

Thank you for choosing SogoTrade!

Our priority in servicing our new customers is to ensure that we have all the necessary documentation on file. This process helps us in protecting the security of each client as well as preparing for future transactions such as wire, check, and ACH withdrawals.

Below is the required paperwork. Please submit the following via email, fax or mail.

- **IRA Account Application**
- **Copy of Driver's License**
- **Proof of Address** (If address on application is not on ID) - any financial bank statement, utility bill, or similar statement within 3 months. (Please make sure the submitted proof of address matches what you entered on your application)
- **3 preferred user IDs (letters and numbers only, between 6-32 in length) \***

We will make a selection based on the availability. Once the User ID is assigned to your account, a password will be generated automatically from our system, which you will be informed. You may then change your password to your choice.

*\* These documents are provided by the customer and not by SogoTrade.*

### SogoTrade New Account Contact

Email: [newaccounts@sogotrade.com](mailto:newaccounts@sogotrade.com)

Fax Number: 1-888-710-7646 (Domestic)	1-646-459-2749 (International)
Tel (English): 1-888-709-7646 (Domestic)	1-646-885-6594 (International)
Tel (Chinese): 1-888-681-7646 (Domestic)	1-646-885-6246 (International)

Mailing Address: SogoTrade, Inc.  
1 McBride and Son Center Drive, Suite 288  
Chesterfield, MO 63005  
Attention: New Account Department

**INDIVIDUAL IRA APPLICATION**  
**Custodial Individual Retirement Account Adoption**  
**Agreement**



ACCOUNT NUMBER

**1. Account Information**

Please print. All information must be completed in order for your account to be processed.

FULL NAME OF PARTICIPANT (First/ Middle/ Last)

SOCIAL SECURITY NUMBER      DATE OF BIRTH

HOME ADDRESS (P.O. Box is not sufficient)

CITY/ STATE/ ZIP CODE      HOME TELEPHONE NUMBER      EMAIL ADDRESS

BUSINESS ADDRESS

CITY/ STATE/ ZIP CODE      BUSINESS TELEPHONE NUMBER

PLEASE INDICATE THE ADDRESS TO WHICH ALL MAIL SHOULD BE SENT  
 Home     Business     P.O. Box

P.O. BOX/ CITY/ STATE/ ZIP CODE

NAME OF YOUR BANK      BANK ACCOUNT NUMBER

COUNTRY OF CITIZENSHIP      COUNTRY OF LEGAL RESIDENCE

OCCUPATION      EMPLOYER

IF YOU ARE AFFILIATED WITH OR WORK FOR A SECURITIES FIRM, PLEASE SPECIFY COMPANY.

IF YOU ARE A DIRECTOR, 10% SHAREHOLDER OR POLICY-MAKING OFFICER OF A PUBLICLY TRADED COMPANY, PLEASE SPECIFY THE COMPANY.

HAVE YOU GRANTED TRADING AUTHORIZATION TO ANOTHER PARTY?    IF YES, REQUEST TRADING AUTHORIZATION FORM AND PROVIDE NAME OF AGENT  
 Yes     No

If you do not want your name, address and security position released to requesting companies in which you hold securities, please check here.

**2. Investment Profile**

INVESTMENT OBJECTIVE	INVESTMENT EXPERIENCE	ANNUAL INCOME (from all sources)	LIQUID NET WORTH (cash & liquid investments only)	ESTIMATED NET WORTH (excluding residence)	RISK TOLERANCE
<input type="checkbox"/> Capital Preservation (05)	<input type="checkbox"/> None (00)	<input type="checkbox"/> Under \$25,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Low (01)
<input type="checkbox"/> Income (04)	<input type="checkbox"/> Limited (01)	<input type="checkbox"/> \$25,001 to \$50,000 (02)	<input type="checkbox"/> \$50,001 to \$100,000 (02)	<input type="checkbox"/> \$50,001 to \$100,000 (02)	<input type="checkbox"/> Medium (02)
<input type="checkbox"/> Growth (03)	<input type="checkbox"/> Good (02)	<input type="checkbox"/> \$50,001 to \$100,000 (03)	<input type="checkbox"/> \$100,001 to \$200,000 (22)	<input type="checkbox"/> \$100,001 to \$200,000 (22)	<input type="checkbox"/> High (03)
<input type="checkbox"/> Speculation (06)	<input type="checkbox"/> Extensive (03)	<input type="checkbox"/> \$100,001 to \$200,000 (23)	<input type="checkbox"/> \$200,001 to \$500,000 (23)	<input type="checkbox"/> \$200,001 to \$500,000 (23)	
<input type="checkbox"/> Other (08)		<input type="checkbox"/> \$200,001 to \$300,000 (24)	<input type="checkbox"/> \$500,001 to \$1,000,000 (24)	<input type="checkbox"/> \$500,001 to \$1,000,000 (24)	
TAX BRACKET		<input type="checkbox"/> \$300,001 to \$500,000 (25)	<input type="checkbox"/> \$1,000,001 to \$5,000,000 (25)	<input type="checkbox"/> \$1,000,001 to \$5,000,000 (25)	
		<input type="checkbox"/> \$500,001 to \$1,200,000 (26)	<input type="checkbox"/> Over \$5,000,001 (26)	<input type="checkbox"/> Over \$5,000,001 (26)	
		<input type="checkbox"/> Over \$1,200,001 (27)			

**3. Suitability Information**

**TIME HORIZON** The number of years planned to invest to achieve a particular financial goal.  
 Short (Less than 3 Years) (01)     Longest (8 years or more) (03)  
 Average (4 to 7 Years) (02)

**LIQUIDITY NEEDS** The ability to quickly and easily convert all or a portion of the account assets into cash without experiencing significant loss.  
 Very Important (01)     Not Important (03)  
 Somewhat Important (02)

**4. Type of Account**

(Check One)  
 Traditional IRA     Rollover Account     SEP - Simplified Employee Pension Account


NAME OF BUSINESS

**5. Contribution Type**

(Check One)  
 Regular IRA contribution for tax year 20 \_\_\_\_  
 Rollover from an IRA, employer-sponsored retirement plan or 403(b)  
 SEP IRA, contribution for tax year 20 \_\_\_\_ (employer will make SEP contribution to participants IRA account)  
 Transfer of existing IRA or SEP IRA



Please cut along the dotted line and return to your broker.

<b>6. Depositor Authorization</b>	<p>I understand that I have the right to direct the investment and reinvestment of contributions to my Account and hereby appoint the following brokerage firm as my agent to execute my directions, as Broker under the terms of the Custodial Agreement.</p>			
	BROKERAGE FIRM			
	ACCOUNT NUMBER			
<b>7. Enhanced Account Features</b>	<p><b>E-Documents Enrollment</b>  When you enroll your account in E-Docs, you will receive trade confirmations, account statements, tax-related documents, proxies, prospectuses, annual reports, and all other eligible account documents electronically. An e-mail notification will be sent to the Account Owner's e-mail address on the same day that any electronic documents become available. Just log into your account to access E-Docs and view, print or download your electronic documents.</p> <p><b>Please see your Investment Representative for enrollment information.</b></p>			
<b>8. Beneficiary Designation</b>	<p>I hereby make the following designation of beneficiary pursuant to the provisions of the Apex Clearing Corporation Custodial Agreement:  In the event of my death, pay any interest I may have in my Custodial Account in equal proportions unless otherwise indicated to the following Primary Beneficiary or Beneficiaries:</p>			
Primary Beneficiary or Beneficiaries	1		NAME	RELATIONSHIP
			DATE OF BIRTH	SHARE PERCENTAGE %
	ADDRESS		SOCIAL SECURITY NUMBER	
	2		NAME	RELATIONSHIP
			DATE OF BIRTH	SHARE PERCENTAGE %
	ADDRESS		SOCIAL SECURITY NUMBER	
Alternate Beneficiary or Beneficiaries	<p>If none of the above-named Primary Beneficiaries survives me, pay any interest I may have in my Custodial Account in equal proportions unless otherwise indicated to the following Alternate Beneficiary or Beneficiaries of the survivor(s) thereof:</p>			
	1		NAME	RELATIONSHIP
			DATE OF BIRTH	SHARE PERCENTAGE %
	ADDRESS		SOCIAL SECURITY NUMBER	
	2		NAME	RELATIONSHIP
			DATE OF BIRTH	SHARE PERCENTAGE %
	ADDRESS		SOCIAL SECURITY NUMBER	
	<p>I understand that the Beneficiaries named herein may be changed or revoked by me at any time by filing a new designation in writing with the custodian.  Spouse Consent (See Note): _____</p> <p>Note: Consent of the Account holder's (Participant) Spouse may be required (for example, in a Community Property or Marital Property State) to effectively designate a beneficiary other than or in addition to the Participant's Spouse. Please consult a legal, tax, or other professional advisor to confirm if this consent is necessary. I indemnify Apex Clearing Corporation from any adverse action as a result of my beneficiary designation.</p>			
<b>9. Signature Section</b>	<p><b>Please read the following IRA Account Terms and sign where indicated.</b></p> <ol style="list-style-type: none"> <li>I acknowledge, by signing this agreement, that I have received, read, understand and agree to the terms and conditions as described in the Apex Clearing Corporation "Disclosure Statement" and "Custodial Agreement". I understand the eligibility requirements for the type of IRA deposit I am making and state that I do qualify to make the deposit.</li> <li><b>By Signing this application, I (We) acknowledge the following: (1) That, Page 3 Paragraph 8.17 of the Custodial Account Agreement contains a Predispute Arbitration Clause and in accordance with this agreement I (We) agree in advance to Arbitrate any controversies which may arise between or among Me (Us), my Broker and/or Clearing Firm, (2) Receipt of a copy of the Custodial Account Agreement following this application and My (Our) agreement with the terms therein and (3) the information provided above is accurate.</b></li> <li>I certify that, under penalty of perjury, my Social Security number on this application is correct.</li> <li>I have read and understand the Investment Objective Definitions: <b>Capital Preservation</b> - a conservative investment strategy characterized by a desire to avoid risk of loss; <b>Income</b> - strategy focused on current income rather than capital appreciation; <b>Growth</b> - investing in stocks with strong earnings and/or revenue growth or potential; <b>Speculation</b> - taking larger risks, usually by frequent trading, with hope of higher-than-average gain. All strategies involve various types and levels of risk, the most common of which are market, credit, inflation, business and interest rate.</li> </ol>			
	SIGNATURE OF PARTICIPANT			DATE
				
	BRANCH APPROVAL		Apex Clearing Corporation ACCEPTANCE	
<b>For Office Use Only</b>	FIRST TRADE	DATE OPENED	INTRODUCING BROKER / DEALER	
	ACCOUNT NO.	INTRODUCING REP. SIGNATURE	APPROVED BY	
			CUSTOMER ID VERIFIED (Must be Completed) <input type="checkbox"/> Yes <input type="checkbox"/> No	

BRANCH/REP CODE NUMBER

ACCOUNT NUMBER

<b>Customer Information</b>	<b>Please Provide the Following Information as Applicable. We Cannot Approve Your Account Without It.</b>				
	TITLE OF ACCOUNT		EMPLOYER NAME (If Unemployed, Source of Income)		
	OCCUPATION/ POSITION OR TYPE OF BUSINESS	DATE OF BIRTH	EMPLOYER ADDRESS		
	MARTIAL STATUS <input type="checkbox"/> M <input type="checkbox"/> S <input type="checkbox"/> D <input type="checkbox"/> W	SPOUSE'S NAME	SPOUSE'S EMPLOYER	NUMBER OF DEPENDENTS	
<b>INVESTMENT OBJECTIVE</b>	<b>ANNUAL INCOME</b> (from all sources)	<b>SPOUSE'S INCOME</b> (from all sources)	<b>LIQUID NET WORTH</b> (cash & liquid investments only)	<b>TOTAL NET WORTH</b> (excluding residence)	
<input type="checkbox"/> Capital Preservation (05) <input type="checkbox"/> Income (04) <input type="checkbox"/> Growth (03) <input type="checkbox"/> Speculation (06) <input type="checkbox"/> Other (08)	<input type="checkbox"/> Under \$25,000 (01) <input type="checkbox"/> \$200,001 to \$300,000 (24) <input type="checkbox"/> \$25,000 to \$50,000 (02) <input type="checkbox"/> \$300,001 to \$500,000 (25) <input type="checkbox"/> \$50,001 to \$100,000 (03) <input type="checkbox"/> \$500,001 to \$1,200,000 (26) <input type="checkbox"/> \$100,001 to \$200,000 (23) <input type="checkbox"/> Over \$1,200,001 (27)	<input type="checkbox"/> Under \$25,000 (01) <input type="checkbox"/> \$200,001 to \$300,000 (24) <input type="checkbox"/> \$25,000 to \$50,000 (02) <input type="checkbox"/> \$300,001 to \$500,000 (25) <input type="checkbox"/> \$50,001 to \$100,000 (03) <input type="checkbox"/> \$500,001 to \$1,200,000 (26) <input type="checkbox"/> \$100,001 to \$200,000 (23) <input type="checkbox"/> Over \$1,200,001 (27)	<input type="checkbox"/> Under \$50,000 (01) <input type="checkbox"/> \$50,001 to \$100,000 (02) <input type="checkbox"/> \$100,001 to \$200,000 (22) <input type="checkbox"/> \$200,001 to \$500,000 (23) <input type="checkbox"/> \$500,001 to \$1,000,000 (24) <input type="checkbox"/> \$1,000,001 to \$5,000,000 (25) <input type="checkbox"/> Over \$5,000,001 (26)	<input type="checkbox"/> Under \$50,000 (01) <input type="checkbox"/> \$50,001 to \$100,000 (02) <input type="checkbox"/> \$100,001 to \$200,000 (22) <input type="checkbox"/> \$200,001 to \$500,000 (23) <input type="checkbox"/> \$500,001 to \$1,000,000 (24) <input type="checkbox"/> \$1,000,001 to \$5,000,000 (25) <input type="checkbox"/> Over \$5,000,001 (26)	
<b>Prior Investment Experience</b>	NAME OF FIRM(S)			NUMBER OF YEARS	
	STILL OPEN?		ESTIMATED VALUE \$		
	TYPE OF ACCOUNT (Indicate number of trades per year)		ANTICIPATED TYPES OF TRADES		
	<input type="checkbox"/> Stocks _____ <input type="checkbox"/> Corporate Bonds _____ <input type="checkbox"/> Municipal Bonds _____ <input type="checkbox"/> Government Bonds _____ <input type="checkbox"/> Funds _____	<input type="checkbox"/> Options _____ <input type="checkbox"/> Commodities _____ <input type="checkbox"/> Tax Shelters _____ <input type="checkbox"/> Margin Account _____	<input type="checkbox"/> <b>Level 1 covered calls, including:</b> Covered calls sold against stocks held long in your brokerage account Buy-writes (simultaneously buying a stock and writing a covered call) Covered call roll-ups/roll-downs <input type="checkbox"/> <b>Level 2 All Level 1 strategies, plus:</b> Long Calls                      Long Straddles Long Puts                        Long Strangles Covered puts (short stock and short put position) <input type="checkbox"/> <b>Level 3 All Levels 1 and 2 strategies, plus:</b> Equity credit spreads      Equity calendar/diagonal spreads Equity debit spreads        Index calendar/diagonal spreads Index debit spreads Index credit spreads <input type="checkbox"/> <b>Level 4 All Level 1, 2, and 3 strategies, plus:</b> Naked equity puts <input type="checkbox"/> <b>Level 5 All Level 1, 2, 3, and 4 strategies plus:</b> Naked equity calls <input type="checkbox"/> <b>Level 6 All Level 1, 2, 3, 4 and 5 strategies plus:</b> Naked index calls            Naked index puts		
PLEASE LIST ANY OTHER RELEVANT FINANCIAL INFORMATION					
<b>Signatures</b>	I hereby confirm that I have read the provisions of this option agreement and understand the contents hereof. I hereby expressly confirm all the information contained in the Customer Information section, especially those concerning income, net worth and investment objectives, and will advise you of any changes in such information which could be deemed to affect the suitability of executing options transactions for my account.				
	<b>BY SIGNING THIS APPLICATION, I (WE) ACKNOWLEDGE THE FOLLOWING: (1) THAT, PAGE 3 PARAGRAPH 9 OF THE ATTACHED AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE AND IN ACCORDANCE WITH THIS AGREEMENT I (WE) AGREE IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE BETWEEN OR AMONG ME (US), MY BROKER, AND/OR CLEARING FIRM, (2) RECEIPT OF A COPY OF THE AGREEMENT FOLLOWING THIS APPLICATION AND MY (OUR) AGREEMENT WITH THE TERMS THEREIN AND (3) THE INFORMATION PROVIDED ABOVE IS ACCURATE.</b>				
	APPLICANT'S SIGNATURE			DATE	
SIGNATURE OF CO-APPLICANT			DATE		
<b>For Office Use Only</b> (Must be filled in before Apex can accept)	Please note date of delivery on the items listed below:		INTRODUCING BROKER APPROVAL		
	Characteristics and Risk of Standard Options:		Registered Representative Signature		
	Special Statement for Uncovered Option Writers:		Option Principal Signature		
	Approved for Option Trading as follows:		Registered Principal Signature		
<input type="checkbox"/> Option Level 1 <input type="checkbox"/> Option Level 2 <input type="checkbox"/> Option Level 3 <input type="checkbox"/> Option Level 4 <input type="checkbox"/> Option Level 5 <input type="checkbox"/> Option Level 6		DATE			
		DATE			
		DATE			

In connection with any transactions in options which have been or may be purchased, sold, exercised or endorsed for the undersigned's account with an introducing broker(s) which clears through Apex Clearing Corporation, the undersigned agrees as follows:

**1. Definitions.** "Introducing broker" means any brokerage firm which introduces security transactions on behalf of the undersigned, which transactions are cleared through Apex, whether one or more. "Obligations" means all indebtedness, debit balances, liabilities or other obligations of any kind of the undersigned to Apex, whether now existing or hereafter arising. "Options" means all types of options, including puts, calls, equity, debt, index or otherwise. "Securities and other property" shall include, but shall not be limited to money, securities, commodities or other property of every kind and nature and all contracts and options relating thereto, whether for present or future delivery. "Apex" refers to Apex Clearing Corporation.

**2. Limits.** The undersigned shall not, acting alone or in concert with others, exceed the position/exercise limits set forth by any exchange or market or by any other regulatory authority having jurisdiction.

**3. Authority, Execution of Orders, Security Interest.** The undersigned hereby authorizes Apex in its discretion, should Apex deem it necessary for Apex's protection for any reason, including death of the undersigned, to buy, sell, or sell short for the undersigned's account any risk, puts, calls or other forms of option and/or to buy, sell or sell short any part or all of the underlying shares represented by options endorsed by Apex for the undersigned's account. Any and all expenses incurred by Apex in connection with such transactions shall be reimbursed by the undersigned to Apex. The undersigned understands and acknowledges that when transactions on the undersigned's behalf are to be executed and the options are traded in more than one marketplace Apex may use its discretion in selecting the market in which to enter the undersigned's order unless the undersigned specifically instructs otherwise. All monies, securities, or other property which Apex may hold in any account of the undersigned shall be held subject to a general lien for the discharge of the undersigned's obligations to Apex under this Agreement or otherwise. The decision to enter into options transactions was made entirely by the undersigned without any investment advice from Apex or the introducing broker.

**4. Notice, Exercise, Random Allocation.** The undersigned is aware of Apex's requirements and time limitations for accepting an exercise notice and expiration date. The undersigned understands that the undersigned may not receive actual notice of exercise until the week following exercise. The undersigned bears full responsibility for taking action to exercise or sell valuable options; however, in the absence of the undersigned notifying the introducing broker to exercise a valuable options contract by 3 p.m. Central Standard Time on the last business day prior to the expiration date of the options contract, and the introducing broker instructing Apex to sell valuable options on the undersigned's behalf within such time, the undersigned agrees that Apex may exercise the options contract on the undersigned's behalf. In the event of such exercise, the profit in excess of commission costs created thereby will be credited to the undersigned's account. In the event that the commissions to be charged for such an expiration transaction exceeds the proceeds to be realized, the undersigned agrees and hereby relinquishes the undersigned's ownership in said option to Apex, and Apex may exercise such option for its own account. If the undersigned does not instruct the introducing broker to exercise the valuable option by the time stated above, and Apex for whatever reason, does not exercise such option on the undersigned's behalf, the undersigned hereby waives any and all claims for damage or loss which the undersigned might at the time or any time thereafter have against Apex arising out of the fact that the option was not exercised. The undersigned is aware that Apex utilizes a random method of allocation for all option(s) assignments received from the Option Clearing Corporation. Exercise assignment notices for options contracts are allocated among all customers' short positions within that series. This is accomplished by a manual procedure, which randomly selects from among all customer short positions, including positions established on the day of assignment, those contracts which are subject to exercise. All American short positions are liable for assignment at any time. The undersigned understands that a more detailed description of this procedure is available upon request by the undersigned.

**5. Uncovered Options.** The undersigned agrees that in connection with any uncovered options(s) for the undersigned's account, uncovered options are prohibited in IRA accounts. The undersigned agrees not to sell, during the life of the options in the account, the underlying securities collateralizing such options, including any cash or securities which may accrue on the underlying covered securities until such options are closed, exercised or expired or the undersigned has met the collateral requirements established by Apex and/or the introducing broker for carrying uncovered options. The undersigned also agrees that the introducing broker and/or Apex, in its respective sole discretion, may refuse any order to sell such underlying securities received from the undersigned or by means of a "give up" basis through another firm unless, prior to such sale, the undersigned has met the collateral requirements established by Apex and/or the introducing broker for carrying uncovered options. Apex has the right, in its sole discretion, to permit the undersigned to apply the proceeds of such sale to such collateral requirements.

**6. Risks.** The undersigned is aware of the high degree of risk involved in options transactions and has given the introducing broker, in strict confidence, information to demonstrate that this account and the trading anticipated in connection therewith is not unsuitable for the undersigned in light of the undersigned's investment objectives, financial situation and needs, experience and knowledge. The undersigned agrees to advise the introducing broker of any changes in the undersigned's investment objectives, financial situation or other circumstances that may be deemed to materially affect the suitability of executing options transactions for the undersigned's account.

**7. Options Account Form, Disclosure Documents.** The undersigned has reviewed the contents of the options account form and represents that they are accurate. Although certain types of transactions are indicated as anticipated, Apex and the introducing broker may execute any other types of transactions for the undersigned's account upon the undersigned's instructions. The undersigned has received an Options Disclosure Document relating to options on the categories of underlying securities which the undersigned has been approved for trading.

**8. Accounts Carried as Clearing Broker.** The undersigned understands that Apex is carrying the accounts of the undersigned as clearing broker by arrangement with the undersigned's introducing broker through whose courtesy the account of the undersigned has been introduced to Apex. Until receipt from the undersigned of written notice to the contrary, Apex may accept and rely upon the introducing broker for (a) orders for the purchase or sale in said account of securities and other property, and (b) any other instructions concerning the undersigned's accounts. The undersigned represents that the undersigned understands that Apex acts only to clear trades introduced by the undersigned's introducing broker and to effect other back office functions for the undersigned's introducing broker. The undersigned confirms to Apex that the undersigned is relying for any advice concerning the undersigned's accounts solely on the undersigned's introducing broker. The undersigned understands that all representatives, employees and other agents with whom the undersigned communicates concerning the undersigned's account are agents of the introducing broker, and not Apex's representatives, employees or other agents. The undersigned understands that Apex will not review the undersigned's accounts and will have no responsibility for trades made in the undersigned's accounts, including but not limited to for appropriateness or suitability. Apex shall not be responsible or liable for any acts or omissions of the introducing broker or its representatives, employees or other agents. The execution of any such trades shall not be deemed to be an approval of such trades.

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

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

THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURES ABOVE. ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE CUSTOMER AND YOU, OR THE INTRODUCING BROKER, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS OF YOU OR THE INTRODUCING BROKER, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF YOUR BUSINESS, THE INTRODUCING BROKER'S BUSINESS OR THE CUSTOMER'S ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). THE DECISION AND AWARD OF THE ARBITRATOR(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAVING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**10. Other Agreements.** The undersigned agrees to be bounded by the terms of Apex's **Retirement Custodial Account Agreement, Apex's Customer Account Agreement and/or Apex's Customer Margin and Short Account Agreement.** The undersigned understands that copies of this agreement are available from Apex and, to the extent applicable, are incorporated by reference herein. The terms of this other agreement is in addition to the provisions of this Agreement and any other written agreements between Apex and the undersigned.

**11. Data Not Guaranteed.** The undersigned expressly agrees that any data or online reports is provided to the undersigned without warranties of any kind, express or implied, including but not limited to, the implied warranties of merchantability, fitness of a particular purpose or non-infringement. The undersigned acknowledges that the information contained in any reports provided by Apex are obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Such information could include technical or other inaccuracies, errors or omissions. In no event shall Apex or any of Apex's affiliates be liable to the undersigned or any third party for the accuracy, timeliness, or completeness of any information made available to the undersigned or for any decision made or taken by the undersigned in reliance upon such information. In no event shall Apex or Apex's affiliated entities be liable for any special incidental, indirect or consequential damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damages, and on any theory of liability, arising out of or in connection with the use of any reports provided by Apex or with the delay or inability to use such reports.

**12. Credit Check.** Apex is authorized, in Apex's discretion, should Apex for any reason deem it necessary for Apex's protection to request and obtain a consumer credit report for the undersigned.

**13. Miscellaneous.** The undersigned is aware of and agrees that this Agreement and all transactions in the undersigned's accounts shall be governed by the constitution, rules, regulations, customs, usages and bylaws of the Options Clearing Corporation and the Financial Industry Regulatory Authority, and all exchanges or other facilities upon which options are traded for the account of the undersigned. If any provisions of this Agreement are held to be unenforceable, it shall not affect any other provisions of this Agreement. The headings of each sections of this Agreement are descriptive only and do not modify or qualify any provision of this Agreement. This Agreement and its enforcement shall be governed by the law of the state of Texas and shall cover individually and collectively all accounts which the undersigned has previously opened, now has open or may open or reopen with Apex, or any introducing broker, and any and all previous, current and future transactions in such accounts. Except as provided in this Agreement, no provision of this Agreement may be altered, modified or amended unless executed in writing by Apex's authorized representative. This Agreement and all provisions shall insure to the benefit of Apex and Apex's successors, whether by merger, consolidation or otherwise, Apex's assigns, the undersigned's introducing broker, and all other persons specified in Paragraph 9. Apex shall not be liable for losses caused directly or indirectly by any events beyond Apex's reasonable control, including without limitation, government restrictions, exchange or market rulings, and suspension of trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war or strikes. Apex may transfer the accounts of the undersigned to Apex's successors and assigns. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

## SUPPLEMENTAL PROVISIONS

**A. Pledging.** The undersigned understands that under Section 408(e)(4) of the Internal Revenue Code of 1986, as amended, if the undersigned pledges any portion of the undersigned's IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in the undersigned's gross income for the taxable year in which the undersigned pledges the assets to the extent it represents earnings or be subject to excise taxes.

**B. Prohibited Transactions.** The undersigned understands that the extension of credit through margin, short selling positions, and uncovered options are not permitted in IRA accounts. If the undersigned or the undersigned's beneficiary engage in a prohibited transaction with the undersigned's IRA, as described in Section 4975 of the Internal Revenue Code of 1986, as amended, the undersigned's IRA may lose its tax-deferred or tax-exempt status, and the undersigned must generally include the value of the earnings in the undersigned account in gross income for the taxable year the undersigned engages in the prohibited transactions.

**C. ERISA.** The undersigned hereby represents, warrants, and covenants that the undersigned's IRA is not subject to the Employee Retirement Income Security Act of 1974, as amended, and the undersigned will not engage in any transaction in the undersigned's IRA that involves any extension of credit by Apex.

**D. No Advice.** The undersigned has been provided with an opportunity to consult with the undersigned's tax adviser regarding the advisability of holding options or conducting options strategies in the undersigned's IRA account. The undersigned has not and will not, rely on Apex for legal or tax advice in connection with engaging in options transactions in the undersigned's IRA. The undersigned will not hold Apex responsible for any adverse tax consequences or penalties that the undersigned or the undersigned's IRA may incur in connection with options transactions.

**E. Obligations.** The undersigned understands that the undersigned is solely responsible for ensuring that sufficient assets are maintained in the undersigned's IRA to cover all potential obligations arising from the holding of options and conducting any options strategies, including any potential assignment and exercise. The undersigned acknowledges responsibility for not conducting options transactions that can result in liabilities or obligations in excess of the undersigned's IRA account balance. Apex shall not be responsible for the dishonor of any transaction due to an insufficient balance in the undersigned IRA. If an assignment creates a short position or debit balance, Apex is authorized to immediately cover deficit in the undersigned's IRA with other assets in the undersigned IRA account.

**F. Indemnification.** By signing this Agreement, the undersigned hereby agrees to indemnify and hold Apex, Apex's affiliates, and their respective officers, directors, employees and agents, and their respective successors and assigns, harmless from and against any and all losses (including but not limited to consequential damages), liabilities, tax consequences (including excise taxes, penalties and interest), demands, claims and expenses, attorneys' fees, damages (including consequential, incidental, special or exemplary) arising out of any actions or omissions by Apex, or Apex's agents in connection herewith, which are not caused by Apex's gross negligence or willful misconduct. This provision shall survive the termination of this Agreement and shall be binding upon, and inure to the benefit of, each party's respective successors, assigns, heirs, and personal representatives.

## G. Option Levels

- Level 1 Covered calls, including:  
Covered calls sold against stocks held long in your brokerage account  
Buy-writes (simultaneously buying a stock and writing a covered call)  
Covered call roll-ups/roll-downs
- Level 2 All Level 1 strategies, plus:  
Married puts  
Long calls  
Long puts  
Long straddles  
Long strangles  
Covered puts (short stock and short put position)
- Level 3 All Levels 1 and 2 strategies, plus:  
Equity debit spreads  
Equity credit spreads  
Equity calendar/diagonal spreads  
Index debit spreads  
Index credit spreads  
Index calendar/diagonal spreads
- Level 4 All Level 1, 2, and 3 strategies, plus:  
Naked equity puts
- Level 5 All Level 1, 2, 3, and 4 strategies, plus:  
Naked equity calls
- Level 6 All Level 1, 2, 3, 4 and 5 strategies, plus:  
Naked index calls  
Naked index puts

# 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 **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.

8.05 **Investment of Amounts in the IRA** – You have exclusive responsibility for and control over the investment of the assets of your IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 8.03 of this article). The right to direct investment of assets may be restricted, however, as provided in Section 8.06. We will have no discretion to direct any investment in your IRA. We assume no responsibility for rendering investment advice with respect to your IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your IRA unless you provide timely written directions acceptable to us.

You will select the investment for your IRA assets, provided, however, that your selection of investments shall be limited to any investment vehicle approved and obtainable by us, that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact, in our sole discretion offer for IRAs. For example, investments may include but shall not be limited to common stocks, government and corporate bonds, mutual funds, the purchase of put options on existing positions and writing of covered listed call options and such other options strategies that we may, from time to time, in our sole discretion make available for IRAs and which strategies are approved for your account by your broker. Investments not generating confirmations must be accompanied by additional written instructions and such other documentation as we may, in our sole discretion, require. We shall act as a stockbroker or dealer whenever such services are required. We may in our sole discretion make available to you additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we, in our sole discretion, determine that we are capable of holding in the ordinary course of our business.

We shall have the power and authority in the administration of this Agreement to do all acts, including by way of illustration but not in limitation of the powers conferred by law, the following:

- (1) Pursuant to your or your agent’s direction, to invest and reinvest all or any part of the assets in securities obtainable through us and to invest in any lawful investment which is administratively acceptable to us without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction for investment by us;
- (2) Pursuant to your or your agent’s direction, to hold part or all of the uninvested assets or to place the same in a savings account approved by you or purchase a Certificate of Deposit with an institution approved by you;
- (3) To employ suitable agents and counsel and to pay them reasonable expenses and compensation;
- (4) Pursuant to your or your agent’s direction, to vote in person or by proxy with respect to securities held by us and to delegate our discretionary power;

- (5) Pursuant to your or your agent's direction (and subject to approval of a custodial account for option trading privileges), to write covered listed call options against existing positions, to liquidate or close such option contracts, and to purchase put options on existing long positions (the same securities cannot be used to simultaneously cover more than one position);
- (6) Pursuant to your or your agent's direction, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, and transfers or other changes affecting securities held by us;
- (7) To leave any securities or cash for safekeeping or on deposit, with or without interest, with such banks, brokers and other custodians as we may select, and to hold any securities in bearer form or in the name of these banks, brokers and any other custodians or in the name of the custodian without qualification or description or in the name of any nominee; and
- (8) Prior to the entry of any orders to purchase or sell securities in your account, you or your agent shall approve beforehand all such orders and direct us to implement such instructions. Selling short and executing purchases in an amount greater than available cash are prohibited. All investments outside of the cash account shall be accompanied by additional written instructions.

8.06 **Beneficiaries** – If you die before you receive all of the amounts in your IRA, payments from your IRA will be made to your beneficiary(ies). 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. Unless otherwise specified each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiary(ies) will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) 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 spouse will be the beneficiary, or if there is no spouse living at the time of your death, 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.

If the beneficiary designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, we may, at our discretion, make such payments to such person as may be acting as parent, guardian, committee, conservator, trustee or legal representative of such minor or incompetent and the receipt by any such person as selected by us shall be a full and complete discharge of us for any sums so paid.

We reserve the right to, at our discretion, deposit funds in a special savings account established in our name as Custodian for a beneficiary when within six months after any payment is due because we cannot ascertain the whereabouts on our records, and such beneficiary has not submitted a written claim for such payment before the expiration of said six-month period.

We may allow, if permitted by state law, an original IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distributions from an inherited IRA at the time of your death) to name successor beneficiary(ies) 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(ies') lifetime. Unless it is otherwise specified, each beneficiary designation form that the original IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) will not be required for the original IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event will the successor beneficiary(ies) 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.

8.07 **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.

8.08 **Resignation or Removal of Custodian** – We may resign as Custodian at any time upon 30 days written notice to the Participant. Upon resignation, we may, but shall not be required to, appoint a successor custodian under this Agreement; provided that any successor custodian shall satisfy the requirements of Code section 408(a)(2). Upon any such successor's acceptance of appointment, we shall transfer the assets of the custodial account, together with copies of relevant books and records, to such successor custodian; provided, however, that we are authorized to reserve such sum of money or property as we may deem advisable for payment of any liabilities constituting a charge on or against the assets of the custodial account, or on or against us. We shall not be liable for the acts or omissions of any successor custodian. If no successor custodian is appointed by us, the custodial account shall be terminated, and the assets of the Account, reduced by the amount of any unpaid fees or expenses, will be distributed to you.

If we are 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, after notifying you, require you 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.

8.09 **Termination of Custodial Account** - You may terminate this Agreement at any time upon notice to us in a manner and form acceptable to us. Upon such termination, we shall transfer the assets of the custodial account, reduced by the amount of any unpaid fees or expenses, to the custodian or trustee of another individual retirement account (within the meaning of Code section 408) or other retirement plan designated by you. We shall not be liable for losses arising from the acts, omissions, delays or other inaction of any such transferee custodian or trustee. If we receive notice of your intention to terminate the custodial account and you have not designated a transferee custodian or trustee for the assets in the custodial account, the custodial account reduced by any unpaid fees or expenses, will be distributed to you.

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 and Termination of the Plan** – We have the right to amend or terminate this agreement at any time consistent with the provisions of applicable law without obtaining your consent, or the consent of your spouse or your beneficiary(ies). 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 direct 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 laws of the State of New York shall 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 **Arbitration** – This agreement contains a **Predispute Arbitration Clause**.

**By Signing an Arbitration Agreement the parties agree as follows:**

**A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury except as provided by the rules of the Arbitration form in which a claim is filed;**

**B. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

**C. The liability of the parties to obtain documents, witness statements and other discovery is generally more limited in Arbitration than in court proceedings;**

**D. The Arbitrators do not have to explain the reason(s) for their award unless in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**

**E. The panel of Arbitrators will typically include a minority of Arbitrators who were or are affiliated with the securities industry.**

**F. The rules of some Arbitration forums may impose time limits for bringing a claim in Arbitration. In some cases, a claim that is ineligible for Arbitration may be brought in court.**

**G. The rules of the Arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

**The following Arbitration Agreement should be read in conjunction with the disclosures above. Any and all controversies, disputes or claims between the Customer and You, or the Introducing Broker, or the Agents, Representatives, Employees, Directors, Officers, or Control Persons of You or The Introducing Broker, arising out of, in connection with, from or with respect to (a) Any provisions of or the validity of this agreement or any related agreements, (b) The relationship of the parties hereto, or (c) Any controversy arising out of your business, the Introducing Broker's business or the Customer's accounts, shall be conducted pursuant to the code of Arbitration**

**procedure of the Financial Industry Regulatory Authority ("FINRA"). Arbitration must be commenced by service of a written demand for Arbitration or a written Notice of Intention to Arbitrate. The decision and award of the Arbitrator(s) shall be conclusive and binding upon all parties and any judgment upon any award rendered may be entered in a court having jurisdiction thereof, and neither party shall oppose such entry.**

**No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is de-certified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.**

8.18 **Payment For Order Flow/Order Routing - "Payment for order flow" is a common and widespread industry practice whereby a brokerage firm receives monetary or non-monetary remuneration in return for the routing of customer orders to a designated exchange, market maker, dealer, or market center for execution. Apex Clearing receives payment for order flow on certain transactions in the form of rebates, monetary compensation or an inter-company transfer of funds. Payment for order flow is considered to be compensation to Apex Clearing. Your broker, the introducing firm that clears its trades through Apex Clearing, may or may not be compensated for such orders. The source and nature of any compensation received in connection with a specific transaction will be furnished upon written request of the customer.**

**Absent specific instructions from customers, Apex Clearing automatically routes orders in over-the-counter ("OTC") securities to selected OTC market makers. Selected exchange traded securities may be routed to affiliated specialists, regional exchanges or designated third-market dealers. All orders are routed to an exchange, market maker, dealer or market center that matches or improves upon the displayed national best bid or offer for the particular security at the time the order is processed. Price improvement opportunities, or execution at prices superior to the displayed national best bid or offer, may be available for certain transactions in NASDAQ and listed securities from execution destinations to which orders are routed.**

8.19 **Assignability** - This Agreement shall inure to the benefit of our successors and assigns, shall be binding on you, your heirs, executors, administrators and assigns, and shall be governed by the laws of the State of New York.

8.20 **Accounting** - Within 90 days from the close of each custodial account year, We shall render an accounting (valuing the assets fair market value) to you, which accounting may consist of copies of regularly issued broker-dealer statements to you. In the absence of the filing in writing with us of exceptions or objections to any such accounting, within 30 days after the mailing of such accounting, you shall be deemed to have approved such accounting. In such case, or upon your written approval, we shall be released, relieved and discharged with respect to all matters and things set forth in such accounting as though such accounting had been settled by the decree of a court of competent jurisdiction. No person other than you may require an accounting or bring any action against us with respect to this agreement or our actions as Custodian.

We reserve the right to apply to a court of competent jurisdiction for judicial settlement of our accounts, for determination of any questions of construction which may arise or for instructions. You shall be the only necessary party defendant to such action except we may, if we so elect, bring in as a party defendant any other person or persons.

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**GENERAL INSTRUCTIONS**

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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.

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**SPECIFIC INSTRUCTIONS**

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**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 (7) 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 **IRA Administrator, Apex Clearing Corporation, 350 N. St. Paul Street 1300, Dallas, TX 75201.**

**If you send your notice by first class mail, your revocation will be deemed mailed as of the date of the postmark, or if sent by certified or registered mail, it shall be deemed to be mailed as of the date of certification or registration. If mailed, the written notice of revocation shall be mailed in the United States in an envelope, or other appropriate wrapper, first-class mail with the postage prepaid.**

**If you have any questions about the procedure for revoking your IRA, please call the Custodian at the telephone number listed on the attached 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 \$5,500 for 2014 and 2015, 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. Deposits received by us without an IRA Contribution Form will be deposited and reported to the IRS in accordance with the following policy:
  1. Any deposit we receive below the IRS Annual Contribution Limit for your account will be deposited and reported to the IRS as Current Year Contributions (CYC). We will not aggregate deposits, and multiple deposits below the IRS limit will all be reported to the IRS as CYC and could result in an over-contribution in your account.
  2. Deposits we receive above the IRS Annual Contribution Limit for your account will be deposited and reported to the IRS as Rollover Contributions.
- 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. **Nonforfeitable** – 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 beneficiary(ies) designated as of the date of your death, who remain your beneficiary(ies) 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 beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies), or your remaining life expectancy. If a beneficiary other than an individual 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 beneficiary(ies), 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 beneficiary(ies).

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 beneficiary(ies), 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 an individual or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary(ies) 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 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.

**K. Qualifying Longevity Annuity Contracts and RMDs** – A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85. The total premiums paid to QLACs in your IRAs must not exceed 25 percent (up to \$125,000) of the combined value of your IRAs (excluding Roth IRAs). The \$125,000 limit is subject to cost-of-living adjustments each year.

When calculating your RMD, you may reduce the prior year end account value by the value of QLACs that your IRA holds as investments.

For more information on QLACs, you may wish to refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**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 \$63,000 in 2015, your maximum deductible contribution is \$4,400 (the 2015 phase-out range maximum of \$71,000 minus your MAGI of \$63,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$5,500).

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; (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 \$103,000 in 2015, your maximum deductible contribution is \$4,125 (the 2015 phase-out maximum of \$118,000 minus your MAGI of \$103,000, divided by the difference between the maximum and minimum phase-out limits of \$20,000, and multiplied by the contribution limit of \$5,500).

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
2013	\$95,000 – \$115,000	\$59,000 – \$69,000
2014	\$96,000 – \$116,000	\$60,000 – \$70,000
2015	\$98,000 – \$118,000	\$61,000 – \$71,000

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

The MAGI phase-out range for an individual that is not an active participant, but is married to an active participant, is \$181,000-\$191,000 for 2014 and \$183,000-\$193,000 for 2015. This limit is also subject to cost-of-living increases for tax years after 2015. 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.

2015 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 – 36,500	\$1 – 27,375	\$1 – 18,250	50
\$36,501 – 39,500	\$27,376 – 29,625	\$18,251 – 19,750	20
\$39,501 – 61,000	\$29,626 – 45,750	\$19,751 – 30,500	10
Over \$61,000	Over \$45,750	Over \$30,500	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 Traditional and SIMPLE 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 10 percent of your adjusted gross income, 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 Traditional IRA may be rolled over to the same Traditional IRA or another Traditional 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. 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.

**Effective for distributions taken on or after January 1, 2015,** you are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

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.

**Effective for distributions taken on or after January 1, 2015,** you are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

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 proper rollover to an IRA, you must designate in writing to the custodian, Apex Clearing, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable. Deposits in excess of the annual contribution limits that are received without IRA Contribution Forms will be deposited and reported to the IRS as Rollover contributions. Please note that due to the IRS mandated correction filing deadline of July 31, requests to make changes to contribution coding must be received by the close of business on the 3rd Friday in July and accompanied by a completed IRA Contribution Form. Any correction that needs to be made after this reporting deadline will be the responsibility of the IRA Owner and must be handled directly with the IRS.

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 \$11,000 for 2014 and 2015. 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** – For further information on IRAs, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)*, 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. **Qualified Charitable Distributions** – If you are age 70½ or older, you may take tax-free IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. This provision applies to distributions during tax years 2012 and 2013 and may apply to subsequent years if extended by Congress. For further detailed information and effective dates you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

#### FINANCIAL DISCLOSURE

Apex Clearing Corporation may charge your broker a fee. Please contact your broker for information regarding these charges.

**Service Fees:** We have the right to charge an annual service fee and other designated fees (e.g., a transfer, rollover or termination fee) in conjunction with 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. The full annual service fee attributable to the year in which you terminate your IRA, along with the termination fee, shall be due and payable upon termination of your IRA regardless of the date during the year in which you terminate your IRA. We reserve the right to charge any additional fee upon 30 days' notice to you that the fee will be effective. Fees such as sub transfer 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.

The value of your IRA will be solely dependent upon the performance of any investment instrument chosen by you to fund your IRA. Therefore, no projection of the growth of your IRA can be reasonably shown or guaranteed. There are certain fees and charges associated with the investments you may select for your IRA.

In the event this agreement is terminated or you transfer out of your existing IRA, a fee will apply. Additionally, brokerage commissions may apply according to your selection of investments. Questions relative to brokerage commission(s) should be discussed with your Account Executive prior to executing any orders or you may refer to the prospectus which will describe the terms of the investment you choose.

You will select the type of investment for your IRA assets, provided, however, that your selection of investments shall be limited to any investment vehicle approved and obtainable by us, that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact, in our sole discretion offer for investment in IRAs.. For example, investments may include but shall not be limited to common stocks, government and corporate bonds, mutual funds, the purchase of put options on existing positions and writing of covered listed call options and such other options strategies that we may, from time to time, in our sole discretion make available for IRAs and which strategies are approved for your account by your broker. Investments not generating confirmations must be accompanied by additional written instructions and such other documentation as we may, in our sole discretion, require. We shall act as a stockbroker or dealer whenever such services are required. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are approved and obtainable by us and that we, in our sole discretion, determine that we are capable of holding in the ordinary course of our business.