are covered under this bond except the offices or premises located as follows:

No Exceptions

Item 5. The Liability of the Underwriter is subject to the terms of the following riders attached hereto:
103012 (10/09), 103003 (10/09), 89644 (7/05), 103004 (10/09), 103005 (10/09), 103011 (10/09), 91222 (12/09), SR5538, 41206 (9/84), **115903 (10/12), 113022 (10/12), Rider 2, Rider 3, Rider 4, 100107 (09/08)**

Item 6. The Insured by the acceptance of this bond gives notice to the Underwriter terminating or cancelling prior bond(s) or policy(ies) No.(s) N/A such termination or cancellation to be effective as of the time this bond becomes effective.

Item 7. Premium Amount: \$28,749.00
FHFC - Florida Hurricane Fund:
Total Premium: \$28,749.00

Issue Date: 10/08/2015

By:

Authorized Representative

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

RIDER No. 1

To be attached to and form part of Bond No 5618242.

in favor of Source Capital, Inc..

effective as of 08/23/2015.

In consideration of the premium charged for the attached bond, it is hereby agreed that:

1. From and after the time this rider becomes effective the Insured under the attached bond are:

Source Capital, Inc.

FPA Capital Fund, Inc.

FPA New Income, Inc.

FPA Paramount Fund, Inc.

FPA Perennial Fund, Inc.

FPA Crescent Fund

FPA International Value Fund

2. The first named Insured shall act for itself and for each and all of the Insured for all the purposes of the attached bond.

3. Knowledge possessed or discovery made by the Corporate Risk Management Department, Internal Audit Department, or General Counsel Department, of any Insured or by any partner or officer thereof shall for all the purposes of the attached bond constitute knowledge or discovery by all the Insured.

4. If, prior to the termination of the attached bond in its entirety, the attached bond is terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered before the time such termination as to such Insured becomes effective.

5. The liability of the Underwriter for loss or losses sustained by any or all of the Insured shall not exceed the amount for which the Underwriter would be liable had all such loss or losses been sustained by any one of the Insured. Payment by the Underwriter to the first named Insured of loss sustained by any Insured shall fully release the Underwriter on account of such loss.

SR 5538

6. If the first named Insured ceases for any reason to be covered under the attached bond, then the Insured next named shall thereafter be considered as the first named Insured for all the purposes of the attached bond.

7. The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

8. This rider shall become effective as 12:01 a.m. on 08/23/2015.

Signed, Sealed and dated

By:
Authorized Representative

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 2

This endorsement, effective 12:01 a.m. 08/23/2015, forms a part of policy number 5618242 issued to Source Capital, Inc.

1. It is agreed that Insuring Agreement (G) COUNTERFEIT CURRENCY is deleted and replaced by the following:

Loss through the receipt by the Insured, in good faith, of any counterfeited money orders or altered paper currencies or coins.

AUTHORIZED REPRESENTATIVE

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 3

This endorsement, effective 12:01 a.m. 08/23/2015 , forms a part of policy number 5618242 issued to Source Capital, Inc.

1. It is agreed that Insuring Agreement (A) FIDELITY is deleted and replaced by the following:

(A) FIDELITY

Loss resulting from any dishonest or fraudulent act(s), including Larceny or Embezzlement committed by an Employee, committed anywhere and whether committed alone or in collusion with others, including loss of Property resulting from such acts of an Employee, which Property is held by the Insured for any purpose or in any capacity and whether so held gratuitously or not and whether or not the Insured is liable therefor.

Dishonest or fraudulent act(s) as used in this Insuring Agreement shall mean only dishonest or fraudulent act(s) committed by such Employee with the intent:

- (a) to cause the Insured to sustain such loss, or
- (b) to obtain thereby an improper financial benefit for the Employee, or for any person or entity intended by the Employee to receive such benefit.

It is agreed that loss resulting from the intentional transfer of Property to the benefit of an innocent third party, committed by the Employee in the knowledge that such third party was not lawfully entitled to such Property and which Property is not lawfully recoverable by the Insured, shall be deemed to be a loss which meets the requirements of this Insuring Agreement. Such loss must result from acts committed by the Employee with the intent to cause the Insured to sustain such loss.

Notwithstanding the foregoing however, it is agreed that with regard to Loans and Trading this bond covers only loss resulting directly from dishonest or fraudulent acts committed by an Employee with the intent to make and which result in

- (i) an improper financial benefit for the Employee, or

 - (ii) an improper financial benefit for another person or entity with whom the Employee committing the dishonest or fraudulent act was in collusion, provided that the Insured establishes that the Employee intended to participate in the financial benefit.
-

Salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other Employee benefits shall not constitute an improper financial benefit.

The word "Loan" as used in this Insuring Agreement means all extensions of credit by the Insured and all transactions creating a creditor relationship in favor of the Insured and all transactions by which the Insured assumes an existing creditor relationship.

The word "Trading" as used in this Insuring Agreement means trading or other dealings in securities, commodities, futures, options, foreign or Federal Funds, currencies, foreign exchange and the like.

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

AUTHORIZED REPRESENTATIVE

**NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.**

Rider No. 4

This endorsement, effective 12:01 a.m. 08/23/2015, forms a part of policy number 5618242 issued to Source Capital, Inc.

1. It is agreed that General Agreements, Section 4. Loss Notice Proof, Legal Proceedings is deleted and replaced by the following:

Discovery occurs when the Risk Management Department or equivalent

(a) becomes aware of facts, or

(b) receives written notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstance

which would cause a reasonable person to assume that a loss covered by the bond has been or will be incurred even though the exact amount or details of loss may not be then known.

AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 AM, 8/23/2015, forms a part of Policy number: 5618242

Issued to: Source Capital, Inc.

By: National Union Fire Insurance Company of Pittsburgh

AMEND NAMED INSURED

In consideration of the premium charged, it is hereby understood and agreed the Named of Insured listed in Item 1. of the DECLARATIONS (Named Insured) shall also include any entity set forth below

ENTITY

1. First Pacific Advisors, LLC

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED

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AUTHORIZED REPRESENTATIVE

This endorsement, effective at 12:01 A.M 08/23/2015 forms a part of Policy number 5618242

Issued to: Source Capital, Inc.

By: National Union Fire Ins of Pittsburgh

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY
COVERAGE TERRITORY ENDORSEMENT

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanctions laws of regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC)

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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By:
Authorized Representative

89644 (7/05)

NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA

INSURING AGREEMENT J Computer Systems

To be attached to and form part of Bond No. 5618242.

in favor of Source Capital, Inc..

It is agreed that:

1. 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 or programs within

a Computer System; 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:

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(c) an unauthorized account of a fictitious account to be debited or credited;

(3) Voice instructions or advices having been transmitted to the Insured or its agent(s) by telephone;

and provided further, the fraudulent entry or change is made or caused by an individual acting with the intent to:

(i) cause the Insured or its agent(s) to sustain a loss, and

(ii) obtain financial benefit for that individual or for other persons intended by that individual to receive financial benefit,

(iii) and further provided such voice instruction or advices:

(a) were made by a person who purported to represent an individual authorized to make such voice instruction or advices; and

(b) were electronically recorded by the Insured or its agent(s).

(4) It shall be a condition to recovery under the Computer Systems Rider that the Insured or its agent(s) shall to the best of their ability electronically record all voice instructions or advices received over telephone. The Insured or its agent(s) warrant that they shall make their best efforts to maintain the electronic recording system on a continuous basis. Nothing, however, in this Rider shall bar the Insured from recovery where no recording is available because of mechanical failure of the device used in making such recording, or because of failure of the media used to record conversation from any cause, or error or omission of any Employee(s) or agent(s) of the Insured.

103003 (10/09)

SCHEDULE OF SYSTEMS

All computer systems utilized by the Insured.

2. As used in this Rider, Computer System means:

- (a) computers with related peripheral components, including storage components, wherever located,
- (b) systems and application software,
- (c) terminal devices,
- (d) related communication networks or customer communication systems, and
- (e) related Electronic Funds Transfer Systems,

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

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

- (a) loss resulting directly or indirectly from the theft of confidential information, material or data; and
- (b) 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.

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4. The following portions of the attached bond are not applicable to this Rider:
- (a) the initial paragraph of the bond preceding the Insuring Agreements which reads ...at any time but discovered during the Bond Period.
- (b) Section 9-NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY
- (c) Section 10-LIMIT OF LIABILITY
5. The Coverage afforded by this rider applies only to loss discovered by the Insured during the period this Rider is in force.
6. All loss or series of losses involving the 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 one 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 one loss.
7. The Limit of Liability for the coverage provided by this Rider shall be (\$9,550,000), it being understood however, that such liability shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations of the attached bond.
8. The Underwriter shall be liable hereunder for the amount by which one loss shall be in excess of \$50,000, (herein called the Deductible amount) but not in excess of the Limit of Liability stated above.
9. If any loss is covered under this Insuring Agreement and any other Insuring Agreement or Coverage, the maximum amount payable for such loss

shall not exceed the largest amount available under any one Insuring Agreement or Coverage.