



# Individual Retirement Account Adoption Agreement

Please complete each section below:

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225  
Fax: (720) 420-8381

In order to establish an account at M2 Trust Services LLC ("M2 Trust"), you must provide us with a copy of your non-expired government issued photo ID (e.g. driver's license, state issued photo ID, or passport). If you do not have any of these requested items, please contact us to learn what additional documentation may be acceptable.

## ACCOUNT TYPE

Type of IRA you want to establish (Please check one)

- Traditional IRA
- Inherited Traditional IRA
- Roth IRA
- Inherited Roth IRA
- SEP IRA (IRS Form 5305-SEP required)
- SIMPLE IRA (IRS Form 5304-SIMPLE required). Participant selects IRA custodian.
- SIMPLE IRA (IRS Form 5305-SIMPLE required) Participant must use IRA custodian selected by the employer.

Note, if opening a SEP IRA or SIMPLE IRA provide the name of your employer below:

Employer Name: \_\_\_\_\_

**IMPORTANT!** IF you are opening an Inherited IRA you must provide the following information:

Deceased IRA Owner's Information: Name \_\_\_\_\_  
 Social Security Number \_\_\_\_\_  
 Date of Birth (MM-DD-YYYY) \_\_\_\_\_  
 Date of Death (MM-DD-YYYY) \_\_\_\_\_

Account distribution status at the time of death (select one):  Taking Distribution  Not Taking Distribution

Relationship to deceased Account Owner:  Spouse  Non-Spouse  Trust

## PERSONAL INFORMATION

Mr.  Mrs.  Ms.

Name \_\_\_\_\_

Country of Citizenship  
 USA  Other \_\_\_\_\_

Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Work Phone \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

E-mail Address \_\_\_\_\_

## RESIDENTIAL ADDRESS (P. O. BOX NOT ACCEPTABLE)

Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## MAILING ADDRESS (IF DIFFERENT FROM RESIDENTIAL ADDRESS)

Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## PHOTO IDENTIFICATION

Type of ID (e.g., Driver's License, Passport, etc.)	ID Number	Expiration Date
_____	_____	_____

**!** You must provide a copy of your non-expired government issued photo ID (e.g. driver's license, state issued photo ID, or passport).

## STATEMENT PREFERENCE

M2 Trust Services, LLC ("M2 Trust") provides you online account access. Once an account has been established, M2 Trust will send you a secure email with information on how to access your Account and statements online. Please indicate below your preferences with respect to receiving statements.

- Quarterly Statements Online - Free
- Quarterly Statements Mailed - \$10 per statement

## ACCOUNT FUNDING OPTIONS

IMPORTANT - There is a minimum cash balance requirement of \$1,000.

We recommend you fund your Account with at least \$1,000 more than your intended investment amount in order to ensure there are sufficient funds to cover account set-up and activity fees. Your investment transaction may not be processed if you have insufficient funds in your Account to cover fees and the \$1,000 minimum balance requirement.

If you intend to transfer or rollover assets in-kind, you are still expected to maintain the \$1,000 minimum balance requirement so please fund your account accordingly.

- TRANSFERRING CASH AND/OR ASSETS IN-KIND FROM ANOTHER IRA OR QUALIFIED PLAN** – Check this box if you will be funding your Account by having your current IRA custodian transfer cash or assets directly to M2 Trust or will be funding your IRA with cash or assets from your employer plan\*. M2 Trust will email you a link to the **Transfer Request Form** (which is available on the Forms page of our website) which you must complete for M2 Trust to process your transfer. In addition, you must attach the **most-recent Account statement** from the financial institution from which you are transferring.

\* When cash or assets are transferred directly from an employer retirement plan to an IRA, it is referred to as a direct rollover.

- ROLLING OVER CASH AND/OR ASSETS IN-KIND FROM ANOTHER IRA OR QUALIFIED RETIREMENT PLAN** – Check this box if you have already received a distribution from a previous IRA or qualified plan and you are funding your accounts with these funds or assets. M2 Trust will email you a link to the **Rollover Certification Form** (which is available on the Forms page of our website) which you must complete for M2 Trust to process your rollover.

Note: You have 60 days from the date you received funds or assets from your prior IRA or qualified plan to deposit cash and/or assets into your M2 Trust IRA

- MAKING A CONTRIBUTION** - Note: You must indicate the tax year for which the contribution is being made by writing the tax year in the memo section of your check. If no year is indicated, the funds will be posted as a current year contribution.

## ACCOUNT FEE PAYMENT OPTIONS

Below are the options available for paying account fees. Please choose from the list of options below. If no option is selected, M2 Trust will automatically deduct fees from available cash.

- DEDUCT FROM AVAILABLE CASH IN ACCOUNT** (Default Option) - If sufficient cash is not available in the account additional charges will apply.
- PROCESS ACH DEBIT** – I instruct M2 Trust to process a withdrawal from my bank account and deposit into my account at M2 Trust for payment of fees. A processing fee applies per our current fee schedule. **ATTACH A VOIDED CHECK WITH YOUR IRA PAPERWORK. Note:** Insufficient funds in your specified bank account will result in an additional charge.

Bank Name  Account Number   
Address  City  State  Zip   
Routing Number   
Account Holder Name  Bank Account Type:  Checking  Savings

- CREDIT CARD** – Check this box if you want to pay by credit card. M2 Trust will email you an invoice and a link to our Credit Card Payment Portal where you can provide your credit card information.
- INVOICE OPTION** – Check the box if you want M2 Trust to prepare and mail invoices to you for payment.

## ACKNOWLEDGMENT

I hereby acknowledge the following:

- By signing the IRA Adoption Agreement, I am appointing M2 Trust as Custodian of my IRA.
- I represent and warrant that all information provided by me or on my behalf is and will be true, correct, and complete.
- I have read, understand, and agree to all terms as set forth in the IRA Adoption Agreement, Custodial Agreement, Disclosure Statement, and Fee Schedule (collectively, "Plan Documents").
- I understand that within seven (7) days from the date that I open my Account I may revoke my Account without penalty, subject to the terms and conditions contained in the "Right of Revocation" provision found in the IRA Disclosure Statement, by mailing or delivering a written notice to M2 Trust.
- The Account I am establishing is self-directed and I am solely responsible for the success or failure of my investments.
- I understand M2 Trust does not provide investment, legal, or tax advice, and neither sponsors or endorses any investment, nor conducts any due diligence review of any investment, investment sponsor, or advisor. Furthermore, I understand that M2 Trust is not responsible for the performance of any investment held within my Account, or the monitoring thereof.
- Certain investments or classes of investments may pose administrative burdens, and M2 Trust reserves the right not to process or accept such investments. The decision not to act upon investment directions which the Custodian determines to be unacceptable for administrative reasons should in no way be construed as a determination concerning the prudence or advisability of investing in the asset.
- I hereby agree to fully release, indemnify, hold harmless, and defend M2 Trust, including its officers, directors, employees, successors and assigns, from any liability incurred by or asserted against M2 Trust by reason of any disbursement, sale or investment made, or actions taken by M2 Trust in its role in carrying out my (or my Authorized Agent's) instructions, and from any and all other actions, claims, losses, and

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- expenses, including legal expenses and attorney's fees, (collectively "Damages") whatsoever which may arise in connection with this Account.
  - That with the exception of uninvested cash in amounts under \$250,000 held at depository institutions participating in the M2 Trust Cash Management Account Program and/or other similar banking institutions which are FDIC insured as describe in the IRA Custodial Agreement, my investments are: (a) not insured by the FDIC or any other federal or state deposit guarantee fund; (b) not guaranteed by M2 Trust, its subsidiaries, parent, and/or agents; and (c) are subject to investment risk, including the possible loss of the principal invested.
  - I have read the Cash Management Account provisions contained in the IRA Custodial Agreement. I hereby direct M2 Trust to deposit all undirected and uninvested cash from any source, including but not limited to contributions, transfers, proceeds from asset sales, and income and distributions from assets held in the Account, into deposit accounts at one or more Federal Deposit Insurance Corporation ("FDIC") insured banks selected by M2 Trust. I acknowledge that the deposits at each bank will be insured by the FDIC up to the federal deposit insurance limits (currently \$250,000 per Account Holder at each bank), and that any amount in excess of the legal limit will not be insured by the FDIC.
  - **I have read and agree to the use of electronic signatures and documents as described in the IRA Custodial Agreement and Consent to Electronic Signatures and Documents.**
  - **My Account is subject to an Arbitration provision in the IRA Custodial Agreement.**
  - I hereby give my consent to have my telephone conversations recorded.
  - I hereby instruct M2 Trust to provide Sovereign International Pension Services (SIPS) access to my account information including through M2 Trust's online portal

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#### AUTHORIZATION & ACCOUNT HOLDER SIGNATURE

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Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This IRA Adoption Agreement is hereby accepted and approved:

Custodian Signature By: **M2 Trust Services, LLC** \_\_\_\_\_ Date: \_\_\_\_\_

Its: \_\_\_\_\_

**IMPORTANT: PLEASE REMEMBER TO PROVIDE  
A COPY OF YOUR NON-EXPIRED GOVERNMENT ISSUED PHOTO ID**



# BENEFICIARY DESIGNATION

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225

## OVERVIEW

We recommend you review your proposed beneficiary designations with your financial, legal or tax adviser before completing this form. This form cancels any beneficiary designations previously submitted to M2 Trust Services, LLC ("M2 Trust"). If you live in a community property state and you select someone other than your spouse as beneficiary, you must obtain your spouse's consent. Note: Spouse's signature must be notarized. If you fail to obtain such consent your designation may be determined to be invalid. *Per-Stirpes Designation* - In the event your primary beneficiary predeceases you, a per stirpes beneficiary designation provides that the share he or she would have received goes to his or her heirs.

## ACCOUNT HOLDER INFORMATION

Name   
Date of Birth  Social Security Number

## DESIGNATION OF BENEFICIARY(IES)

I designate the individual(s) named below as my primary and contingent beneficiary of my account. I understand that I may change or add beneficiaries at any time by completing and delivering to M2 Trust a new beneficiary Designation.

Note: If you are married and designate a primary beneficiary other than your spouse, your spouse must sign the spousal consent wavier below if you reside in a community property state. If you designate a trust as beneficiary, please provide a copy of the trust. Named beneficiaries may only be U.S. Citizens or non-U.S. Citizens that have obtained a substitute tax identification number or social security number. In the event of your death, if you fail to provide M2 Trust with a designated beneficiary for your account, Article XV of the Traditional IRA Custodial Agreement or XVI of the Roth IRA Custodial agreement will prevail. If you have more than one beneficiary, the named beneficiaries will share equally in the Account unless you designate the ownership interest of each listed beneficiary. You should ensure that any such allocation of ownership interest totals one hundred (100) percent. For a more detailed explanation about beneficiary designations, please refer to the Custodial Agreement.

## PRIMARY BENEFICIARIES

<input type="checkbox"/> Spouse	<b>NAME</b> <input type="text"/>	<b>RELATIONSHIP</b> <input type="text"/>
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> <input type="text"/>	<b>DATE OF BIRTH</b> <input type="text"/>
<input type="checkbox"/> Trust	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> <input type="text"/> %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> <input type="text"/>	<b>RELATIONSHIP</b> <input type="text"/>
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> <input type="text"/>	<b>DATE OF BIRTH</b> <input type="text"/>
<input type="checkbox"/> Trust	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> <input type="text"/> %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> <input type="text"/>	<b>RELATIONSHIP</b> <input type="text"/>
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> <input type="text"/>	<b>DATE OF BIRTH</b> <input type="text"/>
<input type="checkbox"/> Trust	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> <input type="text"/> %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> <input type="text"/>	<b>RELATIONSHIP</b> <input type="text"/>
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> <input type="text"/>	<b>DATE OF BIRTH</b> <input type="text"/>
<input type="checkbox"/> Trust	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> <input type="text"/> %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes

**CONTINGENT BENEFICIARIES**

<input type="checkbox"/> Spouse	<b>NAME</b> _____	<b>RELATIONSHIP</b> _____
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> _____	<b>DATE OF BIRTH</b> _____
<input type="checkbox"/> Trust		
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> _____ %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> _____	<b>RELATIONSHIP</b> _____
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> _____	<b>DATE OF BIRTH</b> _____
<input type="checkbox"/> Trust		
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> _____ %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> _____	<b>RELATIONSHIP</b> _____
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> _____	<b>DATE OF BIRTH</b> _____
<input type="checkbox"/> Trust		
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> _____ %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes
<input type="checkbox"/> Spouse	<b>NAME</b> _____	<b>RELATIONSHIP</b> _____
<input type="checkbox"/> Non-Spouse	<b>SOCIAL SECURITY OR TAX ID</b> _____	<b>DATE OF BIRTH</b> _____
<input type="checkbox"/> Trust		
<input type="checkbox"/> Other Entity	<b>SHARE PERCENTAGE</b> _____ %	<b>PER STIRPES</b> <input type="checkbox"/> Check box for Per Stirpes

**ACKNOWLEDGMENT, AUTHORIZATION & ACCOUNT HOLDER SIGNATURE**

I hereby appoint the individual(s) and/or entity(ies) named herein as my account beneficiary(ies). I acknowledge that completing and sending a new Beneficiary Designation to M2 Trust will automatically replace any prior Beneficiary Designation associated with my account. I understand and agree that if I fail to name a beneficiary or if all of the beneficiaries named herein shall predecease me, the remaining balance of the account shall be payable to my spouse or if there is no spouse living, then to my children, or if there are no children, then to my estate.

I understand and agree that if I have more than one beneficiary, the named beneficiaries will share equally in the account unless I designate the ownership interest of each listed beneficiary. In the event that ownership interest does not equal 100%, M2 Trust is hereby authorized to divide the remaining unallocated percentage equally among the listed account beneficiaries. I understand and agree should I name multiple beneficiaries and provide an allocation equaling 100% among only a portion of the named beneficiaries, I hereby authorize M2 Trust to pay the specified percentage only to the beneficiary(ies) whose ownership interest has been specified by me. I understand and agree designated beneficiaries without an allocation of ownership interest will not be entitled to receive any assets of my account, thereby forfeiting any of their rights or claims against the account and/or M2 Trust.

**Account Holder's Signature**

**Date**

X \_\_\_\_\_

**IMPORTANT REMINDER: If you name someone other than your spouse as the beneficiary of your IRA you may be required to obtain their consent.** Some states have community property laws that govern the property rights of married people. In a community property law system, you may be required to obtain consent if you want to name someone other than (or in addition to) your spouse as an IRA Beneficiary. Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. Alaska has an opt-in community property law that allows such a division of property if both parties agree. Community property states may change, be sure to check your state's requirements.

**The following page is to be completed only if you name someone other than your spouse as a primary beneficiary and you live in a community property state.**

**CONSENT OF SPOUSE**

I am the spouse of the above-named Account Holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse’s property and financial obligations. Due to the important tax consequences of giving up my interest in this account, I have been advised to see a tax professional. I hereby give the Account Holder any interest I have in the funds or property deposited in this account and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. I hereby affirm that no tax or legal advice was given to me by M2 Trust.

Name of Spouse: \_\_\_\_\_

Signature of Spouse: \_\_\_\_\_ Date: \_\_\_\_\_

**CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC**

State of \_\_\_\_\_, in the County of \_\_\_\_\_, subscribed and sworn before me by the above-named individual who is personally known to me or has produced \_\_\_\_\_ as identification, that the foregoing statements were true and accurate and made of his/her own free act and deed on \_\_\_\_\_.

**Name and Signature of Notary**

**Notary Seal/Stamp**

_____
Print Name of Notary
_____
Date (MM/DD/YYYY)
X _____
Notary Signature
_____
My commission expires (MM/DD/YYYY)

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**IRA TRANSFER REQUEST FORM**  
**DIRECT ROLLOVER LETTER**  
*(M2 Trust is Non-ACAT eligible)*

M2 Trust Services, LLC  
 700 17th Street, Suite 1100  
 Denver, CO 80202  
 Phone: (888) 265-1225  
 Fax: (720) 420-8381

**Please complete Sections I, II, III, and IV**

**Section I: IRA Transfer/Rollover:**

I am transferring/rolling over from one of the following type of accounts (check one):

- Traditional IRA    Roth IRA    SEP IRA    SIMPLE IRA   Other (Indicate account type): \_\_\_\_\_

**CURRENT IRA CUSTODIAN INFORMATION**

Contact your current IRA custodian to verify the information below before returning this form to M2 Trust. Be sure to ask if they will accept a fax of the Transfer Request. If so check the box under "Custodian Fax Number." Also ask if they will require a Medallion Stamp. If so check the "Medallion Stamp" box below.

**Name of Present Trustee or Custodian**

**Name** *(Your name as it appears at the present Trustee/Custodian)*

**Physical Address Required**—Address for mailing or delivering this Transfer Request *(check with your present Trustee/Custodian)*

**Social Security Number**

**City, State, Zip**

**Custodian Telephone Number** *(please include the area code)*

**Contact Name**

**Custodian Fax Number**

**Account Number at present Trustee/Custodian**

Send Transfer Request by fax to the number above.

**Medallion Stamp**

- Check box if a Medallion Stamp is required by your current custodian. If the Medallion Stamp is required you can take this form to your bank or brokerage office and have them apply the stamp, before returning to M2 Trust,

Delivery Instructions: I hereby authorize M2 Trust to send the Transfer Request by:  Fax    Regular Mail    Overnight Mail (special fees apply).

**Section II: Transfer of existing account [choose either Full (Complete) or Partial]:**

**Full (Complete) (Please choose one of the following):**

- Transfer my entire account IN-KIND. Change of ownership only. Money market fund must be liquidated and transferred as cash.  
 Liquidate all assets and transfer as cash.

**Partial (Please choose one of the following):**

- Only \$ \_\_\_\_\_    All cash in account.

Please transfer only the assets listed below (If In-Kind, a **current statement less than 6 months old is required**).

QUANTITY <i>(All, # of Shares, or \$ Amount)</i>	DESCRIPTION OF ASSET <i>(Name of Fund, Security, or Asset)</i>	INSTRUCTIONS <i>(Please check only one box per asset)</i>
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind
		<input type="checkbox"/> Liquidate or <input type="checkbox"/> In-Kind

**Section III: Instruction to Current Trustee/Custodian/Plan Sponsor (See attached for delivery instructions.):**

- I wish to have my funds wired.    I wish to have a check or asset re-registration paperwork mailed via:
- First Class mail  
 Overnight delivery and charge my account the overnight fee.  
 Overnight delivery. 3<sup>rd</sup> Party billing number: \_\_\_\_\_



**IRA TRANSFER REQUEST FORM**  
**DIRECT ROLLOVER LETTER**  
*(M2 Trust is Non-ACAT eligible)*

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225  
Fax: (720) 420-8381

**Section IV: Account Holder Signature:**

I hereby authorize the transfer of cash and/or assets, as directed above, be transferred to M2 Trust for deposit into the following type of account:

- Traditional IRA    Roth IRA    SEP IRA    SIMPLE IRA    Other (Indicate account type): \_\_\_\_\_

Account Holder Signature

Date

Signature Guarantee  
(Affix Medallion Stamp)

**M2 TRUST WILL COMPLETE THE SECTION BELOW**

IRA Account Holder Name: \_\_\_\_\_

IRA Account Number: \_\_\_\_\_

**Section V: Acceptance by M2 Trust:**

M2 Trust has entered into an Individual Retirement Custodian Agreement with the person named above, and M2 Trust, as Custodian of such account, agrees and does hereby accept transfer of the assets described above to such account.

By: \_\_\_\_\_  
M2 Trust Authorized Signatory

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





# DELIVERY INSTRUCTIONS

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225  
Fax: (720) 420-8381

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**ASSETS – Assets should be re-registered and sent to the following address.**

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M2 Trust FBO [Account Holder's Name]  
700 17<sup>th</sup> Street, Suite 1100  
Denver, CO 80202

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**FUNDS - funds can be sent to M2 Trust three ways: Wire, ACH, or Check.**

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**WIRE**

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Beneficiary/Destination Bank: Vectra Bank  
Address: 2000 S. Colorado Blvd., Suite 2-1200  
City, State, Zip: Denver, CO 80222  
Routing #: 102003154  
Account #: 5795764579  
Beneficiary Information: M2 Trust  
Further Credit To: [Account Holder's Name]

**ACH**

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Beneficiary/Destination Bank: Vectra Bank  
Address: 2000 S. Colorado Blvd., Suite 2-1200  
City, State, Zip: Denver, CO 80222  
Routing #: 102003154  
Account #: 5795764579  
Beneficiary Information: M2 Trust  
Further Credit To: [Account Holder's Name]

**CHECK**

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Payable to: M2 Trust FBO [Account Holder's Name]  
700 17<sup>th</sup> Street, Suite 1100  
Denver, CO 80202



# IRA ROLLOVER CERTIFICATION

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225  
Fax: (720) 420-8381

Use this form to certify that a contribution is an eligible rollover contribution from another IRA or employer sponsored plan. This form should accompany the IRA Application for a new account. This form is not intended for initiating rollovers from IRAs or employer sponsored plans. Please use the IRA Transfer Request / Direct Rollover Form to request a transfer or rollover from your current IRA custodian.

You must complete the rollover within 60 calendar days of your receipt of that distribution. To be eligible for a rollover at least 365 days must have passed since you last received a rollover distribution from any IRA.

**Special Required Minimum Distribution notice:** If you will attain age 70 ½ during the calendar year or are older and are required to take a minimum distribution from your employer-sponsored retirement plan or IRA, you must either take that distribution prior to rolling over your plan or IRA assets to M2 Trust Services, LLC ("M2 Trust") or you may leave that distribution amount in the employer-sponsored retirement plan or IRA and withdraw it prior to the distribution deadline (generally December 31).

## PERSONAL INFORMATION

Name

Social Security Number

Contact Telephone

## TYPE OF ROLLOVER CONTRIBUTION

**NOTE:** Beginning January 1, 2015, there is a new restriction placed on indirect (60-day) rollovers. An IRA participant will be allowed only one indirect rollover across all IRAs (Traditional, Rollover, Roth SEP, SARSEP and SIMPLE IRA) in aggregate that a taxpayer owns within any 12-month or 365-day period. As an alternative, a participant can make an unlimited number of trustee-to-trustee transfers where the proceeds are delivered directly to the receiving financial institution, successor custodian or trustee.

### TRADITIONAL ROLLOVER

- Traditional IRA Rollover – This is a distribution of all or part of my account balance from another traditional IRA which is being rolled over within 60 days of receipt. I understand that 365 days must have passed since I last received a rollover distribution from the distributing traditional IRA.
- IRA Eligible Rollover Distribution – This is a non-periodic distribution from my employer’s qualified retirement plan of all or part of my account balance, other than the portion of any distribution which is nontaxable, which is being rolled over within 60 days of receipt. (Your employer’s plan administrator should be able to tell you what portion of your distribution is an “eligible distribution”). I certify that no portion of this rollover is from any portion of a Designated Roth Contribution Account under my employer’s qualified retirement plan or from any amount required to be distributed under Internal Revenue Code Sections 408(a)(6) and 401(a)(9), commonly known as a required minimum distribution.

### SEP IRA

- SEP IRA Rollover – The funds are an eligible SEP IRA rollover being rolled over within 60 days of receipt, and includes only SEP IRA assets.

### SIMPLE IRA

- SIMPLE IRA Rollover – The funds are an eligible SIMPLE IRA rollover contribution being rolled over within 60 days of receipt, and includes only SIMPLE IRA assets. Note: A SIMPLE IRA may not receive a rollover from a different type of IRA or be rolled over to a Traditional IRA within the first two years of the first contribution to the SIMPLE IRA.

### ROTH ROLLOVER

- Roth IRA Rollover – This is a distribution of all or part of my account balance from another Roth IRA which is being rolled over within 60 days of receipt. I understand that 365 days must have passed since I last received a rollover distribution from the distributing Roth IRA
- Qualified Rollover Contribution (conversion) into a Roth IRA from a 401(k), 403(b), 457 Plan or other Qualified Plan – This is a distribution from my employer’s retirement plan paid as a direct rollover contribution (conversion) into a Roth IRA
- Designated Roth Contribution Account – This is a  direct rollover or a  60-day rollover from my Designated Roth Contribution Account under my employer’s qualified retirement plan. This rollover represents all or a portion of my Designated Roth Contribution Account under the employer’s qualified retirement plan and no other source of money under the employer’s qualified retirement plan is being rolled over to my Roth IRA.

**ROLLOVER INSTRUCTIONS**

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To rollover CASH, please follow the instruction below. Contact our office for wire instructions. Cash: Please make check payable to:

M2 Trust, Cust FBO [reference client name]

Mailing Address: M2 Trust Services, LLC  
700 17<sup>th</sup> Street, Suite 1100  
Denver, CO 80202

To roll over an existing investment (Private Stock, Real Estate, Limited Partnerships, LLCs, notes, etc.), please provide a copy of your most recent account statement, as well as copy of the paperwork evidencing your investment(s). Be sure to provide the contact information for the investment entity in which you are invested.

**SIGNATURE AND CERTIFICATION**

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I certify that the contribution described above is an eligible IRA rollover contribution. I certify that this contribution is being rolled over within 60 days of receipt or is being rolled directly from my employer’s plan or current custodian and meets the requirements for tax law provisions, as described above.

I certify that the rollover is not part of a series of payments over my life expectancy or over a period of 10 years or more. The rollover does not include any required minimum distribution, hardship distribution, corrective distribution, or deemed distribution from the employer’s qualified retirement plan.

I understand that this rollover contribution is irrevocable and involves important tax considerations. Specifically, I understand that a rollover contribution from a pre-tax qualified retirement plan will no longer be eligible for the special averaging, capital gains and separate tax treatment that may be available under my employer’s plan. I agree that I am solely responsible for all tax consequences. I also agree that M2 Trust shall have no responsibility for any such tax consequences or any consequences resulting from this amount being ineligible for rollover. Rules regarding rollovers, and their tax implications, are complex. Please refer to IRS Publication 590 or a professional tax advisor for more information.

I have read this form and understand and agree to be legally bound by the terms of this form. I also understand that M2 Trust will rely on my instructions within this form when accepting my rollover contribution.

**Account Holder’s Signature**

**Date**

X \_\_\_\_\_

\_\_\_\_\_



# CONSENT TO ELECTRONIC SIGNATURES AND DOCUMENTS

M2 Trust Services  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225  
Fax: (720) 420-8381

As part of your relationship with us, we want to ensure you have all of the information you need to effectively manage your accounts. Our goal is to provide as many options as possible for communicating and handling certain documents and transactions. We are required by law to give you certain information "in writing" – which means you are entitled to receive it on paper. We may provide this information to you electronically, instead, with your prior consent. We also need your general consent to use electronic signatures in our relationship with you.

To open an account M2 Trust Services, LLC ("M2 Trust") requires each client consent to the terms and conditions of this Consent to Electronic Signatures and Documents Agreement and Disclosure ("Agreement"). By signing this form you have agreed that (a) all Account statements, disclosures, form 1099s, form 5498s, investment authorizations, notices and other transactions related to your Account by and between you and us may be provided electronically as consented to herein, at our discretion, and (b) use of an electronic signature or E-Mail serve as an "original" signature and will bind you to the terms of any document executed by you with an electronic signature or authorized by an E-Mail. You and M2 Trust retain our respective rights as provided in this Agreement and Disclosure.

If you do not consent to this Agreement M2 Trust may decline the acceptance of your account or if you later withdraw your consent we may resign as custodian upon thirty day notice to you. In such cases any notice provided by us to you for any circumstance shall be sent to your last known address (maintained by us) by regular mail, and for purposes of this Agreement shall be considered delivered as of the date of the mailing. You are responsible for timely notifying us of any changes of address.

## **Definitions**

The words "**we**," "**our**," and "**us**" mean M2 Trust, affiliates, successors, and assigns.

The words "**you**" and "**your**" mean each applicant, account owner and anyone else with access to the account. If there is more than one owner, then these words mean each account owner separately, and all account owners jointly.

The word "**Access Device**" means any electronic device you use to access your account and view electronic documents. This includes, but is not limited to: a traditional computer such as a desktop or laptop computer; or a mobile device such as a tablet computer or a smartphone.

The word "**Document**" means all disclosures, terms and conditions, notices, forms, applications, agreements, documents, information, statements, and fee schedules.

The word "**Electronic**" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. For purposes of this Agreement electronic includes items sent by E-mail or facsimile ("Fax").

The word "**Electronic Agent**" means a computer program or an electronic or other automated means used independently to initiate an action to respond to electronic records or performances in whole or in part without review or action by an individual at the time or the action or response.

The word "**Electronic Record**" means a document or other record created, generated, sent, communicated, received, or stored by electronic means, including E-mail and fax.

The word "**Electronic Signature**" means an electronic sound, symbol, or process, attached to or logically associated with a document or other record and executed or adopted by a person with the intent to sign the record. Use of an electronic signature serve as an "original" signature and will bind you to the terms of any document executed with an electronic signature. For purposes of this Agreement, an E-mail transmission or Fax is deemed to be in writing and the term "address" includes a party's E-mail address, and will be considered a form of Electronic Signature.

The word "**Information**" data, text, images, sounds, codes, computer programs, software, databases, or the like.

## **Scope of this Agreement**

This Agreement applies to documents related to opening and maintaining an account with the M2 Trust, all IRS reporting, such as forms 1099 and 5498, as well as transactions authorized by you. This consent will remain effective as long as your account resides with us or until expressly withdrawn by you. You have the right to receive any record or disclosure provided or made available in non-electronic, paper form. Your consent does not mean that we must provide documents or accept transactions authorized by you electronically, but instead that we may deliver or receive some or all of those documents electronically and process transactions based on an electronic signature, E-mail or Fax. Sometimes the law, or our Agreement with you, requires you to give us a written notice. You must still provide these notices to us on paper, unless we specifically tell you in another Communication how you may deliver that notice to us electronically.

There are certain Communications that by law we are not permitted to deliver to you electronically, even with your consent. So long as required by law, we will continue to deliver those Communications to you in writing. However, if the law changes in the future and permits any of those Communications to be delivered as Electronic Records, this consent will automatically cover those Communications as well.

We will continue to provide your tax statements on paper unless you separately elect to receive them electronically (if available).

### **Electronic Delivery of Documents**

Electronic documents will typically be delivered to you in an Adobe® .pdf format. You must download and open the electronic documents to view them and you are strongly encouraged to save or print the documents for future reference.

### **Requesting Paper Copies of Documents Presented Electronically**

You agree and understand that paper versions of electronically presented documents may not be mailed unless you specifically request them. To request a paper copy of any document, contact us at 1-888-265-1225. Copies of documents, will be mailed; however, a \$15 fee will be charged for paper versions of documents (please refer to our Fee Schedule or speak with one of our representatives for more information about these charges).

### **Services and Products Utilized for Electronic Signatures and Documents**

M2 Trust may utilize a number of different secure online portals for purposes of receiving and sending documents and obtaining or providing electronic signatures. These may include, but not be limited to, AccuNet, Microsoft Office 365 Message Encryption, ShareFile, RightSignature, Adobe Sign, and DocuSign.

AccuNet - AccuNet allows you to access your account information over the internet, including account statements, in PDF format. To gain access go to our web site at [www.M2trustservices.com](http://www.M2trustservices.com).

Microsoft Office 365 Message Encryption - Office 365 allows us to send you encrypted email. This feature processes email through a TLS-enabled network that further enhances message security and eliminates the need for certificates by using your email address as the public key. It also enhances the security of subsequent email responses by encrypting each message in the thread.

ShareFile - ShareFile is a secure cloud-based platform utilized by M2 Trust to send and obtain e-signatures on documents with the integration of RightSignature. It provides bank-level encryption and two-factor authentication and single sign-on for added security. Electronic documents are protected during transfer with SSL/TLS encryption protocols and stored using AES 256-bit encryption.

RightSignature – In conjunction with ShareFile, RightSignature allows us to deliver fillable documents to you electronically and signed with secure, legally binding e-signatures. Every RightSignature document is secured with full audit log, biometric data capture, and 256-bit encryption.

Adobe Sign and DocuSign – When you authorize us to process an investment in your account a number of entities, such as title companies and investment sponsors, may present documents to us requesting an electronic signature using Adobe Sign, DocuSign or other electronic signature providers. It is our policy to execute such documents as long as you have previously authorized the investment transaction.

Email - We may, at our discretion, accept email authorization from you related to certain activities, such as expense payments, as long as it comes from an identifiable email address.

### **System Requirements**

By consenting to this agreement, you confirm that your Access Device meets the minimum specifications and requirements necessary to view and retain your electronic documents.

#### **To access your electronic documents on a mobile device, you will need:**

- A mobile device with a current operating system, such as Android or iOS (iPhone).
- A data plan provided by your wireless carrier and an up-to-date mobile internet browser that is compatible with, and supported by, your operating system. Supported browsers include: Internet Explorer 9, Safari 5, Firefox 11, and Chrome 18 or higher.
- For documents obtained or delivered through our secure web portal ("ShareFile") a mobile app for iOS, Android, Windows and Blackberry smartphones and tablets may be required.
- If you wish to view .pdf files on your mobile device, you will need software that accurately reads and displays .pdf files (such as the mobile version of Adobe Reader).
- A printer and/or storage device if you wish to print or retain any electronic documents.

#### **To access your electronic documents on a traditional computer, you will need:**

- A computer with a current operating system, such as Windows XP or higher, OS X (Apple Macintosh) or higher.
- An internet connection and an up-to-date internet browser that is compatible with, and supported by, your operating system. Supported browsers: Internet Explorer 9, Safari 5, Firefox 11, and Chrome 18 or higher.
- Software that accurately reads and displays .pdf files (such as Adobe Reader).
- A printer and/or storage device if you wish to print or retain any electronic documents.

**For ShareFile to access your electronic documents on a traditional computer, you will need**

- Sharefile is capable of running on the latest versions of most web browsers, including Google Chrome version 57.0.2987 or higher for Windows 10/8.1/87 and Mac OS 10.9 or later, Internet Explorer version 5.2.3 for Mac OS X or later and version 2859903 (Internet Explorer 10); Safari version 10.1 for Mac OS X; and Firefox 52.0 or higher.

**Changes to system requirements**

We will notify you if our hardware or software requirements change and whether that change creates a material risk that you would not be able to access or retain your electronic documents. Continued access or receipt of documents or use of electronic signatures after receiving notice of the change is the reaffirmation of your consent to this Agreement

**Maintaining a Valid E-mail Address**

It is important that you maintain a valid E-mail address with so that we may contact you regarding your account. You agree to maintain a valid E-mail address with us and to promptly notify us of any changes. You may update your E-mail address by sending an E-mail to [ClientServices@M2trustservices.com](mailto:ClientServices@M2trustservices.com) . You may also call us at 1-888-265-1225.

**Withdrawal of Your Consent**

You may withdraw your consent to receive any record provided or made available in electronic form under this Agreement at any time. To withdraw your consent you may send an E-mail notification to [ClientServices@M2Trustservices.com](mailto:ClientServices@M2Trustservices.com) . You can also withdraw consent by contacting us at 1-888-265-1225. If you withdraw your consent to this Agreement you will no longer be able to: 1) execute documents electronically; 2) send or receive certain documents to or from us; 3) utilize a Fax to receive or send documents to us, or 4) provide documents to us in any format other than paper form. With respect to account statements, even if you withdraw consent you will still have access to account statements through our Web site, if you wish to do so. As noted above, withdrawal of consent may result in our resignation as custodian for your account. In such case a written 30 day notice will be sent to you.

**Multiple Access Devices**

Your acceptance of this Agreement on one Access Device constitutes your acceptance on all Access Devices you use. For example, if you view and accept this Agreement on a mobile device, the terms of this Agreement will apply to electronic documents accessed on a traditional computer (or vice versa).

Additionally, by viewing and accepting this Agreement on any Access Device, you are reasonably demonstrating your ability to access and view electronic documents in the format that the services are provided on that Access Device and all subsequent Access Devices. If you change Access Devices (or use multiple Access Devices), it is your responsibility to ensure that the new Access Device meets the applicable system requirements and that you are still able to access and view electronic documents on the subsequent Access Device.

**Federal Law**

You acknowledge and agree that your consent to this Consent to Electronic Signatures and Documents Agreement and Disclosure is being provided in connection with a transaction affecting interstate commerce that is subject to the federal Electronic Signatures in Global and National Commerce Act, and that you and we both intend that the Act apply to the fullest extent possible to validate our ability to conduct business with you by electronic means.

**Termination/Changes**

We reserve the right, in our sole discretion, to discontinue the provision of your Electronic Communications, or to terminate or change the terms and conditions on which we provide Electronic Communications. We will provide you with notice of any such termination or change as required by law.

Questions? Please contact us Monday through Friday, from 8:00 am to 5:00 pm Mountain Standard Time.

Phone Number: (888) 265-1225

Mail Address:

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202



Form **5305-A**

(Rev. April 2017)

Department of the Treasury  
Internal Revenue Service

**Traditional Individual Retirement Account  
Custodial Agreement  
(Under section 408A of the Internal Revenue Code)**

**Do not file  
With the Internal  
Revenue Service**

This Traditional Individual Retirement Custodial Agreement, hereinafter referred to as the "Agreement", is made by and between M2 Trust Services, LLC ("M2 Trust"), hereinafter referred to as "Custodian", and the individual/Account Holder, herein after referred to as "Account Holder" or "you" who executes a Traditional IRA Adoption Agreement, incorporating the terms of this Agreement, for the purpose of establishing a Traditional individual retirement account, hereinafter referred to as the "Custodial Account" or "Account" under section 408(a) of the Internal Revenue Code. The Account Holder named in the Adoption Agreement is establishing a Traditional individual retirement account (Traditional IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named herein has given the Account Holder the disclosure statement required by Regulations section 1.408-6. For purposes of this Agreement, use of the term "Code" means the Internal Revenue Code, "Regulations" means the Treasury Regulations, "Authorized Agent" means any individual or entity, tax or legal professional, investment/financial advisor, or registered representative/broker, selected by the Account Holder (designated on a form acceptable to the Custodian) to provide investment services and/or advice to the Account Holder.

The Account Holder and the Custodian make the following agreement:

**Article I**

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

**Article II**

The Account Holder's interest in the balance in the custodial account is nonforfeitable.

**Article III**

1. 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)).

2. 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**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the depositor'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.

2. The depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:

(a) A single sum or

(b) Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.

3. If the depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the depositor dies on or after the required beginning date and:

(i) The designated beneficiary is the depositor'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 (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 (a)(iii) below, over such period.

(ii) The designated beneficiary is not the depositor'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 depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by 1 for each subsequent year.

(b) If the depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below.

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. But, in such case, if the depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (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 depositor's death.

4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows.

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor'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 depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor'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 (a) is determined using the depositor's (or, if applicable, the depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the depositor's death (or the year the depositor would have reached age 70½, if applicable under paragraph 3(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 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the depositor 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.

6. 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

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The custodian agrees to submit to the Internal Revenue Service (IRS) and depositor the reports prescribed by the IRS.

#### Article VI

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

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 Account Holder.

As permitted under the appropriate IRS model form, M2 Trust has added additional provisions to the Agreement.

Without prior written notice to or consent of the Account Holder or Account Holder's beneficiaries, the Custodian may amend this Agreement from time to time in order to comply with the provisions of the Internal Revenue Code. Notice of such amendment shall be sent to the Account Holder within thirty (30) days after such amendment is to be effective.

The Custodian may also amend this Agreement for any reason other than to comply with the Internal Revenue Code without the consent of the Account Holder or the Account Holder's beneficiaries; provided notice of such amendments shall be sent to the Account Holder thirty (30) days before the date such amendment is to be effective.

#### Article VIII - Self-Directed Account

By execution of the IRA Adoption Agreement the Account Holder hereby authorizes the Custodian to establish a self-directed IRA Account on his or her behalf and agrees to each and every provision contained in this Agreement. Given the self-directed nature of the Account, the Account Holder understands and agrees that it shall be his or her responsibility, and not the Custodian's to: a) select and direct the investment(s) of the Account; b) conduct due diligence on each investment, investment entity/sponsor, selling agent, or broker (selected by the Account Holder), which he or she deems appropriate; c) understand the risks involved with each investment, including, whether or not there may be liability above and beyond the amount of the investment; d) review each investment, as well as the individual(s) and entity(ies) related thereto, with his or her legal, tax, financial or other advisor in order to satisfy any question or concern, and to determine whether such investment or course of action is suitable and legally permissible; e) determine if he or she meets all suitability requirements imposed by each investment; and f) determine if any restrictions, penalties, taxes, fees or expenses are associated with any investment.

**Given the self-directed nature of the Account, the Custodian acts in a nondiscretionary (ministerial) capacity and does not act as a fiduciary, within the meaning of Code Section 4975(e)(3).**

#### Article IX – Notices, Change of Address, Electronic Signature and Documents

Any notice required or permitted under this Agreement must be in writing and will be effective upon the earlier of actual receipt, five (5) business days following deposit into the United States Mail (postage prepaid), the next business day following deposit with a nationally recognized overnight courier service, or the same day following transmission of an electronic mail message ("E-mail") or legible facsimile copy during regular business hours; in each case, with delivery fees prepaid and addressed to the Account Holder at the last known address (maintained in the Custodian's records) or the Custodian at its place of business or at such other address as either party may notify the other of from time to time in accordance with this Article.

For all purposes of this Agreement, an E-mail transmission is deemed to be in writing and the term "address" includes a party's E-mail address. Also, for purposes of this

Agreement, notice includes an E-mail that notifies the Account Holder that they have a message which can be viewed by logging into their account, Notwithstanding the foregoing, any direction for an act or omission provided by the Account Holder shall not be deemed delivered until such direction is actually received by the Custodian at its place of business. Each party is entitled to rely on the information disclosed to the other until it has received written notice of a change in such information and has had a reasonable period of time to react thereto.

The Custodian will not be required to determine the validity of any receipt, affidavit, notice or other paper or agreement required to be delivered to it under this Agreement, but it will be sufficient that such document is delivered to it by one of the parties as herein required and that the same must be in apparently correct form and signed or otherwise executed by the party required to sign or execute the same, and the Custodian will be relieved of any liability or responsibilities for the sufficiency thereof as long as it purports on its face to be such form and executed by such person as required by this Agreement.

In the event the Account Holder changes either his or her physical address or email address, Account Holder must notify Custodian in writing or by email from a verifiable email address on file with the Custodian. Any change of address by the Custodian requires notification to the Account Holder at least thirty (30) days in advance, either by regular mail or by email to the last known address.

If Account Holder has consented to the terms and conditions of Custodian's Consent to Electronic Signatures and Documents Agreement, Account Holder has agreed that (a) all Account statements, disclosures, investment authorizations, notices, and other transactions related to the Account by and between Account Holder and Custodian may be provided electronically as consented to in the Consent to Electronic Signatures and Documents Agreement, at the Custodian's discretion, and (b) use of an electronic signature or E-Mail serve as an "original" signature and will bind the Account Holder to the terms of any document executed by an electronic signature or authorized by an E-Mail.

If Account Holder does not consent to the terms and conditions of Custodian's Consent to Electronic Signatures and Documents Agreement or later withdraws consent, then any notice provided by Custodian to Account Holder for any circumstance shall be sent to Account Holder's last known address (maintained by Custodian) by regular mail, and for purposes of the Consent to Electronic Signatures and Documents Agreement shall be considered delivered as of the date of the mailing. Account Holder is responsible for timely notifying Custodian of any changes of address.

#### Article X - Custodian Fees and Expenses

The Custodian has the right to charge, collect, and/or be reimbursed for all costs, fees, taxes, etc. (collectively referred to as "expenses"), related to its administration of the Account, as provided in this Agreement and the Custodian's published IRA Fee Schedule. Such expenses include, but may not be limited to, establishment, annual account administration, cash management, sub-transfer agent, legal, special services, transaction, and Account termination. The Custodian may require a minimum cash balance in the Account from which to deduct expenses.

The Account Holder hereby authorizes the Custodian to deduct any and all expenses from the available cash balance in the Account. Should the Account Holder wish, he or she may elect to pay such expenses either by invoice, ACH, or credit card. The Account Holder has the option of making such a determination when opening the Account by executing the appropriate section of the Adoption Agreement or at a later date by notifying the Custodian in writing on a form provided by or acceptable to the Custodian.

If the Account Holder elects to pay by credit card, the Custodian will generate an invoice on a quarterly basis and charge a Credit Card Processing Fee, as disclosed in its IRA Fee Schedule. The Account Holder will be required to provide the Custodian with a valid credit card number and such other information as the Custodian may request. Should the credit card expire or become invalid the Account Holder must immediately notify the Custodian and provide an alternative method of payment. If the Account Holder fails to notify the Custodian or if he or she provides a new credit card which is or becomes invalid, the Account Holder hereby authorizes the Custodian to automatically deduct expenses directly from the available cash in the Account. If the Account does not have sufficient cash, the Custodian will first deduct from the Account any available cash balance and then generate an invoice (no matter the amount due) for the remaining unpaid balance. If such action is necessary, the Account will be subject to both an Invoice and Late fee as provided in the Custodian's IRA Fee Schedule.

If the Account Holder selects to pay by invoice, the Custodian will generate an invoice on a quarterly basis and charge an Invoice Fee, as disclosed in its IRA Fee Schedule. All invoices are due and payable upon receipt. Invoices which are not paid within thirty



(30) days from the date of the invoice will also be subject to a Late Fee, as disclosed on the IRA Fee Schedule.

The Custodian reserves the right to liquidate asset of the Account and charge a Special Services Fee, as disclosed in its IRA Fee Schedule, if expenses are not paid within thirty (30) days from the date of any invoice. The Custodian will notify the Account Holder of its intent to liquidate assets by providing written notice. If the Account Holder fails to direct the Custodian as to which asset(s) to liquidate, within thirty (30) days from the date of any invoice, the Account Holder is deemed to have expressly directed the Custodian to liquidate assets of the Account. In such case the Custodian will decide in its complete and sole discretion as to which asset(s) are to be sold and the Account Holder agrees not to hold the Custodian liable for any adverse consequences, such as loss of interest or gains that he or she would otherwise have been entitled to receive had it not been for the liquidation. In the event of any unpaid balance, the Custodian can, at its discretion, require a cash reserve in the Account be established and maintained in an amount sufficient to cover at least one year's estimated expenses, including those related to the termination of the Account. Should liquidation of an asset become necessary the Custodian will first freeze the account by prohibiting any activity and then attempt to liquidate the amount of funds necessary to cover the outstanding balance, plus any cash reserve requirement established by the Custodian. Certain assets held in the Account may not allow for partial liquidation in which case the Custodian may be required to request a total liquidation of the asset(s). The choice of the selling broker, purchaser, and asset(s) to be sold shall be at the Custodian's sole discretion. If sufficient funds are received from the liquidation of an asset(s) the Custodian will allow normal activity to commence within the account. If the Custodian is unable to sell sufficient assets to cover its expenses, the Custodian shall have the right to do any or all of the following without waiving Custodian's right to collect such funds from the Account Holder: 1) continue to cease performing any functions, including, but not limited to, processing investment transactions until such time as all expenses charged against the Account are fully paid; or 2) resign as Custodian from the Account (effectively terminating the Account) and report a distribution of assets to the IRS.

Additional fees may be received or collected by the Custodian from third parties or internally credited by the Custodian related to its Cash Management Account (see Article XIII, Section 6 for more information about the Cash Management Account). These fees cover activities, such as account set-up and maintenance, transaction processing, sub-accounting, recordkeeping, and other related services performed by the Custodian. Internally credited fees will not be reflected on the Account Holder's statement or fee invoice as they will not affect the yield paid to the Account under the Cash Management Account. The rate paid to the Account on the cash balances deposited into the Cash Management Account will be determined by the Custodian in its sole discretion. The excess of the interest earned from each bank participating in the Cash Management Account over the amount paid to the Account Holder will be retained by the Custodian as a fee and will be deducted directly from any interest received from the participating banks and the net amount will be paid to the Account monthly.

The Custodian may also receive compensation in the form of 12b-1, sub-transfer agent, and other types of fees from certain mutual funds or their affiliates in return for providing shareholder or recordkeeping services. The amount of these fees is permitted under the fund's prospectus, as well as by law or regulation, and may vary over time. Typically, such fees are 0.50% on the average assets invested in the mutual fund. These fees along with the investment management and other operating expenses of the mutual fund are deducted by the fund directly from each fund's earnings.

Any brokerage related fees incurred by the Account cannot be reimbursed by the Account Holder without the risk of having such repayments treated by the IRS as contributions to the Account.

The Custodian reserves the right to modify its IRA Fee Schedule at any time, upon thirty (30) days written notice to the Account Holder.

#### **Article XI - Custodian Powers and Duties**

The Custodian retains the power (including the ability to take any action as may be reasonable and necessary to carry out its administrative duties under this Agreement):

- 1) To maintain the Account for the benefit of the Account Holder consisting of all investments purchased at his or her direction.
- 2) To accept any rollover or in-kind transfer of assets into the Account provided that the Custodian may refuse to accept an in-kind transfer of an asset where the administrative requirements or duties required of the Custodian are determined to be beyond its capabilities or expertise to provide.
- 3) To return any third-party assets or funds that can be shown to the Custodian's satisfaction to have been sent or deposited to the Account in error.

- 4) To provide or cause to be provided an annual calendar year statement reflecting assets held within the Account at the end of the year.
- 5) To file tax or informational returns as may be required by law.
- 6) To begin, maintain or defend any litigation necessary in connection with the administration of the Account, except that the Custodian shall not be obliged or required to do so unless indemnified to its satisfaction, including, without limitation, payment of such expenses out of the Account.
- 7) To employ agents, attorneys, accountants, and other professional persons for advice that in the Custodian's opinion may be necessary and to delegate to any such person/entity the necessary power or duty vested in the Custodian by this Agreement.
- 8) To withhold any funds or property subject to dispute without liability of any kind, including payment of interest, and to decline to make delivery or payment of the Account's property until a court of competent jurisdiction makes final adjudication.
- 9) To charge against and pay from the Account all applicable expenses including the Custodian's fees as disclosed on its IRA Fee Schedule, taxes, interest, or penalties of any nature levied, assessed, or imposed upon the Account or Custodian, as well as reasonable compensation to agents, attorneys, accountants and other professional persons which may be incurred by the Custodian with respect to the Account.
- 10) To reimburse from the Account any other expenses the Custodian may assume or incur on behalf of the Account.
- 11) To hold any security or other property in the Account in the name of the Custodian, its' nominee, or in any other form as it may deem best, including a central clearing corporation or depository approved by the Securities and Exchange Commission provided that its records show that all such investments are part of Account.
- 12) To deposit all cash into the Custodian's Cash Management Account, as authorized by the Account Holder under Article XIII, Section 6, until such time as it receives alternative investment instructions from the Account Holder and/or his or her Authorized Agent.
- 13) To invest and reinvest Account funds at the direction of the Account Holder and/or his or her Authorized Agent, including, annuities, bonds, certificates of deposit, government securities, limited partnerships, limited liability companies, mutual funds, money market funds, mortgages, precious metals, promissory notes, real estate, REITS, stocks, tax liens, trust deeds, and such other assets as may be administratively acceptable to the Custodian or allowable under applicable federal laws and regulations.
- 14) To act pursuant to a written automatic settlement authorization (given by the Account Holder) allowing the Custodian to honor all trade confirmations received from an Authorized Agent selected by the Account Holder.
- 15) To manage, sell, contract to sell, grant options to purchase, convey, petition, divide, subdivide, exchange, transfer, abandon, improve, repair, insure, lease and otherwise deal with all property, real or personal, in such manner for such consideration and on such terms and conditions as are in accordance with this Agreement and the written directives it receives from the Account Holder and/or his or her Authorized Agent.
- 16) To exercise voting and other rights with respect to any investment held within the Account, subject to and in accordance with instructions from the Account Holder and/or his or her Authorized Agent.
- 17) To reject any proposed investment which the Custodian determines may create an administrative burden or is outside the scope of its experience or capabilities.
- 18) To do and perform all acts or things reasonably necessary or desirable to carry out the power and authority granted to the Custodian.

#### **Article XII - Account Holder Acknowledgments**

- 1) In addition to the other provisions contained in this Agreement, the Account Holder hereby acknowledges and agrees to the following:
  - a) The Account is self-directed and as such the Account Holder is solely responsible for the selection, delivery, management, retention, success, or failure of each investment held within the Account.
  - b) The Custodian neither recommends, sponsors, endorses, evaluates or performs any type of due diligence, nor does it guarantee any investment selected by the Account Holder regardless of any claim made by an investment sponsor, broker, sales or marketing person, advisor, person/entity, or as may be claimed on the internet or in any form of electronic or print media.
  - c) The Custodian does not act as an investment advisor or counselor and will not offer any advice, opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment and is merely authorized to disburse funds/assets or acquire and hold funds/assets

- authorized by the Account Holder in accordance with the provisions of this Agreement.
- d) The Custodian is not responsible for the actions or failures to act by the Account Holder, his or her Authorized Agent, or any other individual or entity selected by the Account Holder.
  - e) Certain investments may involve a high degree of risk and may permit only limited redemptions, if any, making liquidation difficult.
  - f) Pursuant to this Agreement and applicable Regulations, the Account Holder, or any Authorized Agent selected by the Account Holder that exercises discretionary authority, control, or provides advice for a fee or other compensation, will be a fiduciary within the meaning of Code Section 4975(e)(3). The Custodian acts in a nondiscretionary (ministerial) capacity and does not act as a fiduciary. The Account Holder agrees that the Custodian owes no fiduciary duty of any kind to the Account Holder.
  - g) Where the Account Holder and the Custodian have agreed, the Account Holder may give investment instructions for execution directly to an Authorized Agent; however, in such case, any issues which may arise shall be handled directly by the Account Holder.
  - h) The Account Holder may authorize the Custodian, either upon the IRA Adoption Agreement, if applicable, or such other form as the Custodian shall prescribe, to provide duplicate Account statements or access to other Account information (both verbally and in writing) to a spouse, child, financial advisor or other person designated by the Account Holder. In such case the authorization shall remain in effect until revoked by the Account Holder in writing and acknowledged by the Custodian. The Account Holder will hold the Custodian harmless for any loss or breach of trust of any kind that may result from its providing information or any action it takes in good faith in accordance with such authorization.
  - i) The Custodian is entitled to act upon any authorization, direction, instrument, certificate or form it believes is genuine and signed which is presented by the proper person or persons and need not investigate or inquire as to any statement contained in any such document, but may accept it as true and accurate.
  - j) Any information or directions given will be accurate and proper and the Custodian is entitled to rely upon such information or directions.
  - k) Should the Custodian fail to receive directions from the Account Holder and/or his or her Authorized Agent regarding any transaction, or if such direction is ambiguous or if the Custodian, in good faith, believes that any requested transaction is in dispute, the Custodian reserves the right to take no further action until clarification, acceptable to it, is received from the Account Holder, his or her Authorized Agent, or the appropriate government or judicial authority.
  - l) Regardless of the return or performance of each investment, the Account Holder is responsible for all fees and expenses charged for the administration of the Account in accordance with the published IRA Fee Schedule of the Custodian.
  - m) The Account Holder will not invest any funds into or receive or withdraw funds from any investment held in the Account other than through the Custodian.
  - n) The registration of each investment held in the Account shall be M2 Trust, as Custodian of the Account and not the Account Holder individually.
  - o) The Account Holder meets the requirements set forth in Section 408 of the Internal Revenue Code to establish an individual retirement account ("IRA").
  - p) The Account Holder is responsible for determining whether a distribution from another IRA or Qualified Retirement Plan may be rolled over into this Account and that any such rollover contribution will be excludable from income for federal or state income tax purposes.
  - q) The Custodian shall have no duty to determine whether Account contributions or distributions comply with the Code, Regulations, or this Agreement.
  - r) If the Account is an inherited IRA, i.e., the Account Holder receives the assets as the beneficiary of a deceased owner's IRA, then Account Holder may not make regular contributions to the Account. An inherited IRA may receive multiple transfers from other inherited IRA accounts and/or multiple rollover contributions from inherited qualified retirement plans. Account Holder understands that the assets must be inherited from the same owner.
  - s) All requests for withdrawals shall be in writing on a form provided by or acceptable to the Custodian.
  - t) The Account Holder shall be responsible for any penalties, taxes, judgments, or expenses he or she may incur in connection with the Account.
  - u) The Custodian may employ agents and/or organizations for the purpose of performing administrative or other custodial-related services related to the Account for which it otherwise has responsibility under this Agreement. In such case the limitations imposed by this Agreement upon the Custodian shall also apply to each agent or organization so employed.
  - v) The Custodian may, but shall not be required unless required by applicable law, inform the Account Holder by forwarding materials or otherwise communicating with the Account Holder as to any issue or other matter that may arise regarding an investment in the Account, or any issue relating to any other account(s) administered by the Custodian, including, but not limited to, annual reports, amended prospectuses, financial statements, proxies, notices, form K-1, or other documents. The Account Holder, in the event he or she would like to receive such material, shall either make arrangements to obtain the material separately (directly from the source) or request each such document from the Custodian, provided that the Custodian is under no obligation to provide such information unless it is in its possession.
  - w) The Account Holder is ultimately responsible for providing the Custodian with the Fair Market Value of any Alternative Investment held in the Account and that failure to do so may result in either the distribution of the asset or resignation of the Custodian, as provided in Article XIV of this Agreement.
  - x) The Account Holder and/or his or her Authorized Agent will vote on any matters relating to an investment held within the Account or shall direct the Custodian to vote on his or her behalf.
  - y) The terms of this Agreement shall be binding upon the Custodian, Account Holder, Account beneficiary, or any agent selected by any such party.
- 2) Account Holder Delegation of Investment Responsibility. The Custodian may, but is not required to, permit the Account Holder to delegate investment responsibility for the Account to another party. On a form acceptable to the Custodian, the Account Holder may designate an individual or entity as their Authorized Agent for the purpose of communicating investment instructions, including, but not limited to disbursement of funds/assets, to the Custodian on behalf of the Account Holder. In such case the Account Holder is responsibility for determining whether the Authorized Agent is qualified to act in that capacity. The Custodian shall assume that the Authorized Agent appointed by the Account Holder is at all times qualified to act. The Authorized Agent will be responsible for the execution of securities orders placed by the Account Holder on behalf of the Account or otherwise direct the investments of the Account. The Authorized Agent may require the Account Holder to sign an agreement which sets forth, among other things, the Custodian's responsibilities, and the responsibility of the Account Holder regarding securities or other investment transactions for the Account. Any account maintained or investment purchased by an Authorized Agent on behalf of the Account must be registered as follows: M2 Trust, Custodian fbo (Account Holder's name and IRA Account Number). Being appointed as an Authorized Agent shall also entitle the individual or entity to receive from or make inquiry of the Custodian any information pertinent to the Account, including, but not limited to, copies of Account statements, transaction history, and available cash balances. The Authorized Agent may be a registered representative of a broker/dealer organization, a registered investment advisor or advisory firm, or other person/entity as may be acceptable to the Account Holder. Such person shall be the Account Holder's Authorized Agent, and not the Custodian's. The Custodian shall construe any and all investment directions given by such Authorized Agent, whether written or oral, as having been authorized by the Account Holder. The Account Holder may remove the Authorized Agent only by written notice to the Custodian. Such removal shall be effective upon confirmation of receipt by the Custodian. The Authorized Agent's removal shall not have the effect of canceling any notice, instruction, direction, or approval received by the Custodian before it confirms the notice of removal to the Account Holder. The Custodian shall follow either the proper written direction or verbal instructions of any Authorized Agent who is properly appointed and the Custodian shall be under no duty to review or question, nor shall it be responsible for any of the Authorized Agent's directions, actions or failures to act. The Authorized Agent's instructions to the Custodian shall be deemed to be instructions by the Account Holder for all purposes related to investment of Account assets. Any references to the Account Holder in this Agreement, or ancillary form used by the Custodian to administer the Account, shall automatically include an Authorized Agent if such person/entity has been duly authorized by the Account Holder. In such case all provisions of this Agreement shall equally apply to the Account Holder and Authorized Agent.
- 3) Forms of Communication. On a form or in a format acceptable to the Custodian, the Account Holder may authorize the Custodian to accept written, verbal, fax, e-mail, and other means of communication for investment directions from the Account Holder or an Authorized Agent.

### Article XIII – Account Holder Investment Responsibility

- 1) Subject to Article XII, Section 2, the Account Holder has authority and discretion (fully and completely) to select and to direct the investment of all assets in the Account. For purposes of this Account and applicable Regulations, the Account Holder, and not the Custodian, is a fiduciary within the meaning of Code Section 4975(e)(3). The Custodian acts in a nondiscretionary (ministerial) capacity and does not act as a fiduciary with respect to the appointment of any agent or representative of the Account Holder or the purchase, sale, or safekeeping of any asset of the Account. The Account Holder accepts full responsibility for the success or failure of any investment held by the Account. The Custodian shall not have any responsibility or liability for any loss of income, gain, capital or for any unusual expense(s) which the Account or Custodian may incur relating to any investment or action which the Account Holder directs the Custodian to undertake.

In the event of the Account Holder's death, his or her beneficiary(ies) shall have the right to direct the investment of the Account, subject to the provisions of this Agreement. All transactions shall be subject to all applicable federal and state laws, including rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed, and to the Custodian's policies and practices.

- 2) Publicly Traded Securities. If publicly traded securities are to be included in the Account, orders shall be executed through a broker/dealer registered under the Securities Exchange Act of 1934 designated by the Account Holder, upon such form as the Custodian may prescribe. Any brokerage or registered investment advisory account maintained in connection with the IRA Account must be registered as follows: M2 Trust, Custodian fbo (Account Holder's name and IRA Account Number). The Custodian shall be authorized to honor transactions within such account without obligation to verify each and every transaction has been authorized by the Account Holder. Any cash received by the brokerage or advisory account, whether as income or proceeds from transactions, may be held in such account pending directions from the Account Holder and the Custodian shall have no obligation to direct the brokerage or advisory account to remit such cash to the Account until directed to do so by the Account Holder, but may receive remittances without direction if the same are made to the Custodian by the brokerage or advisory account.

The Custodian shall assume that any individual securities broker, investment advisor, or securities/advisory firm selected by the Account Holder is at all times qualified to act in that capacity. Such person/entity will be responsible for the execution of securities orders placed by the Account Holder on behalf of his or her IRA Account. As noted in Article XII, Section 2, of this Agreement, the Authorized Agent may require the Account Holder to sign an agreement which sets forth, among other things, the responsibilities of each party regarding transactions for the Account. The Account Holder may appoint a replacement Authorized Agent at any time provided that he or she notifies the Custodian in writing and completes any form as the Custodian may prescribe.

Investment directions may be given by the Account Holder directly to his or her Authorized Agent (in such manner as the Authorized Agent may require) and such Authorized Agent shall be responsible for the execution of such orders. If securities are purchased within such account requiring funds to be remitted by the Custodian (in order to make settlement), the Account Holder agrees to telephonically notify the Custodian or instruct his or her Authorized Agent to telephonically notify the Custodian about the trade date of the pending securities transaction and to request delivery of sufficient cash from the IRA Account as may be necessary to settle the trade. In the event that funds are required, it is the Account Holder's responsibility to ensure sufficient cash is available within the IRA Account.

The Account Holder agrees to hold the Custodian harmless for any losses resulting from: 1) a failed trade due to insufficient cash being maintained in the trading account or the IRA Account; or 2) the Account Holder's failure, or that of his or her securities broker, investment advisor, or securities/advisory firm, to notify the Custodian of the pending trade and requesting settlement in the above prescribed manner.

- 3) Alternative Investment. The Account Holder may, at his or her discretion, direct the Custodian to purchase non-publicly traded investments (herein after referred to as an "Alternative Investment") which include, but shall not be limited to, private placement securities offered in reliance upon exemptions provided by Sections 3(B) and 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder, or other investments which are individually negotiated by the Account Holder. It is the Account Holder's responsibility to determine that any

specific investment or investment course of action is suitable, legally permissible and he or she agrees to assume all risk of possible loss of principal and earnings. In addition, it is the Account Holder's responsibility to determine whether or not his or her selected investment is required to be registered as a security with any applicable federal and/or state regulatory authority. If the Account Holder should direct the Custodian to purchase an Alternative Investment, the following special certifications and provisions shall apply:

- a) The Account Holder agrees to be responsible for ensuring that any investment related document is properly prepared and is legally enforceable.
- b) The Account Holder agrees to submit or cause to be submitted all documentation related to the proposed investment for an administrative review by the Custodian, if so requested. The Custodian reserves the right to charge a reasonable fee for such administrative review.
- c) If the investment contains a provision for future contractual payments or assessments, the Account Holder acknowledges that such payments shall be borne solely by his or her IRA Account, that authorization to make such payments shall come from the Account Holder and that making such payments may reduce or exhaust the value of the Account Holder's Account. The Account Holder further agrees to maintain sufficient liquid funds in his or her Account to cover any such payments or assessments and agrees that the Custodian is not responsible for monitoring the balance of the Account.
- d) The Custodian reserves the right, upon notice to the Account Holder, not to process certain Alternative Investment transactions which may contain, in its sole opinion, administrative requirements or duties beyond the Custodian's capabilities or expertise to provide. Such action should not be construed as investment advice or an opinion by the Custodian as to an investment's prudence or viability. As an alternative the Custodian may, but is not required to, allow the Account Holder to seek out suitable agents or counsel as may be necessary to address any issue or perform such duties or functions on behalf of the Custodian. In such case the Account Holder shall provide the Custodian with a written agreement (suitable to the Custodian) addressing any issue(s) and/or outlining the duties and responsibilities of such agent or counsel that may be necessary before the Custodian agrees to process the Alternative Investment transaction.
- e) If the Account Holder directs the Custodian to enter into an individually-negotiated debt instrument, including a promissory note, deed of trust, real estate contract, mortgage note or debenture, the Custodian, on a form acceptable to it, may require the Account Holder to retain the services of a third-party servicing agent. Said servicing agent shall be the Account Holder's agent, not the Custodian's, and shall be responsible for administering the terms of the debt instrument on behalf of the Account Holder's Account. Should the servicing agent ever become unwilling or unable to perform the duties outlined in the Servicing Agent Agreement, the Account Holder understands and agrees that he or she must appoint a successor servicing agent in accordance with the provision of this section. Under no circumstances will the Custodian act as a servicing agent, i.e., it will not monitor the Account Holder's Account to ensure receipt of note payments, send notification in the event of default, prepare or compute payoff balances, prepare or file Form 1098, etc.
- f) If the Account Holder directs the Custodian to purchase income producing real estate, the Custodian, on a form acceptable to it, may require the Account Holder to retain the services of a property manager. Said property manager shall be the Account Holder's agent, not the Custodian's, and shall be responsible for administering the terms of any property management agreement on behalf of the Account Holder's Account. Should the property manager ever become unwilling or unable to perform the duties outlined in the property management agreement, the Account Holder understands and agrees that he or she must appoint a successor property manager in accordance with the provision of this section. Under no circumstances will the Custodian act as a property manager, i.e., it will not monitor the Account Holder's Account to ensure receipt of payments, send notification in the event of default, etc.
- g) If the Account Holder directs the Custodian to purchase precious metals, the Account Holder hereby represents and warrants to the Custodian that he or she has: 1) conducted a due diligence review of the precious metal dealer that he or she felt was appropriate; 2) evaluated the risks involved with the precious metal purchase and is fully prepared financially to undertake such risks; and 3) determined that the precious metal purchase is not prohibited as defined in the Code and is permitted to be held in an IRA pursuant to IRC 408(m)(3)(A)(i)-(iv) and 408(m)(3)(B). The Account Holder also acknowledges that: 1) the precious metal dealer is not an

- employee, agent or representative of the Custodian; 2) the Custodian has not provided any recommendation or advice of any kind related to the precious metal transaction and/or precious metal dealer; 3) the Custodian does not verify purity, weight, metal content or authenticity of any coins or bullion that is delivered, held, or shipped; 4) he or she has reviewed and hereby agrees to the Custodian's IRA Fee Schedule (as well as any fees charged by the precious metal dealer), including all fees associated with the purchase, sale, storage/safekeeping, packing, handling, insurance and shipping of precious metals; 5) he or she is solely responsible for the selection and performance, including, but not limited to, the current or future value of the precious metals purchased, exchanged or sold; and 6) payment to the precious metal dealer will be made by the Custodian from the Account Holder's Account upon receipt of the Custodian's Precious Metal Authorization along with a copy of the precious metal dealer's invoice, both of which shall be signed by the Account Holder. Furthermore, the Account Holder hereby agrees to indemnify and hold the Custodian harmless from any and all claims, damages, expenses and/or liabilities related to: 1) the Account Holder's authorization to purchase or sale any precious metal; 2) the delivery of any precious metal, either to the Custodian and/or, if applicable, a qualified third party depository selected by the Custodian; 3) items received that do not match those described in the Account Holder's Precious Metal Authorization or the precious metal dealer's invoice; and 4) any promises, conduct, actions, delays, failures, breaches or omissions of the precious metal dealer, including failure of delivery.
- h) The Custodian is responsible for safekeeping only those documents, assets or funds which are delivered into its possession. If original documents are to be held by an agent, the Account Holder must ensure that the agent agrees to safeguard the original documents and forward copies of the signed and, if applicable, recorded documents to the Custodian as evidence of ownership. The Account Holder's agent must also agree to make original documentation available to the Custodian for inspection, upon request. In the event the Custodian asks for documentation evidencing the investment and the Account Holder's agent is unwilling or unable to provide such information or documentation, the Custodian may, in its sole discretion, re-register the asset into the Account Holder's individual name by executing an assignment form and sending such form to the Account Holder. In such case the Custodian will be required by Regulation to report the distribution to the IRS using the last known value for such asset which may subject the Account Holder to IRS imposed taxes and penalties.
- i) The Account Holder agrees to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bring any other suits or actions which may become necessary to protect the rights of the Account as a result of the operation or administration of any investment within the Account.
- j) For purposes of investment, once the Account Holder approves funds to be disbursed from the Account, the Account Holder agrees to be responsible for the following:
- i. verifying that the investment entity or individual, upon receipt of funds from the Custodian, places his or her funds into the proper investment;
  - ii. obtaining the necessary documentation from the investment entity or individual to verify that the funds were invested or assets delivered as authorized by the Account Holder, including, but not limited to, the number of shares or units, proper recordation, etc.; and
  - iii. sending original documentation evidencing the investment to the Custodian or, if applicable, in the case of a promissory note or real estate investment, to a third-party servicing agent/property manager, with copies of the documentation being provided to the Custodian. The Custodian will not monitor the account to ensure receipt of such documentation and will rely solely on the Account Holder to provide such evidence of ownership.
- 4) Insurance, Utilities, Taxes and Other Expenses. It is the Account Holder's responsibility to monitor his or her Account with respect to any investment related expenses and to: 1) notify the Custodian in writing, at least fifteen (15) business days prior to when any payment becomes due and payable; 2) ensure sufficient funds are available in the Account; 3) authorize the Custodian to disburse payment; and 4) monitor the Account to ensure payment has been timely made and received. Examples of such expenses include, but are not limited to, real estate taxes, HOA fees, property management fees, utility payments, and insurance, e.g., casualty or liability.
- 5) Life Insurance and Collectible. The Account Holder may not direct the Custodian to purchase a life insurance contract or a "collectible" as defined in Code Section 408(m).
- 6) Cash Management Account. The Account Holder hereby directs the Custodian, pending further instructions, to sweep all un-invested cash from any source, including, but not limited to, contributions, transfers, and income from investments held within the Account, into the Cash Management Account provided by the Custodian; to place such cash in an FDIC insured demand deposit account; to determine the banking institution(s) that will participate in the Cash Management Account Program as a depository institution; and determine the amount of funds that will be held by each participating bank. The Account Holder understands it can find a list of participating banks on the Custodian's website or by making a written request to the Custodian. Account Holder account statements will list each banking institution participating in the Cash Management Account Program and the amount of funds held by each for the Account Holder. The Account Holder understands that rate paid to the Account Holder on such deposits is in the sole discretion of the Custodian and agrees that the Custodian may retain as a fee an amount equal to the gross interest earned on the amounts deposited with the participating banks less the amount paid to the Account Holder. Account Holder agrees that interest earned on such cash balances, net of any fee(s) described in Article X, shall be credited to the Account as of the end of each month, except for the month in which the Account is closed. When the Account is closed, interest will not be credited for that month and such interest, if any, will be taken as part of the final closing fee charged by the Custodian.
- The Account Holder understands that funds deposited into the Cash Management Account are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000, per Account Holder at each bank participating in the Custodian's Cash Management Program.
- For Automatic Rollover IRAs administered by the Custodian, funds received from an employer, on behalf of an employee who no longer works at the company, have their balances automatically placed into the Cash Management Account. The Trustee of the previous employer's retirement plan authorized the placement of the funds into our Cash Management Account. Funds will remain in the account, subject to our fees as disclosed in our published IRA Fee Schedule, pending further direction from the ex-employee. Once the ex-employee makes contact with us and provides the requested information and documentation, they may elect to: 1) maintain the account at M2 Trust; 2) take distribution of the available cash balance; 3) transfer the balance to another IRA Custodian; or 4) request a direct rollover into a new employer's retirement plan (if the plan allows for such rollovers), subject to our fees as disclosed in our published IRA Fee Schedule.
- 7) Prohibited Transactions. Certain transactions within an IRA are not allowed and are referred to as a "prohibited transaction," pursuant to Section 4975 of the Code. The determination depends on the facts and circumstances surrounding a given transaction. Generally, a prohibited transaction involves an improper use of the IRA Account by the Account Holder, his or her beneficiary, or any disqualified person. A disqualified person includes the Account Holder, as owner of the Account, as well as his or her: a) designated beneficiary; b) spouse; c) parents, grandparents, or great grandparents; d) children, grandchildren, great grandchildren; e) spouse's parents, grandparents, etc.; f) offspring's spouses – the Account Holder's son-in-law or daughter-in-law; g) any Authorized Agent; h) IRA Custodian; or i) any company or entity in which any of the above own more than a 50% interest/share. Examples of a prohibited transaction include: a) the Account Holder or any disqualified person borrowing money from the Account; b) pledging the assets in the Account as collateral for a personal loan; c) personal use of any asset in the Account, such as real estate; or d) personal receipt of a commission or other benefit based on or related to a transaction involving an asset in the Account.
- It is the Account Holder's responsibility, and not the Custodian's, to determine if any investment or transaction within the Account is prohibited. By submitting an investment authorization to the Custodian the Account Holder represents and warrants that he or she has consulted with his or her own tax or legal professional to ensure the investment will not constitute a prohibited transaction and that the investment complies with all applicable federal and state laws.
- Engaging in a prohibited transaction within an IRA will generally result in the disqualification of the Account as of the first day of the year in which the transaction occurred, subjecting the Account Holder to taxes and penalties. The Custodian reserves the right to request verification from the Account Holder that any proposed transaction or investment within the Account does not create a

prohibited transaction. In the event no verification is received by the Custodian, within a reasonable period of time, the Custodian reserves the right to take whatever action it deems to be appropriate, including, but not limited to, resigning as Custodian from the Account. Not requesting such a certification does not represent that the Custodian has concluded that no prohibited transaction exists or that it has reviewed the transaction in question.

- 8) **Listed or Reportable Transactions.** Certain transactions within an IRA may be identified as being of a type that the IRS has determined as having a potential for tax avoidance or evasion (Abusive Tax Shelters and Transactions). These transactions are identified by notice, regulations, or other form of published guidance. For existing guidance see Notice 2009-59, 2009-31 I.R.B. 170, available at [www.irs.gov](http://www.irs.gov). The determination depends on the facts and circumstances surrounding a given transaction. It is the Account Holder's responsibility and not the Custodian's to determine if any listed or reportable transaction occurs within the Account. By submitting an investment authorization to the Custodian, the Account Holder represents and warrants that he or she has consulted with his or her tax or legal professional to ensure any proposed transaction or investment will not constitute a listed or reportable transaction. In addition, the Account Holder agrees to monitor the Account, on an ongoing basis, to identify any such transaction. In the event that a transaction is determined to be a listed or reportable transaction, the Account Holder will be considered the entity manager who authorized and caused the Account to be a party to the transaction. In such case, the Account Holder will be responsible for: 1) reporting such transactions to the IRS using Forms 8886-T and 8886; 2) paying excise taxes, if applicable, using IRS Form 5330; and 3) reporting such transaction to the Custodian along with instructions regarding any necessary corrective action to be taken by the Account.
- 9) **Unrelated Business Income Tax.** Certain investments selected by the Account Holder may generate taxable income within the Account, referred to as Unrelated Business Income Tax (UBIT), as defined in sections 511 through 514 of Code. This may occur whenever the Account earns income from an investment which utilizes debt-financing, or which is derived from a business regarded as not related to the exempt purpose of the IRA. An example of investments that might generate UBIT include, but are not limited to, limited partnerships that borrow money related to investment purposes, debt-financed real estate investments, and brokerage accounts with margin loans being utilized for investment purposes. Such income may be taxable to the extent that UBIT for a given taxable year exceeds the threshold amount set by the IRS, currently \$1000. In such instances the IRS requires that a Form 990-T be filed for the Account Holder's Account along with the appropriate amount of tax. These taxes are expense of the IRA and must be paid by the Account Holder utilizing assets in the Account. The Account Holder, by signing the applicable Adoption Agreement related to this Agreement, affirms that he or she understands that the Custodian does not: 1) monitor whether the Account generates UBIT; 2) make any determination of UBIT; 3) calculate UBIT for the Account; or 4) prepare Form 990-T. If the Account has any investment which generates UBIT, the Account Holder must monitor for UBIT and, if applicable, prepare, or have prepared, the proper 990-T tax form. In such case the Account Holder will be required to have a separate employer identification number for the Account ("EIN") which will be used for filing the 990-T form. The Custodian does not obtain such an EIN for the Account and has no obligation to obtain such EIN for the Account. If the Account Holder does not have a separate EIN for the Account (related to UBIT), he or she will need to file an Application with the IRS in order to obtain such a tax identification number. The Account Holder will need to forward the 990-T form to the Custodian for filing, along with authorization to pay any tax due from the Account. If the Account Holder submits this information to the Custodian for filing, the Account Holder agrees the Custodian is under no obligation or duty to verify the accuracy of this information. In the event that the Account Holder fails to file form 990-T, the Account Holder agrees to indemnify the Custodian for any liability or expense incurred due to failure to file.

#### **Article XIV - Valuation of Account Asset**

The Custodian is responsible for providing the Account Holder with a fair market value ("FMV") of the assets in the Account no less frequently than annually. The Custodian will make a good faith effort to ascertain FMV of publicly traded securities using various outside sources. For this purpose, with respect to securities with publicly available quoted prices, the Custodian will use those quoted prices for its Account Holder statements. Where a brokerage account is held as an asset of the Account the Custodian's reported FMV may reflect only the total value of the brokerage account, as reported on the brokerage firm's account statement provided to the Custodian. Account Holder statements provided by the Custodian will only reflect those securities that are actually priced by the brokerage firm. The Account Holder should refer to his

or her brokerage statement for an individual listing and valuation of each security held within such account.

The Custodian shall have no duty or responsibility to value Alternative Investments. These assets will be valued at cost (original purchase price) unless the Account Holder, investment entity, or qualified third party provides the Custodian with documentation, in a form and from a source acceptable to the Custodian, which provides an alternative value. In the absence of direction from the Secretary of the Treasurer or his authorized representative to the contrary, the valuation of an Alternative Investment, including, but not limited to, hedge funds, limited partnerships, limited liability companies, mortgages, privately held stock, precious metals, promissory notes, real estate, trust deeds, and other entities or assets determined by the Custodian, must be provided to the Custodian either by the: 1) investment entity; 2) Account Holder; or 3) qualified third party (acceptable to the Custodian) chosen by the Account Holder. All expense related to the valuation of an Alternative Investment must be paid from the Account Holder's IRA Account. Alternative Investments should be valued as of December 31<sup>st</sup> and provided to the Custodian in a timely manner, but in no event later than January 15<sup>th</sup> of each year or such other date as determined by the Custodian. Due to their nature, the valuation of an Alternative Investment may be difficult to obtain or impossible to verify. The Account Holder accepts full responsibility for providing the required FMV information in a timely manner, as well as the accuracy of such information. The Custodian makes no representations or warranties with respect to any valuation received and the Account Holder directs the Custodian to accept the provided FMV. Failure of the investment entity, Account Holder, or third party to provide the valuation information in a timely manner shall be the responsibility of the respective party and the Custodian shall have no duty or obligation to take any steps to secure the Alternative Investment FMV information for the Account.

The Custodian may require, before processing an Account Holder's request to purchase an Alternative Investment or at such other time as it deems appropriate, the investment entity or third party to sign documents confirming their obligation to provide annual valuations to the Custodian no later than January 15<sup>th</sup> or such other date as determined by the Custodian. In such case the Account Holder is responsible for ensuring such documentation is provided to the Custodian. Failure or delay of the receipt of such documentation by the Custodian may result in processing delays being experienced by the Account Holder's Account. The Custodian will not be liable to the Account Holder for any loss of income or potential gains from a delayed investment under such circumstances.

Certain Alternative Investments, such as promissory notes and privately offered debt, may have valuations reflected at face value shown on the original note or debt instrument, or if the asset is such that it is subject to an amortization schedule, valuation may be shown at amortized value.

The Custodian shall have no duty or responsibility to solicit and/or provide notice to the Account Holder regarding any valuation, including the year-end FMV. In the event the Custodian fails to receive such information on or before January 15<sup>th</sup> or such other date as determined by the Custodian, the Custodian is entitled to use the last known value which might be original purchase price. In the event that no valuation information is received for a period exceeding 24 months, the Custodian may, but shall not be required to, either distribute to the Account Holder the asset for which no valuation has been received or resign as Custodian from the Account and distribute the Account to the Account Holder. In the event of a distribution the Custodian will issue IRS Form 1099-R reflecting the last known value of the asset(s) so distributed. The Custodian shall have no responsibility or liability for any tax, financial or other consequences relating to or arising from such distribution to the Account Holder. Prior to any such distribution, the Custodian will provide thirty (30) days written notice to the Account Holder of its' intent to distribute and/or resign from the Account. During that time period the Account Holder will have the opportunity to make necessary arrangements to have updated valuation information (acceptable to the Custodian) provided to the Custodian so that it can fulfill its duties under IRS regulations. The Custodian may assess a special services fee to the Account, as disclosed in its' IRA Fee Schedule, for the additional work necessary to provide notice to the Account Holder and, if applicable, updating the Account for any valuation information received.

The Custodian may reflect a valuation of zero if an asset is reported by the investment sponsor, or other reliable source, as having no market value or is in bankruptcy and a final disposition of the asset has been determined by legal proceeding. The Custodian reserves the right to resolve any differences in FMV in any manner it deems appropriate.

The Account Holder shall indemnify and hold the Custodian harmless for any loss, damage, tax, penalty or other consequences to the Account Holder or the Account arising from or relating to the valuation of any Alternative Investment including the Custodian's accepting, reporting or acting upon any FMV supplied by an investment

entity, the Account Holder, or third party. Should the Custodian be assessed any tax or penalty for reporting improper valuations to the IRS, the Account Holder agrees to fully reimburse the Custodian for such tax or penalty and any associated expense incurred by the Custodian.

Valuations are approximations and are provided as a general guide; they do not necessarily reflect actual market value. Valuation information should not be used by the Account Holder as the basis for making, retaining, disposing of, or distributing an investment. Such a decision should only be made by the Account Holder after contacting the investment entity and/or the Account Holder's legal, tax, financial or other advisors.

#### **Article XV - Beneficiary Designation**

If the Account Holder dies before he or she receives all of the assets in the Account, payments from the Account will be made to his or her designated beneficiary. The Account Holder may designate, either upon the IRA Adoption Agreement or such other form as the Custodian shall prescribe, one or more beneficiary(ies) for the Account. Such designation will only be effective when it is received and accepted by the Custodian during the Account Holder's lifetime. The Account Holder should periodically review his or her beneficiary designation to ensure it is up-to-date, especially if there has been a change in family or marital status. The Account Holder may also revoke his or her prior designation in whole or in part by submitting a new beneficiary designation to the Custodian. The consent of a beneficiary shall not be required for the Account Holder to revoke a beneficiary designation; however, the Custodian may require a spouse to consent to the naming of any beneficiary other than the spouse. Unless otherwise specified, each beneficiary designation the Account Holder files with the Custodian will cancel all previous ones. A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat the Account Holder's Account as his or her own IRA.

If the Account Holder has more than one beneficiary, the named beneficiaries will share equally in the Account unless the Account Holder designates the ownership interest of each listed beneficiary. The Account Holder should ensure that any such allocation of ownership interest totals one hundred (100) percent. In the event that ownership interest does not equal 100%, the Custodian is hereby authorized by the Account Holder to divide the remaining unallocated percentage equally among the listed Account beneficiaries. Should the Account Holder name multiple beneficiaries and provide an allocation equaling 100% among only a portion of the named beneficiaries, the Account Holder hereby authorizes the Custodian to pay the specified percentage only to the beneficiary(ies) whose ownership interest has been specified by the Account Holder. Designated beneficiaries without an allocation of ownership interest will not be entitled to receive any assets of the Account, thereby forfeiting any rights or claims against the Account and/or Custodian.

If the Account Holder has designated both primary and contingent beneficiaries and no primary beneficiary survives the Account Holder, the contingent beneficiary(ies) shall acquire their designated interest in the Account in the same manner as described above.

If any beneficiary(ies) designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, the Custodian, in its discretion, may make such payment to such person as may be acting as parent, guardian, committee, conservator, Custodian, or legal representative of such minor or incompetent and the receipt of payment by any such person as selected by the Custodian shall be a full and complete discharge to the Custodian for any sums so paid.

At the time of the Account Holder's death, the Custodian may allow the named Account beneficiary(ies) who is entitled to receive distribution from the Account to name a successor beneficiary(ies), to the extent permitted by the Code, applicable Regulation, or by state law. In such case the Account beneficiary(ies) shall appoint a successor beneficiary(ies) in the same manner as described above. In no event shall the successor have the ability to extend the distribution period beyond that required for the initial Account beneficiary.

To the extent that any beneficiary takes possession of the Account, or any part thereof, upon the Account Holder's death he or she hereby agrees to be subject to all of the terms and provisions of this Agreement and all references to the Account Holder herein shall be deemed to include the beneficiary.

If the Account Holder fails to name a beneficiary in accordance with this section or if all of the beneficiaries named by the Account Holder predecease him or her, then the remaining balance of the Account shall be payable to the spouse of the Account Holder, or if there is no spouse living, then to children, or if there are no children, then to the estate of the Account Holder.

Upon the death of the Account Holder, the Custodian requires a certified copy of the death certificate be provided to it before it will release any assets, either to the spouse,

named beneficiary(ies), or representative of the estate. The Custodian has no duty to investigate the legal status of any individual claiming to be the representative of the estate or individual claiming to be a named beneficiary, other than requesting personal identification information or such other information the Custodian deems appropriate to verify that the person is as represented. The Custodian shall not be liable for any action it takes in reliance upon information provided by any source which the Custodian believes to be reliable. Once distribution(s) of the Account to the Account Holder's beneficiary(ies) or representative of the estate commences, all rights and obligations of the Account Holder under this Agreement shall inure to, and be exercised by, such person(s). At such time as the assets of the Account have been distributed the Custodian shall be fully and forever discharged from all liabilities with respect to the Account.

#### **Article XVI - Reports and Statements**

The Custodian's sole duties to the Account Holder regarding reporting shall be to send or otherwise deliver the Account Holder a copy or facsimile of IRS Form 5498 and/or an annual calendar year statement of the assets of the Account within time frames established by the IRS. The Custodian may do so by making such statement available to be viewed and/or printed when the Account Holder logs into their Account. The Custodian may, but is not obligated to, furnish periodic reports or statements to the Account Holder detailing transactions performed under the Account and the value of assets held within the Account.

The Custodian shall have no liability or responsibility for transactions reported or not reported on any periodic report or statement unless the Account Holder files written exceptions or objections within thirty (30) days after receipt. If the Account Holder does not report any discrepancies the Custodian shall be relieved of all liability for the statement, discrepancy, act, or procedure reflected on the statement. Upon receipt of written notification under this Section, the Custodian's liability and responsibility shall be to fully investigate the exceptions or objections, make any adjustments, correct any entries, or otherwise reconcile the Account as may be necessary. If any such adjustments or corrections are required, the Custodian shall issue a revised statement for the reporting period(s) in question. If the Account Holder fails to notify the Custodian during the time period referenced above the report or statement shall be deemed correct and accurate.

#### **Article XVII - Distributions**

All requests for distributions from the Account shall be in writing on a form provided by or acceptable to the Custodian. The method of distribution must be specified in writing. The tax identification number of the recipient must either be in the possession of or be provided to the Custodian before it is obligated to make a distribution.

#### **Article XVIII – Required Minimum Distribution**

Traditional IRAs are subject to IRS required minimum distribution ("RMD") rules starting when the Account Holder attains age 70½. The initial distribution from the Account must begin no later than April 1<sup>st</sup> following the calendar year in which the Account Holder attains age 70 1/2 (referred to as the "required beginning date"). Subsequent distributions must be withdrawn from the Account by December 31<sup>st</sup> of each year. Pursuant to IRS regulation, failure by the Account Holder to withdraw the required distribution amount will result in an additional tax of 50% of the amount that should have been withdrawn in any given year. This penalty is in addition to ordinary income taxes the Account Holder must pay to the federal and, if applicable, state government.

To calculate the required distribution amount, the Account Holder will divide the prior December 31<sup>st</sup> balance of the Account by a life expectancy factor found in the uniform lifetime table (see Regulation section 1.401(a)(9)-9). In the event the Account Holder's spouse is the sole beneficiary of the Account and he or she is more than 10 years younger than the Account Holder, the required distribution amount is determined using the joint and last survivor table which may also be found in the Regulation section referenced above. If the Account Holder has more than one Traditional IRA, he or she must calculate the RMD separately for each account. However, there is no requirement for the Account Holder to withdraw the RMD amount from each account. As a result, the Account Holder may satisfy his or her distribution requirement by taking from one account an amount sufficient to cover both accounts.

The Custodian is under no obligation to determine whether the Account Holder fulfills his or her requirement to take the required distribution amount from the Account each year and, pursuant to its policies, will not make payment until authorization is received. The only exception to this policy will be in situations where the Account has been determined by the Custodian to be abandoned. If the Custodian's efforts to locate the Account Holder prove unsuccessful, it may be required to escheat Account assets under state abandoned property laws.

The Account Holder hereby releases and holds the Custodian harmless from any loss, penalty, or tax related to his or her failure to take a required minimum distribution or in the event the Account is abandoned.

#### **Article XIX - Termination of Agreement, Resignation or Removal of Custodian**

The Account Holder may terminate this Agreement at any time by delivery of written notice requesting such termination to the Custodian. The Custodian shall continue to hold the assets and distribute them in accordance with the Account Holder's instructions and the provisions of this Agreement, unless it receives alternative instructions from the Account Holder which the Custodian may follow, without liability and without any duty to ascertain whether such distribution or transfer is proper under the provisions of the Code.

Upon written request of the Account Holder, the Custodian shall transfer all assets in the Account to the Account Holder, to a qualified retirement plan, or to another individual retirement account established by the Account Holder. The Custodian is authorized to reserve such sum of money or property as it may deem advisable for payment of all its fees, costs and expenses, or for any other liabilities (such as penalties associated with the early withdrawal of any savings instrument) constituting a charge against the assets of the Account or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the Account Holder or successor account.

The Custodian may resign at any time effective thirty (30) days after it mails written notice of its resignation to the Account Holder. In such case the Account Holder must make arrangements to transfer the Account to another qualified financial institution. If the Account Holder does not complete a transfer of the Account within 30 days from the date Custodian mails the notice to the Account Holder, Custodian has the right to transfer the assets of the Account to a successor IRA Custodian that it chooses, in its sole discretion, or the Custodian may distribute the assets of the Account to the Account Holder. The Custodian shall not be liable for any actions or failures to act by the Account Holder or successor Custodian or for tax consequences the Account Holder may incur resulting from such transfer or distribution of the Account.

The Custodian may resign and distribute the entire Account or, as an alternative, specific assets of the Account in the event the Custodian requests and fails to receive updated market valuation information related to any Alternative Investment held within the Account. Such action may be necessary in order to ensure the Custodian remains authorized to act as a qualified IRA provider with the Internal Revenue Service. The Custodian may also resign should the Account value drop below any minimum balance requirement established by the Custodian.

In the event that the Custodian is merged with another entity (or comes under the control of any federal or state agency) or if the Custodian's entire organization (or any portion which includes the Account Holder's IRA) is bought by another entity, that entity shall automatically become the Custodian of the IRA, without the necessity of the prior approval of the Account Holder, but only if it is the type of organization authorized to serve as a IRA Custodian.

#### **Article XX - Amendments**

In accordance with this section and Article VII above, the Account Holder hereby irrevocably delegates to the Custodian the right and power to amend this Agreement from time to time for both non-elective and elective amendments. Non-elective amendments concern modifications that are necessary to comply with governmental mandated changes in accordance with provisions of the Internal Revenue Code, related Regulations, and other published guidance. Elective amendments relate to changes the Custodian deems necessary for it to continue to effectively administer the Account. With respect to non-elective amendments, the Account Holder understands the Custodian reserves the right to charge an "IRS Amendment/Restatement fee," as disclosed in its IRA Fee Schedule and hereby authorizes the Custodian to deduct from or charge to the Account any such fee. In the event such amendments are necessary, the Custodian will send the Account Holder a notice within thirty (30) days after such amendment is to be effective. Regarding elective amendments, the Account Holder understands and agrees that the Custodian may, without charge or Account Holder consent, amend this Agreement for any reason provided that the Custodian sends notice to the Account Holder within thirty (30) days before the effective date of such amendment.

#### **Article XXI - Restrictions on Pledging IRA Assets**

Neither the Account Holder (including his or her Authorized Agent) nor any beneficiary shall have the right to assign, hypothecate, pledge, sell, transfer or in any manner whatsoever create a lien upon any asset of the Account, except as provided by law or this Agreement. In the event the Account Holder or a beneficiary pledges any portion of the Account as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in the Account Holder/beneficiary's gross income for the taxable year in which the assets were pledged.

#### **Article XXII - Hold Harmless and Indemnification**

By execution of the IRA Adoption Agreement the Account Holder or designated beneficiary(ies) agrees (to the extent not prohibited by federal or state law) to fully release, indemnify, hold harmless and defend the Custodian, including its' affiliated officers, directors, employees, successors and assigns, from any liability incurred by or asserted against the Custodian by reason of any disbursement, sale or investment made or actions taken by the Custodian in its' role in carrying out the Account Holder's (including his or her Authorized Agent) instructions, and from any and all other actions, claims, losses and expenses, including legal expenses and attorney's fees, (collectively "Damages") whatsoever which may arise in connection with the Account and/or this Agreement, including, without limitation, claims asserted by Account Holder, except Damages arising from the gross negligence or willful misconduct of the Custodian. In no event will the Custodian be liable for consequential or punitive damages, regardless of whether such liability is based on breach of contract or tort or otherwise. The Custodian shall not be responsible for any taxes, penalties, judgments, investment losses, or expenses incurred by the Account.

Upon demand the Account Holder agrees to reimburse or advance to the Custodian all legal fees, expenses, costs, fines, penalties and obligations incurred or to be incurred in connection with the defense, contest, prosecution or satisfaction of any claim made, threatened or asserted pertaining to any investment or action the Account Holder and/or his or her Authorized Agent directed through the Custodian, including, without limitation, claims asserted by the Account Holder, his or her Authorized Agent, any state or federal regulatory authority, or self-regulatory organization. If the Account Holder does not reimbursement or advance funds to the Custodian, the Account Holder agrees that the Custodian may deduct such amounts from the Account or commence collection efforts to recovery such costs.

#### **Article XXIII - Account Not Guaranteed**

The Custodian does not guarantee the Account from loss or depreciation. The Custodian's liability to make payment to Account Holder at any time and all times is limited to the available assets of the Account.

#### **Article XXIV - Adverse Claims**

In the event that the Custodian receives any claim to the assets held in the Account which is adverse to Account Holder's interest or the interest of a named beneficiary to the Account, and the Custodian in its absolute discretion decides that the claim is, or may be, meritorious, the Custodian may withhold distribution until the claim is resolved or until instructed by a court of competent jurisdiction. As an alternative, the Custodian may deposit all or any portion of the assets in the Account Holder's Account with a court through a motion of interpleader. Deposit with the court shall relieve the Custodian of any further obligation with respect to the assets so deposited. The Custodian has the right to be reimbursed from the Account for any legal fees and costs incurred related to such undertaking.

#### **Article XXV - Applicable Law**

Any and all questions relating to this Agreement shall be determined by application of the laws of the state of Colorado, except for Article XXVI – Arbitration, which shall be governed by the Federal Arbitration Act and Federal law. Notwithstanding, this Agreement shall be subject to all applicable federal and state laws and Regulations. Should any part of this Agreement be determined by a court of competent jurisdiction to be invalid, the remaining parts shall not be affected. Neither the Account Holder's nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or the Custodian's right thereafter to enforce each and every such provision.

#### **Article XXVI - Arbitration**

The Account Holder and Custodian shall attempt (in good faith) to resolve by negotiation any and all claims and disputes arising under or relating to this Agreement. In the event that the Account Holder and Custodian (including any agent, successor, or assign of the other) are unable to resolve their claim or dispute by negotiation, any claim or dispute arising out of or relating to this Agreement or the breach, termination, interpretation or validity thereof (except issues relating to this arbitration provisions as specified below) of the scope or applicability of this Agreement to arbitrate, shall be resolved by individual arbitration before a sole arbitrator, in the state of Colorado, county of Denver. The arbitration will be administered by Judicial Arbitration and Mediation Services ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Claims and Disputes will not be resolved in any other forum or venue unless JAMS is unwilling or unable to perform such service. In such case the Custodian shall determine an alternative provider and all other provisions of this section shall apply. All issues are for the arbitrator to decide, except that issues relating to arbitrability, the scope or enforceability of this agreement to arbitrate and other items set forth in this Article XXVI, shall be for a court of competent jurisdiction to decide.

The Account Holder and Custodian agree that any such arbitration proceeding will be conducted by a retired judge who is experienced in dispute resolution. Pre-arbitration

discovery will be limited to the greatest extent provided by the rules of JAMS and any arbitration award will not include factual findings or conclusions of law. No consequential or punitive damages will be awarded, and the arbitrator shall have no power or authority to render any award or issue any order at any time except as permitted in this Agreement. Notwithstanding any other rules, no arbitration proceeding brought against the Custodian will be consolidated with any other arbitration proceeding without the Custodian's consent. Judgment may be entered upon any award granted in any arbitration in any court of competent jurisdiction in Denver, Colorado, or in any other court having jurisdiction for this limited purpose only. The arbitrator shall award reasonable attorneys' fees and expenses, including the expense of the arbitration, to the prevailing party. The Account Holder agrees that the Account Holder may only bring claims and disputes to arbitration only in his or her individual capacity and not as a plaintiff or class member in any purported class or representative arbitration. The prevailing party in any judicial motion to compel arbitration or confirm an arbitration award rendered pursuant to this paragraph shall be entitled to reimbursement of its reasonable attorneys' fees and expenses from the non-moving party. Arbitration is final and binding on the Account Holder and Custodian. The Account Holder and Custodian agree to waive their right to seek remedies in court, including the right to jury trial. The Account Holder and Custodian agree that any such proceedings shall be treated as confidential and shall not be disclosed to anyone else, except as may be necessary to effectuate the ruling of the arbitrator.

Payment of all filing, administration, and arbitrator fees will be governed by the JAMS' rules, unless otherwise stated below. The prevailing party in the arbitration will be entitled to reimbursement of all fees associated with the arbitration paid for by the prevailing party.

The Account Holder can choose to reject this binding agreement to arbitrate by mailing the Custodian a written opt-out notice. The opt-out notice must be postmarked no later than 30 days after the date you accept this Agreement for the first time. You must mail the opt-out notice to M2 Trust, Attn: Litigation Department, 700 17<sup>th</sup> Street, Suite 1100, Denver CO 80202. This procedure is the only way you can opt out of the agreement to arbitrate. If you opt out of the agreement to arbitrate, all other parts of the Agreement will continue to apply.

#### General Instructions

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

#### Purpose of Form

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual

retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Account Holder) and the Custodian and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Account Holder and his or her beneficiaries.

**Do not** file Form 5305-A with the IRS. Instead, keep it with your records. For more information on IRAs, including the required disclosures the Custodian must give the Account Holder, 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.

**Account Holder.** The Account Holder is the person who establishes the custodial account.

#### Identifying Number

The Account Holder's social security number will serve as the identification 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.

#### Traditional IRA for Nonworking Spouse

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

#### 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 in the year the Account Holder reaches age 70½ 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 Account Holder 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 Account Holder, etc.





## TRADITIONAL, ROTH, AND AUTOMATIC ROLLOVER IRA DISCLOSURE STATEMENT

### M2 TRUST IRA DISCLOSURE

M2 Trust presents the following Disclosure Statement pursuant to Internal Revenue Service Regulations which require that the following information contained herein to be given to individuals for whom an Individual Retirement Account (hereinafter referred to as "IRA" or "Account") is established.

#### Automatic Rollover IRA – Lost Participant Accounts

##### IMPORTANT INFORMATION

This section applies only to automatic rollover IRAs established by employers for the benefit of ex-employees who maintained balances under their previous employer's retirement plan, in accordance with the provisions of that plan. Automatic rollover rules apply to assets held in retirement plans on behalf of separated employees who fail to elect to: 1) receive a distribution of their retirement plan assets; or 2) have such assets rolled over into another eligible retirement plan.

If the paperwork you received with this Disclosure Statement contained an Automatic Rollover IRA Adoption Agreement, an IRA was established on your behalf and in your name by your previous employer or the plan administrator of your employer's retirement plan, in accordance with the provisions of that plan. Automatic rollover rules apply to assets held in retirement plans on behalf of separated employees who fail to elect to: 1) receive a distribution of their retirement plan assets; or 2) have such assets rolled over into another eligible retirement plan.

The Automatic Rollover IRA Adoption Agreement was prepared and filed on your behalf based upon the most recent information contained in your previous employer's records or that of the plan administrator's records. Depending on the type of retirement plan maintained by your previous employer, your Account may either be a Traditional or Roth IRA. M2 Trust, as Custodian of the IRA, has relied upon the information provided to us about you.

In an effort to help fight funding of terrorism and money laundering, Federal law requires that we obtain, verify, and record specific information that identifies each person for whom an account is opened and/or maintained. What this means to you: As the IRA Account Holder you will be asked to verify your name, home address, social security number, and date of birth. You will also be requested to provide a copy of your current driver's license or other identifying documents. For more detailed information about documentation requirements, please refer to the section titled "USA Patriot Act Information" contained at the end of this Disclosure Statement. As the IRA Account Holder, you will be responsible for reviewing the information contained in the Adoption Agreement, making any necessary corrections, signing the Agreement, and returning it to us along with any requested information. If you fail to provide the requested information, your ability to obtain information about your Account, authorize a transfer, or receive a distribution from your Account will be delayed until such time as you provide the necessary information.

In addition, if you fail to sign and return the Adoption Agreement, by sending such information to you at your last known address (as provided by your previous employer and/or the administrator of the plan) we shall consider the documentation as having been received by you and you will be deemed to have consented to the terms and conditions of the Individual Retirement Custodial Agreement, IRA Fee Schedule, as well as having received the Disclosure Statement. If you fail to make contact with us or we are unable to locate you, your Account will diminish in value as a result of ongoing fees (charged in accordance with our published IRA Fee Schedule). In addition, if your Account is a Traditional IRA and has a remaining balance upon your attainment of age 70 ½, we may be required under state abandoned property laws to escheat your Account.

The account which was established on your behalf is a self-directed IRA. Under such an account you are required to direct us, as Custodian, with respect to the investment of all funds in your Account. In the absence of direction from you we will not make or dispose of any investment or distribute any funds held in your Account, except as provided for under the Individual Retirement Custodial Agreement.

We have received and deposited into your Account the full amount of your distribution from your previous employer's retirement plan. The Trustee of your previous employer's retirement plan authorized the placement of your funds into our Cash Management Account. Deposits are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 per Account Holder at each bank participating in the Custodian's Cash Management Program. Your funds will remain in the account, subject to our fees as disclosed in our published IRA Fee Schedule, pending further direction from you. If we do not receive direction from you,

you will be deemed to have directed us to continue to invest your funds in the above referenced account. Once you make contact with us and provide the requested information and documentation, you may elect to: 1) maintain the account at M2 Trust; 2) take distribution of the available cash balance; 3) transfer the balance to another IRA Custodian; or 4) request a direct rollover into your new employer's retirement plan (if the plan allows for such rollovers), subject to our fees as disclosed in our published IRA Fee Schedule.

#### The following disclosures apply to both Traditional and Roth IRAs

##### RIGHT OF REVOCATION

You have the right to revoke this Account within seven (7) days of the date of notification that this Individual Retirement Account was established. Should you elect to revoke your Account, you are entitled to receive a return of the amount contributed or transferred to the IRA without penalty, service charge or administrative fees. In the event that you authorized an investment transaction during the 7-day revocation period you will only receive a distribution consisting of available cash and an in-kind distribution of the acquired asset(s). You may request M2 Trust liquidate any acquired investment(s) but the investment entity, not M2 Trust, will make the final determination if funds can be returned. To revoke your Account, you must send written notice or hand deliver it to us at the address below:

M2 Trust Services, LLC  
700 17th Street, Suite 1100  
Denver, CO 80202  
Phone: (888) 265-1225

If mailed, the revocation notice shall be deemed mailed on the date of the postmark (or if by registered mail or certified mail, the date of registration or certification) if deposited in the mail in the United States in an envelope, first class postage prepaid, properly addressed. Upon revocation within the seven-day period, we will return the current fair market value of your Account to you. If you do not exercise this right within the time period referenced above, it is assumed that you have accepted all of the terms and conditions related to your Account.

##### QUESTIONS ABOUT IRAS

Should you have any questions regarding this or any IRA account your best source of information is the Individual Retirement Custodial Agreement and Disclosure Statement. The Individual Retirement Custodial Agreement outlines the duties and responsibilities of us, as Custodian, and you as the Account Holder. For more information, you can also refer to IRS Publication 590, Individual Retirement Arrangements (IRAs). You may obtain a copy of the publication by calling the IRS at (800) TAX-FORM or by going to their website, [www.irs.gov](http://www.irs.gov).

#### The following disclosures apply to Traditional IRAs

##### REQUIREMENTS OF A TRADITIONAL IRA

A Traditional IRA is a trust or custodial account set up in the United States for the exclusive benefit of you or your beneficiaries. The account is created by a written governing instrument that meets the following requirements:

1. The Trustee or Custodian must be a bank, a federally insured credit union, a savings and loan association, or an entity approved by the IRS to act as Trustee or Custodian.
2. Except for rollovers, transfers, and employer contributions to a simplified employee pension plan or SIMPLE IRA, contributions may not exceed the lesser of 100% of your compensation or \$6,000 in 2019, subject to annually cost-of-living adjustments as provided under Code §415. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100% of your compensation.
3. Contributions (except for rollovers and transfers) must be in cash.
4. You must have a nonforfeitable right to the amount at all times.
5. Money in your Account cannot be used to buy a life insurance policy.

6. Assets in your Account cannot be combined with other property, except in a common trust fund or common investment fund.
7. You may not invest in collectibles (as described in Section 408(m) of the Internal Revenue Code). A collectible is described as any work of art, rug, antique, metal, gem, stamp, coin, alcoholic beverage, or other tangible personal property as specified by the IRS. If you invest in collectibles the amount invested is considered distributed to you in the year invested and you will have to pay an additional tax of 10% to the IRS. *However, the IRS does provide certain exceptions.* If the Custodian permits, you may invest in specially minted US gold, silver and platinum coins and certain state-issued coins. As of January 1, 1998, you may also invest in certain gold, silver, platinum, and palladium bullion. Such assets must be held by the Custodian, or a depository selected by the Custodian, and may not be held by you personally.
8. You must start receiving distributions from your IRA by April 1 of the year following the year in which you reach age 70 ½.

- A 403(a) or qualified annuity plan;
- A 403(b) or tax sheltered annuity plan;
- A SEP IRA;
- A SIMPLE IRA;
- A trust described under IRC § 501(c)(18); or
- A plan established for its employees by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing.

If you are not sure whether you are covered by an employer sponsored retirement plan, check with your employer or review your form W-2 for the year in question. The W-2 form would have a check in the “pension plan” box if you covered by a retirement plan.

**Modified Adjusted Gross Income**

If you are an active participant in one of the above referenced plans you are able to deduct your Traditional IRA contribution only if your MAGI amount does not exceed certain limits. The MAGI that applies to each filing status is provided in the following chart:

**TRADITIONAL IRA CONTRIBUTIONS**

Contributions can be made to your Traditional IRA for each year that you receive compensation and have not reached age 70 ½. Compensation includes salaries, wages, tips, commission, bonuses, alimony, royalties from creative efforts and “earned income” in the case of a self-employed individual. The amount that is deductible depends upon whether or not you are an active participant in a retirement plan maintained by your employer; your adjusted gross income (AGI); your marital status; and your tax filing status.

The contribution limit to your Traditional IRA for 2019 and 2020 is the lesser of the following amounts:

- \$6,000, or
- 100% of your taxable compensation for the year if your compensation was less than this dollar limit.

If you are or will attain the age of 50 by the end of the taxable year (December 31), you may make a “Catch-Up” contribution to your IRA. The maximum additional contribution limit is \$1,000. If this applies to you then your contribution limit will be as follows:

- \$1,000, or
- 100% of your taxable compensation for the year if your compensation was less than this dollar limit.

**Note:** This limit is reduced by any contributions to a section 501(c)(18) plan (generally, a pension plan created before June 25, 1959, that is funded entirely by employee contributions).

If you qualify to make a contribution, funds can be deposited into your Traditional IRA at any time during the year or by the due date for filing your tax return for that year, not including extensions. For most people, this means contributions for 2019 must be made by April 15, 2020. **Note: Due to the COVID-19 pandemic the contribution deadline for 2019 was extended until July 15, 2020.** If an amount is contributed to your Traditional IRA between January 1 and April 15, you should tell us to which year the funds are to be applied, i.e., the current year or the previous year. If you do not provide this information to us, we will most likely assume (and report to the IRS) the contribution is for the year in which it was received. If you have more than one IRA, the limit applies to the total contributions made on your behalf to all your Traditional IRAs for the year.

For any year in which you do not work, contributions cannot be made to your IRA unless you receive alimony, nontaxable combat pay, military differential pay, or file a joint return with a spouse who has compensation. Even if contributions cannot be made for the current year, the amounts contributed for years in which you did qualify can remain in your IRA. Contributions can resume for any years that you qualify.

**Deductibility of Contributions**

When it comes to taking a tax deduction for your Traditional IRA contribution(s) your eligibility is based on whether you and your spouse are active participants in an employer-sponsored retirement plan, your tax return filing status, and the amount of your modified adjusted gross income (“MAGI”).

**Active Participant**

You are considered an active participant if you participate in any of the following types of plans for the year:

- A qualified plan, such as a defined benefit plan, money purchase pension plan, target benefit plan, profit sharing plan, 401(k) plan, or stock bonus plan;

IRA Limits if you ARE already contributing to an employer plan ...		
Tax Filing Status	2019 MAGI is	Allowed Deduction
Single or head of household	\$64,000 or less	A full deduction up to the amount of your contribution limit.
	More than \$64,000 but less than \$74,000	A partial deduction
	\$74,000 or more	No deduction
Married filing jointly or qualifying widow(er)	103,000 or less	A full deduction up to the amount of your contribution limit.
	Greater than \$103,000 but less than \$123,000	A partial deduction
	\$123,000 or more	No deduction
Married filing separately	Less than \$10,000	A partial deduction
	\$10,000 or more	No deduction
If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the “single” filing status.		

If you are not already contributing to an employer or work-related retirement plan the MAGI that applies to each filing status is provided in the following chart:

IRA Limits if you are NOT already contributing to an employer or work-related retirement plan ...		
Tax Filing Status	2019 MAGI is	Allowed Deduction
Single, head of household, or qualifying widow(er)	Any amount	A full deduction up to the amount of your contribution limit.
Married filing jointly or separately with a spouse who is not covered by a plan at work	Any amount	A full deduction up to the amount of your contribution limit.
Married filing jointly with a spouse who is covered by a plan at work	\$193,000 or less	A full deduction up to the amount of your contribution limit.
	More than \$193,000 but less than \$203,000	A partial deduction
	\$203,000 or more	No deduction
Married filing separately with a spouse who is covered by a plan at work	Less than \$10,000	A partial deduction
	\$10,000 or more	No deduction
If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the “single” filing status.		

### **Nondeductible Contributions**

If you are not eligible to make a partial or fully deductible Traditional IRA contribution, the law allows you to make a nondeductible contribution up to your contribution limit, as noted above. Such contributions, while not tax deductible, do accumulate tax-deferred until earnings are distributed. The total amount of deductible and nondeductible contributions still must not exceed your maximum permitted contribution amount. You are responsible for reporting nondeductible contributions to the IRS on Form 8606 and filing it with your annual tax return. In addition, you are responsible for keeping records as to the cumulative amount of nondeductible contributions made to your Traditional IRA. You may be subject to IRS penalties should you overstate your nondeductible amount or fail to file Form 8606.

### **No Contributions after Age 70 ½**

No deduction will be allowed for contributions made to your Traditional IRA for the tax year in which you attain age 70 ½, or from that point forward.

### **Excess Contributions**

An excess contribution is where you contribute more money into your IRA than the law allows. This means for 2019 the amount you contributed is more than the smaller of:

- \$6,000 (\$7,000 if you are age 50 or older), or
- Your taxable compensation for the year, up to the contribution limit.

In addition, any contribution you make to your IRA after attaining age 70 ½ will be considered as an excess contribution. In the event of an excess contribution simply withdraw the amount, plus earnings attributable to the excess, before your tax filing deadline (generally April 15, including extensions) for the year in which the excess amount was contributed. You will not have to pay a penalty tax for the excess contribution; however, you will have to include the earnings as taxable income. If you miss the deadline, you can still make a correction; however, you will only be able to remove the excess contribution (not the earnings). A 6% excess penalty tax will be assessed on the excess contribution each year it remains in your IRA as of the end of the year. When the excess is withdrawn from your IRA it will only be taxable to you if the total contribution, made in the year of the excess, exceeded your annual contribution limit. Another option you have to correct an excess is to under contribute for a subsequent tax year and apply the excess forward to that year on your tax return. In such case, be sure to notify us of the correction so that we can update our records.

It is your responsibility, not ours, to monitor and report excess contributions made to your IRA. To report and remit required taxes to the IRS, you must file IRS Form 5329 and attach it to your tax.

### **Spousal IRA Contributions**

If you are married and have compensation, you may contribute to a Traditional IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. In order to contribute to a Spousal IRA, you must meet the following conditions:

- You must be married during the tax year the contributions are made.
- You must file your income taxes as married, filing jointly (if you file separately you may not contribute to a spousal IRA).
- Your total earned income (for both you and your spouse) must be equal to, or greater, than the total IRA contributions made to both IRA accounts.
- Normal contribution limits apply to both you and your spouse, i.e., the lesser of the following amounts:
  - i. \$6,000; or
  - ii. Your taxable compensation for the year, up to the contribution limit.
- If your spouse is age 50 or older you may make an additional \$1,000 contribution per year into his or her IRA, for a total maximum contribution of \$7,000 for 2019. This amount may be increased with cost-of-living adjustments each year, as provided under Code §415.
- You may not contribute to the IRA once your spouse attains age 70 ½.

Your spouse becomes the owner of his or her IRA and must execute an Adoption Agreement establishing the Account. Once an IRA is established for your spouse, he or she (as the owner of that IRA) becomes subject to all of the privileges, rules, and restrictions applicable to all IRAs, as well as those contained in this Individual Retirement Custodial Agreement.

### **Tax Credits**

You may be able to take a tax credit if you make eligible contributions to your Traditional IRA. This credit is in addition to any other tax deduction for which you

qualify and may be up to \$2,000 (\$4,000 if filing jointly) and is worth between 10 and 50 percent of the amount contributed.

You may qualify for this tax credit if you are: 1) age 18 or older as of the close of the taxable year; 2) not a full-time student; and 3) not a dependent of another taxpayer. The credit is based on your filing status and modified adjusted gross income as shown in the chart below and ranges from 0 to 50% of eligible contributions. In order to claim the non-refundable tax credit, you must file IRS Form 8880, the most current version of which is available at [www.irs.gov](http://www.irs.gov).

\*Single, married filing separately, or qualifying widow(er)

2020 Saver's Credit			
Credit Rate	Married Filing Jointly	Head of Household	All Other Filers*
50% of your contribution	AGI not more than \$39,000	AGI not more than \$29,250	AGI not more than \$19,500
20% of your contribution	\$39,001 - \$42,500	\$29,250 - \$31,875	\$19,501 - \$21,250
10% of your contribution	\$42,501 - \$65,000	\$31,876 - \$48,750	\$21,251 - \$32,500
0% of your contribution	more than \$65,000	more than \$48,750	more than \$32,500

### **PROHIBITED TRANSACTIONS**

Should you or any disqualified person engage in a prohibited transaction in connection with your Account at any time during the year (as described in IRC Section 4975) your Account stops being an IRA as of the first day of that year. In other words, the entire account will lose its tax exempt status and you will be required to include the fair market value of the assets of your IRA in your income for the tax year in which the prohibited transaction took place. In addition, you may incur certain penalties for engaging in the transaction as well as a premature distribution penalty if you are under age 59 ½. Examples of a prohibited transaction include, but are not limited to, you or a disqualified person: 1) borrowing money from the IRA; 2) either selling an asset to or buying an asset from the IRA; and 3) having personal use of any asset of the IRA.

It is your responsibility, not ours, to determine if any activity in your IRA constitutes a prohibited transaction. We reserve the right to ask you for clarification about any activity that you authorize. In the event that you fail to provide us with clarifying information, we reserve the right to take whatever action we deem appropriate, including resigning from your Account and distributing the assets to you. In the event we fail to request clarifying information, it should not be construed as a determination by us that a prohibited transaction does not exist.

### **PLEDGING AN ACCOUNT AS SECURITY**

If you use your Account or any portion thereof as security for a loan, that part is treated as a distribution to you and is included in your gross income. You may also have to pay a 10% penalty tax for an early distribution if you are under age 59 ½. If you invest in securities, you may not sell short or execute purchases in an amount greater than available cash.

### **DISTRIBUTIONS**

When you start withdrawing funds/assets from your Account, you may take the distributions in regular payments, random withdrawals or in a single sum payment. Any withdrawal you decide to take from your Account must be directly processed by us. You cannot have IRA funds/assets sent directly to you by any investment, investment entity, broker, adviser, etc.

### **Premature Distributions**

You can elect to receive distribution from your Account at any time. However, if you receive a distribution from your IRA before you attain the age of 59½, the distribution will be considered premature and subject to a 10% penalty tax on the taxable portion of the distributed amount unless one of the following exceptions applies:

1. A qualifying rollover distribution;
2. A direct rollover to your new retirement account;
3. Unreimbursed medical expenses;
4. Health insurance premiums;
5. Higher education expenses;

6. Distributions made to pay for qualified first-time home purchases, not to exceed \$10,000;
7. Any distribution to an alternate payee under a qualified domestic relations order;
8. Timely withdrawal of the principal amount of an excess or nondeductible contribution;
9. Substantially equal periodic distributions;
10. IRS Levy;
11. Qualified reservist distributions;
12. Distributions made due to disability; or
13. Distributions made due to your death.

If your Account is disqualified because you engaged in a prohibited transaction, described above, the amount deemed distributed to you is included in your gross income. The premature distribution penalty tax (10% of the amount of the deemed distribution) will also apply if you had not attained the age of 59½ before the beginning of such tax year.

You should consult with your tax advisor before taking any premature distribution from your Account in order to ensure you understand the potential tax consequences. If you qualify for one of the exemptions under Code 72(t), you will need to file IRS Form 5329 along with your tax return to report and remit any taxes or to claim an exception to the penalty tax.

#### **Required Distributions**

Once you attain age 70½, you are required to take the minimum distributions from your Account each year. Below is a summary of the IRA distribution rules.

You are required to take a minimum distribution from your IRA for the year in which you attain age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing your IRA balance as of December 31 of the prior year by the applicable divisor (provided by the IRS and located in IRS Publications 590).

The applicable divisor is generally determined using the Uniform Lifetime Table. The table assumes a designated beneficiary that is exactly 10 years younger than you, regardless of who you designated as your beneficiary(ies), if any. If your spouse is your sole designated beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the Joint and Last Survivor Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

In any distribution calendar year, you may take more than the required minimum. If you take less than the required amount an additional 50% federal excise tax is imposed on the amount that should have been withdrawn but was not. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

We will not monitor your Account to ensure you fulfill your requirement to take a required distribution. It is our policy to only distribute funds to you upon your authorization. The only exception to this policy will be in situations where we determine that your Account has been abandoned. If our efforts to contact you result in returned mail (due to improper address - physical or email) or unreturned phone calls then we may be required, under state abandoned property laws, to escheat your Account.

#### **Death Distributions**

If you die *on or after your required beginning date* distributions must be made to your beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies) or your remaining life expectancy, fixed in the year of death, and nonrecalculating in subsequent years. If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary of your IRA for the purpose of determining the distribution period. If your IRA does not have a designated beneficiary, distributions will begin utilizing your single life expectancy, reduced by one each year thereafter.

If you die *before your required beginning date* the entire amount remaining in your Account will, at the election of your designated beneficiary(ies), either be distributed by the December 31st of the year containing the fifth anniversary of your death or be distributed over the remaining life expectancy of your designated beneficiary(ies). If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary of your IRA for purposes of determining the distribution period. If there is no designated beneficiary

of your IRA, the entire IRA must be distributed by the December 31st of the year containing the fifth anniversary of your death.

Your designated beneficiary(ies) must make an election by the December 31st of the year following the year of your death. If no election is made the entire balance of your Account will be distributed over the remaining life expectancy of your designated beneficiary(ies). In such case distributions must commence by the December 31st of the year following the year of your death.

If your spouse is the sole beneficiary of your Account, he or she will generally have the following three choices:

1. Treat your Account as his or her own by designating themselves as the Account Holder.
2. Treat your Account as his or her own by rolling it over into another qualified plan, such as his or her own IRA or an employer-provided retirement plan, if the plan allows it.
3. Treat themselves as the beneficiary rather than treating the IRA as their own.

Regardless of whether or not your spouse is the sole designated beneficiary of the IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA. Should your spouse treat themselves as the sole beneficiary of your IRA, he or she must elect to either have the entire Account balance distributed: 1) over his or her lifetime; or 2) by December 31 of the year following the fifth anniversary of your death. Generally, if your spouse is the designated beneficiary and he or she is older than you, he or she may wait until the year in which you would have attained age 70 ½ or December 31 of the year following your death, whichever is later.

**Note:** Beneficiaries have various options under the distribution rules. Each option has its own tax consequences and some options are irrevocable. We strongly recommend that each beneficiary consult with a qualified tax professional or attorney to determine the best course of action for his or her particular situation. If a beneficiary fails to remove a required minimum distribution after your death, an additional tax of 50% is imposed on the amount of the required minimum distribution that should have been withdrawn but was not. Your beneficiary must file IRS Form 5329 along with his or her income tax return to report and remit any additional taxes to the IRS.

#### **TAXATION OF DISTRIBUTIONS**

The taxation of a distribution depends on whether or not you have ever made nondeductible IRA contributions. If not, a distribution from your IRA is taxed as ordinary income. Such a distribution is not eligible for capital gains treatment or the special averaging rules that may apply to a lump-sum distribution from a qualified employer plan.

If you made a nondeductible contribution(s) to your Account, you would have a cost basis in those funds. As a result, a portion of any distribution you receive from your Account will consist of nondeductible contributions (the cost basis) and deductible contributions, as well as earnings and gains (if any). Under this circumstance, each distribution you receive will be partly nontaxable and taxable. In other words, the part of your distribution that represents a nondeductible contribution is tax-free. To find this you will need to determine your cost basis by adding the total of your nondeductible IRA contributions (and any after-tax money rolled in from retirement plans), then divide that sum by the total amount of money in all of your IRAs at the end of the year. The result is the percentage of the distribution that is tax-free. You will have to perform this calculation each year until your cost basis has been removed.

You must report this pro-rata distribution on Form 8606 and attach it to your tax return. If you are not required to file a tax return, you are still required to file Form 8606.

Any distribution you receive from your Account is subject to federal income tax withholding unless you elect not to have the withholding apply. If you do not make an election, federal income tax will be withheld at the rate of 10% of the distribution amount. If you elect not to have withholding apply to your distribution, or if you do not have enough federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. If applicable, state income tax withholding may also apply.

#### **FEDERAL ESTATE TAXES**

A beneficiary may be able to claim a deduction for estate tax resulting from certain distributions from a Traditional IRA. The beneficiary can deduct the estate tax paid on any part of a distribution that is income in respect of a decedent. He or she can take

the deduction for the tax year the income is reported. For information on claiming this deduction, see *Estate Tax Deduction* under *Other Tax Information* in Publication 559, *Survivors, Executors, and Administrators*.

Any taxable part of a distribution that is not income in respect of a decedent is a payment the beneficiary must include in income. However, the beneficiary cannot take any estate tax deduction for this part.

## **ROLLOVERS AND CONVERSIONS**

Generally, a rollover is a movement of cash or assets from one retirement plan to another. If you are required to take minimum distributions because you are age 70½ or older, you may not roll over any required minimum distributions. Both the distribution and the rollover contribution are reportable when you file your income taxes. You must irrevocably elect to treat such contributions as rollovers.

### **IRA-to-IRA Rollover**

You may withdraw, tax free, all or a portion of your Traditional IRA if you contribute the amount withdrawn within 60 days from the date you receive the distribution into the same or another Traditional IRA as a rollover. To complete a rollover of a SIMPLE IRA distribution to your Traditional IRA, at least two years must have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer, and you must contribute the distribution within 60 days from the date you receive it. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

If you roll over the entire amount of an IRA distribution (including any amount withheld for federal, state, or other income taxes that you did not receive), you do not have to report the distribution as taxable income. Any amount not properly rolled over within the 60-day period will generally be taxable in the year distributed (except for any amount that represents basis) and may be, if you are under age 59½, subject to the premature distribution penalty tax.

### **Employer Retirement Plan-to-IRA Rollover (by IRA Account Holder)**

Eligible distributions from qualifying employer retirement plans may be rolled over, directly, or indirectly, to your Traditional IRA. Qualifying employer retirement plans include qualified plans (e.g., 401(k) plans or profit-sharing plans), governmental 457(b) plans, 403(b) arrangements and 403(a) arrangements. Amounts that may not be rolled over to your Traditional IRA include any required minimum distributions, hardship distributions, any part of a series of substantially equal periodic payments, or distributions consisting of Roth 401(k) or Roth 403(b) assets.

To complete a direct rollover, you must generally instruct the plan administrator to send the distribution to your Traditional IRA Custodian. To complete an indirect rollover, you must generally request that the plan administrator make a distribution directly to you. You typically have 60 days from the date you receive an eligible rollover distribution to complete an indirect rollover. Any amount not properly rolled over within the 60-day period will generally be taxable in the year distributed (except for any amount that represents after-tax contributions) and may be, if you are under age 59½, subject to the premature distribution penalty tax. If you choose the indirect rollover method, the plan administrator is typically required to withhold 20% of the eligible rollover distribution amount for purposes of federal income tax withholding. You may, however, make up the withheld amount out of pocket and roll over the full amount. If you do not make up the withheld amount out of pocket, the 20% withheld (and not rolled over) will be treated as a distribution, subject to applicable taxes and penalties.

### **Conduit IRA**

You may use your IRA as a conduit to temporarily hold amounts you receive in an eligible rollover distribution from an employer's retirement plan. Should you combine or add other amounts (e.g., regular contributions) to your conduit IRA, you may lose the ability to subsequently roll these funds into another employer plan to take advantage of special tax rules available for certain qualified plan distribution amounts. Consult your tax advisor for additional information.

### **IRA-to-Employer Retirement Plan Rollover**

If your employer's retirement plan accepts rollovers from IRAs, you may complete a direct or indirect rollover of your pre-tax assets in your Traditional IRA into your employer retirement plan. If you are required to take minimum distributions because you are age 70½ or older, you may not roll over any required minimum distributions.

### **Special Rules for Surviving Spouse, Alternative Payee, and Other Beneficiaries**

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA in your name or have the distribution sent to you directly. If you have the distribution sent to you, you can keep it or roll it over yourself to an IRA, but you cannot roll it over to an employer plan. If you are the spouse or former spouse alternate payee with respect to a Qualified Domestic Relations Order, you may have the payment paid as a direct rollover or paid to you which you may roll over to an IRA or another employer plan. If you are a beneficiary other than the surviving spouse, you can choose a direct rollover, but you can only roll the distribution to an "inherited" IRA (an IRA in the name of the decedent, but held for your benefit).

Rollover transactions are often complex; therefore, you should consult with your tax advisor before making any decision. You may also want to refer IRS Publication 590.

### **Traditional IRA to Roth IRA Conversions**

In the past to be able to convert from a Traditional to a Roth IRA your income needed to be under \$100,000. The IRS rules have changed and there is no longer an income cap in place. As a result, you are eligible to convert all or any portion of your existing IRA(s) into your Roth IRA(s). However, if you are age 70½ or older, you must remove your required minimum distribution prior to converting your IRA. The amount of the conversion from your IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includable in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10% early distribution penalty shall not apply to conversions from a Traditional to a Roth IRA, regardless of whether you qualify for any exceptions to the 10% penalty.

## **The following disclosures apply to Roth IRAs**

### **REQUIREMENTS OF A ROTH IRA**

A Roth IRA is a trust or custodial account set up in the United States for the exclusive benefit of you or your beneficiaries. The account is created by a written governing instrument that meets the following requirements:

1. The Trustee or Custodian must be a bank, a federally insured credit union, a savings and loan association, or an entity approved by the IRS to act as Trustee or Custodian.
2. Except for rollovers, transfers, and conversions, contributions may not exceed the lesser of 100% of your compensation or \$7,000 in 2019, subject to annually cost-of-living adjustments as provided under Code §415.
3. Your contribution must be in cash, unless it is a rollover, transfer, or conversion contribution.
4. You must have a nonforfeitable right to the amount at all times.
5. Money in your Account cannot be used to buy a life insurance policy.
6. Assets in your Account cannot be combined with other property, except in a common trust fund or common investment fund.
7. You may not invest in collectibles (as described in Section 408(m) of the Internal Revenue Code). A collectible is described as any work of art, rug, antique, metal, gem, stamp, coin, alcoholic beverage, or other tangible personal property as specified by the IRS. If you invest in collectibles the amount invested is considered distributed to you in the year invested and you will have to pay an additional tax of 10% to the IRS. *However, the IRS does provide certain exceptions.* If the Custodian permits, you may invest in specially minted US gold, silver and platinum coins and certain state-issued coins. As of January 1, 1998, you may also invest in certain gold, silver, platinum, and palladium bullion. Such assets must be held by the Custodian, or a depository selected by the Custodian, and may not be held by you personally.

### **ROTH IRA CONTRIBUTIONS**

The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100% of your compensation or \$700 for 2019, subject to annually cost-of-living adjustments as provided under Code §415. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100% of your compensation. Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds the maximum limits shown in the chart below.

IRA Limits if you ARE already contributing to an employer plan ...		
Tax Filing Status	2019 MAGI is	Allowed Deduction
Single or head of household	\$64,000 or less	A full deduction up to the amount of your contribution limit.
	More than \$64,000 but less than \$74,000	A partial deduction
	\$74,000 or more	No deduction
Married filing jointly or qualifying widow(er)	103,000 or less	A full deduction up to the amount of your contribution limit.
	Greater than \$103,000 but less than \$123,000	A partial deduction
	\$123,000 or more	No deduction
Married filing separately	Less than \$10,000	A partial deduction
	\$10,000 or more	No deduction
If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the "single" filing status.		

If you are not already contributing to an employer or work-related retirement plan the MAGI that applies to each filing status is provided in the following chart:

IRA Limits if you are NOT already contributing to an employer or work-related retirement plan ...		
Tax Filing Status	2019 MAGI is	Allowed Deduction
Single, head of household, or qualifying widow(er)	Any amount	A full deduction up to the amount of your contribution limit.
Married filing jointly or separately with a spouse who is not covered by a plan at work	Any amount	A full deduction up to the amount of your contribution limit.
Married filing jointly with a spouse who is covered by a plan at work	\$193,000 or less	A full deduction up to the amount of your contribution limit.
	More than \$193,000 but less than \$203,000	A partial deduction
	\$203,000 or more	No deduction
Married filing separately with a spouse who is covered by a plan at work	Less than \$10,000	A partial deduction
	\$10,000 or more	No deduction
If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the "single" filing status.		

For 2019, if you are single, head of household, or married filing separately (and did not live with your spouse for any part of the year), you can contribute a maximum of:

- \$6,000 if you are under 50 and your earned income is \$122,000 or less.
- \$7,000 if you are over 50 and your earned income is \$122,000 or less.
- \$0 regardless of age if your earned income is \$137,000 or more.

If your earned income is somewhere between \$122,000 and \$137,000, your 2019 Roth IRA contribution limit phases out. The phase out provision is the same as for someone who is married and filing a joint tax return. Your contribution limit simply phases out on a percentage basis depending on where your income level falls within the \$122,000 and \$137,000 range.

For 2019, if you are married and filing a joint tax return, you can contribute a maximum of:

- \$6,000 if you are under 50 and your combined earned income is \$193,000 or less.
- \$7,000 if you are over 50 and your combined earned income is \$203,000 or less
- \$0 regardless of age if your combined earned income is more than \$203,000.

If your earned income is somewhere between \$122,000 and \$203,000, your 2019 Roth IRA contribution limit phases out. Your contribution limit simply phases out on a percentage basis depending on where your income level falls.

If you qualify to make a contribution, funds can be deposited into your Roth IRA at any time during the year or by the due date for filing your tax return for that year, not including extensions. For most people, this means contributions for 2019 must be made by April 15, 2020. **Note: Due to the COVID-19 pandemic the contribution deadline for 2019 was extended until July 15, 2020.** If an amount is contributed to your Roth IRA between January 1 and April 15, you should tell us to which year the funds are to be applied, i.e., the current year or the previous year. If you do not provide this information to us, we will most likely assume (and report to the IRS) the contribution is for the year in which it was received. If you have more than one IRA, the limit applies to the total contributions made on your behalf to all your Traditional IRAs for the year.

For any year in which you do not work, contributions cannot be made to your IRA unless you receive alimony, nontaxable combat pay, military differential pay, or file a joint return with a spouse who has compensation. Even if contributions cannot be made for the current year, the amounts contributed for years in which you did qualify can remain in your IRA. Contributions can resume for any years that you qualify.

#### Deductibility of Contributions

No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.

#### Excess Contributions

An excess contribution is where you contribute more money into your IRA than the law allows. This means for 2019 the amount you contributed is more than the smaller of:

- \$6,000 (\$7,000 if you are age 50 or older), or
- Your taxable compensation for the year.

In the event of an excess contribution simply withdraw the amount, plus earnings attributable to the excess, before your tax filing deadline (generally April 15, including extensions) for the year in which the excess amount was contributed. You will not have to pay a penalty tax for the excess contribution; however, you will have to include the earnings as taxable income.

If you miss the deadline you can still have the contribution returned to you within 6 months of the due date of your tax return, excluding extensions. If you do, you will need to file an amended return with "Filed pursuant to section 301.9100-2" written at the top. Report any related earnings on the amended return and include an explanation of the withdrawal. If contributions to your Roth IRA for a year were more than the limit, you can apply the excess contribution in one year to a later year if the contributions for that later year are less than the maximum allowed for that year. A 6% excess penalty tax will be assessed on the excess contribution each year it remains in your IRA as of the end of the year. It is your responsibility, not ours, to monitor and report excess contributions made to your IRA. To report and remit required taxes to the IRS, you must file IRS Form 5329 and attach it to your tax.

#### Spousal IRA Contributions

If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. In order to contribute to a Spousal IRA, you must meet the following conditions:

- You must be married during the tax year the contributions are made.
- You must file your income taxes as married, filing jointly (if you file separately you may not contribute to a spousal IRA).
- Your total earned income (for both you and your spouse) must be equal to, or greater, than the total IRA contributions made to both IRA accounts. Your contribution may be limited if your MAGI falls within the minimum and maximum thresholds.
- Normal contribution limits apply to both you and your spouse, i.e., the lesser of the following amounts:
  - i. \$6,000; or
  - ii. 100% of our taxable compensation for the year.
- If your spouse is age 50 or older you may make an additional \$1,000 contribution per year into his or her IRA, for a total maximum contribution of \$7,000 for 2019. This amount may be increased with cost-of-living adjustments each year, as provided under Code §415.

Your spouse becomes the owner of his or her IRA and must execute an Adoption Agreement establishing the Account. Once an IRA is established for your spouse, he or

she (as the owner of that IRA) becomes subject to all of the privileges, rules, and restrictions applicable to all IRAs, as well as those contained in this Individual Retirement Custodial Agreement.

**Tax Credits**

You may be able to take a tax credit if you make eligible contributions to your Roth IRA. This credit is in addition to any other tax deduction for which you qualify and may be up to \$2,000 (\$4,000 if filing jointly), depending on your adjusted gross income (reported on your Form 1040 or 1040A).

You may qualify for this tax credit if you are: 1) age 18 or older as of the close of the taxable year; 2) not a full-time student; and 3) not a dependent of another taxpayer. The credit is based on your filing status and modified adjusted gross income as shown in the chart below and ranges from 0 to 50% of eligible contributions. In order to claim the non-refundable tax credit, you must file IRS Form 8880, the most current version of which is available at [www.irs.gov](http://www.irs.gov).

2020 Saver's Credit			
Credit Rate	Married Filing Jointly	Head of Household	All Other Filers*
50% of your contribution	AGI not more than \$39,000	AGI not more than \$29,2500	AGI not more than \$19,500
20% of your contribution	\$39,001 - \$42,500	\$29,250 - \$31,875	\$19,501 - \$21,250
10% of your contribution	\$42,501 - \$65,000	\$31,876 - \$48,750	\$21,251 - \$32,500
0% of your contribution	more than \$65,000	more than \$48,750	more than \$32,500

\*Single, married filing separately, or qualifying widow(er)

**PROHIBITED TRANSACTIONS**

Should you or any disqualified person engage in a prohibited transaction in connection with your Account at any time during the year (as described in IRC Section 4975) your Account stops being an IRA as of the first day of that year. In other words, the entire account will lose its tax exempt status and you will be required to include the fair market value of the assets of your IRA in your income for the tax year in which the prohibited transaction took place. In addition, you may incur certain penalties for engaging in the transaction as well as a premature distribution penalty if you are under age 59 ½. Examples of a prohibited transaction include, but are not limited to, you or a disqualified person: 1) borrowing money from the IRA; 2) either selling an asset to or buying an asset from the IRA; and 3) having personal use of any asset of the IRA.

It is your responsibility, not ours, to determine if any activity in your IRA constitutes a prohibited transaction. We reserve the right to ask you for clarification about any activity that you authorize. In the event that you fail to provide us with clarifying information, we reserve the right to take whatever action we deem appropriate, including resigning from your Account and distributing the assets to you. In the event we fail to request clarifying information, it should not be construed as a determination by us that a prohibited transaction does not exist.

**PLEDGING AN ACCOUNT AS SECURITY**

If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

**DISTRIBUTIONS**

You are not required to take distributions from your Roth IRA at any age. The minimum distribution rules that apply to Traditional IRAs do not apply to Roth IRAs while you are alive. However, after your death, certain of the minimum distribution rules that apply to Traditional IRAs also apply to Roth IRAs (see "Distributions After Your Death" below). You cannot use your Roth IRA to satisfy minimum distribution requirements for your Traditional IRA.

If and when you start withdrawing funds/assets from your Roth IRA, you may take the distributions in regular payments, random withdrawals or in a single sum payment. Any withdrawal you decide to take from your Account must be directly processed by

us. You cannot have IRA funds/assets sent directly to you by any investment, investment entity, broker, adviser, etc.

**Premature Distributions**

Although you may elect to take distributions from your account at any time, if you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 % will generally apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10% will generally apply to the amount of the distribution. The additional tax of 10% will generally not apply if a distribution is made on account of 1) you are totally and permanently disabled, 2) the timely withdrawal of an excess contribution, 3) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 4) medical expenses which exceed 7.5% of your adjusted gross income, 5) paying medical insurance premiums during a period of unemployment, 6) certain qualified education expenses, 7) you use the distribution to buy, build, or rebuild a first home, 8) a levy issued by the IRS, 9) the distribution is a qualified reservist distribution, or 10) you are the beneficiary of a deceased IRA owner.

**Required Distributions**

You are not required to take distributions from your Roth IRA at any age (even after age 70 ½). The minimum distribution rules that apply to Traditional IRAs do not apply to Roth IRAs while you are alive. However, after your death certain of the minimum distribution rules that apply to Traditional IRAs will also apply your Roth IRAs as explained below under "Distributions After Your Death."

**Distributions After Your Death**

If you die, the minimum distribution rules that apply to Traditional IRAs apply to your Roth IRA as though you died before your required beginning date. Generally, the entire interest in your Roth IRA must be distributed by the end of the fifth calendar year after the year of your death unless the interest is payable to a designated beneficiary over the life or life expectancy of the designated beneficiary. In either case your designated beneficiary must make an election by December 31 of the year following the year of your death. Distributions from another Roth IRA cannot be substituted for these distributions unless the other Roth IRA was inherited from you. A tax of 50% is imposed on the amount of the required minimum distribution which should have been taken but was not. If the sole beneficiary is your spouse, he or she can either delay distributions until you would have reached age 70 ½ or treat the Roth IRA as his or her own.

**TAXATION OF DISTRIBUTIONS**

The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

**Qualified Distributions**

Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:

- attainment of age 59½,
- disability,
- the purchase of a first home, or
- death.

For example, if you opened a Roth IRA for 2019 and made a contribution to your Account for 2019, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2024.

**Nonqualified Distributions**

If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10% early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These "ordering rules" are

complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

## **ROLLOVERS AND CONVERSIONS**

Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to us, your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

### ***Roth IRA-to-Roth IRA Rollover***

You may withdraw, tax free, all or a portion of your Roth IRA if you contribute the amount withdrawn within 60 days from the date you receive the distribution into the same or another Roth IRA as a rollover. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not on the date you complete the rollover transaction. Amounts withdrawn (including any amounts withheld for federal, state, or other income taxes that you did not receive) that are not rolled over will be treated as a distribution from the Roth IRA and may be subject to tax and/or early distribution penalty.

### ***Employer Retirement Plan-to-Roth IRA Rollover (by Roth IRA Owner)***

Eligible rollover distributions consisting of Roth 401(k), Roth 403(b), or Roth 457(b) assets may be rolled over, directly or indirectly, to your Roth IRA. You are solely responsible for tracking the taxable and nontaxable amounts of the assets rolled over. If you roll over a nonqualified distribution from a Roth 401(k), Roth 403(b) or Roth 457(b) to a Roth IRA, the portion of the distribution that constitutes the contribution basis is treated as basis in your Roth IRA. If you roll over a qualified distribution from a Roth 401(k), Roth 403(b) or Roth 457(b), the entire amount of the rollover contribution is considered basis in the Roth IRA.

Eligible rollover distributions consisting of pre-tax and after-tax assets from qualifying employer retirement plans may be rolled over, directly or indirectly, to your Roth IRA, if you meet applicable eligibility requirements. Qualifying employer retirement plans include qualified plans (e.g., 401(k) plans or profit sharing plans), governmental 457(b) plans, 403(b) arrangements, and 403(a) arrangements. Amounts rolled over from an employer plan to a Roth IRA (other than amounts distributed from a designated Roth account) are generally treated as taxable distributions from your employer retirement plan (except for amounts representing after-tax employee contributions). However, the premature distribution penalty (that typically applies to taxable withdrawals taken prior to age 59½) does not apply to amounts rolled over from your employer's retirement plan to your Roth IRA. Required minimum distributions may not be rolled over.

To complete a direct rollover, from an employer plan to your Roth IRA, you must generally instruct the plan administrator to send the distribution directly to your Roth IRA Custodian. To complete an indirect rollover to your Roth IRA, you must generally request that the plan administrator make a distribution directly to you. You typically have 60 days from the date you receive an eligible rollover distribution to complete an indirect rollover. If you choose the indirect rollover method, the plan administrator is typically required to withhold 20% of the eligible rollover distribution amount for purposes of federal income tax withholding. You may, however, make up the withheld amount out of pocket and roll over the full amount. If you do not make up the withheld amount out of pocket, the 20% withheld (and not rolled over) will be treated as a distribution, subject to applicable taxes and penalties.

### ***Roth IRA-to-Employer Plan Rollovers Not Permitted***

Distributions from your Roth IRA are not eligible for rollover to a designated Roth account in a Roth 401(k) plan, Roth 403(b) plan, or Roth 457(b) plan.

### ***Conversions to Roth IRAs***

Generally, you may convert all or a portion of your Traditional IRA (or SIMPLE IRA) to a Roth IRA provided you meet any applicable eligibility requirements as defined in the Code and Regulations. To complete a conversion of a SIMPLE IRA distribution to a Roth IRA, at least two years must have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer.

Except for amounts that represent basis, amounts converted are generally treated as taxable distributions. However, the premature distribution penalty that typically applies to taxable withdrawals taken prior to age 59½, does not apply to amounts converted from a Traditional IRA (or SIMPLE IRA) to a Roth IRA. Required minimum distributions may not be converted. Conversions are not subject to the 12 month rollover restriction that typically applies to rollovers between IRAs.

### ***Special Rules for Surviving Spouse, Alternative Payee, and Other Beneficiaries***

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA in your name or have the distribution sent to you directly. If you have the distribution sent to you, you can keep it or roll it over yourself to an IRA, but you cannot roll it over to an employer plan. If you are the spouse or former spouse alternate payee with respect to a Qualified Domestic Relations Order, you may have the payment paid as a direct rollover or paid to you which you may roll over to an IRA or another employer plan. If you are a beneficiary other than the surviving spouse, you can choose a direct rollover, but you can only roll the distribution to an "inherited" IRA (an IRA in the name of the decedent, but held for your benefit).

Rollover transactions are often complex; therefore, you should consult with your tax advisor before making any decision. You may also want to refer IRS Publication 590.

## **RECHARACTERIZATIONS**

If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

### **The following disclosures apply to Traditional and Roth IRAs**

#### **BENEFICIARY**

You can designate any person or entity as the named beneficiary of your Account. Such designation allows the beneficiary(ies) to receive the benefits of your IRA after your death. In order to be a designated beneficiary, an individual must be a beneficiary as of the date of your death. Any person who was a beneficiary on that date, but is not a beneficiary on September 30 of the year following the calendar year of your death (because, for example, he or she disclaimed entitlement or received his or her entire benefit), will not be taken into account in determining the designated beneficiary(ies).

#### **FORM 5329**

You must file IRS Form 5329 with your tax return for each tax year during which: 1) a premature distribution takes place; 2) less than the required minimum amount is distributed; or 3) any excess contribution is not withdrawn by the date your tax return for the year is due (including extensions). If you do not have to file a tax return, but do have to pay one of the additional taxes mentioned earlier, file completed Form 5329 with the IRS at the time and place you would have filed your tax return.

#### **TRANSFER DUE TO DIVORCE**

If all or any portion of your Account is awarded to a former spouse pursuant to divorce or legal separation, such portion can be transferred to an IRA in the receiving spouse's name. This transaction can be processed without any tax implications to you provided a written instrument specifically directing such transfer is executed by a court incident to the divorce or legal separation in accordance with Section 408(d)(6) of the Code is received and accepted by us. We may require other direction from you and the recipient of any portion of your Account.

#### **SELF-DIRECTED REQUIREMENTS**

Under the Individual Retirement Custodial Account sponsored by M2 Trust, you are required to direct us with respect to the investment of funds in your Account. In the absence of direction from you, or your Authorized Agent we will not make or dispose of any investments or distribute any funds held in your Account, except as provided for under the Individual Retirement Custodial Agreement. We have no power or duty to question the direction of a specified investment, to review any investment held in your Account or to make any suggestions to you with respect to the investment, retention or disposition of any asset in your Account. We will not be liable for any loss of any kind which may result by reason of any action taken by us in accordance with direction from you or your Authorized Agent, or by reason of any failure to act because of the absence of any directions. We may refuse to execute an investment direction if we determine that the investment would not be administratively feasible.



## INVESTMENT OF UNDIRECTED CASH

In the event that cash is received, or otherwise held, by us (as Custodian) for which you have not provided us with specific investment instructions, by adopting this IRA (and the provisions contained herein) you automatically direct us to deposit all such cash in our Cash Management Account. The rate paid to you from cash balances in the Cash Management Account will be determined by the Custodian in its sole discretion. The excess of the interest earned from each bank participating in the Cash Management Account over the amount paid to you will be retained by the Custodian as a fee and will be deducted directly from any interest received from the participating banks. The interest earned by you will be posted to your Account no less than monthly, until you give us an investment direction with respect to such cash.

For Automatic Rollover IRAs, funds received from an employer on behalf of an employee who no longer works at the company will have their balances automatically placed into our Cash Management Account. Under this arrangement the ex-employee has the right, upon notice to us, to: 1) maintain the account at M2 Trust; 2) take distribution of the available cash balance; or 3) transfer the balance to another qualified IRA Custodian, subject to our fees as disclosed in our published IRA Fee Schedule.

Our Cash Management Account consists of deposit accounts at non-affiliated bank(s), each a depository institution regulated by bank regulatory agencies under various federal or state banking laws and regulations. Deposits from our Cash Management Account maintained in non-affiliated bank(s) are obligations of each non-affiliated bank and are not obligations of, or guaranteed by, M2 Trust. **M2 Trust does not guarantee in any way the financial condition of the non-affiliated bank(s) nor are we responsible for any insured or uninsured portion of any deposits with the non-affiliated bank(s).**

Balances in our Cash Management Account are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount in accordance with the rules of the FDIC. Deposits at each of the non-affiliated bank(s) are insured by the FDIC up to a maximum amount of \$250,000 per depositor in each insurable capacity (e.g., individual or joint). If you have deposits at the non-affiliated bank(s) outside of our Cash Management Account, you must aggregate all such deposits with your Cash Management Account balance for purposes of determining FDIC coverage. The application of FDIC insurance coverage limits by account type is illustrated by several common factual situations discussed below. To assist you with calculating your aggregated deposits and the associated coverage, the FDIC has an Electronic Deposit Insurance Estimator available at <https://www.fdic.gov/edie/>.

**Single Accounts** - Accounts owned by one person, and titled in that person's name only, are added together and the total is insured up to \$250,000 at each non-affiliated bank. This account category does not include joint accounts, certain trusts, and individual retirement accounts, which are protected in a separate category and discussed below.

**Custodial Accounts** - Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor and insured up to \$250,000 in the aggregate per non-affiliated bank.

**Joint Accounts** - For accounts owned by two or more people, each person's share is insured up to \$250,000 separately at each non-affiliated bank in addition to the \$250,000 allowed on other deposits owned individually in one or more single accounts.

**Revocable Trust Accounts** - A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal trusts - known as Payable on Death (POD) or "Totten Trusts" - and formal trusts - known as "living" or "family" trusts. Both informal and formal revocable trusts are insured up to \$250,000 per owner for each beneficiary if the FDIC requirements are met. All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total. A revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

**Irrevocable Trust Accounts** - Deposits in an account established pursuant to one or more irrevocable trust agreements created by the same person will be insured for up to \$250,000 per non-affiliated bank for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each

beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. A beneficiary's interest in funds held in irrevocable trust accounts created by the same person will be aggregated and insured up to \$250,000 at each non-affiliated bank.

**Individual Retirement Accounts** - Deposits held in self-directed retirement accounts, including traditional, Roth, SEP, and SIMPLE IRAs, are eligible for FDIC insurance of up to a maximum amount of \$250,000 per Account Holder at each bank participating in the Custodian's Cash Management Program.

Please note that you, and not M2 Trust, are responsible for monitoring the total amount of your deposits at non-affiliated bank(s) in order to determine the extent of FDIC insurance coverage available. If you have total deposits at the non-affiliated bank(s), including balances through our Cash Management Account that exceed FDIC insurance coverage limits, amounts in excess of FDIC coverage limits will not be insured by the FDIC. You can obtain a list of banks participating in our Cash Management Account and your balances on deposit in such banks by making a written request to the Custodian.

In the unlikely event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you by the FDIC. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made. If you have additional questions about FDIC insurance you may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity. You may obtain publicly available information by contacting the FDIC, Office of Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), or by accessing the FDIC website at [www.fdic.gov](http://www.fdic.gov).

## UNRELATED BUSINESS TAX INCOME

There is an exception to the tax-exempt status of your IRA when you invest in any security which is debt-financed, or an investment, such as a limited partnership, which actively conducts a trade or business rather than receiving passive income or which is publicly traded. Unrelated Business Income Tax (UBIT) from such an investment may be taxable to your Account if it exceeds \$1,000 in any tax year. For purposes of the \$1,000 limit, all of your IRA accounts are considered to be one account. These taxes are an expense of your Account and should be paid by you using assets in your Account, and should be filed utilizing IRS Form 990-T. We do not calculate UBIT for your Account and do not prepare Form 990-T. If your Account has any investment which generates UBIT, you are responsible for preparing or having prepared on behalf of your IRA Account the appropriate 990-T form. Upon completion, the form should be forwarded to us for filing, along with instructions to pay any required tax.

## VALUATION OF ACCOUNT ASSET

We are responsible for providing you with a fair market value ("FMV") of the assets in your Account no less frequently than annually. We will make a good faith effort to ascertain FMV of publically traded securities using various outside sources available to us. However, we will not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors or parties related thereto or other outside sources. Values for brokerage accounts shall be equal to the total equity value of the account, and shall reflect only those assets which are priced by the brokerage firm. Individual assets held within the brokerage account may not be listed or priced individually on statements furnished by us. You should refer to your brokerage statement for an individual listing and valuation of each security held within such account.

We shall have no duty or responsibility to value Alternative Investments. These assets will be valued at cost (original purchase price) unless you, the investment entity, or a qualified third party provides us with documentation, in a form and from a source acceptable to us, which provides an alternative value. In the absence of direction from the Secretary of the Treasurer or his authorized representative to the contrary, the valuation of an Alternative Investment, including, but not limited to, hedge funds, limited partnerships, limited liability companies, mortgages, privately held stock, precious metals, promissory notes, real estate, trust deeds, and other entities or assets determined by us, must be provided to us either by: 1) you; 2) the investment entity; or 3) qualified third party (acceptable to us) chosen by you. All expense related to the valuation of an Alternative Investment must be paid from your IRA Account.

Alternative Investments should be valued as of December 31<sup>st</sup> and provided to us in a timely manner, but in no event later than January 15<sup>th</sup> of each year or such other date as determined by us. Due to their nature, the valuation of an Alternative Investment may be difficult to obtain or impossible to verify. You accept full responsibility for

providing the required FMV information in a timely manner, as well as the accuracy of such information. We make no representations or warranties with respect to any valuation received and you direct us to accept the provided FMV. Failure of an investment entity, third party, or you to provide the FMV information in a timely manner shall be the responsibility of the respective party and we shall have no duty or obligation to take any steps to secure the Alternative Investment FMV information for your Account. We may reflect a valuation of zero if an asset is reported by the investment entity, or other reliable source, as having no market value or is in bankruptcy and a final disposition of the asset has been determined by legal proceeding. We reserve the right to resolve any differences in FMV in any manner we deems appropriate.

We may require, before processing your request to purchase an Alternative Investment, or at such other time as we deem appropriate, the investment entity or third party selected by you to sign documents confirming their obligation to provide annual valuations to us no later than January 15<sup>th</sup> or such other date as determined by us. In such case you are responsible for ensuring such documentation is provided to us. Failure or delay of our receipt of such documentation may result in processing delays. We will not be liable to you for any loss of income or potential gains from a delayed investment under such circumstances. In the event we fail to receive FMV information on or before January 15<sup>th</sup> or such other date as determined by us, we may list the value of the Alternative Investment at its original acquisition cost or carry forward the last known value. Should no FMV information be received for a period exceeding 24 months, we may, but shall not be required to, either distribute the asset to you for which no valuation has been received or resign as Custodian from your Account and distribute the Account to you. In the event of a distribution we will be required to issue IRS Form 1099-R reflecting the last known value of the asset(s). We shall have no responsibility or liability for any tax, financial or other consequences relating to or arising from such distribution. Prior to any such distribution, we will provide thirty (30) days written notice to you of our intent to distribute and/or resign from your Account. During that time period you will have the opportunity to make necessary arrangements to have updated valuation information (acceptable to us) provided so that we can fulfill our duties under IRS regulations. In such cases we may assess a special services fee to your Account, as disclosed in our IRA Fee Schedule, for the additional work necessary to provide notice to you and, if applicable, updating your Account for any valuation information received.

Under the terms of the Individual Retirement Custodial Agreement you indemnify and hold us harmless for any loss, damage, tax, penalty or other consequences to you or your Account arising from or relating to the valuation of an Alternative Investment including our accepting, reporting or acting upon any FMV supplied by you, an investment entity, or third party. Should we be assessed any tax or penalty for reporting improper valuations to the IRS, you agree to fully reimburse us for such tax or penalty and any associated expense incurred by us.

Valuations are approximations and are provided as a general guide, they do not necessarily reflect actual market value. Valuation information should not be used by you as the basis for making, retaining, disposing of, or distributing an investment. Such a decision should only be made by you after contacting the investment entity and/or your legal, tax, financial or other advisor(s).

#### **GROWTH IN VALUE NOT GUARANTEED**

The value of assets in your IRA Account at any given time will depend upon the amount of your deposits (including contributions, rollovers, transfers, income, etc.), the mix of assets, the performance of the investments you have chosen, and the applicable fees charged to your Account. Accordingly, growth and value of your IRA Account is not guaranteed, and the value of the assets in your Account at any given point in time in the future is impossible to predict. Our liability to make payment to you at any and all times is limited to the available assets of your Account.

#### **NON DEPOSIT INVESTMENTS NOT FDIC INSURED**

FDIC insurance does NOT apply to investments held within a self-directed IRA unless they are certificates of deposits or other interest bearing accounts offered by a banking institution. As limited as described herein, FDIC insurance will only apply to that portion of your funds deposited in our Cash Management Account. In such case, deposits are insured pursuant to the rules established by the FDIC. Deposits into our Cash Management Account are insured up to a maximum amount of \$250,000 per Account Holder at each bank participating in the Custodian's Cash Management Program. Amounts in excess of \$250,000 may not be insured. FDIC coverage does not apply to IRA funds which you direct into other types of investments. Securities are not bank deposits, are not obligations of or guaranteed by us, and involve investment risks, including possible loss of your principal investment.

#### **AUTHORIZED AGENT**

If you designate an Authorized Agent for your Account, as defined in the Individual Retirement Custodial Agreement, you are subject to the following provisions:

1. You recognize that M2 Trust is entitled to rely on directions from your Authorized Agent, and you agree that M2 Trust shall be under no duty to make an investigation with respect to any instructions received from such individual or entity. You also recognize that your Authorized Agent may choose to communicate investment directions to us via an agent, such as his office staff or broker/dealer organization;
2. You are solely responsible for managing the investment of your IRA Account, and for directing your Authorized Agent. All instructions, directions, and/or confirmations received by us from your Authorized Agent shall be assumed to have been authorized by you;
3. You recognize that such individual or entity is your agent, and not an agent, employee, or representative of M2 Trust;
4. You understand that your Authorized Agent may be a registered representative of a broker/dealer organization, a financial advisor, registered investment advisor, or other person/entity that you deem acceptable;
5. You understand that M2 Trust has not made and will not make any recommendation or investigation with respect to your Authorized Agent, nor do we compensate your Authorized Agent in any manner;
6. You may remove your Authorized Agent and either designate a new Authorized Agent or choose not to designate any such agent, by written notice to M2 Trust on a form acceptable to us. However, removal of an Authorized Agent will not have the effect of canceling any instruction, direction, or confirmation which has been received by us from the Authorized Agent prior to the date that notice of removal is received and processed by M2 Trust; and
7. You agree to indemnify and hold M2 Trust, including its' affiliated officers, directors, employees, successors and assigns, harmless from any and all liability or claims, including, but not limited to, damages, court costs, legal fees, and costs of investigation as a result of (i) any loss or diminution of your IRA funds resulting from changes in the market value of such funds; (ii) reliance or action taken in reliance on written or oral instructions received from you or your Authorized Agent; (iii) any exercise or failure to exercise investment direction authority by you or by your Authorized Agent; (iv) M2 Trust's refusal on advice of counsel to act in accordance with any exercise of investment direction by you or your Authorized Agent; (v) any other act or failure to act by you or your Authorized Agent; (vi) any prohibited transaction or plan disqualification due to any actions taken or not taken by M2 Trust in reliance on directions from you or your Authorized Agent; or (vii) any other act M2 Trust takes in good faith hereunder.

#### **QUALIFIED CHARITABLE DISTRIBUTIONS**

If you have attained age 70½, you may be eligible to make a "qualified charitable distribution" of up to \$100,000 per year from your Roth and/or Traditional IRAs. A qualified charitable distribution is not subject to federal income tax and no tax deduction is allowed for the charitable contribution. A qualified charitable distribution must be distributed directly from the IRA Custodian to a qualified charitable organization as defined by the Code. For assistance in determining whether you are eligible to make a qualified charitable distribution from your IRA, consult your tax advisor.

#### **STATE UNCLAIMED PROPERTY LAW DISCLOSURE**

The assets in your custodial account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by the particular state law, your assets must be transferred to the appropriate state. We are required by law to advise you that your assets may be transferred to an appropriate state in compliance with these state laws.

#### **SPOUSAL PROVISIONS FOR SAME SEX COUPLES**

Effective September 16, 2013, same-sex couples who are legally or lawfully married in a state or country that recognizes same-sex marriage will be treated as a "spouse" for federal tax purposes. The IRS will look to state or foreign law to validate the marriage. Same-sex couples who are in a civil union or domestic partnership will not be afforded the same federal tax treatment.

#### **CUSTODIAN FEE DISCLOSURE**

Our fees and charges are disclosed in its IRA Fee Schedule which is included with each IRA packet. The fee schedule may be amended from time to time upon thirty (30) days written notice to you. In addition to establishment, annual administration, transaction,

and account closing fees, we reserve the right to charge or collect other fees as disclosed in its fee schedule and the Individual Retirement Custodial Agreement. Examples of additional fees include, but are not limited to, stop payment fees, wire charges, returned check fees, safekeeping fees, or administrative review fees related to Alternative Investments. You are responsible for payment of all fees, expenses or other charges relating to your IRA Account. If you do not pay such charges upon receipt of any invoice or credit card billing, the fees and charges will be withdrawn from your Account. In the event an Account does not have sufficient funds to pay outstanding fees we reserve the right to liquidate assets of your Account and/or resign as Custodian, as well as take other measures, as disclosed in the Individual Retirement Custodial Agreement. With respect to Automatic Rollover IRAs, we may pay an expense reimbursement, one time or recurring, to third party administrators or record keepers providing services to your previous employer's retirement plan. Such reimbursements help cover expenses associated with providing your information to M2 Trust and processing the distribution of funds from your employer's plan. Expense reimbursements will be paid by M2 Trust from its' fees and will not be deducted from your Account.

M2 Trust will perform sub-accounting related to its Cash Management Account and will receive a fee for these services as disclosed in the Individual Retirement Custodial Agreement. In addition, certain mutual funds in which you may invest may pay us 12b-1, sub-transfer agent, or other similar fees as disclosed in the fund's prospectus and the Individual Retirement Custodial Agreement.

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

The M2 Trust IRA Custodial Account Agreement is treated as approved as to form by the Internal Revenue Service since it utilizes precise language of Form 5305-A or 5305-RA currently provided by the Internal Revenue Service, plus additional language permitted by such form. The Internal Revenue Service approval is a determination only as to the form of the Account, and does not represent a determination of the merits of the Account.

#### **APPOINTMENT OF SUCCESSOR CUSTODIAN**

We may resign at any time effective thirty (30) days after we mail written notification of our resignation to you at the last known address maintained in our file. In such case you must make arrangements to transfer your Account to another qualified financial institution. If you do not complete a transfer of your Account within 30 days from the date we mail the notice to you, we have the right to transfer the assets of your Account to a successor IRA Custodian that we choose, in our sole discretion, or we may distribute the assets of your Account to you. We shall not be liable for any actions or failures to act by you, any successor Custodian, or for tax consequences you may incur resulting from such transfer or distribution of your Account.

#### **USA PATRIOT ACT INFORMATION**

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account in an effort to help fight funding of terrorism and money laundering. What this means to you: When you request that an IRA be established in your name, we will require that you provide us with certain information before opening your Account. This includes your name, home address, social security number, and date of birth. We may also ask to see your driver's license or other identifying documents. We are required to compare your identity to lists of persons and organizations maintained by any federal agency designated by the Department of the Treasury. If your name appears on any of these lists we must do each of the following: 1) refuse to open your Account; 2) close your Account if it is already open; and 3) notify federal authorities and follow all federal directives. If you attempt to falsify or conceal your identity, we may be required to file a Suspicious Activity Report.

We may also use independent sources to verify identifying information. Federal law requires us to retain the identification information for a certain period of time, and may require that we provide this information to federal authorities without notice to you. This notice is in addition to our Privacy Disclosure and may describe potential disclosures of non-public personal information that were not known to us at the time that the Privacy Disclosure was prepared.

With respect to an Automatic Rollover IRA, federal regulators have provided guidance (Notice 2005-5) stating that we will not be required to implement our Customer Identification Program ("CIP") until a lost participant of an employer plan first contacts us to assert ownership or exercise control over the Account. Accordingly, CIP compliance is not required at the time an employer or plan administrator establishes an IRA on behalf of a former employee for purposes of a complying with the automatic rollover requirements of § 401(a)(31)(B).

#### **STATEMENTS**

We will issue quarterly account statements to you electronically, which you can review by accessing and enrolling in our online portal known as "AccuNet." You can access our online portal from our website [www.M2Trustservices.com](http://www.M2Trustservices.com). Hard copy statements are available upon request subject for a fee (see our IRA Fee Schedule for the current fee). In addition, each year we will mail IRS form 5498 to you within time frames established by the IRS.

For any investment which pays or reinvests earnings, such transactions may not be reflected on your account statement until the quarter in which we receive payment confirmation from the investment sponsor verifying the transaction and investment position. Please keep this in mind when reviewing your account statement. Your account statement (and any reported values therein) should not be used as the basis for making, retaining or disposing of an asset.

You should review each account statement carefully and promptly report any discrepancies to us within 30 days of the statement date. If we do not receive your written objections within this time period, we shall be relieved of all liability for the report, discrepancy, act or procedure reflected on the statement.

#### **IRA FINANCIAL DISCLOSURE**

Because this is a Self-Directed Individual Retirement Account, no projection of the growth of your IRA can reasonably be shown or guaranteed. Factors influencing the value of your IRA Account will include the investments you or your duly Authorized Agent choose for your IRA, IRA fees charged by us, and the earnings you receive from investments. The investments available under this self-directed IRA include a wide range of publically and non-publically traded assets. It is therefore impossible to estimate the value of the IRA assets at any given future point in time. This IRA will be subject to fees including establishment, annual, transaction, cash management, special services, and termination charged by us. Please refer to M2 Trust's published fee schedule for more information about our fees. We reserve the right to change our fees after notice to you, as provided in the IRA Custodial Agreement. In addition, depending on the investments that you or your Authorized Agent choose, your IRA may be subject to sales commissions or other fees charged by broker dealers, investment companies, etc. **All cash received for your Account will be placed in our Cash Management Account awaiting investment directions from you. Accounts that close during a month will not earn interest for that month.** With respect to earnings, the method for computing and allocating earnings (interest, dividends, etc.) on your investments will vary with the nature and issuer of the investment chosen. Please refer to the prospectus or contract of the investment(s) of your choice for the method(s) used for computing and allocating annual earnings.



# PRIVACY STATEMENT

M2 Trust Services, LLC  
 700 17th Street, Suite 1100  
 Denver, CO 80202  
 Phone: (888) 265-1225

FACTS	What does M2 Trust Services, LLC (“M2 Trust”) do with your personal information?
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect, and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>Social Security number and transaction history</li> <li>Account balances and payment history</li> <li>Credit history and overdraft history</li> </ul> When you are <i>no longer</i> our customer, we continue to share information as described in this notice.
<b>How?</b>	All financial companies need to share customer’s personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer’s personal information, the reasons M2 Trust chooses to share, and whether you can limit this sharing.

<u>Reasons we can share your personal information</u>	<u>Does M2 Trust share?</u>	<u>Can you limit this sharing?</u>
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates’ everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our non-affiliates’ everyday business purposes</b> – information about your account	Yes	No
<b>For affiliates to market to you</b>	No	We do not share
<b>For non-affiliates’ to market to you</b>	No	We do not share

<b>QUESTIONS?</b>	For Questions or to limit our sharing Call 888-265-1225.
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WHO WE ARE	
<b>Who is providing this notice?</b>	M2 Trust Services, LLC
WHAT WE DO	
<b>How does M2 Trust protect my personal information?</b>	To protect your personal information from unauthorized access and use we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.



# PRIVACY STATEMENT

M2 Trust Services, LLC  
 700 17th Street, Suite 1100  
 Denver, CO 80202  
 Phone: (888) 265-1225

<b>How does M2 Trust collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Provide account information or give us your contact information</li> <li>• Direct us to buy or sell investments</li> <li>• Use your credit or debit card</li> </ul>
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## Page 2

<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.
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<b>What happens when I limit sharing for an account, I hold jointly with someone else?</b>	Your choice will apply to everyone on your account unless you tell us otherwise.
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### DEFINITIONS

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and non-financial companies. <ul style="list-style-type: none"> <li>• M2 Trust is affiliated with EmTwo Holdings LLC, the parent to M2 Trust Services LLC</li> </ul>
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• M2 Trust utilizes the AccuTrust Gold Trust System, offered by AccuTech Systems Corporation.</li> <li>• M2 Trust utilize Finix Solutions &amp; Goyadon Systems to manages our servers and online client portal.</li> <li>• M2 Trust utilizes ViewTrade who provides clients with an online trading platform for securities.</li> <li>• iTrustCapital utilizes M2 Trust for IRA custodial services.</li> <li>• Sovereign International Pension Services utilizes M2 Trust for IRA custodial services.</li> </ul> M2 Trust does not share your information with non-affiliates for marketing purposes.
<b>Joint Marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• M2 Trust does not participate in joint marketing with non-affiliates</li> </ul>

### OTHER IMPORTANT INFORMATION

You may have other privacy protections under applicable state laws. To the extent these state laws apply, we will comply with them when we share information about you.



## FEE SCHEDULE AND DISCLOSURE

### ESTABLISHMENTS FEES

Account set up (Plus re-registration cost, if any) \$250

### ASSET BASED FEE (Marginal Rate Schedule)

**(Minimum \$325, Maximum \$2,000)**  
**Annual Fees**

Net Asset Value	Fee	
\$0 to \$99,999	0.00500	Plus
\$100,000 to \$199,999	0.00400	Plus
\$200,000 to \$299,999	0.00300	Plus
\$300,000 to \$399,999	0.00200	Plus
\$400,000 to \$599,999	0.00125	Plus
\$600,000 and up	0.00100	Plus

### ACTIVITY FEES

- Wires: Inbound/Outbound: \$10/\$50
- Account Disbursement via ACH, Check or Wire: \$5/\$10/\$50
- Roth Conversion: \$75
- Statements: e-statement – No Charge, Hard Copy \$10 per statement
- Consulting fee for legal research or extraordinary services: \$300/hr
- Research / Executive service \$85/hr
- Nevis LLC Set up \$2,850
- Non-US LLC Set up May vary by jurisdiction
- Domestic LLC Set up \$1500

### TERMINATION FEES

- Partial or Full termination of Services: 0.0050 x amt transferred Min. \$250 Max. \$1,250.00

*Charges by third parties are charged in addition to fees above. **Minimum Cash of \$1,000.00 required at all times.***  
**Please note: any cash transfers to IRA Custodian made by check will be subject to an eleven business (11) clearing period before funds are available to invest.**

I have read and understand the fees listed in this schedule and authorize deduction of fees, costs and expenses related to the operation of my account. I also understand that this schedule may be amended from time to time without notice. Interest will not be paid on the holding account. I further understand that non-payment of fees can result in the termination and distribution of my account. Fees are billed to my account and can be paid by separate check. However, separate invoices will not be sent. Any alternation of this or any agreement or document will not be accepted. If a change of any terms of services, fees, etc. is agreed upon, all parties must expressly agree to such changes in a separate addendum signed by all appropriate parties. ½ hour of consulting with Mr. Grossman is included.

Accountholder's Signature \_\_\_\_\_

Date \_\_\_\_\_



## Self-Directed IRA Account Holder Disclosure Agreement

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1. I understand my account is self-directed, and I am solely responsible for the selection, management, and retention of all investments held within my account. I understand SIPS DOES NOT provide investment advice nor investment related recommendations. I acknowledge SIPS is not acting as a “fiduciary” for my account as such term is defined by any applicable federal, state or local laws.

2. SIPS will not review the prudence, viability or merits of any of my investments. SIPS has no duty to, and will not, monitor the performance of any investment. SIPS has no duty to, and will not, conduct due diligence in regards to any investment, issuer, sponsor, officer, director, person or entity involved or affiliated with any investment.

3. SIPS will not make any determination as to whether an investment is acceptable under ERISA, the IRC, or any other applicable federal, state or local laws. It is my sole and exclusive responsibility to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any prohibited transactions in my account. I understand that I should have all investments reviewed by my attorney and/or tax advisor.

4. SIPS does not provide legal or tax advice. The services of a competent professional should be sought if legal, accounting, investment, or other similar expert assistance is required. I acknowledge neither SIPS nor its agents render legal advice nor tax advice.

5. SIPS shall not be liable for the fraudulent conduct and/or negligence of a third party. I shall hold SIPS and all of its agents, owners and employees harmless from any investment related losses that may occur. All claims arising from, or relating to, this agreement shall be brought in a Florida court of competent jurisdiction with sole and exclusive venue in Pinellas County, Florida. The parties to this Agreement waive any and all right of a trial by jury as to any dispute arising between the parties, including but not limited to, disputes arising from or relating to this agreement.

I waive all claims for punitive damages and such damages shall not be sought nor are recoverable for any dispute arising between the parties. The prevailing party to any claim arising from or relating to this agreement shall recover all its reasonable fees and costs.

I agree to hold SIPS harmless from any liability for any loss, damage, injury, or expense that may occur as a result of the execution of my direction(s) of investment.

**By signing this form you consent to all terms and provisions.**

### SIGN & DATE

\_\_\_\_\_  
Accountholder's Signature

\_\_\_\_\_  
Date