



# ROTH IRA APPLICATION

P.O. Box 3587, Albuquerque, NM 87190 • Toll Free: 1-800-529-3951 • Local: 505-514-0539 • Fax: 505-792-6096 • help@IRASTC.com

## PART 1. IRA OWNER

Name *First/Mi/Last* \_\_\_\_\_

Physical Address \_\_\_\_\_

County \_\_\_\_\_

City/State/ZIP \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/ZIP \_\_\_\_\_

Primary Phone Number \_\_\_\_\_

Alternate Phone Number \_\_\_\_\_

Social Security Number \_\_\_\_\_

Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_

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

Assigned Account Number \_\_\_\_\_

## PART 2. IRA CUSTODIAN AND FEE ELECTIONS

Name: SPECIALIZED TRUST COMPANY

Address: P.O. Box 3587, Albuquerque, NM 87190

Physical Address: 6100 Indian School NE, Suite 215, Albuquerque, NM 87110

ANNUAL FEE

Standard

Specialized Black

ACTIVATION FEE

Concierge Activation (recommended)

Standard Activation

**I have reviewed the STC Fee Schedule**

*Initial* \_\_\_\_\_

\* Standard Activation is the default if no election is made

\* Standard Fee Schedule is the default if no election is made

Total Fees Due \$ \_\_\_\_\_

Referral Code \_\_\_\_\_ Tracking Code \_\_\_\_\_

## PART 3. HOW WOULD YOU LIKE TO PAY YOUR FEES?

Please select how you would like to pay your activation and first annual fee:  Deduct From My Account  Charge My Credit Card

I have read and understand the Self-Directed Account Agreement regarding the credit card charge and I authorize the credit card payment by Specialized Trust Company (STC) for fees to establish the Roth Account, not limited to but including Activation Fee, Annual Fee, Service Fees, and Account Termination Fee.

Card Type:  MasterCard  Visa  Discover  American Express

Name on Card \_\_\_\_\_ Card Number \_\_\_\_\_

Billing Address For Card \_\_\_\_\_ Expiration Date \_\_\_\_\_

City/State/Zip \_\_\_\_\_ Card Security Code (CSC) \_\_\_\_\_

Please select how you would like to pay for all subsequent fees:  Deduct From My Account  Charge The Credit Card On File

## PART 4. CONTRIBUTION INFORMATION

- This is a credit card contribution We will charge this contribution amount to the card listed above
- I am mailing a personal check Activation fees must be paid by credit card if you select this option

CONTRIBUTION TYPE Select one

- 1. Regular Includes catch-up contributions
- 2. Rollover Distribution from a Roth IRA or eligible employer-sponsored retirement plan that is being deposited into this Roth IRA, by selecting this transaction, I irrevocably designate this contribution as a rollover
- 3. Roth Conversion By selecting this transaction, I irrevocably designate this contribution as a conversion
- 4. 529 Plan to Roth IRA (Payment from a 529 plan to a ROTH IRA of the same individual. Counts as a regular ROTH IRA contribution.)

Contribution for Tax Year \_\_\_\_\_  
STC11012024

Contribution Amount \_\_\_\_\_

Contribution Date \_\_\_\_\_

Contribution is for Year \_\_\_\_\_

Rollover Amount \_\_\_\_\_ Transfer Amount \_\_\_\_\_

Please make checks payable to:  
Specialized Trust Company Custodian  
FBO "Your Name", Roth IRA

**PART 5. BENEFICIARY DESIGNATION**

I designate that upon my death, the assets in this account be paid to the beneficiaries named below. The interest of any beneficiary that predeceases me terminates completely, and the percentage share of any remaining beneficiaries will be increased on a pro rata basis. If no beneficiaries are named, my estate will be my beneficiary.

I elect not to designate beneficiaries at this time and understand that I may designate beneficiaries at a later date.

**PRIMARY BENEFICIARIES** *The total percentage designated must equal 100%.*

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

**CONTINGENT BENEFICIARIES** *The total percentage designated must equal 100%. (The balance in the account will be payable to these beneficiaries if all primary beneficiaries have predeceased the IRA owner.*

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City/State/ZIP \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_  
Tax ID (SSN/TIN) \_\_\_\_\_ Percent Designated \_\_\_\_\_

Check here if additional beneficiaries are listed on an attached addendum. Total number of addendum attached to this IRA Application \_\_\_\_\_

**PART 6. SPOUSAL CONSENT**

*Spousal Consent should be considered if either the trust or the residence of the IRA owner is located in a community or marital property state.*

**CURRENT MARITAL STATUS**

**I Am Not Married** - I understand that if I become married in the future, I should review the requirements for spousal consent.

**I Am Married** - I understand that I choose to designate a primary beneficiary other than or in addition to my spouse, my spouse should sign below.

**CONSENT OF SPOUSE**

*I am the spouse of the above-named Roth IRA owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this Roth IRA, I have been advised to see a tax professional. I assume responsibility for any adverse consequences that may result. I hereby give the Roth IRA owner my interest in the assets or property deposited in this Roth IRA and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result.*

_____	_____	_____	_____
Signature of Spouse	Date (mm/dd/yyyy)	Signature of Witness <i>Optional</i>	Date (mm/dd/yyyy)

**PART 7. ACCOUNT SECURITY CODE**

**4-DIGIT SECURITY CODE**

\_\_\_\_\_

THE UNDERSIGNED AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE SPECIALIZED TRUST COMPANY SELF-DIRECTED ACCOUNT AGREEMENT. THE UNDERSIGNED AGREES TO KEEP THE REQUESTED SECURITY CODE CONFIDENTIAL.

**OPTIONAL: HOW DID YOU HEAR ABOUT US?**

- Investor Event \_\_\_\_\_
- Referral \_\_\_\_\_
- Internet Search or Ad \_\_\_\_\_
- Other \_\_\_\_\_

**PART 8. SIGNATURES**

**Important:** *Please read before signing.*

I understand the eligibility requirements for the type of Roth IRA Contribution/Rollover deposit I am making, and I state that I do qualify to make the deposit. I have received a copy of the Roth IRA Application, 5305-RA Custodial Account Agreement, the Financial Disclosure, and the Disclosure Statement. I understand that the terms and conditions that apply to this Roth IRA are contained in this Application and the Custodial Account Agreement. I agree to be bound by those terms and conditions. Within seven days from the date I open this Roth IRA I may revoke it without penalty by mailing delivering a written notice to the custodian. I assume complete responsibility for:

- Determining that I am eligible for a Roth IRA each year I make a contributions/rollovers
- Ensuring that all contributions/rollovers I make are within the limits set forth by the tax laws, and
- The tax consequences of any contributions/rollovers and distributions (including rollover contributions and conversions)

_____	_____	_____	_____
Printed Name of Account Holder	Date (mm/dd/yyyy)	Signature of Account Holder	Date (mm/dd/yyyy)
_____	_____	_____	_____
Signature of Witness <i>Optional</i>	Date (mm/dd/yyyy)	Signature of Custodian	Date (mm/dd/yyyy)

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-RA under section 408A of the Internal Revenue Code.

FORM (Rev. April 2017)

The depositor named on the application is establishing a Roth individual retirement account (Roth 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 on the application has given the depositor the disclosure statement required by Regulations section 1.408-6.

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

## ARTICLE I

Except in the case of a qualified rollover contribution described in section 408A(e) 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 tax years 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a depositor who is single or treated as a single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married depositor filing jointly, between AGI of \$186,000 and \$196,000; and for a married depositor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

## ARTICLE III

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

## ARTICLE IV

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 V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above 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 designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.
3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

## ARTICLE VI

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

## ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

## ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

## ARTICLE IX

- 9.01 **Definitions** – In this part of this agreement (Article IX), the words “you” and “your” mean the inherited Roth IRA owner. The words “we,” “us,” and “our” mean the custodian. The words “inherited Roth IRA owner” mean the individual establishing this inherited Roth IRA with either a direct rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer from an inherited Roth IRA. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.
- 9.02 **Notices and Change of Address** – Any required notice regarding this inherited Roth IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 9.03 **Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be

responsible for any penalties, taxes, judgments, or expenses you incur in connection with your inherited Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

To the extent written instructions or notices are required under this agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

9.04 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your inherited Roth IRA. We may release nonpublic personal information regarding your inherited Roth IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.

9.05 **Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your inherited Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your inherited Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your inherited Roth IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this inherited Roth IRA.

Any brokerage commissions attributable to the assets in your inherited Roth IRA will be charged to your inherited Roth IRA. You cannot reimburse your inherited Roth IRA for those commissions.

9.06 **Restrictions on Contributions to the Inherited Roth IRA** – Your inherited Roth IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred

compensation plans, or multiple transfers from inherited Roth IRAs. In order to combine these inherited retirement assets in the same inherited Roth IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited Roth IRA. You may not make regular contributions to this inherited Roth IRA.

9.07 **Investment of Amounts in the Inherited Roth IRA** – You have exclusive responsibility for and control over the investment of the assets of your inherited Roth IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your successor beneficiaries will have the right to direct the investment of your inherited Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03 of this article). We will have no discretion to direct any investment in your inherited Roth IRA. We assume no responsibility for rendering investment advice with respect to your inherited Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your inherited Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your inherited Roth IRA unless you provide timely written directions acceptable to us.

You will select the investment for your inherited Roth IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in inherited Roth IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts). We may in our sole discretion make available to you additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

9.08 **Successor Beneficiaries** – We may allow you, if permitted by state law, to name successor beneficiaries for your inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each inherited Roth IRA beneficiary designation form that you file with us will cancel all previous designations. The consent of a successor beneficiary will not be required for you to revoke a successor beneficiary designation. If you do not designate a successor beneficiary, your estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for you.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a successor beneficiary take total distribution of all inherited Roth IRA assets by December 31 of the year following the year of death.

9.09 **Required Minimum Distributions** – You are required to take minimum distributions from your inherited Roth IRA. The options available to you as a beneficiary of a deceased plan participant or deceased Roth IRA owner are determined according to the type of plan you have inherited. Any payment elections you either made or defaulted to under the plan you inherited generally carry over to the inherited Roth IRA.

**9.10 Termination of Agreement, Resignation, or Removal of Custodian –** Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your inherited Roth IRA to another financial organization. If you do not complete a transfer of your inherited Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your inherited Roth IRA assets to a successor inherited Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay your inherited Roth IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your inherited Roth IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against your inherited Roth IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your inherited Roth IRA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your inherited Roth IRA to you in cash or property if the balance of your inherited Roth IRA drops below the minimum balance required under the applicable investment or policy established.

**9.11 Successor Custodian –** If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your inherited Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your inherited Roth IRA, but only if it is the type of organization authorized to serve as an inherited Roth IRA trustee or custodian.

**9.12 Amendments –** We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

**9.13 Withdrawals or Transfers –** All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

**9.14 Transfers From Other Plans –** We can receive amounts transferred to this inherited Roth IRA from the trustee or custodian of another inherited Roth IRA. In addition, we can accept rollovers of eligible rollover distributions from inherited employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer or rollover.

**9.15 Liquidation of Assets –** We have the right to liquidate assets in your inherited Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your inherited Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

**9.16 Restrictions on the Fund –** Neither you nor any successor beneficiary may sell, transfer, or pledge any interest in your inherited Roth IRA in any manner whatsoever, except as provided by law or this agreement.

The assets in your inherited Roth IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

**9.17 What Law Applies –** This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

## **SELF-DIRECTED ACCOUNT AGREEMENT**

**10.00 Appointment –** I appoint the institution (“Specialized Trust Company”) as the Custodian of my account and understand and acknowledge that the Custodial / Plan Agreement and my Application are my agreement with the Custodian shown in this application. Specialized Trust Company Corporation referred to as (STC). The account is established for the exclusive benefit of the account holder or his / her beneficiaries. These terms and conditions will be governed by New Mexico laws, and the Courts of New Mexico shall alone have jurisdiction. Any lawsuit filed against or by the Custodian shall only be instituted in the district or county courts of Bernalillo County, New Mexico, where the Custodian maintains its principal office, and Depositor agrees to accede to such jurisdiction, both in connection with any such lawsuit which Depositor may file and in connection with any lawsuit which the Custodian or Administrator may file against Depositor.

**10.01 Representations and Responsibilities –** By entering into this Self-Directed Account Agreement (“Agreement”), the undersigned (“Depositor” or “you”) agrees to be bound by the terms and conditions contained herein with Specialized Trust Company (“STC,” “we,” “us,” or the “Custodian”), a New Mexico Corporation. All transactions shall be subject to any and all restrictions or limitation, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws, operating agreement; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transactions are executed; or policies, procedures, and practices; and this Agreement. After the Depositor’s death, the named beneficiary(ies) has the right to direct the investments, the decedent’s Account assets, subject to the same conditions that applied to the original account holder during his/her lifetime under

this Agreement. STC shall invest and reinvest all contributions to the account and earnings thereon as directed by the Depositor (or at the direction of the beneficiary (ies) upon the Depositor's death) in investments that the Custodian determines it can operably administer control over.

The Depositor represents and warrants to us that any information the Depositor gives us or will give us with respect to this Agreement is complete and accurate. Further, the Depositor agrees that any directions given to us or action the Depositor takes will be proper under this Agreement and STC is authorized to rely upon such information and/or directions. If STC fails to receive direction from the Depositor regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from the Depositor, or the appropriate government or judicial authority.

STC shall not be responsible for losses of any kind that may result from a Depositor's directions to us or actions or failure to act and the Depositor agrees to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. STC shall not be responsible for any penalties, taxes, judgments or expenses the Depositor may incur in connection with any account created hereunder this Agreement. STC has no duty to determine, whether contributions or distributions comply with the Code, Regulations, Rulings, or this Agreement. By performing services under this Agreement, STC is acting as an agent for the Depositor. The Depositor acknowledges and agrees that nothing in this Agreement shall be construed as conferring fiduciary status upon STC. STC shall not be required to perform any additional services unless specifically agreed to under the terms and provisions of this Agreement or as required under the Code and Regulations promulgated thereunder with respect to retirement accounts. We may employ third-party agents and others, whether affiliates or not, for the purpose of performing administrative or other custodial-related services with respect to your account for which we should otherwise have responsibility hereunder this Agreement, and the limitations imposed upon our duties to you under this Agreement or otherwise shall continue to apply to any third-party agent or other so employed by us.

You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees, arising from, or in connection with this Agreement. Furthermore, to the extent not prohibited by federal or state law, the Depositor agrees to indemnify, defend and agree to hold harmless STC, its respective subsidiaries and affiliates, officers, directors, managers, members, representatives, agents, employees, successors and assigns from and against any and all claims, demands, liabilities, damages costs, expenses, attorney fees, payments and assessments arising in connection with the Depositor or the Account or which may result from any good faith actions, errors or omissions and from following or attempting to follow any directions of the Depositor or the beneficiary(ies), or an account designated representative. STC shall not be responsible or liable in any way for the sufficiency, correctness, genuineness, validity, of the form or execution of any documents not prepared by STC.

The Depositor further agrees that the Custodian shall not be subject to margin calls or have any other obligation to extend credit or otherwise disburse payment beyond the cash balance of the Depositor's account for any reason whatsoever.

You agree to reimburse or advance to us, on demand, any and all legal fees, 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 action you or your investment advisor directed through the Custodian, including, without limitation, claims asserted by you, and any state or federal regulatory authority or self-regulatory organization.

To the extent written instructions or notices are required under this Agreement; STC may accept or provide such information in any other form permitted by the Code or applicable Regulations. Furthermore, you represent to STC that any loss sustained in your Account will not affect your retirement income standard; and if a mandatory distribution arises, you will have the ability through your IRA and/or other retirement accounts to meet any mandatory distribution requirements.

STC has the right to charge service fees or other designated fees (e.g., a transfer, rollover or termination fee) for the services it provides pursuant to this Agreement. In addition, STC has the right to be reimbursed for all reasonable expenses, including legal expenses, it incurs in connection with administration of Depositor's IRA. STC is authorized to charge Depositor separately for any fees or expenses or, at STC's sole discretion, STC may deduct the amount of such fees or expenses from the assets held in Depositor's IRA.

10.02 **Passive Custodian** – STC is a passive Custodian and we do not provide investment advice. STC does not provide legal or tax services or advice with respect to your account investments or the sale of such investments.

10.03 **Investment Conformity and Legal Proceedings** – The Depositor has exclusive responsibility for and control over the investment of the assets of the Account and acknowledges, understands, and agrees that all investments shall conform to all applicable securities laws, rules, and regulations. The Depositor represents to STC that if any investment by his/her Account shall be deemed to be a "security" under applicable federal or state securities laws, such investment has been appropriately registered or is exempt from registration under applicable securities laws. The Depositor releases STC and expressly waives any and all claims against STC for STC's role in carrying out Depositor's instructions with respect to such investments. Furthermore, the Depositor acknowledges that the foregoing representation is being relied upon by STC in accepting Depositor's investment directions and Depositor agrees to indemnify STC with respect to all costs, expenses, including, without limitation, attorney fees, fines, penalties, liabilities, damages, actions, judgments and claims arising out of such investment and/or breach of the foregoing representation, including without limitation, claims asserted by you, the Depositor.

The Depositor agree that Depositor is solely responsible for the prosecution or defense, including the retention of legal counsel, of all legal actions ("Legal Proceedings") involving Depositor's IRA, which arise or become necessary for the protection of the investments in Depositor's IRA, including any actions where STC is named as a result of being Custodian of Depositor's IRA. If STC is named as a defendant in any Legal Proceedings, which includes state, federal and local court, or arbitration, as a result of the assets in Depositor's IRA being the subject of the litigation, Depositor, at your own cost, agree to indemnify and hold STC, its officers, directors and employees harmless from any and all damages, costs, or expenses of whatsoever kind, and to retain legal counsel acceptable to STC to defend STC, in STC's Custodial capacity, or however named in the Legal Proceedings. If Depositor fails to fulfill Depositor's responsibilities in this regard, STC reserves the right to retain counsel of its own choosing to defend STC, and STC shall have the right to reimburse itself from Depositor's account for all costs, attorney fees or other expenses of whatsoever kind as set forth below. If Depositor initiates Legal Proceedings against a third party

regarding the assets in Depositor's IRA, and Depositor's IRA is plaintiff, Depositor agrees to initiate suit by titling the plaintiff as "Specialized IRA Services FBO (Your Name), Account Type, or Specialized Trust Company Custodian FBO (Your Name), Account Type." Depositor agrees to provide STC with copies of all pleadings, motions, discovery, orders, and final resolution documents upon request.

Depositor also agrees that any such legal action will be conducted in a manner that does not cause STC as the Custodian to incur any costs or legal exposure. As Depositor is the owner of the IRA held by STC, Depositor understands that STC will not initiate Legal Proceedings on behalf of Depositor or Depositor's IRA and will not participate in such Legal Proceedings without direction from Depositor.

Depositor understands that Depositor has sole authority to direct and make all decisions related to the Legal Proceedings and Depositor shall defend, indemnify, and hold STC, its officers, directors, and employees harmless from any loss, legal expense and liability that arises out of such Legal Proceedings, including STC's legal costs, if Depositor fails to provide legal representation for STC or STC deems separate counsel necessary. Should STC incur costs or expenses associated with such Legal Proceedings, STC has the right to charge Depositor separately for any fees or expenses, or STC may deduct the amount of the fees or expenses from the assets held in Depositor's IRA.

STC, as a passive Custodian, will not bear or assume any responsibility to notify Depositor, secure or maintain fire, casualty, liability, or such other insurance coverage on any personal or real property asset(s) held by the Account, or which serves as collateral under any mortgage or other security instrument held by the Depositor's account with respect to any promissory note or other evidence of indebtedness. It is incumbent upon the Depositor to arrange for such insurance as Depositor may determine to be necessary or appropriate to protect Depositor's investment. Furthermore, STC shall not be responsible for notifying the Depositor regarding Depositor's obligation to make payment of any insurance premiums, real estate taxes, utilities, or other charges or fees with respect to any investment held in the IRA or Saving Account. Depositor must specifically direct STC to pay any expense related to an asset from the Account in writing or another manner directed by STC and on a form deemed acceptable to STC. STC, in its sole discretion, may (but is not required) to pay insurance premiums, real estate taxes, utilities or other charges or fees with respect to investment(s) or assets held in Depositor's account and, in such instances, STC may deduct the amount of such charges from the assets held in Depositor's account. The depositor is solely responsible to ensure that all expense payments that they have directed STC to be processed from their account(s) are paid on time, delivered, received, and applied correctly with the associated vendors, county, tax assessor, and/or utility providers. STC bears no responsibility for an erroneous and/or misappropriation of payments that may occur with an of these expenses.

**10.04 Investments** – In conformity with directions given to STC, the Depositor directs STC to deposit all cash, for which the Depositor has not elected to invest, into a pooled custodial deposit account or accounts with one or more third-party FDIC-insured financial institutions selected by STC qualifying under IRC 408(b)(5) or into any investment vehicle which is either FDIC-insured, federally insured, or guaranteed or backed by the full faith and credit of the United States government.

The Depositor also authorizes entering into a sub-accounting agreement between the selected financial institution and STC under which, we will keep records of the Depositor's share of the pooled custodial accounts. Until such time as the Depositor gives

instructions to STC as to how such funds should be invested, Depositor hereby acknowledges that any interest accruing or monies not currently invested shall be disbursed to Depositor's account at predetermined annual percentage rate however, not required and at the discretion of the firm (SIS or STC). Depositor acknowledges that such rate is not fixed and may be subject to fluctuation. All accrued interest in excess of the money distributed to the Depositor's Account shall be recognized by STC as income. STC shall be entitled to retain this income net of related service fees. STC can change this relationship of interest income or payment at any time. Current payout since 2015 is 0.0%. This could change at any future moment without notification.

In accordance with instructions given to STC by the Depositor, STC shall invest and reinvest all contributions to the Account and earnings thereon as directed by the Depositor (or the direction of the beneficiary (ies) upon the Depositor's death) in investments that STC determines it can operably administer, to include, without limitation, marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), common trust funds or other common investment funds that qualify under Section 408(b)(5) of the Code including options & mutual funds (including, without limitation, qualifying pooled custodial accounts and pooled custodial funds), mortgage notes, debentures, individually negotiated debt instruments, promissory notes, private equity investments in closely held businesses, certificates of deposit, real estate, real estate contracts, mortgages, leases, tax liens and tax anticipation warrants, deeds of trust, and other public, private or alternative investments that the Custodian determines it can operably administer, in such amounts as are specifically selected and specified by the Depositor in orders to the Custodian in such form as may be acceptable to STC without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a trust investment or IRA investment or even if such investment will result in a prohibited transaction, unrelated business income tax ("UBIT") or a reportable transaction.

STC may, but need not, establish programs under which cash deposits in excess of a minimum set by it will be periodically and automatically invested in interest-bearing investment funds.

STC has no affiliation with any precious metal dealer, sponsor, or storage facility provider. STC does not conduct any due diligence review of any precious metals dealer, sponsor, or storage facility provider. As the Depositor it is your sole responsibility to determine and select the precious dealer to use for the purchase, exchange, sale, negotiation of price, and commissions/fees paid to the dealer. As a result, the Depositor agrees to hold STC harmless with all respects from any loss in value and/or any damages resulting in/from your precious metal investment, shipment delivery, or segregated or non-segregated storage of the precious metals.

Any outside brokerage account held in connection with the Depositor's self-directed IRA or Saving Account, shall be in the name of the Custodian for the benefit of the Depositor. Investment direction may be given to the designated Broker Dealer by the Depositor that is acceptable to said Broker Dealer including without limitation via the Broker Dealer's account web-portal or other electronic submission.

The Custodian shall not be responsible for the execution of such verbal, written or electronic orders. The Custodian shall be authorized to honor these transactions made by the Depositor within the Brokerage account without obligation to verify prior authorization from the Depositor for the completions of the investment direction given to the Broker Dealer or the associated Brokerage Company. The Depositor does hereby agree to indemnify,



defend and hold harmless the Custodian from and against any and all claims, losses, causes of action, expenses (including reasonable attorneys' fees costs and liabilities suffered or incurred by Custodian arising from or relating to any direction or order given, or alleged to have been given, by the Depositor to a Representative or Employee to any Broker Dealer or Brokerage Company, any errors or misconduct on the part of the Broker Dealer or Brokerage Company in processing, executing, safekeeping or reporting any such direction or order, or alleged direction or order, or the securities or proceeds resulting thereof. Any cash received by the Broker Dealer or Brokerage Company for the Depositor's account(s) held in connection with the Depositor's self-directed IRA or Saving Account, whether it be from income or proceeds of the held brokerage account transactions, shall be held by the brokerage account pending directions, and the Custodian shall have no obligation to direct the Broker Dealer or Brokerage Company to remit such cash until directed to do so by the Depositor. It is the Depositor's sole responsibility to supply the Custodian with at least (or better) an annual account statement from said Broker Dealer or Brokerage Company for said account associated with the Depositor's self-directed IRA or Saving Account. The Custodian is not responsible to notify or inform the Depositor of any increase or decrease changes in the value of the Depositor's outside brokerage account that is held by said Broker Dealer or Brokerage Company at any given time.

STC shall have no duty other than to follow the written investment directions of the Depositor, which duty shall be subject to the other terms and conditions of this Agreement. STC shall be under no duty to question said instructions and shall not be liable for any investment losses or adverse tax consequences of any kind whatsoever sustained by the Depositor. In addition, STC reserves the right to not follow a direction, or process any investment for administrative or cost-related reasons. Execution of Depositor's instructions or refusal to execute the same does not constitute investment advice or an opinion by STC as to the investment's prudence or viability. Depositor agrees that STC shall have no discretionary power, authority, or control with respect to the management, investment or disposition of the Depositor's assets or any discretionary authority with regard to the management of the Depositor's account. Depositor agrees and acknowledges that STC is not a fiduciary with respect to the Depositor, the Account or any investment chosen by the Depositor.

**10.05 Designated Representatives** – STC may, in its sole and absolute discretion, permit the Depositor to appoint an account designated representative or authorized investment advisor/agent to act on behalf of Depositor with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager, investment advisor, etc.) who may, but is not required to be an investment advisor qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct his/her retirement account. The Depositor shall notify STC through written notice acceptable to us of any such account designated representatives to be appointed by the Depositor.

If the account designated representative is an investment advisor under Section 3(38) of the Employee Retirement Income Security Act of 1974, STC may require the following: (I) Depositor to provide us a copy of the instruments appointing the investment advisor and evidencing the investment advisor's acceptance of such appointment; (II) certificate evidencing the investment advisor's current registration under the Investment Advisor's Act of 1940; and, (III) an acknowledgement by the investment advisor that he/she is a fiduciary of the Account. STC has no duty to determine the validity of any account designated representative authorized by the Depositor. The account designated representative may give STC

directions to have us buy, sell, or reinvest public securities and investments that are traded on a recognized exchange or "over the counter," excluding any securities which may be issued by STC. The account designated representative may also direct STC with respect to alternative and/or private investments.

STC shall be responsible only for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received as required, or, if received, are unclear in the sole opinion of the Custodian, all or a portion of the account may be held in its current investments or remain un-invested without liability for loss of income or appreciation, and without liability for interest pending receipt of such orders or clarification as are acceptable to STC in its sole discretion, the contribution may be returned. STC will follow the written instructions from the account designated representative until notification from the Depositor that he/she is terminating the representative's appointment. STC shall not be held responsible for losses of any kind that may result from directions, actions, or failure to act by the account designated representative, and the Depositor agrees to reimburse STC for any loss we may incur as a result of such directions, actions, or failures to act by the account designated representative elected and authorized by the Depositor.

**10.06 Prohibited Transactions** – The Depositor agrees that certain transactions are prohibited in IRAs and Savings Plans under IRC Section 4975 of the Internal Revenue Code. The Depositor understands that the determination of a prohibited transaction depends on the facts and circumstances that surround any particular transaction. STC shall make no determination as to whether any investment is prohibited. The Depositor further understands that should the Depositor's account engage in a prohibited transaction, you will incur a taxable distribution and possible penalties may be assessed. The Depositor represents to STC that you have or will consult with your own tax or legal professional to ensure that all investments within the Depositor's account do not constitute a prohibited transaction and that all investments comply with all applicable federal and state laws, regulations, and requirements. Furthermore, the Depositor shall not direct STC to engage in or make any investment that Depositor knows or otherwise should know involves or facilitates any criminal activity, nor shall the Depositor direct STC to lend any part of the corpus or income of the account to: pay any compensation for personal services rendered to the Account; to make any part of its services available on a preferential basis; to acquire for the account any property, other than cash; or, to sell any property to the Depositor, any member of Depositor's family deemed prohibited, or any entity controlled by Depositor through the ownership, directly or indirectly, of fifty percent (50%) or more of the total combined voting power of all classes of ownership entitled to vote, or of 50% or more of the total value of all ownership interests of such entity. Generally, if a Depositor engages in or directs the engagement in a prohibited transaction as described in Section 4975 of the Code, the Depositor's account stops being an IRA as of the first day of that year, and the account is treated as distributing all its assets to the Depositor or beneficiary at their fair market values on the first day of the year which may result in taxes and penalties. Depositor hereby agrees to be solely responsible for determining and avoiding prohibited transactions and reportable events.

**10.07 Reportable Transactions** – The Depositor understands that certain transactions are or may be identified by the Internal Revenue Service as abusive tax shelter schemes or transactions. The Depositor further understands that the determination of a listed or reportable transaction may depend upon the facts and circumstances that surround the particular transaction. STC will make no determination as to whether any Account investment constitutes a listed or

reportable transaction. The Depositor agrees to consult with his/her own tax or legal professional to ensure that listed or reportable transactions engaged in by the Account are identified.

The Depositor further represents and acknowledges to STC that with respect to any listed or reportable transaction, you are considered the entity manager which approved or caused the Account to be a party to the transaction and that you are responsible for (I) reporting each transaction to the IRS using Forms 8886-T and 8886, (II) paying any applicable excise taxes using Form 5330, (III) disclosing to STC that such transaction was a prohibited tax shelter transaction, and, (IV) directing STC of any necessary corrective action to be taken by the Account.

- 10.08 **Unrelated Business Income Tax (UBIT)** – Certain investments may generate taxable income within the Account, referred to as Unrelated Business Income Tax (UBIT). Such income must be considered in conjunction with all such income from all IRA accounts and may be taxable to the Account to the extent that all UBIT for a given taxable year exceeds the threshold amount set by the IRS. Since the IRA is a tax-exempt organization under federal tax law, if the IRA earns income from an investment which utilizes debt-financing or which derived from a business regarded as not related to the exempt purpose of the IRA, it may be subject to UBIT, if it is excess of permitted deductions.

Therefore, the Depositor must monitor for UBIT and in the event that your direction of IRA assets results in taxable income (unrelated or debt financing) pursuant to sections 511- 514 of the Internal Revenue Code in excess of the \$1,000.00 exclusion (as that amount may be adjusted) for any taxable year, it shall be the responsibility of the Depositor to prepare, or have prepared at their sole expense, the proper 990-T tax form and forward it to STC for execution on behalf of the Account, filing with the IRS and the payment of any applicable UBIT tax due from the IRA account. The authorization must be in written form acceptable to STC. Furthermore, by signing this Agreement, the Depositor understands that STC (I) does not make any determination as to what structures create UBIT; (II) does not monitor whether the Account has UBIT in the Account; and (III) does not prepare Form 990-T. Depositors required to complete a Form 990-T will need to contact STC and request an Employer Identification Number (EIN) or the Depositor can acquire an EIN on its own by using Form SS-4 and providing a copy of the EIN confirmation to STC.

- 10.09 **Fair Market Valuations** – STC shall use reasonable, good faith efforts to ascertain the fair market value of each asset in valuing the assets of the custodial account for recordkeeping and reporting purposes. Valuations will be obtained through utilization of various outside sources available to us and consideration of various relevant factors generally recognize as appropriate to the application of customary valuation methods. In certain cases where fair market value is not readily available and we do not have a recent qualified independent appraisal, we may assign value based on our internal policies and procedures on the value of the asset or we may require a current independent appraisal obtained by you, the Depositor. However, where assets are liquid or tier value cannot be readily determined on either an established exchange or generally recognized market, the valuation is, by necessity, not a true market value and is merely an estimation of value in a broad range of values and its accuracy should not be relied upon by the Depositor for any other purposes because the precision with which a value is assigned is a factor of the nature of the asset and the cost effectiveness of pursuing a more comprehensive appraisal. STC does not assume responsibility for the accuracy in the valuation presented regarding the assets. We do not guarantee the results of the appraisal methods applied in developing value nor can we be held liable for valuations that STC cannot determine on a recognized exchange or a generally standard market.

Fair Market Valuations for conversions must be obtained from an independent authorized individual acceptable by STC for conversions conducted either internally or via transfer from a contra firm. Supporting documentation must be dated within 30 days of the distribution. Statements and prior market values are not acceptable.

- 10.10 **Disclosures and Voting** – STC shall supply to Depositor, all notices, prospectuses, financial statements, proxies, and proxy soliciting materials received relating to assets held within the account. STC shall not make decisions related to shares of stock or proceed with any other actions related to the asset without written instructions from Depositor.
- 10.11 **Establishment, Annual and General Fee Provision** – Individual Retirement Account Custodians charge fees to maintain IRAs and/or to offset expenses. The Depositor agrees to pay any and all fees specified in the fee schedule published by STC. This includes, without limitation, any Custodian fees, and fees for distributions from, transfers to or from, terminations, and administrative expenses charged of this IRA. STC reserves the right to assess additional fees on any account with excessive activity or special services not covered by the current fee schedule.

Fees are required to be paid at the time the account is established. Thereafter, the Depositor will be assessed for the annual fees, which is calculated using the market value of the account on the anniversary date the account was established. Subsequent annual assessed fees permit these fees to be paid out of pocket by the Depositor, via credit card on file with STC (see relevant information below) or via automatic withdrawal from cash assets within the account. Should the Depositor desire to pay annual fees other than via credit card or automatic withdrawal, the Depositor should notify STC of this desire a minimum of 30-days prior to the anniversary date of the account. STC will automatically assess, charge, or direct debit all annual fees starting the fifth day of the account's anniversary month or thereafter. Should payment not be received by this date, STC reserves the right to charge the applicable annual fee to a credit card on file or withdrawal the fee amount from cash assets within the account or any account the Depositor holds with STC. After 30 days should the fees go unpaid, STC reserves the right to liquidate any asset, without notice, for the outstanding balance and the Depositor shall be responsible for any deficiency.

Furthermore, STC reserves the right to force close any delinquent account and distribute all asset holdings to the Depositor at the last known value. Asset distributions from an IRA or Saving Account are tax reportable events and may be taxable to the Depositor. These asset distributions could cause irreversible tax consequences to the Depositor in the year which the assets were distributed to the Depositor personally.

STC relies on the ability to pay out-of-pocket guidance from Private Letter Rulings. IRS Revenue Ruling 84-146 and IRS Regulation 1.404(a)-3(d) provide the best guidance, indicating that an IRA owner can pay expenses out of pocket that is ordinary and necessary. These expenses include Annual Fee; Mutual fund sub accounting fee; Establishment fee; Record- keeping fee; IRA termination fee; Investment adviser fee; Transaction fee; Transfer fee; Form preparation fee; Investment manager fee; Accounting services fee; and Service charge for additional investment types. In addition, STC relies upon the IRS ruling in PLR200507021 and will allow the Depositor to choose to pay any wrap fees, as applicable, from non-IRA funds without such fee payments being considered to be additional contributions. The Depositor can elect to pay the account set up fees when establishing an Account by providing STC with a valid credit card number and related information. Depositor shall complete the credit card section of the "Application" form attached. Additionally, by providing a credit card, the Depositor

hereby authorizes STC to charge subsequent outstanding fees against the credit card account number should the Depositor fail to pay the applicable fees, expenses or other obligations when requested by STC to do so and there are insufficient Custodial Funds which are liquid and/or which can be readily liquidated to pay any outstanding fee, expense or other obligation owed to STC.

STC reserves the right to require a valid credit card on file for successive outstanding annual fees. If the credit card account expires, becomes invalid or exceeds its maximum credit limit, the Depositor agrees to immediately inform the Custodian and simultaneously provide another valid credit card account number to STC by completing a new "Custodial Account Information" form that allows STC to charge outstanding fees against the new credit card account.

Institutional Account fees are set based on a specific company investment and any additional investments outside of the intended asset account will revert to a regular fee schedule assessed in the anniversary month. Special fees or Optional Fees are deducted from the Account otherwise indicated on the form acceptable to STC when submitted.

The account must maintain a liquid minimum account balance of \$1000. Failure to maintain the minimum balance may result in the distribution of the account to the IRA which taxes and/or penalties could occur.

STC may change the fee schedule at any time by giving the depositor 30 days prior written or electronic notice. STC may, but shall not be required, to calculate fees by utilizing a basis point calculation. A basis point, also referred to as a "bip" is a unit of calculation equal to 1/100 of a percentage point or one part per ten thousand and is commonly used in interest rates, equity indexes and the yield of fixed-income investments.

10.12 **Statements** – STC shall provide to the Depositor an annual statement. The Depositor will have sixty (60) days after receipt of any documents, statements, or other information from STC to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the Depositor does not notify us within 60 days, the documents, statements, or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

10.13 **Resignation or Appointment of Successor Custodian** – STC reserves the right to resign and appoint a successor Custodian, Trustee or Administrator in the event STC reorganizes, changes its name, merges with another organization, or comes under the control of any federal or state agency. If STC or any portion which includes the Depositor's Account is bought by another firm/organization, the purchaser shall automatically become the Custodian, Trustee or Administrator of the Depositor's Account, but only if it is the type of organization authorized to provide trust services.

STC may resign and/or appoint a successor Custodian, Trustee or Administrator to serve under this Agreement or under another governing agreement selected by the successor Custodian, Trustee or Administrator by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include, or be provided under separate cover, a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor Custodian, Trustee or Administrator and notify STC of such designation. If the Depositor does not request distribution of the account balance or notify STC of the designation of a different successor Custodian,

Trustee or Administrator within such 30-day period, the Depositor shall be deemed to have consented to the appointment of the successor Custodian, Trustee or Administrator and the terms of any new governing instrument, and neither the Depositor nor the successor Custodian, Trustee or Administrator shall be required to execute any written document to complete the transfer of the account to the successor Custodian, Trustee or Administrator. The successor Custodian, Trustee or Administrator may rely on any information, including beneficiary designations, previously provided by the Depositor to STC. The Depositor may, at any time, remove STC and name a successor Custodian, Trustee or Administrator of the Depositor's choice by giving a 30-day notice of such removal and replacement. STC and/or successor Custodian, Trustee or Administrator shall then deliver the assets of the account as directed by the Depositor subject to applicable terms discussed in more detail below.

Notwithstanding any other provision of this Agreement, STC may resign as custodian of Depositor's IRA account and demand that the Depositor appoint a successor Custodian, Trustee or Administrator by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor Custodian, Trustee or Administrator, notify STC of the name and address of the successor Custodian, Trustee or Administrator, and provide the STC with appropriate evidence that such successor Custodian, Trustee or Administrator has accepted the appointment and is qualified to serve. If the Depositor designates a successor Custodian, Trustee or Administrator and provides STC evidence of said successor's acceptance of appointment and qualification within such 30-day period, STC shall then deliver all of the assets and necessary records to the successor Custodian, Trustee or Administrator. However, if the Depositor does not notify STC of the appointment of a successor Custodian, Trustee or Administrator within such 30-day period, then STC may distribute all of the assets and necessary records to the Depositor outright from the Account, and the Depositor shall be wholly responsible for the tax consequences of such distribution.

In the event of STC's resignation or the appointment of a successor Custodian, Trustee or Administrator, STC may expend any assets in the account to pay expenses of valuation and transfer (including but not limited to re-registering the assets and preparation of deeds, assignments, and other instruments of transfer or conveyance) to STC, the successor Custodian, Trustee or Administrator, or the Depositor, as the case may be. In addition, STC may retain a portion of the assets as a reserve for payment of any anticipated remaining fees and expenses. Upon satisfaction of such fees and expenses, as determined by STC, STC shall pay over any remainder of the reserve to the successor Custodian, Trustee, or Administrator or to the Depositor, as the case may be.

10.14 **STC Security or Pin Code Terms and Conditions** – By signing this form, the Depositor expressly agrees to have read and understood the following terms and conditions related to PIN issuance by STC and PIN usage by the Depositor:

1. All details on the Personal Identification Number (PIN) Request Form are mandatory. The PIN issuance request may be rejected in case of any invalid / incomplete / ambiguous information / details provided in the form.
2. STC undertakes to offer, at the request of the Depositor, services through telephone-based inquiry, which will enable the Depositor to request information on the Depositor's account over the telephone.
3. The Depositor will choose a PIN for this purpose; the PIN is required to identify you.
4. The PIN shall under no circumstances be revealed to any third party.

5. In the event of loss of PIN by the Depositor or due to the Depositor having forgotten the PIN, a request for issue of a duplicate PIN shall be considered only on receipt of a written request from the Depositor, subject to signature verification/validation or a new PIN may be issued as per the process set up by STC from time to time.
  6. The Depositor may be asked for PIN verification before information is discussed. In the interest of the Depositor, about the account of the Depositor.
  7. In the event of loss of or forgotten PIN by the Account Owner, a request to change/update the PIN shall be considered only on receipt of a written request from the Account Owner, subject to signature verification/validation per the process set up by STC from time to time.
  8. Fraud or dishonesty relating to any using of the PIN; Non-compliance of terms and conditions relating to using the PIN.
  9. Any information provided over the telephone given to unauthorized persons by gaining access to PIN.
  10. It shall be the sole responsibility of the Depositor to ensure adequate protection and confidentiality of the PIN and any disclosure thereof to any other person shall be entirely at the risk of the Depositor. The Depositor should report the loss of the PIN immediately upon discovery of such an event.
  11. STC may, at its absolute discretion, issue a new PIN to the Depositor on these terms and conditions or such terms and conditions as they may deem fit. STC may also discontinue this service at any time in the future or make changes in terms and conditions for PIN requests without assigning any reasons thereof and such conditions shall be binding on the Depositor.
- 10.15 **Affiliates, Sponsorships, and Third Parties** – From time-to-time Specialized Trust Company (STC) may collaborate with outside vendors or referral sources. At times STC may receive payment for services rendered or sold at events, online, podcasts, etc. and not limited to. This considers notification that we may have entered into an agreement to receive or give potential compensation for items related to servicing or education on products and services we offer. We do not advise or endorse third parties or investment sponsors and you should always consult with your financial team as we do not provide legal advice or investment guidance. We may offer and have third parties educate on general topics we feel our clients may have an interest in. We do not endorse the actual or any investment from any or one individual. We make every attempt to clarify this with every education product or service we offer. We are a passive custodian and not a fiduciary of your account. We encourage each and every client to work with an educated member of their financial team when completing or deciding to complete an investment. We are under no obligation to warn, deter or notify the client of information regarding to who or in what they are investing. These accounts are self-directed and any gains, losses are at the direction and responsibility of the account owner. Any legal matters will be handled in manners discussed prior in this account custodial agreements. In addition, these custodial agreements apply to products or service rendered that do not at the time include or an account has not yet been opened or activated. Use and purchase of these products, education and services constitutes agreement with these custodial agreements and terms.

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## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

**Do not** file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after five years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Pub. 590-B, *Distributions from 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.

**Depositor** – The depositor is the person who establishes the custodial account.

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## SPECIFIC INSTRUCTIONS

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**Article I** – The depositor may be subject to a six percent tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

**Article V** – This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph three of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary and not the owner, an overriding provision should be added to Article IX.

**Article IX** – Article IX and any that follow it may incorporate additional provisions that are agreed to by the depositor 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 depositor, etc. Attach additional pages if necessary.

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## DISCLOSURE STATEMENT

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### RIGHT TO REVOKE YOUR INHERITED ROTH IRA

You have the right to revoke your inherited Roth IRA within seven days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your inherited Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed on the application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your inherited Roth IRA, please call the custodian at the telephone number listed on the application.

### REQUIREMENTS OF AN INHERITED ROTH IRA

- A. **Form of Contribution** – Your contribution must be either a rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer contribution from an inherited Roth IRA. Your rollover or transfer contribution may be in cash and/or property.
- B. **Contribution Restrictions** – You may not make regular contributions to your inherited Roth IRA.
- C. **Nonforfeitable** – Your interest in your inherited Roth IRA is nonforfeitable.
- D. **Eligible Custodians** – The custodian of your inherited Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- E. **Commingling Assets** – The assets of your inherited Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- F. **Life Insurance** – No portion of your inherited Roth IRA may be invested in life insurance contracts.
- G. **Collectibles** – You may not invest the assets of your inherited Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as inherited Roth IRA investments.
- H. **Required Minimum Distributions** – You are required to take minimum distributions from your inherited Roth IRA at certain times in accordance with Treasury Regulation 1.408-8. The calculation of the required minimum distribution (RMD) is based, in part, on determining the original owner’s designated beneficiary. A designated beneficiary is determined based on the beneficiaries designated as of the date of the original owner’s death, who remain beneficiaries as of September 30 of the year following the year of the original owner’s death. Any payment elections you either made or defaulted to under an inherited

retirement plan or Roth IRA generally carry over to this inherited Roth IRA. Below is a summary of the inherited Roth IRA distribution rules.

If you fail to remove an RMD, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to 10 percent. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed, whichever is earlier.

### Death of Original Owner Before January 1, 2020

1. If you are the beneficiary of a deceased employer-sponsored retirement plan participant, and the original participant died
  - (a) on or after his or her required beginning date, distributions must be made to you over the longer of your single life expectancy, or the original participant’s remaining life expectancy. If the original participant’s designated beneficiary was not an individual or qualified trust as defined in the Treasury Regulations, the original employer-sponsored retirement plan will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary of the original employer-sponsored retirement plan, distributions will commence using the original participant’s single life expectancy, reduced by one in each subsequent year.
  - (b) before his or her required beginning date, the entire amount remaining in the account will, at your election, either
    - (i) be distributed by December 31 of the year containing the fifth anniversary of the original participant’s death, or
    - (ii) be distributed over your remaining life expectancy.

If the original participant’s spouse is the sole designated beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of the original participant’s death, or December 31 of the year life expectancy payments would be required to begin. A designated beneficiary of the original participant, other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) by December 31 of the year following the year of the original participant’s death. If no election is made, the distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of the original participant’s death. Generally, if the original participant’s spouse is the designated beneficiary, distributions need not commence until December 31 of the year the original participant would have attained age 70½ if the original participant was born before July 1, 1949, age 72 if the original participant was born on

or after July 1, 1949, but before January 1, 1951, and 73 if the original participant was born on or after January 1, 1951, if later.

If the original participant's designated beneficiary is not an individual or qualified trust as defined in the Treasury Regulations, the original retirement plan will be treated as having no designated beneficiaries for purposes of determining the distribution period. If there is no designated beneficiary of the original retirement plan, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original participant's death.

If you have inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan and have either elected or defaulted to payments under the five-year rule, you may change to a life expectancy payment election if, by December 31 of the year following the year of the original owner's death, you remove a life expectancy-based payment before rolling over the remaining assets to your inherited Roth IRA.

2. If you are the beneficiary of a deceased Roth IRA owner, the entire amount remaining in the inherited account will, at your election, either

(a) be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death, or

(b) be distributed over your remaining life expectancy.

If you are a spouse who is the sole designated beneficiary of a Roth IRA owner, you must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of the original owner's death, or December 31 of the year life expectancy payments would be required to begin. If you are a designated beneficiary of the original Roth IRA owner, other than a spouse who is the sole designated beneficiary, you must elect either option (a) or (b) by December 31 of the year following the year of the original Roth IRA owner's death. If no election is made, the distribution will be calculated in accordance with option (b). In the case of distributions under option (b), distributions must commence by December 31 of the year following the year of the original Roth IRA owner's death. Generally, if the original Roth IRA owner's spouse is the designated beneficiary, distributions need not commence until December 31 of the year the original Roth IRA owner would have attained age 70½ if the original Roth IRA owner was born before July 1, 1949, age 72 if the original Roth IRA owner was born on or after July 1, 1949, but before January 1, 1951, and 73 if the original Roth IRA owner was born on or after January 1, 1951, if later.

If the original Roth IRA owner's designated beneficiary is not an individual or qualified trust as defined in the Treasury Regulations, the original Roth IRA will be treated as having no designated beneficiaries for purposes of determining the distribution period. If there is no designated beneficiary of the original Roth IRA, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death.

3. If you have elected to take life expectancy payments and fail to request your required minimum distribution by December 31, we reserve the right to do any one of the following.

(a) Make no distribution until you give us a proper withdrawal request

(b) Distribute your entire inherited Roth IRA to you in a single sum payment

(c) Determine your required minimum distribution each year based on your life expectancy calculated using the Single Life Expectancy Table, and pay those distributions to you until you direct otherwise

#### **Death of Original Owner On or After January 1, 2020**

The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of the original owner's death unless you are an eligible designated beneficiary or the account has no designated beneficiary for purposes of determining a distribution period.

If you are an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over your remaining life expectancy (or over a period not extending beyond your life expectancy).

An eligible designated beneficiary is any designated beneficiary who is

- the original owner's surviving spouse,
- the original owner's child who has not reached the age of majority,
- disabled (A physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.),
- an individual who is not more than 10 years younger than the original owner, or
- chronically ill (A chronically ill individual is someone who (1) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.)

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals) may take distribution of the entire amount remaining in the account over the remaining life expectancy of the trust beneficiary.

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of the original owner's death. However, if the original owner's spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year the original owner would have attained age 70½ if the original owner was born before July 1, 1949, age 72 if the original owner was born on or after July 1, 1949, but before January 1, 1951, and 73 if the original owner was born on or after January 1, 1951, if later. If the eligible designated beneficiary is the original owner's minor child, life expectancy payments must begin by December 31 of the year following the year of the original owner's death and continue until the child reaches the age of majority. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

If a beneficiary other than a person (e.g., the original owner's estate, a charity, or a certain type of trust) is named, the original owner will be treated as having no designated beneficiary of the Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of the Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original owner's death.

I. **Waiver of 2020 RMD** – RMDs and life expectancy payments for beneficiaries were waived for calendar year 2020. If the five-year rule applies to your inherited Roth IRA, the five-year period is determined without regard to calendar year 2020 because of this waiver. For example, if the original Roth IRA owner died in 2019, your five-year period will end in 2025 instead of 2024.

#### **INCOME TAX CONSEQUENCES OF ESTABLISHING AN INHERITED ROTH IRA**

A. **Tax-Deferred Earnings** – The investment earnings of your inherited Roth IRA are not subject to federal income tax as they accumulate in your inherited Roth IRA. In addition, distributions of your inherited Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

**B. Taxation of Distributions** – The taxation of inherited Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distribution.** A qualified distribution is a distribution that is made after the expiration of a five-year period. Qualified distributions from your inherited Roth IRA are not included in your income.
2. **Nonqualified Distribution.** If you have not satisfied the five-year period for a qualified distribution, any earnings you withdraw from your inherited Roth IRA will be included in your gross income. When you take a distribution from the inherited Roth IRA, the amounts the original owner contributed to a Roth IRA, Roth 401(k), Roth 403(b), or governmental Roth 457(b) as Roth elective deferrals or Roth IRA contributions, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions the original owner made to a 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 the regular contributions, conversion, and employer-sponsored retirement plan rollovers. These “ordering rules” are complex. If you have any questions regarding the taxation of distributions from your inherited Roth IRA, see a competent tax advisor.

**C. Income Tax Withholding** – Ten percent federal income tax withholding will be applied to a withdrawal from your inherited Roth IRA unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.

**D. Early Distribution Penalty Tax** – No 10 percent early distribution penalty tax will apply to the inherited Roth IRA distribution because the distribution is due to the death of the original owner.

**E. Rollovers and Transfers** – Your inherited Roth IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred compensation plans, or multiple transfers from inherited Roth IRAs. In order to combine these inherited retirement assets in the same inherited Roth IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited Roth IRA. Rollover is a term used to describe a direct movement of cash or other property to your inherited Roth IRA from an eligible retirement plan that you have inherited as an eligible beneficiary. The rollover and transfer rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or transfer, please see a competent tax advisor.

1. **Roth IRA-to-Inherited Roth IRA Transfers.** Assets you have inherited from a deceased Roth IRA owner may be directly transferred to an inherited Roth IRA.
2. **Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals to an Inherited Roth IRA.** If you are a nonspouse beneficiary or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or governmental 457(b) plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals, and their earnings, to an inherited Roth IRA, as permitted by the IRS. If you are a spouse beneficiary, you may either directly or indirectly roll over assets from an eligible inherited employer-sponsored retirement plan to an inherited Roth IRA. Regardless of the method of rollover, the Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements. Roth elective deferrals may not be rolled over to an inherited Traditional IRA.
3. **Rollovers from Eligible Retirement Plans Without Roth Elective Deferrals to an Inherited Roth IRA.** If you are a nonspouse

beneficiary or the trustee of an eligible type of trust named as beneficiary of a deceased employer-sponsored retirement plan participant, you may directly roll over any inherited assets eligible for rollover from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. If you are a spouse beneficiary, you may either directly or indirectly roll over assets from an eligible inherited employer-sponsored retirement plan to an inherited Roth IRA, as permitted by the IRS. The amount of the rollover from the retirement plan will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any after-tax contributions). Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from an eligible retirement plan to an inherited Roth IRA.

4. **Written Election.** At the time you make a rollover to an inherited Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the election is irrevocable.

## LIMITATIONS AND RESTRICTIONS

**A. Gift Tax** – Transfers of your inherited Roth IRA assets to a successor beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.

**B. Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to inherited Roth IRA distributions.

**C. Prohibited Transactions** – If you or any successor beneficiary engage in a prohibited transaction with your inherited Roth IRA, as described in IRC Sec. 4975, your inherited Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your inherited Roth IRA. (1) Taking a loan from your inherited Roth IRA (2) Buying property for personal use (present or future) with inherited Roth IRA assets (3) Receiving certain bonuses or premiums because of your inherited Roth IRA.

**D. Pledging** – If you pledge any portion of your inherited 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 that year.

## OTHER

**A. IRS Plan Approval** – Articles I through VIII of the agreement used to establish this inherited Roth IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

**B. Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.

**C. Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an inherited Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

**D. Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free inherited Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to

certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- E. **Coronavirus-Related Distributions (CRDs).** If you qualified in 2020, you were able to withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You were a qualified individual if you (or your spouse or dependent) was diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must have been made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elect otherwise. If you are a spouse beneficiary, you may repay these distributions over three years beginning with the day following the day a CRD is made. Repayments may be made to your eligible retirement plan or IRA.

An eligible retirement plan is defined as a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or an IRA.



# IRA FINANCIAL DISCLOSURE

The term IRA will be used below to mean Traditional SEP IRA, Roth IRA, and SIMPLE IRA, unless otherwise specified.

## Growth Cannot Be Projected

The value of your IRA will be dependent solely upon the performance of any investment instrument used to fund your IRA. Therefore, no projection of the growth of your IRA can reasonably be shown or guaranteed.

Terms and conditions of the IRA that affect your investment are listed below.

## INVESTMENT OPTIONS

You may direct the investment of your funds within this IRA into any investment instrument offered by or through the Custodian. The Custodian will not exercise any investment discretion regarding your IRA, as this is solely your responsibility.

## FEES

There are certain fees and charges connected with your IRA investments. These fees and charges may include the following.

- Activation/Set-up Fee
- Annual Maintenance Fees
- Concierge Fee
- Distribution Fees
- Special Transactional Fees
- Termination Fees

To find out what fees apply, refer to the current fee schedule/Platinum/Diamond Contract.

There may be certain fees and charges connected with the IRA itself. (Select and complete as applicable.)

Annual Service Fee – See current fee schedule

Transfer Fee – \$125 partial/\$695 full

Rollover/Conversion Fee – \$75 plus \$125 per asset

Termination Fee – \$695

Specialized Black – \$425

We reserve the right to change any of the above fees after notice to you, as provided in your IRA agreement.

## EARNINGS

The method for computing and allocating annual earnings (e.g., interest, dividends) on your IRA will differ based on the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings. For your chosen investment asset.

## OTHER

Other terms or conditions that apply to your IRA include the following.

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## **PRIVACY POLICY**

Specialized Trust Company is committed to maintaining the privacy and security of your personal information. During the application and investments processes, we collect personal information, including, but not necessarily limited to, name, address, phone numbers, email addresses, Social Security number, birth date and, at times, credit card information. We will also ask for similar information about beneficiaries to assist us in locating them in the future should the need arise. Please know that this information is collected only for our internal reference and will not be disseminated except as required by law or as discussed below.

## **INFORMATION WE COLLECT**

The information we collect will be used in our processing operations to establish your account and to carry forward your investment directions. It is also used in our statutory reporting obligations, which include responding to requests for information from governmental and quasi-governmental agencies and to insure proper billing of our services to you. We will, from time to time, use the information to provide you with marketing and promotional material and to deliver to you correspondence we have received concerning your account or assets held within your account. It will also be used to answer questions that you may have concerning your account or the assets held within your account.

## **USING INFORMATION**

In addition to the uses described above, we use information for purposes as allowed by law such as: servicing; communicating with you; improving our website, products, or services; legal compliance; risk control; information security; anti-fraud purposes; marketing or personalizing the presentation of our products and services to you; tracking website usage, such as number of hits, pages visited, and the length of user sessions in order to evaluate the usefulness of our sites; and using read-receipt notifications in our email communications.

## **INFORMATION GATHERED ONLINE**

In addition to the above, when you access our website, information concerning you and your computer are collected. Our servers automatically collect this data. We collect and track data that tells us who visits our website, which pages on the site they visit, how long they stay on the site, their geographic location and what equipment, Internet provider and browser were used to access the site.

## **USE OF CLIENT INFORMATION**

Please know that Specialized Trust Company reserves the right to disseminate information derived from the aggregation of the information it collects. An example of this would be to include in a report or marketing piece the total number of accounts held or the average age of our account holders. In these instances, no account holder will be identifiable nor will specific personal information be used. At any time, you may request, in writing, a summary of the personal information Specialized Trust Company maintains about you. You may also request, in writing, that your information be modified, corrected or removed. Your use and continued use of our website constitutes your acceptance of this Privacy Policy and any changes made to it by us



## **USE OF ONLINE COOKIES**

The Specialized Trust Company website uses “cookies.” The use of cookies is common on the Web. Cookies, among other things, make web use more efficient by saving user preferences and other information that makes accessing and re-accessing websites easier. While we reserve the right to use cookies on our website and your browser may default to accepting cookies, you can reconfigure the browser to either not accept cookies or to inform you that a cookie is being sent and give you the option to accept or reject it.

This Privacy Policy applies only to Specialized Trust Company and its website. While this site may contain links to other sites, Specialized Trust Company is not responsible for the privacy practices or the content of those sites.

## **CLIENT INFORMATION PROTECTION**

Specialized Trust Company adheres to all applicable legal standards and utilizes state-of-the-art technology to ensure the security of your personal information. Except as stated in this Policy, Specialized Trust Company will not disseminate your personal information to anyone not affiliated with the company except as authorized by you or as permitted or required by law.

## **ADDITIONAL TECHNOLOGIES**

We may also use additional technologies such as pixel tags, web beacons, and clear GIFs, and may permit our third party service providers to use these technologies. We use these technologies for purposes such as measuring the effectiveness of our advertisements or other communications, determining viewing and response rates, and determining which offers to present to you on our own or on third party sites.

## **SHARING**

We may share information with service providers with whom we work, such as data processors and companies that help us market products and services to you. When permitted or required by law, we may share information with additional third parties for purposes including response to legal process.

## **POLICY CHANGES**

As required by federal law and regulation Specialized Trust Company will notify you of our privacy policy annually. Specialized Trust Company reserves the right to modify its Privacy Policy and related procedures at any time in accordance with applicable federal and state laws. You will be notified of any such changes.