

Edgar Filing: FPA CAPITAL FUND INC - Form 40-17G

FPA CAPITAL FUND INC  
Form 40-17G  
September 21, 2018

First Pacific Advisors

11601 Wilshire Boulevard

Los Angeles, CA 90025

September 21, 2018

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, Inc. ( New Income ) (File No. 811-01735)

FPA U.S. Value 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:

Edgar Filing: FPA CAPITAL FUND INC - Form 40-17G

1. The Funds Joint Investment Company Blanket bond in the amount of \$9,550,000 ( Bond );
2. A Secretary s Certificate certifying the resolutions 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 fidelity bond premium has been paid for the period December 7, 2017 to December 7, 2018 policy period.

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 \$750,000, \$7,900,000, \$600,000, \$2,900,000, \$525,000 and \$750,000, respectively. These amounts are at least the minimum required amounts pursuant to Rule 17g-1(d).

Please contact me at (617) 662-3969 if you have any questions.

Very truly yours,

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

Enclosures

cc: J. Richard Atwood

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AON RISK INSURANCE SERVICES WEST, INC.

ATTN: Joseph McGoldrick

707 WILSHIRE BLV., #2600

LOS ANGELES, CA 90017

**INSURED:** FPA FUNDS

**PRODUCT:** *DFIBond*

**POLICY NO:** 82473034

**TRANSACTION:** NL

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**Chubb Group of Insurance Companies**

202B Hall s Mill Road  
Whitehouse Station, NJ 08889

NAME OF ASSURED (including its **Subsidiaries**):

FPA FUNDS

11601 WILSHIRE BLVD SUITE 1200

LOS ANGELES, CA 90025

**DECLARATIONS**

**FINANCIAL INSTITUTION INVESTMENT  
COMPANY ASSET PROTECTION BOND**

Bond Number: 82473034

**FEDERAL INSURANCE COMPANY**

Incorporated under the laws of Indiana  
a stock insurance company herein called the COMPANY

Capital Center, 251 North Illinois, Suite 1100  
Indianapolis, IN 46204-1927

**ITEM 1.** BOND PERIOD: from 12:01 a.m. on December 7, 2017

to 12:01 a.m. on December 7, 2018

**ITEM 2.** LIMITS OF LIABILITY DEDUCTIBLE AMOUNTS:

If "Not Covered" is inserted below opposite any specified INSURING CLAUSE, such INSURING CLAUSE and any other reference shall be deemed to be deleted. **There shall be no deductible applicable to any loss under INSURING CLAUSE 1. sustained by any Investment Company.**

INSURING CLAUSE	SINGLE LOSS LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
1. Employee	\$ 9,550,000	\$ 0
2. On Premises	\$ 9,550,000	\$ 50,000
3. In Transit	\$ 9,550,000	\$ 50,000
4. Forgery or Alteration	\$ 9,550,000	\$ 50,000
5. Extended Forgery	\$ 9,550,000	\$ 50,000
6. Counterfeit Money	\$ 9,550,000	\$ 50,000
7. Threats to Person	\$ Not Covered	\$ N/A
8. Computer System	\$ 9,550,000	\$ 50,000
9. Voice Initiated Funds Transfer Instruction	\$ 9,550,000	\$ 50,000
10. Uncollectible Items of Deposit	\$ 50,000	\$ 5,000
11. Audit Expense	\$ 50,000	\$ 5,000

**ITEM 3.** THE LIABILITY OF THE COMPANY IS ALSO SUBJECT TO THE TERMS OF THE FOLLOWING ENDORSEMENTS EXECUTED SIMULTANEOUSLY HEREWITH:

1-17

**IN WITNESS WHEREOF, THE COMPANY** has caused this Bond to be signed by its authorized officers, but it shall not be valid unless also signed by an authorized representative of the Company.

Secretary

President

Countersigned by

December 21, 2017

Authorized Representative

ICAP Bond (5-98) - Federal  
Form 17-02-1421 (Ed. 5-98)

Page 1 of 1

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The COMPANY, in consideration of payment of the required premium, and in reliance on the APPLICATION and all other statements made and information furnished to the COMPANY by the ASSURED, and subject to the DECLARATIONS made a part of this Bond and to all other terms and conditions of this Bond, agrees to pay the ASSURED for:

*Insuring Clauses*

*Employee*

1. Loss resulting directly from **Larceny** or **Embezzlement** committed by any **Employee**, alone or in collusion with others.

*On Premises*

2. Loss of **Property** resulting directly from robbery, burglary, false pretenses, common law or statutory larceny, misplacement, mysterious unexplainable disappearance, damage, destruction or removal, from the possession, custody or control of the ASSURED, while such **Property** is lodged or deposited at premises located anywhere.

*In Transit*

3. Loss of **Property** resulting directly from common law or statutory larceny, misplacement, mysterious unexplainable disappearance, damage or destruction, while the **Property** is in transit anywhere:

- a. in an armored motor vehicle, including loading and unloading thereof,
- b. in the custody of a natural person acting as a messenger of the ASSURED, or
- c. in the custody of a **Transportation Company** and being transported in a conveyance other than an armored motor vehicle provided, however, that covered **Property** transported in such manner is limited to the following:
  - (1) written records,
  - (2) securities issued in registered form, which are not endorsed or are restrictively endorsed, or
  - (3) negotiable instruments not payable to bearer, which are not endorsed or are restrictively endorsed.

Coverage under this INSURING CLAUSE begins immediately on the receipt of such **Property** by the natural person or **Transportation Company** and ends immediately on delivery to the premises of the addressee or to any representative of the addressee located anywhere.

**Insuring Clauses**  
(continued)

*Forgery Or Alteration*

4. Loss resulting directly from:
- a. **Forgery** on, or fraudulent material alteration of, any bills of exchange, checks, drafts, acceptances, certificates of deposits, promissory notes, due bills, money orders, orders upon public treasuries, letters of credit, other written promises, orders or directions to pay sums certain in money, or receipts for the withdrawal of **Property**, or
- b. transferring, paying or delivering any funds or other **Property**, or establishing any credit or giving any value in reliance on any written instructions, advices or applications directed to the ASSURED authorizing or acknowledging the transfer, payment, delivery or receipt of funds or other **Property**, which instructions, advices or applications fraudulently purport to bear the handwritten signature of any customer of the ASSURED, or shareholder or subscriber to shares of an **Investment Company**, or of any financial institution or **Employee** but which instructions, advices or applications either bear a **Forgery** or have been fraudulently materially altered without the knowledge and consent of such customer, shareholder, subscriber, financial institution or **Employee**;

excluding, however, under this INSURING CLAUSE any loss covered under INSURING CLAUSE 5. of this Bond, whether or not coverage for INSURING CLAUSE 5. is provided for in the DECLARATIONS of this Bond.

For the purpose of this INSURING CLAUSE, a mechanically reproduced facsimile signature is treated the same as a handwritten signature.

*Extended Forgery*

5. Loss resulting directly from the ASSURED having, in good faith, and in the ordinary course of business, for its own account or the account of others in any capacity:
- a. acquired, accepted or received, sold or delivered, or given value, extended credit or assumed liability, in reliance on any original **Securities, documents or other written instruments** which prove to:
- (1) bear a **Forgery** or a fraudulently material alteration,
- (2) have been lost or stolen, or
- (3) be **Counterfeit**, or
- b. guaranteed in writing or witnessed any signatures on any transfer, assignment, bill of sale, power of attorney, guarantee, endorsement or other obligation upon or in connection with any **Securities, documents or other written instruments**.

Actual physical possession, and continued actual physical possession if taken as collateral, of such **Securities, documents or other written instruments** by an **Employee, Custodian**, or a Federal or State chartered deposit institution of the ASSURED is a condition precedent to the ASSURED having relied on such items. Release or return of such collateral is an acknowledgment by the ASSURED that it no longer relies on such collateral.





**Insuring Clauses**

*Extended Forgery  
(continued)*

For the purpose of this INSURING CLAUSE, a mechanically reproduced facsimile signature is treated the same as a handwritten signature.

*Counterfeit Money*

6. Loss resulting directly from the receipt by the ASSURED in good faith of any **Counterfeit** money.

*Threats To Person*

7. Loss resulting directly from surrender of **Property** away from an office of the ASSURED as a result of a threat communicated to the ASSURED to do bodily harm to an **Employee** as defined in SECTION 1.e. (1), (2) and (5), a **Relative** or invitee of such **Employee**, or a resident of the household of such **Employee**, who is, or allegedly is, being held captive provided, however, that prior to the surrender of such **Property**:

a. the **Employee** who receives the threat has made a reasonable effort to notify an officer of the ASSURED who is not involved in such threat, and

b. the ASSURED has made a reasonable effort to notify the Federal Bureau of Investigation and local law enforcement authorities concerning such threat.

It is agreed that for purposes of this INSURING CLAUSE, any **Employee** of the ASSURED, as set forth in the preceding paragraph, shall be deemed to be an ASSURED hereunder, but only with respect to the surrender of money, securities and other tangible personal property in which such **Employee** has a legal or equitable interest.

*Computer System*

8. Loss resulting directly from fraudulent:

a. entries of data into, or

b. changes of data elements or programs within,

a **Computer System**, provided the fraudulent entry or change causes:

(1) funds or other property to be transferred, paid or delivered,

(2) an account of the ASSURED or of its customer to be added, deleted, debited or credited, or

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

***Insuring Clauses***

*(continued)*

*Voice Initiated Funds Transfer  
Instruction*

9. Loss resulting directly from **Voice Initiated Funds Transfer Instruction** directed to the ASSURED authorizing the transfer of dividends or redemption proceeds of **Investment Company** shares from a **Customer**'s account, provided such **Voice Initiated Funds Transfer Instruction** was: