

**PLEASE COMPLETE TO AVOID DELAYS IN ESTABLISHING THE ACCOUNT**

**This form is for your convenience. Please do not return with your application**

APPLICATION

- DID YOU INCLUDE A **LEGIBLE** COPY OF YOUR DRIVER LICENSE OR PASSPORT ? YOUR PICTURE MUST BE LEGIBLE. A COLOR COPY MAGNIFIED 200% IS PREFERRED.

**YOUR APPLICATION CANNOT BE PROCESSED WITHOUT THIS PHOTO ID.**

- Did you complete the Account Application (3 pages)?
- Did you sign and date the Account Application?
- Did you provide information for a Third Party Authorization in Part D of the Account Application (if you want to give someone else access to your account information)?
- Did you sign and date the Fee Agreement?

IA

- If you are making an investment at this time, did you complete the Investment Authorization and sign and date the Investment Authorization?

FEES

- Did you select how you would like to pay your fees on the Fee Agreement (Invoice, debit your IRA, or credit card)? If you want fees debited from your account, are you leaving adequate cash?
- Did you attach a check for the account setup and first year fees?

FUNDING YOUR IRA

- Are you are transferring money from another IRA to your new IRA with Liberty Trust Company? If so, did you
  - Complete an Account Transfer Request and sign in Part 5?
- Are you are making a direct rollover from an employer retirement plan to your new IRA with Liberty Trust Company? If so, did you
  - Contact the retirement plan administrator and complete the plan's distribution election forms to initiate the direct rollover?
  - Complete a Direct Rollover Request and sign in part 5?
- Did you include a check with your application to be deposited to your account? If so, did you
  - Enclose a completed Contribution Designation identifying the nature of the deposit?

[Empty box for account number]

(LIBERTY TRUST COMPANY ACCOUNT NUMBER)

FOR PROCESSING, RETURN TO: IPS ♦ 8226 Douglas Avenue ♦ Suite 520 ♦ Dallas, Texas 75225-5927 ♦ 800-473-1977 ♦ 855-739-1987 FAX

(Effective July 10, 2016)
(Fees are not prorated)

SELECTION OF FEE PAYMENT ARRANGEMENT—Please choose your preferred method of payment below.

\*A separate check may be enclosed for set-up and first year fees\*

- Debit My IRA Account - appropriate cash balance must be kept. If your account does not have adequate cash for fees, you will be invoiced.
Invoice - a fee of \$5 per invoice applies
Credit Card \*(Account Owner's credit card information listed on page 3 is required if credit card option is selected.)
\* Your card will be charged for any fees and an invoice marked paid will be mailed to you. A fee of \$5 per invoice applies

If no payment method is selected, fees will be deducted from your account to the extent there is cash available in your account. If your account does not have adequate cash to pay fees, you will be invoiced and applicable invoicing fees will apply.

The set-up fee is due upon account opening. A check for \$50 is made payable to Liberty Trust Company must be included with the Account Application. All other fees will be debited from your account to the extent there is cash available in your account. If your account does not have adequate cash for fees, you will be invoiced. The Account Maintenance and Asset Holding Fees are charged annually in the month that you opened your account. Transaction and Processing Fees are charged at the time the service is provided. The Annual Holding Fees for any asset purchases will be charged at the time of the service and are not prorated. If you wish to change your method of payment, you will need to complete a new Fee Agreement.

You are required to maintain a minimum cash balance of \$500 in your account. A fee of \$25 may be assessed each quarter if your cash balance is less than \$500 at the end of the quarter.

The balance that appears on invoices or statements shall be payable in full no later than thirty (30) days from the date of the invoice or statement. A late fee of \$7.50 per month will be charged on past due balances until paid. Failure to make payment in full constitutes a default. Any balance outstanding for more than (30) days will be debited from your account to the extent cash is available, regardless of payment method selected. We may place a lien on the assets in the account and/or assets may be liquidated to pay for such fees, as outlined in the 5305. I understand this Fee Agreement and the Fee Schedule and agree to be bound by their terms. The Custodian may change this Fee Agreement and/or the Fee Schedule at any time after thirty (30) days written notice to the Account Owner.

Under penalty of perjury, I declare and certify that this form, except for the information provided in the completion of the form, is identical, word for word, to the form provided by Liberty Trust Company ("LTC"), via its website or by any other means, and has not been altered in any manner whatsoever by me or, to my knowledge, by any third party. In the event that this form has been modified, with or without my knowledge, I agree that any such modification shall be null and void and that the language of the form as it was provided by LTC shall override any conflicting language.

Printed Name: X \_\_\_\_\_

Signature: X \_\_\_\_\_ Date: X \_\_\_\_\_

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(Effective July 10, 2016)  
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**ACCOUNT SET-UP FEE**.....\$50

**ANNUAL FEES**

**Annual Account Maintenance Fee**.....\$125

**Annual Asset Holding Fees**

Alternative Asset (other than real estate).....\$125

Real Estate.....\$150

**TRANSACTION AND PROCESSING FEES**

Purchase/Sale/Exchange (other than real estate).....\$75

Purchase/Sale/Exchange (real estate).....\$150

Roth Conversion.....\$25 per asset plus re-registration fees

Recharacterization.....\$50 plus \$25 per asset plus re-registration fees

Domestic Wire Transfer.....\$25

International Wire Transfer.....\$60

Distribution/Outgoing Transfer Processing Fee .....\$10

Expense Payment Processing Fee.....\$10

Overnight or courier delivery (Domestic).....\$35

Overnight or courier delivery (International).....Actual delivery charge + \$10

Returned checks or wires/stop payment/declined credit card.....\$35 per item

Change of asset ownership (re-registration).....\$100

Corrected form 1099-R or Form 5498.....\$50

Research/Special Services.....\$150 per hour

Reopen closed account.....\$25

Processing fee for Incoming Transfer under \$2,000.....\$50

Return of Excess IRA/SEP contribution.....\$50 plus \$25 per asset plus re-registration fees

Quarterly fee if cash balance is under \$500.....\$25

Capital calls/subsequent investments into existing asset.....\$25

Notary Fee.....\$10

Invoice.....\$5 per invoice

Duplicate/Corrected Statement.....\$10

Note Modification.....\$50

Custodian Signature of Document (other than purchase).....\$10

Late Asset Valuation Update Fee.....\$150

Required Minimum Distribution (RMD) Recalculation<sup>1</sup>.....\$100

Same day processing (must be received by 10:00 A.M.).....\$100

Next day processing (must be received by 3:00 P.M.).....\$50

Account Termination Fee.....\$250

Fees for services not listed above may be charged at the discretion of Liberty Trust Company

Fees may be changed after thirty (30) days notice

Printed Name: **X** \_\_\_\_\_

Signature: **X** \_\_\_\_\_ Date: **X** \_\_\_\_\_

<sup>1</sup> A calculation of the RMD is provided each January based on the account value as of the preceding December 31. The calculation fee will be charged for each additional calculation requested.



LIBERTY TRUST COMPANY

# CREDIT CARD INFORMATION

(LIBERTY TRUST COMPANY ACCOUNT NUMBER)

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## CREDIT CARD INFORMATION

**\* If you selected for fees to be paid by credit card, please supply the necessary information below.** This information will be used solely to pay fees for your IRA account and will be kept confidential. After charging your card, an invoice marked paid will be mailed you. The \$5 invoice fee will apply.

**Name:** (as it appears on your Account Application)

**Name of Cardholder:** \_\_\_\_\_ (as it appears on card)

**Credit Card #:** \_\_\_\_\_ **Expiration Date:** \_\_\_\_\_ / \_\_\_\_\_  
Month Year

**Card Type:**  Visa  Mastercard  Discover **Card Security Code:** \_\_\_\_\_

**Cardholder Billing Address:**

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_

**By executing this credit card Agreement, I authorize Liberty Trust Company to charge my credit card for fees.**

**I understand and acknowledge that there will be a \$35 fee charged for a declined credit card.**

**Printed Name:** **X** \_\_\_\_\_

**Signature:** **X** \_\_\_\_\_ **Date:** **X** \_\_\_\_\_

FOR SECURITY REASONS, please do not fax this form without calling our office first.

**PRIVACY NOTICE:**

We believe that each customer relationship at Liberty Trust Company, Ltd. is built on trust. We are committed to guarding that relationship with great care, beginning with the information you share with us. The following privacy policy explains how we use and protect the information about our customers. We ask that you read it carefully.

**INFORMATION WE COLLECT:**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

**INFORMATION THAT WE DISCLOSE:**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

**CONFIDENTIALITY AND SECURITY:**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

**USA PATRIOT Act:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**Below are some definitions that you might find helpful in setting up your account.**

- A. **TRANSFER:** Describes the movement of assets directly between IRA Custodians/Trustees **without distribution to the Accountholder**, resulting in no tax forms being generated by the current Custodian/Trustee or by the receiving Custodian/Trustee. In a transfer, checks from the current Custodian/Trustee will be made payable to the new Custodian/Trustee.
- B. **ROLLOVER:** Describes a cash and/or asset contribution to an IRA by an individual within sixty (60) days of receiving an eligible rollover distribution. **To make a rollover, the individual must have received an eligible distribution made payable to him or her.** The individual may roll over all or any part of the actual amount received and, if the distribution was from an employer sponsored retirement plan or 403(a) or (b) annuity (thus subject to the 20% federal income tax withholding), he/she may roll over up to 100% of the distribution by making up the 20% difference that was previously withheld.
- C. **DIRECT ROLLOVER:** Describes a movement of cash and/or assets that takes place directly between the Custodian/Trustee of an employer sponsored retirement plan (such as profit sharing, money purchase, defined benefit, etc.), or the administrator of a 403(a) or (b) annuity, and the Custodian/Trustee of an IRA. By directly rolling an eligible rollover distribution to this IRA (as opposed to receiving an outright distribution as described above under "Rollover"), the individual can avoid the mandatory 20% federal income tax withholding imposed on such distributions.
- D. **INHERITED IRA (BENEFICIARY IRA/BENEFICIAL IRA):** An Inherited IRA is an IRA that has been inherited by the beneficiary after the death of the original Account Owner. This type of IRA is also referred to as an **Beneficiary IRA or a Beneficial IRA**. Since any type of IRA, whether Traditional or Roth, provides for the designation of a beneficiary, an Inherited IRA will also be a Traditional or Roth. Knowing whether the original account was a Traditional IRA or a Roth IRA is important because distributions from Traditional and Roth IRAs are taxed differently. (The original IRA could also have been a Simple IRA. The taxation rules regarding distributions from Simple IRAs generally follow the rules for Traditional IRAs. However, a special rule applies to distributions from a Simple IRA during the participant's first two years in the plan.) We require additional documentation and review before an Inherited IRA may be established or transferred. Generally, as indicated on the Account Application, we require decedent's name and date of death, as well as a copy of the death certificate.

**There are four different types of Inherited IRAs:**

1. **NON-SPOUSE BENEFICIARY:** This is an IRA inherited by a non-spouse beneficiary who is transferring to an account in the name of the deceased for benefit of the named beneficiary. The beneficiary must take distributions from the account to satisfy the required minimum distribution (RMD) rules. The beneficiary cannot make additional contributions or rollovers to the IRA.
2. **SPOUSE BENEFICIARY:** This is an IRA inherited by the surviving spouse beneficiary who is transferring to an account in the name of the deceased for benefit of the spouse beneficiary. The surviving spouse must start receiving required minimum distributions (RMDs). The first RMD would be for the year that the deceased account holder would have reached age 70 ½. The spouse beneficiary could also assume the IRA as his/her own. See Spousal Assumption below.
3. **SPOUSAL ASSUMPTIONS:** The designated spouse beneficiary of the account holder may elect to transfer or assume the spouse's IRA account as his or her own IRA. The regular IRA rules will apply as if the funds were originally contributed on behalf of the spouse. If the surviving spouse does not already have an account with Liberty Trust Company, Ltd., he or she will need to complete an Account Application and return it to us.
4. **NON-SPOUSE BENEFICIARY DIRECT ROLLOVER:** This type of account first became available in 2007 as a result of the Pension Protection Act passed in 2006. This involves the movement of cash and/or assets directly between the Custodian/Trustee of an employer sponsored retirement plan (such as profit sharing, money purchase, defined benefit, etc.) or the administrator of a 403(a) or (b) annuity and the trustee of a Traditional Inherited IRA. The IRA account must be established in the name of the deceased plan participant for the benefit of the non-spouse beneficiary. Distributions from this account are determined according to the timing of the rollover in relation to the date of death of the plan participant. Required distributions for the year of the transaction may not be rolled over to the Inherited IRA account.

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**A**

**BASIC ACCOUNT OWNER INFORMATION**

Legal Name: \_\_\_\_\_ Soc. Sec. Number: \_\_\_\_\_

Legal Residence\*: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Home Phone: \_\_\_\_\_

\*If this address is different than the one on your ID, you must provide explanation of the discrepancy.

Mailing Address: (if different) \_\_\_\_\_ Daytime Phone: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Driver's Lic. #: \_\_\_\_\_ State: \_\_\_\_\_ Exp: \_\_\_\_\_ Occupation: \_\_\_\_\_

**Online Account Access:** Check this box if you would like online access activated for your account. **\*You must provide a valid email address.\*** Email: \_\_\_\_\_

**B**

**DESIGNATION OF ACCOUNT TYPE**

Traditional IRA       Roth IRA       SEP IRA       Simple IRA  
Employer Name: \_\_\_\_\_

Is this also an Inherited IRA?     Yes     No    **(If yes, please include a copy of a death certificate)**

Decedent's Name: \_\_\_\_\_ Date of Death: \_\_\_\_\_

**C**

**INITIAL FUNDING**

**(See Definitions Page)**

**Transfer from an IRA**      Estimated Amount: \$ \_\_\_\_\_  
(Complete an Account Transfer Request)

**Rollover from a Qualified Plan**      Estimated Amount: \$ \_\_\_\_\_  
(Contact current custodian / trustee for required paperwork and complete a Direct Rollover Request)

**Check Included**  
(Complete a Contribution Designation form. \* **check cannot be deposited without this** \*)

**D**

**THIRD PARTY AUTHORIZATION**

I hereby delegate to the authorized person named below the authority to have online access to view my account. I also authorize Liberty Trust Company to disclose information regarding my account to this person.

Name of Representative: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_ FAX Number: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Email Address: \_\_\_\_\_

**For Liberty Trust Company use only:**

Account Number: \_\_\_\_\_ Notes: \_\_\_\_\_

**E****BENEFICIARY DESIGNATION**

Only if there are no surviving primary beneficiaries when you die will contingent beneficiaries receive the account funds.

<b>PRIMARY BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>PRIMARY BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>PRIMARY BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>CONTINGENT BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>CONTINGENT BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>CONTINGENT BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____
<b>CONTINGENT BENEFICIARY</b>	Name: _____ SSN: _____ Date of Birth: ___/___/___ Share: _____% Relationship: _____

**F****SPOUSAL CONSENT**

Spousal consent may be required only if your spouse has not been named the sole primary beneficiary and you or your spouse is a resident of a community or marital property state. The state laws in which the custodian resides, the transaction occurs or the trust is held should also be consulted regarding the spousal consent requirement.

I am the spouse of the Account Owner named above, I agree to my spouse's naming of a Primary Beneficiary other than myself, and I acknowledge that I shall have no claim whatsoever against IRA Plus Southwest, LLC or Liberty Trust Company, Ltd. for any payment to my spouse's beneficiary (ies).

**Spouse's Printed Name:** \_\_\_\_\_

**Spouse's Signature:** **X** \_\_\_\_\_ **Date:** **X** \_\_\_\_\_





**ACCOUNT OWNER ACKNOWLEDGEMENTS, REPRESENTATIONS AND SIGNATURE**

I, the above named Account Owner, appoint Liberty Trust Company, Ltd. as Custodian of my IRA and hereby agree, acknowledge and represent the following:

A. I acknowledge and agree to all of the provisions, and specifically the investment provisions, of the Custodial Agreement (Form 5305-A for a Traditional IRA; Form 5530-RA for a Roth IRA; Form 5305-SA for a SIMPLE IRA ) that is hereby incorporated by reference into this section of this Account Application.

B. I agree and acknowledge that neither Liberty Trust Company, Ltd. nor IRA Plus Southwest, LLC is a fiduciary with regard to my IRA.

C. I further agree and acknowledge that I have the sole responsibility for the investment of my IRA assets with Liberty Trust Company, Ltd. and that Liberty Trust Company, Ltd. and IRA Plus Southwest, LLC shall have NO LIABILITY for any losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of my IRA resulting from transactions executed by IRA Plus Southwest, LLC and/or Liberty Trust Company, Ltd. and authorized by me or my power of attorney.

D. I agree and acknowledge that Liberty Trust Company, Ltd. and IRA Plus Southwest, LLC have not provided and do not provide any investment management or investment, legal or tax advice and will not be responsible for any investment results (gain or loss) of any asset in my IRA.

E. I agree and represent that it is solely my responsibility to perform the due diligence with regard to any investment or investment sponsor, including but not limited to, obtaining and reading any applicable prospectus, private placement memorandum, offering circular or similar document prior to authorizing Liberty Trust Company, Ltd. and/or IRA Plus Southwest, LLC to make any investment on behalf of my IRA.

**F. I agree and acknowledge that neither Liberty Trust Company, Ltd. nor Plus Southwest, LLC has a duty to review or evaluate any investment or any sponsor of any investment. I further agree and acknowledge that neither Liberty Trust Company, Ltd. nor Plus Southwest, LLC will review or evaluate any investment or any sponsor of any investment.**

G. I agree to defend and indemnify Liberty Trust Company, Ltd. and IRA Plus Southwest, LLC and to hold them harmless from and against **all losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of my IRA** resulting from transactions executed by Liberty Trust Company, Ltd. and/or IRA Plus Southwest, LLC and authorized by me, my power of attorney or other authorized representative in connection with any investment which I hold in my account.

H. I acknowledge and represent that it is solely my responsibility to understand and comply with the eligibility requirements for establishing an IRA, making rollover contributions or transfers and for making all of the investments that are held my IRA or that will be made in the future.

I. I agree and acknowledge that Liberty Trust Company, Ltd. and IRA Plus Southwest, LLC have no responsibility for tax consequences due to additions to or distributions from my IRA.

J. I acknowledge and represent that I have received and read the Individual Retirement Account Custodial Agreement, the accompanying Disclosure Statement, and the accompanying Fee Agreement and I understand, acknowledge, and agree to be bound by the terms and conditions in each document.

K. I acknowledge and agree that it is solely my responsibility to comply with the provisions of Internal Revenue Section 4975 "Tax on Prohibited Transactions" and that it may be necessary for me to obtain competent legal counsel in addition to having personal understanding of the provisions. I agree to notify Liberty Trust Company, Ltd. if a prohibited transaction occurs with regard to my IRA.

L. I agree and acknowledge that (1) I am solely responsible for providing Liberty Trust Company, Ltd. with the Fair Market Value of the assets held in my IRA and for the accuracy of the Fair Market Value; (2) Liberty Trust Company, Ltd. is in no way responsible for the accuracy of the Fair Market Value reported to me or the IRS; (3) the fact that Liberty Trust Company, Ltd. reports the FMV (provided to Liberty Trust Company, Ltd. by me or by a third party authorized by me to provide the FMV to Liberty Trust Company, Ltd.) to me, the IRS, or other party shall in no way imply or be interpreted to mean that Liberty Trust Company, Ltd. has independently determined the FMV being reported or that Liberty Trust Company, Ltd. is guaranteeing the FMV or that the asset can be sold for the FMV being reported; (4) Liberty Trust Company, Ltd. has no responsibility for the tax consequences of any taxable event based on the FMV of any asset held in the Account, including but not limited to required minimum distributions, normal or early distributions or Roth Conversions.

M. I represent, agree and acknowledge that I understand the requirements of Internal Revenue Code Section 401(a)(9) Required Minimum Distributions with respect to my IRA account including the severe penalties (50% excise tax) for not making timely Required Minimum Distributions. I further agree and acknowledge that I am solely responsible for determining the amount and requesting distribution of any Required Minimum Distributions.

N. I agree and acknowledge that I am solely responsible for determining whether any Unrelated Business Taxable Income is generated by any investment in my IRA and for the proper filing of Form 990-T and payment of any required tax and that the tax must be paid by my IRA and not by me.

O. I acknowledge and agree that, except to the extent that it is governed by or subject to the Internal Revenue Code and Regulations or other federal law, this agreement shall be governed by the laws of the State of South Dakota.

M. Under penalty of perjury, I declare and certify that this form, except for the information provided in the completion of the form, is identical, word for word, to the form provided by Liberty Trust Company, Ltd. ("LTC"), via its website or by any other means, and has not been altered in any manner whatsoever by me or, to my knowledge, by any third party. In the event that this form has been modified, with or without my knowledge, I agree that any such modification shall be null and void and that the language of the form as it was provided by LTC shall override any conflicting language.

**Please attach a legible copy of your unexpired Driver's License, Passport, or other Government issued photo ID**

Signature: X Date: X

**For Liberty Trust Company use only:** Accepted in South Dakota by Liberty Trust Company, Ltd., Custodian.  
Custodian Signature: X Date: X

(LIBERTY TRUST COMPANY ACCOUNT NUMBER)

Use this form to transfer all or part of the assets from an IRA with another custodian to your IRA with Liberty Trust Company, Ltd.

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## 1 ACCOUNT OWNER INFORMATION

Legal Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_ Soc. Sec. Number: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Type of Account at Liberty Trust Company, Ltd. (check one):

Name of deceased: \_\_\_\_\_

Traditional IRA    Roth IRA    SEP IRA    SIMPLE IRA    This is also an Inherited IRA \_\_\_\_\_

## 2 CURRENT CUSTODIAN INFORMATION

Name of Custodian: \_\_\_\_\_ Contact: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Account Number: \_\_\_\_\_

Type of Account being transferred (check one):

Name of deceased: \_\_\_\_\_

Traditional IRA    Roth IRA    SEP IRA    SIMPLE IRA    This is also an Inherited IRA \_\_\_\_\_

## 3 TRANSFER INSTRUCTIONS—Please provide a copy of the most recent Account Statement from your existing Custodian

I hereby authorize Liberty Trust Company to send the Account Transfer Request to my existing Custodian utilizing the following method:    Regular Mail    Overnight Mail (\$35)    Fax: \_\_\_\_\_ (verify with current custodian)

### WARNING REGARDING LIQUIDATION ORDERS

Although you may request your current Custodian to liquidate some or all of your holdings into cash and transfer the cash to us, please be aware that **MANY CUSTODIANS WILL NOT HONOR THE LIQUIDATION REQUEST** and will return your transfer request to us. To avoid delays in processing, we strongly recommend that you verify that your account at your current Custodian has sufficient cash to allow for the transfer. This means that you may have to liquidate some or all of your holdings prior to the time this Account Transfer Request is sent to your current Custodian.

By signing this form, the Account Owner hereby authorizes the current Custodian to transfer the assets noted below.

**COMPLETE TRANSFER**   Estimated Amount: \$ \_\_\_\_\_

Liquidate all assets and transfer proceeds to Liberty Trust Company, Ltd. Proceed to section 4.

Transfer all assets "in-kind" along with any cash balance to Liberty Trust Company, Ltd. Proceed to section 4.

**PARTIAL TRANSFER**

Send \$ \_\_\_\_\_ in cash to Liberty Trust Company, Ltd.

Transfer the assets noted below "in-kind" to Liberty Trust Company, Ltd.

<u>Asset Name</u>	<u>Units</u>	<u>Price per Unit</u>	<u>Market Value</u>

Note: Partial transfers less than \$2,000 will result in a processing fee of \$50

4

**DELIVERY INSTRUCTIONS**

**Regular Mail**

**IPS**

8226 Douglas Avenue, Suite 520  
Dallas, TX 75225

**Make check payable to:**

Liberty Trust Company, Ltd., Custodian  
FBO: (client's name) IRA # \_\_\_\_\_

**Overnight Mail**

**IPS**

8226 Douglas Avenue, Suite 520  
Dallas, TX 75225

**Make check payable to:**

Liberty Trust Company, Ltd., Custodian  
FBO: (client's name) IRA # \_\_\_\_\_

**Wire** (additional \$25 fee applies)

**Third Coast Bank SSB**

20202 Hwy 59 N Ste. 190  
Humble, TX 77338

ABA Number: **113094149**

**Liberty Trust Company, Ltd.**

101 S. Reid St. Ste. 307  
Sioux Falls, SD 57103

Acct. Number: **1000019370**

Ref: (client's name) IRA # \_\_\_\_\_

**Asset Registration Instructions:**

The registration / title for the investment and other related documents must reflect the name of Liberty Trust Company, Ltd., the name of the Account Owner, the account number, and Liberty Trust Company, Ltd.'s Tax ID Number.

**Tax Identification Number: 90-0909159**      **Liberty Trust Company, Ltd., Custodian FBO: (client's name) IRA # \_\_\_\_\_**

5

**ACCOUNT OWNER TRANSFER AUTHORIZATION AND SIGNATURE**

I hereby agree to the terms and conditions set forth in this Account Transfer Request and acknowledge that I have established an account of the type designated in section 1 of this form. I acknowledge that I understand the rules and conditions regarding Account Transfers and I certify that I qualify for the Account Transfer of assets listed in the Transfer Instructions above and authorize such transactions.

I UNDERSTAND that if funds are wired to Liberty Trust Company, Ltd. (LTC), LTC will deduct the incoming wire fee from my account unless I have prepaid such fee.

I HEREBY AUTHORIZE the present Custodian to deliver my cash and/or assets as noted above.

**Check with your current Custodian to see if a Medallion Signature Guarantee is required.** A Medallion Signature Guarantee may be obtained at a brokerage firm, bank, or other financial institution. Liberty Trust Company will not provide a Medallion Signature Guarantee.



Medallion Signature Guarantee

Signature: **X** \_\_\_\_\_

Date: **X** \_\_\_\_\_

6

**LETTER OF ACCEPTANCE BY LIBERTY TRUST COMPANY, LTD.**

Liberty Trust Company, Ltd. will accept the transfer described above as Successor Custodian and agrees to apply the proceeds, upon their receipt, to the account established on behalf of the Account Owner named above.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: Authorized Signer

**SIMPLE Individual Retirement Custodial Account**  
(Under Section 408(p) of the Internal Revenue Code)

Do not file  
with the Internal  
Revenue Service

The participant whose name appears on the attached Account Application (the "Participant") is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) of the Internal Revenue Code to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian, Liberty Trust Company, Ltd. (the "Custodian") has given the Participant the disclosure statement required under Regulations section 1.408-6. The Participant and the Custodian make the following agreement:

**Article I**

**1.01** The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant. No other contributions will be accepted by the custodian.

**Article II**

**2.01** The Participant's interest in the balance in the custodial account is nonforfeitable.

**Article III**

**3.01** No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

**3.02** No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver and platinum coins, coins issued under the laws of any state, and certain bullion.

**Article IV**

**4.01** Notwithstanding any provision of this agreement to the contrary, the distribution of the Participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

**4.02** The Participant's entire interest in the custodial account must be, or begin to be, distributed not later than the Participant's required beginning date, April 1 following the calendar year in which the Participant reaches age 70 1/2. By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the trust account distributed in:

- (a) A single sum; or
- (b) Payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated beneficiary.

**4.03** If the Participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

- (a) If the Participant dies on or after the required beginning date and:
  - (i) the designated beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph 4.03(a)(iii) below, if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph 4.03(a)(iii) below, over such period.
  - (ii) the designated beneficiary is not the Participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year, or over the period in paragraph 4.03(a)(iii) below if longer.
  - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant's death and reduced by 1 for each subsequent year.
- (b) If the Participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
  - (i) The remaining interest will be distributed in accordance with paragraphs 4.03 (a)(i) and 4.03 (a)(ii) above (but not over the period in paragraph 4.03(a)(iii), even if longer), starting by the end of the calendar year following the year of the Participant's death. If, however, the designated beneficiary is the Participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Participant would have reached age 70 1/2. But, in such case, if the Participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph 4.03(a)(ii) above (but not over the period in paragraph 4.03(a)(iii), even if longer), over such spouse's designated beneficiary's life

expectancy, or in accordance with 4.03(b)(ii) below if there is no such designated beneficiary.

- (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death.

**4.04** If the Participant dies before his or her entire interest has been distributed and if the designated beneficiary is other than the Participant's surviving spouse, no additional contributions may be accepted in the account.

**4.05** The minimum amount that must be distributed each year, beginning with the year containing the Participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:

- (a) The required minimum distribution under paragraph 4.02(b) for any year, beginning with the year the Participant reaches age 70 1/2, is the Participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph 4.05 (a) is determined using the Participant's (or, if applicable, the Participant and spouse's) attained age (or ages) in the year.
- (b) The required minimum distribution under paragraphs 4.03(a) and 4.03(b)(i) for a year, beginning with the year following the year of the Participant's death (or the year the Participant would have reached age 70 1/2, if applicable under paragraph 4.03(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 4.03(a) and 4.03(b)(i).
- (c) The required minimum distribution for the year the Participant reaches age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

**4.06** The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

**Article V**

**5.01** The Participant agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulation sections 1.408-5 and 1.408-6.

**5.02** The Custodian agrees to submit to the Internal Revenue Service (IRS) and Participant the reports prescribed by the IRS.

**5.03** The Custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

**Article VI**

**6.01** Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related regulations will be invalid.

**Article VII**

**7.01** This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Account Application. Custodian shall notify the Participant of amendments to this agreement in accordance with section 8.10. Custodian may provide amended provisions to Participant by posting the amended agreement on the Custodian's website and notifying the Participant that the amended agreement may be obtained from the Custodian's website but that a copy will be provided to the Participant upon request. Unless the Participant notifies the Custodian in writing no later than thirty (30) days after the date of notification that he/she does not consent to the amendment(s), the Participant will be deemed to have consented to the amendment(s).

**Article VIII**

**8.01 Powers and Duties of the Custodian**

- (a) **Passive Custodian; Not a Fiduciary:** The Custodian is a passive custodian and as such shall act only with the consent and direction of the Participant or his authorized agent or representative with regard to the investment, management, and disbursement or disposition of the assets of the Custodial Account. The Participant or his authorized agent or representative shall direct the Custodian in the investment and reinvestment of the Custodial Account. Neither the Custodian nor any of its agents is a fiduciary with regard to the Custodial Account. The Participant understands, acknowledges and agrees that neither the Custodian nor any of its agents is a fiduciary with regard to the Custodial Account.
- (b) **Custodial Account:**
- (i) **General:** In connection with this agreement, the Custodian will establish a Custodial Account on behalf of the Participant. The Custodial Account shall consist of (1) cash ("Cash Account") and (2) the investments made by the Custodian on behalf of and at the direction of the Participant in accordance with 8.01(c).
- (ii) **Cash Account:** With regard to the Cash Account, the Custodian shall provide one or more FDIC insured bank accounts to receive and hold cash deposits, including but not limited to, contributions, rollovers, transfers, dividends, capital gains and proceeds from the sale of investments. The bank at which the bank account(s) is/are established ("Depository Bank") will be a member of the FDIC. The Participant's cash in the Custodial Account held at the Depository Bank will be insured by the FDIC, subject to the aggregation limits of FDIC Regulation 330.14. The cash accounts may be non-interest bearing or interest bearing, (bearing interest at a rate published by the Custodian). Interest will be credited to the cash portion of the Custodial Account monthly in accordance with section 8.08(a), except any interest credited for the month during which the account is closed will be taken by the Custodian as part of the account termination fee.
- (iii) **Availability of Funds:** In general, funds deposited into the Cash Account by check will be available on the sixth business day after deposit by the Custodian. Funds deposited into the Cash Account by wire, ACH, money order, or certified or cashier check will be available on the first business day after receipt by the Custodian. The Custodian may delay the availability of funds for various reasons, including but not limited to: repeated overdrafts by the Participant; a returned check is returned unpaid; insufficient information is provided for the Custodian to determine the account and/or nature of the deposit; an event beyond the control of the Custodian, such as equipment failure or inclement weather.
- (c) **Custodian is Authorized to Invest the Custodial Account at the Direction of the Participant:** Pursuant to the written direction of the Participant or the Participant's authorized agent or representative, in a form acceptable to the Custodian, the Custodian is authorized to (1) invest the Custodial Account in any investment the Custodian deems administratively feasible to be held in the account, including, but not limited to, stocks, bonds, certificates of deposit, money market funds, real estate, mortgages, deeds of trust, promissory notes and interests in limited partnership and limited liability companies.; (2) receive cash contributions, transfers and rollovers into the Custodial Account; (3) receive in-kind transfers and rollovers into the Custodial Account; however, the Custodian may refuse to accept any asset that is part of an in-kind transfer or rollover; (4) collect any income from the investments held under the Custodial Account and add such income to the Custodial Account; (5) pay expenses related to investments held under the Custodial Agreement; (6) make distributions and transfers, both cash and in-kind, from the Custodial Account; (7) sell, exchange, assign, convey, mortgage, pledge or otherwise encumber any investment held under the Custodial Account.
- (d) **No Duty to Review Investments:** The Custodian shall have no duty or responsibility to review any investment held in Custodial Account or any investment under consideration by the Participant or any purchase directed by the Participant with respect to any issue, including but not limited to, its safety, risk, advisability, suitability or whether or not it should be registered as a security with the appropriate government agencies and shall have no liability with respect to its safety, risk, advisability, suitability or whether or not it should be registered as a security with the appropriate government agencies. The Custodian shall not be responsible to investigate or perform any due diligence on any investment, investment sponsor or any principal involved with any investment. Further, the Custodian is not responsible and shall not be held liable or accountable, in any way, for any loss or losses incurred in the Custodial Account due to the action or inaction of any broker, sales representative, investment sponsor or any other third party.
- (e) **Voting Rights:** The custodian will not exercise voting rights or other shareholder or ownership rights with respect to investments held in the Custodial Account unless the Participant provides acceptable written direction to the Custodian.
- (f) **Excise Taxes and Unrelated Business Income Tax:** The Custodian shall have no responsibility for determining whether the Custodial Account is subject to excise taxes or for determining whether any investment made or held in the Custodial Account is or will be subject to Unrelated Business Income Tax. It is the Participant's responsibility to determine if any excise tax is due and to pay such excise tax and file Form 5329, Form 5330 or other form if required. If unrelated business income is earned on any investment held in the Custodial Account, it is the Participant's responsibility to obtain a taxpayer identification number for the Custodial Account and to file Form 990-T with the IRS under the taxpayer identification number for the IRA and not under the taxpayer identification number of the Custodian, when such unrelated business income is earned. Any unrelated business income tax that is due must be paid by the Custodial Account and not by the Participant. The Participant may submit the information to the Custodian for filing of Form 990-T; however the Custodian may charge the Custodial Account or the Participant for the filing and shall have no obligation to verify the accuracy of the information. If the Participant fails to file Form 990-T, or files Form 990-T with inaccurate information, or provides the Custodian with inaccurate information with respect to Form 990-T filed on behalf of the Custodial Account, the Participant agrees to indemnify the Custodian for any liability incurred due to failure to file or inaccuracy of such filing.
- (g) **Reports to the IRS:** The Custodian shall submit to the IRS only those reports prescribed by the IRS, pursuant to Article 5.02. The Custodian shall have no responsibility to prepare or submit to the IRS or the Participant or any other party Form 1098, Form 1099-INT, Form 1099-MISC or any form required as a result of any investment made by the Custodian on behalf of the IRA at the written direction of the Participant. It is the Participant's responsibility to determine which forms, if any, are required and to prepare and submit such forms to the IRS and any other party required to receive such forms. If such forms are required, the Participant must obtain a taxpayer identification number for the IRA and file such forms with the IRS under the taxpayer identification number for the IRA and not under the taxpayer identification number of the Custodian.
- (h) **Subpoenas:** The Custodian or its agents may respond to any subpoena without prior notice to or approval by the Participant.
- (i) **Custodian Does Not Endorse or Market Any Investment:** The Custodian does not endorse or market any investment. The fact that the Custodian agrees to act as custodian for or to purchase a specific asset within the Custodial Account at the direction of the Participant shall in no way imply or be interpreted to mean that the Custodian or any of its agents endorses the asset. Further, the fact that the Custodian agrees act as custodian for to purchase a specific asset within the Custodial Account at the direction of the Participant shall in no way imply or be interpreted to mean that the Custodian or any of its agents is acting as an agent or broker for the investment or investment sponsor or that the Custodian or any of its agents is marketing or raising capital for the investment or investment sponsor.
- (j) **Agents of the Custodian:** The Custodian may designate and engage agents to perform administrative and other related services in connection with this Custodial Account. The powers and duties delineated herein shall apply to each agent so engaged. The Custodian has engaged IRA Plus Southwest, LLC (the Administrator) as its agent for the purpose of administering Individual Retirement Accounts established under this Custodial Agreement.
- (k) **Registration of Assets:** Assets of the Custodial Account shall be registered in the name of the Custodian, the Administrator, or other agent or nominee designated by the Custodian. The Participant acknowledges that the owner of any investment held in the Custodial Account is the Custodian, Administrator, other agent or nominee for the benefit of the Participant's IRA and not the Participant individually. The Participant agrees to direct the Custodian to pay all expenses and/or capital calls associated with any investment in the Custodial Account from funds in the Custodial Account. Further, the Participant agrees not to withdraw any funds or accept any funds from any investment held in the Custodial Account.
- (l) **No Advice:** Neither the Custodian nor the Administrator nor any of the Custodians agents offers investment, tax or legal advice.
- (m) **Not Liable for Acts or Omissions of Others:** The Custodian shall not be responsible for or incur any liability for any acts performed or omitted by the Participant or his agent or representative, a former custodian or trustee, or any other third party, nor shall the Custodian have any duty or responsibility to inquire into, or take any action regarding or related to any such acts or omissions. The Custodian shall not be liable to the Participant for any statements, representations, actions or inactions of any third party including but not limited to any broker or other salesperson or principal of any investment purchased for this Custodial Account.
- (n) **Not Responsible for Contributions, Distributions, etc:** The Custodian shall not be responsible for (1) determining the amount of contributions that the Participant may make or for determining the deductibility of any contributions made by the Participant; (2) determining the amount or deductibility of contributions that may be made to the Custodial Account on behalf of the Participant by an employer pursuant to a Simplified Employee Pension or for the collection of such contributions; (3) determining the amount or timing of any distribution required to be made to the Participant or his beneficiary(ies) in accordance with Article IV of this agreement and/or Internal Revenue Code and regulations regarding RMDs, The Custodian will only make distributions,

including RMDs, at the written request of the Participant or beneficiary in a form acceptable to the Custodian.

- (o) **Right to Bring Suit Against Participant or Custodial Account:** The Custodian and/or its agents shall have the right and authority to bring suit against the Participant or the Custodial Account to recover any amounts owed Custodian or its agents under this Custodial Agreement, including, but not limited to, fees, costs or expenses paid or incurred by the Custodian or its agents in connection with this agreement, and amounts paid in error by Custodian or its agents. In the event of such suit, the Custodian and/or its agents shall also be entitled to recover from the Custodial Account or the Participant all costs resulting from or related to such suit, including but not limited to court costs, attorneys fees and other legal expenses, and reasonable compensation for time spent by the Custodian and/or its agent(s) in such suit.
- (p) **Right to Conduct Litigation on Behalf of Custodial Account:** The Custodian or its agent shall have the right and authority, in its sole discretion, if indemnified to its satisfaction, to (1) initiate any litigation on behalf of the Custodial Account and to defend the Custodial Account against any litigation that it deems necessary in the administration of the Custodial Account, (2) compound, abandon or otherwise settle all claims in favor of and demands against the Custodial Account, (3) withhold or retain and decline to make any payment from any funds subject to any dispute until final settlement or adjudication of such dispute.
- (q) **Right to Rely on Information Provided:** When making a payment or distribution under this Agreement, the Custodian may make such payment or distribution by mailing a check or other property to the payee at the address last furnished to the Custodian or if directed to make such payment by ACH or wire or other electronic transfer, by transmitting funds using the instructions last furnished to the Custodian and the Custodian shall have no liability for any consequence as a result of the use of an incorrect address or incorrect ACH, wire or other electronic transfer instructions if the Custodian acted in good faith with no actual knowledge of any changes.
- (r) **Right to Seek Legal Advice:** The Custodian may consult with or engage legal counsel, including counsel for the Custodian individually, for advice on matters regarding the Custodial Account, and the Custodian shall have no liability for actions taken or not taken, in good faith, upon the advice of counsel.
- (s) **Right to Employ Third Parties:** The Custodian may take whatever action or employ such agents, vendors or service providers which in its judgment may be necessary or appropriate to properly administer the Custodial Account, without notice to Participant.
- (t) **Minimum Account Balance:** The Custodian may establish a policy requiring the Participant to maintain a minimum balance in the custodial account. Such policy may permit the Custodian to distribute the entire balance of the account to the Participant if the balance of the account falls below the minimum balance required under the policy.
- (u) **Minimum Cash Balance:** The Custodian may establish a policy requiring the Participant to maintain a minimum uninvested cash balance in the custodial account.
- (v) **Right to Close Account:** The Custodian may close the custodial account without prior notice to the Participant if the account contains uninvested cash only and the amount of cash is less than the amount of processing and termination fees necessary to close the account. In such case, the Custodian will debit the cash from the account as part of the account termination fee and bill the Participant for the balance, if any. The Custodian may, but is not obligated to, waive part of or the entire processing and/or termination fee in such situation.

#### 8.02 Investment of the Account

- (a) **Responsibility of Participant not Custodian:** The Participant has the sole responsibility, authority and discretion for the selection of any and all investments in the Custodial Account and accepts full and sole responsibility for such selection, including full and sole responsibility for the success or failure of such investments. The Custodian has no responsibility, authority, or discretion for the selection, purchase, sale or continued holding of any investment in the Custodial Account. It is the Participant's responsibility to investigate and understand the nature of the investments, the principals and risks involved with the investments chosen by the Participant.
- (b) **The Participant Must Direct the Custodian:** The Custodian shall only make investments in the Custodial Account upon written direction from the Participant, or the Participant's authorized agent, in a form acceptable to the Custodian. The Custodian shall have no responsibility to question, investigate or otherwise review any directions made by the Participant or his authorized agent regarding any purchase, sale, expense payment or other transaction involving the Custodial Account. However, the Custodian, at its sole discretion, may refuse to hold or make any investment for any reason. If the directions to the Custodian are, in the opinion of the Custodian, unclear or are not in a form acceptable to the Custodian, the Custodian shall have no duty or obligation to take any action unless and until the Custodian receives clear and acceptable instructions from the Participant or the Participant's authorized agent and the Custodian shall not be responsible for and shall not be held liable or

accountable, in any way, for any loss or losses incurred in the Custodial Account during the time the Custodian was not in receipt of clear and acceptable instructions.

- (c) **Authorized Agent.** The Participant may appoint a third party as his authorized agent to direct the investment of the Custodial Account by notifying the Custodian in a form acceptable to the Custodian. The Custodian shall assume that the authorized agent is at all times qualified to act as agent for the Participant and shall recognize the agent as having the authority to direct the investment of the Custodial Account until such time as (i) the Participant notifies the Custodian in writing that he has removed the authorized agent, or (ii) the Custodian is notified of the death of the Participant.
- (d) **Not responsible for Investment Losses:** The Custodian is not responsible for and shall not be held liable or accountable, in any way, for any loss or losses incurred in the Custodial Account on any investment made by the Custodian pursuant to the Participant's or his authorized agent's directions.
- (e) **Custodian not responsible to forward information received on investments:** It is the Participant's responsibility to make arrangements with the investment sponsors or other parties for receiving communications regarding custodial account investments. Except where required by law, the Custodian has no responsibility to notify or forward to the Participant or any other party any communication regarding custodial account investments received by the Custodian. Such communications include, but are not limited to, K-1s, capital calls, periodic statements, vendor invoices, legal documents and correspondence regarding the investments.
- (f) **Participant's Responsibility to Comply with Changing Laws.** Although the law regulations regarding IRAs may change from time to time, the Custodian may not be required to immediately amend this Custodial Agreement to reflect such changes. It is the Participant's responsibility to consult with an attorney, CPA or other tax advisor regarding any matter related to the Custodial Account.
- (g) **Prohibited Transactions.** Certain types of transactions involving the Custodial Account and a disqualified person, either directly or indirectly, constitute prohibited transactions under Internal Revenue Code §4975 and related Regulations, resulting in adverse tax consequences to the Participant and/or other parties. For example, if the Custodial Account holds real estate, such as a house, as an investment and the Participant lives in the house, this would constitute a prohibited transaction, resulting in the entire Custodial Account being treated as a taxable distribution to the Participant. The Custodian has no responsibility to determine whether any transaction anticipated or completed is a prohibited transaction. It is the responsibility of the Participant to determine whether a transaction is a prohibited transaction and if a prohibited transaction occurs it is the responsibility of the Participant to notify the Custodian and to direct and instruct the Custodian to report such prohibited transaction to the Participant and the IRS. The Custodian reserves the right to require certification from the Participant and/or the Participant's legal counsel that the completion of a transaction by the Custodian at the direction provided by the Participant will not constitute a prohibited transaction and if such certification is not provided, the Custodian reserves the right to refuse to complete the transaction unless and until such certification is provided or take whatever action it deems appropriate, including but not limited to resigning as Custodian as provided under this Agreement. The fact that the Custodian completes a transaction without requesting such certification does not mean, and shall not be interpreted to mean, that the Custodian has examined the transaction and has concluded that no prohibited transaction exists.

#### 8.03 Designation of Beneficiaries

- (a) **Participant May Designate:** The Participant may, in writing, in a form acceptable to Custodian, designate one or more beneficiaries who shall be paid the balance of the Custodial Account that is undistributed at the time of the Participant's death. Any such beneficiary designation that is fully and unambiguously completed and executed shall be assumed to be legally valid and shall be effective upon receipt by the Custodian. The Participant may revoke or modify any beneficiary designation at any time by completing and submitting a new beneficiary designation in a form acceptable to the Custodian. If the Custodian receives a valid completed and executed beneficiary designation in a form acceptable to the Custodian, all prior beneficiary designations bearing an earlier execution date shall be revoked upon receipt of such subsequent form by the Custodian. If the Participant modifies a previous beneficiary designation by adding to, deleting from, or by making any other changes, such previous beneficiary designation shall not be revoked in its entirety if the changes are clear and unambiguous. If, in the opinion of the Custodian, the Participant's designation is not clear, the Custodian may, at its discretion, refuse to accept such beneficiary designation and require the Participant to submit a new beneficiary designation that revokes all prior beneficiary designations
- (b) **Default Beneficiaries:** If the Participant dies and none of the Participant's designated beneficiaries are living at the time of the Participant's death, or if all beneficiaries disclaim their rights to any benefit otherwise payable to them from the Custodial Account, or if there is no valid beneficiary designation on file with the Custodian at the time of the Participant's death, then for all purposes of this Custodial agreement, the Participant's surviving spouse, if any, shall be deemed to be the Participant's designated beneficiary; or if there is no surviving spouse, then, for all purposes of this Custodial Agreement, the surviving natural

and adopted children, if any, of the Participant shall be deemed to be the Participant's designated beneficiaries in equal shares per capita; but if there are no such surviving children, then, for all purposes of this Custodial Agreement, the Participant's estate shall be deemed to be the Participant's designated beneficiary.

- (c) **Custodian Not Liable:** When making any distribution due to the death of the Participant, the Custodian may rely on any source presumed to be knowledgeable of matters of the Participant (such as a surviving spouse) and shall have no duty other than to act in good faith based on the information and instructions provided. The Custodian shall not be liable for any action taken or distribution made in reliance upon incorrect, incomplete or fraudulent information reported by any source assumed to be reliable. The Custodian shall have no responsibility to ascertain the validity of any individual's or entity's claim to be a beneficiary, or to inquire or ascertain whether there are any beneficiaries not reported to the Custodian. Once all distributions are made from the Custodial Account, the Custodian shall have no liabilities with regard to the Custodial Account.

#### 8.04 Death of Participant

- (a) **Surviving spouse is beneficiary:** If the Participant dies and the Participant's sole designated beneficiary is the surviving spouse, the surviving spouse may (1) transfer the decedent's Custodial Account into an Individual Retirement Account titled in the surviving spouse's name or (2) elect, in a form acceptable to Custodian, to treat the Custodial Account as his or her own and if such election is made, the surviving spouse shall thereafter be treated as the Participant.
- (b) **Other beneficiary:** If the Participant dies and the Participant's surviving spouse is not the Participant's sole designated beneficiary Participant, then (1) pursuant to Section 4.04, no additional contributions shall be made to the Custodial Account; (2) if there is more than one designated beneficiary, the Custodian shall divide the Custodial Account into subaccounts, creating one subaccount for each designated beneficiary. The Custodian may, at its discretion, require the beneficiaries to establish separate Custodial Accounts as a condition of continuing to act as Custodian; (3) each designated beneficiary of the deceased Participant may designate his or her own beneficiaries in a form acceptable to the Custodian, but until such time as such designations are made, the provisions of 8.03(b) shall apply to the beneficiary subaccount as if the subParticipant were the Participant in 8.03(b); (4) any required minimum distribution with regard to the original Participant that is undistributed at the time of his/her death shall be made or accounted for before the division of the Custodial Account into the beneficiary subaccounts; (5) each beneficiary shall be subject to and bound by the provisions of this Custodial Agreement as if the beneficiary were the Participant.

**8.05 Distributions:** The Custodian shall only make distributions, including required minimum distributions, from the Custodial Account upon receipt of written request of the Participant, or the Participant's beneficiary; however, the Custodian is authorized to make distributions without the Participant's request or consent pursuant to a court order or a valid, enforceable levy, including but not limited to an IRS levy and in such event the Custodian shall incur no liability for complying with such court order or levy.

#### 8.06 Reports; Valuation of Custodial Account Assets

- (a) **Annual Statement:** The Custodian shall furnish the Participant with a statement of the Account once per year, as of December 31. In addition, the Custodian may grant the Participant online access to the Account through the internet. The Participant shall be responsible for reviewing the statements for accuracy and shall have forty-five (45) days from the time the statement is mailed to the Participant or posted online to report any inaccuracies to the Custodian in writing. If the Participant fails to notify the Custodian of any inaccuracies in writing within the forty-five (45) day period, the statement shall be considered accurate and approved by the Participant and the Participant will be precluded from making future objections regarding the statement.
- (b) **Reports:** The Custodian shall submit reports to the Internal Revenue Service and the Participant containing the information prescribed by the Internal Revenue Service at such time prescribed by the Internal Revenue Service.
- (c) **Valuation of Assets:** The Custodian is required to provide the Participant with a statement reporting the fair market value ("FMV") of the Account as of December 31 of each year ("Year End FMV") and to report such Year End FMV to the IRS. This Year End FMV must be provided by the following January 31. This Year End FMV may be furnished to the Participant in the Custodian's regular annual Account statement.

The Participant is solely responsible for providing the Custodian with the Fair Market Value of the assets held in the Custodial Account and for the accuracy of the Fair Market Value. The Custodian is in no way responsible for the accuracy of the Fair Market Value reported to the Participant or the IRS. The fact that the Custodian reports the FMV provided to it by the Participant (or by a third party authorized by the Participant to provide the FMV to the Custodian) to the Participant, the IRS, or other party shall in no way imply or be interpreted to mean that the Custodian has independently determined the FMV being reported or that the Custodian is guaranteeing the FMV or that the asset can be sold for the FMV being reported. Further, the Custodian has no responsibility for the tax consequences of any taxable

event based on the FMV of any asset held in the Account, including but not limited to required minimum distributions, normal or early distributions or Roth Conversions.

Unless the Participant provides an alternate FMV in writing, the Custodian will use published closing prices to report the value of publicly traded investments, such as stocks, bonds, and mutual funds; however the Custodian cannot guarantee their accuracy.

Unless the Participant provides an alternate FMV in writing, the FMV report of a brokerage or futures account that is held as an asset of the Account shall reflect the total value provided to the Custodian by the brokerage firm or the Participant.

Unless the Participant provides an alternate FMV in writing, the FMV report of precious metals that are held as assets of the Account shall reflect the value provided to the Custodian by the precious metals depository.

Unless the Participant provides an alternate FMV in writing, the Custodian shall report the FMV of a promissory note, mortgage or other similar debt instrument at its original amount less principal payments reported to and received by the Custodian.

If the Custodial Account holds assets that are not publicly traded or which do not have a readily determinable value on an established market, such as real estate, entities such as limited liability companies, limited partnerships, or other entities or assets, the Participant must provide the FMV to the Custodian. If the investment sponsor or an agent of the investment sponsor provides the Custodian with a value for the asset, in a form acceptable to the Custodian, the Custodian may use such value as the FMV unless the Participant provides a different FMV. A Form K-1 or similar tax document provided to the Custodian shall not, in and of itself, be considered as representing the value of the asset. The Custodian shall have no duty or responsibility to solicit or obtain any valuation from the Participant or other third party. The Custodian must receive the Year End FMV no later than the following January 15<sup>th</sup>. If the Custodian does not receive a Year End FMV for any asset by the following January 15<sup>th</sup>, the Custodian shall be entitled to use the Latest FMV (defined below) provided to the Custodian as that Year End FMV. The Latest FMV of an asset shall be the most recent updated FMV provided to the Custodian by the Participant or third party. If no updated FMV has been provided, the Latest FMV shall be (1) the original purchase price if the asset was purchased through the Custodial Account, (2) the FMV reported to the Custodian by the prior custodian if the asset was transferred from another custodian, (3) the value reported to the Custodian by the Participant if the asset was rolled over from a qualified plan or via a 60-day rollover or (4) in the case of a conversion or recharacterization involving the Custodial Account, the FMV at the time of the conversion or recharacterization.

If the Participant fails to provide the Custodian with a Year End FMV for any asset for more than 36 months, the Custodian may, but shall not be required to, distribute such asset to the Participant at the asset's Latest FMV. In such case, the Custodian shall not be responsible for and the Participant agrees to hold the Custodian harmless for any loss, damage, tax, or other consequences due to or related to such distribution.

If a Fair Market Value of an asset is required due to a special circumstance, such as a court order, the Custodian may, but shall not be required to, obtain a valuation for such asset from an independent third party. In such case, the cost of obtaining the valuation shall be paid by the Participant or from the Custodial Account.

The Participant hereby agrees and affirms to the Custodian that the Custodian may rely, for all purposes, on the FMV of an asset provided to the Custodian as an accurate FMV, whether such FMV was provided directly by the Participant, the investment sponsor, or other third party or whether no updated valuation was provided and Latest FMV was used. Further, the Participant agrees to hold the Custodian harmless for any loss, damage, tax, or other consequences due to the Custodian's reporting such FMV or transaction dependent upon such FMV.

#### 8.07 Hold Harmless and Indemnification

The Custodian shall not be responsible for and shall have no liability for any taxes, penalties, judgments, expenses or any other costs incurred by the Custodial Account or the Participant. The Participant, his authorized agents and/or representatives, and designated beneficiaries shall at all times fully indemnify the Custodian, its agents, including but not limited to the Administrator, their affiliates, successors and assigns and hold them harmless from and against any and all liabilities and/or damages that may arise in connection with this agreement, including but not limited to those arising from any action taken by the Custodian, its agents, their affiliates, successors or assigns at the direction of the Participant, his authorized agents and/or representatives, or designated beneficiaries, except liabilities or damages arising from the gross negligence or willful misconduct of the Custodian, its agents, their affiliates, successors or assigns. Damages shall include but shall not be limited to losses, expenses, costs, including court costs and attorneys fees, taxes and penalties, including taxes and penalties imposed because of prohibited transactions or disqualification of the Custodial Account.

#### 8.08 Expenses and Fees

- (a) The Custodian and its agents shall be entitled to and may charge the Participant or the Custodial Account fees for custodial or administrative services provided under this agreement, including, but not limited to, the fees provided for in the Custodian's fee schedule and reasonable fees for services requested and directed by the Participant or this authorized representative which are not included in the Custodian's schedule of services and fees. Such fees may be paid from the Custodial Account or they may be paid by the Participant. By

signing the IRA Account Application, the Participant acknowledges that he/she has had the opportunity to review the Custodian's fee schedule and agrees to such fees, regardless of whether the Participant has signed the fee agreement. The Custodian may change its fee schedule at any time. Any such change will be effective after thirty (30) days written notice to the Participant. The Custodian and its agents may charge the Participant or the Custodial Account a reasonable fee for its services related to, and for all reasonable costs and expenses incurred by the Custodian or its agents in connection with any litigation, mediation, arbitration, investigation, subpoena, or request for information by a government or regulatory agency involving the Custodial Account or any investment or asset ever held in the Custodial Account. Such fees shall be paid from the Custodial Account or, if not paid, they shall be paid by the Participant. A first lien is established against the IRA account for any and all unpaid fees and expenses due the Custodian and/or its agents. At its discretion, the Custodian and/or its agents may cease providing services to the IRA account including but not limited to the execution of any and all transaction requests, until all fees and expenses are paid. At its discretion, the Custodian or any of its agents may sell any or all of the investments in the Custodial Account for payment of any unpaid fees and expenses due and the Participant agrees not to hold the Custodian or its agents liable for any losses or other resulting consequences. In the event that any fees remain unpaid, Custodian shall have the right to bring suit against the Custodial Account and/or the Participant pursuant to Section 8.01(m) of this agreement. **In addition, the Custodian will receive fees from the interest paid by the Depository Bank(s) for providing subaccounting and recordkeeping services related to the Cash Account. The interest earned on the Cash Account will be allocated monthly as follows: (1) All interest up to the Base Rate (as defined below) will be credited to the Cash Account, then (2) all interest, if any, up to 2% in excess of the Base Rate will be retained by the Custodian, then (3) 50% all remaining interest, if any, will be credited to the Cash Account and 50% will be retained by the Custodian. The Base Rate is the rate published by the FDIC for a Non-Jumbo one month CD for the week that contains the last day of the prior month. FDIC rates are published on FDIC website <http://www.fdic.gov/regulations/resources/rates/index.html>.**

- (b) The Custodian or Administrator may, at its discretion, allow for payment of fees with a valid credit card. In such case, and if the Participant so chooses, the Participant shall furnish the Custodian or Administrator with a valid credit card account and information and authorize the Custodian or its agents to charge its fees and expenses as provided in a separate agreement.
- (c) The Custodian or Administrator, may, at its discretion, allow for payment of fees by debiting the Participant's bank account. In such case, and if the Participant so chooses, the Participant shall furnish the Custodian or Administrator the Participant's bank account information and authorize the Custodian or its agents to charge its fees and expenses as provided in a separate agreement.

#### **8.09 Resignation or Removal of Custodian; Appointment of Successor Custodian**

- (a) **Resignation of Custodian:** The Custodian may resign as custodian by giving thirty (30) days prior written notice to the Participant or to the Participant's beneficiaries. For purposes of this Section 8.09, the term Participant shall also include the beneficiary or beneficiaries of the Participant. Upon the resignation of the Custodian, the Participant may appoint a Successor Custodian and request and direct a transfer of the Custodial Account to the Successor Custodian or request and direct the Custodian to distribute the Custodial Account to the Participant. If, after the thirty (30) days written notice, the Participant fails to request and direct a transfer to a Successor Custodian or to request and direct a distribution to the Participant, the Custodian is hereby authorized: (1) to distribute the Custodial Account to the Participant regardless of the tax consequences to the Participant and the Custodian shall incur no liability for any consequences, tax or otherwise, of such distribution, or (2) to appoint a successor custodian and transfer the assets in the Custodial Account to such successor custodian.
- (b) **Removal of Custodian:** The Participant may remove the Custodian by giving thirty (30) days prior written notice to the Custodian, in a form acceptable to the Custodian. Such written notice must indicate that the Participant either (1) requests and directs that all the assets of the Custodial Account be transferred to a Successor Custodian that is qualified and willing to act as Custodian and receive the assets or (2) requests and directs a total distribution of all the assets of the Custodial Account to the Participant. Upon receipt of such written direction from the Participant, the Custodian shall distribute or transfer the assets as directed. If the IRS determines the Custodian is no longer qualified to act as Custodian and requires the Participant to appoint a Successor Custodian, the thirty (30) days prior written notice shall not be required.
- (c) **Transition to Successor Custodian:** The terminating Custodian (i.e., the Custodian that is resigning or being removed) shall continue to be permitted to exercise the powers granted under this Agreement as necessary to transfer the assets of the Custodial Account to the Successor Custodian or to distribute such assets to the Participant. The terminating Custodian shall be entitled to withhold from the assets being transferred or distributed amounts to provide for (1) payment of unpaid fees due the Custodian or its agents, (2) payment of any fees charged by the Custodian related to the removal of the Custodian, including, but not limited to account termination fees, fees for re-registration of assets, check fees, and wire fees, (3) payment of any expenses incurred by the Custodian or the Custodial Account related to the replacement of the Custodian

and settlement of the account, including, but not limited to charges by transfer agents or other third parties, (4) payment of any taxes owed by the Custodial Account, such as withholding amounts. If the funds in the Custodial Account are insufficient to provide for the payment of fees and expenses due the terminating Custodian, the Participant shall be responsible for and shall pay any deficiency prior to transfer or distribution of the assets of the Custodial Account; however, if the assets of the Custodial Account are transferred or distributed without payment of such deficiency, the Participant or Successor Custodian shall be responsible for payment and shall be obligated to pay such deficiency. If funds or assets are received by the terminating Custodian after the Custodial Account has been closed or after the assets have been transferred or distributed, the terminating Custodian may withhold reasonable fees for handling such funds or assets. The Successor Custodian, whether appointed by the terminating Custodian or the Participant, shall not be liable for any action taken or not taken by the terminating Custodian or any other predecessor custodian. If a Successor Custodian has been appointed by the terminating custodian, the Successor Custodian shall assume and acquire all the powers and duties conferred under this Agreement. Upon transfer or distribution of all the assets of the Custodial Account, the terminating custodian shall have fully and completely discharged its duties and obligations and shall be released and free of any and all liability with regard to the Custodial Account, unless the Participant or Successor Custodian notifies the terminating Custodian of any outstanding issues regarding the account within forty-five (45) days of the notice of terminating Custodian's removal or resignation.

- (d) **Sale, Merger or Consolidation of Custodian:** If the Custodian ceases to operate as an entity because of a merger into, acquisition by, or consolidation with another entity, then such other entity shall become the Custodian of the Custodial Account without the Participant's approval, provided such entity is qualified to act as Custodian.

#### **8.10 Notices**

Any and all notices or other communications provided to the Participant by the Custodian shall be sent (1) by regular mail to the last known address of the Participant or (2) if the Participant has provided an e-mail address to the Custodian, by e-mail to the most recent email address provided by the Participant and shall be considered delivered as of the date of the mailing or e-mail for the purposes of this Agreement. The Participant shall be responsible to notify the Custodian in writing of any change of address. Any and all notices or other communications directed and given to the Custodian under this Agreement shall be deemed delivered only when actually received, in writing, by the Custodian. Such notices or communications must be sent by US Mail, delivery or courier service or hand delivered in person. The Custodian may, at its discretion accept delivery by e-mail or facsimile.

#### **8.11 Applicable Law**

Except to the extent that it is governed by or subject to the Internal Revenue Code and Regulations or other federal law, this agreement shall be governed by the laws of the State of South Dakota. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

#### **8.12 Participant's Representations**

- (a) The Participant represents and warrants that any information that the Participant or his authorized agent or representative has given or will give with respect to this Custodial Account is or will be complete and accurate and that the Custodian is entitled to rely upon such information.
- (b) The Participant represents and warrants that any directions provided to the Custodian by the Participant, or Participant's authorized agent or representative, or any actions that the Participant, or Participant's authorized agent takes will be proper under this Agreement.

#### **8.13 Participant's Acknowledgements and Agreements**

By signing the account application, the Participant acknowledges and agrees to all the provisions of this Custodian Agreement. For purposes of emphasis and reminder, the Participant's acknowledgment and agreement with certain provisions are summarized and reiterated in this Section 8.13. Any provision that appears elsewhere in this Custodian Agreement but not in this Section 8.13 shall still apply and shall not be deemed to have been deleted or nullified because it is not included in this Section 8.13.

- (a) The Participant acknowledges and agrees that the Custodian is entitled to rely upon any directions provided to the Custodian by the Participant or the Participant's authorized agent or representative.
- (b) The Participant agrees that the Custodian shall not be responsible for any losses of any kind that may result from Custodian's following directions given to the Custodian by the Participant or the Participants authorized agent.
- (c) The Participant acknowledges and agrees that the Custodian shall not be responsible any losses of any kind resulting from the actions or failure to act on



- the part of the Participant or the Participant's authorized agent or representative.
- (d) The Participant acknowledges and agrees that neither the Custodian nor any of its agents provides investment management or investment, legal or tax advice.
- (e) The Participant acknowledges and agrees that neither the Custodian nor any of its agents is a fiduciary with regard to the Custodial Account.
- (f) The Participant acknowledges and agrees that the Participant has the sole responsibility for the investment of the Custodial Account assets with the Custodian and that the Custodian and its agents shall have NO LIABILITY for any losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of the Custodial Account resulting from transactions executed by the Custodian or its agents and authorized by the Participant or the Participant's power of attorney or other authorized agent or representative.
- (g) The Participant acknowledges and agrees that it is solely the responsibility of the Participant to perform the due diligence with regard to any investment or investment sponsor, including but not limited to, obtaining and reading any applicable prospectus, private placement memorandum, offering circular or similar document prior to authorizing the Custodian and/or its agents to make any investment on behalf of the Custodial Account.
- (h) The Participant acknowledges and agrees that **neither the Custodian nor any of its agents has any duty to review or evaluate any investment or any sponsor of any investment anticipated or made on behalf of the Custodial Account.** The Participant further acknowledges and agrees that **neither the Custodian nor any of its agents will review or evaluate any investment or any sponsor of any investment anticipated or made on behalf of the Custodial Account.**
- (i) The Participant agrees to defend and indemnify the Custodian and its agents and to hold them harmless from and against **all losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of the Custodial Account** resulting from transactions executed by the Custodian and/or its agents and authorized by the Participant, his/her power of attorney or other authorized representative in connection with any investment held in the Custodial Account.
- (j) The Participant acknowledges and agrees that it is solely the responsibility of the Participant to understand and comply with the eligibility requirements for establishing an IRA, making rollover contributions or transfers and for making all of the investments that are held in the Custodial Account or that will be made in the future.
- (k) The Participant acknowledges and agrees that neither the Custodian nor any of its agents has any responsibility for tax consequences due to additions to or distributions from the Custodial Account.
- (l) The Participant acknowledges and agrees that (1) the Participant is solely responsible for providing the Custodian with the Fair Market Value of the assets held in the Custodial Account and for the accuracy of the Fair Market Value; (2) the Custodian is in no way responsible for the accuracy of the Fair Market Value reported to the Participant or the IRS; (3) the fact that the Custodian reports the FMV provided to it by the Participant (or by a third party authorized by the Participant to provide the FMV to the Custodian) to the Participant, the IRS, or other party shall in no way imply or be interpreted to mean that the Custodian has independently determined the FMV being reported or that the Custodian is guaranteeing the FMV or that the asset can be sold for the FMV being reported; (4) the Custodian has no responsibility for the tax consequences of any taxable event based on the FMV of any asset held in the Account, including but not limited to required minimum distributions, normal or early distributions or Roth Conversions.
- (m) The Participant agrees to notify the Custodian if a prohibited transaction occurs with regard to the Custodial Account.
- (n) The Participant acknowledges and agrees that it is the Participant's responsibility to provide the Custodian with the Year End FMV (fair market value) for each investment in the Custodial Account.
- (o) The Participant represents that he/she understands the requirements of Internal Revenue Code Section 401(a)(9) Required Minimum Distributions with respect to IRAs, including the severe penalties (50% excise tax) for not making timely Required Minimum Distributions.
- (p) The Participant acknowledges and agrees that the Participant is solely responsible for determining the amount of any Required Minimum Distribution and for requesting timely distribution of any Required Minimum Distributions.
- (q) The Participant acknowledges and agrees that the Participant is solely responsible for determining whether any Unrelated Business Taxable Income is generated by any investment in the Custodial Account that Participant is responsible for the proper filing of Form 990-T and payment of any required tax and that the tax must be paid by the Custodial Account and not by the Participant.
- (r) The Participant acknowledges and agrees that, except to the extent that it is governed by or subject to the Internal Revenue Code and Regulations or other federal law, this agreement shall be governed by the laws of the State of South Dakota.
- (s) Under penalty of perjury, the Participant declares and certifies that this agreement is identical, word for word, to the agreement provided by the Custodian, via its website or by any other means, and has not been altered in any manner whatsoever by the Participant, or to the knowledge of the Participant, by any third party. In the event that this agreement has been modified, with or without of the Participant's knowledge, the Participant agrees that any such modification shall be null and void and that the language of the agreement as it was provided by the Custodian shall override any conflicting language.

**General Instructions** - Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form** - Form 5305-SA is a model custodial account agreement that meets the requirements of sections 408(a) and 408(p) and has been pre-approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (Participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the Participant or his or her beneficiaries. Do not file Form 5305-SA with the IRS. Instead, keep it with your records. For more information on IRAs, including the required disclosures the Custodian must give the Participant, see Pub. 590, Individual Retirement Arrangements (IRAs).

#### Definitions

**Custodian:** The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian.

**Participant:** The Participant is the person who establishes the custodial account.

**Transfer SIMPLE IRA:** This SIMPLE IRA is a 'transfer SIMPLE IRA' if it is not the original recipient of the contributions under any SIMPLE IRA plan. The summary description requirements of section 408(i)(2) do not apply to transfer SIMPLE IRAs.

**Identifying Number** - The Participant's social security number will serve as the identifying number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

#### Specific Instructions

**Article IV:** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed by the Participant in the year the Participant reaches age 70 1/2 to ensure that the requirements of section 408(a)(6) have been met.

**Article VIII:** Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Participant and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Participant, etc. Attach additional pages if necessary.

# SIMPLE IRA DISCLOSURE STATEMENT

## RIGHT TO REVOKE YOUR SIMPLE IRA ACCOUNT

You may revoke your SIMPLE IRA within 7 days after you sign the SIMPLE IRA Account Application by hand-delivering or mailing a written notice to the name and address indicated on the SIMPLE IRA Account Application. If you revoke your account by mailing a written notice, such notice must be postmarked by the 7th day after you sign the Account Application. If you revoke your SIMPLE IRA within the 7 day period you will receive a refund of the entire amount of your contributions to the IRA without any adjustment for earnings or any administrative expenses. If you exercise this revocation, we are still required to report the contribution on Form 5498 (except transfers) and the revoked distribution on Form 1099-R

## GENERAL RULES REGARDING SIMPLE IRAs

- The Custodian will accept only employee salary deferral contributions and employer matching or nonelective contributions made on your behalf under a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) may be made to our SIMPLE IRA; however, the Custodian will also accept transfers or rollovers from other SIMPLE IRAs established on your behalf.
- All contributions must be made in cash, unless you are making a rollover contribution and the Custodian accepts non-cash rollover contributions.
- The Custodian of your IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- Your interest in your IRA is nonforfeitable at all times.
- The assets in your IRA may not be commingled with other property except in a common trust fund or common investment fund.
- No portion of your IRA funds may be invested in life insurance contracts.
- No portion of your IRA funds may be invested in collectibles (as described in Section 408(m) of the Internal Revenue Code.) A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially minted US gold, silver and platinum coins and certain state-issued coins are permissible IRA investments. You may also invest in certain gold, silver, platinum or palladium bullion. Such bullion must be permitted by the Custodian and held in the physical possession of the IRA Custodian.
- Your interest in your IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70 1/2. Rules regarding these required distributions are described below.

## WHO IS ELIGIBLE TO ESTABLISH A SIMPLE IRA?

You are permitted to establish a SIMPLE IRA only if you are a Participant in SIMPLE Retirement Plan established by your Employer or if you were a Participant in a SIMPLE Retirement plan established by a former Employer.

## CONTRIBUTIONS

**Salary Reduction Contributions** – A salary reduction contribution is a contribution made pursuant to your election to have your Employer contribute a portion of your compensation to your SIMPLE IRA instead of paying to you directly. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employed. The amount you may contribute for any one year may not exceed the "applicable annual dollar limitation" described below. This is your contribution limit.

### Applicable Annual Dollar Limitation

<u>Tax Year</u>	<u>Contribution Limit</u>
2001	\$6,500
2002	\$7,000
2003	\$8,000
2004	\$9,000
2005	\$10,000
2006	\$10,000
2007	\$10,500
2008	\$10,500
2009	\$11,500
2010	\$11,500
2011	\$11,500
2012	\$11,500
2013	\$12,000
2014	\$12,000

After 2014, the \$12,000 annual limit will be subject to cost-of living increases in increments of \$500, rounded to the lower increment.

**Catch-up Contributions** - Beginning for 2002, if an individual has attained the age of 50 before the close of the taxable year for which an annual contribution is being made and meets the other eligibility requirements for making SIMPLE

salary reduction contributions, the annual contribution limit for that individual would be increased as follows:

<u>Tax Year</u>	<u>Normal Limit</u>	<u>Additional Catch-up</u>	<u>Total Contribution</u>
2002	\$7,000	\$500	\$7,500
2003	\$8,000	\$1,000	\$9,000
2004	\$9,000	\$1,500	\$10,500
2005	\$10,000	\$2,000	\$12,500
2006	\$10,000	\$2,500	\$12,500
2007	\$10,500	\$2,500	\$13,000
2008	\$10,500	\$2,500	\$13,000
2009	\$11,500	\$2,500	\$14,000
2010	\$11,500	\$2,500	\$14,000
2011	\$11,500	\$2,500	\$14,000
2012	\$11,500	\$2,500	\$14,000
2013	\$12,000	\$2,500	\$14,500
2014	\$12,000	\$2,500	\$14,500

After 2014, the \$2,500 additional catch-up amount will be subject to cost-of living increases in increments of \$500, rounded to the lower increment.

## Employer Contributions

Your Employer may make additional contributions to your SIMPLE IRA. The amount of the Employer's contribution is determined by the terms of SIMPLE Retirement Plan adopted by your Employer. In general, your Employer must make a matching contribution to your SIMPLE IRA in an amount equal to your salary reduction contributions, up to 3% of your compensation. Your Employer may also make a nonelective contribution of 2% of compensation, in lieu of the matching contribution, whether you make salary reduction contributions or not. In addition, your Employer is permitted to temporarily reduce the matching contribution. Your Employer must notify you before making contributions under either of these alternative formulas. Your Employer should provide you with a copy of the executed SIMPLE Retirement Plan and a Summary Description of the plan. These documents describe the provisions of the plan.

## EXCESS CONTRIBUTIONS

Generally an excess SIMPLE salary deferral is any salary reduction contribution which exceeds the applicable annual dollar limitation. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by the deadline (including extensions) for filing your tax return for the year for which the excess deferral was made. If you withdraw the excess by such time, the distribution, including both the excess contribution and the allocable income, is taxable in the year for which the contribution was made. If the excess contribution and allocable income is withdrawn after the deadline (including extensions) the distribution is taxable in the year in which it is made. You may not be transfer or roll over excess deferrals tax-free to another SIMPLE IRA. If you fail to withdraw excess elective deferrals, and any allocable income, by the deadline (including extensions), the excess elective deferrals are subject to a 6% excise tax for each year they remain in your SIMPLE IRA. Distributions made before the Participant attains age 59 1/2, including distributions to correct excess deferrals, from the SIMPLE IRA are subject to an additional 10% tax (or 25% if withdrawn within the first 2 years of participation) on early distributions. The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

## ROLLOVERS

**Rollover Contributions from Another SIMPLE IRA** - A rollover from another SIMPLE IRA is any amount you receive from one SIMPLE IRA and redeposit (roll over) some or all of it over into another SIMPLE IRA. You are not required to roll over the entire amount received from the first SIMPLE IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for Federal income tax purposes and may be subject to an additional tax if the distribution is a premature distribution.

**Rollover Distributions from a SIMPLE IRA** - A distribution from a SIMPLE IRA may only be rolled over to another SIMPLE IRA during the first two years that the participant participated in the employer's SIMPLE plan. After the initial two year period, a distribution from a SIMPLE IRA may be rolled over to any IRA maintained by the individual or any qualified plan, 403(b), or 457(b) plan that will accept the rollover. The two year period begins on the first day that the employer deposits contributions into the participant's SIMPLE IRA.

### The following special rules also apply to rollovers between IRAs:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you
- You may have only one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution from an IRA which was rolled over to another IRA. (See IRS Publication 590 for more information).
- The same property you receive in a distribution must be the same property

you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be the property that is rolled over into the second IRA.

- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to receive a complete distribution from your IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
- If you inherit an IRA due to the death of the participant, you may not roll this IRA into your own IRA unless you are the spouse of the decedent.
- If you are age 70 1/2 or older and wish to roll over to another IRA, you must first satisfy the required minimum distribution for that year and then the rollover of the remaining amount may be made.
- A SIMPLE IRA may only receive rollovers contributions from another SIMPLE IRA.

## DISTRIBUTIONS

**Taxation of Distributions** - When you start withdrawing from your SIMPLE IRA, you may take the distributions in periodic payments, random withdrawals or in a single sum payment. Generally all amounts distributed to you from your IRA are included in your gross income in the taxable year in which they are received. All taxable distributions from your SIMPLE IRA are taxed at ordinary income tax rates for Federal income tax purposes and are not eligible for any favorable tax treatment.

**Premature Distributions** - If you are under age 59 1/2 and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses in excess of 7 1/2% of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time homebuyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; or due to an IRS levy.

If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59 1/2, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification. In addition, if a distribution is made to you within the first two years of participation and none of the exception above applies, the 10% additional tax is increased to 25%.

**Age 70 1/2 Required Minimum Distributions** - You are required to begin receiving minimum distributions from your IRA by your required beginning date (the April 1 of the year following the year you attain age 70 1/2). The year you attain age 70 1/2 is referred to as your "first distribution calendar year". Your minimum distribution for each year beginning with the calendar year you attain the age of 70 1/2 is generally based upon the value of your account at the end of the prior year divided by the factor for your age derived from the Uniform Lifetime Distribution Period Table regardless of who or what entity is your named beneficiary. This uniform table assumes you have a designated beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum amount is the fair market value of each IRA you own as of the prior December 31st, adjusted for outstanding rollovers (or transfers) as of such prior December 31st and recharacterizations that relate to a conversion or failed conversion made in the prior year.

However, no payment will be made from this IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary as of the January 1st of the calendar year that contains your required beginning date and such spouse is more than 10 years younger than you. The required minimum distribution for the second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year.

In any distribution calendar year you may take more than the required minimum. However, if you take less than the required minimum with respect to any distribution calendar year, you are subject to a Federal excise tax penalty of 50% of the difference between the amount required to be distributed and the amount actually distributed. If you are subject to that tax, you are required to file IRS Form 5329.

**Reporting the Required Minimum Distribution** - Beginning for minimum distributions that are required for calendar 2003, the custodial account must provide a statement to each IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian to perform the calculation if requested by the IRA owner. The statement must inform the IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the IRA owner that beginning in 2004, the Custodian must report to the IRS that the IRA owner is required to receive a minimum for the calendar

year.

**Death Distributions** - If you die before your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31st of the calendar year you would have attained the age of 70 1/2, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year. If your spouse is your sole beneficiary, your spouse may elect to treat your IRA as his or her own IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your IRA as his or her own IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own IRA.

## PROHIBITED TRANSACTIONS

If you or your beneficiaries engage in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code) with your IRA, it will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## PENALTIES

If you are under age 59 1/2 and receive a premature distribution from your IRA, an additional 10% income tax will apply on the taxable amount of the distribution unless an exception applies. If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account. If you are age 70 1/2 or over or if you should die, and the appropriate required minimum distributions are not made from your IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

You must file IRS Form 5329 with the Internal Revenue Service for any year an additional tax is due. You must file IRS Form 8606 for any year you make a nondeductible IRA contribution, rollover over after-tax employee contributions from your employer's plan, convert from your traditional IRA to a Roth IRA or recharacterize a contribution to your traditional IRA. The penalty for not filing Form 8606, when required, is \$50.

## INCOME TAX WITHHOLDING

All withdrawals from your IRA (except a direct transfer to another traditional IRA or any recharacterization) are subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your IRA distribution in most cases. If withholding does apply to your distribution, the applicable rate of withholding is 10% of the amount of the distribution. In addition to Federal income tax withholding, distributions from IRAs may also be subject to state income tax withholding.

## TRANSFERS

A direct transfer of all or a portion of your funds is permitted from this IRA to another traditional IRA or visa versa. Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. If you should transfer all or a portion of your IRA to your former spouse's IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the IRA of your spouse or former spouse. If your spouse is the beneficiary of your IRA, in the event of your death, your spouse may "assume" your IRA. The assumed IRA is then treated as your surviving spouse's IRA.

## FEDERAL ESTATE AND GIFT TAXES

Generally there is no specific exclusion for IRAs under the estate tax rules. Therefore, in the event of your death, your IRA balance will be includable in your gross estate for Federal estate tax purposes. However, if your surviving spouse

is the beneficiary of your IRA, the amount in your IRA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A transfer of property for Federal gift tax purposes does not include an amount which a beneficiary receives from a IRA plan.

#### **IRS APPROVAL AS TO FORM**

This IRA Custodial Agreement has been approved by the Internal Revenue Service as to form. This is not an endorsement of the plan in operation or of the investments offered.

#### **ADDITIONAL INFORMATION**

You may obtain further information on IRAs from your District Office of the Internal Revenue Service. In particular you may wish to obtain IRS Publication 590 (Individual Retirement Arrangements).

#### **FINANCIAL DISCLOSURE**

**In General:** IRS regulations require the Custodian to provide you with a financial projected growth of your IRA account based upon certain assumptions.

**Growth in the Value of Your IRA:** Growth in the value of your IRA is neither guaranteed nor projected. The value of your IRA will be computed by totaling the fair market value of the assets credited to your account. At least once a year the Custodian will send you a written report stating the current value of your IRA assets. The Custodian shall disclose separately a description of:

- (a) The type and amount of each charge;
- (b) the method of computing and allocating earnings, and
- (c) any portion of the contribution, if any, which may be used for the purchase of life insurance.

**Custodian Fees:** The Custodian may charge reasonable fees or compensation for its services and it may deduct all reasonable expenses incurred by it in the administration of your IRA, including any legal, accounting, distribution, transfer, termination or other designated fees. Any charges made by the Custodian will be separately disclosed on an attachment hereto. Such fees may be charged to you or directly to your trust account. In addition, depending on your choice of investment vehicles, you may incur brokerage commissions attributable to the purchase or sale of assets.