



# Precious Metals IRA Investment Guide



TRADITIONAL  
IRA





# PRECIOUS METALS IRA INVESTMENT GUIDE



## CHECKLIST FOR NEW ACCOUNTS



Please note: the minimum amount required to open a Precious Metals IRA is \$5,000.

- ☐ 1. **IRA Simplifier** (account application)
- ☐ 2. **\$25 Establishment Fee** - We **MUST** have a \$25 check with your completed Simplifier or the IRA cannot be opened.
- ☐ 3. **Identification** - Enter your driver's license information on the Simplifier. If you do not have a valid state-issued driver's license, provide a legible photocopy of a valid government-issued photo ID, passport or notarized document.
- ☐ 4. **Most recent account statement** (from existing IRA custodian or qualified plan)
- ☐ 5. **Transfer/Direct Rollover Request** OR **IRA Rollover Certification** (if you already have the rollover check in hand)
- ☐ 6. **Precious Metals IRA Investment Direction** (for initial purchase)
- ☐ 7. **\$25 Check for overnight delivery** (optional)



## FEE PAYMENT OPTIONS

- 1. Mail check or money order payable to GoldStar Trust Company
- 2. Call or e-mail Investor Services to request fees be taken from cash in the account (must be sufficient cash available)
- 3. Credit card: Call Investor Services to pay with a credit or debit card



## OVERNIGHT DELIVERY AVAILABLE - \$25

GoldStar's policy is to mail all transfer and/or rollover paperwork to the current custodian by first class mail.

However, if you would like your transfer and/or rollover request to be expedited, GoldStar will prepare an overnight delivery of the paperwork to your current custodian on your behalf.

To take advantage of this service, please submit a separate check of \$25, made payable to GoldStar Trust Company, and attach to the transfer or rollover request.

**Please write "Establishment Fee" and/or "Overnight Fee" in the memo section of your check.**



# PRECIOUS METALS IRA INVESTMENT GUIDE

1

## ESTABLISH YOUR SELF-DIRECTED IRA



### IRA Account Application

Complete the GoldStar IRA Account Application (*IRA Simplifier*) which can be obtained from our website - [www.GoldStarTrust.com](http://www.GoldStarTrust.com). GoldStar offers Self-Directed Traditional, Roth, SEP and SIMPLE IRAs. A completed Simplifier (specific to the type of IRA) is required. **A nonrefundable Establishment Fee of \$25 is due with application.**



### Identification

Enter your driver's license information on the Simplifier. If you do not have a valid state-issued driver's license, provide a legible photocopy of a valid government-issued photo ID, passport or notarized document.

2

## FUND YOUR IRA

An IRA is funded through contributions, transfers and rollovers from Qualified Retirement Plans (such as 401(k), 403(b), pension and /or 457 plans). An initial minimum investment of \$5,000 is required to establish your IRA and purchase precious metals through GoldStar.



### Transfer Existing IRA or Rollover Funds to GoldStar

#### Required documents and forms needed:

- Completed *IRA Simplifier* with driver's license information (or legible photocopy of your valid state-issued photo ID, passport or notarized document, alternatively)
- Completed *IRA Transfer/Direct Rollover Request* form with original signature
- Most recent account statement from existing IRA custodian or current retirement plan

GoldStar will send the completed IRA Transfer/Direct Rollover Request form to your resigning IRA custodian and follow up periodically on your transfer until the funds (or precious metals for a transfer in-kind) are received. The transfer process typically takes 2-4 weeks.

**– IMPORTANT –** Contact your current plan's administrator first to see if their specific Transfer/Rollover paperwork is required.

*If you are rolling over funds from a previous Qualified Retirement Plan AND you, the client, have a check in hand or the rollover check has been made payable to you, please complete the *IRA Rollover Certification*. Otherwise, completing this form is not necessary to open your GoldStar account.*



# PRECIOUS METALS IRA INVESTMENT GUIDE

3

## CHOOSE A PRECIOUS METALS DEALER

Once your IRA is funded, GoldStar will contact the precious metals dealer of your choice to facilitate the trade. You will designate the dealer to be contacted in the next step.

GoldStar Trust Company is an IRA Custodian and does not offer investment products or advice. GoldStar cannot refer dealers; it is up to you to determine the precious metals dealer to be used.

4

## GIVE GOLDSTAR INVESTMENT INSTRUCTIONS

To instruct GoldStar to notify your dealer of your intent to purchase precious metals for your Self-Directed IRA, complete and sign the [\*Precious Metals IRA Investment Direction\*](#). The completed investment direction authorizes GoldStar to initiate the transaction and make payment to the dealer designated. You will need to complete a new investment direction for each purchase or sale. This form can be submitted by:

**Fax: (806) 655-2530**

**E-mail: [IRAmetals@GoldStarTrust.com](mailto:IRAmetals@GoldStarTrust.com)**

**Mail: P. O. Box 719, Canyon, TX 79015**



### IMPORTANT

If you are transferring funds to GoldStar from more than one source, it is imperative that you submit a separate investment direction for each transfer request OR direct GoldStar to wait until all of your funds are received before notice is sent to your dealer.

If you do not hear from your dealer within 2-3 business days of submitting the investment direction, please contact them to make sure they have received your instructions.

Investing in proof coins: please read the information regarding proof spreads and initial the appropriate box.

**GoldStar's policy is to notify the dealer you have chosen within 48 business hours of receipt of your Precious Metals Investment Direction unless otherwise instructed. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.**



# PRECIOUS METALS IRA INVESTMENT GUIDE

5

## DELIVERY AND STORAGE

### Delivery and Payment

After GoldStar receives a delivery confirmation of your order from the depository, GoldStar will issue payment to your precious metals dealer, following the instructions you provide on the Investment Direction. You will now be able to view the precious metal assets in your IRA statement online (call to enroll for online access).

### Storage

IRA assets must remain in the custody of the IRA custodian until distribution, which means that you can't hold them yourself while in the IRA or determine your own storage facility. Precious metals for GoldStar IRAs are held within one of the two depositories below. The dealer you buy precious metals from usually determines which depository will be used.



### DELAWARE DEPOSITORY SERVICE COMPANY

Delaware Depository Service Company is an exchange approved limited liability company that provides a full range of secure storage, accounting, and shipping of precious metals to financial institutions and industrial companies worldwide.

Customer bullion is stored in DDSC's high-security vaults located in Wilmington, Delaware. Vaults are constructed and maintained in compliance with the Bank Protection Act and UL standards, and are equipped with time locks and automatic re-locking devices. Access is restricted and regulated by dual control procedures. The entire facility is protected by numerous, redundant alarm and security devices that are independently monitored 24 hours a day, 365 days a year. All activity in and around the facility is captured on video.

For more information about DDSC, please visit [www.delawaredepository.com](http://www.delawaredepository.com)



### DIAMOND STATE DEPOSITORY

Located directly in the heart of America's primary business corridor, just on the outskirts of Wilmington, Delaware, Diamond State Depository is the industry's newest and most modern precious metals and certified coin depository.

Diamond State is equipped with the facilities, systems, staff, security and insurance to meet the demanding storage and shipping requirements of both institutional entities and individual investors actively participating in today's highly dynamic precious metals bullion and certified coin markets.

For more information about Diamond State Depository, visit [www.diamondstatedepository.com](http://www.diamondstatedepository.com)





# PRECIOUS METALS IRA INVESTMENT GUIDE

6

## SET-UP FEES AND CARRYING COSTS

Use the examples in the chart below as a guide to calculate fees due when your GoldStar Precious Metals IRA is opened. Please see the [Financial Disclosure and Fee Schedule](#) for specific details or call Investor Services @ 1-800-486-6888 for an estimation of annual fees.

	ACCOUNT VALUE \$75,000 OR LESS	ACCOUNT VALUE \$100,000	ACCOUNT VALUE \$150,000
<b>One-Time Establishment Fee</b>	\$25	\$25	\$25
<b>Annual IRA Maintenance Fee</b> (\$60 minimum fee) (Use Value x .0008 if > \$75K)	\$60	\$80	\$120
<b>Annual Storage Fee</b> (\$100 minimum fee) (Use Value x .001 if > \$100K)	\$100	\$100	\$150
<b>Transaction Fee</b>	\$40	\$40	\$40
<b>TOTALS</b>			
<b>INITIAL SET-UP FEES</b> (Due when account is established)	\$225	\$245	\$335
<b>RECURRING ANNUAL FEES</b> (Maintenance (+) Storage)	\$160	\$180	\$270

Precious Metals IRA Maintenance and/or Storage fees may vary in the years to come according to change in account value. These fees are based on the Market Value of your account prior to the billing period.



### Billing

- Maintenance Fees are assessed annually on the anniversary date in which your account is opened.
- Storage Fees are assessed annually in the month the depository first received notification of the metals to be purchased.

#### **Example:**

For a new investor (with an account value of \$75,000 or less) the fees for the first year are \$225 (this is due when the account is opened) and \$160 each following year. A \$40 transaction processing fee is charged for each subsequent purchase or sale. For a small investment, this can represent excessive carrying costs. Please bear in mind, investments in precious metals do not yield any dividends and these costs must be paid annually in cash by the investor.





# PRECIOUS METALS IRA INVESTMENT GUIDE

7

## ALLOWABLE METALS AND VALUATION

An IRA may hold investments in certain precious metals allowed by the Internal Revenue Code. Coin or bullion that is not specifically permitted are considered to be collectibles and are disallowed for IRAs. The allowable exceptions were broadened by the **Taxpayer Relief Act of 1997**, effective January 1, 1998.

The specific precious metals permitted are: silver, gold and platinum American Eagle coins, a coin issued under the laws of any State, and gold, silver, platinum or palladium bullion that meets the minimum fineness requirements.

### Fineness Requirements

- Currently, gold must be .9950 pure, silver must be .9990 pure, and both platinum and palladium must be .9995 pure to qualify.
- Bullion bars must be fabricated by COMEX, NYMEX, or ISO 9000 approved refiners in order to be accepted by GoldStar.
- Proof coins must be ungraded, complete with certificate of authenticity and in original mint packaging.
- Bullion coins must be uncirculated in excellent condition.

### ACCOUNT VALUATION

*Call Investor Services to set up your password and access your GoldStar account online!*

A statement of your account will be mailed out semi-annually in January and July of each year. You may view your statement online, 24 hours a day at [www.GoldStarTrust.com](http://www.GoldStarTrust.com). The valuations (Market Values) of precious metals shown on your statement reflect estimated bid values for each asset and not a firm price gauge to buy or sell through a dealer. Additionally, these estimated values do not include dealer mark-ups, discounts, or commissions. Current price estimations for bullion and proof products can be obtained from various sources including your dealer or websites such as [www.bullionvalues.com](http://www.bullionvalues.com).





# PRECIOUS METALS IRA INVESTMENT GUIDE

## EXAMPLES OF ALLOWABLE PRECIOUS METALS

### • Gold

American Eagle coins  
Australian Kangaroo/Nugget coins  
Australian Lunar Series coins  
Austrian Philharmonic coins  
Canadian Maple Leaf coins  
Chinese Panda coins  
Credit Suisse – PAMP Suisse Bars  
U.S. Buffalo Bullion coins  
Various bars and rounds .995

### • Platinum

American Eagle coins  
Australian Koala coins  
Canadian Maple Leaf coins  
Various bars .9995

### • Silver

American Eagle coins  
American The Beautiful coins  
Australian Kookaburra coins  
Austrian Vienna Philharmonic coins  
Canadian Maple Leaf coins  
Chinese Panda coins  
Mexican Libertad coins  
Various bars and rounds .999

### • Palladium

Canadian Maple Leaf coins  
Various bars .9995

**Bullion bars and rounds must be fabricated by COMEX, NYMEX, or ISO 9000 approved refiners**



## EXAMPLES OF UNACCEPTABLE PRECIOUS METALS

- Rare or collectible coins, including certified or “graded” coins
- Austrian Corona
- Belgian 20 Franc
- British Britannia
- Chilean 100 Peso
- Dutch 10 Guilder
- French 20 Franc
- Hungarian 100 Korona
- Italian 20 Lira
- Mexican 50 Peso
- South African Kruggerand
- Swiss 20 Franc
- U.S. Buffalo *Proof*
- U.S. Liberty





# PRECIOUS METALS IRA INVESTMENT GUIDE

## ABOUT US

GoldStar Trust Company is a qualified IRA custodian serving Broker-Dealers, investment providers and their clients across the country. GoldStar Self-Directed IRAs offer our investors unique retirement solutions that allow for diversification beyond conventional retirement plans. With more than twenty years of Trust experience and leadership in the markets we serve, our capable staff is ready to assist with your retirement goals.

### GoldStar:

- serves as custodian for more than 35,000 IRA accounts with total assets of more than \$1.7 billion (as of March 31, 2012)
- is located in Canyon, Texas and employs more than 70 people
- is a trust-only branch of **Happy State Bank**, chartered in Happy, Texas and based out of Amarillo, Texas

### Happy State Bank:

- has been in business since 1908 and is one of the largest banks in the panhandle of Texas. For more information, visit [www.happybank.com](http://www.happybank.com)
- has current total assets of \$1.8 billion
- is a 4 star rated bank by [www.bauerfinancial.com](http://www.bauerfinancial.com). The bank's most recent financials can be viewed at [www.fdic.gov](http://www.fdic.gov) (FDIC Cert:10359)

## CONTACT INFORMATION

### Hours

Mon. – Thurs. 7 am – 5 pm CST  
Fri. 7 am – 4 pm CST

### Investor Services

(800) 486-6888

### Mailing Address

GoldStar Trust Company  
PO Box 719  
Canyon, TX 79015

### Fax

(806) 655-2530 (Precious Metals)  
(806) 655-2490 (Main)

### E-mail

IRAmetals@GoldStarTrust.com (Precious Metals)  
Info@GoldStarTrust.com (Investor Services)

### Physical/Overnight Address

1401 4th Avenue  
Canyon, TX 79015



Investor Services  
(800) 486-6888  
[www.GoldStarTrust.com](http://www.GoldStarTrust.com)

**TRADITIONAL****IRA**  
**Simplifier®****INDIVIDUAL RETIREMENT ACCOUNT APPLICATION****PART 1. IRA OWNER**

Name (First/MI/Last) \_\_\_\_\_

Street Address (Physical Required) \_\_\_\_\_

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

Mailing Address (If different from Street Address) \_\_\_\_\_

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

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

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

Home Phone \_\_\_\_\_

Daytime Phone \_\_\_\_\_

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

Preferred Method of Contact \_\_\_\_\_

**PART 2. IRA CUSTODIAN**

Name \_\_\_\_\_

Address Line 1 \_\_\_\_\_

Address Line 2 \_\_\_\_\_

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

Phone \_\_\_\_\_

GoldStar Account Number \_\_\_\_\_

(To be completed by GTC)

☐ This is an amendment to an existing IRA.☐ This IRA contains only simplified employee pension (SEP) plan assets.**PART 3. CUSTOMER IDENTIFICATION PROGRAM INFORMATION (CIP)****USA PATRIOT Act Notice**

In order to comply with the USA PATRIOT Act, we must be able to identify our customer. All new accounts must provide us with either the driver's license information; a photocopy of an unexpired, photo-bearing, government-issued identification, such as a passport, military, veteran or similar ID; or a notarized document.

Driver's License # \_\_\_\_\_

State Issued \_\_\_\_\_

Issuance Date \_\_\_\_\_

Expiration Date \_\_\_\_\_

If you do not have a valid state-issued driver's license, you must provide a legible photocopy of a valid government-issued photo ID or a notarized document.

**PART 4. CONTRIBUTION INFORMATION**

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

**CONTRIBUTION TYPE** (Select one)☐ **1. Regular** (Includes catch-up contributions)

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

☐ **2. Rollover** (Distribution from an IRA or eligible employer-sponsored retirement plan that is being deposited into this IRA)

By selecting this transaction, I irrevocably designate this contribution as a rollover.

☐ **3. Transfer** (Direct movement of assets from a Traditional IRA into this IRA)☐ **4. Recharacterization** (A nontaxable movement of a Roth IRA contribution, conversion, or retirement plan rollover to a Roth IRA into this IRA)

By selecting this transaction, I irrevocably designate this contribution as a recharacterization.

☐ **5. SEP Contribution** (Contribution made under a SEP plan)**IF YOU ARE 70½ OR OLDER THIS YEAR, COMPLETE THE FOLLOWING, IF APPLICABLE**

(Checking any of the following will adjust your required minimum distribution.)

☐ This is a rollover or transfer of assets removed last year. Date of Removal \_\_\_\_\_☐ This is a transfer from my deceased spouse's Traditional IRA and the assets were removed from the IRA in any year after death.

The value of my portion of my deceased spouse's IRA on December 31 of last year \_\_\_\_\_.

☐ This is a recharacterization of a conversion or taxable retirement plan rollover to a Roth IRA made last year.

---

## PART 5. BENEFICIARY DESIGNATION

---

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

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

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

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

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

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

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

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

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

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

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

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

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

---

## PART 6. SPOUSAL CONSENT

---

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

### CURRENT MARITAL STATUS

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

### CONSENT OF SPOUSE

I am the spouse of the above-named 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. No tax or legal advice was given to me by the Custodian.

**X** \_\_\_\_\_  
Signature of Spouse Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Signature of Witness Date (mm/dd/yyyy)

---

## PART 7. SIGNATURES

---

**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, 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 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

- determining that I am eligible for an IRA each year I make a contribution,
- ensuring that all contributions I make are within the limits set forth by the tax laws, and
- the tax consequences of any contributions (including rollover contributions) and distributions.

I expressly certify that I take complete responsibility for the type of investment instrument(s) I choose to fund my IRA, and that the Custodian is released of any liability regarding the performance of any investment choice I make.

**X** \_\_\_\_\_  
Signature of IRA Owner Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Signature of Witness Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Signature of Custodian Date (mm/dd/yyyy)





# GOLDSTAR TRUST COMPANY

## IRA TRANSFER / DIRECT ROLLOVER REQUEST

P. O. Box 719  
1401 4th Avenue  
Canyon, TX 79015  
(800) 486-6888

**IMPORTANT! CONTACT YOUR CURRENT PLAN ADMINISTRATOR TO SEE IF THEY REQUIRE THEIR OWN PAPERWORK**

### GOLDSTAR IRA ACCOUNT OWNER

Name: \_\_\_\_\_ SS #: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
Address: \_\_\_\_\_ Daytime Phone #: \_\_\_\_\_  
E-mail: \_\_\_\_\_

### CURRENT IRA OR QUALIFIED PLAN INFORMATION

**Please provide a copy of a recent statement from your IRA trustee or employer retirement plan**

Trustee's Name: \_\_\_\_\_ Account #: \_\_\_\_\_  
Trustee's Address: \_\_\_\_\_ Phone #: \_\_\_\_\_  
City, State, & Zip \_\_\_\_\_

**Type of existing IRA or Qualified Plan to be transferred or rolled over: (please choose one)**

☐ Traditional ☐ SEP IRA ☐ 401K ☐ 403(b) ☐ Pension ☐ Gov. 457 Plan ☐ Simple ☐ Other \_\_\_\_\_

### ASSET LIQUIDATION INSTRUCTIONS

☐ Close my current account after transfer ☐ Partial transfer

Asset Description	Quantity in IRA	Quantity To Be Transferred	Liquidate Immediately	Liquidate at Maturity	Transfer in Kind
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please make check payable as follows: GoldStar Trust Company, FBO: \_\_\_\_\_ IRA.  
(IRA Holder's Name)

### RMD - REQUIRED MINIMUM DISTRIBUTION RESTRICTION (AGE 70 ½ OR OLDER)

I authorize the trustee or custodian named above to: ☐ distribute my RMD to me prior to transferring my Traditional or SEP IRA assets,  
☐ segregate and retain my RMD amount, or ☐ include the amount that represents my RMD in the transfer.

Effective 1-1-2010

### CLIENT AUTHORIZATION

#### Transfers Only:

I authorize the transfer of the IRA assets in the manner described above and certify that all of the information provided by me is correct and may be relied upon by GoldStar Trust Company.

#### Direct Rollovers Only:

I understand the rules and conditions applicable to direct rollovers and certify that I qualify for a direct rollover of the funds or assets listed above. Due to the important tax consequences of rolling funds over to an IRA or other qualified plan, I have been advised to see a tax advisor. I hereby request payment from the plan designated above in the form of a direct rollover. I assume full responsibility for this direct rollover transaction and will not hold GoldStar Trust Company or the Plan Administrator of either the distributing or receiving plans liable for any adverse consequences that may result. I hereby irrevocably designate this contribution of the funds and/or property indicated above as a direct rollover contribution.

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

### GOLDSTAR TRUST COMPANY LETTER OF ACCEPTANCE

GoldStar Trust Company agrees to serve as the new Custodian for the account of the above-named individual, and as Custodian, we agree to accept the assets being transferred.

GoldStar Account Identification # \_\_\_\_\_

GoldStar Trust Company  
Tax ID# 74-2557688

\_\_\_\_\_  
Authorized Signature for GoldStar

\_\_\_\_\_  
Date

### SIGNATURE GUARANTEE

Check with your current custodian to determine if a Medallion Stamp Guarantee is required.  
This is NOT a requirement of GoldStar Trust Company.

# IRA ROLLOVER CERTIFICATION

IRA HOLDER'S NAME AND ADDRESS			IRA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS	
Social Security Number	Date of Birth	Home Phone	IRA Account Identification	Trustee's or Custodian's Phone Number

Please read both pages of this form. Complete Option One or Option Two and the Signatures section.

OPTION ONE	TRADITIONAL IRA OR SIMPLE IRA ROLLOVER REQUIREMENTS <i>To be an eligible rollover, all questions must be answered NO or N/A.</i>
This rollover should be placed in a <input type="checkbox"/> Traditional IRA <input type="checkbox"/> SIMPLE IRA.	
<b>1. TIMELINESS</b> Have more than 60 days elapsed since you received the distribution from the distributing IRA? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>2. RMD ROLLOVER RESTRICTION</b> Does the rollover contribution contain any amounts which constitute a required minimum distribution? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>3. TWELVE MONTH RESTRICTION</b> Did you receive any other distributions from the distributing IRA during the preceding 12 months which you also rolled over? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Have the assets involved in this transaction been previously rolled over from one IRA to another IRA within the past 12 months? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>4. SIMPLE IRA ROLLOVER RESTRICTIONS</b> If a SIMPLE IRA is being rolled over to a Traditional IRA, did you first begin participating in a SIMPLE IRA plan sponsored by your employer less than two years ago? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
OPTION TWO	EMPLOYER-SPONSORED RETIREMENT PLAN TO TRADITIONAL IRA ROLLOVER REQUIREMENTS
<b>1. ELIGIBLE PERSON</b> <i>(Select one.)</i> Your status in the plan from which you received the funds or property intended for rollover is as follows. <input type="checkbox"/> Plan Participant <input type="checkbox"/> Surviving Spouse Beneficiary <input type="checkbox"/> Nonspouse Beneficiary of Plan Participant <input type="checkbox"/> Alternate Payee of Qualified Domestic Relations Order <i>(If this is a rollover to an inherited IRA, it must be a direct rollover.)</i>	
<b>2. ELIGIBLE PLAN</b> <i>(Select one.)</i> You received the distribution you are rolling over from the following type of plan. <input type="checkbox"/> Qualified Retirement Plan (IRC Sec. 401(a)) <input type="checkbox"/> Tax-Sheltered Annuity Plan (IRC Sec. 403(b)) <input type="checkbox"/> Annuity Plan (IRC Sec. 403(a)) <input type="checkbox"/> Deferred Compensation Plan (IRC Sec. 457(b)) maintained by a governmental employer	
<b>3. ELIGIBLE ROLLOVER DEPOSIT</b> <i>(To be an eligible rollover, all questions must be answered NO.)</i> Does the rollover contribution contain any amounts which constitute a required minimum distribution? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Is the distribution which is being rolled over part of a series of substantially equal periodic payments? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Does the rollover contribution contain any amounts which are eligible for the death benefit exclusion (i.e., death before August 21, 1996)? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Does the rollover contribution include any nontaxable amounts attributable to the purchase of life insurance under the distributing plan (i.e., P.S. 58 costs)? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Does the rollover contribution include any funds or property other than the funds or property you received from the distributing plan (and/or proceeds from the sale of distributed property)? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Does the rollover contribution include any amounts which constitute a distribution due to hardship? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO Does the rollover contribution include any Roth 401(k) or Roth 403(b) plan elective deferrals? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>4. TIMELINESS</b> Have more than 60 days elapsed since you received the distribution from the distributing plan? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO	

SIGNATURES	
I have read and understand the rollover rules and conditions on both pages of this form and I have met the requirements for making an IRA rollover. Due to the important tax consequences of rolling over funds or property to an IRA, I have been advised to see a tax professional. All information provided by me is true and correct and may be relied on by the Trustee or Custodian. I assume full responsibility for this rollover transaction and will not hold the Trustee or Custodian liable for any adverse consequences that may result. I hereby irrevocably designate this contribution of \$_____ in cash and/or property as a rollover contribution.	
_____ (IRA Holder or Inherited IRA Holder)	_____ (Date)
_____ (Witness)	_____ (Date)



# GOLDSTAR TRUST COMPANY

## Precious Metals IRA INVESTMENT DIRECTION

P. O. Box 719  
Canyon, TX 79015  
(800) 486-6888  
Fax (806) 655-2530  
IRAmetals@goldstartrust.com

### IMPORTANT INFORMATION! READ BEFORE COMPLETION OF THIS FORM

GoldStar Trust Company ("GoldStar") does not offer investment advice and does not buy or sell precious metals. You determine the precious metals dealer to be used for your IRA. GoldStar is disqualified by the Internal Revenue Code from trading with an IRA for which it is the custodian. GoldStar is compensated through administrative fees and cash management fees. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.

**NEW ACCOUNTS: All precious metals IRA related fees (establishment, storage, maintenance & transaction fees) must be paid prior to your initial transaction.**

#### GOLDSTAR IRA ACCOUNT OWNER

Name \_\_\_\_\_ Account Number (if known) \_\_\_\_\_ ☐ New Account Pending  
Address \_\_\_\_\_ Daytime Phone \_\_\_\_\_  
E-mail \_\_\_\_\_

#### TRANSACTION PROCESSING FEE (\$40.00)

To avoid delaying your transaction, GoldStar's policy is to deduct fees due from available cash in your account unless otherwise instructed.

##### Alternate Fee Payment Options:

- ☐ Check is enclosed (payable to GoldStar)  
☐ Credit Card: Call Investor Services to pay via credit or debit card.

#### FUNDS COMING IN FROM MULTIPLE TRANSFERS OR ROLLOVERS?

(complete this section only if applicable)

- ☐ Wait until all IRA funds are received before notifying the dealer below.  
☐ Notify the dealer below as soon as IRA funds become available. This may result in more than one transaction (\$40.00 processing fee for each investment direction).

#### REQUIRED – PLEASE SELECT EITHER PURCHASE OR LIQUIDATE BELOW

GoldStar will notify your dealer of your intent upon receipt of this form. If you do not hear from your dealer within 48 hours, please contact your dealer to make sure your instructions were received.

- ☐ **PURCHASE:** Please notify the dealer below of my intent to purchase.  
☐ **LIQUIDATE:** Please notify the dealer below of my intent to sell.

Dealer \_\_\_\_\_ Phone \_\_\_\_\_

Representative \_\_\_\_\_ E-mail \_\_\_\_\_

☐ Initial here to authorize purchase of proof coins for your IRA and to acknowledge receipt of disclosure concerning price spreads for proof coins from your dealer (see Investment Disclosures for Precious Metals IRAs).

Quantity	Type of Metal	Description of Bullion or Coin	Troy Oz. Each	Price	Amount
Special Instructions				Total	

I acknowledge:

- I am solely responsible for all matters regarding taxation arising from transactions involving my IRA as well as determining that investments I direct are allowable under applicable law and regulations.
- GoldStar has not rendered any advice and has no discretion or responsibility to direct any investment for my self-directed IRA.
- **I am solely responsible for the selection of my dealer and negotiation of prices and terms.**
- **I authorize GoldStar to proceed with my instructions directed on this form (purchase or sale of precious metals) according to the details provided by my dealer and without further written or verbal authorization from me.**
- I am solely responsible for reading my IRA statement and confirming that precious metals quantities and prices, either bought or sold, agree with arrangements I have made with my dealer.
- I understand that precious metal investments are received by, stored at, and delivered from a depository. Annual fees are due for this storage, and neither GoldStar nor the depository is responsible for purity, weight, metal content, or authenticity of any coins or bars.
- I understand that with exception of cash invested in an FDIC insured bank account, investments held in my IRA may lose value, are not FDIC insured, and are not guaranteed by GoldStar.

**IMPORTANT: READ BEFORE SIGNING!**

X \_\_\_\_\_  
Signature of Account Holder

\_\_\_\_\_  
Date





Use the Precious Metals IRA Investment Direction form to provide investment directions to GoldStar Trust Company (GoldStar) for the purchase or sale of precious metals by your self-directed IRA. The IRA may be a Traditional IRA (including SEP or Conduit), Roth IRA, or SIMPLE IRA. By directing investment in precious metals, you acknowledge and agree to GoldStar's terms and conditions for precious metals investment in self-directed IRAs. **Please note: your first precious metals purchase must be a minimum of \$5,000.**

## REQUIREMENTS

To invest in precious metals through a self-directed IRA, you must first establish a valid IRA and have cash available in the IRA. Obtain application kits and forms from GoldStar, a dealer, or [www.goldstartrust.com](http://www.goldstartrust.com). Cash comes from contributions, transfers and rollovers from other IRAs, rollovers from Qualified Retirement Plans (such as a 401k), or from the sale of other assets.

## DEALER AND INVESTMENT DIRECTIONS

You determine the precious metals dealer to be used for your IRA. GoldStar does not offer investment products, and does not buy or sell precious metals. GoldStar is disqualified by the Internal Revenue Code from trading with an IRA for which it is the custodian. GoldStar is compensated through administrative fees and cash management fees. Negotiate the precious metals to be purchased or sold and the price directly with the dealer and give written directions to GoldStar. GoldStar will make a reasonable effort to notify the dealer when funds arrive. However, it is the customer's responsibility to monitor IRA assets and investments.

## FUNDING NOTICE TO DEALERS

GoldStar's policy is to notify the dealer you have chosen within 48 business hours of receipt of your investment direction unless otherwise instructed. If you are transferring or rolling over funds to GoldStar from more than one source, it is imperative that you submit a separate investment direction for each transfer request OR direct GoldStar to wait until all funds are received before notice is sent to your dealer. Please notify GoldStar of your intentions on the investment direction form(s), in a separate letter, or by emailing [IRAmetals@goldstartrust.com](mailto:IRAmetals@goldstartrust.com). There is a nonrefundable \$40 transaction processing fee for each investment direction form processed by GoldStar. GoldStar is not liable for pricing changes due to fluctuations in market values for precious metals.

## STATEMENTS

Access to your account information is available 24/7 via GoldStar's web site at [www.goldstartrust.com](http://www.goldstartrust.com). Please call our Investor Services Department at (800) 486-6888 to establish a password. Additionally, paper statements are mailed semi-annually.

## FAIR MARKET VALUES AND PRICING

The market values of precious metals shown on your Statement of Assets reflect estimated bid values for each asset and are not a firm price gauge to buy or sell through a dealer. These estimated values do not include dealer mark-ups, discounts, or commissions. This price is used for reports of fair market value to the IRS. Contact a dealer for specific, current price quotes for precious metals, or on websites such as [www.bullionvalues.org](http://www.bullionvalues.org).

## PRICE SPREADS AND PROOF AMERICAN EAGLE COINS

Generally, the value of precious metals at the bid price will be less than the amount paid if precious metals prices have not changed. The difference between the price at which precious metals can be bought and the price at which they can be sold at a particular time is called "price spread". In addition to bullion coins, "proof" American Eagle coins may be held in an IRA if they are ungraded and not considered to be collectible coins. Proof coins delivered for an IRA must be accompanied by intact box and packaging with matching certificate of authenticity. Price spread has generally been greater for proof coins than the price spread for bullion precious metals. Obtain all necessary information from your dealer before investing.

## STORAGE AND DELIVERY OF PRECIOUS METALS

All precious metals are stored at a specialized depository. A fee is charged for storage based on the calendar year. The full annual charge is due for each full or fractional calendar year during which precious metals are stored. Dealers deliver directly to the depository which issues formal advice of its receipt. GoldStar relies on the accuracy of advice by the depository.

## DISTRIBUTION OR SALE OF PRECIOUS METALS

Delivery is required when a customer requests "in kind" distribution of precious metals from the IRA, or directs GoldStar to deliver precious metals to a dealer for sale. The cost of shipment is paid by the customer or deducted from the IRA if shipped to a dealer for sale, or paid COD if sent "in kind" to the customer. Costs include U.S. Postal Service postage and insurance, and packaging by the depository. You may request distribution of precious metals from an IRA at anytime, though IRS taxes and/or penalties may apply. Please contact GoldStar for a Withdrawal Statement or go online at [www.goldstartrust.com](http://www.goldstartrust.com).

## CANCELLATIONS

In the event that either a GoldStar IRA holder or their dealer wishes to cancel a purchase or sale of precious metals after the terms have been settled and instructions are sent to GoldStar, the cancellation must be agreed upon by both parties in writing and submitted to GoldStar within 10 business days. It is the customer's responsibility to notify GoldStar. Transaction processing fees will not be refunded.



### SELF-DIRECTED IRA OR ESA

This account is termed a Self-Directed Individual Retirement Account (IRA) or Education Savings Account (ESA). You may direct the investment of your funds within this IRA or ESA into any investment instrument approved by, or through GoldStar Trust Company. GoldStar Trust Company will not exercise any investments discretion regarding your IRA or ESA, as this is solely your responsibility.

Because this is a Self-Directed IRA or ESA, no projection of the growth of your IRA or ESA can be reasonably shown or guaranteed. The value of your IRA or ESA will be solely dependent upon the performance of any investment instrument chosen by you.

#### INVESTMENT OPTIONS:

This is a Self-Directed IRA or ESA; you choose the investments which will fund your IRA or ESA. Your investment choices are limited to Church Bonds, Charter School Bonds, Church Loan and Extension Fund Investments, Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, Limited Liability Company Stock, Hedge Funds, American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries and approved bank accounts outside the U.S. Examples of investments not permitted in the Self-Directed IRA or ESA are Limited Partnerships, Real Estate, Collectibles, Viaticals, and Promissory Notes.

#### IRA AND ESA TYPES:

**Church Bond IRA or ESA** - May hold only Church or Charter School Bonds. Also includes Church Loan and Extension Fund Investments where the account holder pays the fee.

**Standard IRA or ESA** - May hold any number or combination of Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, Limited Liability Company Stock, and Hedge Funds as well as Church or Charter School Bonds.

**Specialized IRA or ESA** - May hold any number or combination of American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries, approved bank accounts outside the U.S. as well as any asset allowed in the Church Bond and/or Standard IRA or ESA.

FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
<b>ANNUAL MAINTENANCE FEE:</b>			
The fee must be paid when the account is established and will be billed annually upon anniversary date.	\$45	\$50	<p>Eight-hundredths of 1% (.0008) of total market <b>Minimum = \$60; Maximum = \$250</b></p> <p>Accounts with a total market value over \$75,000 will have a fee greater than \$60</p> <p>The market value used to determine the fee will include any additional funds received within the first 30 days of the account being initially funded.</p>
<b>FEES SPECIFIC TO TYPE OF ASSET:</b>			
<p><b>Church and Charter School Bonds:</b></p> <p>Purchase, Sale, Maturity or Call</p> <p>Above fees do not apply to any investments for which GoldStar is the paying agent and registrar. The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is <b>not</b> taken when the service is rendered.</p>	\$5 Each	\$5 Each	\$5 Each
<p><b>All Allowable Assets other than Church Bonds, Precious Metals, Bank Accounts held outside the US, and Swiss Annuities</b></p> <p>Purchase, Sale, Maturity or Call</p> <p>The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is not taken when the service is rendered.</p>	N/A	\$5 Each	\$5 Each
<p><b>Listed Securities and U.S. Treasuries:</b></p> <p>Investment, Sale, Distribution, or Transfer</p> <p>Applies only to security trades transacted by GoldStar's omnibus account and all U.S. Treasury securities. Charged when the service is rendered.</p>	N/A	Brokerage Fees (at cost) plus \$25	Brokerage Fees (at cost) plus \$25



# GOLDSTAR TRUST COMPANY

## FINANCIAL DISCLOSURE & FEE SCHEDULE

for Traditional, Roth, SEP or Simple IRAs and ESAs

P. O. Box 719  
Canyon, TX 79015  
(800) 486-6888  
Fax (806) 655-2490

FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
<b>HEDGE FUNDS:</b>			
One-Time Establishment Fee – Due with Application	N/A	\$25	Nonrefundable \$25
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	\$50	\$50
<b>BANK ACCOUNTS OUTSIDE THE U.S.:</b>			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$200
Currency Exchange Order	N/A	N/A	\$15
Additional Purchase and/or Liquidation Order <i>Charged when the service is rendered.</i>	N/A	N/A	\$75
<b>SWISS ANNUITIES:</b>			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$25
Establishment, Distribution or Transfer	N/A	N/A	\$100
Modification or Surrender <i>Charged when the service is rendered.</i>	N/A	N/A	\$25
<b>PRECIOUS METALS:</b>			
One-Time Establishment Fee – Due with Application	N/A	N/A	Nonrefundable \$25
Investment or Liquidation – Processing Fee	N/A	N/A	\$40
Distribution or Transfer	N/A	N/A	\$25
Coin/Bar Shipping and Handling to a Dealer, Supplier, or a Different Depository <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Plus \$10
Coin/Bar Shipping and Handling Directly to the Account Holder <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Cash on Delivery. COD - Cash on Delivery
<b>PRECIOUS METALS STORAGE FEE:</b>			
The fee must be paid when the account is established and will be billed annually in the month that the depository first received notification of the metals to be purchased.	N/A	N/A	\$1.00 per \$1,000 of value (10 basis points) with a \$100 minimum storage fee. No maximum fee.
The market value used to determine the fee will include the value of all metals reported to the depository to be purchased within the first 30 days of the initial purchase.			Accounts holding metals with values in excess of \$100,000 will have a storage fee greater than \$100.





# GOLDSTAR TRUST COMPANY

## FINANCIAL DISCLOSURE & FEE SCHEDULE

for Traditional, Roth, SEP or Simple IRAs and ESAs

P. O. Box 719  
Canyon, TX 79015  
(800) 486-6888  
Fax (806) 655-2490

FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
GENERAL ACCOUNT ADMINISTRATION FEES: Charged when the service is rendered.			
Distribution Via Check Fee	\$5	\$5	\$5
Distribution Via Wire Fee	\$25	\$25	\$25
Distribution Via ACH Fee	Free	Free	Free
Periodic Distributions Via ACH Fee	Free	Free	Free
Wire Transfer Fee	\$25	\$25	\$25
Overnight Fee	\$25	\$25	\$25
Partial Transfer Fee	\$25	\$25	\$25
Roth Conversion Fee	\$25	\$25	\$25
Research Assistance Fee	\$25	\$25	\$25
Insufficient Funds / Returned Check Fee	\$50	\$50	\$50
Late Fees Any fees not paid within 30 days of the due date will have late fees accrue at the rate of .0083 per month or 10% per annum	.0083 per month or 10% per annum	.0083 per month or 10% per annum	.0083 per month or 10% per annum
CASH MANAGEMENT FEE:			
	GoldStar Trust Company receives a monthly record keeping fee on the uninvested cash equal to .000833 or 1.00% per annum. If and when the interest rate earned on the uninvested cash in a given month is below 1.15%, .15% will be paid on the uninvested cash and the difference will be retained as the record keeping fee. Interest earnings will be posted monthly to each account. Accounts that close during a month will not earn interest for that month.		
TERMINATION FEES:			
Full Termination Fee	\$50	\$50	\$50

### RIGHT TO MAKE ADJUSTMENTS TO THIS FEE SCHEDULE:

GoldStar Trust Company reserves the right to make any adjustments in its fees for custodial or agency services when such adjustments are warranted by changes in governing laws, regulations operating technology or economic conditions. This schedule may be modified only upon revision by GoldStar of its published schedule of IRA fees. Such fees shall become effective on the 30th day after mailing the notice of such revision to the participant at the address shown on the records of GoldStar.

### EARNINGS:

The method for computing and allocating annual earnings (interest, dividends, etc.) on your investments will vary with the nature and issuer of the investment chosen. Please refer to the prospectus or contract of the investment(s) of your choice for the method(s) used for computing and allocating annual earnings. The valuations of nonstandard assets such as Privately Offered Stock and other Private Placement Investments are reported at either the most recent price provided to the custodian by the investment issuer or at investment cost. Nonstandard assets are generally illiquid, and the custodian does not seek to verify the valuations provided to it by the investment issuer. The custodian does not guarantee that the reported valuation could be received in the event the position was sold or liquidated. As such, the reported valuation may be different from the actual value and should be used as guidance and for reporting purposes only since the valuation was not obtained or verified by a third party.

Custodian shall be under no obligation to forward any proxies, financial statements or other literature received by it in connection with or relating to Custodial Property held under this agreement. Custodian shall be under no obligation to take any action with regard to proxies, stock dividends, warrants, rights to subscribe, plans of reorganization or recapitalization, or plans for exchange of securities.



# GOLDSTAR TRUST COMPANY

## IRA CUSTOMER Identification Requirements

P. O. Box 719  
Canyon, TX 79015  
(800) 486-6888  
Fax (806) 655-2490

Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) authorizes and requires the Department of the Treasury to add to its rules for banks to establish Customer Identification Programs. Previously, trust companies were not treated as banks and trust relationships were not treated as "accounts." However, GoldStar and the GoldStar IRA account establishment process are now subject to these requirements.

### NOTICE

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, residence address, social security number, date of birth, and other information that will allow us to identify you. We may also ask for copies of your passport, driver's license or other identifying documents.

For Precious Metals IRAs & Hedge Fund IRAs: a non-refundable Establishment Fee of \$25 is due with application.

We are required to compare your identity to lists of persons and organizations maintained by any federal agency designated by the Department of the Treasury. If your name appears on any of these lists, we must refuse to open your account, close your account if it is already open, notify federal authorities, and follow all federal directives. If you attempt to falsify or conceal your identity, we may be required to file a Suspicious Activity Report.

We may also use independent sources to verify identifying information. Federal law requires us to retain the identification information for a certain period of time (currently five years after closing your account), and may require that we provide this information to federal authorities without notice to you.

This notice is in addition to our Privacy Disclosure and may describe potential disclosures of non-public personal information that were not known to us at the time that the Privacy Disclosure was prepared.



### IDENTIFYING DOCUMENTS REQUESTED

The easiest means for GoldStar to comply is to receive documents with your application, such as:

- Any document with your notarized signature
- A notarized copy of your passport or driver's license or other state-issued photo ID that is not expired
- An ordinary copy of your unexpired photo ID, if GoldStar is able to complete other procedures



### IDENTIFYING DOCUMENTS REQUIRED

If you intend to direct investment outside the U.S., GoldStar will require a notarized copy of your passport (or driver's license if you do not have a passport). This may be the same document that is to be forwarded to a non-U.S. bank.



### QUESTIONS OR CONCERNS?

GoldStar Trust Company  
Investor Services Department  
P.O. Box 719  
Canyon, TX 79015  
(800) 486-6888

# Rules And Conditions Applicable To Rollovers

## GENERAL INFORMATION

A rollover is a way to move money or property from one eligible retirement plan (e.g., IRA or Qualified Retirement Plan (QRP)) to another eligible retirement plan. The Internal Revenue Code (IRC) limits how many distributions may be rolled over, how quickly rollovers must be completed and how the Trustee or Custodian must report the transaction. By properly completing this form you are certifying to the Trustee or Custodian that you have satisfied the rules and conditions applicable to a rollover and that you are making an irrevocable election to treat the transaction as a rollover.

## TRADITIONAL IRA OR SIMPLE IRA ROLLOVER REQUIREMENTS (Option One)

### 1. TIMELINESS

The funds you receive from the distributing IRA must generally be deposited into another IRA within 60 days after you receive them. However, this period is 120 days for certain rollovers relating to first-time home purchases. When counting the 60 (or 120) days include weekends and holidays. Receipt generally means the day you actually have the funds in hand. For example, the 60 days would begin on the day following the day you pick up the check from the Trustee or Custodian or when you receive the check in the mail.

The IRS has the authority to grant extensions to the 60 (or 120) day rule in cases where a hardship occurs (e.g. casualty, disaster, etc.). Generally, in order to receive this relief you must apply for a Private Letter Ruling accompanied by the applicable user fee. An automatic waiver (no application to the IRS) is available if all the following are true: (1) the financial institution receives the funds prior to the expiration of the 60-day rollover period, (2) you follow all procedures required for depositing the funds into an eligible IRA within the 60-day period, (3) the funds are not deposited due to financial institution error, (4) the funds are deposited into an IRA within one year from the beginning of the 60-day rollover period, and (5) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

### 2. RMD ROLLOVER RESTRICTION

If this rollover is being made during or after the year for which you are required to begin receiving distributions, you cannot roll over any distribution to the extent that it is a required minimum distribution from the distributing plan. If the deceased IRA holder died after his or her required beginning date and you are the spouse beneficiary of a deceased IRA holder and you are rolling this IRA into your own IRA, you must make sure that the deceased's required minimum distribution for the year of death is removed from his or her IRA assets prior to the completion of the rollover.

### 3. TWELVE MONTH RESTRICTION

You are entitled to one distribution per year per IRA which may be rolled over. Twelve (12) months must pass after receipt of one distribution which you roll over before you may take another distribution from the same IRA to roll over. An IRA is created by executing a plan agreement, not by depositing a contribution into a separate investment within an existing IRA.

You are entitled to roll over the same assets only once in a twelve (12) month period. Twelve (12) months must elapse between the time you receive a distribution of the assets to be rolled over until you receive another distribution of those same assets for rollover purposes.

### 4. SIMPLE IRA ROLLOVER RESTRICTIONS

You may roll funds from one SIMPLE IRA to another SIMPLE IRA if the timeliness and 12 month restriction discussed above have been met. In addition, a SIMPLE IRA may be rolled over to a Traditional IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer.

## EMPLOYER-SPONSORED RETIREMENT PLAN TO TRADITIONAL IRA ROLLOVER REQUIREMENTS (Option Two)

### 1. ELIGIBLE PERSON

Only an eligible person may roll funds from a QRP, 403(a) Plan, 403(b) Plan, or eligible 457(b) Deferred Compensation Plan into an IRA. You will only be an eligible person if you were or are a participant in the distributing plan, the surviving spouse beneficiary of a deceased participant, or the alternate payee identified in a Qualified Domestic Relations Order (QDRO). A QDRO is a domestic relations order issued in a divorce proceeding which meets certain conditions and grants to an alternate payee (e.g., exspouse) the right to receive all or a portion of a participant's benefits under a QRP. If the alternate payee is a spouse or former spouse, the alternate payee can roll over all or a portion of the amount received to an IRA. A nonspouse beneficiary may only roll over to an inherited IRA. A rollover to an inherited IRA must be done as a direct rollover from an eligible retirement plan.

### 2. ELIGIBLE PLAN

A distribution will not be eligible to be rolled over unless that distribution is made from an eligible retirement plan. An eligible retirement plan is a plan that is qualified under IRC Section 401(a), 403(a), 403(b), or 457(b). Eligible retirement plans include defined benefit plans, profit sharing plans, money purchase pension plans, 401(k) plans, tax-sheltered annuities, eligible 457(b) deferred compensation plans, and employee stock ownership plans.

### 3. ELIGIBLE ROLLOVER DEPOSIT

Only certain types of eligible retirement plan distributions, called "eligible rollover distributions," may be deposited into an IRA. Eligible rollover distributions include most distributions from eligible plans except the following:

**Required Minimum Distributions** – Distributions which represent required minimum distributions paid during a participant's first distribution calendar year or later may not be rolled over.

**Substantially Equal Periodic Payments** – For purposes of determining an eligible rollover distribution, substantially equal periodic payments are defined as a series of substantially equal distributions made not less frequently than annually and calculated 1) over the life (or life expectancy) of the individual or the joint lives (or life expectancies) of the individual and the individual's beneficiary or, 2) for a specified period of 10 years or more.

**Death Benefit Exclusion Amounts** – If you are a surviving spouse beneficiary and your spouse died before August 21, 1996, a portion of your distribution may qualify for the Death Benefit Exclusion Allowance. You may not roll over any portion of your distribution which qualifies for the Death Benefit Exclusion Allowance.

**P.S. 58 Costs** – If you received distribution of a life insurance policy from a plan, the amounts attributable to the cost of life insurance purchased by the plan which have been previously taxed to the participant may not be rolled over.

**Property Distributions** – If property other than cash is distributed, only the same property or the proceeds from its sale may be rolled over. If you receive property but wish to roll over cash, you must actually sell the property and roll over the proceeds.

**Hardship Distributions** – Distributions taken on account of financial hardship are not eligible to be rolled over.

**Roth 401(k) or 403(b) Amounts** – Distributions of elective deferrals from a Roth 401(k) or 403(b) plan are not eligible to be rolled over to a Traditional IRA.

### 4. TIMELINESS

If the check is payable to you, the funds you receive from the distributing plan must be deposited in an IRA within 60 days after you receive them. When counting the 60 days include weekends and holidays. Receipt generally means the day you actually have the funds in hand.

The IRS has the authority to grant extensions to the 60 day rule in cases where a hardship occurs (e.g. casualty, disaster, etc.). Generally, in order to receive this relief you must apply for a Private Letter Ruling accompanied by the applicable user fee. An automatic waiver (no application to the IRS) is available if all the following are true: (1) the financial institution receives the funds prior to the expiration of the 60-day rollover period, (2) you follow all procedures required for depositing the funds into an eligible IRA within the 60-day period, (3) the funds are not deposited due to financial institution error, (4) the funds are deposited into an IRA within one year from the beginning of the 60-day rollover period, and (5) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

### 5. CAUTION ABOUT COMMINGLING FUNDS

If you are rolling over funds from certain eligible retirement plans, you may be eligible to take advantage of favorable tax treatment if the IRA is maintained as a conduit IRA and the funds are subsequently rolled back over to another eligible retirement plan. See your tax professional for additional information.

# INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-A under section 408(a) of the Internal Revenue Code.

FORM (Rev. March 2002)

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

The custodian 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 rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in: (a) A single sum or (b) Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.
3. If the depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the depositor dies on or after the required beginning date and:
    - (i) the designated beneficiary is the depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such

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

- (ii) the designated beneficiary is not the depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the depositor and reduced by one for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
  - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by one for each subsequent year.
- (b) If the depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below.
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. But, in such case, if the depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
  4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.
  5. The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
    - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the depositor's (or, if applicable, the depositor and spouse's) attained age (or ages) in the year.



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

## ARTICLE V

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

- 8.01 **Definitions** – In this part of this agreement (Article VIII), 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.
- 8.02 **Notices and Change of Address** – Any required notice regarding this IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 8.03 **Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

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

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

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

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

- 8.04 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your IRA. We may release nonpublic personal information regarding your 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.
  - 8.05 **Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your 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 IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this IRA.
- Any brokerage commissions attributable to the assets in your IRA will be charged to your IRA. You cannot reimburse your IRA for those commissions.
- 8.06 **Investment of Amounts in the IRA** – You have exclusive responsibility for and control over the investment of the assets of your IRA. All investment transactions, including the reinvestment of dividends, interest, and proceeds from securities sales, shall be directed by you. Absent or pending such direction, we shall be entitled on a daily basis to sweep all IRA account balances. Such balances shall be invested in short-term investments, which shall include insured savings accounts, insured savings certificates, federal funds, insured money market accounts, government securities, federal agency securities, and treasury notes, bonds and

bills in which book value and interest is guaranteed (including any of the foregoing offered by Happy State Bank) ("Temporary Investments"). We shall have all power and authority necessary to hold, administer, vote and negotiate such Temporary Investment so as to enforce every right and benefit thereunder on your behalf. In making all Temporary Investments, we shall not be limited to investments now or hereinafter designated by statute or decision of a court as "legal investments" for funds held by fiduciaries. You hereby agree that we may, but shall not be required (unless required under applicable law) to inform you by forwarding materials or otherwise communicating with you under the provisions of Article VIII as to any questions, decisions or other matters for which a vote may be requested, necessary or helpful as to any Temporary Investment, and we shall thereafter have no responsibility whatsoever with respect thereto. You agree and acknowledge that unless required by applicable law, we are not responsible for communicating, forwarding, or notifying any party, including you, with respect to any communication or matter which comes to the attention of or is received by us with respect to Trust investments, including Temporary Investments, and that you are responsible for making separate arrangements for receiving such communications.

- 8.07 **Beneficiaries** – If you die before you receive all of the amounts in your IRA, payments from your 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 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 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.

A spouse beneficiary will have all rights as granted under the Code or applicable regulations to treat your IRA as his or her own.

We may allow, if permitted by state law, an original IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited IRA at the time of your death) to name successor beneficiaries for the inherited 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 IRA beneficiary's lifetime. Each beneficiary designation form that the original IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original IRA beneficiary to revoke a successor beneficiary designation. If the original 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 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 IRA owner take total distribution of all IRA assets by December 31 of the year following the year of death.

- 8.08 **Required Minimum Distributions** – Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following.

- Make no distribution until you give us a proper withdrawal request
- Distribute your entire IRA to you in a single sum payment
- Determine your required minimum distribution from your IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

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

If this agreement is terminated, we may charge to your 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 IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your IRA

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

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

- 8.10 **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 IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.

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

**8.12 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.

**8.13 Transfers From Other Plans** – We can receive amounts transferred to this IRA from the trustee or custodian of another IRA. 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.

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

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

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

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

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

**8.17 Broker** – The Broker will be responsible for the execution of securities orders. The Broker may require that you sign an agreement which sets forth, among other things, its responsibilities and your responsibilities regarding securities transactions for your IRA.

**8.18 Prohibited Transaction** – If during any taxable year you engage in a so-called “prohibited transaction” with respect to your regular IRA, Spousal IRA, SEP-IRA, or Rollover IRA, the account will lose its tax-exempt status. In this event, the fair market value of all account assets, valued as of the first day of such taxable year, will be deemed distributed to you and includible in your gross income. These prohibited transactions would include borrowing money from your account or pledging your account or any portion thereof as security for a loan. If you pledge your account or any portion thereof as security for a loan, such pledge position will be deemed distributed to you and includible in your gross income. If you have not yet attained age fifty-nine and one-half (59½) years of age, an additional excise tax equal to ten percent (10%) of the amount pledged will be imposed on such funds includible in gross income. Similarly, if your spouse engages in a prohibited transaction with respect to his or her account, it will result in the same consequences because he or she is the individual for whose benefit the account was established.

The assets in your IRA shall not be responsible for the debt, contracts or torts of any person entitled to distributions under this Agreement.

**8.19 Mediation/Arbitration** – If a dispute arises out of or relates to this agreement, or the performance or breach thereof, the parties agree first to try in good faith to settle the dispute by mediation under the commercial mediation rules of the American Arbitration Association, before resorting to the arbitration. Thereafter, any remaining unresolved controversy or claim arising out of or relating to this agreement, or the performance or breach thereof, shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Any mediation or arbitration shall be conducted in Canyon, TX. The sole arbitrator shall be a retired or former judge of the Randall or Potter County District Courts. Judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

---

## GENERAL INSTRUCTIONS

---

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

### PURPOSE OF FORM

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A Traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (depositor) and the custodian and must be completed no later than the due date (excluding extensions) of the individual’s income tax return for the tax year. 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-A with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590, *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.

### IDENTIFYING NUMBER

The depositor’s Social Security number will serve as the identifying number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

### TRADITIONAL IRA FOR NONWORKING SPOUSE

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

---

## SPECIFIC INSTRUCTIONS

---

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

**Article VIII** – Article VIII and any that follow it may incorporate additional provisions that are agreed to by the 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.

---

# DISCLOSURE STATEMENT

---

## RIGHT TO REVOKE YOUR IRA

You have the right to revoke your 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 IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed on the application.

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

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

## REQUIREMENTS OF AN IRA

A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution.

B. **Maximum Contribution** – The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$5,000 for 2011 and for 2012, with possible cost-of-living adjustments each year thereafter. If you also maintain a Roth IRA (i.e., an IRA subject to the limits of Internal Revenue Code Section (IRC Sec.) 408A), the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRAs. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

C. **Contribution Eligibility** – You are eligible to make a regular contribution to your IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made.

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 IRA. The maximum additional contribution is \$1,000 per year.

E. **Nonforfeiture** – Your interest in your IRA is nonforfeitable.

F. **Eligible Custodians** – The custodian of your 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 IRA cannot be commingled with other property except in a common trust fund or common investment fund.

H. **Life Insurance** – No portion of your IRA may be invested in life insurance contracts.

I. **Collectibles** – You may not invest the assets of your 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 IRA investments.

J. **Required Minimum Distributions** – You are required to take minimum distributions from your IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age

70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.

2. The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the required minimum distribution is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70½.

- (a) Make no distribution until you give us a proper withdrawal request
- (b) Distribute your entire IRA to you in a single sum payment
- (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

If you fail to remove a required minimum distribution, 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. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

3. 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.

If you die on or after your required beginning date, distributions must be made to your beneficiaries over the longer of the single life expectancy of your designated beneficiaries, or your remaining life expectancy. 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 IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

If you die before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiaries, either

- (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (b) 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 (a) or (b) 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 (a) or (b) 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 (b). In the case of distributions under option (b), 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 IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire 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 IRA will be deemed to elect to treat your IRA as his or her own by either (1) making contributions to your IRA or (2) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own 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 IRA owner take total distribution of all 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 AN IRA

**A. IRA Deductibility** – If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-sponsored retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your IRA contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution and certain other deductions and exclusions.

**Definition of Active Participant.** Generally, you will be an active participant if you are covered by one or more of the following employer-sponsored retirement plans.

1. Qualified pension, profit sharing, 401(k), or stock bonus plan
2. Qualified annuity plan of an employer
3. Simplified employee pension (SEP) plan
4. Retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under IRC Sec. 457)
5. Tax-sheltered annuity for employees of certain tax-exempt organizations or public schools
6. Plan meeting the requirements of IRC Sec. 501(c)(18)
7. Savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan

If you do not know whether your employer maintains one of these plans or whether you are an active participant in a plan, check with your employer or your tax advisor. Also, the IRS Form W-2, *Wage and Tax Statement*, that you receive at the end of the year from your employer will indicate whether you are an active participant.

If you are an active participant, are single, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out range maximum for the applicable year (specified below) and subtract your MAGI; (2) divide this total by the difference between the phase-out 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. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$60,000 in 2012, your maximum deductible contribution is \$4,000 (the 2012 phase-out range maximum of \$68,000 minus your MAGI of \$60,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$5,000).

If you are an active participant, are married to an active participant and you file a joint income tax return, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out maximum for the applicable year (specified below) and subtract your MAGI range; (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. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$97,000 in 2012, your maximum deductible contribution is \$3,750 (the 2012 phase-out maximum of \$112,000 minus your MAGI of \$97,000, divided by the difference between the maximum and minimum phase-out limits of \$20,000, and multiplied by the contribution limit of \$5,000).

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0–\$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers	Single Taxpayers
	Phase-Out Range*	Phase-Out Range*
	(minimum)(maximum)	(minimum)(maximum)
2010	\$89,000 – \$109,000	\$56,000 – \$66,000
2011	\$90,000 – \$110,000	\$56,000 – \$66,000
2012	\$92,000 – \$112,000	\$58,000 – \$68,000

\*MAGI limits are subject to cost-of-living adjustments each year.

The MAGI phaseout range for an individual that is not an active participant, but is married to an active participant, is \$173,000–\$183,000 for 2012. This limit is also subject to cost-of-living increases for tax years after 2012. If you are not an active participant in an employer-sponsored retirement plan, are married to someone who is an active participant, and you file a joint income tax return with MAGI between the applicable phase-out range for the year, your maximum deductible contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the 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. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200, you may round up to \$200.

**B. Contribution Deadline** – The deadline for making an 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 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 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 Traditional IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and 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 Traditional 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.

2012 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 – 34,500	\$1 – 25,875	\$1 – 17,250	50
\$34,501 – 37,500	\$25,876 – 28,125	\$17,251 – 18,750	20
\$37,501 – 57,500	\$28,126 – 43,125	\$18,751 – 28,750	10
Over \$57,500	Over \$43,125	Over \$28,750	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 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 IRA. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit.
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 IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

- F. **Nondeductible Contributions** – You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

- G. **Taxation of Distributions** – The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, all IRA distribution amounts will be included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income.

$$\frac{(\text{Aggregate Nondeductible Contributions}) \times (\text{Amount Withdrawn})}{\text{Aggregate IRA Balance}} = \text{Amount Excluded From Income}$$

**NOTE:** Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution that have not previously been withdrawn and excluded from income. Also note that the aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

- H. **Income Tax Withholding** – Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

- I. **Early Distribution Penalty Tax** – If you receive an IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent will apply to the taxable amount of the distribution unless 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 exceeding 7.5 percent of your adjusted gross income (increasing to 10 percent of

adjusted gross income beginning in 2013), you will not be subject to the 10 percent early distribution penalty tax. 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 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 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 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 IRA during the active duty period are not subject to the 10 percent early distribution penalty tax.

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.

- J. Rollovers and Conversions** – Your IRA may be rolled over to another IRA of yours, may receive rollover contributions, or may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your IRA from another 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. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of Traditional 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. Traditional IRA to Traditional IRA Rollovers.** Assets distributed from your IRA may be rolled over to an IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from the distributing IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. 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.
- 2. SIMPLE IRA to Traditional IRA Rollovers.** Assets distributed from your SIMPLE IRA may be rolled over to your Traditional IRA without IRS penalty tax provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to IRA (or SIMPLE IRA to SIMPLE IRA) rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

- 3. Employer-Sponsored Retirement Plan to Traditional IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. 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 (other than distributions to nonspouse beneficiaries), or federal Thrift Savings Plan unless it is part of a certain series of substantially equal periodic payments, a required minimum distribution, a hardship distribution, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator generally will be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up out of pocket the amount withheld, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive the distribution. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax, and if you are under age 59½, the 10 percent early distribution penalty tax (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

- 4. Beneficiary Rollovers From Employer-Sponsored Retirement Plans.** If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased employer-sponsored retirement plan participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to an inherited IRA. The IRA must be maintained as an inherited IRA, subject to the beneficiary distribution requirements.
- 5. Traditional IRA to Employer-Sponsored Retirement Plan Rollovers.** You may roll over, directly or indirectly, any taxable eligible rollover distribution from an IRA to your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan as long as the employer-sponsored retirement plan accepts such rollover contributions.
- 6. 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 includible 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 penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your Traditional IRA.
- 7. 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 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*.

8. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received an 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 IRA by the later of 180 days after receipt of such amount, or 180 days after February 14, 2012. If you make such a rollover contribution, you may exclude the amount rolled over from your gross income in the taxable year in which the airline settlement payment was paid to you.

If you previously rolled over such a contribution to a Roth IRA, you may move all or a portion of it to a Traditional IRA as a qualified rollover contribution by directly moving the assets, plus the earnings attributable to them, to a Traditional IRA within 180 days after February 14, 2012.

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).

9. **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).
10. **Written Election.** At the time you make a rollover to an IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
- K. **Transfer Due to Divorce** – If all or any part of your 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 IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another 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 Traditional 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. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back 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 completed.

## LIMITATIONS AND RESTRICTIONS

- A. **SEP Plans** – Under a simplified employee pension (SEP) plan that meets the requirements of IRC Sec. 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information that describes the terms of your employer's SEP plan.
- B. **Spousal IRA** – If you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 70½, regardless of whether or not your spouse has compensation. You may make these spousal contributions even if you are age 70½ or older. You must file a joint income tax return for the year for which the contribution is made.
- The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined eligible compensation or \$10,000 for 2012. 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 IRA.
- 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 IRA. The maximum additional contribution is \$1,000 per year.
- C. **Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions.
- D. **Gift Tax** – Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- E. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to IRA distributions.
- F. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your IRA, as described in IRC Sec. 4975, your IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your IRA. (1) Taking a loan from your IRA (2) Buying property for personal use (present or future) with IRA assets (3) Receiving certain bonuses or premiums because of your IRA.
- G. **Pledging** – If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## OTHER

- A. **IRS Plan Approval** – The agreement used to establish this IRA has 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** – You may obtain further information on IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an 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 IRA or retirement plan, you may recontribute those amounts to an IRA generally within a two-year period from your date of return.



E. **Heartland Disaster-Related Tax Relief** – If you are an individual who has sustained an economic loss due to, or are otherwise considered affected by, the severe storms, tornadoes, and flooding that occurred in the Midwestern disaster area, you may be eligible for favorable tax treatment on distributions and rollovers from your IRA. Qualified disaster recovery assistance distributions include IRA distributions made on or after specified dates for each disaster, and before January 1, 2010, to a qualified individual. You may be eligible to recontribute these distributions if done within three years of the distribution. For more information on this tax relief, refer to IRS Publication 4492-B, *Information for Affected Taxpayers in the Midwestern Disaster Area*.

1. **Taxation May be Spread Over Three Years.** If you received qualified disaster recovery assistance distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
2. **Repayment of Qualified Disaster Recovery Assistance Distributions.** You may roll over qualified disaster recovery assistance distributions to an eligible retirement plan within three years of the date of receipt of the distribution, and avoid federal income taxation. The 60-day rollover rule does not apply to these distributions.