Cetera Investment Services, LLC

SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT

(Under section 408(p) of the Internal Revenue Code)

Form **5305-SA** (Rev. April 2017) Department of the Treasury Internal Revenue Service

Do not File With the Internal Revenue Service

Check if transfer SIMPLE IRA..... ▶☐

Check if amendment ..... ▶☐

The participant and the custodian make the following agreement:

Article I. The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the custodian.

Article II. The participant's interest in the balance in the custodial account is nonforfeitable.

Article III.

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

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

Article IV.

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

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

(a) A single sum or

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

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

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

(i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

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

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

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

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

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

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

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

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

Article V.

1. The participant agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.

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

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

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

Article VII. This Agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application that accompanies this Agreement.

Article VIII.

8.01 Your SIMPLE IRA Documents. This Internal Revenue Service (IRS) Forms 5305 series agreement for SIMPLE IRAs, amendments, application, beneficiary designation, disclosure statement, and other documentation, if any, set forth the terms and conditions governing your Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) individual retirement

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account (IRA) and your relationship with us. Articles I through VII of the IRS 5305 agreement have been reviewed and approved by the IRS. The disclosure statement sets forth various SIMPLE IRA rules in simpler language. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

8.02 Definitions. This agreement refers to you as the participant, and us as the custodian. References to "you," "your," and "SIMPLE IRA owner" will mean the participant, and "we," "us," and "our" will mean the custodian. The terms "you" and "your" will apply to you. In the event you appoint a third party, or have a third party appointed on your behalf, to handle certain transactions affecting your SIMPLE IRA, such agent will be considered "you" for purposes of this agreement. Additionally, references to "SIMPLE IRA" will mean the custodial account.

8.03 Additional Provisions. Additional provisions may be attached to, and made a part of, this agreement by either party. The provisions must be in writing, agreed to by us, and in a format acceptable to us.

8.04 Designated Financial Institution. Your employer may have named us as the designated financial institution (DFI). If we are a DFI, you must maintain your SIMPLE IRA with us to receive your employer's SIMPLE IRA contributions. Our procedures for withdrawal, which is part of your employer's SIMPLE documents, provides you with information on how you can transfer your SIMPLE IRA assets to another custodian or trustee without cost or penalty during the year.

8.05 Our Fees and Expenses. We may charge reasonable fees and are entitled to reimbursement for any expenses we incur in establishing and maintaining your SIMPLE IRA unless, as a DFI, we must transfer your SIMPLE IRA assets without cost or penalty. We may change the fees at any time by providing you with notice of such changes. We will provide you with fee disclosures and policies. We may deduct fees directly from your IRA assets or bill you separately. The payment of fees has no effect on your contributions. Additionally, we have the right to liquidate your SIMPLE IRA assets to pay such fees and expenses. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

8.06 Amendments. We may amend your SIMPLE IRA in any respect and at any time, including retroactively, to comply with applicable laws governing retirement plans and the corresponding regulations. Any other amendments shall require your consent, by action or no action, and will be preceded by written notice to you. Unless otherwise required, you are deemed to automatically consent to an amendment, which means that your written approval is not required for the amendment to apply to the SIMPLE IRA. In certain instances the governing law or our policies may require us to secure your written consent before an amendment can be applied to the SIMPLE IRA. If you want to withhold your consent to an amendment you must provide us with a written objection within 30 days of the receipt date of the amendment.

8.07 Notice and Delivery. Any notice mailed to you will be deemed delivered and received by you, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed to the last address we have in our records. You are responsible for ensuring that we have your proper mailing address. Upon your consent, we may provide you with notice in a delivery format other than by mail. Such formats may include various electronic deliveries. Any notice, including terminations, change in personal information, or contributions mailed to us will be deemed delivered when actually received by us based on our ordinary business practices. All notices must be in writing unless our policies and procedures provide for oral notices.

8.08 Applicable Laws. This agreement will be construed and interpreted in accordance with the laws of, and venued in, our state of domicile.

8.09 Disqualifying Provisions. Any provision of this agreement that would disqualify the SIMPLE IRA will be disregarded to the extent necessary to maintain the account as a SIMPLE IRA.

8.10 Interpretation. If any question arises as to the meaning of any provision of this agreement, then we shall be authorized to interpret any such provision, and our interpretation will be binding upon all parties.

8.11 Representations and Indemnity. You represent that any information you or your agents provide to us is accurate and complete, and that your actions comply with this agreement and applicable laws governing retirement plans. You understand that we will rely on the information provided by you, and that we have no duty to inquire about or investigate such information. We are not responsible for any losses or expenses that may result from your information, direction, or actions, including your failure to act. You agree to hold us harmless, to indemnify, and to defend us against any and all actions or claims arising from, and liabilities and losses incurred by reason of your information, direction, or actions. Additionally, you represent that it is your responsibility to seek the guidance of a tax or legal professional for your SIMPLE IRA issues.

We are not responsible for determining whether any contributions or distributions comply with this agreement or the federal laws governing retirement plans. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with your SIMPLE IRA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and we have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions, including separate accounting, court orders, penalty exception determinations, or other similar situations.

8.12 Investment of SIMPLE IRA Assets.

This SIMPLE IRA is being offered in conjunction with broker-dealers affiliated with us. The investment services and options are provided by those affiliated broker-dealers. Your investment account will be held by Pershing, LLC.

Your broker-dealer will provide you with information regarding the self-directed investment options available to you, including non-deposit investments such as annuities, mutual funds, stocks, bonds and government, municipal and U.S. Treasury securities. Deposit investments may also be available, including savings, share and/or money market accounts, and certificates of deposit. These investments are subject to investment risks, including possible loss of the principal amount invested.

A Qualifying Longevity Annuity Contract (QLAC) is an investment vehicle and payout option we may choose to allow or purchase on your behalf. In summary, a QLAC is an annuity contract purchased from an insurance company that provides a delayed annuity payment starting date which will be after your required beginning date (RBD) but must begin no later than the first day of the month following your 85th birthday. Premiums paid from your IRA to purchase a QLAC are limited to the lesser of: $145,000 (subject to annual cost-of-living adjustments) or 25% of your aggregated traditional (including SEP) and SIMPLE IRA balances. The $145,000 limit is also reduced by the amount of premium you paid from an employer-sponsored retirement plan (i.e., 401(k) plan) to purchase a QLAC. We may rely on your representations that premiums paid for your QLAC(s) in other IRAs or employer plans do not exceed the $145,000 limit nor exceed 25% of aggregated IRA balances. Please refer to the Disclosure Statement for additional QLAC information.

Contributions will be invested by your broker-dealer in accordance with your instructions. If you fail to provide instructions, we will either return the contribution to your employer or hold all or part of it. We are not responsible for any losses you may incur by failing to provide appropriate investment directions to your broker-dealer. Your investments will generally be registered in our name or in Pershing or its nominee's name for the benefit of your SIMPLE IRA.

Based on our policies and those of your broker-dealer, we may allow you to delegate investment responsibility to your agent. You are solely responsible for the actions of your agent, as neither we nor your broker-dealer will monitor your agent's actions. We are not responsible for the suitability of your investments.

Certain investment fees may be charged to your SIMPLE IRA and cannot be paid by you. In those instances, we, your broker-dealer and/or Pershing may liquidate your investments to pay these fees and expenses, federal tax levies or other assessments on your SIMPLE IRA. If you do not give us, your broker-dealer or Pershing direction regarding which investments to liquidate, the investments to liquidate will be chosen by us, your broker-dealer or Pershing.

8.13 Distributions. Withdrawal requests must be in a format acceptable to us, or on forms provided by us. We may require you, or your beneficiary after your death, to elect a distribution reason, provide documentation, and provide a proper tax identification number before we process a distribution. These withdrawals may be subject to taxes, withholding, and penalties. Distributions may be in cash or in kind based on our policies. In-kind distributions will be valued according to our policies at the time of the distribution.

Required minimum distributions will be based on Treasury Regulations 1.401(a)(9) and 1.408-8 in addition to our then current

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policies and procedures. The required minimum distribution regulations are described within the Disclosure Statement. In the event you fail to take a required minimum distribution we may do nothing, distribute your entire SIMPLE IRA balance, or distribute the amount of your required minimum distribution based on our own calculation.

8.14 Cash or In-Kind Contributions. We may accept transfers, rollovers, or other similar transactions in cash or in kind from other IRAs and as allowed by law. Prior to completing such transactions we may require that you provide certain information in a format acceptable to us. In-kind contributions will be valued according to our policies and procedures at the time of the contribution.

8.15 Reports and Records. We will maintain the records necessary for IRS reporting on this SIMPLE IRA. Required reports will be provided to you and the IRS. If you believe that your report is inaccurate or incomplete you must notify us in writing within 30 days following the receipt date. Your investments may require additional state and federal reporting.

8.16 Termination. You may terminate this agreement without our consent by providing us with a written notice of termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

8.17 Our Resignation. We can resign at any time by providing you with 30 days written notice prior to the resignation date, or within five days of our receipt of your written objection to an amendment. In the event you materially breach this agreement, we can terminate this agreement by providing you with five days prior written notice. Upon our resignation, you must appoint a qualified successor custodian or trustee. Your SIMPLE IRA assets will be transferred to the successor custodian or trustee once we have received appropriate direction. Transfers will be completed within a reasonable time following our resignation notice and the payment of your remaining SIMPLE IRA fees or expenses. At the time of resignation we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties. If you fail to provide us with acceptable transfer direction within 30 days from the date of the notice, we can transfer the assets to a successor custodian or trustee of our choice, distribute the assets to you in kind, or liquidate the assets and distribute them to you in cash.

8.18 Successor Organization. If we merge with, purchase, or are acquired by, another organization, such organization, if qualified, may automatically become the successor custodian or trustee of your SIMPLE IRA.

8.19 Arbitration Clause. THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

(A) ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.

(B) ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.

(C) THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.

(D) THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 2O DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.

(E) THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

(F) THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.

(G) THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

YOU AGREE THAT ANY DISPUTE BETWEEN YOU AND US ARISING OUT OF THIS AGREEMENT SHALL BE SUBMITTED TO ARBITRATION CONDUCTED UNDER THE THEN APPLICABLE PROVISIONS OF THE CODE OF ARBITRATION PROCEDURE OF FINRA. ARBITRATION MUST BE COMMENCED WITHIN THE APPLICABLE STATUTE OF LIMITATIONS. THE ARBITRATION AWARD SHALL BE FINAL AND JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION.

NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (I) THE CLASS CERTIFICATION IS DENIED; OR (II) THE CLASS IS DECERTIFIED; OR (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

IRS FORM 5305-SA INSTRUCTIONS (Rev. 4-2017)

General Instructions

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

Purpose of Form

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

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

For more information on SIMPLE IRAs, including the required disclosures the custodian must give the participant, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs); **Pub. 590-B,** Distributions from Individual Retirement Arrangements (IRAs); and **Pub. 560,** Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans).

Definitions

Participant. The participant is the person who establishes the custodial account.

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.

Transfer SIMPLE IRA

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

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the participant reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

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

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SIMPLE IRA DISCLOSURE STATEMENT

Right to Revoke Your SIMPLE IRA. With some exceptions, you have the right to revoke this Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) individual retirement account (IRA) within seven days of receiving this Disclosure Statement. If you revoke your SIMPLE IRA, we will return your entire SIMPLE IRA contribution without any adjustment for items such as sales commissions, administrative expenses, or fluctuation in market value. However, you do not have the right to revoke upon amendment of this agreement.

You may revoke your SIMPLE IRA by providing us with written notice. The revocation notice may be mailed by first-class mail, or hand delivered to us. If your notice is mailed by first-class, postage pre-paid mail, the revocation will be deemed mailed on the date of the postmark.

If you have any questions or concerns regarding the revocation of your SIMPLE IRA, please call or write to us. Our telephone number, address and a contact name, to be used for communications, can be found on the application that accompanies this Disclosure Statement and Internal Revenue Service (IRS) Forms 5305 series agreement.

This Disclosure Statement. This disclosure statement provides you, and your beneficiaries after your death, with a summary of the rules and regulations governing your SIMPLE IRA.

Definitions. The IRS Forms 5305 series agreement contains a definitions section. The definitions found in such section apply to this agreement. The IRS refers to you as the participant, and us as the custodian. References to "you," "your," and "SIMPLE IRA owner" will mean the participant, and "we," "us," and "our" will mean the custodian. The terms "you" and "your" will apply to you. In the event you appoint a third party, or have a third party appointed on your behalf, to handle certain transactions affecting your SIMPLE IRA, such agent will be considered "you" for purposes of this agreement. Additionally, references to "SIMPLE IRA" will mean the custodial account.

For Additional Guidance. It is in your best interest to seek the guidance of a tax or legal professional before completing any SIMPLE IRA establishment documents. For more information, you can also refer to your employer's SIMPLE documents, IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, IRS Publication 560, *Retirement Plans for Small Business (SEP, SIMPLE and Qualified Plans)*, instructions to your federal income tax return, or the IRS's web site at www.irs.gov.

Your Employer's SIMPLE. SIMPLE IRAs are established for the sole purpose of receiving and maintaining contributions made on your behalf according to your employer's SIMPLE plan. Questions concerning your employer's plan provisions, including eligibility and contribution restrictions, should be directed to your employer and plan administrator. The summary description provided to you by your employer may also provide valuable information.

SIMPLE IRA Restrictions and Approval.

1. **IRS Form 5305-SA or 5305-S Agreement.** This Disclosure Statement and the IRS Forms 5305 series agreement, amendments, application, and additional provisions set forth the terms and conditions governing your SIMPLE IRA. Such documents are the agreement.
2. **Individual/Beneficiary Benefit.** This SIMPLE IRA must be for the exclusive benefit of you, and upon your death, your beneficiaries. The SIMPLE IRA must be in your name and not in the name of your beneficiary, living trust, or another party or entity.
3. **Beneficiary Designation.** By completing the appropriate section on the corresponding SIMPLE IRA application you may designate any person(s) as your beneficiary to receive your SIMPLE IRA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as we prescribe for this purpose. If there is no beneficiary designation on file at the time of your death, or if none of the beneficiaries on file are alive at the time of your death, your SIMPLE IRA assets will be paid to your estate. We may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the SIMPLE IRA assets under a subsequently filed designation or for any other reason.
4. **Cash Contributions.** SIMPLE IRA contributions must be in cash, which may include a check, money order or wire transfer. It is within our discretion to accept in-kind contributions for rollovers or transfers.
5. **SIMPLE IRA Custodian.** A SIMPLE IRA custodian must be a bank, federally insured credit union, savings and loan association, trust company, or other entity, which is approved by the Secretary of the Treasury to act as a SIMPLE IRA custodian.
6. **Prohibition Against Life Insurance and Commingling.** None of your SIMPLE IRA assets may be invested in life insurance contracts, or commingled with other property except in a common trust fund or common investment fund.
7. **Nonforfeitability.** The assets in your SIMPLE IRA are not forfeitable.
8. **Collectibles.** Generally, none of your SIMPLE IRA assets may be invested in collectibles, including any work of art, rug, or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property. If we allow, you may invest your SIMPLE IRA assets in the following coins and bullion: certain gold, silver, and platinum coins minted by the United States; a coin issued under the laws of any State; and any gold, silver, platinum and palladium bullion of a certain fineness, and only if such coins and bullion are held by us.
9. **Cash or In-Kind Rollovers.** You may be eligible to make a rollover contribution of your SIMPLE IRA distribution, in cash or in kind, to a SIMPLE IRA, traditional IRA, or certain employer-sponsored eligible retirement plans. Rollovers to and from SIMPLE IRAs, traditional IRAs, and eligible retirement plans are described in greater detail elsewhere in this Disclosure Statement.
10. **Required Minimum Distribution (RMD) Rules.** Your SIMPLE IRA is subject to the RMD rules summarized in this agreement.
11. **No Prohibited Transactions.** If your account stops being a SIMPLE IRA because you or your beneficiary engaged in a prohibited transaction, the account is treated as distributing all its assets to you at their fair market values on the first day of the year. If the total of those values is more than your basis in the SIMPLE IRA, you will have a taxable gain that is includible in your income.
12. **No Pledging.** If you use a part of your SIMPLE IRA as security for a loan, that part is treated as a distribution and is included in your gross income. You may have to pay the 10% additional tax on early distributions.
13. **IRS Approval of Form.** This agreement includes an IRS Form 5305 series agreement. Articles I through VII of this IRS agreement have been reviewed and approved by the IRS. This approval is not a determination of its merits, and not an endorsement of the investments provided by us, or the operation of the SIMPLE IRA. Article VIII of this IRS agreement contains additional contract provisions that have not been reviewed or approved by the IRS.
14. **State Laws.** State laws may affect your SIMPLE IRA in certain situations, including payroll deductions, deferrals, beneficiary designations, agency relationships, unclaimed property, spousal consent, taxes, tax withholding, and reporting.

SIMPLE IRA Eligibility and Contributions.

Employer Contributions. Your employer is responsible for establishing the SIMPLE eligibility requirements and determining if you are eligible to participate in its SIMPLE. You may elect salary (including catch-up) deferral contributions that together with your employer's matching or non-elective contributions, as dictated by the employer's SIMPLE plan, may be made to this SIMPLE IRA. Your SIMPLE IRA cannot accept traditional IRA or Roth IRA contributions. Your employer is responsible for verifying the SIMPLE eligibility requirements and determining the SIMPLE contribution amounts.

Nonrefundable Tax Credit. You may be eligible to take a tax credit for your salary deferrals to your employer's SIMPLE. The credit is equal to a percentage of your qualified contributions up to $2,000. The credit cannot exceed $1,000 for any tax year, and is in addition to any deduction that may apply. To be eligible for the tax credit, you must be age 18 or older by the end of the applicable tax year, not a dependent of another taxpayer, not a full-time student, and satisfy certain restrictions on distributions.

Moving Assets To and From SIMPLE IRAs. There are a variety of transactions that allow you to move your SIMPLE IRA assets to and from your SIMPLE IRAs and certain other eligible retirement plans in cash or in kind based on our policies. We have sole discretion on whether we will accept, and how we will process, movements of assets to and from SIMPLE IRAs. We or any other financial organizations involved in the transaction, may require additional documentation for such activities.

1. **SIMPLE IRA-to-SIMPLE IRA Transfers.** You may transfer all or a portion of your SIMPLE IRA assets from one SIMPLE IRA to another SIMPLE IRA. A SIMPLE IRA transfer means that the SIMPLE IRA assets move from one SIMPLE IRA to another in a manner that prevents you from cashing or liquidating the SIMPLE IRA assets, or even depositing the assets anywhere except in the receiving SIMPLE IRA. Transfers are not taxable or reportable, and the IRS does not impose timing or frequency restrictions on transfers. You may be required to complete a transfer authorization form prior to transferring your SIMPLE IRA assets.
2. **SIMPLE IRA-to-SIMPLE IRA Rollovers.** A SIMPLE IRA rollover is another way to move assets tax-free between SIMPLE IRAs. You may roll

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over all or a portion of your SIMPLE IRA assets by taking a distribution from a SIMPLE IRA and recontributing it as a rollover contribution into the same or another SIMPLE IRA. A rollover contribution is irrevocable. You must report your SIMPLE IRA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a rollover if the SIMPLE IRA distribution is deposited within 60 calendar days following the date you receive the distributed assets. The 60-day period may be extended to 120 days for a first-time homebuyer distribution where there is a delay or cancellation in the purchase or construction of the home. You are limited to one rollover per 1-year (12-month) period. You may only roll over one IRA distribution per 1-year period aggregated between all of your IRAs. For this purpose IRA includes rollovers among traditional (including SEP), SIMPLE, and Roth IRAs. For example, if you have IRA 1, IRA 2, and IRA 3, and take a distribution from IRA 1 and roll it over into a new IRA 4, you will have to wait 1 year from the date of that distribution to take another distribution from any of your IRAs and subsequently roll it over into an IRA. The 1-year limitation does not apply to rollovers related to first-time homebuyer distributions, distributions converted to a Roth IRA, and rollovers to or from an employer-sponsored eligible retirement plan.

3. **Two-Year Holding Period.** You, or your beneficiary upon your death, may not roll over or transfer assets from a SIMPLE IRA to a traditional IRA or other eligible retirement plan until two years have passed since the date on which you first participated in your employer's SIMPLE, which is the initial contribution date. This document refers to such time frame as the two-year holding period. If you participated in SIMPLEs of different employers, the initial contribution date and two-year period are determined separately for SIMPLE assets from each employer.
4. **Transfers Due to Divorce.** Your former spouse, pursuant to a divorce decree or legal separation order, may transfer assets from your SIMPLE IRA to his/her SIMPLE or traditional IRA.
5. **Rollovers and Transfers to Traditional IRAs.** You may not roll over or transfer assets from a SIMPLE IRA to a traditional IRA until the two-year holding period has expired. The one per 1-year limitation applies to rollovers to traditional IRAs after the two-year holding period has expired.
6. **Eligible Retirement Plan.** Eligible retirement plans include qualified trusts under IRC Section 401(a), annuity plans under IRC Section 403(a), annuity contracts under IRC Section 403(b), and certain governmental IRC Section 457(b) plans. Common names for these plans include 401(k), profit sharing, pension, money purchase, federal thrift savings, and tax-sheltered annuity plans.
7. **Rollovers to SIMPLE IRAs.** You are able to roll over amounts from an eligible retirement plan or an IRA into a SIMPLE IRA as follows: 1) During the first 2 years of participation in a SIMPLE IRA, you may roll over amounts from one SIMPLE IRA into another SIMPLE IRA, and 2) After the first 2 years of participation in a SIMPLE IRA, you may roll over amounts from a SIMPLE IRA, an eligible retirement plan or an IRA into a SIMPLE IRA.
8. **Extension of the 60-Day Period.** The Secretary of the Treasury may extend the 60-day period for completing rollovers in certain situations such as casualty, disaster, or other events beyond the reasonable control of the individual who is subject to the 60-day period. The IRS also provides for a self-certification procedure for making a late rollover (subject to verification by the IRS) that you may use to claim eligibility for an extension with respect to a rollover into an IRA. It provides that we may rely on the certification provided by you in accepting and reporting receipt of a rollover contribution after the 60-day period (i.e., a late rollover) if we don't have actual knowledge that is contrary to the self-certification.
9. **SIMPLE IRA to Employer-Sponsored Eligible Retirement Plans.** If the two-year holding period has expired, you may directly or indirectly roll over a taxable distribution from your SIMPLE IRA to an employer-sponsored eligible retirement plan, which accepts rollover contributions. You can generally roll over, to employer-sponsored eligible retirement plans, only the aggregate taxable balance in all of your traditional IRAs and SIMPLE IRAs. The one per 1-year limitation does not apply to these rollovers.
10. **Repayment of a Qualified Reservist Contribution.** If you are a qualified reservist ordered or called to active duty after September 11, 2001 for more than 179 days (or an indefinite period), and take a SIMPLE IRA distribution after September 11, 2001, and before the end of your active duty, you may make one or more contributions of these assets to an IRA within two years of the end of your active duty.
11. **Repayment of a Qualified Birth or Adoption Distribution.** You may take a distribution of up to $5,000 for a qualified birth or adoption within one year of the birth or from when the adoption is finalized. Such a distribution may be repaid to an IRA.

Movement of Assets Between SIMPLE and Roth IRAs.

SIMPLE IRA to Roth IRA Conversions. You may convert all or a portion of your SIMPLE IRA assets to a Roth IRA. Your conversion assets are subject to federal income tax. Your conversion must be reported to the IRS. You may not convert SIMPLE IRA assets to a Roth IRA until the two-year holding period has expired. The 10 percent early-distribution penalty tax does not apply to conversions. If you elect to convert your assets using a rollover transaction, the 60-day rule applies. The one per 1-year limitation does not apply to conversions.

SIMPLE IRA Distributions. You, or after your death your beneficiary, may take a SIMPLE IRA distribution, in cash or in kind based on our policies, at any time. However, depending on the timing and amount of your distribution you may be subject to income taxes or penalty taxes.

1. **SIMPLE IRA Excess Contributions.** Excess contributions to your SIMPLE IRA may include the result of your elective (including catch-up) deferrals exceeding the calendar year dollar amount limits, your employer making matching or nonelective contributions which exceed the limits for these contributions, or your employer making contributions to your SIMPLE IRA after the date your employer determines it was not eligible to maintain the SIMPLE plan.

   In order for you to avoid a 6 percent excess contribution penalty, excess contributions may generally be removed with earnings by your federal income tax-filing due date, including extensions. If you timely file your federal income tax return, you may still be able to remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers. Excess contributions are generally included in your income. Your SIMPLE IRA excesses cannot be recharacterized and cannot be used as a traditional IRA contribution.

   Your employer should inform you when an excess contribution has occurred along with the steps needed to correct it, including its use of the employee plan compliance resolution system (EPCRS).
2. **Distribution of Nondeductible and Nontaxable Contributions.** If any of your traditional IRAs contain nondeductible contributions, rollovers of nontaxable distributions from employer-sponsored eligible retirement plans, or other nontaxable basis amounts, any distributions you take from any of your traditional IRAs or SIMPLE IRAs, that are not rolled over, will return to you a proportionate share of the taxable and nontaxable balances in all of your traditional IRAs and SIMPLE IRAs at the end of the tax year of your distributions. IRS Form 8606, *Nondeductible IRAs*, has been specifically designed to calculate this proportionate return. You must complete IRS Form 8606 each year you take distributions under these circumstances and attach it to your tax return for that year to validate the taxable portion of your SIMPLE IRA distributions reported for that year.
3. **Qualified Charitable Distributions.** If you have attained age 70½, you may be able to make tax-free distributions directly from your SIMPLE IRA to a qualified charitable organization. Qualified charitable distributions are not permitted from an on-going SEP or SIMPLE IRA (meaning your employer continues to make contributions to this SIMPLE IRA). Tax-free distributions are limited to $100,000. Consult with your tax or legal professional regarding tax-free charitable distributions.

RMDs For You.

1. **After Age 72.** Your first RMD must be taken by April 1 following the year you attain age 72, which is your required beginning date (RBD). Second year and subsequent distributions must be taken by December 31 of each such year. An RMD is taxable in the calendar year you receive it.
2. **Distribution Calculations.** Your RMD will generally be calculated by dividing your previous year-end adjusted balance in your SIMPLE IRA by a divisor from the uniform lifetime table provided by the IRS. This table is indexed to your age attained during a distribution year. This table is used whether you have named a beneficiary and regardless of the age or type of beneficiary you may have named. However, if for any distribution year, you have as your only named beneficiary for the entire year, your spouse, who is more than ten years younger than you, the uniform lifetime table will not be used. To calculate your RMD for that year you will use the ages of you and your spouse at the end of that year to determine a joint life expectancy divisor from the IRS's joint and last survivor table. This will be the case even if your spouse dies, or you become divorced and do not change your beneficiary, during that year. The fair market value of a qualifying longevity annuity contract (QLAC) is not included in the adjusted balance for RMD calculations.
3. **Failure to Withdraw an RMD.** If you do not withdraw your RMD by its required distribution date, you will owe a 50 percent excess accumulation penalty tax on the amount not withdrawn. You can always take more than

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your RMD in any year but no additional amounts taken can be credited to a subsequent year's RMD.

4. **Multiple IRAs.** If you have more than one traditional IRA or SIMPLE IRA you must calculate a separate RMD for each one. You may, however, take the aggregate total of your RMDs from any one or more of your personal traditional IRAs or SIMPLE IRAs.
5. **No Rollovers of RMDs.** An RMD must be satisfied before you can roll over any portion of your SIMPLE IRA account balance. The first distributions made during a year will be considered RMDs and can be satisfied by earlier distributions from your other traditional IRAs or SIMPLE IRAs that are aggregated. Any RMD that is rolled over will be subject to taxation and considered an excess contribution until corrected.
6. **Transfers of RMDs.** Transfers are not considered distributions. You can transfer any portion of your traditional IRA or SIMPLE IRA at any time during the year provided you satisfy your aggregate RMDs before the end of the distribution year.
7. **Qualifying Longevity Annuity Contract (QLAC).** The fair market value of any QLAC you hold in this IRA is not included in determining your adjusted account balance when calculating your RMD. If however, you make an excess premium payment (premium payment that causes you to exceed the $145,000 (as adjusted) or 25% of balance limitations) and the excess premium is returned to the non-QLAC portion of your IRA after the valuation date to determine the next year's RMD, such amount is added to the adjusted account balance used for the year of the return to calculate your RMD.

RMDs For Your Beneficiaries. You can designate specific individuals or other entities—including, but not limited to, an estate, a trust, or a charitable organization—as your SIMPLE IRA death beneficiaries. The named beneficiaries that survive inherit any assets remaining in the SIMPLE IRA after your death. Different types of beneficiaries may have different options available.

1. **Types of Beneficiaries.** The different types of beneficiaries are designated beneficiaries, eligible designated beneficiaries and those that are not designated beneficiaries. Different types of beneficiaries will have different rules—and in some cases options or elections—and distribution periods available.
2. **Designated Beneficiary.** A designated beneficiary is any individual you name as a beneficiary who has an interest in your SIMPLE IRA on the determination date, which is September 30 of the year following the year of your death. Certain qualifying trusts can also be a designated beneficiary. For a qualifying trust to be a designated beneficiary, the qualifying trust beneficiaries must be designated beneficiaries.

   If your beneficiary is a designated beneficiary who is not an eligible designated beneficiary, such beneficiary will have to follow the ten-year rule and is required to remove all assets from the SIMPLE IRA by December 31 of the tenth year following the year of your death.
3. **Eligible Designated Beneficiary.** An eligible designated beneficiary is a designated beneficiary who is: 1) the SIMPLE IRA owner's surviving spouse; 2) a SIMPLE IRA owner's minor child (through the age of majority); 3) disabled (as defined by law); 4) a chronically ill individual (as defined by law); or 5) an individual who is not more than 10 years younger than the SIMPLE IRA owner. Certain qualifying trusts can also be an eligible designated beneficiary. For a qualifying trust to be an eligible designated beneficiary, the qualifying trust beneficiaries must be eligible designated beneficiaries.
   a. **Spouse Beneficiary.** Your spouse beneficiary may have the option of distributing the SIMPLE IRA assets over a single life expectancy period or within ten years (the ten-year rule). The option to elect the ten-year rule is only available to your spouse if your death occurs before your RBD. Your spouse may alternatively choose to treat the entire interest (all of the account) of the SIMPLE IRA as his/her own IRA.

      If your spouse beneficiary elects or otherwise has to take the single life expectancy option, he/she will use a life expectancy divisor for calculating that year's RMD. If you die before your RBD, your surviving spouse can postpone commencement of his/her RMDs until the end of the year in which you would have attained age 72. If you die on or after your RBD, your surviving spouse will use the longer of his/her single life expectancy, determined each year after the year of death using his/her attained age, or your remaining single life expectancy determined in your year of death and reduced by one each subsequent year.

      If your spouse beneficiary chooses the ten-year rule, he/she is required to remove all assets from the SIMPLE IRA by December 31 of the tenth year following the year of your death.

      Your spouse beneficiary can treat your SIMPLE IRA as his/her own IRA if your spouse is the only designated beneficiary, or if there are multiple designated beneficiaries and separate accounting applies. He/she has this option even if he/she had chosen one of the other options above. This generally happens after any of your remaining RMD amount for the year of your death has been distributed.

      Your spouse beneficiary can take a distribution of part or all of his/her share of your SIMPLE IRA and roll it over to an IRA of his/her own, less that year's RMD.
   b. **Eligible Designated Beneficiary Who is Your Minor Child.** If your beneficiary is an eligible designated beneficiary who is your minor child, he/she must remove all assets from the SIMPLE IRA by the tenth anniversary of the date the minor attains the age of majority, even if such minor child initially chose to receive life expectancy payments. The age of majority is determined by state law.
   c. **Eligible Designated Beneficiary (Other than a Surviving Spouse or Minor Child).** If your beneficiary is an eligible designated beneficiary who is someone other than your surviving spouse or your minor child, such beneficiary may have the option of distributing the IRA assets over a single life expectancy period or within ten years. The option to elect the ten-year rule is only available to such beneficiary if your death occurs before your RBD.

      If such a beneficiary chooses the single life expectancy option to calculate the RMD, the life expectancy divisor used may depend on whether your death occurs before or on or after your RBD. If your death occurred before your RBD, the beneficiary uses his/her age at the end of the year following the year of death to determine the initial single life expectancy divisor and reduces this number by one for each following year's RMD calculation. However, if you die on or after your RBD, your beneficiary uses the longer of your remaining life expectancy, determined in your year of death and reduced by one in each subsequent year, or your beneficiary uses his/her life expectancy in the year following the year of your death, reduced by one for each subsequent year. For a qualifying trust, use the age of the oldest trust beneficiary.

      If such a beneficiary chooses the ten-year rule, he/she is required to remove all assets from the SIMPLE IRA by December 31 of the tenth year following the year of your death.
4. **Not a Designated Beneficiary.** A beneficiary that is not a designated beneficiary includes a nonindividual that is an estate, charitable organization, or nonqualified trust. If your beneficiary is not a designated beneficiary and you die before your RBD, such a beneficiary is required to remove all assets from the SIMPLE IRA by December 31 of the fifth year following the year of your death (the five-year rule). If you die on or after your RBD, such a beneficiary must use your remaining single life expectancy to calculate the RMD. Your remaining single life expectancy divisor is determined in the year of your death using your age at the end of that year and then reducing the divisor by one for each subsequent year's calculation.
5. **Beneficiary Determination.** Named beneficiaries who completely distribute their interests in your SIMPLE IRA, or completely disclaim their interests in your SIMPLE IRA under IRC Section 2518, will not be considered when designated beneficiaries are determined. Named beneficiaries who die after your death but before the determination date (September 30 of the year following the year of your death) will still be considered for the sake of determining the distribution period. If any named beneficiary that is not an individual, such as an estate or charity, has an interest in your SIMPLE IRA on the determination date, and separate accounting does not apply, your SIMPLE IRA will be treated as having no designated beneficiary (i.e., not a designated beneficiary).
6. **Qualifying Trusts.** If you name a qualifying trust, which is defined in Treasury Regulation 1.401(a)(9)-4, Q&A 5, as your SIMPLE IRA beneficiary, the beneficiaries of the qualifying trust are treated as the beneficiaries of your SIMPLE IRA for purposes of determining the appropriate distribution period. A qualifying trust provides documentation of its beneficiaries to the trustee.
7. **Successor Beneficiaries.** Our policy may allow your beneficiaries to name their own successor beneficiaries to your SIMPLE IRA. A successor beneficiary would receive any of your SIMPLE IRA assets that remain after your death and the subsequent death of your beneficiaries. Generally, the beneficiary will have to distribute all the remaining SIMPLE IRA assets within a ten-year period.
8. **Separate Accounting (Multiple Beneficiaries).** Our policies may permit separate accounting to be applied to your SIMPLE IRA for the benefit of your beneficiaries. If permitted, separate accounting must be applied in accordance with Treasury Regulation 1.401(a)(9)-8, Q&A 2 and 3. If there

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are multiple beneficiaries, a beneficiary is considered the only beneficiary of their share of the SIMPLE IRA assets if separate accounting applies. If separate accounting applies, the rules above apply based on the type of beneficiary (i.e., designated beneficiary, eligible designated beneficiary, not a designated beneficiary).

9. **Qualifying Longevity Annuity Contract (QLAC).** The terms of a QLAC you hold in this SIMPLE IRA may or may not provide a death benefit. The QLAC may permit death benefits in the form of a life annuity or a return of premiums. If your QLAC has a return of premium feature as a death benefit, the premium returned to your beneficiary is the RMD amount if your death occurs after the RBD. The return of premium amount is the difference between the premiums paid for the QLAC and the amounts paid to you. The return of premium amount must be distributed to the beneficiary by the end of the calendar year following the year of death. If your death occurs before the RBD, a return of premium death benefit will be added to your SIMPLE IRA and must be taken in accordance with the beneficiary rules described earlier. If the death benefit under the terms of the QLAC is a life annuity, your beneficiary will receive annuity payments for life.

Federal Income Tax Status of Distributions.

1. **Taxation.** SIMPLE IRA distributions which are not rolled over, will be taxed as income in the year distributed except for the portion of your aggregate SIMPLE IRA and traditional IRA distributions that represents your nondeductible contributions, nontaxable rollover amounts, or other nontaxable basis amounts. You may also be subject to state or local taxes and withholding on your SIMPLE IRA distributions.
2. **Earnings.** Earnings, including gains and losses, on your SIMPLE IRA will not be subject to federal income taxes until they are considered distributed.
3. **Ordinary Income Taxation.** Your taxable SIMPLE IRA distribution is usually included in gross income in the distribution year. SIMPLE IRA distributions are not eligible for special tax treatments, such as ten-year averaging, that may apply to other employer-sponsored retirement plan distributions.
4. **Estate and Gift Tax.** The designation of a beneficiary to receive SIMPLE IRA distributions upon your death, will not be considered a transfer of property for federal gift tax purposes. Upon your death, the value of all assets remaining in your SIMPLE IRA will be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. There is no specific estate tax exclusion for assets held within a SIMPLE IRA. After your death, beneficiaries should pay careful attention to the rules for the disclaiming any portion of your SIMPLE IRA under IRC Section 2518.
5. **Federal Income Tax Withholding.** SIMPLE IRA distributions are subject to federal income tax withholding unless you or, upon your death, your beneficiary affirmatively elect not to have withholding apply. The required federal income tax withholding rate is 10 percent of the distribution. Upon your request for a distribution we will notify you, by providing IRS Form W-4P or an appropriate substitute, of your right to waive withholding or elect to have greater than 10 percent withheld.

Annual Statements. Each year we will furnish you and the IRS with statements reflecting the activity in your SIMPLE IRA. You and the IRS will receive IRS Forms 5498, *IRA Contribution Information*, and 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc*. IRS Form 5498 or an appropriate substitute indicates the fair market value of the account, including SIMPLE IRA contributions, for the year. IRS Form 1099-R reflects your SIMPLE IRA distributions for the year.

By January 31 of each year, you will receive a report of your fair market value as of the previous calendar year end. If applicable, you will also receive a report concerning your annual RMD.

Federal Tax Penalties and IRS Form 5329. Several tax penalties may apply to your various SIMPLE IRA transactions, and are in addition to any federal, state or local taxes. Federal penalties and excise taxes are generally reported and remitted to the IRS by completing IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, and attaching the form to your federal income tax return. The penalties may include any of the following taxes:

1. **Early-Distribution Penalty Tax.** If you take a distribution from your SIMPLE IRA before reaching age 59½, you are subject to a 10 percent early-distribution penalty tax on the taxable portion of the distribution. However, certain exceptions apply. Exceptions to the 10 percent penalty tax are distributions due to death, disability, first-time home purchase, eligible higher education expenses, medical expenses exceeding a certain percentage of adjusted gross income, health insurance premiums due to your extended unemployment, a series of substantially equal periodic payments, IRS levy, Roth IRA conversions, qualified birth or adoption distributions, and qualified reservist distributions. Properly completed rollovers and transfers are not subject to the 10 percent penalty tax. The 10 percent penalty tax is increased to 25 percent until two-year holding period has expired.
2. **Excess Contribution Penalty Tax.** Excess contributions to your SIMPLE IRA may be the result of your elective (including catch-up) deferrals exceeding the calendar year dollar amount limits, your employer making matching or nonelective contributions which exceed the limits for these contributions, or your employer making contributions to your SIMPLE IRA after the date your employer determines it was not eligible to maintain the SIMPLE plan. The excise tax applies each year that the excess contribution remains in your SIMPLE IRA.

   In order for you to avoid a 6 percent excess contribution penalty, excess contributions may generally be removed with earnings by your tax-filing due date, including extensions. If you timely file your federal income tax return, you may still be able to remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers. Excess contributions are generally included in your income. Your SIMPLE IRA excesses cannot be recharacterized and cannot be used as a traditional IRA contribution.

   Your employer should inform you when an excess contribution has occurred along with the steps needed to correct it, including its use of the EPCRS.
3. **Excess Accumulation Penalty Tax.** Any portion of an RMD that is not distributed by its deadline is subject to a 50 percent excess accumulation penalty tax. The IRS may waive this penalty upon your proof of reasonable error and that reasonable steps were taken to correct the error, including remedying the shortfall. See IRS Form 5329 instructions when requesting a waiver.

Disaster Tax Relief and Repayment of a Qualified Disaster Distribution. Subject to applicable law, individuals in certain federally declared disaster areas may be given the opportunity to take qualified disaster distributions without an early distribution penalty (e.g., for a qualified hurricane distribution). When these qualified disaster distributions are allowed, they are subject to any time periods as defined by law and, if multiple distributions are made for the same event, are aggregated with distributions from other IRAs and eligible retirement plans up to prescribed limits (e.g., $100,000). Typically, the qualified disaster distributions are included in gross income over a three tax year period or all in the year of distribution. In addition, an individual may be allowed three years after the date of receipt to repay all or part of the qualified disaster distribution without being subject to the one rollover per 1-year limitation or the 60-day requirement. Certain first-time homebuyer or hardship distributions may be eligible for repayment within a prescribed time period. For additional disaster area information and IRS guidance on associated tax relief, refer to IRS notices and publications, or visit the IRS's web site at www.irs.gov/DisasterRelief.

IMPORTANT DISCLOSURES

1. **I acknowledge receipt of a fee schedule applicable to the maintenance of this account.**
2. **I acknowledge receipt of the IRA Disclosure Statement included in this packet which explains that certain charges and penalties may apply to my IRA, including penalties for certain withdrawals before age 59½.**
3. **To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions, including broker-dealers, to obtain, verify and record information that identifies each person who opens an account. When I open an account, I understand that you will ask for my name, address, date of birth and other information that will allow you to identify me. You may also ask to see my drivers license or other identifying documents.**
4. **Cetera Investment Services may retain agents to perform services related to this agreement, including tax reporting services.**

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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

NOV 30 2012

Marcia S. Wagner, Esq.
The Wagner Law Group
99 Summer Street, 13th Floor
Boston, MA 02110

Re: Cetera Investment Services LLC

Dear Ms. Wagner:

Pursuant to provisions of a Power of Attorney and Declaration of Representative, or other proper authorization currently on file with the Internal Revenue Service, we are forwarding to you a copy of the Notice of Approval that was issued to your client, Cetera Investment Services LLC.

If you have any questions, please contact Darnell C. Hardy (Identification No. 1001492668) at (202) 283-9647.

Sincerely,

Carlton A. Watkins

Carlton A. Watkins, Manager
Employee Plans Technical Group 1

Enclosure
Copy of Notice of Approval

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

NOV 30 2012

Cetera Investments Services LLC
400 First Street South
St. Cloud, MN 56301

EIN Number: 41-148334

Ladies and Gentlemen:

In a letter dated October 1, 2012, as supplemented by information provided November 28 and 30, 2012, your authorized representative requested a written notice of approval that Cetera Investment Services LLC (the immediate successor to PrimeVest Financial Services, Inc.) may act as a passive nonbank custodian for plans qualified under section 401 and accounts described in section 403(b)(7), a passive nonbank trustee or nonbank custodian of individual retirement arrangements (IRAs) established under sections 408, 408A, and 530, and a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

Section 401(f)(1) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section. Section 401(f)(2) provides that the custodian must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401 of the Code. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires, in part, that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). That section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to be invested in regulated investment company stock to be held in the custodial account, and under the custodial account no such amounts may be paid or made available to any distributee before the employee dies, attains age 59 1/2, separates from service, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

Section 408(a)(2) of the Code requires that the trustee of an IRA be a bank (as defined in section 408(n) of the Code) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the IRA will be consistent with the requirements of section 408.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under this section if the assets of such account are held by a bank (as defined in subsection (n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in subsection (a). Section 408(h) also provides that, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section 408A of the Code provides, in general, that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

Section 530(b)(1)(B) of the Code (dealing with Coverdell education savings accounts) requires that the trustee of such an account be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

Section 530(g) of the Code (dealing with Coverdell education savings accounts) provides that a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an account described in subsection (b)(1). For purposes of title 29, the Code, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section VII of Notice 98-8, 1998-4 I.R.B. 6 (guidance relating to the requirements applicable to eligible deferred compensation plans described in section 457(b) of the Code), provides, in pertinent part, that for purposes of the trust requirements of section 457(g)(1), a custodial account will be treated as a trust if the custodian is a bank, as described in section 408(n), or a person who meets the nonbank trustee requirements of section VIII of this notice, and the account meets the requirements of section VI of this notice, other than the requirement that it be a trust. Section VIII provides that the custodian of a custodial account may be a person other than a bank only if the person

demonstrates to the satisfaction of the Commissioner that the manner in which the person will administer the custodial account will be consistent with the requirements of section 457(g)(1) and (g)(3) of the Code. To do so, the person must demonstrate that the requirements of paragraphs (2)-(6) of section 1.408-2(e) of the regulations relating to nonbank trustees will be met.

Section 1.408-2(e) of the regulations contain the requirements that such other person must comply with in order to act as trustee or custodian, for purposes of sections 220, 401(f), 403(b)(7), 408(a)(2), 408(h), 408A, 457(b) and 530 of the Code. One of the requirements of section 1.408-2(e) states that such person must file a written application with the Commissioner of the Internal Revenue Service demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Based on all the information submitted to this office and all the representations made in the application, we have concluded that Cetera Investment Services LLC meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a passive nonbank custodian for plans qualified under section 401 and accounts described in section 403(b)(7), a passive nonbank trustee or nonbank custodian of individual retirement arrangements (IRAs) established under sections 408, 408A, and 530, and a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

This letter authorizes Cetera Investment Services LLC to act as a passive nonbank trustee or custodian. When Cetera Investment Services LLC acts as a passive nonbank trustee or custodian (within the meaning of section 1.408-2(e)(6)(i)(A) of the regulations), it is authorized only to acquire and hold particular investments specified by the trust instrument or custodial agreement. It may not act as a passive trustee or custodian if under the written trust instrument or custodial agreement it has discretion to direct investments of the trust (or custodial) funds.

This letter while authorizing Cetera Investment Services LLC to act as a trustee or custodian does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.408-2(e)(5)(viii)(C) of the regulations. Cetera Investment Services LLC may not act as a trustee or custodian unless it undertakes to act only under trust instruments or custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because Cetera Investment Services LLC has failed to comply with the requirements of section 1.408-2(e) of the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have $1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

Cetera Investment Services LLC

Cetera Investment Services LLC is required to notify the Internal Revenue Service Commissioner, TE/GE, Attn: T:EP:RA, P.O. Box 27063, McPherson Station, Washington, D.C. 20038, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of Cetera Investment Services LLC to act as a passive nonbank custodian for plans qualified under section 401 and accounts described in section 403(b)(7), a passive nonbank trustee or nonbank custodian of individual retirement arrangements (IRAs) established under sections 408, 408A, and 530, and a passive nonbank custodian of eligible deferred compensation plans described in section 457(b) is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

This Notice of Approval is not transferable to any other entity. An entity that is a member of a controlled group of corporations; within the meaning of section 1563(a) of the Code, may not rely on an approval letter issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the approval letter issued to such entity prior to the acquisition, merger, consolidation or other type of reorganization. Such entity may have to apply for a new notice of approval in accordance with section 1.408-2(e) of the regulations.

This Notice of Approval constitutes a notice that Cetera Investment Services LLC may act as a passive nonbank trustee or custodian for plans qualified under section 401 and accounts described in section 403(b)(7), a passive nonbank trustee or nonbank custodian of individual retirement arrangements (IRAs) established under sections 408, 408A, and 530, and a passive nonbank trustee or custodian of eligible deferred compensation plans described in section 457(b) and does not bear upon its capacity to act as a trustee or custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments or recommend retirement plans.

This Notice of Approval is effective as of the date of this letter and will remain in effect until withdrawn by Cetera Investment Services LLC or revoked by the Service. This notice of approval does not authorize Cetera Investment Services LLC to accept any fiduciary account before this notice becomes effective.

In accordance with the power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Cetera Investment Services LLC

If you have any questions, please contact Darnell C. Hardy (Identification No. 1001492668) at (202) 283-9647.

Sincerely,

Carlton A. Watkins

Carlton A. Watkins
Manager, Employee Plans Technical Group 1
Tax Exempt and Government Entities Division