

# Traditional Individual Retirement Account Disclosure Statement and Custodial Agreement

**Effective January 1, 2020**

**Investment and Insurance Products are:**

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC (WFCS), Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. WellsTrade brokerage accounts are offered through WFCS.

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# WFCS Traditional Individual Retirement Account Disclosure Statement & Custodial Agreement

Effective January 1, 2020

## Section I: Disclosure Statement

### A. Introduction

Wells Fargo Clearing Services, LLC (WFCS) is the custodian of your Traditional Individual Retirement Account. WFCS and its affiliates are also referred to in this Disclosure Statement as "we," "us" or "our". The custodian of a Traditional Individual Retirement Account must be a bank or an entity meeting standards established by the Secretary of the Treasury. We have been approved by the Internal Revenue Service ("IRS") to act as the custodian of your Traditional Individual Retirement Account ("Traditional IRA"). Please note that Wells Fargo Clearing Services, LLC was originally known as Wachovia Securities, LLC. In 2009, Wachovia Securities, LLC was renamed Wells Fargo Advisors, LLC. In 2016, Wells Fargo Advisors, LLC was renamed Wells Fargo Clearing Services, LLC due to a subsequent merger. Please read this Disclosure Statement and the attached materials carefully. Please note that the rules regarding Traditional IRAs are subject to frequent change. Before entering into any major transaction involving your Traditional IRA, you should make sure that you have the most current information available. If you have any legal or tax questions concerning your Traditional IRA, we urge you to discuss them with your attorney or personal tax consultant. We will, of course, be happy to answer any questions concerning the operation and financial aspect of your Traditional IRA, but cannot give you legal or tax advice. You may obtain further information on Traditional IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590A and 590B (Publication 590) Individual Retirement Arrangements (IRAs) at [www.irs.gov](http://www.irs.gov).

#### A1. How do I open a Traditional IRA?

Complete an IRA enrollment/application form and return it either personally or by mail to us along with your initial contribution. If you need help in completing the form or have any questions, please call us. You must sign and complete the IRA enrollment/application form in order to establish a Traditional IRA with us.

#### A2. May I cancel my Traditional IRA?

Yes, but to receive a full refund without penalty on your initial contribution, you must do so on or before the seventh (7th) day after you receive the Traditional IRA Custodial Agreement ("Custodial Agreement") and Disclosure Statement. To cancel your Traditional IRA, either deliver a written notice of cancellation or mail one to the address shown below before the end of the 7-day period. If the Custodial agreement is mailed to you, you will be deemed to have received it seven days after the postmark absent evidence to the contrary. If an important change is made to the Disclosure Statement or your Traditional IRA during the 7-day period, we will notify you of the change and you will have an additional seven days from the date you receive the notice to revoke your Traditional IRA.

Wells Fargo Clearing Services, LLC  
Attn: IRA Department MAC H0006-083  
One North Jefferson Ave.  
St. Louis, MO 63103

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

Until the 7-day period for revoking your Traditional IRA has lapsed, contributions may be accepted, but investment instructions for your IRA may be restricted.

If you revoke your Traditional IRA within the seven-day period, we will return to you the entire amount of the contributions or the actual property contributed before your revocation. You will not earn interest on the contribution if you revoke. There will be no adjustments for administrative expenses, or changes in the market value. When you revoke your Traditional IRA, the initial contribution and return of the contribution are reported to the IRS. You should consult your tax advisor if you have any questions about taxes.

#### A3. Is my Traditional IRA non-forfeitable?

Your interest in your Traditional IRA is non-forfeitable at all times.

#### A4. Is my Traditional IRA approved by the Internal Revenue Service?

Since the Custodial Agreement establishing your Traditional IRA utilizes IRS Form 5305-A, as currently provided by the IRS, your Traditional IRA will be treated as approved as to form. IRS approval is a determination as to the form of your Traditional IRA but does not represent a determination of its merits.

In the event that the laws governing Traditional IRAs are amended or changed and cause differences between our current Custodial Agreement and the new laws, we will administer your Traditional IRA in accordance with the new laws and amend the Custodial Agreement when revised IRS forms are published.

## **B. Contributions to your Traditional IRA**

### **B1. What is a Traditional IRA contribution?**

There are two types of Traditional IRA contributions:

An "annual contribution" is a cash deposit to your Traditional IRA that may be deductible on your federal income tax return up to the amount fixed by federal tax law. Individuals who are age 50 and older can contribute an additional "catch-up" amount beginning in the taxable year in which the individual turns age 50.

A "rollover contribution" is a deposit to your Traditional IRA of funds that you receive from either an employer retirement plan or another eligible IRA. A rollover contribution is not deductible and is subject to special rules as discussed in Section D: Rollover Contributions.

Additionally, your employer may make a contribution to your IRA if your employer maintains a Simplified Employee Pension (SEP). Your employer may deduct this contribution as a business expense. This contribution is generally not deductible on your federal tax return.

## **C. Annual contributions**

### **C1. May I contribute to a Traditional IRA?**

If at the end of a tax year you are under the age of 70½ and either you (or your spouse if filing jointly) have received compensation from employment for that year, you may establish and/or contribute to a Traditional IRA for that year. Generally, compensation includes salary, wages, commissions, fees, tips and other income you (or your spouse if filing jointly) receive for your personal services. It does not include items such as earnings and dividends on investments, deferred compensation or monies from retirement plans or annuities.

You are allowed to direct that all or a portion of your federal income tax refund be paid directly to your Traditional IRA, or your spouse's Traditional IRA if you file jointly. The direct deposit of a tax refund is considered an annual contribution and is subject to the contribution limits and the rules that apply to annual contributions, including the tax deduction and contribution deadline rules described in Questions C2 and C7, respectively.

If you took a "qualified reservist distribution" from your IRA or another eligible retirement plan, you may be able to repay the distribution to your Traditional IRA as a non-deductible contribution. See Question E2(i) for more information about "qualified reservist distributions." The "qualified reservist distribution" repayments may be made even if the repayment would cause your total contributions to the Traditional IRA to exceed the annual contribution limits. The repayments must be made within two years after your active duty period ends. Please consult your tax advisor for more information if you think you may be eligible for this special non-deductible contribution.

### **C2. How much may I contribute?**

Federal tax laws determine how much you may contribute. In any year you or your spouse receive compensation, you may make total annual contributions to all of your Traditional and Roth IRAs in any amount up to the lesser of the compensation you and your spouse receive for that year (less any Traditional and Roth IRA contributions made by or on behalf of your spouse) or the maximum amount as determined by federal tax laws. Contact us, refer to the IRS Publication 590 or [www.irs.gov](http://www.irs.gov) for current contribution limits. Unless otherwise specified, for purposes of explaining how much you may contribute to a Traditional IRA, this disclosure statement assumes that you will not make contributions to a Roth IRA.

You may always contribute less than the maximum amount, and do not have to contribute every year.

If, however, you contribute more than you are allowed for a tax year, you may incur an excise tax for an "excess contribution." This tax is explained in Section H: Excess Contributions and Prohibited Transactions.

### **C3. How much of my annual contribution is tax-deductible for federal income tax purposes?**

If neither you, nor your spouse (if you are married) is an active participant (see (a) below) you may make and deduct the maximum contribution to your IRA and the maximum contribution to your spouse's IRA as determined in Question C2 above, as long as the total contributions to both IRAs do not exceed 100% of your compensation for the year.

If you are an active participant but have a modified adjusted gross income (MAGI) below a certain level (see (b) below), you may make a deductible contribution. If, however, you or your spouse are an active participant and your MAGI is above the specified level, the amount of the deductible contribution you may make to a Traditional IRA is phased down and eventually eliminated.

The determination of active participation is made separately for you and your spouse. However, if you are not an active participant, but your spouse is an active participant, your maximum deduction for IRA contributions may be limited depending on your MAGI.

#### **(a) Active Participant.**

You are an "active participant" for a year if you are covered by a retirement plan. You are covered by a "retirement plan" for a year if your employer or union has a retirement plan under which money is added to your account or you are eligible to earn retirement credits. For example, if you are covered under a profit-sharing plan, certain government plans, a salary reduction arrangement (such as a tax sheltered annuity arrangement or a 401(k) plan), a simplified employee pension plan (SEP), a SIMPLE IRA retirement plan or a plan which promises you a retirement benefit which is based upon the number of years of service you have with an employer, you are likely to be an active participant. Your Form W-2 for the year should indicate your participant status.

You are an active participant for a year even if you are not yet vested in your retirement benefit. Also, if you make required contributions or voluntary employee contributions to a retirement plan, you are an active participant. In certain plans, you may be an active participant even if you were only with the employer for part of a year.

You are not considered an active participant if you are covered in a plan only because of your service as (1) an Armed Forces Reservist, for 90 days or less of active service, or (2) a volunteer firefighter covered for firefighting service by a government plan and your accrued retirement benefits at the beginning of the year will not provide more than \$1,800 per year at retirement. Of course, if you are covered in any other plan, these exceptions do not apply.

**(b) Modified Adjusted Gross Income (MAGI).**

If you or your spouse are an active participant, you must look at your MAGI for the year (if you and your spouse file a joint return you use your combined MAGI) to determine whether you can make a deductible Traditional IRA contribution. Your tax return instructions will show you how to calculate your MAGI for this purpose. If you are at or below a certain MAGI level, called the threshold level, you will be able to make a fully deductible contribution.

**(c) Deductibility Limits.**

Single and joint filers who are active participants may receive a full or partial deduction for their contributions based on their income thresholds. Contact us, refer to IRS Publications 590 or visit [www.irs.com](http://www.irs.com) for more information on deductibility limits. Except for married individuals filing separately, the MAGI limits will be indexed to reflect inflation in the future.

If you are married but file a separate tax return, your spouse's active participation does not affect your ability to make deductible contributions if you and your spouse lived apart at all times during the year.

**(d) Tax Credit.**

You may be eligible for a nonrefundable tax credit of up to 50% of the first \$2,000 of "qualified retirement savings contributions," provided your adjusted gross income is within specified limits. "Qualified retirement savings contributions" include contributions to a Traditional IRA, Roth IRA, elective deferrals to a qualified retirement plan, elective deferrals under an eligible deferred compensation plan maintained by a state or local government, and voluntary employee contributions to a qualified retirement plan.

The amount of the tax credit is calculated by multiplying the first \$2,000 of your "qualified retirement savings contributions" by the applicable percentage, which is determined by federal tax laws. You can obtain additional information on this tax credit in IRS Publication 590 or go to the IRS website at [www.irs.gov](http://www.irs.gov).

For purposes of calculating the tax credit, your "qualified retirement savings contributions" may be reduced by certain distributions from certain retirement plans and IRAs made in the same tax year, the two previous tax years and the period after the tax year and before the due date for filing your return for the tax year. Distributions received by your spouse are treated as distributions to you for purposes of reducing your "qualified retirement contributions" if you file a joint return for the tax year in which your spouse received the contribution. If you believe that you may be eligible for the tax credit, contact your tax adviser.

The AGI limits for this tax credit will be increased by the IRS from time to time to reflect cost of living adjustments.

**C4. May I make a nondeductible contribution?**

Even if you are above the threshold level (explained in (b) of C3) and thus may not make a deductible contribution, you may still contribute up to the lesser of 100% of compensation or the maximum contribution limits. Remember, however, that this contribution limit applies to your total contributions to all of your IRAs (both Traditional and Roth IRAs). The amount of your contribution that is not deductible will be a nondeductible contribution to the Traditional IRA. You may also choose to make a contribution nondeductible even if you could have deducted part or all of the contribution. Interest or other earnings on your Traditional IRA contributions will not be taxable until you make withdrawals from your Traditional IRA.

If you make a nondeductible contribution to a Traditional IRA you must report the amount of the nondeductible contribution to the IRS by filing Form 8606 Nondeductible IRAs with your tax return for the year for which the contribution is made.

**C5. Can my spouse have a Traditional IRA?**

Yes. He or she may establish and contribute to a Traditional IRA under the same rules just discussed for you. The total both of you may contribute to both Traditional IRAs is the lesser of your combined compensation for that year, reduced by any contributions made to your Traditional or Roth IRAs for that year, or the maximum contribution allowed for you plus the maximum contribution allowed for your spouse. To take advantage of a spousal contribution, you must file a joint federal tax return for that year and your spouse must be younger than age 70½ at the end of the year. A spousal contribution can be made even if an annual contribution is not made to the working spouse's Traditional IRA, or the working spouse is over age 70½.

**C6. May my employer contribute to my Traditional IRA for me?**

Yes, your employer may make an after-tax contribution to your Traditional IRA under the annual (and/or catch-up) contribution rules. Generally, contributions by your employer reduce on a dollar for dollar basis the amount you may contribute to your IRA. A contribution made by a business may be treated as wages, as a dividend or other taxable event.

If, however, your employer has a simplified employee pension plan (SEP) or a SIMPLE IRA retirement plan and you are a participant, the amount your employer contributes for you under the SEP or SIMPLE IRA retirement plan does not reduce the amount you may contribute to your Traditional IRA but may reduce the deductible amount of your contribution by making you an "active participant."

Your employer may make payments to your SEP-IRA. In addition to your employer's contributions, you may make an annual contribution to your own Traditional IRA as described above. SEP-IRA and SIMPLE IRA contributions made by your employer are excluded from your income rather than deducted by you on your tax return.

#### **C7. When may I contribute to my Traditional IRA?**

Traditional IRA contributions for a calendar year taxpayer may be made at any time during the calendar year or no later than April 15th of the following year (the tax filing deadline). This applies even if you receive an extension for filing your return. If you make a contribution after the end of the calendar year (but no later than April 15th) that is intended to be a contribution for the prior year, you must inform us in writing at the time of your deposit.

If you served in or in support of the armed forces in a designated combat zone or qualified hazardous duty area, you may have a special extended contribution period to make IRA contributions for the prior year. Consult your tax advisor for more information about this special extension.

### **D. Rollover Contributions**

#### **D1. What is a rollover contribution?**

A rollover contribution is a deposit to a Traditional IRA of funds you receive as a qualified distribution from either an employer retirement plan, another Traditional IRA (including a SEP-IRA), or a SIMPLE IRA. A rollover contribution allows you to continue deferring income tax on the amount you roll over and its subsequent earnings. You may also roll over distributions from an eligible state or local government deferred compensation plan (section 457 plan) into a Traditional IRA. However, you should note that dollars distributed from your Traditional IRA may, in some instances, be subject to less favorable tax treatment than dollars distributed from your employer's retirement plan. A rollover is often complex and we suggest you seek professional tax advice before receiving and rolling over a distribution.

#### **D2. What is an employer retirement plan?**

Generally, employer retirement plans are pension, profit sharing, thrift, employee stock ownership, stock bonus, SIMPLE IRA retirement or self-employed retirement plans. They also include annuity plans for employees of certain tax-exempt employers and certain governmental retirement plans.

#### **D3. What employer retirement plan distributions may be rolled over into a Traditional IRA?**

Most distributions received from employer retirement plans (generally all distributions except certain periodic distributions, excess contributions, required minimum distributions (RMDs) after reaching age 70½, hardship distributions, and dividend distributions from certain ESOPs) may be rolled over to Traditional IRAs. Participants who receive eligible distributions who do not choose to have these distributions directly rolled over into a Traditional IRA or an employer retirement plan are subject to 20% federal income tax withholding on the eligible rollover distribution.

Distributions from eligible governmental 457 plans may also be rolled over into Traditional IRAs certain restrictions may apply. Also, after-tax contributions made to an employer retirement plan may be rolled over to a Traditional IRA. However, after-tax contributions rolled over from an employer retirement plan to a Traditional IRA cannot be rolled back into another employer retirement plan.

#### **D4. Must I roll over the entire amount of a distribution?**

No. You may keep some of the funds and "roll" the remaining amount into a Traditional IRA. The amount rolled into a Traditional IRA will not be taxed until withdrawn and will continue earning income on a tax-deferred basis. The amount not rolled over will be taxed under the regular rules for taxing distributions from plans. Again, we suggest that you seek professional tax advice before you receive your distribution.

#### **D5. If I receive a distribution from an employer's retirement plan, what options do I have for the money I receive?**

The options available to you are listed below. You may:

- a. Request that your employer transfer your funds to your Traditional IRA. Inform your employer prior to the distribution that you wish the funds to be transferred to a Traditional IRA (or to your new employer's retirement plan if that plan accepts rollovers). You must determine what institution you want the transfer to be sent to and complete the necessary paperwork from your employer and the receiving institution prior to the date the distribution will be made. Your employer should inform you of the necessary deadlines for submitting direct rollover instructions. If your employer has not communicated with you and you're nearing your distribution date, you need to contact them immediately.
- b. Receive the distribution yourself. If your employer makes your distribution check payable to you, your distribution will be subject to 20% federal income tax withholding. Once this distribution is made to you, you may:
  - i. Roll over all or any portion of the eligible amount into a Traditional IRA - you have 60 days in which to do this. You may make up the amount withheld in taxes by replacing those funds. If you do not replace the funds and roll over the distribution, less the 20% amount withheld, you may owe taxes and possible additional tax for early distributions on the amount that was not rolled over.

- ii. You may keep your entire distribution. If you choose this option, in addition to the 20% federal income tax withholding, you may be required to pay a 10% early or pre-59½ distribution additional tax (10% additional tax), as well as state and federal income taxes, on the taxable amount of your distribution.

#### **D6. May I roll over distributions from another IRA?**

You may roll over to your Traditional IRA amounts you withdraw from another Traditional IRA (including a SEP IRA) as long as you have not made such a rollover of any of your IRAs in the previous 12 months (or consecutive 365 days). You may also roll over to your Traditional IRA part or all of a distribution you receive from a Traditional IRA by reason of the death of your spouse. You may not roll over to your Traditional IRA any part of a distribution you receive from another Traditional IRA by reason of the death of anyone other than your spouse. You may roll over to your Traditional IRA amounts that are distributed from a SIMPLE IRA if you participated in the SIMPLE IRA for at least two years. Additionally, you may roll over amounts from your Traditional IRA to a SIMPLE IRA if you have participated in the SIMPLE IRA for at least two years. You may not roll over to your Traditional IRA amounts distributed from a Roth IRA or Coverdell Education Savings Account. For additional resources and information regarding IRA rollovers, visit [www.irs.gov](http://www.irs.gov).

#### **D7. Is there a deadline for making a rollover contribution?**

Yes, you must complete a rollover contribution within 60 days after you receive a qualified distribution from your employer's retirement plan or a distribution from another eligible IRA. If you do not complete the rollover within the 60-day period, the amount of the distribution will be taxable as ordinary income for the year in which it was received and may be subject to additional tax as explained in E2. The IRS may, in some very limited instances such as in case of a disaster, casualty or other events beyond your reasonable control, waive the 60-day limitation. You should contact your tax advisor if you believe that you may qualify for a waiver.

#### **D8. May I make a rollover from my Traditional IRA into my employer's retirement plan?**

Generally, you may make a rollover from your Traditional IRA into your employer's retirement plan (if your employer's plan permits). The receiving plan may place restrictions on the type of distributions it accepts as rollovers. Only the taxable amount of a distribution may be rolled over from a Traditional IRA into an employer retirement plan. The rules regarding determining the taxable amount of a distribution from a Traditional IRA that is rolled over to a workplace retirement plan are different from the rules described in E3. In general, the amount rolled over is treated as first coming from deductible contributions and earnings and then from nondeductible contributions (or other after-tax amounts rolled over from an employer retirement plan).

You should seek professional tax advice if you plan on making a rollover contribution to a new employer's retirement plan.

#### **D9. May a beneficiary's distribution be rolled over or transferred?**

If you are a spouse beneficiary and receive a partial or total distribution that could have been rolled over by your spouse before death into a Traditional IRA, you may roll the distribution over in the same manner your deceased spouse could have. A spouse may also be able to roll this distribution into another employer retirement plan subject to limitations imposed by the receiving plan. In addition, if you receive a distribution from your former spouse's employer's retirement plan as an "alternate payee" pursuant to a "qualified domestic relations order," you may be able to roll over all or part of the distribution to your Traditional IRA.

A direct transfer from a deceased employee's employer's retirement plan (including plans maintained under Code sections 401(a), 403(a), 403(b) and plans maintained under Code section 457(b) by a state or local government) to a Traditional IRA established on your behalf can be treated as an eligible rollover distribution if you are the designated beneficiary of the deceased employee's plan benefit. You do not have to be the deceased employee's spouse for this special rule to apply. The Traditional IRA is treated as an inherited Traditional IRA and is subject to the required minimum distribution rules. As an inherited IRA, the inherited Traditional IRA may not accept contributions or later be rolled over to another IRA or retirement plan.

#### **D10. May I transfer funds directly from one Traditional IRA to another?**

Yes. Instead of making a rollover contribution, you may transfer funds held in a previously established Traditional IRA to a new Traditional IRA by giving directions for the transfer to the Trustee/Custodian of each Traditional IRA. Transfers are not subject to the "once in twelve months rule" of rollover contributions.

#### **D11. May I transfer funds directly from my Traditional IRA to my HSA?**

If you are otherwise eligible to make contributions to a health savings account ("HSA"), you may elect to make a once in a lifetime transfer from your Traditional IRA to your HSA on a tax-free basis. The transfer election is irrevocable. This special transfer only applies to amounts in your Traditional IRA that would otherwise be taxable if distributed.

Special rules apply to determine the amount that may be transferred. Transfers from SEP-IRAs and SIMPLE IRAs to HSAs are not permitted.

The transfer amount is limited to the maximum HSA contribution amount for the tax year for your type of high deductible health plan ("HDHP") coverage (i.e., self-only or family coverage) and reduces the amount of HSA contributions that you may make for the same tax year. In the year in which you make a special transfer from your IRA, you may make a second transfer, but only if the second transfer is a result of converting from single to family coverage under the HDHP.

You must remain eligible to make HSA contributions for the 13-month period beginning with the month in which the transfer is made to your HSA to avoid income tax and a 10% additional tax on the amount transferred. The income tax and 10% additional tax is waived if your loss of coverage under the HDHP is due to your death or "disability." Please consult your tax advisor for more details about this special rule, including the meaning of "disability," determining the amount that may be transferred and any future guidance from the IRS.

#### **D12. May I repay a distribution I took in connection with a "qualified disaster relief distribution"?**

If you took a "qualified disaster relief distribution" from your IRA or another eligible retirement plan under the tax relief provided, you may be able to repay the distribution to your Traditional IRA as a rollover contribution and avoid taxes on the distribution. Please consult your tax advisor for more information if you think that you may be eligible for a special repayment opportunity.

### **E. Withdrawals from your Traditional IRA**

#### **E1. When may I make a withdrawal from my Traditional IRA?**

You may withdraw funds from your Traditional IRA at any time before or after you retire. If, however, you make withdrawals before age 59½, you may be subject to additional tax on the amounts withdrawn as explained in E2.

#### **E2. What is the early distribution additional tax?**

If you make a withdrawal before age 59½ and do not roll over the amount taken, you will have to pay a 10% additional tax on the amount included in gross income, unless you qualify for one of the exceptions to the 10% additional tax. These exceptions include:

- a. Distributions on account of your permanent disability;
- b. Distributions made to your designated beneficiary after your death;
- c. Distributions made as a series of substantially equal periodic payments (not less frequently than annually) made for your life or life expectancy, or for the joint lives or life expectancies of you and your beneficiary;
- d. Distributions for medical expenses to the extent that the distributions do not exceed your unreimbursed, deductible medical expenses as outlined in IRS Publication 502;
- e. Distributions used to pay health insurance premiums while you are unemployed. This exception only applies if you receive unemployment compensation for 12 consecutive weeks under federal or state law, and the distributions are made during the tax year in which the unemployment compensation is paid or during the next tax year. This exception does not apply to distributions made after your reemployment, if you have been employed for at least 60 days after your initial separation from service;
- f. Distributions used to pay qualified higher education expenses. Qualified higher education expenses are post-secondary education expenses (tuition, fees, books, supplies & equipment and certain room and board if the student is at least half-time) furnished to you, your spouse, or your or your spouse's child or grandchild. The amount of qualified higher education expenses is reduced for certain scholarships;
- g. Distributions used within 120 days by a "first time home buyer" to pay certain costs of acquiring a principal residence. Permissible acquisition costs include the costs of acquiring, constructing, or reconstructing a residence, including reasonable settlement, financing, or other closing costs. A "first time home buyer" can be you or your spouse, or a child, grandchild or ancestor of you or your spouse. The first time home buyer and his or her spouse cannot have owned a home for two years prior to receiving the distribution and there is a lifetime dollar limitation of \$10,000;
- h. Distributions made after 1999 on account of a federal tax levy on your Traditional IRA; and
- i. Distributions that are "qualified reservist distributions." You are eligible for a "qualified reservist distribution" from your IRA if you were ordered or called to active duty after September 11, 2001 for a period of more than 179 days (or for an indefinite period) because you are a member of a "reserve component" and the distribution was made no earlier than the date of the order or call to active duty and no later than the end of the active duty period. A "reserve component" is any of the following units: Army National Guard of the U.S., Army Reserve, Naval Reserve, Marine Corps Reserve, Air National Guard of the U.S., Air Force Reserve, Coast Guard Reserve, or the Reserve Corps of the Public Health Service.

The additional tax for early distribution is on top of the income taxes which are payable on the taxable amount withdrawn. Please consult your tax advisor to determine if these exceptions apply to your particular situation.

#### **E3. How are withdrawals taxed?**

Because nondeductible Traditional IRA contributions are made using income which has already been taxed (that is, they are not deductible contributions), the portion of the Traditional IRA distributions consisting of nondeductible contributions will not be taxed again when received by you. Similarly, after-tax contributions you rolled over from an employer retirement plan to your Traditional IRA are not taxed again. If you have made any nondeductible Traditional IRA contributions, or rolled over after-tax amounts from an employer retirement plan, each distribution from your



Traditional IRA will consist of a nontaxable portion (return of nondeductible contributions/after-tax amounts) and a taxable portion (return of deductible contributions and account earnings).

Thus, you may not take a distribution that is entirely tax-free. You should refer to IRS Publication 590 and your tax advisor for more information on how to determine taxation of your distributions.

#### **E4. How about income tax withholding?**

Federal tax laws require us to generally withhold 10% of each withdrawal by you for payment of your federal income taxes, unless you instruct us in writing not to withhold. Additionally, certain states require us to withhold from your distribution. Please consult your state tax authority to determine if your state requires withholding.

#### **E5. What are the methods of withdrawal from my IRA?**

You may make a withdrawal from your Traditional IRA at any time, although any restrictions and taxes applicable to the investments you have chosen for your IRA will apply.

Please note that the special tax rules relating to lump sum distributions from qualified retirement plans do not apply to Traditional IRAs.

#### **E6. When must I start making withdrawals?**

You may incur an excise tax if you do not start making withdrawals by April 1st following the year you become age 70½. Before that date, you must either withdraw the balance from your account or begin making periodic withdrawals that are at least as great as the minimum amount you are required to withdraw for that year under federal laws. You may elect to receive the minimum amount that applies to this Traditional IRA from another Traditional IRA. If you make this election you should notify us. The excise tax is 50% of the difference between the minimum amount you are required to withdraw and the amount you actually withdrew in that year.

If you have a good reason for failing to make a minimum withdrawal, explain your reason to the IRS and they may waive the excise tax.

If you do not begin taking the required withdrawals from your Traditional IRA (or notify us that you have elected to make the required withdrawals from another Traditional IRA), the Custodian may (but is not required to) distribute the required minimum withdrawals to you based on the uniform life expectancy table published by the IRS.

#### **E7. What is the minimum amount I must withdraw after age 70½?**

Generally, after age 70½, the minimum amount you must withdraw each year to avoid the 50% excise tax is based on the account balance of your Traditional IRA on December 31 from the prior year divided by a factor determined by your age published by the IRS on the uniform life expectancy table. If you name your spouse as the sole primary beneficiary of your Traditional IRA for the entire year and your spouse is at least ten years younger than you, the appropriate factor is found in the IRS's Joint Life and Last Survivor Expectancy table, which will further reduce the amount of your required distribution.

IRS Publication 590 explains the rules for determining the minimum amounts you must withdraw.

It is your responsibility to notify us of the dollar amount that you wish to receive as a required minimum distribution and when you wish to receive it. If the balance in your Traditional IRA at the time set for distribution is less than the distribution amount you have specified, we will distribute only that balance. Except as provided below, we are not responsible for determining the required minimum distribution amount. We will provide you with a notice by January 31 of each year that either (a) indicates the required minimum distribution and deadline for distribution or (b) notifies you that a required minimum distribution is due and the deadline for such distribution and offer to calculate the required minimum distribution upon your written request.

Also, if a required minimum distribution is due, you will be advised by January 31 of that year in the December 31 IRA fair market value statement. The IRS will be advised on Form 5498 if a required distribution is due from your Traditional IRA. These reporting requirements only apply to you (or to your eligible spouse who elects to treat the Traditional IRA as his or her own). We may, but are not required to provide such reports to your beneficiary.

IRA owners who are age 70½ or older are eligible to take qualified charitable distributions (QCDs). A QCD allows you to distribute up to \$100,000 per year directly from your Traditional IRA to a 501(c)3 nonprofit with no federal tax consequences. Gifts made to grant making foundations, donor advised funds, or charitable gift annuities are excluded from these rules. QCDs may satisfy all or part of your Required Minimum Distribution (RMD) or exceed it.

#### **E8. What happens to my Traditional IRA when I die?**

Your account balance will be paid to your beneficiary. Your beneficiary is the person or persons you designate when you open your Traditional IRA. You may change your beneficiary designation at any time by contacting us. Each beneficiary designation you file with us will cancel all previous designations. A beneficiary is subject to and bound by all the terms and conditions of the Traditional IRA Custodial Agreement and Disclosure Statement. A beneficiary is required to complete and submit any and all forms deemed necessary by the Custodian in order to process a transaction such as a distribution or transfer.

If you invest all or a portion of your IRA account in an annuity, the annuity is an investment within the IRA. The annuity will be paid in accordance with either the beneficiaries you designate on your IRA or the default beneficiary provisions of this Agreement. When an annuity is held in your IRA, a spouse beneficiary may have spousal rights (i.e. spousal continuation) that he or she may be able to exercise upon your death. If you designate a non-spouse beneficiary (someone other than your spouse) upon your death any annuity will be liquidated. The annuity carrier will transfer the proceeds to your IRA to be distributed in accordance with the beneficiary designation on file with the Custodian.

If a designated beneficiary (including any contingent beneficiary) does not survive you, such beneficiary's interest shall lapse, and the percentage interest of any remaining beneficiary (including any contingent beneficiary) shall be increased on a pro rata basis unless your beneficiary designation allows otherwise.

If a designated beneficiary (including any contingent beneficiary) does not survive you or if there is no record of a designated beneficiary, your Traditional IRA balance will be paid to your spouse. If you are not survived by a spouse, your account will be paid to your surviving children as determined under state law. In such case, a legal or personal representative is required to provide us with a written certification listing the names of your surviving children as determined under state law. If there is no legal or personal representative, then a court order may be required. If you are not survived by a spouse or by any of your children, as certified by your legal or personal representative or by a court order, then your Traditional IRA will be paid to your estate.

The Custodian may pay to your surviving spouse such amount of your IRA to which he or she demonstrates to the satisfaction of the Custodian that he or she is entitled under marital or community property laws to the extent that you have not designated your surviving spouse to receive such amount as a beneficiary, unless your spouse has properly consented in writing otherwise. You understand that we may reasonably delay payment to your beneficiaries to the extent necessary for us to determine whom to pay and the proper amounts. It is your responsibility to determine whether such laws apply and to request your spouse to consent to your beneficiary designation if appropriate. You understand that we are not responsible if we have made any payment in good faith to a party other than your surviving spouse and that your surviving spouse may not recover such amount paid from the Custodian or its affiliates.

If you are divorced at the time of your death and your former spouse is named as beneficiary of your Traditional IRA, your former spouse will be treated as having predeceased you, unless you designated him or her as your beneficiary AFTER the date of the divorce or unless a court order provides otherwise.

If you die after you are required to begin minimum distributions, the minimum distribution for the year of your death may be paid to your beneficiary under the method of payment in effect at the time of your death. In the year following your death, your beneficiary is required to receive at least minimum distributions based on the longer of the beneficiary's or your remaining life expectancy. If your beneficiary is not an individual (such as an estate), required minimum payments will be based on your remaining life expectancy determined in the year of your death and reduced by one each subsequent year. If you name a trust that meets certain requirements, the beneficiaries of the trust will be treated as the beneficiaries of your Traditional IRA for purposes of determining the appropriate life expectancy under the required minimum distribution rules. Your beneficiary may always accelerate payments.

If you die before you are required to begin minimum distributions, your account balance must be paid to your beneficiary over a period not extending beyond his/her life expectancy. These withdrawals must begin in the year following your death. If your spouse is your sole beneficiary, he or she may defer making withdrawals until the date you would have become age 70½. A spouse beneficiary may roll funds over into his or her own Traditional IRA. If your spouse is your sole beneficiary, he or she may also elect to treat the Traditional IRA as his or her own. If you name a beneficiary that is not an individual (such as an estate or non-qualifying trust), the balance of your Traditional IRA must be distributed by December 31 of the fifth full year after your death.

Your beneficiary for purposes of calculating required minimum distributions after your death is determined on September 30 of the year after the year in which you die. Generally, if you have more than one beneficiary, the oldest beneficiary's life expectancy is used to calculate the required minimum distributions described above. However, it may be possible for each of your beneficiaries to use his/her own life expectancy to calculate the required minimum distributions if the separate account rules are satisfied. For the separate account rules to apply, your beneficiary designation must create separate interests for the beneficiaries as of your death and separate inherited Traditional IRAs on behalf of each beneficiary after your death. The separate inherited Traditional IRAs must be established by December 31 of the year after your death to use each beneficiary's life expectancy to calculate the required minimum distributions. The separate account rule does not apply if your beneficiary is a trust.

If you have more than one beneficiary who is entitled to benefits from your account after you die, each beneficiary's interest in your IRA will be considered to be a subaccount for purposes of determining required minimum distributions. The distribution rules will then be applied to each beneficiary's benefit.

For the period from the date of your death until the establishment of the separate inherited Traditional IRAs, all post-death investment interest will be allocated to the separate inherited Traditional IRAs on a pro rata basis in a reasonable and consistent manner among the separate IRAs. Any post-death distributions must be allocated to the separate inherited Traditional IRA of the beneficiary receiving that distribution.

In all cases, withdrawals will be subject to the required minimum distribution rules published by the IRS. Withdrawals of less than required minimums may result in an excise tax.

If your beneficiary does not begin withdrawals within the required period and after we receive notice of your death, we may, but are not required to, distribute the assets of your Traditional IRA to your beneficiary in a single sum.

Your beneficiaries may further designate beneficiaries of their portion of your IRA after your death (subject to any restriction under state law), by contacting us and providing us with the necessary forms. For instance, if you designated your children Sue and Tom as equal beneficiaries, they each could designate subsequent beneficiaries upon inheriting their portion of your IRA. Sue could designate beneficiaries to receive payments after her death and Tom could designate his estate to receive payments after his death.

If no subsequent beneficiary designation is filed with us at the time of your beneficiary's death or there is no surviving beneficiary, the subsequent beneficiary will be your beneficiary's spouse. If your beneficiary does not have a surviving spouse, the subsequent beneficiary will be the beneficiary's children, as determined under state law. In such case, a legal or personal representative is required to provide us with a written certification listing the names of your beneficiary's surviving children as determined under state law. If there is no legal or personal representative, then a court order may be required. If your beneficiary is not survived by a spouse or by any of his/her children, as certified by your beneficiary's legal or personal representative or by a court order, then the inherited Traditional IRA will be paid to your beneficiary's estate. Any subsequent beneficiary who inherits your IRA must continue to receive payments under the same schedule established by the original beneficiary. However, a subsequent beneficiary may choose to receive payments greater than the minimum payment amount.

If you are the beneficiary or subsequent beneficiary of a Traditional IRA, you should seek professional tax advice prior to making withdrawals.

### **E9. Will my beneficiary have to pay income tax on my Traditional IRA?**

Yes. Payments from your Traditional IRA will be taxable to your beneficiary as income received. However, most beneficiaries will have the ability to take distributions over a number of years to lessen the impact of taxation. By seeking professional tax advice regarding how to choose and designate your primary and contingent beneficiaries, you can give them the flexibility to take the entire amount in one distribution or spread the distributions out in order to lower the amount of taxable income recognized each year.

Special rules also allow your spouse to either roll your Traditional IRA into his or her own Traditional IRA and defer taking distributions until his or her required beginning date. If your spouse is your sole beneficiary, he/she may continue to treat the Traditional IRA as his or her own and defer the starting date for taking distributions until the date on which you would have been required to start taking minimum distributions.

### **E10. How about estate and gift taxes?**

Your entire account balance would be subject to federal estate tax. If your spouse is your beneficiary, the amount of your account balance may be a deduction for federal estate tax purposes. Your entire account balance may also be subject to any applicable state death taxes.

A transfer by you to your beneficiary of the right to receive distributions from your IRA may be subject to federal gift tax. If a federal estate tax is paid by your estate upon your death, then the beneficiary of your Traditional IRA may be entitled to an income tax deduction for part of the estate tax paid. A qualified tax professional can help your beneficiary determine the amount of this deduction.

## **F. Conversion of a Traditional IRA to a Roth IRA.**

### **F1. May I convert all or part of my Traditional IRA to a Roth IRA?**

Yes. Any Traditional IRA amount converted to a Roth IRA must also satisfy the IRA rollover requirements discussed in Section D: Rollover Contributions, except that the one-rollover-per-year limitation does not apply. Once an amount is converted to a Roth IRA, it is treated as a Roth IRA for all purposes. Future contributions to a Traditional IRA or made under a SEP may not be made to the Roth IRA.

Because of the strict rules that apply to conversions and distributions taken from Roth IRAs within five years after a conversion, you should seek professional tax advice before converting your Traditional IRA to a Roth IRA.

### **F2. How do I convert my Traditional IRA (or SEP-IRA) to a Roth IRA?**

You may convert all or part of your Traditional IRA (or SEP-IRA) to a Roth IRA. One of the following methods may be used to perform the conversion: (1) take a distribution from your Traditional IRA (or SEP-IRA) and contribute (roll over) the distribution to a Roth IRA within 60 days after the distribution; or (2) transfer an amount in your Traditional IRA (or SEP-IRA) to your Roth IRA (including a Roth IRA maintained by the same trustee or custodian) in a trustee-to-trustee transfer. All conversions (no matter the method used) are treated as a taxable distribution and a rollover contribution.

### **F3. Will I be taxed on the conversion?**

Yes. The amount converted from your Traditional IRA will be included in your gross income (except for the portion of the converted amount, if any, which represents a tax-free return of your nondeductible contributions or after-tax amounts you rolled over to your Traditional IRA from an employer retirement plan). The distribution (or amount converted), however, will not be subject to the 10% additional tax on early distributions, regardless of whether you are under age 59½.

#### **F4. When will I be taxed on the conversion?**

Generally, conversions will be taxed in the year of distribution from the Traditional IRA.

#### **F5. Can I "undo" the conversion?**

No, the ability to "undo" conversions is no longer available. The Tax Cuts and Jobs Act signed in 2017 has eliminated the ability to recharacterize a conversion to a Roth IRA.

#### **F6. If I am age 70½ or older, may I convert an amount from my Traditional IRA to a Roth IRA? May the conversion occur before I receive my required minimum distribution for the year of the conversion?**

If you are age 70½ or older, you may still convert all or part of your Traditional IRA to a Roth IRA. Because conversion amounts must satisfy the rollover rules (even if the conversion is in the form of a trustee-to-trustee transfer), you may not, however, convert amounts required to be distributed to satisfy the required minimum distribution rules. Since the first dollars distributed from an IRA are treated as consisting of the required minimum distribution for the year, you may not convert any amount in your Traditional IRA to a Roth IRA until the required minimum distribution for the Traditional IRA has been distributed for the year. This prohibition applies beginning with the year in which you reach age 70½ and all later years. See Section E: Withdrawals From Your IRA for more information about required minimum distributions.

However, if a required minimum distribution is contributed to a Roth IRA, it is treated as having been distributed and taxed under the normal Traditional IRA rules, and then contributed as an annual contribution to a Roth IRA. The amount of the required minimum distribution is not a conversion contribution.

### **G. Recharacterization of IRA Contributions**

#### **G1. May I recharacterize contributions made to my Traditional or Roth IRA for a tax year as contributions made to a different type of IRA?**

Yes. You may recharacterize your Traditional IRA contributions for a tax year by transferring (in a trustee-to-trustee transfer) the Traditional IRA contributions (or a portion of the contributions) and the related earnings to a Roth IRA, and vice versa. The recharacterization must be completed before the due date for filing your federal income tax return (including extensions) for the tax year for which the contribution was made. The contribution will be treated as having been made to the second IRA on the same date and for the same taxable year as the contribution was originally made to the first IRA for federal tax purposes. Once a recharacterization is made it may not be revoked.

To calculate the net income that is required to be transferred as part of the recharacterization, you multiply the recharacterized amount by a fraction, the numerator of which is the difference between the "adjusted closing balance" and the "adjusted opening balance" and, the denominator of which is the "adjusted opening balance." The "adjusted opening balance" is the fair market value of the Traditional IRA at the beginning of the "computation period" plus the amount of any contributions or transfers (including the contribution that is distributed as a returned contribution and recharacterizations of contributions) made to the Traditional IRA during the "computation period." The "adjusted closing balance" is the fair market value of the Traditional IRA at the end of the "computation period" plus the amount of any distributions or transfers (including recharacterizations) made from the Traditional IRA during the "computation period." The "computation period" is the period beginning immediately before the particular contribution is made to the Traditional IRA and ending immediately before the removal of the contribution being returned. If more than one contribution was made as an annual contribution and is being returned from the Traditional IRA, the "computation period" begins immediately before the first contribution being returned was contributed. For more information about the calculation of net income, see your tax adviser. Because of the strict rules that apply to recharacterizations, you should seek competent tax advice before recharacterizing your IRA contributions.

#### **G2. May I recharacterize an amount contributed to my Traditional or Roth IRA in a tax-free transfer?**

No. Amounts contributed to a Traditional or Roth IRA in a tax-free transfer (including a tax-free rollover) may not be recharacterized as contributions to the other type of IRA. However, if you roll over or transfer an amount from a Traditional IRA to a SIMPLE IRA by mistake, the contribution may be subsequently recharacterized as a contribution to another Traditional IRA.

#### **G3. May I recharacterize amounts contributed by my employer on my behalf under a SIMPLE IRA plan or SEP?**

No. Employer contributions (including pre-tax contributions) made under a SIMPLE IRA retirement plan or a SEP may not be recharacterized as contributions to another type of IRA.

#### **G4. How do I make an election to recharacterize a contribution to an IRA for a tax year?**

On or before the date a transfer is made to recharacterize a contribution, you must notify both the trustee of the original IRA and the second IRA that you are electing to treat the contribution as having been made to the second IRA instead of the first IRA, for federal tax purposes. The notification must include the type and amount of the contribution to the first IRA that is to be recharacterized, the date on which the contribution was made to the first IRA and the year for which it was made, a direction to the trustee of the first IRA to transfer the amount of the contribution and earnings allocable to the contribution to the trustee of the second IRA, the names of the trustee of the first IRA and the second IRA, and any other information needed or requested by the trustees to make the transfer.

You must report the recharacterization and treat the contribution as being made to the second IRA, instead of the first IRA on your federal income tax return for the applicable tax year in accordance with the federal tax forms and instructions.

**G5. If I initially make a contribution to an IRA for a tax year, then move the contribution (with related earnings) in a tax-free transfer to another IRA, can the tax-free transfer be disregarded, so that the original contribution that was transferred may be recharacterized?**

Yes. If an amount is contributed to a Traditional or Roth IRA for a taxable year and then is moved (with related earnings) in a tax-free transfer to another IRA of the same type, the tax-free transfer is disregarded and the initial contribution to the first IRA may be recharacterized, if done in a timely manner.

**G6. Is a recharacterization treated as a rollover for purposes of the one-rollover-per-year limitation?**

No. Recharacterizing a contribution is not treated as a rollover for purposes of the one-rollover-per-year limit.

## **H. Excess Contributions and Prohibited Transactions**

### **H1. What is an excess contribution?**

An excess contribution is any amount you contribute to your Traditional IRA for a tax year that exceeds the maximum amount you are permitted to contribute for that tax year. There is a 6% excise tax on an excess contribution for each year that it remains in your Traditional IRA.

### **H2. How may I avoid the 6% excise tax?**

If you withdraw the excess contribution for a year and any earnings or losses on it before the filing date of your income tax return for that year, including extensions (or any other time permitted by the IRS), you will not have to pay the 6% excise tax. The earnings on an excess contribution are calculated in the same manner as net income on recharacterized contributions described in Question G.1. If you do not withdraw the excess contribution by that date, you will be charged the 6% excise tax for that year. In order to avoid subsequent excise taxes, you must either:

- a. contribute less than the maximum allowable contribution in later years, or
- b. withdraw the excess contribution in accordance with applicable rules.

### **H3. What is a prohibited transaction?**

Generally, a prohibited transaction is any improper use of your Traditional IRA by you, your beneficiary or any disqualified person. Prohibited transactions include such actions as you selling property to your Traditional IRA or buying property from it. To learn more about prohibited transactions and who are disqualified persons, refer to IRS Publication 590.

### **H4. What happens if I engage in a prohibited transaction?**

If you or your beneficiary engages in a prohibited transaction, your Traditional IRA will lose its tax-exempt status and you will have to include the entire balance (subject to any applicable basis therein) in your taxable income for that year. Furthermore, you will be subject to the 10% additional tax on the entire balance unless you are over age 59½ or meet one of the other exceptions to the additional tax. If someone other than you or your beneficiary engages in a prohibited transaction with respect to your Traditional IRA, that person may be liable for certain excise taxes.

### **H5. May I use my Traditional IRA as security for a loan?**

You should not. If you use all or part of your Traditional IRA as security for a loan, the amount used would be considered a withdrawal made by you in that year. You would have to include that amount in your taxable income for that year. You would be subject to the 10% additional tax on that amount unless you are over age 59½ or meet one of the other exceptions to the additional tax.

## **I. Investments**

### **I1. Who is responsible for investing my Traditional IRA assets?**

You are solely responsible for making any investment decision regarding your Traditional IRA assets. You may designate someone other than yourself to direct the investment of the assets in your Traditional IRA by executing a valid third party trading authorization or power of attorney in a form acceptable to us and by naming a person or entity acceptable to us. All investment directions shall be given in a form that complies with the reasonable requirements and procedures imposed by us. Such requirement may include that certain representations and warranties accompany certain directions, including indemnification. The Custodian has no investment advice duties and shall only make investments pursuant to your (or your duly authorized representative's) direction and will not question such direction. In addition, the Custodian its employees and affiliates are indemnified and held harmless for any liability which may arise in our performance of our duties under the Custodial Agreement, except for any liability arising from gross negligence or willful misconduct.

### **I2. What assets may not be held in my Traditional IRA?**

The Custodian in its sole discretion, may refuse to hold any investment. Your Traditional IRA may not be invested in life insurance contracts and, except for investments pooled in a common trust fund or common investment fund, may not be commingled with other property. Further, assets in your Traditional IRA may not be invested in commodities, "collectibles," alcoholic beverages, or any other tangible personal property. The term "collectibles" includes works of art, rugs, antiques, metals, gems, stamps, coins (other than certain gold, silver or platinum coins of the United States or a state and certain bullion, if on the Custodian's approved list of investments). You also may not invest the assets of your Traditional IRA in any investments we determine, in our sole discretion, are administratively or operationally burdensome.

The Custodian has no responsibility for monitoring your Traditional IRA investments. Thus, if you or your duly authorized representative direct us to engage in any a non-qualifying or prohibited transaction or investment with respect to your Traditional IRA, neither the Custodian, its affiliates nor any of our employees will be liable for any adverse investment, tax or other legal consequences that may result from such purchase. Also, if your investment direction results in a prohibited transaction, the tax-favored status of your Traditional IRA will be affected. See Section H: Excess Contributions and Prohibited Transactions for more information.

### **I3. Can I have a margin account?**

No. We do not allow margin loans in your Traditional IRA account.

### **I4. Is any interest earned on amounts awaiting investment or disbursement?**

The Custodian or an affiliate may retain any interest earned on assets awaiting investment or disbursement. You understand and agree that this interest (generally referred to as "float") will be retained by us as additional compensation for the provision of services with respect to your Traditional IRA. Such interest shall generally be a prevailing interest rate.

Assets awaiting investment include (a) new deposits to the Traditional IRA, including interest and dividends, and (b) any uninvested assets held by the Traditional IRA caused by an instruction to us to purchase or sell securities where investment instructions are received too late in the day to be completed. We may also earn float on distributions from the time funds are distributed from your IRA until you cash the check or other payment method is completed.

## **J. Other Questions and Answers**

### **J1. Am I required to file any tax forms for my Traditional IRA?**

Generally, you will not be required to file any special forms for your Traditional IRA. However, you must file a Form 5329 Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, with the IRS for any year for which: (1) you are subject to the 6% excise tax for excess contributions; (2) you are subject to the 10% additional tax for distributions for withdrawals before age 59½ and the proper distribution code is not shown on your Form 1099-R Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.; (3) you meet an exception to the 10% additional tax, but the proper distribution code is not shown on your Form 1099-R; or (4) you or your beneficiary are subject to the 50% excise tax for failing to take a minimum distribution after you reach age 70½. Also, you must file a Form 8606 Nondeductible IRAs for any year in which you make a nondeductible contribution to your Traditional IRA, you received distributions from your Traditional IRA and your basis is more than zero or you convert all or any portion of your Traditional IRA into a Roth IRA.

### **J2. Does the custodian report any information about my Traditional IRA to the Internal Revenue Service?**

All IRA custodians are required to report various IRA transactions to the IRS, Social Security Administration and the State Revenue Department.

Form 5498 reports annual, rollover and recharacterized contributions, plus the December 31 fair market value of your account. Form 5498 also reports if a required minimum distribution is required to be made to you for the following year.

Partial withdrawals, periodic distributions, and total distributions are reported on Form 1099-R. Unrelated business taxable income is reported on Form 990-T.

### **J3. How is a conversion of my Traditional IRA to a Roth IRA reported?**

A conversion of your Traditional IRA to a Roth IRA will be treated as a distribution from the Traditional IRA and a conversion contribution to the Roth IRA. We will report the distribution to the IRS and to you on Form 1099-R and the conversion contribution on Form 5498. You must report the conversion to the IRS by completing and filing Form 8606.

### **J4. How are recharacterizations reported?**

If you recharacterize contributions made to an IRA, the trustee or custodian of the first IRA will report the contribution on Form 5498 as originally contributed. The trustee or custodian of the first IRA will also report the recharacterization as a distribution on Form 1099-R. For recharacterized amounts received by the second IRA, the trustee or custodian of the second IRA will report the contribution as a recharacterized contribution on Form 5498.

### **J5. Are state tax laws the same as federal tax laws for IRA?**

You should consult your professional tax advisor about the tax treatment of Traditional IRAs in your state. This is especially important if you are subject to taxation by a state that does not automatically conform to the provisions found in the federal tax code.

### **J6. Can these tax reporting requirements change?**

Yes, both federal and state tax reporting requirements for your Traditional IRA are subject to change and you should consult with your professional tax advisor to ensure proper treatment. The Custodian is not obligated to notify you of any or all changes to the tax reporting requirements.

### **J7. Can my Traditional IRA be changed?**

Yes. We may amend your Traditional IRA Custodial Agreement by mailing you a copy of the change. You will be deemed to have automatically consented to any amendment, unless we receive written notice to the contrary within 30 days after a copy of the amendment is first mailed to you. Any notice we send you will be mailed or delivered to

the last address that we have for you in our records. Although other amendments may be made, generally amendments will be made only to comply with changes in tax law. No amendment can take any part of your IRA away from you or your beneficiary.

#### **J8. How much will my account be worth when I'm ready to retire?**

The future value of your account will depend on your future contributions and the rate of return on your investments in your Traditional IRA. The assets in your Traditional IRA generally are not limited to any particular type of investment, and therefore it is impossible to project what your investment return will be or what your Traditional IRA assets will look like in future years.

#### **J9. Will my Traditional IRA be charged any fees?**

Yes, all of the fees that may apply to your account are outlined in the fee schedule/notice you will receive when your account is opened. The fee schedule/notice may be changed from time to time, upon 30 days written notice to you. In addition, all of the fees that apply to brokerage accounts will also apply to your account including fees associated with the automatic cash investment service. Please review your relevant account opening documents for descriptions of these fees. If you do not pay fees by the due date, we may deduct these fees from your Traditional IRA.

#### **J10. What other rules apply to my Traditional IRA?**

If we receive any process, summaries, levy or similar order, you authorize us either to comply with the order or to refuse to honor the order, in our sole discretion. The Custodian has no obligation to contest the order.

Any controversy regarding your Traditional IRA is subject to arbitration. The IRA enrollment/application form contains the complete text of the arbitration information and you should read that information carefully before you sign the form.

## **Section II: WFCS Traditional IRA Custodial Agreement**

Wells Fargo Clearing Services, LLC, a firm with its principal office in St. Louis, Missouri and a non-bank IRA custodian ("Custodian") hereby establishes the "Wells Fargo Clearing Services, LLC Traditional Individual Retirement Custodial Account" ("Custodial Account" or "IRA") as a custodial account for an eligible customer ("Depositor") who enters into the Traditional IRA Account Custodial Agreement ("Agreement") as set forth herein by executing an IRA enrollment/application form.

### **WFCS TRADITIONAL INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT**

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

Form 5305-A (April 2017)

Department of the Treasury, Internal Revenue Service

The Depositor whose name appears on the Depositor's IRA enrollment/application form is establishing a Traditional Individual Retirement Account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian has given the Depositor the disclosure statement required by Regulations section 1.408-6.

The Depositor has assigned the Custodial Account the sum shown on the Depositor's Contribution Form.

The Depositor and the Custodian make the following agreement:

#### **Article I**

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

#### **Article II**

The Depositor's interest in the balance in the Custodial Account is non-forfeitable.

#### **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 issued under the laws of any state, and certain bullion.

## Article IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Depositor's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are incorporated herein by reference.
2. The Depositor's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
  - a. A single sum or
  - b. Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - a. If the Depositor dies on or after the required beginning date and:
    - i. the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - ii. the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - iii. there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
  - b. If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (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 (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (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 Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - a. The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
  - b. The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - c. The required minimum distribution for the year the Depositor reaches age 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 Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

## Article V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required under section 408(i) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service ("IRS") and the Depositor the reports prescribed by the IRS.

## Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with section 408(a) and the related regulations will be invalid.

## Article VII

This Agreement will be amended from time to time 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 IRA enrollment/application form.

## Article VIII

### 1. Definitions.

- a. "Beneficiary" means the person or persons designated in accordance with paragraph 4.
- b. "Broker" means the Introducing Firm and any other broker-dealer providing investment services in connection with the Traditional IRA Custodial Account.
- c. "Code" means the Internal Revenue Code of 1986, as amended.
- d. "WFCS" means Wells Fargo Clearing Services, LLC in its capacity as Custodian, its successors, permitted assigns, and any affiliated organization, all acting in a custodial capacity.
- e. "Introducing Firm" means each broker-dealer who has entered into an agreement with WFCS pursuant to which WFCS, as agent for such broker-dealer, is contractually assigned the responsibility for the performance of certain back office, trade processing and custody, books and records and margin credit functions.
- f. "Participant" means the Depositor, and after the Depositor's death, the Beneficiary. For investment purposes under Article VIII, paragraph 5, Participant shall also include the Depositor's or Beneficiary's legal representative or one to whom he has granted a valid power of attorney on a form acceptable to Custodian.
- g. "Spouse" or "spouse" means the person lawfully married to the Depositor. The Depositor's surviving Spouse is the Spouse remaining or deemed by law to remain alive after the Depositor's death.

### 2. Resignation of Custodian/Designation of New Custodian.

- a. The Custodian may resign as custodian of the IRA upon giving at least thirty (30) days prior written notice to the Participant. Prior to its resignation, the Custodian may, but shall not be required to appoint a successor custodian. If the resigning Custodian does not appoint a successor custodian or if the Participant does not consent to such appointment, the Participant shall, prior to the effective date of such resignation, appoint a successor custodian to receive funds held in the IRA and deliver evidence to the Custodian of the acceptance of such appointment by such successor. The Custodian shall then deliver the balance held in the IRA to its successor, or to the Participant for his delivery to its successor, on the effective date of the resignation or as soon thereafter as practical. In the event that the Participant shall fail or refuse to appoint a successor custodian during such thirty (30)-day period, the Custodian may make distribution directly to the Participant of the balance held in the IRA. The Custodian may reserve such funds as it deems necessary to cover any fees or charges against the IRA.
- b. The Custodian may at any time and in its sole discretion appoint a successor custodian of the IRA, provided that such successor is an affiliate of the Custodian.
- c. If the Custodian is merged with or purchased (in part, including your IRA or in whole) by another organization authorized to serve as a custodian, then that custodian may automatically become the trustee or custodian of your Traditional IRA.

### 3. Distributions.

- a. **Discretionary Distributions.** Except as provided below, distributions shall be made upon the direction of the Participant. In its sole discretion, the Custodian may require that such direction from the Participant be in writing. The Custodian shall be under no duty or obligation to inquire as to the propriety of any distribution instruction, including any distribution instructions relating to the resignation of the Custodian.  
Participant is solely responsible for determining whether his or her election to withdraw all or a portion of the IRA will result in the imposition of distribution taxes. Custodian is not obligated to make a distribution without being provided the tax identification number of the recipient.

- b. Required Distributions.** The Custodian shall hold each IRA separately and make distributions in accordance with Article IV hereof and section 408(a) of the Code and the following provisions of this Article VIII. To the extent that Article IV is not consistent with section 408(a), as amended, section 408(a) shall be controlling.

If prior to April 1 of the year following the year in which the Depositor becomes age 70½, the Custodian has not received from the Depositor a request for commencement of the distribution of the IRA or, notified the Custodian that the Depositor will satisfy the minimum distribution requirements that apply to the IRA from another individual retirement arrangement in accordance with paragraph 6 of Article IV, the Depositor agrees that the Custodian may, in its sole discretion, distribute to the Depositor the required minimum payment based on the Uniform Life Expectancy Table published by the IRS. The Depositor agrees that the Custodian is not obligated to make such payment and will not be liable for any taxes related to failure to take the required distribution. In its sole discretion, the Custodian may require that Depositor's request be in writing.

- c. Distributions on Death.** If the Depositor dies prior to the commencement of distributions to him the balance in the IRA shall be distributed, applied or held in accordance with Article IV of the IRA pursuant to the request of the Beneficiary. If the Custodian does not receive such a request within ninety (90) days after it receives written notice of the Depositor's death, it may distribute the balance in the IRA to his Beneficiary in a single lump sum payment. The Beneficiary agrees that the Custodian is not obligated to make such payment. In its sole discretion, the Custodian may require that the Beneficiary's request be in writing.

If the sole Beneficiary is the Depositor's surviving spouse, the surviving spouse may elect to treat the IRA as the spouse's IRA. The foregoing election will be deemed to have been made if the surviving spouse contributes to the IRA, makes a rollover contribution to or from the IRA or fails to elect to receive a distribution by December 31 of the calendar year that contains the first anniversary of the Depositor's death or otherwise in accordance with Article IV or paragraph (e) hereof.

- d. Payments to Children.** If a distribution upon the death of the Depositor is payable to a person known by the Custodian to be a minor or otherwise under a legal disability, the Custodian may, in its absolute discretion, make all, or any part of the distribution to such other person as may be acting as a parent of such Beneficiary or legal guardian, committee, conservator, trustee or other legal representative, wherever appointed, of such Beneficiary and the receipt by such person shall be a full and complete discharge by the Custodian of any sum so paid.

- e. Annuity Payments.** Notwithstanding anything in Article IV3(b) or (c) to the contrary, no distribution in the form of an annuity shall be made hereunder.

#### **4. Beneficiary.**

The Depositor shall designate in writing the person or persons (or entity or entities) to receive any distribution to be made by reason of the Depositor's death. Each such designation shall be filed with the Custodian in a form acceptable to the Custodian and may be changed from time to time by the Depositor filing a new written designation with the Custodian. The Custodian reserves the right to limit the number of Beneficiaries or other directions designated on your IRA. A Beneficiary is subject to and bound by all the terms and conditions of the Traditional IRA Custodial Agreement and Disclosure Statement. A Beneficiary is required to complete and submit any and all forms deemed necessary by the Custodian in order to process a transaction such as a distribution or transfer.

If you invest all or a portion of his or her IRA in an annuity, the annuity is an investment within the IRA. If the Depositor invests all or a portion of his or her IRA in an annuity, then his or her account balance of the annuity will be paid in accordance with either the beneficiaries the Depositor designates on his or her IRA or the default beneficiary provisions of this Agreement. When an annuity is held in your IRA, a spouse beneficiary may have spousal rights (i.e. spousal continuation) that he or she may be able to exercise upon your death. If you designate a non-spouse beneficiary (someone other than your spouse) upon your death any annuity will be liquidated. The annuity carrier will transfer the proceeds to your IRA to be distributed in accordance with the beneficiary designation on file with us.

If a designated beneficiary (including any contingent beneficiary) does not survive the Depositor, such beneficiary's interest shall lapse, and the percentage interest of any remaining beneficiary (including any contingent beneficiary) shall be increased on a pro rata basis unless the Depositor's beneficiary designation provides otherwise.

If you have more than one beneficiary who is entitled to benefits from your account after you die, each beneficiary's interest in your IRA will be considered to be a subaccount for purposes of determining required minimum distributions. The distribution rules will then be applied to each beneficiary's benefit.

In the event no designation is filed at the time of Depositor's death, there is no surviving Beneficiary or the Beneficiary designation is deemed illegal or otherwise prohibited by state or other law, the Beneficiary shall be the Depositor's surviving spouse. In the event the Depositor does not have a spouse or the Depositor's spouse predeceases the Depositor, the Beneficiary shall be the Depositor's children as determined under state law. In such a case, a legal or personal representative shall provide the Custodian a written certification listing the names of the Depositor's surviving children. If there is no legal or personal representative, a court order may be required. Under the foregoing circumstances, if the Depositor is not survived by children as determined under state law, the Custodial Account shall be paid to the Depositor's estate.

The Custodian may pay to the Depositor's surviving spouse such amount of the Traditional IRA to which he or she demonstrates to the satisfaction of the Custodian that he or she is entitled under marital or community property laws to the extent that the Depositor has not designated the Depositor's surviving spouse to receive such amount as a beneficiary, unless the Depositor's spouse has properly consented in writing otherwise. The Depositor understands that we may reasonably delay payment to the Depositor's beneficiaries to the extent necessary for us to determine whom to pay and the proper amounts. It is the Depositor's responsibility to determine whether such laws apply and to request the Depositor's spouse to consent to the Depositor's beneficiary designation if appropriate. The Depositor understands that we are not responsible if a payment has been made in good faith to a party other than the Depositor's surviving spouse and that the Depositor's surviving spouse may not recover such amount paid from us.

In the event that the Depositor names his or her spouse as Beneficiary of the IRA, the following provisions apply:

- If a Depositor designates his spouse as Beneficiary and there is a subsequent divorce, the ex-spouse will be treated like any beneficiary that predeceases the Depositor; this change may be overruled by court order (such as if the divorce decree requires that the ex-spouse remain as beneficiary);
- If the ex-spouse is designated as Beneficiary AFTER the effective date of the divorce, he or she will remain as Beneficiary for the IRA, subject to surviving Depositor; this change may be overruled by court order (such as if the divorce decree requires that the ex-spouse be removed as Beneficiary); and
- The Custodian shall be released and held harmless in the event that we are not notified of the divorce prior to making payment and therefore pays to the ex-spouse.

Unless a designation filed by the Depositor and agreed to by the Custodian states otherwise, if the Beneficiary dies after the Depositor, including the time before the determination date (September 30 in the year following the year of death of the Depositor) the beneficiary will be the person, persons, legal entity or entities designated by the Beneficiary. Such designation shall be filed with the Custodian on a form acceptable to the Custodian. In the event no designation is filed at the time of the Beneficiary's death or there is no surviving beneficiary designated by the Beneficiary, the beneficiary shall be the Beneficiary's surviving spouse. In the event that the Beneficiary does not have a surviving spouse, the beneficiary shall be the Beneficiary's children as determined under state law. In such a case, a legal or personal representative shall provide the Custodian a written certification listing the names of the Beneficiary's surviving children. If there is no legal or personal representative, a court order may be required. Under the foregoing circumstances, if the Beneficiary is not survived by children as determined under state law, the beneficiary shall be the Beneficiary's estate.

## 5. Investments.

**a. Participant Direction.** The IRA shall be invested, as instructed by the Participant, in one or more of the investment options made available by Broker and permitted in accordance with Subsection (b) hereof. Such investments shall be subject to the terms and conditions of this Agreement and in the relevant new account documents. All investment directions shall be given in a form that complies with the reasonable requirements and procedures imposed by the Custodian. Such requirements may include that certain representations and warranties and agreements accompany such directions, including indemnification. The Participant may designate someone else to direct the investment of the assets of the IRA by executing a valid third party trading authorization or power of attorney on a form acceptable to the Custodian and by naming a person or entity acceptable to the Custodian.

We shall not be liable for any loss, liability, or penalty, which results from Participant's (or his or her duly authorized representative's) exercise of control (whether as a result of action or inaction) over the IRA.

**b. Permitted Investments.** Investments may be made in instruments and investment vehicles that are permitted by the Custodian and are compatible with its administrative and operational requirements. The Custodian or its affiliates shall not be liable for any liabilities, including tax liabilities, resulting from investments not compatible with its administrative and operational requirements. The Custodian, at its discretion, may refuse to hold any investment or investment type, including, but not limited to, gold, silver and platinum coins issued under the laws of any state and bullion. The Custodian also has the right to refuse to accept any transfer or rollover of assets other than cash.

The Custodian will not be liable for failure to notify the Participant of any corporate actions regarding securities held in the IRA that are not provided by any service to which the Custodian subscribes. The Participant also agrees that the Custodian shall have no duty to forward to the Participant any class action lawsuit or other legal information unless compensated by the parties to the legal action for research and distribution expenses.

The Participant acknowledges and agrees to arbitrate controversies as described in other account opening documents.

### c. Investment Powers.

- i. The Custodian may delegate and/or assign to one or more corporations, entities or persons, whether or not affiliated with the Custodian, the performance of record keeping and other ministerial services in connection with the IRA.
- ii. The Custodian may appoint one or more sub-custodians that may include affiliates of the Custodian.
- iii. The Custodian may hold property in nominee name, in bearer form, or in book entry form, in a clearinghouse corporation or in a depository (including an affiliate of the Custodian).
- iv. If made available, assets of the IRA may be invested in deposits of Wells Fargo Bank, N.A. (or an affiliate) that bear a reasonable rate of interest.
- v. If made available, assets of the IRA may be invested in any common or collective trust fund or common investment fund maintained by Wells Fargo Bank, N.A. or its affiliate and the provisions of the document that govern any such fund, as amended, are hereby incorporated.

- d. Voting.** The Custodian shall follow Participant's (or his or her duly authorized representative's) written instructions for voting shares and exercising other rights of ownership for investments held in the IRA. In absence of direction, the Custodian will not exercise any rights and will not be responsible for failing to take action.
- e. Investment Advisory Services.** Participant may enter into an agreement with Custodian, its affiliates, or Introducing Firm to provide investment advisory services and any services provided thereunder will be subject to the terms of such agreement. If the Participant does not enter into an investment advisory service agreement, only brokerage services will be provided in connection with this IRA. For non-advisory brokerage relationships, Custodian, its affiliates, or Introducing Firm may introduce structured notes, equity initial public offerings (IPOs), equity follow-on offerings, new-issued preferred stocks, and certain closed-end funds ("Special Investments"), among other investment products and services associated with the brokerage IRA. Participant agrees that neither Custodian, its affiliates, nor Introducing Firm will act as a "fiduciary" for purposes of federal retirement laws in connection with any Special Investment in the brokerage IRA and that the Participant will independently evaluate any transaction, considering potential conflicts and without relying on Custodian, its affiliates, or Introducing Firm as a primary basis for Participant's investment decision. Special Investments are typically transacted on a principal basis, meaning Custodian, its affiliates, or Introducing Firm may sell securities from their own account to Participant's brokerage IRA, including for example, in securities for which Custodian, one of its affiliates, or Introducing Firm is actively engaged in an underwriting transaction. Participant agrees that Custodian, its affiliates, or Introducing Firm may execute transactions of Special Investments directly or indirectly on a principal basis when there is limited availability of securities on an agency basis or when competitive pricing is available. Participant's consent to this provision is not a requirement to open or maintain Participant's brokerage IRA.
- f. Use of Introducing Firm.** If you open your account through an Introducing Firm, you agree that, unless otherwise prohibited by law, any benefits, rights or protections of the Custodian under this Agreement are extended to and may be exercised by, or assigned to, the Introducing Firm and may be enforced independently or jointly by the Custodian and/or the Introducing Firm.

## **6. Taxes.**

The Custodian shall have the power and right to pay from the IRA any estate, inheritance, income or other taxes, and any interest or penalties assessed or levied with respect to the IRA or the Participant's interest therein. The Custodian may liquidate assets held in the IRA for taxes withheld or assessed against the IRA. The Custodian is not obligated to liquidate assets and is not responsible for any tax liabilities if assets are liquidated or if they are not liquidated.

The Participant by signing the IRA enrollment/application form and under penalties of perjury certifies that:

- a. The social security number shown on the IRA enrollment/application form along with any other account opening forms is the Participant's correct taxpayer identification number.
- b. The Participant is not subject to backup withholding because (1) the Participant is exempt from backup withholding, or (2) the Participant has not been notified by the IRS he or she is subject to backup withholding as a result of failure to report all interest or dividends, or (3) the IRS has notified the Participant that he or she is no longer subject to backup withholding. Or, the Participant has notified the Custodian in writing that he or she is subject to backup withholding.

## **7. Excess Contributions.**

If the Depositor determines that any part or all of the contribution to the IRA for any taxable year is an excess contribution as defined in section 4973(b) of the Code, he or she may give the Custodian a written request for the refund of the amount of the excess contribution for such taxable year. Upon receiving such request the Custodian shall refund the requested amount.

## **8. Amendment.**

Subject to the provisions of Article VII, the Custodian may amend the provisions of the IRA at any time by giving written notice of the amendment to the Participant. The Participant is deemed to have automatically consented to any amendment unless the Participant notifies the Custodian in writing that the Participant does not consent to the amendment and provides written notice of the IRA termination within 30 days after the Custodian sends a copy of the amendment to the Participant. Any and all amendments made to comply with any changes in applicable laws or regulations shall not require the Participant's consent.

## 9. Termination.

The IRA shall terminate when the Custodian receives written instructions from the Participant to transfer all of the assets of the IRA to the trustee or custodian of another retirement plan or directly to the Participant or upon the distribution of all of the assets of the IRA in accordance with Article IV hereof. In order for the Participant to transfer all of the assets of the IRA, the Participant must give the Custodian written instructions to make the transfer at least fifteen (15) days prior to the date the transfer is to be made. If the Custodian is notified by the Commissioner of the Internal Revenue Service that another custodian must be substituted for the Custodian because the Custodian has failed to comply with the requirements of Treasury regulation section 1.408-2(e) or is not keeping the records, making returns or rendering statements as required by the Internal Revenue Service's forms or regulations, the Custodian will substitute another custodian and will notify the Participant of this fact. The Participant agrees upon such notification or upon notification from the Commissioner of the Internal Revenue Service to transfer the Participant's assets to another individual retirement account or to substitute another custodian for the Custodian. The Custodian shall not be liable for any actions or failures to act on the part of any successor custodian or trustee nor for any tax consequences resulting for the transfer or distribution of assets pursuant to this section.

The Participant may not receive interest or dividends that have accrued but that have not been credited on a terminated IRA. A quarterly minimum balance fee of up to \$10 (or the balance of the account if less than \$10) may apply if your balance falls below \$50. If the fee should bring your account to a zero balance, the Custodian may terminate your IRA.

## 10. General Provisions.

The following general provisions apply to this Agreement.

- a. Non-Assignable Interests.** The Participant shall not have any right to pledge any part of the IRA as security for a loan or to assign, transfer or in any way create a lien on the IRA or any payments to be made under this IRA. Any indemnification agreement, cross-collateralization agreement or other grant of a security interest in favor of the Custodian or its affiliates, in any other agreement the Participant may have with us, as set forth in any other agreement, which guarantees the payment of debits to (or by) the Custodial Account under this Agreement by (or to) a Related Account is hereby null, void, and unenforceable with respect to the Custodial Account under this Agreement, notwithstanding any contrary provisions in the Related Account agreement. For this paragraph, a "Related Account" is another account established with us where such account is subject to an agreement with us that also covers the Custodial Account and /or guarantees the payment of debits to the Plan Account. This paragraph shall be interpreted in a manner consistent with the Department of Labor's Prohibited Transaction Class exemption 80-26 and shall not limit our ability to seek any and all legal remedies against you with regard to any indebtedness.

The IRA shall not be subject to any execution, attachment, assignment, garnishment or other legal process by any creditor of the Participant except to the extent allowed by applicable law. Notwithstanding the foregoing, all or a portion of the Participant's interest may be transferred to the Participant's former spouse pursuant to a valid divorce decree, incorporated property settlement agreement or agreement of legal separation. Any interest so transferred shall be treated as an IRA for the benefit of the former spouse and such spouse shall be treated as the Depositor of such IRA. Custodian may require any additional instruction it deems reasonable and necessary to accomplish the transfer. The Custodian, nor its affiliates, will not be liable for any adverse consequences resulting from such transfer.

- b. Construction.** If any part of the agreements governing this account is held to be illegal or invalid, the remaining parts shall not be affected. Neither the Participant's nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of the governing agreements constitutes a waiver of such provisions, or the rights of either party to enforce each and every provision thereafter. The Participant further agrees to be bound by the regulations of the Custodian or any governmental agency regarding the operation of this IRA or any investment held hereunder.
- c. Gender.** Wherever in the language of this IRA the masculine gender is used, it shall be deemed equally to refer to the feminine gender.
- d. Commissions, Expenses and Fees.**
- i. All expenses incurred in connection with the administration of the IRA, including fees for legal services, and such reasonable compensation to the Custodian as may be established by the Custodian, may be paid from the IRA by the Custodian. Reimbursement for any expenses shall be due and payable upon demand. When the Custodial Account is established, the Participant will be furnished with a schedule of fees/fee notice and thereafter will give the Participant written notice of any changes in that schedule. Other fees and expenses incurred due to the management of the IRA, including but not limited to investment advisory fees, may also be paid from the IRA by the Custodian at the direction of the Participant.
  - ii. All annual fees for a calendar year shall be due and payable when invoiced. The Custodian may charge any annual fees previously disclosed without any further notification to the Participant. In the event that the IRA is terminated or transferred, a termination and/or transfer fee and any outstanding annual fees (including the current year's annual fee) shall be due and payable on the date of the termination or transfer. The Custodian may liquidate assets held in the IRA to make withdrawals, distributions or transfers or pay fees, expenses, liabilities, charges or taxes assessed against the IRA. The Custodian is not obligated to liquidate assets and is not responsible for any tax liabilities if assets are liquidated or if they are not liquidated.

- iii. The Custodian, or an affiliate, may retain any interest earned on assets awaiting investment or disbursement. You understand and agree that this interest (generally referred to as "float") will be retained by us as additional compensation for the provision of services with respect to your Traditional IRA. Such interest shall generally be a prevailing interest rate.

Assets awaiting investment include (a) new deposits to the Traditional IRA, including interest and dividends, and (b) any uninvested assets held by the Traditional IRA caused by an instruction to us to purchase or sell securities where investment instructions are received too late in the day to be completed. We may also earn float on distributions from the time funds are distributed from the IRA until the check is cashed or other payment method is completed.

- e. **Reports.** The Participant agrees to provide information to the Custodian at such time and in such manner as may be necessary to prepare any reports required pursuant to the Code and the regulations thereunder. The Participant agrees to hold the Custodian harmless against any liability arising from any inaccuracies or omissions with respect to such information.
- f. **No Representations.** The Participant shall not rely on any oral or written representations of the Custodian, its agents, affiliates, officers, directors, and employees as to the tax or other effect of any transaction relating to the IRA.
- g. **Power of Attorney.** The Participant may designate one or more individuals to act as the Participant's attorney-in-fact. Such written designations shall be made in a manner acceptable to the Custodian. The Custodian may rely on such designation until the Custodian has received written notification to the contrary. The Custodian shall be under no liability for any loss of any kind occasioned by its actions in accordance with the directions of the Participant's attorney-in-fact, and shall be under no duty to question any direction of the Participant's attorney-in-fact.

Payments from the IRA may be made at our discretion to the Participant's duly authorized or qualified legal representative, including without limitation, legal guardian, committee or attorney-in-fact, during any period that the Participant is incapable of executing a valid receipt for such payments. Any payment made pursuant to the provisions of this paragraph shall be a complete discharge of any liability for the making of such payment from the IRA.

The Custodian may, at its sole discretion, prohibit any transaction and/or acts requested by the attorney-in-fact.
- h. **Authority to Contract.** The Participant acknowledges that this document and any accompanying documents constitute a contract between the Participant and the Custodian. By entering into this contract, the Participant agrees that he or she has full legal power and authority to enter into any transaction with or through the Custodian and to provide instructions related to the IRA. The Participant agrees to promptly notify the Custodian in writing if their authority described above materially changes. The Participant agrees to be bound by any and all rules and regulations of the Custodian or any government agency regarding the operation of the IRA or any investment held hereunder.
- i. **Effective Date.** The effective date shall be the date that the Custodian accepts the Depositor's IRA enrollment/application form.
- j. **Notice.** Notices to us concerning the IRA must be in writing and must be delivered in person or sent by registered or certified mail to the mailing address specified in Question A2 of the Disclosure Document, as that address may be changed from time to time, or to any other address specified by us. We may honor any instructions in writing from the Participant sent by mail yet shall not be responsible for failure to follow any instructions not sent by certified or registered mail. Notices from us shall be in writing and sent to the Participant's address listed in the IRA enrollment/application form (or most current address of record), or other address specified by the Participant.
- k. **Extraordinary Events.** The Participant agrees that the Custodian and its affiliates shall not be liable for any loss or delay caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes, failure of the mail or other communication systems, mechanical or electronic failure, failure of third parties to follow instructions, or other conditions beyond the control of the Custodian.

## 11. Sharing Information.

The Participant expressly agrees that the Custodian is authorized to share such IRA information which it may lawfully share with its affiliated entities, including Broker, for such purposes as the Custodian, in its sole discretion, may deem necessary or appropriate.

The Custodian or its agent may submit the Participant's name, address, and security positions to the agent of the issuer of the securities held in the name of the Participant or to the Custodian's agent for corporate communications unless we receive written notification from the Participant to the contrary.

## **12. Limitations on Custodial Liability and Indemnification.**

The Participant and the Custodian intend that the Custodian shall have and exercise no discretion, authority, or responsibility as to any investment in connection with the IRA and the Custodian shall not be responsible in any way for the purpose, propriety, or tax treatment of any contribution, or of any distribution, or any other action or inaction taken pursuant to the Participant's (or his or her duly authorized representative's) direction. Participant agrees that the acceptance of any contribution by us is not an opinion that any party will be entitled to a tax deduction or "rollover" treatment on such amount. Participant understands that the Custodian has no responsibility or obligation to calculate the amount of any distribution or to make any election for the Participant. The Participant shall bear sole responsibility for the suitability of any investment and for any adverse consequences arising from such an investment, including, without limitation, the inability of the Custodian to value or to sell an investment, or the generation of unrelated business taxable income with respect to an investment. To the fullest extent permitted by law, the Participant shall at all times fully indemnify and hold harmless the Custodian and its agents, affiliates, successors, and assigns and its officers, directors, and employees, from any and all liability arising from the Participant's (or his or her duly authorized representative's) investment direction under this IRA and from any and all other liability whatsoever which may arise in connection with this IRA, except liability arising under applicable law or liability arising from the gross negligence or willful misconduct on the part of the indemnified person.

The Custodian will be responsible only for the cash and property actually received by it under the terms of the IRA and will not be responsible for the collection of contributions to the IRA. Establishment of or subsequent contribution to this IRA is not intended to be a transfer or gift under any state Uniform Transfers to Minors Act or any comparable act under the laws of any state which may have jurisdiction over this IRA. Our only duties and responsibilities with respect to the IRA shall be those specifically set forth in this IRA.

## **13. Recording Conversations.**

The Participant understands and agrees that the Custodian and the Broker may electronically record any of the Participant's telephone conversations with the Custodian or the Broker. The Participant waives all rights to object to the admissibility into evidence of such recording in any legal or other proceeding between the Participant and the Custodian, its employees or affiliates, or in any proceeding brought by an exchange or governmental agency to which the Custodian, its employees or affiliates, are party or in which records are subpoenaed.

## **14. Holding Account Assets.**

The Participant hereby authorizes us to comply with any process, summary, order, injunction, execution, distribution, levy, lien, or notice of any kind ("Process") received by or served upon us which in our sole opinion affects the IRA.

The Participant authorizes us to, at its option and without liability, thereupon refuse to honor orders to pay or withdraw monies from the IRA and to either hold the balance therein until the Process is disposed of to our satisfaction, or to pay the balance over to the source of the Process. In any event, we shall have no obligation to contest the service of any such Process, or the jurisdiction of said service. The Custodian may also require additional clarification or support for any court order or other document if it deems that the terms or effectiveness of the order or document are unclear. In any event, the Custodian shall have no obligation to contest the service of any such Process, or the jurisdiction of said service. In addition, the Custodian has a right to freeze or hold an account balance in the event that it believes that ownership of the account or any proceeds therein are in dispute and may continue to hold or freeze the account until the dispute is resolved to its satisfaction.

If the Custodian is unable to make a distribution to the appropriate party within 6 months after such distribution is to be made because we are unable to contact the Participant by mailing to the most recent address provided to us by the Participant for purposes of the IRA, the Custodian may, without liability for so doing, sell any securities in the IRA and, subject to applicable limitations, deposit the proceeds and any other funds in a bank deposit or a money market mutual fund, as designated by us from time to time, until such time as disbursement is possible to the appropriate party or until such funds escheat to a governmental agency by operation of law.

## **15. Counterparts.**

The IRA enrollment/application form may be executed in any number of counterparts, each one of which shall be deemed to be the original although the others have not been produced.

## **Section III: Additional Information**

### **A. Periodic Statements For Your IRA Investment Options.**

You will receive a periodic statement reflecting all of the investments in your IRA. In addition, you will receive a statement reflecting activity following any month in which there is activity in your IRA.

If you have questions about your IRA statement, please contact us. You must notify us within 10 days in writing of any discrepancies noted on your statement, otherwise the statement will be deemed correct and conclusive.

### **B. How to Determine Your Annual Contributions to Date.**

To determine the amount you have contributed to your IRA at any point in time, you should refer to your statement. Each statement will include a total of contributions made during that calendar year.

### **C. Tax Reporting.**

Any discrepancies or errors in any tax reporting by the Custodian must be reported to the Custodian within 60 days after the reporting is mailed by the Custodian to the Participant.



**TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION**

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

July 1, 2003

Wachovia Securities LLC  
901 East Byrd Street  
Richmond, VA 23219

EIN Number: 34-1542819

Ladies and Gentlemen:

In a letter dated March 21, 2003, as supplemented by a facsimile transmitted on June 23, 2003, your authorized representative requested a written notice of approval that Wachovia Securities LLC may act as a nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408, 408A (dealing with Roth IRAs), and 530 (dealing with Coverdell education savings accounts), and eligible deferred compensation plans described in section 457(b).

Section 220(d)(1)(B) of the Code (dealing with Archer MSAs (medical savings accounts)) provides, in pertinent part, that the trustee of a medical savings account must be a bank (as defined in section 408(n)), an Insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Q & A-10 of Notice 96-53, 1996-2 C.B. 219 provides, in pertinent part, that persons other than banks, insurance companies, or previously approved IRA trustees or custodians may request approval to be a trustee or custodian in accordance with the procedures set forth in section 1.408-2(e) of the Income Tax Regulations.

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, has a severance from employment, 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(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(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 26 of 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, 1998-1 C.B. 355 (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.

The Income Tax Regulations at section 1.408-2(e) 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), 408(q), 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 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 Wachovia Securities LLC meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408, 408A (dealing with Roth IRAs), and 530 (dealing with Coverdell education savings accounts), and eligible deferred compensation plans described in section 457(b).

This letter authorizes Wachovia Securities LLC to act as a passive or non-passive nonbank custodian. When Wachovia Securities LLC acts as a passive nonbank 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 custodial agreement. It may not act as a passive custodian if under the written custodial agreement it has discretion to direct investments of the custodial funds.

Wachovia Securities LLC may not act as a custodian unless it undertakes to act only under custodial agreements that contain a provision to the effect that the grantor is to substitute a trustee or another custodian upon notification by the Commissioner that such substitution is required because Wachovia Securities 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.

Wachovia Securities LLC is required to notify the Commissioner of Internal Revenue, Attn: T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of Wachovia Securities LLC to act as a nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408, 408A (dealing with Roth IRAs), and 530 (dealing with Coverdell education savings accounts), and 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 approval letter 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.

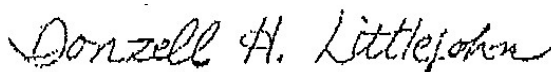
This letter constitutes a notice that Wachovia Securities LLC may act as a nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code, plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408, 408A (dealing with Roth IRAs), and 530 (dealing with Coverdell education savings accounts), and eligible deferred compensation plans described in section 457(b) and does not bear upon its capacity to act as a custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments.

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

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

If you have any questions, please contact Mr. C. Thompson (Badge No. 50--07262) at (202) 283-9596.

Sincerely,

A handwritten signature in cursive script that reads "Donzell H. Littlejohn".

Donzell H. Littlejohn, Acting Manager  
Employee Plans Technical Group 1