



(888) 205 - 6036 (505) 212 - 0494 [operations@horizontrust.com](mailto:operations@horizontrust.com)

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101



## STEP 1. OPEN YOUR ACCOUNT

### Account Checklist

To ensure your account is established in a timely manner, verify that the following items have been completed:

- |   |   |
|---|---|
| <input type="checkbox"/> 1. Account Application                   | <input type="checkbox"/> 2. Roth IRA Fee Schedule                     |
| <input type="checkbox"/> 3. Client Responsibility Form            | <input type="checkbox"/> 4. Valid Government-Issued Photo ID Attached |
| <input type="checkbox"/> 5. Review Account Disclosure Information |   |

### Submit Your Application

Verify all completed information and submit your application to Horizon Trust Company.

**Via Mail:**

**Horizon Trust Correspondence**  
PO BOX 27068  
Newark NJ 07101

**Via Fax:**

(505) 212 - 0494

**Via Email:**

[newaccounts@horizontrust.com](mailto:newaccounts@horizontrust.com)



## STEP 2. FUND YOUR ACCOUNT

Once your account has been successfully established, fund your account through one or more options:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> <b>New Contribution</b><br><i>(From Self or Spousal Contribution)</i>   | <input checked="" type="checkbox"/> <b>Transfer</b><br><i>(Direct movement of assets from a Roth IRA into this Traditional IRA)</i>                 |
| <input checked="" type="checkbox"/> <b>Recharacterized Contribution</b><br><i>(A nontaxable movement of a Roth IRA contribution into this Traditional IRA)</i>                          | <input checked="" type="checkbox"/> <b>Conversion</b><br><i>(A taxable movement of funds from a Traditional, SEP, or SIMPLE into this Roth IRA)</i> |
| <input checked="" type="checkbox"/> <b>Rollover</b><br><i>(Distribution from a Traditional IRA, SEP IRA, SIMPLE IRA or Employer-Sponsored Plan deposited into this Traditional IRA)</i> |   |



## STEP 3. DIRECT YOUR INVESTMENT

After your account has been funded, contact Horizon Trust to discuss your Direction of Investment - We'll work with you to ensure all necessary documents are completed to process your asset purchase.



# ROTH IRA Account Application

☎ (888) 205 - 6036 📠 (505) 212 - 0494 ✉ operations@horizontrust.com

📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

## PART 1. IRA OWNER

Title:	First Name:	M.I.:	Last Name:	Suffix:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Legal Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Mailing Address: <i>(If different than above)</i>	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Social Security Number: (###-##-####)	Date of Birth: (MM/DD/YYYY)	Email Address:
<input type="text"/>	<input type="text"/>	<input type="text"/>

Primary Phone:	Type:	Alt Phone:	Type:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## PART 2. ACCOUNT SETUP INFORMATION

### Account Setup Options

1. Please select an Account Activation Option<sup>1</sup>:

- ☐ Standard
 ☐ Checkbook LLC Standard  
☐ Standard w/ Express Open
 ☐ Checkbook LLC Expedited

<sup>1</sup>If no election is made, "Standard" Activation will be selected by default.

### Fee Payment Options

1. Choose a preferred method of payment for Account Setup Fees:

- ☐ Deduct from Account  
☐ Check Enclosed  
☐ Charge Credit Card

2. Choose a preferred method of payment for subsequent Annual and Transactional Fees:

- ☐ Deduct from Account  
☐ Charge Credit Card

All accounts require a credit card on file as a secondary payment option to establish a new account. The credit card on file will be charged as the preferred payment option or if the account does not have enough available cash for incurred fees.

### Account Personal Identification Number

Please enter a 4-Digit PIN:



The undersigned agrees to be bound by the terms and conditions of this PIN request form and the Horizon Trust Company Self-Direct Account Agreement. The undersigned agrees to keep the requested PIN confidential.

Credit Card Payment Method

I have read and understand the Self-Directed IRA Account Agreement regarding the credit card charge(s) and I authorize the credit card payment by Horizon Trust Company for fees to establish and/or maintain this IRA. Not limited to, but including Activation Fee, Annual Fee, and any special service fee or transactional fees to keep my account in good standing.

Select a Credit Card Type:

☐ Visa☐ Mastercard☐ American Express☐ Discover

Cardholder Name:

Card Number:

Expiration Date: (MM/YY)

Security Code:

Billing Address:

Apt/Unit/Ste:

City:

State:

Zip:

I have reviewed the HTC Fee Schedule.  
By signing, I agree not to dispute any charges or withdrawals made by Horizon Trust for the fees owed and agreed upon.

Initials

PART 3. ACCOUNT FUNDING INFORMATION

Please select all that apply. (Horizon Trust Company reserves the right to review all asset transfer/rollover/conversions prior to accepting assets.)

Roth IRA Funding Classification

☐ One-Time Contribution (From Self or Spousal Contribution)

Tax Year:

Amount:

☐ Monthly Contributions (From Self or Spousal Contribution; Current Tax Year Only)

Monthly Amount:

☐ Transfer (Direct movement of assets from a Roth IRA into this Roth IRA)

Amount:

☐ Rollover (Distribution from a Roth IRA or Employer-Sponsored Plan deposited into this Roth IRA)

Amount:

!

 By selecting this option, I irrevocably designate this contribution as a Rollover.

☐ Recharacterization (A nontaxable movement of a Traditional IRA contribution into this Roth IRA)

Amount:

!

 By selecting this option, I irrevocably designate this contribution as a Recharacterization.

☐ Conversion (A taxable movement from a Traditional, SEP, or SIMPLE IRA into this Roth IRA)

Amount:

!

 By selecting this option, I irrevocably designate this contribution as a Conversion.

Funding & Check Titling

All checks and deposits must be payable to Horizon Trust as custodian on behalf of your plan. Failure to make deposits correctly payable may result in the payment being returned to the sender. The correct titling for a deposit should be as follows:

“Horizon Trust FBO: (Your Name) (Account Type)”  
Example: Horizon Trust FBO: Jane Doe Roth IRA



# Beneficiary Designation

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

## PART 1. BENEFICIARY DESIGNATION

I direct that upon my death, the assets in this account be distributed to the beneficiaries listed below. If any beneficiary dies before their interest will be fully forfeited, and the shares of the remaining beneficiaries will be adjusted proportionally. If no beneficiaries are named, my estate will become the beneficiary. The total percentage allocated to beneficiaries must equal 100%. According to Treasury Regulation 1.401(a)(9), an eligible trust may qualify as a beneficiary if it is either irrevocable or becomes irrevocable upon death. If a revocable trust is designated as a primary or contingent beneficiary, the account owner is responsible for ensuring it complies with IRA requirements.

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

**Beneficiary 1.** ☐ Primary - Individual ☐ Primary - Trust ☐ Contingent - Individual ☐ Contingent - Trust

Trust Name:

Title:	First Name:	M.I.:	Last Name:	Suffix:	Share %:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

SSN or EIN:	Date of Birth: (MM/DD/YYYY)	Relationship:
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Beneficiary 2.** ☐ Primary - Individual ☐ Primary - Trust ☐ Contingent - Individual ☐ Contingent - Trust

Trust Name:

Title:	First Name:	M.I.:	Last Name:	Suffix:	Share %:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

SSN or EIN:	Date of Birth: (MM/DD/YYYY)	Relationship:
<input type="text"/>	<input type="text"/>	<input type="text"/>

Beneficiary 3.

☐ Primary - Individual

☐ Primary - Trust

☐ Contingent - Individual

☐ Contingent - Trust

Trust Name:

Title:

First Name:

M.I.:

Last Name:

Suffix:

Share %:

Address:

Apt/Unit/Ste:

City:

State:

Zip:

SSN or EIN:

Date of Birth: (MM/DD/YYYY)

Relationship:

Beneficiary 4.

☐ Primary - Individual

☐ Primary - Trust

☐ Contingent - Individual

☐ Contingent - Trust

Trust Name:

Title:

First Name:

M.I.:

Last Name:

Suffix:

Share %:

Address:

Apt/Unit/Ste:

City:

State:

Zip:

SSN or EIN:

Date of Birth: (MM/DD/YYYY)

Relationship:

Beneficiary 5.

☐ Primary - Individual

☐ Primary - Trust

☐ Contingent - Individual

☐ Contingent - Trust

Trust Name:

Title:

First Name:

M.I.:

Last Name:

Suffix:

Share %:

Address:

Apt/Unit/Ste:

City:

State:

Zip:

SSN or EIN:

Date of Birth: (MM/DD/YYYY)

Relationship:



☐

Check this box if additional beneficiaries are listed on an attached sheet.  
Specify the total number of Beneficiaries listed on the attachment

## PART 2. SPOUSAL CONSENT

Spousal consent should be considered if either the trust or the residence of the IRA owner is located in a community or marital property state. (*Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin*)

### Current Marital Status

- ☐ I Am Not Married  I understand that if I become married in the future, I should review the requirements for spousal consent.
- ☐ I Am Married  I understand that if I choose to designate a primary beneficiary other than, or in addition to, my spouse, my spouse must sign below to provide consent.

### Consent of Spouse

I am the spouse of the above-named IRA owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this IRA, I have been advised to see a tax professional.

I hereby give the IRA owner my interest in the assets or property deposited in this IRA and consent to the Beneficiary Designation indicated above. I assume full responsibility for any adverse consequences that may result.

Signature of Spouse:

Spouse Name: (*Print or Type*)

Date: (*MM/DD/YYYY*)

## PART 3. ACCOUNT OWNER AUTHORIZATION

**Important: Please read before signing.**

I understand the eligibility requirements for the type of IRA deposit I am making, and I state that I do qualify to make the deposit. I have received a copy of the IRA Application, Self-Directed Account Agreement, the 5305-A Custodial Account Agreement, the Financial Disclosure, and the Disclosure Statement. I understand that the terms and conditions that apply to this IRA are contained in this Application and the Custodial Account Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this IRA, I may revoke it without penalty by mailing or delivering a written notice to the custodian.

I assume complete responsibility for 1) Determining that I am eligible for an IRA each year I make a contribution, 2) Ensuring that all contributions I make are within the limits set forth by the tax laws, and 3) The tax consequences of any contributions (including rollover contributions) and distributions.

Signature of IRA Owner:

IRA Owner Name: (*Print or Type*)

Date: (*MM/DD/YYYY*)

## PART 4. IRA CUSTODIAN INFORMATION

**Horizon Trust Correspondence**  
PO BOX 27068  
Newark NJ 07101

**Phone:** (888) 205 - 6036  
**Fax:** (505) 212 - 0494

**Email:** [operations@horizontrust.com](mailto:operations@horizontrust.com)  
**Website:** [www.horizontrust.com](http://www.horizontrust.com)



# ANNUAL FEE SCHEDULE

## Self-Directed Retirement Accounts

☎ (888) 205 - 6036 📠 (505) 212 - 0494 ✉ operations@horizontrust.com

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## TRADITIONAL, ROTH, SEP, SIMPLE

### Service Fees

Setup Fee and Year 1 Annual Fee	\$495
Annually After Year 1 <sup>1</sup>	Multiplier
\$0 - \$40,000	\$395
\$40,001 - \$80,000	0.0100
\$80,001 - \$150,000	0.0060
\$150,001 - \$250,000	0.0040
\$250,001 - \$1,000,000+	0.0030

## TRANSACTIONAL FEES

Wire .....	Free	Additional Rollover/Transfer In .....	Free
Check .....	Free	Paper Statements .....	Free
ACH .....	Free	Document Handling .....	Free
Cashiers Check .....	Free	Recurring Bill Pay .....	Free
Distribution .....	Free	Account "Research" .....	Free
Medallion Stamp .....	Free	Partial Transfer Out .....	Free
Asset Purchase .....	Free	Matured Note .....	Free

## SERVICES & OPTIONAL FEES

Express Account Open <sup>2</sup> (Recommended) .....	\$50	Returned Check Fee .....	\$30 each
Overnight Mail Fee .....	\$50	Late Fee .....	\$25 per 30 days
Form 1099-R .....	\$100	Termination Fee .....	\$500
Stop Payment .....	\$30 each		

*Fees are subject to change with 30 days written notice. <sup>1</sup>Renewal fees are billed annually on the anniversary month. <sup>2</sup>Express Account Open is same day processing when establishing a new account. All Horizon Trust accounts require a credit card on file as a secondary payment option. The credit card on file will be charged for account-related fees if the preferred fee payment method is a credit card or if the account lacks sufficient funds to cover the fees. By signing I agree not to dispute any credit card charges made by Horizon Trust Company for fees owed and agreed upon.*

Signature of Account Owner:

Account Owner Name: (Print or Type)

Date: (MM/DD/YYYY)



# CLIENT RESPONSIBILITY FORM

## Self-Directed Disclosure & Acknowledgment

☎ (888) 205 - 6036 📠 (505) 212 - 0494 ✉ operations@horizontrust.com

📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

**! Important:** This form contains important disclosures about your duties and responsibilities with regard to opening a Self-Directed Individual Retirement Account with Horizon Trust Company, as your custodian. You are responsible for the investment of all assets within your account. These investments may involve a high-degree of risk. Horizon Trust Company will make no investigation or conduct due diligence reviews as to the viability or safety of the investments that you select. You should seek the advice of legal counsel and other professional advisors with respect to your investments. **Read this entire form carefully before you complete and sign it. By signing this form you consent to all terms and provisions shown on all pages.**

### PART 1. ACCOUNT OWNER INFORMATION

Title:	First Name:	M.I.:	Last Name:	Suffix:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Social Security Number: (###-##-####)	Phone:	Email Address:
<input type="text"/>	<input type="text"/>	<input type="text"/>

### PART 2. DISCLOSURE & ACKNOWLEDGMENT

By this document and a Traditional/Roth/SIMPLE/SEP/CESA/HSA/Individual 401K plan agreement, I am naming Horizon Trust Company custodian for my Self Directed Account. In directing this action, I hereby make the following certifications in accordance with my Horizon Trust Company custodial account agreement:

1. I understand the requirements put forth by the IRS to establish an Account and certify that I am eligible to establish a Traditional/Roth/SIMPLE/SEP/CESA/HSA/Individual 401K account. Furthermore, I understand that it is not the responsibility of Horizon Trust Company to advise me as to the deductibility or non-deductibility of any contributions to my account. The reporting of my contributions and how they are handled are completely up to me.
2. I understand that my Account is self-directed. This means that I am responsible for the selection, management, and retention of all investments held within my Account. I understand that Horizon Trust Company is in no way responsible for providing investment advice or recommendations, and that Horizon Trust Company is not a "fiduciary" for my Account as such term is defined in the Internal Revenue Code ("IRC"), ERISA, Financial Institutions Division of the State of New Mexico, Blacks Legal Dictionary or any other applicable federal, state or local laws.
3. I understand that it is my sole responsibility to manage the investment held within my Account, and that Horizon Trust Company has no responsibility to question any investment directions given by me or my Designated Representative, (if I have appointed one), regardless of the nature of the investment. I understand that Horizon Trust Company is in no way responsible for monitoring the performance of the investment held within my Account. I understand that Horizon Trust Company will not conduct a due diligence review of any investment, nor will Horizon Trust Company make any investigations with regard to any investment, any issuer or sponsor of any investment, or any officer, director, or other person or entity involved or affiliated with my investments. I understand that Horizon Trust Company will not review the prudence, viability or merits of any of my investments.



4. I understand that, if my Designated Representative or any other financial representative suggested that I retain Horizon Trust Company's services as custodian for investments made through my Account, such person is not in any way an agent, employee, representative, or affiliate of Horizon Trust Company. I acknowledge that Horizon Trust Company is not responsible for and is not bound by any representations, warranties, statements or agreements made by my Designated Representative or any financial representative beyond the terms and provisions contained in my Horizon Trust Company Custodial Account Agreement and other Horizon Trust Company forms and/or documents. I further understand that Horizon Trust Company has not made and will not make any recommendation or investigation with respect to my Designated Representative or any financial representative, nor does Horizon Trust Company compensate my Designated Representative or financial representative in any manner.
5. I understand that Horizon Trust Company does not make any determination as to whether an investment is acceptable under ERISA, the IRC, or any other applicable federal, state or local laws, including securities laws. I acknowledge that it is my responsibility to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any prohibited transactions in my Account arising out of my investments. I understand that I should have all investments reviewed by my attorney and/or tax advisor prior to directing Horizon Trust Company to process any transaction on behalf of my account.
6. I understand that certain transactions are prohibited for tax-exempt retirement arrangements under IRC Section 4975. I further understand that the determination of whether the transactions directed by me within my account are prohibited transactions depends on the facts and circumstances that surround each transaction, and I understand that Horizon Trust Company makes no determination as to whether any transaction directed by me is a prohibited transaction. I understand that it is solely my responsibility to consult with advisors as I deem necessary and appropriate, and that I will warrant to Horizon Trust Company that the investments directed by me are not prohibited transactions as defined in IRC Section 4975. I understand that I may not invest with a "disqualified person" as defined in IRC Section 4975 or a "party in interest" as defined in IRC Section 4975. I understand that should my Account engage in a prohibited transaction, a taxable distribution equal to the fair market value on my Account will result and certain penalties may be incurred. I further understand that if such a deemed distribution takes place prior to my attaining 59 1/2, an additional premature distribution excise tax may be imposed.
7. I understand that I cannot make investments without having the liquid funds in my Account. In addition, if any investment contains provisions for future contractual payments or assessments, including margin calls, I acknowledge that such payments or assessments shall be borne solely by my Account to the extent such payment is authorized by me or my Designated Representative, and may reduce or exhaust the value of my Account. I further agree to indemnify Horizon Trust Company for any and all payments or assessments which may result from holding the investment within my Account, and I understand that Horizon Trust Company shall be under no obligation whatsoever to extend credit to my Account or otherwise disburse payment beyond the cash balance of my Account for any payment or assessment related to the investment.
8. I understand that if the investment contains any administrative requirements or duties beyond Horizon Trust Company's normal and customary services, then I agree to seek out suitable agents or counsel necessary to perform such duties and deliver written service agreements acceptable to Horizon Trust Company for execution on behalf of my account.
9. I understand that Horizon Trust Company has no responsibility or duty to notify me or to forward to me any notices, proxies, assessments or other documents received by Horizon Trust Company on behalf of my investments, unless I, or my Designated Representative, request each such document in writing.
10. I agree to furnish payment instructions to Horizon Trust Company regarding any invoice, assessment, fee or any other disbursement notification received by Horizon Trust Company on behalf of my investments, and I understand that Horizon Trust Company has no duty or responsibility to disburse any payment until such instructions are received from me, or my Designated Representative.
11. If I direct Horizon Trust Company to purchase a debt instrument as an investment, I agree to enter into an escrow servicing agreement with a third-party Agent on a form acceptable to Horizon Trust Company or to be my own agent in order to administer the terms of the note on behalf of my account. I understand that should I choose a third-party Agent it is still my responsibility to monitor the timeliness of payments and collection of payments. If I elect to renew or re-negotiate the terms of my instrument, I agree to notify the third-party agent and Horizon Trust Company as custodian of my account.
12. If any of the investments I purchase for my account are limited partnerships or limited liability companies, I understand that such investments may generate Unrelated Business Taxable Income, or "UBTI". I further understand that, if the UBTI attributable to my Account exceeds \$1,000 for any taxable year, an IRS Form 990-T tax form must be filed along with the appropriate amount of tax, payable from the assets of my account. I understand that Horizon Trust Company does not monitor the amount of UBTI in my Account and does not prepare Form 990-T. If the tax is applicable, I agree to prepare, or cause to have prepared, the proper 990-T tax form and forward it to Horizon Trust Company, along with authorization to pay the tax from my Account. If I am required to File IRS Form 990-T with regard to any UBTI, I understand that I must utilize an Employer Identification Number ("EIN"). I will not use Horizon Trust Company's EIN or my own social security number. I understand that I must apply for my own EIN prior to or in conjunction with requesting Horizon Trust Company to pay any taxes I may owe with regard to any UBTI that might be incurred.

13. I understand that Horizon Trust Company has no duty or responsibility to monitor the performance of my Investments or actions of the sponsor, nor to monitor the sufficiency or adequacy of my actions or duties or those of my heirs, successors, agents or assigns, and Horizon Trust Company will not be required to monitor the acts of any paid consultant to whom Horizon Trust Company may have contractually delegated any duties or responsibilities pursuant to my directions or the directions of my Designated Representative.
14. I understand that Horizon Trust Company must have an annual market value or good faith estimate (via an independent appraisal) of the value for all investments in my account and that it is my responsibility to provide such market value or good faith estimate. I further understand and acknowledge that if Horizon Trust Company has not been provided with an annual market value or good faith estimate, Horizon Trust may distribute that Investment in-kind to me at either the original acquisition cost or the last known value. I understand I must provide a legal claim to Horizon Trust Company for any error or problem with their account transactions or value within 60 days of Horizon Trust Company making my statement available to me.
15. I agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of my Account as a result of the operation or administration of my investments. I understand that any legal filings made on behalf of my investments are to be made in the name of "Horizon Trust Company Custodian for the Self-Directed IRA of (my Name)." I agree that I shall not institute legal action on behalf of my investments without Horizon Trust Company's written consent to litigate and that I shall prosecute any legal action at my own expense, including payment of attorney's fees and court costs. I agree that any such legal action will be carried out in a manner that does not cause Horizon Trust Company to incur any costs or legal exposure. I hereby agree to indemnify Horizon Trust Company for any loss, cost or expense, including attorney's fees that it may incur in any collection activity or legal proceeding.
16. I understand that should I choose to invest in precious metals it is my responsibility to perform adequate due diligence on the broker I choose to invest with and that the investment I make is an acceptable investment according to IRC 4975. Precious metal accounts are subject to additional fees due to storage costs. I understand the Precious Metals value listed in my account will reflect the spot value of the metal and may not reflect the same original purchase price.
17. I agree not to dispute any credit card charges or withdrawals made by Horizon Trust for the fees owed and agreed upon. I understand that Horizon Trust Company reserves the right to liquidate any and/or all investments in my account in order to satisfy any outstanding fees owed to Horizon and that Horizon may also at their discretion distribute my account to me due to non-payment of fees. The account will be distributed at the FMV as reflected on my latest Horizon account statement and I may have a tax liability because of this distribution, however, I agree to hold Horizon Trust Company harmless of said liability.
18. I understand that all investments held within my Account are not guaranteed by Horizon Trust Company and that my investments may lose value. I understand Horizon Trust company has no duty nor any discretion to question the instructions provided.

### PART 3. PROHIBITED TRANSACTIONS SUMMARY

Below is a summary of the Internal Revenue Code Section 4975 and IRS publication 590 regarding IRA prohibited transactions and disqualified persons. This is a summary and not a comprehensive reproduction of both the Code and the publication. Before making an IRA investment, you should consult a tax professional to be certain you are not entering into a prohibited transaction which could disqualify your entire IRA.

*General Statement: A prohibited transaction is any improper use of your IRA by you, your beneficiary, or any disqualified person.*

Section 4975 (c) prohibited transactions include but are not limited to any direct or indirect:

- a. sale or exchange, or leasing, of any property between a plan and a disqualified person;
- b. lending of money or other extension of credit between a plan and a disqualified person;
- c. furnishing of goods, services, or facilities between a plan and a disqualified person;
- d. transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a plan.

*Disqualified person: your fiduciary, any members of your family including spouse, ancestor, lineal descendant, and any spouse of a lineal descendant.*

**Remember that your Horizon Trust Company IRA is fully self-directed. You are responsible for the selection, management, and retention time of your investment.** Horizon Trust Company will accept a direction of investment from you for any asset not specifically prohibited by the IRS. If you have any questions regarding any transaction in your Account, seek help from a tax professional before instructing Horizon Trust Company.

PART 4. ARBITRATION AGREEMENT

Depositor agrees to waive any right to participate in a class action lawsuit against Horizon Trust Company and will resolve any disputes with the company on an individual basis only, through binding arbitration. Depositor agrees this contract between depositor and Horizon Trust Company does not involve a consumer transaction. In the event a claim or dispute of any kind or nature arises between the Depositor and Custodian, including the scope of this arbitration clause, it shall be resolved by arbitration conducted in Albuquerque, New Mexico, as follows:

- a. either party may submit the matter to arbitration by serving a complaint on the other party that sets forth the nature of the claim. Service may be made by certified mail to the designee. The parties shall mutually select an arbitrator who shall be a retired judge or an attorney licensed to practice law in the state of New Mexico, and shall have not less than ten years of experience in servicing as arbitrator or judge in disputes or litigation concerning the subject matter of the dispute.
- b. the arbitrator shall conduct an evidentiary hearing and issue a final award within 180 days of his or her appointment. The arbitrator shall be bound to follow and apply the substantive law of the state of New Mexico, and the procedural and evidentiary rules of the state of New Mexico in effect at the time of any arbitration proceeding hereunder.
- c. the arbitrator shall award reasonable attorney's fees and costs of arbitration to the prevailing party.
- d. If the parties cannot agree upon the appointment of an arbitrator, either party may file a petition in the Second Judicial District Court to appoint an arbitrator.

PART 5. ACCOUNT OWNER AUTHORIZATION

I acknowledge that I have sole responsibility for directing the investments of my Account. I understand that Horizon Trust Company may perform administrative review on any of my investments to determine if the investments are feasible for Horizon Trust Company to maintain appropriate records as to each investment. I acknowledge, however, that Horizon Trust Company will not perform a due diligence review, and will not undertake any investigation as to the prudence, viability, merits, or suitability of any investment in my Account. I agree to hold Horizon Trust Company harmless from any liability for any loss, damage, injury, or expense which may occur as a result of the execution of my direction of investment.

By signing below I acknowledge that I have read and understand this Client Responsibility Form and specifically acknowledge that I have read and understand Part 3. Prohibited Transactions Summary on page three (3) of this document.

Signature of Account Owner:	Account Owner Name: (Print or Type)	Date: (MM/DD/YYYY)
<div></div>	<div></div>	<div></div>



# LIMITED ACCOUNT ACCESS Authorization Request

(888) 205 - 6036 (505) 212 - 0494 [operations@horizontrust.com](mailto:operations@horizontrust.com)

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

## PART 1. ACCOUNT OWNER INFORMATION

First Name:	M.I.:	Last Name:
<input type="text"/>	<input type="text"/>	<input type="text"/>
Last 4 SSN Digits:	Date of Birth: (MM/DD/YYYY)	Email Address:
<input type="text"/>	<input type="text"/>	<input type="text"/>

## PART 2. ADDITIONAL AUTHORIZED INDIVIDUAL INFORMATION

I hereby authorize the below named individual to have the limited access authority indicated until such time as I should notify Horizon Trust Company to remove such account access.

### Authorized Individual Information (Authorized Individual cannot be a minor or account Owner.)

Full Name/Company Name:	Email:
<input type="text"/>	<input type="text"/>

### Access Option Authorization

Please select all information access options that apply.

- ☐ Full access to all account information including statements. ☐ Access to pending Transfer/Rollover information only.
- ☐ Web Access for my account only. ☐ Access to account balance information only.
- ☐ Access to information on the following specific asset(s) or company:

## PART 3. AGREEMENT & AUTHORIZATION

### Account Owner Agreement

By signing below, you:

- Acknowledge that you have received a copy of this Limited Account Access form, and you state that you have read it, you understand it, and you accept all its terms and conditions.
- Authorize Horizon Trust Company to act on all instructions given on this form.
- Designate the individual identified in this form as an Authorized Individual, granting that individual the ability to obtain account information at the level of access authority indicated.
- Certify that all information you provided is correct to the best of your knowledge.

Signature of Account Owner:	Account Owner Name: (Print or Type)	Date: (MM/DD/YYYY)
<input type="text"/>	<input type="text"/>	<input type="text"/>



# TRANSFER REQUEST FORM

IRA to IRA Transfer

**Ready To Transfer?**

☐ Yes ☐ No

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

## PART 1. PARTICIPANT INFORMATION (Do not use this form for conversions to a Roth IRA)

Type of IRA Transfer: ☐ Traditional IRA to Traditional IRA ☐ SEP IRA to Traditional IRA ☐ SEP IRA to SEP IRA

☐ Roth IRA to Roth IRA ☐ HSA to HSA ☐ INH-IRA to INH-IRA ☐ INH Roth to INH Roth

☐ SIMPLE IRA, 1<sup>st</sup> Year of Participation:  ☐ Other:

Resigning Custodian Name:  Fax:  Phone:

Address:  City:  State:  Zip:

Participant Name:  Social Security Number: (###-##-####)  Resigning Custodian Account #:

## PART 2. DISTRIBUTION REASON

I hereby direct the resigning custodian listed above to execute the following transfer option(s) indicated below.

### ☐ Option A: Complete Transfer

☐ Liquidate all assets and transfer cash balance ..... Est. Cash Amount:

☐ Transfer all assets in-kind and entire cash balance ..... Est. Cash Amount:

Asset Description:

Quantity to Transfer:

Liquidate  
Immediately

Transfer  
In-Kind

☐

☐

### ☐ Option B: Partial Transfer

☐ Cash balance to be transferred ..... Amount:

☐ Transfer the following Asset(s):

Asset Description:

Quantity to Transfer:

Liquidate  
Immediately

Transfer  
In-Kind

☐

☐

☐


☐

PART 3. DELIVERY INSTRUCTIONS

☐ **Via Regular Mail**  
Horizon Trust Deposits  
2009 E Windmill Ln.  
Las Vegas, NV 89123

☐ **Via Overnight Mail**  
Horizon Trust Deposits  
2009 E Windmill Ln.  
Las Vegas, NV 89123

☐ **Via Wire**  
Receiver Bank: G Bank  
Las Vegas, NV 89148  
  
Acct # 1010227882  
Routing # 122402366  
  
Beneficiary Name: Horizon Trust Company  
FFC: Client Name & Account Number

**Checks should be titled:**  
Horizon Trust FBO Client Name & Account Number

PART 4. AGE 73 REMINDER

I understand that if this rollover is occurring during or after the calendar year during which I attain the age of 73, the required minimum amount determined under this account is still required to be distributed. I further understand that the current Trustee/Custodian is not responsible for making this distribution prior to the rollover. I accept full responsibility for satisfying the required minimum distribution ("RMD") applicable to this IRA by withdrawing sufficient amounts from another account prior to the deadline for RMDs for the calendar year of the rollover. If this rollover leaves the transferor account in one year but does not reach the transferee account until the following year, I understand that this will be an "outstanding rollover" as of December 31st. The new IRA must "deem" that the rollover was received as of the prior December 31st for determining any RMD from the transferee IRA for the year that the rollover was received. I will inform the transferee IRA Trustee/Custodian of any such outstanding rollover.

PART 5. LIMITED POWER OF ATTORNEY

I, the undersigned, do hereby grant a limited power of attorney to Horizon Trust Company, LLC and its agents to request information regarding my account and the status of this rollover from the custodian listed above. The power of attorney shall commence and be in full force as of the date listed below and shall remain in full force and effect thereafter until the completion of the rollover of the assets and/or cash balance listed in the Funding Instructions section of this form.

PART 6. AUTHORIZATION & SIGNATURE (Must Wet/Ink Sign)


I am aware that I am responsible for the payment of Federal Income Tax on the taxable portion of this surrender and that I may be subject to tax penalties under Estimated Tax Payment rules if my payment of estimated tax and withholding, if any, are not adequate. I am also aware of any surrender/withdrawal penalties which may apply and I authorize the transaction described above.

I certify that the information contained on this form is true and correct. I understand that I should seek the guidance of a tax or legal professional with regard to this decision. I understand that my custodian cannot provide legal advice. I indemnify and agree to hold the custodian harmless against any liabilities. I assume full responsibility for the consequences of this rollover or conversion decision. The custodian agrees to accept these funds as a rollover or conversion.

Signature of Account Owner: *(Black/Blue Ink)*

Account Owner Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*



Please check with your current custodian to determine whether they will require a Notary Stamp or a Medallion Signature Guarantee Stamp to rollover your account. A signature guarantee can be obtained from your bank. If your current custodian does not require a notary or signature guarantee, please sign above and return this form to Horizon Trust Company, LLC.

Notary or Medallion Signature Guarantee Stamp

**ACKNOWLEDGMENT OF ACCEPTANCE**  
**The authorized signature certifies acceptance of the assignment and surrender or transfer/rollover of funds as instructed in this request. After deducting any sums as are permitted under the plan, please complete this transaction and send funds with a copy of this form to Horizon Trust Company. Our organization agrees to serve as the new Custodian for the IRA account of the above-named individual, and as Custodian, we agree to accept the assets being rolled over.**

Signature of Custodian:

Date: *(MM/DD/YYYY)*





# Contribution Form

☎ (888) 205 - 6036 📠 (505) 212 - 0494 ✉ operations@horizontrust.com

📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

If a payment is being submitted by someone **other than** the account owner, the account owner **must** sign below to acknowledge the deposit. If you are rolling over assets, please complete a Rollover Certification Form for your account type.

## PART 1. ACCOUNT OWNER INFORMATION

First Name:	M.I.:	Last Name:	Account #:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Last 4 SSN Digits:	Date of Birth: (MM/DD/YYYY)	Email Address:	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

## PART 2. CONTRIBUTION DEPOSIT INFORMATION

Contributions to retirement accounts must be made from personal funds, with the exception of Employer-Sponsored accounts. In Employer-Sponsored accounts, contributions can include employer contributions, with funds typically provided by the sponsoring company and/or employer.

☐ **IRA or Savings Account**

☐ Traditional
 ☐ Roth
 ☐ CESA
 ☐ HSA
 ☐ Non-Qualified Account

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☐ **Employer Sponsored IRA**

☐ **Simple IRA**

☐ Employer Contribution
 ☐ Employee Deferral

☐ **SEP IRA**

☐ Employer Contribution
 

☐ **Note:** Elective salary deferrals and catch-up contributions are not permitted in SEP plans

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☐ **Solo 401(k)**

☐ **SOLO 401(k) Tax Deferred**

☐ Employer Contribution
 ☐ Employee Deferral

☐ **SOLO 401(k) Tax Free**

☐ Designated Roth 401(k) Employer Contribution
 ☐ Designated Roth or After-Tax 401(k) Employee Deferral

## Contribution Details

Contribution Amount: \$	<input type="text"/>	Contribution Tax Year:	<input type="text"/>
<input type="radio"/> Wire/Direct Deposit <input type="radio"/> Check         Check Number:	<input type="text"/>		
Expected Transfer Date:	<input type="text"/>	<input type="radio"/> One-Time <input type="radio"/> Recurring	

## PART 3. ACCOUNT OWNER AUTHORIZATION

By submitting this form, I, as the account owner, acknowledge that I am responsible for the selection, due diligence, management, review, and retention of all investments in the account.

Signature of Account Owner:	Account Owner Name: (Print or Type)	Date: (MM/DD/YYYY)
<input type="text"/>	<input type="text"/>	<input type="text"/>



# ROTH INDIVIDUAL RETIREMENT DISCLOSURE STATEMENT

☎ (888) 205 - 6036 📠 (505) 212 - 0494 ✉ operations@horizontrust.com

📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

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

FORM (Rev. Feb 2021)

## DISCLOSURE STATEMENT

The Internal Revenue Code (Code) requires that Horizon Trust Company (Custodian) provide individuals establishing an Individual Retirement Account (IRA) with information which is contained in this Disclosure statement. You should read and complete the ROTH IRA Account Application (Application) which includes the Account Agreement provisions above along with the ROTH IRA Custodial Agreement, Disclosure Statement, and the Fee Schedule together as one which have been presented to the Account Owner prior to executing the Application.

## RIGHT TO REVOKE YOUR ROTH IRA

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

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date. If notice is received by fax or other electronic means, your revocation will be deemed delivered as of the date submitted.

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

## REQUIREMENTS OF A ROTH IRA

- A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover or conversion contribution or a policy approved in-kind asset contribution.
- B. **Maximum Contribution** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$6,000 (\$7,000 for taxpayers aged 50 or over at the end of the tax year, see below Section D) for 2021, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$196,000 (for 2020) or \$198,000 (for 2021) if you are a

married individual filing a joint income tax return, or equals or exceeds \$124,000 (for 2020) or \$125,000 (for 2021) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$139,000 (for 2020) or \$140,000 (for 2021) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$124,000 (for 2020) or \$125,000 for 2021 may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2021.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$200,000, your maximum Roth IRA contribution for 2021 is \$4,800  $(\$208,000 \text{ minus } \$200,000) \text{ divided by } \$10,000 \text{ and multiplied by } \$6,000$ .

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$135,000, your maximum Roth IRA contribution for 2021 is \$2,000  $(\$140,000 \text{ minus } \$135,000) \text{ divided by } \$15,000 \text{ and multiplied by } \$6,000$ .

- C. **Contribution Eligibility** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.
- D. **Catch-Up Contributions** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year.
- E. **Nonforfeitable** – Your interest in your Roth IRA is nonforfeitable.
- F. **Eligible Custodians** – The custodian of your Roth IRA must



be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

- G. **Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.
- I. **Collectibles** – You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.
- J. **Beneficiary Payouts** – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your designated beneficiaries, either:
1. be distributed by December 31 of the year containing the fifth anniversary of your death, or
  2. be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (1) or (2) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (1) or (2) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

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

If your beneficiary fails to remove a required minimum distribution after your death, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 along with his or her income tax return to report and remit any additional taxes to the IRS.

## INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

- A. **Contributions Not Deducted** – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.
- B. **Contribution Deadline** – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year's tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

- C. **Tax Credit for Contributions** – You may be eligible to receive a tax credit for your Roth IRA contributions. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are:
- age 18 or older as of the close of the taxable year,
  - not a dependent of another taxpayer, and
  - not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Roth 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.

### 2020 ADJUSTED GROSS INCOME\*

Joint Return	Head of a Household	All Other Cases	Applicable Percentage
\$1–39,000	\$1–29,250	\$1–19,500	50
\$39,001–42,500	\$29,251 - \$31,875	\$19,501 - \$21,250	20
\$42,501 - \$65,000	\$31,876 - \$48,750	\$21,251 - \$32,500	10
Over \$65,000	Over \$48,750	Over \$32,500	0

### 2021 ADJUSTED GROSS INCOME\*

Joint Return	Head of a Household	All Other Cases	Applicable Percentage
\$1–39,500	\$1–29,625	\$1–19,750	50
\$39,501–43,000	\$29,626 - \$32,250	\$19,751 - \$21,500	20
\$43,001 - \$66,000	\$32,251 - \$49,500	\$21,501 - \$33,000	10
Over \$66,000	Over \$49,500	Over \$33,000	0

\*Adjusted gross income (AGI) includes foreign earned income and income from Guam, America Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

- D. **Excess Contributions** – An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below:
1. **Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.
  2. **Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.
  3. **Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

- E. **Tax-Deferred Earnings** – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.
- F. **Taxation of Distributions** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.
1. **Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:
    - Attainment of age 59½
    - Disability
    - First-time homebuyer purchase
    - Death

For example, if you made a contribution to your Roth IRA for 2019, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2024.
  2. **Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.
- G. **Income Tax Withholding** – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- H. **Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored

retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply. 1) **Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. 2) **Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. 3) **Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. 4) **Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. 5) **Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. 6) **Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. 7) **First-time homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. 8) **IRS levy.** Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. 9) **Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. 10) **Qualified birth or adoption distributions.** Distributions are permitted from IRAs for distributions made after December 31, 2019. Distributions must be taken within one year of birth or adoption and are limited to adoption of anyone over 18 (other than an individual physically or mentally incapable of self-support) or the adoption of a spouse's child does not qualify. Distributions can later be rolled back into an IRA. It will be up to the IRA owner to substantiate to the tax authorities that the distributions are a qualified birth or adoption distribution.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

- I. **Required Minimum Distributions** – You are not required to take distributions from your Roth IRA at age 72 (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this disclosure statement regarding beneficiaries' required minimum distributions.
- J. **Rollovers and Conversions** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.
  1. **Roth IRA-to-Roth IRA Rollovers.** Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.
 

You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

Your rollover from one Roth IRA to another Roth IRA must consist of the same property; otherwise the distribution will be taxable as ordinary income. For example, you may not take cash distributions from your Roth IRA, purchase other assets with the cash, and then roll over those assets into a new (or the same) Roth IRA.
  2. **Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includi-



ble in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. You must convert the same property you received from the Traditional IRA. If you are age 70½ or older, you must remove your required minimum distribution before converting your Traditional IRA.

3. **SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. You must convert the same property you received from the SIMPLE IRA. If you are age 70½ or older you must remove your required minimum distribution before converting your SIMPLE IRA.
4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.
5. **Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, or the cost of life insurance coverage. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements.

If you are conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth IRA not later than 60 days after you receive the distribution. In the case of a plan loan offset due to

plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.
8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans.
9. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. For further detailed information and effective dates you may obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

10. **Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at [www.irs.gov](http://www.irs.gov).
  11. **Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.
  12. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.
- K. **Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- L. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. For tax years beginning before January 1, 2018, if you have converted from a Traditional IRA to a Roth IRA, or rolled over an eligible employer-sponsored retirement plan to a Roth IRA, you may recharacterize the conversion or rollover along with the net income attributable to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made or conversion or rollover completed. However, effective for tax years beginning after December 31, 2017, you may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

## LIMITATIONS AND RESTRICTIONS

- A. **Spousal Roth IRA** – If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your com-

bined eligible compensation or \$12,000 (for 2020 or 2021). This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$1,000 per year.

- B. **Gift Tax** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.
- D. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. **Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## OTHER

- A. **IRS Plan Approval** – Articles I through VIII of the agreement used to establish this Roth IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.

- E. **Qualified Charitable Distributions** – If you are age 70½ or older, you may take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. If you have both IRA contributions and QCDs in the same year, the \$100,000 is reduced if you are making deductible IRA contributions after age 70½. Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
- F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief may include penalty- tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings.

## FINANCIAL DISCLOSURE

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

## INVESTMENT OPTIONS

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

## FEES

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

- Account Fees
- Transaction Fees
- Processing Fees
- Miscellaneous Fees

To find out what fees may apply, refer to the Fee Schedule.

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

## EARNINGS

The method for computing and allocating annual earnings (e.g., interest, dividends) on your Roth IRA will differ based on



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📍 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

FORM (Rev. Feb 2021)

The depositor named on the application is establishing a Roth individual retirement account (Roth IRA) under IRS Code section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named on the application has given the depositor the disclosure statement required by Regulations section 1.408-6.

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

The depositor and the custodian make the following agreement:

## ARTICLE I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$6,000 per year for 2019 through 2021. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$7,000 per year for tax years 2019 through 2021. For years after 2021, these limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. As a single filer, you can make a full contribution to a Roth IRA if your modified adjusted gross income is less than \$122,000 in 2019. For 2020, you can make a full contribution if your modified adjusted gross income is less than \$124,000. For 2021 you can make a full contribution if your if your modified adjusted gross income is less than \$125,000. If your modified adjusted gross income is more than \$122,000 but less than \$137,000, a partial contribution is allowed in 2019. A partial contribution is allowed for 2020 if your modified adjusted gross income is more than \$124,000 but less than \$139,000. A partial contribution is allowed for 2021 if your modified adjusted gross income is more than \$125,000 but less than \$140,000. If you are married and filing jointly, you can make a full contribution to a Roth IRA if your modified adjusted gross income is less than \$193,000 in 2019. For 2020, you can make a full contribution if your modified adjusted gross income is less than \$196,000. For 2021, you can make a full contribution if your modified adjusted gross income is less than \$198,000. If your modified adjusted gross income is more than \$193,000 but less than \$203,000, a partial contribution is allowed in 2019. A partial contribution is allowed for 2020 if your modified adjusted gross income is more than \$196,000 but less than \$206,000. A partial contribution is allowed for 2021 if your modified adjusted gross income is more than \$198,000 but less than \$208,000. Adjusted gross income is defined in section

408A(c)(3). A partial contribution is allowed for 2021 if your modified adjusted gross income is more than \$198,000 but less than \$208,000. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

## ARTICLE III

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

## ARTICLE IV

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

## ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.
3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the



depositor.

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

- 9.01 **Definitions** – In this part of this agreement (Article IX), the words “you” and “your” mean the depositor. The words “we,” “us,” and “our” mean the custodian. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.

- 9.02 **Notices, Delivery, Electronic Signature and Change of Address** –

### **CONSENT FOR ELECTRONIC DISCLOSURES UNDER THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT**

The ROTH Account Application (Application) includes the Account Agreement provisions, the Fee Schedule and the ROTH IRA Custodial Account Disclosures documents together as one which have been presented to you prior to executing the Application. By completing this IRA Application online, you agree to be bound by all terms and conditions contained in the Application.

### **Consent to Electronic Delivery of Statements and Other Communications**

By consenting to the terms and conditions of this Application, you agree to receive the following communications electronically: periodic statements, disclosures, notices (including Amendment changes), agreements, changes to terms and conditions, records, documents, tax statements, Privacy Notice, and all other information we provide to you. We may deliver these communications to you through your online access, by email or by using other electronic methods allowed pursuant to applicable laws and regulations. However, we reserve the right to deliver any communication to you as a paper copy, rather than electronically. Your consent remains in effect until you give us notice that you are withdrawing it and covers all communications, including those related to any product or service offered either now

or in the future.

### **Consent to Electronic Signature**

By consenting to the terms and conditions of this Agreement, you agree that “Electronic signature” means an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by me with the intent to sign the record. You understand that processes such as multifactor authentication serves as a valid, legal signature and confirm that Custodian may rely on and accept my electronic signature as a valid direction.

### **Withdrawal of Consent**

You may contact us in any of the ways described below to withdraw your consent to receive any future communication electronically or to providing an electronic signature. Please refer to the Fee Schedule for any fee that may apply for paper copies. If you wish to receive electronic communications after you have withdrawn your consent or wish to begin using the electronic signature processes, please contact Horizon Trust Company at the phone number or address below.

### **IMPORTANT**

It is your responsibility to provide and maintain a current email and residential address with us. We may treat an invalid email address or the subsequent malfunction of a previously valid email address as a withdrawal of your consent to receive electronic communication. We will not impose a fee to process the withdrawal of your consent; however, fees may apply to paper copies mailed. Withdrawal of your consent to receive electronic communications will be effective only after we have a reasonable period of time to process your withdrawal. All communications in either electronic or paper format from us to you will be considered “in writing.”

### **Paper Delivery of Disclosures and Notices**

You have the right to receive a paper copy of any communication sent electronically. To receive a paper copy, you may request it in writing by sending your request to: Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101 or calling us at 888-205-6036. You may have to pay a fee for the paper copy unless charging a fee is prohibited by law.

### **How to Update Your Records**

It is your responsibility to provide us with true, accurate and complete email address, contact, and other information related to your account. You must promptly notify us of any changes in this information. You can update your information by calling us, or by writing us at the address above, and we will provide an appropriate form for you to sign.

### **Equipment and Software Requirements**

In order to view and retain electronic communications that we make available to you, you must have:

- A PC or other device with an Internet browser that has “cookies” enabled and supports 128 bit encryption
- An Internet connection
- An email address
- A PDF viewer (such as Adobe Reader)
- A printer or computer with sufficient electronic storage



space

All communications shall be delivered to the last address we have on file for you. These notices will be sent through electronic delivery (email) and will be considered delivered the same day as sent. If you have opted out of electronic delivery, communications sent to you through the United States Postal Service are considered delivered 5 business days after the postmark date. It is your responsibility to notify the Custodian of any email address change or residential address change. We will not be held liable for any losses or damages if you have not provided Custodian with the most current address information. The electronically signed copy of this document should be considered equivalent to a printed hard copy form. It is considered a true and complete record of the document, admissible in arbitration and/or administrative hearings or proceedings. Your electronic signature on the Application and other electronic forms such as the Investment Direction are considered valid and the same as if the paper form or Application were signed.

### 9.03 Representations and Responsibilities

- a. *In General.* You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be in compliance with applicable laws and proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, or for our exercising our right to take no action until we have received further clarification acceptable to us, and you agree to reimburse and indemnify us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

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

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

By performing services under this agreement we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to Roth IRAs. We may employ agents and organizations for the purpose of performing administrative or other custodial-related services with respect to your Roth IRA for which we otherwise have responsibility under this agreement, and the limitations on our duties to you under this agreement or otherwise will also apply with respect to each agent or organization so employed. You represent to us that if a mandatory distribution arises, you will have the means through your Roth IRA and/or other retirement accounts to meet any mandatory distribution requirements. You agree to release, indemnify, and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses (including, without limitation, attorneys' fees) arising from or in connection with this agreement.

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

- b. *Prohibited Transactions.* You understand that certain transactions are prohibited in Roth IRA plans under the Code, and specifically Code section 4975. You further understand that the determination of a prohibited transaction depends on the facts and circumstances that surround the particular transaction. You understand that we have no obligation or duty to make a determination, and accordingly will make no determination, as to whether any Roth IRA investment is prohibited. You further understand that should your Roth IRA engage in a prohibited transaction, you will incur a taxable distribution as well as possible penalties. You agree that we are not responsible for any losses, taxes, penalties, or any other consequences resulting from any investment or transaction that constitutes a prohibited transaction. You represent to us that you have consulted or will consult with your own tax or legal professional to ensure that none of your directions, instructions, transactions, or Roth IRA investments will constitute a prohibited transaction.

and that your Roth IRA investments will comply with all applicable federal and state laws, regulations, and requirements.

- c. *Unrelated Business Income Tax (UBIT)*. Since your Roth IRA is a tax-exempt organization under the Code, if your Roth IRA earns income from an investment that uses debt financing or that is derived from a business regarded as not related to the exempt purpose of your Roth IRA, it may be subject to the so-called "unrelated business income tax" if it is in excess of permitted thresholds. For example, income from a Roth IRA investment in a partnership generally will result in unrelated business taxable income. In the event that your investment of Roth IRA assets results in taxable income (unrelated or debt-financed) under the Code (or other rules) for any taxable year, you agree to prepare or have prepared the applicable returns, an application for employer identification number (if not previously obtained), and any other documents that may be required, and to submit them to us for filing with the Internal Revenue Service (IRS) (or any other governmental entity), at least five days before the date on which the return is due for such taxable year, along with an appropriate payment directive authorizing us to execute the forms on behalf of your Roth IRA and to pay the applicable unrelated business income tax from your Roth IRA. You understand that we have no obligation or duty to prepare or have prepared such documents. You agree, however, that we may prepare any forms, returns, or other required documentation if you do not provide them in time. All taxes and the expenses incurred in preparing such documentation will be considered your Roth IRA's expense and may be debited from your Roth IRA. If your Roth IRA has insufficient liquid assets to pay these expenses, you may pay them yourself. Certain Roth IRA reimbursements are considered annual contributions. To ensure proper governmental reporting, you must inform us of any Roth IRA expense that you pay for outside your Roth IRA.
- d. *Listed Transactions and Reportable Transactions*. You understand that certain transactions are or may be identified by the IRS as abusive tax shelter schemes or transactions. You further understand that the determination of a listed or reportable transaction may depend upon the facts and circumstances that surround the particular transaction. We have no duty to make a determination as to whether any Roth IRA investment constitutes a listed or reportable transaction. You represent to us that you have consulted or will consult with your own tax or legal professional to ensure that any listed or reportable transactions engaged in by your Roth IRA are identified. You further represent and acknowledge to us that with respect to any listed or reportable transaction you are considered the entity manager who approved or caused your Roth IRA to be a party to the transaction and that you are responsible for: reporting each such transaction to the IRS, using the applicable IRS form; paying any applicable excise taxes, using the applicable IRS form; disclosing to us that such transaction was a prohibited tax shelter transaction; and directing us as to any necessary corrective action to be taken by your Roth IRA.
- e. *Passive Custodian Provides No Investment Advice*. From time to time, we may provide general investment information regarding the products we offer through various media including webinars, newsletters, social media posts, our website, and other forums, which you acknowledge and agree is not intended to be investment advice. Similarly, you acknowledge and agree that we may participate in events with other organizations in our industry, which is not and should not be interpreted as our endorsement of any of the participating organizations. You further acknowledge and agree that we are strictly a passive custodian and as such do not provide legal or tax services or advice with respect to your Roth IRA investments; and you release, indemnify, and agree to hold harmless and defend us in the event that any investment or sale of your Roth IRA assets pursuant to a Direction of Investment form violates any federal or state law or regulation or otherwise results in a disqualification, penalty, fine, or tax imposed upon you, your Roth IRA, or us.
- f. *Investment Conforms to All Applicable Securities Laws*. You represent to us that if any investment by your Roth IRA is a security under applicable federal or state securities laws, such investment has been registered or is exempt from registration under federal and state securities laws; and you release and waive all claims against us for our role in carrying out your instructions with respect to such investment. You acknowledge that the foregoing representation is being relied upon by us in accepting your investment directions and you agree to indemnify us with respect to all costs, expenses (including attorneys' fees), fines, penalties, liabilities, damages, actions, judgments and claims arising out of such investment and/or a breach of the foregoing representation, including, without limitation, claims asserted by you.
- g. *Custodian Not Responsible for Insurance*. We will not bear or assume any responsibility to notify you about or to secure or maintain fire, casualty, liability, or other insurance coverage on any personal or real property held by your Roth IRA or that serves as collateral under any mortgage or other security instrument held by your Roth IRA with respect to any promissory note or other evidence of indebtedness. It is incumbent upon you as the Roth IRA owner to arrange for such insurance as you determine necessary or appropriate to protect your Roth IRA assets and to direct us in writing as to the payment of any premiums therefore. Furthermore it is your responsibility to determine that payment has been made upon your written request by verifying same with your Roth IRA statements. We will not be responsible for notification or payments of any insurance premiums, real estate taxes, utilities, or

other charges with respect to any investment held in your Roth IRA, unless you specifically direct us to pay the same in writing and sufficient funds are available to pay same from your Roth IRA. Furthermore, it is your responsibility to determine that payment has been made from the Roth IRA. You must use an appropriate Payment Directive form available from us within a sufficient period of time for such direction to be accomplished in accordance with our normal business practices (without regard to whether we have undertaken efforts to comply with such directive).

- h. *Fees.* We have the right to charge establishment, document, and custodial fees, as well as other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your Roth IRA. In addition, and as described in more detail in Section 9.09, we have the right to collect or otherwise receive as an additional fee any interest or other income earned or generated from any Uninvested Cash Funds (as defined in Section 9.09), and to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. We shall not incur any liability from initiating the sale of assets to collect the fees and expenses. We reserve the right to charge any additional, reasonable fee to you after giving you 30 days' notice. Fees such as sub-accounting and other service fees may be paid to us or an associated business by third parties for assistance in performing certain transactions with respect to this Roth IRA. In addition, we or an associated business may receive other income from third parties in connection with performing such services or the purchase and sale of publicly traded securities, privately held securities, or any other assets that may or may not be deemed to be securities, which you may have directed us to purchase or sell.

Non-custodial fees and expenses (property management fees, property tax, etc.) associated with your Roth IRA or Roth IRA investments generally must be paid from the Roth IRA. Based on facts and circumstances, certain fees may be paid outside of your Roth IRA. We will not determine what fees may be paid outside of your Roth IRA. If you choose to pay any Roth IRA fees or expenses with assets outside of your Roth IRA, you represent to us that you have consulted with your tax or legal professional to make this determination.

- i. *All Invoices Are Due and Payable Upon Receipt.* If such charge cannot be paid from your Roth IRA assets (e.g., if your Roth IRA does not contain sufficient cash assets), we will submit an invoice to you for all outstanding fees and expenses plus any applicable invoice costs and late charges. Roth IRA expenses that you pay out of pocket may be considered regular Roth IRA contributions,

which are reported to the IRS and are subject to the annual contribution limitations. To collect such fees and/or expenses we may, and you expressly authorize us to, bill any credit card we have in our records related to your Roth IRA, collect from any Uninvested Cash Funds held in your Roth IRA, and/or liquidate sufficient investments in your Roth IRA in accordance with Section 9.16 of this Article to pay such fees and expenses.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. Any reimbursements to your Roth IRA for those commissions are considered Roth IRA contributions and are subject to the annual Roth IRA contribution limitations.

- j. *Interest and Earnings.* We may perform sub-accounting, recordkeeping, administrative or other services related to your Roth IRA, and for these services we retain and receive interest and other income from assets that you have not directed us to invest. This income includes amounts generated on the Uninvested Cash Funds that we deposit with other financial institutions.

- 9.04 **Limitation on Damages** – You agree that the entire liability of us and our officers, directors, employees, members, agents, licensors, subsidiaries, affiliates, parents and representatives (collectively, “Custodian Parties”), and your exclusive remedy in any cause of action based on contract, tort, warranty, negligence, or otherwise in connection with any services rendered pursuant to this agreement or otherwise furnished by us to you, shall be limited to the total fees paid by you to us.

UNDER NO CIRCUMSTANCES ARE WE OR ANY CUSTODIAN PARTIES SUBJECT TO OR LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR SIMILAR DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, LOSS OF REVENUES AND/OR PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH ANY SERVICES RENDERED PURSUANT TO THIS AGREEMENT OR OTHERWISE FURNISHED BY US TO YOU, REGARDLESS IF SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE OR OTHERWISE.

- 9.05 **TIME TO BRING LEGAL ACTION; TWO YEAR LIMITATIONS PERIOD** – An action for breach of this agreement, or any obligation arising therefrom, must be commenced within two years after the cause of action has accrued.

- 9.06 **Class Action Waiver – EACH PARTY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF, REPRESENTATIVE OR CLASS MEMBER IN ANY PUTATIVE CLASS OR REPRESENTATIVE PROCEEDING.** The arbitrator will have no authority to arbitrate a class, collective, representative or group claim/action and will have no authority to make any determination as to the enforceability of this



agreement's class/collective action waiver. Further, unless you and the Custodian agree otherwise, the arbitrator will have no authority to consolidate your claims with any other claims, and may not otherwise preside over any form of a class or representative proceeding.

9.07 **Arbitration** – Any dispute, claim or controversy arising out of, in connection with or relating to the performance of this agreement or its termination, including the determination of the scope or applicability of this agreement to arbitrate, will be resolved by binding arbitration before a single arbitrator in the state of our principal place of business, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA"). To the extent that any of the provisions of this agreement conflict with the any AAA rules, the express provisions of this agreement will apply. The arbitrator will be a practicing attorney or retired judge with experience with Individual Retirement Accounts and the other subject matter(s) of the claim. The arbitrator's award will be final and binding on the parties, and judgment rendered thereon may be entered in any court having jurisdiction. The arbitration proceedings and arbitrator's award will be maintained by the parties and arbitrator as strictly confidential, except as is otherwise required by court order, or as is necessary to confirm, vacate or enforce the award, and for disclosure in confidence to the following representatives of a party that have a need to know and agree to keep such information confidential: attorneys, tax advisors and senior management. BY AGREEING TO THIS ARBITRATION PROVISION, YOU AND WE ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY.

9.08 **Disclosure of Account Information** – We may use agents, affiliates, and/ or subcontractors to assist in administering your Roth IRA. We may release nonpublic personal information regarding your Roth IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements. Horizon Trust as Custodian has a contractual agreement with DigitalIRA.com, LLC (DigitalIRA) to act as a third-party to service your cryptocurrency or gold IRA Account in conjunction with BitGo Trust Company, Gemini Trust, and/or Genesis Global Capital. You acknowledge DigitalIRA may change service providers at any time without notice Those services performed by DigitalIRA include but are not limited to client service, hosting of the client platform, administrative functions necessary to open the IRA and to facilitate the investment transactions including Video ID Verification. Your use of the third-party platform is governed by the separate Agreement. Any issues or errors arising out of the use of the third-party platform are the responsibility of third-party platform.

#### 9.09 **Investment of Amounts in the Roth IRA**

a. *In General.* You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. It is your responsibility as Account

Owner to consult with your legal, investment or tax advisor. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; our internal policies, standards, and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03). We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you provide timely written directions acceptable to us according to our then current policies and procedures.

You will select the type of investment for your Roth IRA assets, provided, however, that your selection of investments must be limited to those types of investments that comport with our internal policies, practices, and standards and are deemed administratively feasible by us. We may, or an associated business may, in our, or their, sole discretion, make available to you additional opportunities, which may include publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us, or an associated business, and that we, or such associated business, are capable of holding in the ordinary course of business.

b. *Custodian Acting in Passive Capacity Only.* We are acting as a passive, directed, and non-discretionary custodian in holding Roth IRA assets. Accordingly, we are not a fiduciary (as this term is defined in the Code, ERISA, or any other applicable federal, state or local laws) with respect to your Roth IRA, and you acknowledge and agree that we are not a fiduciary with respect to your Roth IRA.

It is not our responsibility to review the prudence, merits, viability or suitability of any investment directed by you or your investment advisors or to determine whether the investment is acceptable under ERISA, the Code or any other applicable law. We do not offer any investment advice, nor do we endorse any investment, investment product or investment strategy; and we do not endorse any investment advisor, representative, broker, or other party selected by you. We have no responsibility to question or otherwise evaluate any investment directions given by you or by any investment advisor or representative appointed by you.

It is your responsibility to perform proper due diligence with regard to any such investment, representative, investment advisor, broker or other party. We will follow the directions of any such investment advisor, representative, broker or other party selected by you, provided you furnish us with written authorization and documentation acceptable to us, which may include a legal opinion.

We will be entitled to all the same protections and indemnities in our reliance upon and execution of the directives of such investment advisor or other party as if such directives were given by you. We are under no obligation or duty to investigate, analyze, monitor, verify title to, or otherwise evaluate or perform due diligence for any investment directed by you or your investment advisor, representative or agent; nor are we responsible to notify you or take any action should there be any default or other obligation with regard to any investment. Any review performed by us with respect to an investment is solely for our own purposes of determining compliance with our internal policies, practices and standards, as we determine from time to time and the administrative feasibility of the investment and neither such review nor its acceptance should be construed in any way as an endorsement of any investment, investment company or investment strategy. We also have the right not to effect any transaction/investment that we deem to be beyond the scope of our administrative responsibilities, capabilities, or expertise or that we determine in our sole discretion does not comport with our internal policies, practices, or standards. We have no duty or obligation to notify you with respect to any information, knowledge, irregularities, or our concerns relating to your investment or your investment advisor, broker, agent, promoter, or representative, except as to civil pleadings or court orders received by us; nor are we responsible to notify you or take any action should there be any default or other obligation with regard to any investment. We will use reasonable efforts to acquire or sell investments in accordance with your directions within a reasonable period of time after we have received an investment direction, and we will make reasonable efforts to notify you if we are unable or unwilling to comply with an investment direction. Subject to the foregoing, we will remit funds as directed, but have no responsibility to verify or ensure that such funds have been invested to purchase or acquire the asset selected by you.

- c. *Investment Documentation.* In directing us with respect to any investment, you must use our Direction of Investment form or such other form acceptable to us. We may act upon any instrument, certificate, paper or transmission believed to be genuine and that is signed or presented by the proper person or persons whether or not by facsimile or other form acceptable to us. We are under no duty to make any investigation or inquiry as to any statement contained in any such communication, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. You authorize and direct us to execute and deliver, on behalf of your Roth IRA, any and all documents delivered to us in connection with your Roth IRA investments; and we have no responsibility to verify or determine that any such documents are complete, accurate, or constitute the documents necessary to comply with your investment direction.

You authorize and direct us to correct errors in investment titling without notice to you and to correct other minor clerical errors with telephone or email consent from you upon verification of your identity. We will retain electronic copies of documents related to your Roth IRA as described in Treasury Regulations section 1.408-2(e)(5)(vii) in our capacity as a recordkeeper and not as any type of safekeeping agent.

- d. *Uninvested Cash Funds.* From time to time you may deposit funds with us, or we may receive funds in settlement of trades, that are not subject to a current Direction of Investment (or are awaiting your direction) (collectively referred to as "Uninvested Cash Funds"). All cash deposits are initially placed in one or more demand deposit accounts (savings or checking), including but not limited to Certificates of Deposit (CDs), investment grade bonds, "A" rated or higher life insurance companies (fixed annuities) and/or Treasury Notes, maintained by us, and your account is credited with all Uninvested Cash Funds the same business day they are received. You agree that if we receive no other instructions, Uninvested Cash Funds from your IRA shall be invested in account(s) of Custodian's choosing using a formula designed to maintain liquidity of the Uninvested Cash Funds.

Specifically, you authorize and direct us to sweep Uninvested Cash Funds automatically into Custodian's designated account(s) until such time as further direction is received from you or your designated representative(s). If FDIC insurance applies to the investments purchased with Uninvested Cash Funds, the insurance will be subject to all applicable laws and regulations, including those laws and regulations related to FDIC insurance limitations.

We may adjust the formula for investment between the accounts or replace one or both of the accounts from time to time, but only after providing you with notice of the change. You will be deemed to have consented to this change and the continued investment of any Uninvested Cash Funds in the updated account, within 30 days from the date we send the investment change notice, unless you notify us in writing that you do not consent.

You understand and agree that we are entitled to retain as part of our compensation for the services we provide under this Agreement the excess between the earnings credited to your account and any interest or other income earned or otherwise generated from the Uninvested Cash Funds deposited in such accounts. We are not required to credit a percentage of these earnings back to your account but may choose to do so at Custodian's discretion. The amount credited back to your account will be at Custodian's discretion.

If we receive moneys after hours or that otherwise cannot be immediately swept into an approved interest-bearing investment, such amounts may remain uninvested in our bank account overnight. In

that case, we may also earn float on such amounts. In addition, if we issue a check on your behalf in connection with (1) distributions requested by you or (2) fees paid to third party service providers to your account, we debit your account the amount of the check and deposit the funds into a special disbursement account held by us. In that case, we will earn float on the amount of the check from the date it is issued until the date the check is presented and paid.

Because the amounts held in our bank account overnight or disbursement account are invested on an omnibus basis and not segregated from other deposit funds, attributing an exact earnings or interest factor applicable to your specific IRA is not possible. What we earn on the float depends on numerous factors such as current interest rates, credit risk, the duration of a particular investment, and our current crediting rate. However, we anticipate that our earnings on the float will be at a rate similar to that of short term U.S. Treasury Notes, although the rate may differ from time to time.

- 9.10 **Beneficiaries** – If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary survives you, the contingent beneficiaries will acquire the designated share of your Roth IRA. If you do not designate a beneficiary or if all of your primary and contingent beneficiaries predecease you, your estate will be the beneficiary.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited Roth IRA at the time of your death) to name successor beneficiaries for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's lifetime. Each beneficiary designation form that the original Roth IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original Roth IRA beneficiary to revoke a successor beneficiary

designation. If the original Roth IRA beneficiary does not designate a successor beneficiary, his or her estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

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

- 9.11 **Termination of Agreement, Resignation, or Removal of Custodian** – Either party may terminate this agreement at any time by giving written notice to the other. However, your termination of this agreement will not be effective until such time as all outstanding fees, costs, indemnities, penalties, expenses, or payments due to us are paid. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you through email (if an email address was provided, otherwise such notice will be sent to you through U.S. mail). Upon receipt of that notice, you must make arrangements to transfer your Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay or distribute your Roth IRA assets to you in a single sum or assignment. If we transfer your Roth IRA, the existing Roth IRA documents will govern your Roth IRA relationship with the new custodian or trustee unless the successor custodian/trustee notifies you in writing of any changes and/or requires new Roth IRA documents to be signed by you. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section. If we terminate this agreement, we reserve the right to distribute your Roth IRA assets to you "in kind" instead of in cash. This will generally result in a taxable distribution and will be reported to the IRS and to you. If we distribute your Roth IRA assets in kind, we will not withhold federal or state income taxes. Instead, you understand and agree that we may deem you to have waived all federal and state income tax withholding on the distribution. You will still be responsible for all tax implications resulting from the distribution, and you agree not to hold us accountable for any such income tax withholding.

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

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



IRA with us is closed, if there are additional assets remaining in or subsequently credited to your Roth IRA, we will seek to distribute or transfer such assets in accordance with your prior direction, but only after offsetting any applicable administrative expenses and custodial fees (according to our then operative fee schedule).

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

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

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

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

You are not required to take a distribution from your Roth IRA at age 72. At your death, however, your beneficiaries must begin taking distributions in accordance with Article V and section 9.10 of this article. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

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

9.16 **Liquidation of Assets; Grant of Security Interest Upon Default**

a. We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, indemnities, taxes, federal tax levies,

penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.

b. If payment is not received on or before the due date listed on your invoice, a late fee will be assessed to your Roth IRA and a Past Due Notice will be issued to you. In the event you fail to pay any fees, costs, indemnities, penalties, expenses, or payments due to us required by your Account Agreement or otherwise, and upon issuance of the Past Due Notice, we reserve the right to proceed with the process for establishing a lien on and security interest in all of your rights, title and interests in such portion of the Roth IRA, the Uninvested Cash Funds and any other deposit, monies, accounts and other assets in such accounts or otherwise deposited with us at such time in an amount equal to the amounts necessary to pay in full such amounts then due to us, as collateral security for the prompt and complete payment of such unpaid fees or other amounts due and owing, to the maximum extent permitted by law or regulations, at our complete and sole discretion. Upon our providing you with notice through email (or through U.S. mail if no email address was provided) of our intent to pursue such security interest, you hereby authorize us to file all financing statements and other documents and take such other actions as may from time to time be necessary or desirable in our complete and sole discretion to perfect and to maintain the perfection and priority of such security interest and/or authorize us to liquidate the asset(s) without your prior approval and without any further notice. You understand and agree that pursuant to Code section 408(e) the portion of any Roth IRA funds pledged as collateral may be treated as distributed to you and subject to taxes, interest, and penalties, which you will be responsible for and agree to indemnify and hold us harmless therefrom. Such a deemed distribution may also trigger IRS Form 1099-R reporting, either when the lien is created or at some other required point.

We may, at our complete and sole discretion, liquidate sufficient asset(s) to cover outstanding fees plus one year's estimated fees, including the Account Termination Fee, and you agree not to hold us responsible for any adverse consequences that result from our decision. Upon receipt, such liquidated funds will first be applied to outstanding fees. Remaining balances, if any, will be placed into your Roth IRA. We have no liability for any adverse tax or other financial consequences as a result of liquidating your Roth IRA to cover the fees and charges. Roth IRAs with past due fees, unfunded Roth IRAs, and Roth IRAs with zero value will continue to incur administration and maintenance fees until such time as you notify us in writing of your intent to close the Roth IRA or of your wish that we resign. Should fees not be collected, we have the option to cease performing any functions,

including, but not limited to, processing investment transactions, until such time as all fees charged against the Roth IRA are fully paid. We may then close your Roth IRA and distribute all assets to you, which will be reported to the IRS on Form 1099-R and may subject you to possible taxes and penalties. In the event of non-payment, we may employ a collection agency to recover any unpaid fees or expenses. You will be personally liable for all Re-registration Fees, Late Fees, Account Termination Fees, and any other fees related to collection of fees, including but not limited to, third party fees incurred.

- 9.17 **Restrictions on the Fund** – Neither you nor any beneficiary may sell, transfer, or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this agreement.
- 9.18 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of the state in which we are chartered will govern.

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

- 9.19 **Valuations Policy** – Each year (and when you take Roth IRA distributions), we are required to report the fair market value (“FMV”) of the assets within your Roth IRA to the IRS. The IRS definition of FMV is the price at which the asset would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having a reasonable knowledge of the relevant facts. For additional guidance to determine FMV, please refer to the Code and to the Treasury Regulations.

You must provide us with a credible valuation of your Roth IRA assets at least annually no later than 30 days after we request the valuation in order for us to generate accurate IRS reporting. You may also direct us in writing to accept and report a credible valuation of the assets provided by another party or directly from the investment provider (hereinafter designee). We may report the FMV of your Roth IRA assets based on supporting documentation that you (or your designee) provide and that, in our sole discretion, we deem reasonable and applicable. We will not be responsible for verifying the accuracy of the FMV you or your designees provide to us. No material write-down of any prior valuation will be accepted without adequate supporting documentation and/or third-party valuation.

If you do not provide to us an acceptable Roth IRA valuation when required, you agree that we may, but are not required to, seek a valuation determination. The expenses incurred in preparing such a valuation will be considered your Roth IRA's expense and may be debited from your Roth IRA. If your Roth IRA has insufficient

liquid assets to pay these expenses, you may pay them yourself. Certain Roth IRA reimbursements may be considered annual contributions. To ensure proper governmental reporting, you must inform us of any Roth IRA expense that you pay for outside your Roth IRA. If we obtain a determination of the value of any asset in your Roth IRA for recordkeeping or reporting purposes, we will use reasonable, good faith efforts. Illiquid assets can be difficult to value accurately, particularly without sometimes costly and time-consuming appraisals. Therefore, we neither guarantee the appropriateness of the appraisal techniques that we used, nor do we assume responsibility for the accuracy of the valuations obtained.

At any point after you, or your designee, fail to provide an acceptable valuation of an asset for a period exceeding 12 months, we may, but are not required to, distribute the asset to you and issue an IRS Form 1099-R using the last acceptable valuation you provided to us (or the valuation that was originally provided), as appropriate, and we shall have no responsibility or liability for the tax, legal, or other consequences related to that distribution.

We may receive documentation from investment providers or asset holders regarding assets in your Roth IRA. We may, but are not obligated to, forward this information to you. It will remain your sole responsibility to request and ensure you receive all applicable documentation regarding your investments.

- 9.20 **Survival** – This Article IX, and any other provisions necessary to interpret the respective rights and obligations of the parties under this agreement, shall survive the expiration or termination of this agreement and any resignation or removal of us as custodian.

## GENERAL INSTRUCTIONS

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

## PURPOSE OF FORM

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

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

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



from Individual Retirement Arrangements (IRAs).

## DEFINITIONS

**Custodian** – The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

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

## SPECIFIC INSTRUCTIONS

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

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

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