

NightHawk Radiology Holdings Inc
Form 8-K
July 06, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

June 30, 2010

NIGHTHAWK RADIOLOGY HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

000-51786

87-0722777

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(State or other jurisdiction
of incorporation)

(Commission
File Number)
4900 N. Scottsdale Road, 6th Floor

(IRS Employer
Identification No.)

Scottsdale, Arizona 85251

(Address of principal executive offices, including zip code)

(480) 822-4429

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 filed with the Securities and Exchange Commission on May 7, 2010, Nighthawk Radiology Holdings, Inc., (the Company) and St. Paul Radiology, P.A. (SPRPA) have been involved in a dispute regarding certain agreements entered into between the Company and SPRPA. On June 30, 2010, the Company entered into a series of related agreements which have resolved such dispute. Such agreements are described in further detail below.

Purchase Agreement. On June 30, 2010, the Company entered into an agreement (the Purchase Agreement) with FutureRad, LLC, a privately-held company (FutureRad), pursuant to which the Company sold all of the outstanding membership interests of its wholly-owned subsidiaries, Midwest Physicians Services, LLC (MPS) and Emergency Radiology Services, LLC (ERS), to FutureRad for \$2 million in cash. MPS and ERS were originally purchased in a transaction with St. Paul Radiology, P.A. (SPRPA) in July 2007. Pursuant to the Purchase Agreement, the Company has agreed to indemnify FutureRad for customary matters. Subject to certain exceptions, the Company's indemnification obligations with respect to breaches of its representations and warranties and claims by third parties are capped at \$1 million. MPS provides business process services to SPRPA and its affiliates, including revenue cycle management, administrative and information technology services. ERS arranges for the provision of certain teleradiology services.

Termination Agreement. Concurrently with the sale of MPS and ERS, the Company, MPS and NightHawk Radiology Services, LLC, a wholly-owned subsidiary of the Company (NRS), on the one hand, and SPRPA and Midwest Radiology, LLC, an affiliate of SPRPA (MWR), on the other hand, entered into a termination agreement (the Termination Agreement), pursuant to which certain agreements between the parties, including administrative support services agreements, a professional services agreement and a data license agreement were terminated. In addition, SPRPA surrendered for cancellation a warrant to purchase 300,000 shares of the Company's common stock that it received in connection with the original transaction in 2007.

Pursuant to the terms of the Termination Agreement, SPRPA and MWR agreed to pay an aggregate of \$24 million, consisting of (i) an upfront cash payment to the Company of \$10 million (which amount includes a payment of \$2.5 million due to the Company and its affiliates for services previously rendered pursuant to the support services agreements being terminated) and (ii) periodic payments in an aggregate amount of \$14 million pursuant to a promissory note to the Company (the Note). Pursuant to the terms of the Note, SPRPA is obligated to make (i) 48 equal monthly payments to the Company of \$250,000 beginning August 16, 2010 and (ii) pay to the Company an aggregate of \$2 million on or prior to March 31, 2011 in one or more installments.

Mutual General Release and Waiver. The Company and NRS, on the one hand, and SPRPA and certain of its affiliates, on the other hand, also entered into a mutual general release and waiver (the SPRPA Release) pursuant to which the parties released one another and their respective affiliates from any and all claims arising prior to June 30, 2010, including all claims that were the subject of the dispute between the parties. None of SPRPA and its affiliates released the Company and its affiliates from third party claims, if any, that are premised upon any omission of or action taken by the Company, NRS or certain of their affiliates prior to June 30, 2010; provided that recovery under such release for third party claims is capped at an aggregate of \$1 million.

The foregoing summaries of the Purchase Agreement, Termination Agreement, Note and SPRPA Release do not purport to be complete and are qualified in their entirety by reference to the terms of such agreements, copies of which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010.

Consent to Amended and Restated Credit Agreement. The Company obtained the consent of the required lenders (as defined in the credit facility) under its Amended and Restated Credit Agreement, dated as of July 10, 2007 (the credit facility) with respect to the transactions described above. As consideration for such consent, the Company agreed to repay \$26 million aggregate principal amount of indebtedness outstanding under the credit facility following the consummation of the transactions described above. The Company intends to use the net upfront proceeds of the transactions described above and cash on hand to satisfy such obligation. In addition, the Company has agreed to repay an additional \$10 million aggregate principal amount of indebtedness outstanding under the credit facility on or prior to June 30, 2011. Pursuant to the terms of the credit facility, the Company is required under certain circumstances to use excess cash (as defined in the credit facility) to repay indebtedness outstanding under the credit facility. Pursuant to the consent, the amount that the Company would otherwise be required to pay with respect to fiscal years 2010 and 2011 pursuant to such provision will be reduced by an amount equal to the prepayment amounts contemplated in connection with the transactions described above. Finally, the Company has agreed to pledge the Note as security for its obligations under the credit facility.

A press release announcing the Company's closing of the transaction described above and the entry into such agreements was issued on June 30, 2010 and is being filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 30, 2010, the Company sold all of the outstanding membership interests of MPS and ERS to FutureRad as described in Item 1.01 above. The pro forma impact of the sale of MPS and ERS on the Company's financial statements is set forth in Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

Certain unaudited pro forma financial information is filed hereto as Exhibit 99.2.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated June 30, 2010.
99.2	Pro forma financial information.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 2, 2010

NIGHTHAWK RADIOLOGY HOLDINGS, INC.

By: */s/* PAUL E. CARTEE
Paul E. Cartee
Senior Vice President and General Counsel

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1 Press Release dated June 30, 2010.

99.2 Pro forma financial information.

d, the Underwriter shall give its written consent thereto; provided, however, that such additional period of time shall terminate immediately;

41206 (9/84)

- (a) on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or
- (b) upon takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose

without the necessity of the Underwriter giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Underwriter shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any other purpose.

SECTION 15. CENTRAL HANDLING OF SECURITIES

Securities included in the systems for the central handling of securities established and maintained by Depository Trust Company, Midwest Depository Trust Company, Pacific Securities Depository Trust Company, and Philadelphia Depository Trust Company, hereinafter called Corporations, to the extent of the Insured's interest therein as effective by the making of appropriate entries on the books and records of such Corporations shall be deemed to be Property.

The words Employee and Employees shall be deemed to include the officers, partners, clerks and other employees of the New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, Pacific Stock Exchange and Philadelphia Stock

Exchange, hereinafter called Exchanges, and of the above named Corporations, and of any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and any employee of any recognized service company, while such officers, partners, clerks and other employees and employees of service companies perform services for such Corporations in the operation of such systems. For the purpose of the above definition a recognized service company shall be any company providing clerks or other personnel to said Exchanges or Corporation on a contract basis.

The Underwriter shall not be liable on account of any loss(es) in connection with the central handling of securities within the systems established and maintained by such Corporations, unless such loss(es) shall be in excess of the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations, against such loss(es), and then the Underwriter shall be liable hereunder only for the Insured's share of such excess loss(es), but in no event for more than the Limit of Liability applicable hereunder.

For the purpose of determining the Insured's share of excess loss(es) it shall be deemed that the Insured has an interest in any certificate representing any security included within such systems equivalent to the interest the Insured then has in all certificates representing the same security included within such systems and that such Corporations shall use their best judgement in apportioning the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es) in connection with the central handling of securities within such systems among all those having an interest as recorded by appropriate entries in the books and records of such Corporations in Property involved in such loss(es) on the basis that each such interest shall share in the amount(s) so recoverable or recovered in the ratio that the value of each such interest bears to the total

value of all such interests and that the Insured's share of such excess loss(es) shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by such Corporations.

This bond does not afford coverage in favor of such Corporations or Exchanges or any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and upon payment to the Insured by the Underwriter on account of any loss(es) within the systems, an assignment of such of the Insured's rights and causes of action as it may have against such Corporations or Exchanges shall to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights provided for herein.

SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED

If more than one corporation, co-partnership or person or any combination of them be included as the Insured herein:

- (a) the total liability of the Underwriter hereunder for loss or losses sustained by any one or more or all of them shall not exceed the limit for which the Underwriter would be liable hereunder if all such loss were sustained by any one of them,
- (b) the one first named herein shall be deemed authorized to make, adjust and receive and enforce payment of all claims hereunder and shall be deemed to be the agent of the others for such purposes and for the giving or receiving of any notice required or permitted to be given by the terms hereof, provided that the Underwriter shall furnish each named Investment Company with a copy of the bond and with any amendment thereto, together with a copy of each formal filing of the settlement of each such claim prior to the execution of such settlement,
- (c) the Underwriter shall not be responsible for the proper application of any payment made hereunder to said first named Insured,
- (d) knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall for the purposes of Section 4 and Section 13 of this bond constitute knowledge or discovery by all the Insured, and
- (e) if the first named Insured ceases for any reason to be covered under this bond, then the Insured next named shall thereafter be considered as the first named Insured for the purposes of this bond.

SECTION 17. NOTICE AND CHANGE OF CONTROL

Upon the Insured's obtaining knowledge of a transfer of its outstanding voting securities which results in a change in control (as set forth in Section 2(a) (9) of the Investment Company Act of 1940) of the Insured, the Insured shall within thirty (30) days of such knowledge give written notice to the Underwriter setting forth:

- (a) the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are requested in another name), and
- (b) the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and
- (c) the total number of outstanding voting securities.

As used in this section, control means the power to exercise a controlling influence over the management or policies of the Insured.

Failure to give the required notice shall result in termination of coverage of this bond, effective upon the date of stock transfer for any loss in which any transferee is concerned or implicated.

Such notice is not required to be given in the case of an Insured which is an Investment Company.

SECTION 18. CHANGE OR MODIFICATION

This bond or any instrument amending or effecting same may not be changed or modified orally. No changes in or modification thereof shall be effective unless made by written endorsement issued to form a part hereof over the signature of the Underwriter's Authorized Representative. When a bond covers only one

Investment Company no change or modification which would adversely affect the rights of the Investment Company shall be effective prior to 60 days after written notification has been furnished to the Securities and Exchange Commission, Washington, D.C. by the Insured or by the Underwriter. If more than one Investment Company is named as the Insured herein, the Underwriter shall give written notice to each Investment Company and to the Securities and Exchange Commission, Washington, D.C. not less than 60 days prior to the effective date of any change or modification which would adversely affect the rights of such Investment Company.

IN WITNESS WHEREOF, the Underwriter has caused this bond to be executed on the Declarations Page.

41206 (9/84)

ENDORSEMENT #1

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

NOTICE OF CLAIM

(REPORTING BY E-MAIL)

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. Email Reporting of Claims : In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c-claim@chartisinsurance.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: c-Claim for Financial Lines, Chartis, Financial Lines Claims, 175 Water Street, 9th Floor, New York, New York 10038 or faxing such notice to (866) 227-1750.

2. Definitions : For this endorsement only, the following definitions shall apply:
 - (a) Insurer means the Insurer, Underwriter or Company or other name specifically ascribed in this policy, the insurance company or underwriter for this policy.
 - (b) Notice of Claim Reporting means notice of claim/circumstance, notice of loss or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
 - (c) Policy means the policy, bond or other insurance product to which this endorsement is attached.

99758 (08/08)

ENDORSEMENT #1 - Continued

3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

99758 (08/08)

ENDORSEMENT #2

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

EMPLOYEE DEFINITION AMENDED RIDER

It is agreed that:

1. Paragraph (e) of Section 1. DEFINITIONS of the CONDITIONS AND LIMITATIONS Clause of the attached bond is amended by adding the following additional paragraph to the end thereof:

(e) Employee means:

- (1) any of the Insured's officers, partners, or employees, 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 Insured's offices, and
- (5) directors or trustees of the Insured, the investment advisor, underwriter (distributor), transfer agent, or shareholder accounting record keeper, or administrator authorized by written agreement to keep financial and/or other required records, 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 of the Insured, by contract, or by any agency furnishing temporary personnel on a contingent or part-time basis, and

ENDORSEMENT #2 - Continued

- (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, but excluding any such processor who acts as transfer agent or in any other agency capacity in issuing checks, drafts or securities for the Insured, unless included under Sub-section (9) hereof, and

- (8) those persons so designated in Section 15, Central Handling of Securities, and

- (9) any officer, partner or Employee of
 - a) an investment advisor,
 - b) an underwriter (distributor),
 - c) a transfer agent or shareholder accounting record-keeper, or
 - d) an administrator authorized by written agreement to keep financial and/or other required records,

for an Investment Company named as Insured while performing acts coming within the scope of the usual duties of an officer or Employee of any Investment Company named as Insured herein, 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 any such Investment Company, provided that only Employees or partners of a transfer agent, shareholder accounting record-keeper or administrator which is an affiliated person as defined in the Investment Company Act of 1940, of an Investment Company named as Insured or is an affiliated person of the adviser, underwriter or administrator of such Investment Company, and which is not a bank, shall

be included within the definition of Employee.

Each employer of temporary personnel or processors as set forth in Sub-Sections (6) and of Section 1(a) and their partners, officers and employees shall collectively be deemed to be one person for all the purposes of this bond, excepting, however, the last paragraph of Section 13.

Brokers, or other agents under contract or representatives of the same general character shall not be considered Employees.

- 2. Nothing contained here 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

ENDORSEMENT #3

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

CENTRAL HANDLING OF SECURITIES RIDER

It is agreed that:

1. Those premises of Depositories listed in the following Schedule shall be deemed to be premises of the insured but only as respects coverage on Certificated Securities:

SCHEDULE

DEPOSITORY

LOCATIONS COVERED

ALL DEPOSITORIES USED BY THE INSURED AND ALL LOCATIONS OF SAID DEPOSITORIES

2. Certificated Securities held by such Depository shall be deemed to be Property as defined in the attached bond to the extent of the Insured's interest as effected by the making of appropriate entries on the books and records of such Depository.
3. The attached bond does not afford coverage in favor of any Depository listed in the Schedule above. When the Underwriter indemnifies the Insured for a loss covered hereunder, the Insured will assign the rights and causes of action to the extent of the claim payment against the Depository, or any other entity or person against whom it has a cause of action, to the Underwriter.
4. If the rules of the Depository named in the Schedule above provide that the Insured shall be assessed for a portion of the judgment (or agreed settlement) taken by the Underwriter based upon the assignment set forth in part 3 above and the Insured actually pays such assessment, then the Underwriter will reimburse the Insured for the amount of the assessment but not exceeding the amount of the loss payment by the Underwriter.
5. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached bond other than as above stated.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #4

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

NEW YORK AMENDATORY ENDORSEMENT - NY STATUTE 3420

Wherever used in this endorsement: 1) we , us , our and Insurer mean the insurance company which issued this pol
2) you , your , Insured and first Named Insured mean the Named Corporation, Named Entity, Named Organizat
Named Sponsor, Named Insured, or Insured stated in the declarations page; 3) other insured(s) means all other persons
or entities afforded coverage under the policy; 4) Discovery Period means Discovery Period or Extended Reporting
Period, as defined in the policy; and 5) Claim means Claim or Suit as defined in the policy.

It is hereby understood and agreed that the policy is amended as follows:

A. The following provisions are hereby added to the policy:

FAILURE TO GIVE NOTICE WITHIN PRESCRIBED TIME:

Failure to give any notice required to be given by this policy, or any policy of which this is a renewal, within the prescribed time shall not invalidate any Claim made against an Insured if:

(a) it shall be shown not to have been reasonably possible to give notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter; or

(b) the failure to provide timely notice has not prejudiced the Insurer.

Any such Claim shall be deemed to have been first made against the Insured and noticed to the Insurer within the Policy Period or Discovery Period of the policy issued by the Insurer (the Noticed Policy) in which the Insurer received notice of the Claim; provided that the coverage afforded with respect to the Noticed Policy shall be in an amount not greater than the amount of coverage afforded with respect to the Policy Period of the policy issued by the Insurer (the Former Policy) in which the Claim was actually first made against the Insured. The foregoing sentence may result in (but not be limited to): (1) reducing the limit of liability available for such a Claim to the available limit of liability applicable to the

83231 (1/09)

ENDORSEMENT #4 - Continued

Former Policy; (2) increasing the applicable retention amount to that retention amount applicable to the Former Policy; or (3) reducing or eliminating coverage due to exclusions or other restrictions appearing in the Former Policy but eliminated, in part or in whole, in the Noticed Policy. No coverage shall be afforded under this endorsement if there was not in existence a Former Policy at the time the Claim was actually first made against the Insured.

PREJUDICE:

With respect to subsection (b) above, any such Claim must be noticed during the Policy Period or Discovery Period of a Noticed Policy which is a renewal or extension of the Former Policy.

Nothing in this endorsement shall be construed to provide coverage for a Claim under more than one Policy Period or Discovery Period.

In the event that the Insurer alleges that it was prejudiced as a result of a failure to give notice within the time required under the policy, the burden of proof shall be on:

- (a) the Insurer to prove that it has been prejudiced, if the notice was provided within two years of the time required under the policy; or
- (b) the Insured to prove that the Insurer has not been prejudiced, if the notice was provided more than two years after the time required under the policy.

The Insurer's rights shall not be deemed prejudiced unless the failure to timely provide notice materially impairs the ability of the Insurer to investigate or defend the Claim.

Notwithstanding the above, an irrebuttable presumption of prejudice shall apply if, prior to the notice, the Insured's liability has been determined by a court of competent jurisdiction or by a binding arbitration; or if the Insured has resolved the Claim by settlement or other compromise.

NOTICE TO AGENT:

Notice given by or on behalf of the Insured, or written notice by or on behalf of the injured party or any other claimant, to any licensed agent of the Insurer in the state of New York, with particulars sufficient to identify the Insured, shall be deemed notice to the Insurer.

83231 (1/09)

ENDORSEMENT #4 - Continued

INSOLVENCY/BANKRUPTCY OF INSURED:

The insolvency or bankruptcy of the Insured shall not relieve the Insurer of its obligations under this policy as long as all policy requirements are met by Insured, its trustee or receiver in bankruptcy. Should a covered judgment be rendered against an insolvent or bankrupt Insured, the Insurer shall be liable for the amount of such judgment not to exceed the applicable limit of liability under this policy.

B. The Clause entitled, *Action Against Us* or *Action Against Company* is deleted in its entirety and replaced with the following:

No one may bring an action against us unless there has been full compliance with all the terms of this policy and the amount of the Insured's obligation to pay has been finally determined either by:

1. judgment against the Insured which remains unsatisfied at the expiration of thirty (30) days from the service of notice of entry of the judgment upon the Insured and upon us; or
2. written agreement of the Insured, the claimant and us.

Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. We may not be impleaded by the Insured or its legal representative in any legal action brought against the Insured by any person or organization.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

83231 (1/09)

ENDORSEMENT #5

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

STOP PAYMENT LEGAL LIABILITY - SUB-LIMITED TO \$100K

It is agreed that:

1. In consideration of the additional 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 \$nil for each and every loss.
 - (2) the Underwriter's 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 bond other than as above stated.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #6

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

UNAUTHORIZED SIGNATURES - SUB-LIMITED TO \$100K; \$5K DED.

It is agreed that:

1. The attached bond is amended to include the following insuring agreement:

UNAUTHORIZED SIGNATURE

Loss resulting directly from the Insured having accepted, paid or cashed any original 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.

2. The Limit of Liability on this Agreement is \$100,000 as part of, and not in addition to, the Aggregate Limit of Liability shown on the Declaration Page; a \$5,000 deductible shall apply to each and every loss.
3. 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.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #7

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

TERMINATION OR CANCELLATION SECTION AMENDED TO 60 DAYS

It is agreed that:

1. Section 13. **TERMINATION** of the **CONDITIONS AND LIMITATIONS** Clause of the attached bond is deleted in its entirety and replaced with the following:

TERMINATION OR CANCELLATION

Section 13. The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date which cannot be prior to 60 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C. prior to 60 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 60 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata if terminated for any other reason.

This Bond shall terminate as to any Employee 60 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee.

2. Nothing contained here 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

ENDORSEMENT #8

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

COMPUTER SYSTEMS

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 Electronic Data or Computer Program into, or
- (2) Change of Electronic Data or Computer Program within any Computer Systems operated by the Insured, whether owned or leased; or any Computer System identified in the application for this bond; or a Computer System first used by the Insured during the Bond Period, as provided by General Agreement B of this bond;

provided that the entry or change causes

- (i) property to be transferred, paid or delivered,
- (ii) an account of the Insured, or of its customer, to be added, deleted, debited or credited, or
- (iii) an unauthorized account or a fictitious account to be debited or credited.

In this Insuring Agreement, fraudulent entry or change shall include such entry or change made by an Employee or the Insured acting in good faith

- (a) on an instruction from a software contractor who has a written agreement with the Insured to design, implement or service programs for a Computer System covered by this Insuring Agreement.

2. In addition to the Conditions and Limitations in the bond, the following, applicable to the Computer Systems Fraud Insuring Agreement, are added:

ENDORSEMENT #8 - Continued

DEFINITIONS

A. Computer Program means a set of related electronic instructions which direct the operations and functions of a computer or devices connected to it which enable the computer or devices to receive, process, store or send Electronic Data;

B. Computer Systems means

- 1) computers with related peripheral components, including storage components wherever located,
- 2) systems and applications software,
- 3) terminal devices, and
- 4) related communication networks

by which Electronic Data are electronically collected, transmitted, processed, stored and retrieved;

C. Electronic Data means facts or information converted to a form usable in a Computer System by Computer Programs, and which is stored on magnetic tapes or disks, or optical storage disks or other bulk media.

D. Telefacsimile Device means a machine capable of sending or receiving a duplicate image of a document by means of electronic impulses transmitted through a telephone line and which reproduces the duplicate image on paper;

E. Tested means a method of authenticating the contents of a communication by placing a valid test key on it which has been agreed upon between the Insured and a customer, automated clearing house, or another financial institution for the purpose of protecting the integrity of the communication in the ordinary course of business.

EXCLUSIONS

A. loss resulting directly or indirectly from the assumption of liability by the Insured by contract unless the liability arises from a loss covered by the Computer Systems Fraud Insuring Agreement and would be imposed on the Insured regardless of the existence of the contract;

ENDORSEMENT #8 - Continued

- B. loss resulting directly or indirectly from negotiable instruments, securities, documents or other written instruments which bear a forged signature, or are counterfeit, altered or otherwise fraudulent and which are used as source documentation in the preparation of Electronic Data or manually keyed into a data terminal;

- C. loss resulting directly or indirectly from
 - 1) mechanical failure, faulty construction, error in design, latent defect, fire, wear or tear, gradual deterioration, electrical disturbance or electrical surge which affects a Computer System, or

 - 2) failure or breakdown of electronic data processing media, or

 - 3) error or omission in programming or processing;

- D. loss resulting directly or indirectly from the input of Electronic Data into a Computer System terminal device either on the premises of a customer of the Insured or under the control of such a customer by a person who had authorized access to the customer's authentication mechanism;

- E. loss resulting directly from the theft of confidential information

SERIES OF LOSSES

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

- 3. The exclusion below, as found in financial institution bonds forms 14 and 25, does not apply to the Computer Systems Fraud Insuring Agreement.

ENDORSEMENT #8 - Continued

loss involving any Uncertificated Security except an Uncertificated Security of any Federal Reserve Bank of the United States or when covered under Insuring Agreement (A);

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

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #9

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

AUDIT EXPENSE COVERAGE

It is agreed that:

1. An additional paragraph, as follows, is inserted as the fifth paragraph of the Fidelity Insuring Agreement.
Audit Expense Coverage \$50,000 (for coverage, an amount must be inserted)

This Insuring Agreement shall be subject to a deductible of \$5,000

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 paragraph of Insuring Agreement (A) shall be part of and not in addition to the Single Loss Limit of Liability stated in Item 4 of the Declarations.

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

- (d) loss resulting directly or indirectly from any acts of 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 when performing acts coming within the scope of the usual duties of an Employee, or 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;

ENDORSEMENT #9 - Continued

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 portion of Insuring Agreement (A) 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;

AUTHORIZED REPRESENTATIVE

ENDORSEMENT #10

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

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 sanction laws or 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).

AUTHORIZED REPRESENTATIVE

89644 (7/05)

ENDORSEMENT #11

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

NEW YORK STATUTORY RIDER/ENDORSEMENT

It is agreed that:

1. Part (a) of the Section entitled Termination or Cancellation of this bond/policy is deleted.

2. Cancellation of this bond/policy by the Underwriter/Company is subject to the following provisions:
If the bond/policy has been in effect for 60 days or less, it may be cancelled by the Underwriter/Company for any reason. Such cancellation shall be effective 20 days after the Underwriter/Company mails a notice of cancellation to the first-named insured at the mailing address shown in the bond/policy. However, if the bond/policy has been in effect for more than 60 days or is a renewal, then cancellation must be based on one of the following grounds:
 - (A) non-payment of premium;

 - (B) conviction of a crime arising out of acts increasing the hazard insured against;

 - (C) discovery of fraud or material misrepresentation in the obtaining of the bond/policy or in the presentation of claim thereunder;

 - (D) after issuance of the bond/policy or after the last renewal date, discovery of an act or omission, or a violation of any bond/policy condition that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current bond/policy period;

 - (E) material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the bond/policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the bond/policy was issued or last renewed;

 - (F) the cancellation is required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of the insureds, the insurer's creditors or the public;

SR6180b (12/93)

ENDORSEMENT #11 - Continued

- (G) a determination by the superintendent that the continuation of the bond/policy would violate, or would place the insurer in violation of, any provision of the New York State insurance laws.
- (H) where the insurer has reason to believe, in good faith and with sufficient cause, that there is a possible risk or danger that the insured property will be destroyed by the insured for the purpose of collecting the insurance proceeds, provided, however, that:
- (i) a notice of cancellation on this ground shall inform the insured in plain language that the insured must act within ten days if review by the Insurance Department of the State of New York of the ground for cancellation is desired, and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department of the State of New York. Cancellation based on one of the above grounds shall be effective 15 days after the notice of cancellation is mailed or delivered to the named insured, at the address shown on the bond/policy, and to its authorized agent or broker.
3. If the Underwriter/Company elects not to replace a bond/policy at the termination of the bond/policy period, it shall notify the insured not more than 120 days nor less than 60 days before termination. If such notice is given late, the bond/policy shall continue in effect for 60 days after such notice is given. The Aggregate Limit of Liability shall not be increased or reinstated. The notice not to replace shall be mailed to the insured and its broker or agent.
4. If the Underwriter/Company elects to replace the bond/policy, but with a change of limits, reduced coverage, increased deductible, additional exclusion, or upon increased premiums in excess of ten percent (exclusive of any premium increase as a result of experience rating), the Underwriter must mail written notice to the insured and its agent or broker not more than 120 days nor less than 60 days before replacement. If such notice is given late, the replacement bond/policy shall be in effect with the same terms, conditions and rates as the terminated bond/policy for 60 days after such notice is given.

SR6180b (12/93)

ENDORSEMENT #11 - Continued

5. The Underwriter/Company may elect to simply notify the insured that the bond/policy will either be not renewed or renewed with different terms, conditions or rates. In this event, the Underwriter/Company will inform the insured that a second notice will be sent at a later date specifying the Underwriter's/Company's exact intention. The Underwriter shall inform the insured that, in the meantime, coverage shall continue on the same terms, conditions and rates as the expiring bond/policy until the expiration date of the bond/policy or 60 days after the second notice is mailed or delivered, whichever is later.

FOR USE WITH FINANCIAL INSTITUTION BONDS,

STANDARD FORMS NOS. 14, 15, 24, AND 25 AND

EXCESS BANK EMPLOYEE DISHONESTY BONDS,

STANDARD FORM NO. 28, AND COMPUTER CRIME

POLICY FOR FINANCIAL INSTITUTIONS TO COMPLY

WITH STATUTORY REQUIREMENTS.

SR6180b (12/93) AUTHORIZED REPRESENTATIVE

AUTHORIZED REPRESENTATIVE

SR6180b (12/93)

ENDORSEMENT #12

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

ADDITIONAL INSUREDS RIDER

It is agreed that:

1. Item 1 of the Declarations, Name of Insured (herein called Insured), is amended to include the following listed entities as additional Insureds under the attached bond:

Apollo Tactical Income Fund, Inc

Apollo Credit Management, LLC

2. Nothing contained here 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

ENDORSEMENT #13

This endorsement, effective 12:01 am February 26, 2013 forms a part of

Policy number: 01-770-70-86

Issued to: APOLLO SENIOR FLOATING RATE FUND INC.

By: National Union Fire Insurance Company of Pittsburgh, Pa.

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
41205	04/95	INVESTMENET COMPANY BLANKET BOND DEC
41206	09/84	INVESTMENET COMPANY BLANKET BOND GUTS
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
Manuscript		EMPLOYEE DEFINITION AMENDED RIDER
Manuscript		CENTRAL HANDLING OF SECURITIES RIDER
83231	01/09	NEW YORK LAW 3420 AMENDATORY ENDORSEMENT
Manuscript		STOP PAYMENT LEGAL LIABILITY SUB-LIMITED TO \$100K
Manuscript		UNAUTHORIZED SIGNATURES SUB-LIMITED TO \$100K; \$5K DED.
Manuscript		TERMINATION OR CANCELLATION SECTION AMENDED TO 60 DAYS
Manuscript		COMPUTER SYSTEMS
Manuscript		AUDIT EXPENSE COVERAGE
89644	07/05	COVERAGE TERRITORY ENDORSEMENT
SR6180b	12/93	NEW YORK STATUTORY RIDER/ENDORSEMENT
Manuscript		ADDITIONAL INSUREDS RIDER
78859	10/01	FORMS INDEX ENDORSEMENT

AUTHORIZED REPRESENTATIVE

78859 (10/01)

CERTIFICATE OF SECRETARY

The undersigned, Joseph D. Glatt, Secretary of Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc. (each, a Fund and collectively, the Funds), each an investment company registered under the Investment Company Act of 1940 (the 1940 Act), does hereby certify that the following resolutions were duly adopted by a special committee of each Fund s board of directors (the Committee), consisting of a majority of the directors who are not interested persons (as defined by the 1940 Act) of the Funds (the Committee Members), on February 26, 2013:

RESOLVED, that each Fund shall be named as an insured under a joint insured fidelity bond (the Bond) having an aggregate coverage of \$5 million issued by Chartis, Inc., against larceny and embezzlement and such other types of losses as are included in standard fidelity bonds, covering the officers and the other employees of the Funds from time to time, containing such provisions as may be required by the rules promulgated under the 1940 Act; and

FURTHER RESOLVED, that the proposed form and amount of the Bond be, and the same hereby are, approved by the Committee Members, based on such factors including, but not limited to the amount of the Bond, the value of the assets of each Fund to which any person covered under the Bond may have access, the estimated amount of the premium for such Bond, the type and terms of the arrangements made for the custody and safekeeping of each Fund s assets, and the nature of the securities in each Fund s portfolio; and

FURTHER RESOLVED, that the share of the premium to be allocated to each Fund and the Adviser for the Bond, which is based upon their proportionate share of the sum of the premiums that would have been paid if such Bond had been purchased separately, be, and the same hereby is, approved by the Committee Members, after having given due consideration to, among other things, the number of other parties insured under the Bond, the nature of the business activities of those other parties, the amount of the Bond, the amount of the premium for the Bond, the ratable allocation of the premium among the parties insured under the Bond, and the extent to which the share of the premium allocated to each Fund under the Bond is less than the premium that a Fund would have had to pay had it maintained a single insured bond; and

FURTHER RESOLVED, that the officers of each Fund be, and each of them hereby is, authorized to obtain the Bond and pay the premium therefore; and

FURTHER RESOLVED, that each Fund participate in the joint fidelity bond under which benefits as well as costs of the joint fidelity bond be allocated to the Adviser and each Fund on the terms discussed at this Committee Meeting; and

FURTHER RESOLVED, that the agreement among each Fund and the Adviser providing that in the event that any recovery is received under the Bond as a result of a loss sustained by a Fund and also by any other named insured, the Fund shall receive an equitable and proportionate share of the recovery, but in no event less than the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1 is approved with such further changes therein as the officers of the Funds may determine to be necessary or desirable and proper with the advice of Fund counsel, the execution of said Joint Fidelity Bond Agreement by such officers to be conclusive evidence of such determination; and

FURTHER RESOLVED, that the Secretary of the Funds be, and hereby is, designated as the party responsible for making the necessary filings and giving notices with respect to the Bond required by paragraph (g) of Rule 17g-1 under the 1940 Act.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed this 14th day of March, 2013.

/s/ Joseph D. Glatt
Joseph D. Glatt
Secretary

Apollo Funds Complex

Rule 17g-1 Fidelity Bond Filing

Amount of Single Insured Bond for Joint Insureds

Period of Coverage: February 26, 2013 to February 26, 2014

Fund	Single Insured Bond Coverage
Apollo Senior Floating Rate Fund Inc.	\$750,000
Apollo Tactical Income Fund Inc.	\$750,000

JOINT FIDELITY BOND AGREEMENT

This JOINT FIDELITY BOND AGREEMENT is effective for the period of February 26, 2013 through February 26, 2014 by and among Apollo Senior Floating Rate Fund Inc. (AFT), a Maryland corporation, Apollo Tactical Income Fund Inc. (AIF and together with AFT, the Funds), a Maryland corporation, and Apollo Credit Management, LLC (the Adviser), a Delaware limited liability company.

WITNESSETH:

WHEREAS, the Funds and the Adviser are joint named insureds (each, an Insured and collectively, the Insureds) under a fidelity bond from time to time in effect (the Bond);

WHEREAS, the Funds are required to provide and maintain a fidelity bond pursuant to Rule 17g-1 under the Investment Company Act of 1940, as amended (the 1940 Act);

WHEREAS, Rule 17g-1 under the 1940 Act requires that the Insureds enter into an agreement with each other, containing certain provisions regarding the respective amounts to be received by them in the event recovery is received under the Bond as a result of a loss sustained by them; and

WHEREAS, this Agreement has been approved by the directors of each Fund, including a majority of the directors who are not interested persons of each Fund (as defined in the 1940 Act).

NOW THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants contained herein, hereby agree as follows:

1. Each Insured agrees to maintain in effect, and will pay a portion of the premiums for, the Bond, which premium will be allocated pro rata in accordance with the allocation approved by each Fund s board of directors and agreed to by the Adviser. In no event will a Fund s allocated portion of the total premium paid for the Bond exceed the premium such Fund would have had to pay if it had provided and maintained a single insured bond.
2. In the event recovery is received under the Bond as a result of a loss sustained by each Insured, each Insured shall receive an equitable and proportionate share of the recovery, but each Insured shall receive an amount at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1 under the 1940 Act.
3. Each party shall, within five days after making any claim under the Bond, provide the other party with written notice of the amount and nature of such claim. Each party shall, within five days after the receipt thereof, provide the other party with written notice of the terms of settlement of any claim made under the Bond by such party.

4. This Agreement and the rights and duties hereunder shall not be assignable by any party hereto without the written consent of the other party.

5. This Agreement may be amended by the parties hereto only if such amendment is approved by the Board of Directors of each Fund and such amendment is set forth in a written instrument executed by each of the parties hereto.

6. This Agreement shall be construed in accordance with the laws of the State of New York.

This agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties and is effective as of the date of the commencement of coverage under the Bond.

APOLLO SENIOR FLOATING RATE FUND INC.

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Chief Legal Officer and Secretary

APOLLO TACTICAL INCOME FUND INC.

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Chief Legal Officer and Secretary

APOLLO CREDIT MANAGEMENT, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President and Secretary