

# SIMPLE IRA Adoption Agreement

Form 5305-SA (Revised March 2002) under Section 408(p) of the Internal Revenue Code (“Code”)

The Participant named above is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under Sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

Pershing LLC, the Custodian, has given the Participant the disclosure statement required under Regulations Section 1.408-6.

The Participant and the Custodian (“the Custodian”) make the following agreement (the “Agreement”):

## Article I

The Custodian will accept cash contributions made on behalf of the Participant by the Participant’s employer under the terms of a SIMPLE IRA plan described in Section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the Participant. No other contributions will be accepted by the Custodian.

## Article II

The Participant’s interest in the balance in the Custodial Account is nonforfeitable.

## Article III

1. No part of the Custodial Account funds may be invested in life insurance contracts, nor may the assets of the Custodial Account be commingled with other property except in a common trust fund or common investment fund [within the meaning of Section 408(a)(5)].
2. No part of the Custodial Account funds may be invested in collectibles [within the meaning of Section 408(m)] except as otherwise permitted by Section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins; coins issued under the laws of any state; and certain bullion.

## Article IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant’s interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Participant’s entire interest in the Custodial Account must be, or begin to be, distributed no later than the Participant’s required beginning date, April 1 following the calendar year in which the Participant reaches the age of 70½. By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
  - (a) A single sum
  - (b) Payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated Beneficiary
3. If the Participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Participant dies on or after the required beginning date, and:
    - (i) The designated Beneficiary is the Participant’s surviving spouse, the remaining interest will be distributed over the surviving spouse’s life expectancy as determined each year until such spouse’s death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse’s death will be distributed over such spouse’s remaining life expectancy

as determined in the year of the spouse’s death and reduced by one for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

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

(iii) There is no designated Beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant’s death and reduced by one for each subsequent year.

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

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

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

4. If the Participant dies before his or her entire interest has been distributed and if the designated Beneficiary is not the Participant’s surviving spouse, no additional contributions may be accepted in the Account.
5. The minimum amount that must be distributed each year, beginning with the year containing the Participant’s required beginning date, is known as the “required minimum distribution” and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Participant’s account value at the close of business on December 31 of the preceding year divided by the distribution period in the Uniform Lifetime Table in Regulations Section 1.401(a)(9)-9. However, if the Participant’s designated Beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Participant’s account value at the close of business on

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December 31 of the preceding year divided by the number in the Joint and Last Survivor Table in Regulations Section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Participant's (or, if applicable, the Participant's and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Participant's death [or the year the Participant would have reached the age of 70½, if applicable under paragraph 3(b)(i)] is the account value at the close of business on December 31 of the preceding year divided by the life expectancy [in the Single Life Table in Regulations Section 1.401(a)(9)-9 of the individual specified in such paragraphs 3(a) and 3(b)(i)].
  - (c) The required minimum distribution for the year the Participant reaches the age of 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under Section 408(a)(6).

## Article V

1. The Participant agrees to provide the Custodian with all information necessary to prepare any reports required by Sections 408(i) and 408(l)(2) and Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (the "IRS") and Participant the reports prescribed by the IRS.
3. The Custodian also agrees to provide the Participant's employer with the summary description described in Section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

## Article VI

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

## Article VII

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

## Article VIII

### 1. Definitions

- (a) "Account" shall mean the SIMPLE IRA established hereunder for the benefit of the Participant and/or his or her Beneficiary or Beneficiaries.
- (b) "Adoption Agreement" shall mean the Agreement or Application signed by each individual adopting the Plan and establishing an Account on behalf of that individual.
- (c) "Agreement" shall mean the Pershing LLC SIMPLE Individual Retirement Custodial Agreement and Disclosure Statement, including the information and provisions set forth in any Application that goes with this Agreement, as may be amended from time to time. This Agreement, including the Account Application and the Designation of Beneficiary filed with the Custodian, may be proved either by an original copy or a reproduced copy thereof, including, without limitation, a copy reproduced by photocopying, facsimile transmission, electronic imaging, or other means of electronic transmission.

- (d) "Beneficiary" shall mean the person, persons, entity, or entities (for instance, a trust), designated from time to time by a Participant or Participant's surviving spouse to receive benefits by reason of the death of the Participant or of such spouse, or the person or persons described in Article VIII, Section 4b, of the Plan who would otherwise be entitled to receive such benefits.
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (f) "Compensation" shall mean total Compensation, including wages, salary, professional fees, and other amounts received by a Participant during his or her current taxable year for personal services rendered during that year and includible in his or her gross income for federal income tax purposes. If the Participant is self-employed, his or her Compensation shall include net earnings from self-employment in which personal services of the Participant are a material income-producing factor. Compensation also includes amount includible in gross income with respect to a divorce or separation instrument described in Section 71(b)(2)(A) of the Code.
- (g) "Custodian" shall mean Pershing LLC.
- (h) "Depositor" shall mean Participant as defined herein below.
- (i) "Participant" shall mean the Depositor and an individual who adopts the Plan and who makes contributions or on whose behalf contributions are made to his or her Account pursuant to the Plan.
- (j) "Plan" shall mean the Pershing LLC SIMPLE Individual Retirement Custodial Account Plan, as it may be amended from time to time, in accordance with Article VII of the Plan.
- (k) "Transfer SIMPLE IRA" shall mean the SIMPLE IRA is not the original recipient of contributions under any SIMPLE plan. The summary description requirements of Section 408(l)(2) do not apply to Transfer SIMPLE IRAs.

### 2. Notices and Change of Address

- (a) Any required notice regarding this SIMPLE IRA will be considered effective when mailed by the Custodian to the last address of the intended recipient that is on the records of the Custodian. Any notice to be given to the Custodian will be effective when actually received by the Custodian. The last address of the Participant on the records of the Custodian will be the address used for any tax withholding, disbursement, and reporting required by taxing authorities. The Participant will notify the Custodian of any change of address.
- (b) Representations and Responsibilities. The Participant represents and warrants to the Custodian that any information the Participant has given or will give to the Custodian with respect to this Agreement is complete and accurate. Further, the Participant promises that any direction given by the Participant to the Custodian, or any action taken by the Participant will be proper under this Agreement. The Custodian will not be responsible for the Participant's actions or failures to act. Likewise, the Participant shall not be responsible for the Custodian's actions or failure to act; provided however, that the Custodian's duties and responsibilities under this Agreement are limited to those specifically stated in the Agreement, and no other or further duties or responsibilities shall be implied.

### 3. Investment of Contributions

- (a) Direction by Participant. All investment instructions of the Participant shall be accepted by the Custodian in accordance with its established customs and procedures. Each Participant shall direct the Custodian with respect to the investment of all contributions to his or her Account and the earnings

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thereon. Such direction shall be limited to publicly traded securities, covered call options, covered put options, debit spreads, long puts and long call options, mutual funds, money market instruments, and other investments, to the extent that they are obtainable through and subject to the custody of the Custodian in its regular course of business, and subject to such other limitations as may be agreed to by the Participant and Introducing Broker-Dealer. In the absence of such directions, the Custodian shall have no investment responsibility. All transactions directed by the Participant shall be subject to the rules, regulations, customs, and usages of the exchange, market, or clearing house where executed, and to all applicable federal and state laws and regulations, and to internal policies of the Custodian. The Custodian reserves the right not to accept assets intended for deposit to the Account and may at any time require liquidation of any asset held in the Custodial Account if the Custodian determines that maintaining custody of any such asset is not in accordance with the Custodian's administrative or operational requirements and regular business practices.

- (b) **Direction by Beneficiary.** In the event that the Participant dies before part or all of his or her interest in this Account is distributed to him or her, the remaining assets in the Account shall be invested as directed by the Participant's Beneficiary or Beneficiaries; provided, however, that (1) if the Beneficiary is a trust, such investment directions shall be given by the trustee of such trust, and (2) if the Beneficiary is the Participant's estate, such investment directions shall be given by the personal representative of such estate. In such event, the Beneficiary or Beneficiaries shall be treated as the Participant for all purposes as though he or she were the signatory to the Agreement.
- (c) **No Duty to Review.** The Custodian shall not be under any duty to review or question any direction of the Participant with respect to investments, to review any securities or other property held in trust, or to make suggestions to the Participant with respect to investments. The Custodian will not be liable for any loss that may result by reason of investments made by it in accordance with the directions of the Participant.
- (d) **Delegation of Investment Responsibility.** The Participant may delegate the investment responsibility for his or her Account to an agent or attorney in fact acceptable to the Custodian by notifying the Custodian in a form and manner acceptable to the Custodian of the delegation of such investment responsibility and the name of the person or persons to whom such responsibility is delegated. The Custodian shall follow the directions of such agent or attorney in fact and shall be under no duty to review or question any direction, action, or failure to direct or act of such agent or attorney in fact. The Participant may revoke the authority of any agent or attorney in fact at any time by notifying the Custodian in a form and manner acceptable to the Custodian of such revocation and the Custodian shall not be liable in any way for transactions initiated prior to receipt of such notice.
- (e) **Uninvested Cash.** The Participant shall direct the Custodian as to the investment of all cash which is not currently invested in assets described in Article VIII, Section 3(a), of the Plan. The Participant or his or her legal representative shall direct the Custodian with respect to the investment of cash pending distribution. In the absence of such direction, the Custodian shall have no investment responsibility.

#### 4. Withdrawals

The Participant may withdraw all or part of his or her Account balance at any time. All requests for withdrawal shall be in a form and manner prescribed by or acceptable to the Custodian. Any withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties and

withholding requirements. Distributions under the SIMPLE IRA may be made in a single sum, periodic payment, or a combination of both.

- (a) **Required Distributions.** Beginning in 2003, the Custodian shall, if requested by the Participant, be responsible for computing the required minimum distribution in accordance with Article IV of the Plan, and for notifying the Participant accordingly. The Participant shall be responsible for causing the required minimum distribution amount to be withdrawn from his or her Account each year. Notwithstanding anything in Article IV to the contrary, the Custodian shall not, without the consent of the Participant, distribute the value of the SIMPLE IRA where the Participant fails to choose any method of distribution by April 1st of the year following the year the Participant reaches the age of 70½.
- (b) **Beneficiaries.** Following the death of the Participant, the balance of the Participant's Account shall be distributed to the Participant's designated Beneficiary or Beneficiaries, if any, in accordance with the provisions of Article IV of the Plan and in accordance with the Custodian's administrative or operational requirements and regular business practices. A Participant may designate a Beneficiary or Beneficiaries of the Account at any time, and any such designation may be changed or revoked at any time, by written designation executed by the Participant in a form and manner prescribed by or acceptable to, and filed with, the Custodian. Such designation, change, or revocation shall be effective only upon receipt by the Custodian and only if such receipt shall be during the Participant's lifetime. The latest such designation, change, or revocation shall control. If there is no Beneficiary designation on file with the Custodian, or if the designated Beneficiary has not survived the Participant, the Custodian shall distribute the Custodial Account to the survivors of the Participant in the following order of preference:
  - (i) The Participant's surviving spouse, if any
  - (ii) The Participant's children, if any, in equal shares per stirpes
  - (iii) The Participant's estate

If the Participant designates more than one primary or contingent Beneficiary but does not specify the percentages to which such Beneficiary or Beneficiaries is entitled, payment will be made to the surviving Beneficiary or Beneficiaries in equal shares. Unless otherwise designated by the Participant in a form and manner acceptable to the Custodian, if a primary or contingent Beneficiary designated by the Participant predeceases the Participant, the Account will be divided equally among the surviving Beneficiary or Beneficiaries. Unless otherwise designated by the Participant in a form and manner acceptable to the Custodian, if there is no primary Beneficiary or Beneficiaries living at the time of the Participant's death, payment of the Participant's Account upon his or her death will be made to the surviving contingent Beneficiary or Beneficiaries designated by the Participant. Unless otherwise specified in the Participant's Designation of Beneficiary, if a Beneficiary does not predecease the Participant but dies before receiving his or her entire interest in the Account, his or her remaining interest in the Account shall be paid to the Beneficiary or Beneficiaries designated by the deceased Beneficiary. If there is no Beneficiary designation of the deceased Beneficiary on file with the Custodian, the Custodian shall distribute the Account to the survivors of the deceased Beneficiary in the following order of preference:

- (i) The deceased Beneficiary's surviving spouse, if any
- (ii) The deceased Beneficiary's children, if any, in equal shares per stirpes
- (iii) The deceased Beneficiary's estate

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If the Custodian is unable to make a distribution to a Participant, a Beneficiary, or other distributee because the Custodian cannot ascertain such distributee's whereabouts by writing to the last known mailing address shown on the Custodian's records, if any, the Custodian may hold the proceeds in a non-interest-bearing account until such funds escheat by operation of law. The Beneficiary or Beneficiaries are responsible to ensure that distributions are made in accordance with the provisions of Article IV of the Plan.

- (c) Account Only Source of Benefits. The only source of benefit for the Participant, Spouse, or Beneficiary of the Account under this SIMPLE IRA Plan shall be the SIMPLE IRA Account.
- (d) Qualifying Terminable Interest Property (QTIP) and Qualified Domestic Trust (QDOT). The provisions of this Section 4(d) of Article VIII of the Plan shall apply if the Participant has designated a QTIP or a QDOT for the benefit of his or her spouse (which trust is intended to satisfy the conditions of Section 2056(b)(7) or 2056A of the Code) as Beneficiary of this SIMPLE IRA (hereafter referred to as the "Spousal Trust"), but only if the Participant, the trustee of the Spousal Trust, or the executor of the estate of the deceased Participant notifies the Custodian in a written document acceptable to the Custodian of such individual's intention to have this Section apply. After the death of the Participant, and upon written direction of the trustee of the Spousal Trust, the Custodian shall distribute to the trustee of the Spousal Trust an amount equal to the greater of (1) all of the income of the Account for the year or (2) the amount required to be distributed under Section 401(a)(9) of the Code and the regulations thereunder annually or at more frequent intervals. No person shall have the power to appoint any part of the Account to any person other than the Spousal Trust. If the Participant dies on or after his or her required beginning date, the Section 401(a)(9) amount shall be the amount required to be distributed under the distribution method that applied to the Participant at his or her death. If the Participant dies before the required beginning date, the Section 401(a)(9) amount shall be the amount required under the payment method described in Article IV, Section 3(a)(i), (that is, the life expectancy of the spouse option), with payments commencing no later than the end of the year following the year of the Participant's death. If requested by the trustee of the Spousal Trust, the Custodian shall pay additional amounts from the Account's principal to the Spousal Trust. The trustee of the Spousal Trust or the Participant's surviving spouse has the right to direct the Custodian to convert nonproductive property into productive property. After the death of the Participant's surviving spouse, the Custodian shall pay any amounts remaining in the Account in accordance with written instructions given to it by the trustee of the Spousal Trust. To the extent permitted by Section 401(a)(9) of the Code, as determined by the trustee of the Spousal Trust, the surviving spouse of the Participant who has designated a Spousal Trust as his or her Beneficiary may be treated as the Participant's Beneficiary for purposes of the distribution requirement of Section 401(a)(9) of the Code. The Custodian shall have no responsibility to determine whether such treatment is appropriate.
- (e) The Custodian shall not be responsible for the purpose, sufficiency, or propriety of any distribution. The Custodian is only authorized to make distributions in accordance with instructions of the Participant, or after the Participant's death, his or her Beneficiary, or as otherwise provided for in this Agreement. Such instructions must be given in a form and manner acceptable to the Custodian.

## 5. Transfer

- (a) Transfer. The Participant may cause the transfer to a SIMPLE IRA established by the Participant hereunder of funds held on behalf of a Participant in another SIMPLE IRA or SIMPLE individual retirement annuity, and such other transfers as tax law and related regulations may permit. If the Participant desires to have transferred to his or her SIMPLE IRA assets other than cash, the Custodian shall accept such assets only if they are compatible with the Custodian's administrative or operational requirements and regular business practices. Upon the request of the Participant in a form and manner acceptable to the Custodian, the Custodian shall transfer funds held in a Participant's Account to another SIMPLE IRA or SIMPLE individual retirement annuity established by or on behalf of the Participant with another approved and qualified Custodian.
- (b) Transfer on Divorce. A Participant may transfer any portion or all of his or her interest in an Account to a former spouse under a written instrument incident to divorce or under a divorce decree containing transfer instructions acceptable to the Custodian and compliant with the Custodian's administrative or operational requirements and regular business practices, whereupon such Account, or the transferred portion of such Account, shall be held for the benefit of such former spouse subject to the terms and conditions of the Plan.

## 6. Powers, Duties, and Obligations of Custodian

- (a) No Investment Discretion. The Custodian shall have no discretion to direct any investments of an Account, and is merely authorized to acquire and hold the particular investments specified by the Participant. The Custodian will not act as investment advisor or counselor to a Participant and will not advise a Participant or offer any opinion or judgement on any matter pertaining to the nature, value, potential value, or suitability of any investment or potential investment by a Participant.
- (b) Administrative Powers. The Custodian may hold any securities acquired hereunder in the name of the Custodian without qualification or description or in the name of any nominee. Pursuant to the Participant's direction, the Custodian shall have the following powers and authority with respect to the administration of each Account:
  - (i) To invest and reinvest the assets of the Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
  - (ii) To exercise or sell options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.
  - (iii) To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers, or other changes affecting securities held by the Custodian.
  - (iv) To make, execute, and deliver as Custodian any and all contracts, waivers, releases, or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.
  - (v) To grant options to purchase securities held by the Custodian or to repurchase options previously granted with respect to securities held by the Custodian.
- (c) Proxies. All proxy and solicitation materials, notices of shareholders' meetings, current prospectus and other annual or regular shareholder reports shall, to the extent furnished to the Custodian by the issuers of the securities in the Account, be sent by the Custodian or its delegate to the Participant. The Custodian shall exercise any rights of a shareholder (including voting

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rights) with respect to any securities held in the Account only in accordance with the instructions of the Participant pursuant to any applicable rules of the Securities and Exchange Commission and the national exchanges of which the Custodian is a member.

- (d) Records and Reports. The Custodian shall keep accurate records of all contributions, receipts, investments, distributions, disbursements, and all other transactions of the Account. Within 120 days (or such other deadline imposed by applicable law) after the close of each calendar year (or after a distribution or transfer of a Participant's Account or upon the Custodian's resignation or removal), the Custodian shall file with the Participant a written report (which may consist of copies of the Custodian's regularly issued Account statements) reflecting all transactions affecting the Account for the period in question and including a statement of the assets in the Account and their fair market values. Unless the Participant files a written statement of exceptions or objections to the report with the Custodian within 60 days after mailing of the report, the Participant shall be deemed to have approved such report and the Custodian shall be released from all liability to anyone (including any Participant's spouse or Beneficiary) with respect to all matters set forth in the report. No person, other than a Participant, the spouse of a Participant, or Beneficiary may require an accounting.
- (e) Right to Request Judicial Assistance. The Custodian shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions of construction which may arise or for instructions. The only necessary party defendant to any such action shall be the Participant, but the Custodian may join any other person or persons as a party defendant. The cost, including attorney's fees, of any such proceeding shall be charged as an administrative expense under Article VIII, Section 9, of the Plan.
- (f) Scope of Custodian's Duties. The Custodian shall only have the duties which are specifically set forth in this Plan. The Custodian shall have no duty to ascertain whether contributions or distributions comply with the Plan or the Code. The Custodian shall not make any investments or dispose of any investments held in an Account, except upon the direction of the Participant or in accordance with Article VIII, Section 10(d), of the Plan. The Custodian shall not question any such directions of the Participant, review any securities or other property held in an Account, or make suggestions to the Participants with respect to the investment, retention, or disposition of any assets held in an Account.
- (g) Scope of Custodian's Liability. The Custodian shall not be liable for any loss of any kind which may result from any action taken by it in accordance with the directions of the Participant or his or her designated agent or attorney in fact or from any failure to act because of the absence of any such directions. The Custodian shall not be responsible for determining whether any contribution or rollover contribution satisfies the requirements of the Code. The Custodian shall not be liable for any taxes (or interest thereon) or penalties incurred by the Participant in connection with any Account or in connection with any contribution to or distribution from the Account. The Custodian is entitled to act upon any instrument, certificate, or form it believes is genuine and believes is executed or presented by the proper person or persons, and the Custodian need not investigate or inquire as to any statement contained in such document, but may accept it as true and accurate. The Custodian is not liable for any losses directly or indirectly caused by acts of war, acts of terrorism, labor disputes, exchange, or market decisions, including the suspension of trading, market volatility, trade volume, or by government restriction. The Participant shall duly indemnify and hold harmless the Custodian from any liability which may arise

hereunder except liability arising from the gross negligence or willful misconduct of the Custodian.

## 7. Resignation or Removal of Custodian

- (a) Resignation. The Custodian may resign as Custodian hereunder as to any Account by mailing or actually delivering notice to the Participant 30 days prior to the resignation. Upon its resignation the Custodian may, but shall not be required to, appoint a corporation or other organization as the successor custodian under this Agreement. Each Participant, after the receipt of the resignation, shall have 30 days to appoint an alternative successor custodian. If no alternate is chosen, the Participant will be deemed to have accepted the Custodian's appointed successor custodian. Upon acceptance of appointment by the successor, the Custodian shall assign, transfer, and deliver to the successor all assets held in the Account to which such resignation or removal relates. The Custodian is authorized, however, to reserve such amounts as it deems advisable to provide for the payment of expenses and fees then due or to be incurred in connection with the settlement of its Account, and any balance remaining after the settlement of its Account shall be paid to the successor custodian or trustee. At the sole discretion of the Custodian, any successor custodian appointed by the Custodian may, with the approval of the Custodian, amend the Agreement by giving notice to the Participants. If the Custodian does not choose to appoint a successor, the Participant has 30 days after receiving notification of the Custodian's resignation to appoint a qualifying successor custodian. If the Participant does not appoint a successor custodian within this time period, the Custodian shall have the right to terminate the Custodial Account and distribute the assets directly to the Participant.
- (b) Removal. The Participant shall substitute another custodian in place of the Custodian upon notification by the Internal Revenue Service that such substitution is required because the Custodian has failed to comply with the requirement of Treasury Regulation Section 1.408-2(e), or is not keeping such records, or making such returns, or rendering such statements as are required by that regulation.
- (c) The Custodian shall not be liable for the acts or omissions of its successor.

## 8. Amendment and Termination of the Plan

- (a) Amendment or Termination. The Custodian may amend or terminate this Plan at any time consistent with the provisions of applicable law without obtaining the consent of the Participant, the spouse of the Participant, or Beneficiary. No amendment of the Plan, however, shall deprive any Participant, spouse of a Participant, or Beneficiary of any benefit to which he or she was entitled under the Plan from contributions made prior to the amendment unless the amendment is necessary to conform the Plan to the current or future requirements of the Employee Retirement Income Security Act of 1974, Sections 408(a) and 408(p) of the Code, or other applicable law, regulation, or ruling, in which case the Custodian is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the Plan or the effective date of any future legal requirements. A Participant may change an election or designation made with respect to the Adoption Agreement, provided such change is made in a form and manner prescribed by and acceptable to the Custodian.
- (b) Distribution on Termination. If the Plan is terminated for any reason by the Custodian, the balance held in each Account for the benefit of a Participant, spouse of a Participant, or Beneficiary shall be distributed by the Custodian to a successor custodian or trustee, in accordance with Article VIII, Section 7, of the Plan.

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## 9. Fees, Expenses, and Indebtedness

- (a) Payment and Deduction of Fees and Expenses. The Custodian's annual maintenance, termination, and other administration fees shall be charged by the Custodian for its services hereunder in accordance with the current fee schedule of the Custodian that is in effect from time to time as it may be amended by the Custodian. Any administrative expenses, including fees for legal and/or accounting services incurred by the Custodian at the request of or necessitated by the actions of the Depositor or designated Beneficiary, including, but not by way of limitation, the direction of investment of Custodial Account assets in an investment that causes the Custodial Account to realize unrelated business taxable income within the meaning of Section 512 of the Code, that are over and above the services set forth in the Custodian's fee schedule shall be paid by the Participant and the Participant hereby covenants and agrees to pay the same. The Custodian's fees and expenses shall be automatically charged to the Custodial Account unless the Depositor chooses to pay the fee directly to the Custodian in a timely manner before the Custodial Account has been so charged and fees or other administrative expenses that are not paid by the Depositor directly to the Custodian when due may be charged to the Account. The Custodian reserves the right to liquidate any assets of the Account to collect any charge for which payment may at any time be past due. In the event of Account termination by the Participant or the Custodian for any reason, the Custodian shall be entitled to receive the full termination fee, along with the full, nonprorated current year maintenance fees, regardless of the date during the year that the Account is terminated. Such amounts will be automatically charged against the Account at the time the Participant terminates the SIMPLE IRA. Any reimbursement of fees charged against an Account will be recorded as a contribution to the Account and reported to taxing authorities accordingly. Specific fee details are provided in the current fee schedule available from the Custodian or from the financial organization that has introduced your Account to the Custodian.
- (b) Taxes. Any taxes of any kind whatsoever that may be levied or assessed upon any Custodial Account or that the Custodian may otherwise be charged with the responsibility of collecting shall be paid from the assets of the Custodial Account involved.
- (c) Brokerage Commissions. The Account will be charged brokerage commissions and other securities transaction related charges for the transactions in the Custodial Account in accordance with the Custodian's usual practice.
- (d) Indebtedness. The Participant shall pay any debit balance or other obligation owing to the Custodian on demand.

## 10. Miscellaneous

- (a) Prohibited Transactions. No Participant, spouse of a Participant, or Beneficiary shall be entitled to use a Participant's Account, or any portion thereof, as security for a loan or borrow from the Account. Neither the Custodian, the Participant, nor any other person or organization shall engage in any prohibited transaction, within the meaning of Section 4975 of the Code, with respect to any Participant's Account.
- (b) Prohibition Against Assignment of Benefits. Except to the extent otherwise required by law, none of the benefits, payments, or proceeds held in an Account on behalf of any Participant, spouse of a Participant, or Beneficiary shall be subject to the claims of any creditor of such Participant, spouse, or Beneficiary, nor shall any Participant, spouse, or Beneficiary have any right to anticipate, sell, pledge, option, encumber, or assign any of the benefits, payments, or proceeds to which he or she is or may be entitled under the Plan.

- (c) Applicable Law. The Plan shall be construed, administered, and enforced according to the laws of the State of New York, except to the extent preempted by federal law. All contributions to the Account shall be deemed to take place in the State of New York. The terms and conditions of the Plan shall be applicable without regard to the community property laws of any state.
- (d) Liquidation of Assets. If the Custodian must liquidate assets in order to make distributions, transfer assets, or pay fees, expenses, or taxes assessed against a Participant's Account, and the Participant fails to instruct the Custodian as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Account: (a) any shares of a money market fund or money market type fund, (b) securities, (c) other assets.
- (e) Purpose of Form. This document shall serve as a Form 5305-SA, which is a model Custodial Account agreement that meets the requirements of Sections 408(a) and 408(p) of the Code and has been automatically approved by the IRS. A SIMPLE IRA is established after the Adoption Agreement is fully executed by the Participant and entered into the records of the Custodian.
- (f) Identifying Number. The Participant's Social Security number will serve as the identification number of his or her SIMPLE IRA. An employer identification number is required only for a SIMPLE IRA for which a return is filed to report unrelated business taxable income. An employer identification number is required for a common fund created for SIMPLE IRAs.
- (g) The Custodian will be deemed to have satisfied its summary description reporting requirements under Section 408(l)(2) of the Code because it has provided the Participant with the Custodian's name, address, and withdrawal procedures to the Participant. The Participant's employer shall be responsible to provide the Participant with all other required information.

## Article IX

### ARBITRATION DISCLOSURES:

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

- **ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.**
- **ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
- **THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.**
- **THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD, UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
- **THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**

# SIMPLE IRA Adoption Agreement

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

## ARBITRATION AGREEMENT

**ANY CONTROVERSY BETWEEN YOU AND US SHALL BE SUBMITTED TO ARBITRATION BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA).**

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

**THE LAWS OF THE STATE OF NEW YORK GOVERN.**

## SIMPLE IRA Disclosure Statement

The Disclosure Statement provides a general description of the features of a SIMPLE Individual Retirement Account (the "Account," the "Custodial Account," or the "SIMPLE IRA") for which Pershing LLC acts as Custodian.

### 1. Right of Revocation By Participant

- (a) Once you execute the Adoption Agreement, you become the Participant and you shall have the right to revoke the Adoption Agreement for a period of seven days from the date it is executed by mailing or personally delivering a written notice of revocation to Pershing LLC, Retirement Products Department, One Pershing Plaza, Jersey City, New Jersey 07399. The notice of revocation shall be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the United States mail in an envelope, or other appropriate wrapper, first class postage prepaid, properly addressed. If such notice is not received within seven days after the deemed date of mailing, the notice of revocation shall not be valid.
- (b) If the Adoption Agreement is revoked, the Custodian will return your entire contribution to the SIMPLE IRA without penalty, service charge, administrative expenses, or any other reduction. The contribution to a SIMPLE IRA that is revoked, and the distribution from a SIMPLE IRA that is revoked, must be reported to the Internal Revenue Service.

### 2. Special Requirements of the Pershing LLC Simple Individual Retirement Custodial Account Plan

In addition to the statutory requirements described in the Plan, Pershing LLC, as Custodian, has the following requirements:

- (a) Pershing LLC (the Custodian) will not make any investment decisions with respect to the Account. You shall direct the Custodian with respect to the investment of all contributions and earnings therefrom. Investments may be made in publicly traded securities, covered call options, covered put options, debit spreads, long put and long call options, mutual funds, money market instruments, and other investments that are obtainable through and subject to the custody of the Custodian and compatible with its administrative or operational requirements and usual business practices. The Custodian may systematically sweep uninvested cash (subject to certain required minimums)

in an Account to a money market fund or other investment offered by the Custodian.

- (b) You must notify the Custodian in writing as to when you wish to receive your benefits and the manner of payout pursuant to Article IV of the Pershing LLC SIMPLE Individual Retirement Custodial Account Plan.
  - (c) Pershing LLC, as Custodian, will have no responsibility to ascertain whether rollover contributions comply with the Plan or the Code.
  - (d) You shall be entitled to designate a Beneficiary to receive benefits which are payable under the SIMPLE IRA upon your death. If you do not designate a Beneficiary, or, if the Beneficiary dies before you, or cannot be located when you die, the benefits will be paid in the following order of priority: (a) to your surviving spouse, if any; (b) to your surviving children, if any, in equal shares per stirpes; and (c) to your estate.
- ### 3. Requirements of a SIMPLE IRA
- (a) Your contribution to your SIMPLE IRA must be in cash, unless it is a rollover contribution.
  - (b) The only contributions which may be made to your SIMPLE IRA are employee elective deferrals and employer contributions under a qualified salary reduction arrangement, which is a SIMPLE IRA plan maintained by your employer and other contributions allowed by law or regulations. Unless you are the age of 50 by the end of the year, employee elective deferral contributions to your SIMPLE IRA may not exceed the lesser of 100% of your compensation for the calendar year or \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004, and \$10,000 for 2005 (adjusted annually thereafter). If you are the age of 50 or older by the close of the plan year, you may make an additional contribution to your SIMPLE IRA of \$500 for 2002, \$1,000 for 2003, \$1,500 for 2004, \$2,000 for 2005, and \$2,500 for 2006 (adjusted annually thereafter). Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Section 408(p) of the Code. Your employer is required to provide you with information which describes the terms of your employer's SIMPLE IRA plan.
  - (c) Your interest in your SIMPLE IRA is nonforfeitable.
  - (d) The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.
  - (e) No portion of your SIMPLE IRA may be invested in life insurance contracts.
  - (f) You may not invest the assets of your SIMPLE IRA in collectibles as described in Section 408(m) of the Code. A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the Internal Revenue Service. Specially minted United States gold and silver bullion coins and certain state-issued coins are permissible SIMPLE IRA investments. Platinum coins and certain gold, silver, platinum, or palladium bullion as described in Section 408(m)(3) of the Code are also permitted as SIMPLE IRA investments.
  - (g) You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with the Code and Treasury Regulations. The Custodian reserves the right to calculate your required minimum distribution based upon the Uniform Lifetime Table found in Treasury Regulation Section 1.401(a)(9)-9. However, the Custodian will make distributions to you or your Beneficiary or Beneficiaries only upon specific instructions to do so.

# SIMPLE IRA Adoption Agreement

(i) You are required to take a minimum distribution from your SIMPLE IRA by April 1 of the calendar year following the year in which you attain the age of 70½ and by the end of each year thereafter. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year (less any required distribution taken between January 1 and April 1 of the year following the year you attain the age of 70½) by the applicable divisor.

(ii) The applicable divisor is generally determined using whichever is applicable of the Single Life Table, the Uniform Lifetime Table, or the Joint and Last Survivor Table, all as set forth in Treasury Regulation Section 1.401(a)(9)-9 or other applicable IRS publications. The Uniform Lifetime Table assumes that your beneficiary is exactly 10 years younger than you, regardless of who is the named beneficiary. If your spouse is your sole beneficiary and is more than 10 years younger than you, the required minimum distribution must be calculated using the actual joint life expectancy of you and your spouse, rather than the life expectancy divisor from the Uniform Lifetime Table.

(iii) Distributions to your Beneficiary or Beneficiaries:

1. If you die on or after your required beginning date, distributions will be made to your Beneficiary or Beneficiaries over the single life expectancy of such designated Beneficiary or Beneficiaries or over your remaining life expectancy, whichever is longer.
2. If you die before your required beginning date, the entire amount remaining in your account must, at the election of your Beneficiary or Beneficiaries, either:
  - (a) Be distributed by December 31 of the fifth year following your death.
  - (b) Be distributed in equal or substantially equal payments over a period not to exceed the life or life expectancy of your designated Beneficiary or Beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option 2(a) or 2(b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option 2(a) or 2(b) by December 31 of the year following the year of your death. If no election is made, distribution must be made in accordance with 2(b) if the Beneficiary is your surviving spouse, and in accordance with option 2(a) if your Beneficiary or Beneficiaries are or include anyone other than your surviving spouse. In the case of distributions under option 2(b), distributions must commence by December 31 of the year following the year of your death. If your spouse is the Beneficiary, distributions need not commence until December 31 of the year you would have attained the age of 70½, if later.

#### 4. Income Tax Consequences of Establishing a SIMPLE IRA

- (a) SIMPLE IRA Deductibility. You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you receive a distribution from your SIMPLE IRA.

Participation in your employer's SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

- (b) Tax Credit for Contributions. You may be eligible to receive a tax credit on your IRA contributions equaling a percentage of your qualified retirement savings contributions not exceeding \$2,000. This credit will be allowed in addition to any reduction

of your taxable income that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are:

- The age of 18 or older, as of the close of the taxable year
- Not a dependent of another taxpayer
- Not a full-time student

The credit is based upon your income (see chart below) and will range from 0% to 50% of eligible contributions. In order to determine the amount of your qualified retirement savings contributions, add all of the contributions made to your SIMPLE IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

#### ADJUSTED GROSS INCOME

JOINT RETURN		HEAD OF HOUSEHOLD		ALL OTHER CASES		APPLICABLE %
Over	Not Over	Over	Not Over	Over	Not Over	
	\$30,000		\$22,500		\$15,000	50
\$30,000	\$32,500	\$22,500	\$24,375	\$15,000	\$16,250	20
\$32,500	\$50,000	\$24,375	\$37,500	\$16,250	\$25,000	10
\$50,000		\$37,500		\$25,000		0

\*Adjusted gross income includes foreign earned income and income from Guam, American Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments for tax years beginning after 2006.

- (c) Tax Deferred Earnings. The investment earnings of your SIMPLE IRA are generally not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- (d) Rollovers and Conversions. Rollover is a term used to describe a tax-free movement of cash or other property from your SIMPLE IRA to an employer-sponsored retirement plan, a Traditional IRA, or another SIMPLE IRA. Your SIMPLE IRA may be rolled over to another SIMPLE IRA, or your SIMPLE IRA may receive rollover contributions and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see your tax advisor.
  - (i) SIMPLE IRA to SIMPLE IRA Rollovers. Funds distributed from your SIMPLE IRA may be rolled over to another SIMPLE IRA if the requirements of Section 408(d)(3) of the Code are met. A proper SIMPLE IRA to SIMPLE IRA rollover is completed if all or part of the distribution is rolled over no later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll the same dollars or assets only once every 12 months.
  - (ii) SIMPLE IRA to Traditional IRA Rollovers. Funds may be distributed from your SIMPLE IRA and rolled over to your Traditional IRA without IRS penalty provided two years have passed since you first participated in the SIMPLE IRA plan sponsored by your employer. As with SIMPLE IRA to SIMPLE IRA rollovers, the requirements of Section 408(d)(3) of the Code must be met. A proper SIMPLE IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over no later than 60 days after the distribution is received. You may

# SIMPLE IRA Adoption Agreement

not have completed another SIMPLE IRA to Traditional IRA, SIMPLE IRA to SIMPLE IRA, or SIMPLE IRA to a qualified plan, a Section 403(b) tax-sheltered annuity, or a Section 457 deferred compensation plan (beginning January 1, 2002) rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

(iii) SIMPLE IRA to Employer Sponsored Retirement Plans. You may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, a Section 403(b) tax-sheltered annuity, or a Section 457 deferred compensation plan provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. An eligible rollover distribution is defined as any taxable distribution from a SIMPLE IRA that is not a part of a required minimum distribution.

(iv) SIMPLE IRA to Roth IRA Conversions. If your modified adjusted gross income is not more than \$100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income. Although the conversion amount is generally included in income, the 10% early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10% penalty.

(v) Rollover Election. At the time you make a proper rollover to a SIMPLE IRA, you must designate to the Custodian, in a form and manner acceptable to the Custodian, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

## 5. Limitations and Restrictions

- (a) A deduction is not allowed for rollover or transfer contributions.
- (b) Capital gains treatment and favorable ten-year forward averaging tax authorized by Section 402 of the Code do not apply to SIMPLE IRA distributions.
- (c) Any withdrawal from your SIMPLE IRA, except a direct transfer to another SIMPLE IRA, a Traditional IRA, or qualified plan, is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10% of the amount withdrawn must be withheld.
- (d) If you or your Beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in Section 4975 of the Code, the SIMPLE IRA will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. In addition, if you are under the age of 59½, the "distribution" also will be subject to both ordinary income tax and the 10% penalty tax for premature distributions.
- (e) If you pledge any portion of your SIMPLE IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## 6. Federal Tax Penalties

- (a) If you are under the age of 59½ and receive a SIMPLE IRA distribution, an additional tax of 10% will generally apply, unless

made on account of death, disability, a qualifying rollover, a direct transfer, the timely withdrawal of an excess contribution, or if the distribution is part of a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your Beneficiary. Payments made to pay medical expenses which exceed 7.5% of your adjusted gross income and distributions to pay for health insurance by an individual who has separated from employment and who has received unemployment compensation under a federal or state program for at least 12 weeks are also exempt from the 10% tax. Payments to cover certain qualified education expenses and distributions to buy, build, or rebuild a first-home (up to a lifetime maximum of \$10,000) are exempt from the 10% tax. Distributions to satisfy a levy issued by the Internal Revenue Service as well as distributions while in active military duty (see Qualified Reservist Distribution below) will also be exempt from the 10% tax. This additional tax will apply only to the portion of a distribution that is includible in your income. If less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the early distributions penalty shall increase from 10% to 25%.

- (b) If you or your designated Beneficiary or Beneficiaries fail to take a minimum distribution as described in paragraph 3(g) of this Disclosure Statement, an additional tax of 50% is imposed upon any excess of the minimum required to be distributed over the amount actually distributed. This tax is referred to as an excess accumulation penalty tax.
- (c) An excise tax may be assessed against you by the IRS for contributions which exceed the permissible limits under Sections 408(a) and 408(p) of the Code.
- (d) You must file Form 5329 with the Internal Revenue Service when any additional or excise taxes are due.
- (e) If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your SIMPLE IRA. Qualified distributions include SIMPLE IRA distributions made on or after specified dates for each hurricane and before January 1, 2007, to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma.

(i) 10% Exception on Qualified Distributions. Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.

(ii) Taxation May Be Spread Over Three Years. If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.

(iii) Repayment of Qualified Hurricane Distributions. You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.

For further detailed information on tax relief granted for hurricanes Katrina, Rita and Wilma, and other exceptions which may be granted in the future by the IRS, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements, by calling 1-800-TAXFORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.

## SIMPLE IRA Adoption Agreement

- (f) If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your SIMPLE IRA and retribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, Individual Retirement Arrangements from the IRS.
7. Other
- (a) The form of Agreement used to establish this SIMPLE IRA is the model government form provided by the Internal Revenue Service and is known as Form 5305-SA. The Internal Revenue Service approval is a determination only as to the form. It is not an endorsement of the plan in operation or of the investments offered.
- (b) You may obtain further information on SIMPLE IRAs from your District Office of the Internal Revenue Service or by visiting the Internal Revenue Service web site at [www.irs.gov](http://www.irs.gov). In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements.
- (c) If you designate a trust for the benefit of your spouse as Beneficiary of your SIMPLE IRA and that trust is designed to meet the QTIP rules for federal estate tax purposes, special provisions of your SIMPLE IRA plan may apply. Those provisions relate to payments from your SIMPLE IRA to the trust after your death. Be sure to consult with your tax advisor about this issue.
8. Additional Financial Information
- (a) Custodial Fees. If not accompanied by this Disclosure Statement and SIMPLE Individual Retirement Custodial Account Plan, a schedule of fees is available from the Custodian or from the financial organization that has introduced your Account to the Custodian. The Custodian's annual maintenance, termination, and other administration fees shall be charged by the Custodian for its services hereunder in accordance with the current fee schedule of the Custodian that is in effect from time to time. At the discretion of the Custodian, you may receive an invoice for the custodial maintenance and other related fees that are due and payable upon receipt. Unless paid by you in a timely manner, fees will be automatically charged against the Account, or as you direct in writing, charged against another account held by the Custodian over which you have investment authority. You may not reimburse your SIMPLE IRA for the custodial fees once they have been charged to your SIMPLE IRA. Any such reimbursement of custodial or other administrative fees will be deemed a contribution to your IRA and reported to the IRS accordingly. The Custodian will notify you prior to changing the fee schedule. In the event of Account termination either by you or by the Custodian for any reason, the Custodian shall be entitled to receive the full termination fee, along with the full, nonprorated current year maintenance fee, regardless of the date during the year of the termination of the Custodial Account.
- (b) Brokerage Commissions. Brokerage commissions and other securities transaction related charges shall be as charged by the financial organization which has introduced your Account to the Custodian. Such commissions must be paid from assets held within your SIMPLE IRA and may not be reimbursed.
- (c) Other Expenses. Taxes of any kind, which may be imposed with respect to the SIMPLE IRA, and any expenses incurred by the Custodian in the management of your Account, together with any fees referred to above, shall be paid by you, or if not paid by you in a timely manner, will be charged against your Account, or as directed in writing by you, charged against another account over which you have investment authority.
- (d) Earnings. The earnings of each separate Account shall be allocated only to that Account. The Custodian will attribute earnings only to the assets held in the Account in the custody of the Custodian according to its ordinary business practice and in accordance with its established customs and procedures.
- (e) Growth in Value. Growth in value of your Account will depend entirely on the investment decisions made by you and is neither guaranteed nor projected.

# SIMPLE IRA Adoption Agreement



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

DEC 06 2011

Pershing LLC  
One Pershing Plaza  
Jersey City, NJ 07399

EIN: 13-2741729

Ladies and Gentlemen:

On May 31, 1984, the Internal Revenue Service issued to Donaldson Lufkin & Jenrette Securities Corporation a letter approving it to act as an active trustee or custodian for individual retirement arrangements (IRAs). The Service issued another letter, dated July 31, 1990, allowing Donaldson Lufkin & Jenrette Securities Corporation to act as a nonbank custodian of plans qualified under section 401(a) of the Internal Revenue Code. In a third letter dated April 20, 1995, the Service approved Donaldson Lufkin & Jenrette Securities Corporation to act as a nonbank custodian of accounts described in section 403(b)(7).

Donaldson Lufkin & Jenrette Securities Corporation converted, on January 17, 2003, into a Delaware limited liability company named Pershing LLC. Upon the conversion of Donaldson Lufkin & Jenrette Securities Corporation into Pershing LLC, the officers and directors of Donaldson Lufkin & Jenrette Securities Corporation became Pershing LLC's Board of Managers and the employees and assets of Donaldson Lufkin & Jenrette Securities Corporation became the employees and assets of Pershing LLC.

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. 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

Pershing LLC

of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

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

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

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

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 401(f), 403(b)(7), 408, and 408A of the Code. One of the requirements of section 1.408-2(e) of the regulations 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 and representations Donaldson Lufkin & Jenrette Securities Corporation submitted to this office in its written application and the nonbank trustee/custodian investigation on Pershing LLC for continued compliance with the nonbank trustee regulations at section 1.408-2(e), we have concluded that Pershing LLC meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a passive or non-passive nonbank custodian of plans qualified under section 401(f) or accounts described in section 403(b)(7), passive or non-passive nonbank trustee or custodian for IRAs established under sections 408, and 408A (dealing with Roth IRAs).

This Notice of Approval authorizes Pershing LLC to act as a passive or non-passive nonbank trustee or custodian. When Pershing LLC acts as a passive nonbank trustee or custodian (within the meaning of section 1.408-2(e)(6)(i)(A) of the regulations), it is authorized only to acquire and hold particular investments specified by the trust instrument or custodial agreement. It may not act as a passive trustee or custodian if

### Pershing LLC

under the written trust instrument or custodial agreement it has discretion to direct investments of the trust (or custodial) funds.

Pershing LLC may not act as a trustee or custodian unless it undertakes to act only under trust instruments or custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because Pershing LLC has failed to comply with the requirements of section 1.408-2(e) 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.

Pershing LLC is required to notify the Commissioner of Internal Revenue, Attn: SE:T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change that affects the continuing accuracy of any representations made in its application. Further, the continued approval of Pershing LLC to act as a passive or non-passive nonbank custodian of plans qualified under section 401(f) or accounts described in section 403(b)(7), passive or non-passive nonbank trustee or custodian for IRAs established under sections 408, and 408A (dealing with Roth IRAs) is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

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

This Notice of Approval constitutes a notice that Pershing LLC may act as a passive or non-passive nonbank custodian of plans qualified under section 401(f) or accounts described in section 403(b)(7), passive or non-passive nonbank trustee or custodian for IRAs established under sections 408, and 408A (dealing with Roth IRAs) and does not bear upon its capacity to act as a trustee or custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service (Service) does not review or approve investments.

In order to protect the accounts Donaldson Lufkin & Jenrette Securities Corporation handled as nonbank trustee or custodian from May 31, 1984, through its conversion to Pershing LLC, this Notice of Approval is retroactively effective to May 31, 1984. This

Pershing LLC

Notice of Approval will remain in effect until withdrawn by Pershing LLC or revoked by the Service.

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

If you have any questions, please contact Mr. Calvin Thompson (Badge No. 1000221590) at (202) 283-9596.

Sincerely,



Carlton A. Watkins, Manager  
Employee Plans Technical Group 1

# SIMPLE IRA Adoption Agreement

## FOR PARTICIPANTS IN A SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES

### STEP 1. ACCOUNT INFORMATION

This Adoption Agreement may only be used in conjunction with the SIMPLE IRA plan document stipulated by the Custodian.

I Hereby Designate the Following as the Financial Organization	Account Number	RR Number
	—	1

**Account Type**  Participant  Employer  Guardian  Inherited

### STEP 2. PARTICIPANT INFORMATION

First Name	Middle Initial	Last Name	Gender
			<input type="checkbox"/> M <input type="checkbox"/> F
Social Security or Tax ID Number		Date of Birth	
		—	—
Address			
City	State	Zip/Postal Code	
Telephone			

**Marital Status**  Single  Married\*  Divorced  Domestic Partner  Widowed

\* Spousal consent may be required. See below.

### STEP 3. EMPLOYER INFORMATION

Employer Name		
Employer Address		
City	State	Zip/Postal Code
Employer Tax ID Number		Employer Pershing LLC SIMPLE Plan Account Number*
		—

**\*IF MAINTAINED AT PERSHING LLC. OTHERWISE SEE EMPLOYER CERTIFICATION BELOW.**

### STEP 4. MUTUAL FUND ONLY

**Mutual Fund Only.**

"Mutual Fund Only" shall mean the Participant shall limit all direction of the investments in the Custodial Account to shares issued by a domestic Regulated Investment Company. In the event the Participant does not limit all direction of investments to mutual funds only, the Custodian in the Custodian's sole discretion and without prior consent of the Participant may convert the Custodial Account from a Mutual Fund Only SIMPLE IRA to the appropriate Custodial Account type.

**TO ESTABLISH A MUTUAL FUND ONLY SIMPLE IRA, BE SURE TO CHECK THE MUTUAL FUND ONLY BOX.**



IRA-104 ADOP

## STEP 5. BENEFICIARY DESIGNATIONS

The following shall be my beneficiary or beneficiaries of this SIMPLE IRA. If I designate more than one primary or contingent beneficiary, but do not specify the percentages to which such beneficiary or beneficiaries are entitled, payment will be made to the surviving beneficiary or beneficiaries in equal shares.

Pershing considers the following as a standard beneficiary request:

- Name of an Individual(s)
- Name of Group(s) (e.g. charity)
- Specifically dated Trust (s), subject to proper qualification
- Estate (FYI — Pershing will require a Court Order and instructions from the Executor for the proper distribution of the assets.)

All other beneficiary requests will be considered a customized beneficiary request, subject to Pershing's acceptance policy. Each custom request must use the Pershing Customized Beneficiary Designation form or applicability indemnity language. Please speak with your Financial Advisor for more details.

I elect to have a customized beneficiary

### Primary Beneficiaries

Primary Beneficiary 1 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

Primary Beneficiary 2 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

Primary Beneficiary 3 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

Primary Beneficiary 4 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

Primary Beneficiary 5 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

Primary Beneficiary 6 Name			Gender <input type="checkbox"/> M <input type="checkbox"/> F		Social Security or Tax ID Number			
Percentage	Relationship	Date of Birth			Telephone			
Address		<input type="checkbox"/> Per Stirpes						

**FOR SPECIFIC BENEFICIARY PROVISIONS, PLEASE REFER TO THE APPLICABLE SECTIONS OF THE PLAN AND THE DISCLOSURE STATEMENT.**

**THE TOTAL ALLOCATION OF ALL PRIMARY BENEFICIARIES MUST EQUAL 100%.**

**TO DESIGNATE YOUR ESTATE AS YOUR BENEFICIARY, WRITE IN "ESTATE" IN THE PRIMARY BENEFICIARY SECTION. "PER WILL" DESIGNATIONS ARE NOT ACCEPTABLE DESIGNATIONS.**

**PLEASE CONSULT WITH YOUR LEGAL ADVISOR BEFORE ELECTING THE PER STIRPES DESIGNATION.**

**IF NO BENEFICIARY IS NAMED, THE BENEFICIARY PROVISIONS OUTLINED IN THE PLAN DOCUMENT WILL APPLY.**

# SIMPLE IRA Adoption Agreement

Account Number

<b>Primary Beneficiary 7 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Primary Beneficiary 8 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Primary Beneficiary 9 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Primary Beneficiary 10 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

## Contingent Beneficiaries

<b>Contingent Beneficiary 1 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 2 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 3 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 4 Name</b>		Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth	Telephone
Address			<input type="checkbox"/> Per Stirpes

**THE TOTAL ALLOCATION OF ALL CONTINGENT BENEFICIARIES MUST EQUAL 100%.**

**CONTINGENT BENEFICIARIES WILL BE PAID ONLY IF ALL PRIMARY BENEFICIARIES (AND THEIR HEIRS IF PER STIRPES IS SELECTED) DO NOT SURVIVE THE PARTICIPANT.**

<b>Contingent Beneficiary 5 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 6 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 7 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 8 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 9 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

<b>Contingent Beneficiary 10 Name</b>			Gender <input type="checkbox"/> M <input type="checkbox"/> F	Social Security or Tax ID Number
Percentage	Relationship	Date of Birth		Telephone
Address				<input type="checkbox"/> Per Stirpes

### Per Stirpes Information

If your beneficiary designation is per stirpes, you understand that if your beneficiary(ies) dies before you, the beneficiary's share of the IRA will pass to his or her respective heirs. In the field below, please provide the name of the individual responsible for advising Pershing LLC on any questions relating to the per stirpes distribution of the IRA.

Name of Responsible Individual
--------------------------------

You understand that the per stirpes instructions given to Pershing LLC by the responsible individual named above shall be binding on all beneficiaries of this IRA and of your estate and may be relied on by Pershing LLC. Pershing LLC shall not be liable for any payment made at the direction of this individual. If you do not name a responsible individual or the individual you named is unwilling or unable to advise Pershing on questions regarding the per stirpes distribution, then you understand that Pershing will rely on instructions from the executor of your estate regarding any per stirpes designation.

**PLEASE CONSULT WITH YOUR LEGAL ADVISOR BEFORE ELECTING THE PER STIRPES DESIGNATION.**

**Spousal Consent**

If you are married, reside in a community property or marital property state, and designate someone other than your spouse as your sole, primary beneficiary, your spouse must sign this form below.

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

**REQUIRED IF PRIMARY BENEFICIARY IS NOT YOUR SPOUSE AND YOU LIVE IN COMMUNITY OR MARITAL PROPERTY STATES INCLUDING: AZ, CA, ID, LA, NV, NM, TX, WA, WI.**

Spouse Printed Name	Date
Signature	

X

*This space intentionally left blank.*

**STEP 6. CERTIFICATION**

I understand the eligibility requirement for the type of SIMPLE IRA deposits I make and I state that I am a participant in my employer's Savings Incentive Match Plan for Employees and do qualify to establish a SIMPLE IRA and make the deposit. I understand that Pershing LLC assumes no responsibility for any tax consequences relating to such contributions or distributions from this SIMPLE IRA. I have reviewed and understand a copy of the Pershing LLC Individual Retirement Custodial Account Plan and Disclosure Statement. I understand that the terms and conditions which apply to this SIMPLE Individual Retirement Account are contained in this Pershing LLC Individual Retirement Custodial Account Plan and Disclosure Statement. I agree to be bound by those terms and conditions. If I elect to make a rollover contribution to this account, I hereby certify that I understand the rollover rules and conditions as they pertain to this SIMPLE IRA and I have met the requirements for making a rollover. Due to the important tax consequences of rolling over funds or property, I have been advised to consult with a tax professional. All information provided by me is true and correct and may be relied upon by the Custodian. I assume full responsibility for establishing this SIMPLE IRA and for rollover transactions and will not hold the Custodian liable for any adverse consequences that may result. I hereby irrevocably designate the rollover of funds or other property as rollover contributions.

The Pershing LLC sweep account program makes available money market mutual funds or bank deposit products, from which your financial institution may select a sweep option to be made available to you. You should contact your financial institution or your financial professional for additional information on the offerings available to you through the sweep account program. I authorize Pershing LLC to sweep any cash balance in my account into a sweep product unless I instruct Pershing LLC or my financial institution differently and Pershing LLC is further authorized to rely on instructions that I give to my financial institution regarding my sweep elections. I understand that Pershing LLC makes available a sweep account program through which the cash balance in my IRA introduced to Pershing LLC through my financial institution can be automatically invested. I understand: (i) the current sweep option may be a money market mutual fund affiliated with Pershing LLC or my financial institution; (ii) a sweep option is not intended for use as a long-term investment option and is best used for short periods of time; (iii) the rate of return on the sweep option may vary over time, and at times may be zero; (iv) I may be able to earn a higher yield through a different investment, and I may consult with my financial professional about the available sweep options; and (v) Pershing LLC, my financial institution and their affiliates receive benefits from having money invested in the sweep program. To the extent I have money in a sweep account, I understand the sweep account will be automatically debited to satisfy obligations arising in connection with my IRA introduced to Pershing LLC through my financial institution, and I may invest any remaining money. I understand I will receive a copy of the applicable prospectus or customer disclosure document in connection with my first investment in the sweep program, and I may request a copy of the applicable prospectus or customer disclosure document now or any time. I agree that my sweep option may be changed, including changes between money marketfunds and bank deposit products, with prior notification to me.

**I HEREBY ADOPT THE PERSHING LLC SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL PLAN. I AGREE THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE, WHICH IS LOCATED AT ARTICLE IX ON PAGES 6 AND 7 IN THIS AGREEMENT.**

**Participant or Guardian Signature**

Print Name	Date
Signature	

X

**FINANCIAL ORGANIZATION USE ONLY**

Required approvals of the Financial Organization.

Investment Professional Name	Date
Signature	
Operations Manager Name	Date
Signature	

X

**PLEASE FORWARD TO YOUR FINANCIAL ORGANIZATION FOR APPROVAL.**