

Perelman-Carley & Associates, Inc. Account Application

3000 Farnam Street • Omaha, NE 68131
1-800-444-5880



For Office Use Only

- | | | |
|---|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> IRA (BENEFICIARY DESIGNATION FORM REQUIRED) | <input type="checkbox"/> Custodian (USE MINOR'S SS#) |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Joint | <input type="checkbox"/> Investment Club |
| <input type="checkbox"/> Trust (REQUIRES CERTIFICATE OF TRUST FORM) | <input type="checkbox"/> Corporation | <input type="checkbox"/> Other _____ |

Account # _____
Approved by _____

APPLICANT				CO-APPLICANT					
TITLE OF ACCOUNT (IF APPLICABLE, NAME OF CORPORATION/PARTNERSHIP/TRUST/ETC.)									
NAME	FIRST	MIDDLE	LAST	NAME	FIRST	MIDDLE	LAST		
HOME ADDRESS				HOME ADDRESS					
CANNOT BE A P.O. BOX				CANNOT BE A P.O. BOX					
CITY	STATE		ZIP	CITY	STATE		ZIP		
MAILING ADDRESS (IF DIFFERENT FROM HOME ADDRESS)									
SS, TAX ID, OR ITIM#		CITIZENSHIP (COUNTRY)		DATE OF BIRTH					
SS, TAX ID, OR ITIM#		CITIZENSHIP (COUNTRY)		DATE OF BIRTH					
HOME TELEPHONE #	WORK TELEPHONE #		CELL #	HOME TELEPHONE #	WORK TELEPHONE #		CELL #		
OCCUPATION (BE SPECIFIC)			DRIVER'S LICENSE #		OCCUPATION (BE SPECIFIC)			DRIVER'S LICENSE #	
EMPLOYER (IF NOT EMPLOYED, INDICATE RETIRED, UNEMPLOYED, HOMEMAKER, ETC)									
EMPLOYER ADDRESS									
EMPLOYER ADDRESS									
EMAIL ADDRESS									
EMAIL ADDRESS									
BANK REFERENCE				ACCT. #					
BANK REFERENCE				ACCT. #					
HOW DID YOU LEARN ABOUT PERELMAN-CARLEY?				INVESTMENT OBJECTIVES (PLEASE CHECK BOX)				TAX STATUS (% Bracket) _____	
ESTIMATED LIQUID NET WORTH				<input type="checkbox"/> GROWTH Increase investment value over time while accepting price fluctuations. <input type="checkbox"/> INCOME Provide current income rather than growth of principal. <input type="checkbox"/> SPECULATION.. Assume the highest degree of risk for potentially higher returns. <input type="checkbox"/> TRADING High risk buying and selling for a potential gain.					
ESTIMATED NET WORTH									
ESTIMATED ANNUAL INCOME									
TYPE OF ACCOUNT									
CASH _____		MARGIN _____		OPTION _____				** Do you wish Purchased Securities Mailed _____ Held in Account _____ Do you wish Dividends on Stocks held by us Mailed _____ Held in Account _____ Do you wish Proceeds from Securities Sold Mailed _____ Held in Account _____	

Unless specified otherwise in above Standing Instructions, I hereby authorize **PERELMAN-CARLEY & ASSOCIATES, INC. to hold funds for reinvestment purposes and pay interest. **PERELMAN-CARLEY & ASSOCIATES, INC.** will pay interest on eligible free credit balances if the funds are being held for reinvestment. Funds held must earn \$5 minimum per calendar month to qualify except in states where prohibited by law. Interest earned will be credited to account on the last business day of the month.

Is any applicant employed by or affiliated with a securities firm, a stock exchange or the FINRA? _____ yes, please provide the name and address of the company's Compliance Department.

Is any applicant an officer, director, affiliate or 10% shareholder of a publicly-traded company? _____ If yes, please provide the ticker symbol and CUSIP # of the related securities.

I/we understand that Perelman-Carley will release my/our name, address, and securities positions to requesting companies in which I/we hold securities, unless I/we check this box .

Under penalties of perjury, I/we certify (1) that the number provided is the payee's correct Tax Identification Number and (2) that the payee is not subject to backup withholding either because the payee has not been notified that the payee is subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified the payee that the payee is no longer subject to backup withholding.

IT IS IMPORTANT THAT YOU THOROUGHLY READ THIS AGREEMENT BEFORE YOU SIGN IT. BY SIGNING BELOW, YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, AND YOUR NEW ACCOUNT FORM. THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE. BY AGREEING TO ARBITRATE DISPUTES CLIENTS MAY BE WAIVING CERTAIN RIGHTS THAT WOULD BE AVAILABLE IN COURT (PAGE 2, ITEM #8). See Back.

Signature _____ Date _____ Signature (if Jt a/c) _____ Date _____

CUSTOMER AGREEMENT

In consideration of PERELMAN-CARLEY & ASSOCIATES, INC, (PCA) accepting one or more accounts of the undersigned (whether designated by name, number or otherwise) and PCA agreeing to act as broker for the undersigned in the purchase or sale of securities and other property, the undersigned agrees as follows:

1. Applicable Rules and Regulations: All transactions under this Agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market and its clearing house, if any, where the transactions are executed by PCA or its agents, and to applicable laws and applicable rules and regulations of duly constituted governmental authorities.

2. Definition: For purposes of this Agreement, "securities and other property" shall include, but not be limited to, money, securities, and instruments of every kind and nature and all contracts and options relating thereto, whether for present or future delivery.

3. Settlement of Transactions: (a) When placing a sell order, the undersigned shall designate such order as being either for short or long account and PCA is authorized to appropriately mark such order. Any order designated as "long" is for securities and other property then owned by the undersigned and, if they are not then deliverable from the undersigned's account, the placing of a "long" order shall constitute a representation by the undersigned that such securities and other property will be delivered to PCA as soon as practicable but no later than the settlement date therefor.

(b) If PCA is unable to settle any transaction as a result of the undersigned's failure, on or before the settlement date, to deliver securities and other property sold in good form or to make payment for securities and other property purchased, PCA may at its discretion, take such action as it deems necessary or appropriate to make such delivery or payment (including the right to borrow or purchase such securities and other property). The undersigned shall reimburse PCA for any loss it may sustain in any such transaction (including a loss resulting from the inability to borrow securities and other property) and for any premium it may pay to borrow or purchase such securities and other property.

(c) The undersigned understands that the obligation to deliver securities and other property sold includes delivery of all rights which customarily accompany the sale of securities and other property, such as a cash or stock dividend or stock from a stock split which is paid or delivered to the undersigned after the date of sale if such date is prior to the ex-dividend date.

4. Lien and Liquidation: (a) All securities and other property now or hereafter held, carried or maintained by PCA in or for any account of the undersigned, now or hereafter opened, including accounts in which the undersigned has an interest, shall be subject to a lien for the discharge of all indebtedness and other obligations of the undersigned to PCA and shall be held by PCA as security for the payment of any liability or indebtedness of the undersigned in any such account. PCA has the right to transfer securities and other property so held from or to any other account of the undersigned whenever in PCA's judgment it considers such a transfer necessary for its protection. In enforcing such lien, PCA may in its discretion, determine which securities and other property are to be sold.

(b) Whenever PCA considers it necessary for its protection, it may sell securities and other property in any account of the undersigned with PCA (whether individually or jointly with others), buy securities and other property which may be short in such accounts, cancel open orders and close outstanding contracts, all without demand for margin, additional margin, notices of sale or purchase, or other notices or demands whatsoever. Any such sale or purchase may be made at PCA's discretion on any exchange or market where such business is usually transacted, or at public auction or private sale and PCA may be a purchaser for its own account. Any prior demand, call or prior notice of the time or place of such sale or purchase shall not be considered a waiver of PCA's right to buy or sell without any such demand, call or notice.

5. Payment of Indebtedness Upon Demand: The undersigned shall at all times be liable for, and shall pay on demand the amount of any debit balance or other obligations owing in any of the undersigned's accounts with PCA, including any deficiency remaining in any such accounts in the event of the liquidation, in whole or in part, by PCA or the undersigned.

6. Liability for Collection Costs: The undersigned shall be liable for, and shall pay on demand the amount of the reasonable costs and expenses (including attorneys fees) of collection of any debit balance and any unpaid deficiency in the undersigned's accounts with PCA.

7. Confirmations, Statement and Notices: (For your knowledge, all exchanges maintain the right to correct a reported execution price up to and including settlement date.)

(a) The confirmation of the receipt or execution of an order shall be conclusive and binding upon the undersigned if the undersigned does not object thereto verbally or in writing within two days of receipt of confirmation to the undersigned by mail or otherwise.

(b) Statements of the undersigned's accounts shall be conclusive and binding upon the undersigned if the undersigned does not object thereto in writing within 10 days after PCA has forwarded the statement of account to the undersigned by mail or otherwise.

(c) Communications may be sent to the undersigned at the address of the undersigned given in the account application or at such other address as the undersigned may hereafter direct, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

8. 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 arbitration forum 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. (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.

(h) Any controversy or dispute between PCA and the undersigned arising out of or relating to any of the undersigned's accounts, which includes a margin or options account, to transactions with or for the undersigned or to this agreement or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association or the Code of Arbitration Procedure of the Financial Industry Regulatory Authority, as the undersigned may elect. If the undersigned does not make such election by registered mail addressed to you at your main office in Omaha, Nebraska within five (5) days after receipt of notification from you requesting such election, or the undersigned files a lawsuit in State or Federal Court (or takes any other action inconsistent with arbitration) then the undersigned authorizes you to make the election on behalf of the undersigned and choose the arbitration forum. The arbitration award shall be final, and judgment upon the award rendered may be entered in any court, State or Federal, having jurisdiction.

(i) 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 enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

9. Investment Advice: PCA shall not provide any advice or recommendations and all orders will be considered unsolicited by PCA. PCA maintains no research department and any comments offered must not be construed as a recommendation by the firm.

10. Governing Law and Jurisdiction: This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska and in the event of litigation the parties consent and agree to exclusive jurisdiction of courts located in Nebraska. The agreement shall inure to the benefit of PCA's successors and assigns. PCA may transfer the undersigned's accounts to any such successor or assign. This Agreement shall be binding upon the undersigned's heirs, executors, administrators, successors and assigns.

11. Capacity: The undersigned, if an individual, is of legal age and, except as disclosed to PCA in writing, is not a member, allied member or an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member firm or member corporation of any exchange, or of a bank, trust company, insurance company or of any corporation, association, firm or individual engaged in the business of dealing, either as broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper. No one except the undersigned has or will have an interest in any account of the undersigned with PCA.

12. Payments: No acceptance by PCA of a lesser sum than due in the undersigned's account shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction.

13. Miscellaneous: (a) Free credit balances in any account of the undersigned with PCA shall be maintained in such account solely for the purpose of investing or reinvesting in securities and other property.

(b) You are hereby authorized to act upon any and all instructions (whether oral or in writing) given or purported to be given by the undersigned with respect to any transactions in or for any account of the undersigned. Telephone calls with PCA may be tape recorded.

(c) PCA shall not be liable for loss caused directly or indirectly by governmental restrictions, exchange or market rulings, suspension of trading, interruption in telecommunication services or facilities, war, strike or other conditions beyond PCA's control.

(d) If any provision or condition of this Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision or condition and all other provisions and conditions of the Agreement shall remain in full force and effect.

(e) Except as otherwise expressly provided herein, no waiver, modification or amendment of any provision of this Agreement shall be effective unless it is in writing and signed by PCA.

14. Joint Accounts: If the undersigned shall consist of more than one person, the obligations and liabilities of each with respect to any account hereunder shall be joint and several.

15. PCAI receives remuneration for directing certain orders to particular broker/dealers or market centers for execution. When such remuneration is received, it is considered compensation to PCAI, and the source and amount of any compensation received by PCAI in connection with your transaction will be disclosed upon request. The customer's order is executed at the "best bid", "best offer", or at a price superior to either one.

PERELMAN-CARLEY & ASSOCIATES, INC.

3000 Farnam St., Omaha, Nebraska 68131
 (402) 342-6000 800-444-5880
 www.pcastocks.com

COVERDELL EDUCATION SAVINGS ACCOUNT APPLICATION

DESIGNATED BENEFICIARY'S NAME AND ADDRESS			DEPOSITOR'S NAME AND ADDRESS		
SOCIAL SECURITY #	DATE OF BIRTH	PHONE #	SOCIAL SECURITY #	PHONE #	RELATIONSHIP
CONTRIBUTION DATE		CONTRIBUTION TYPE	COVERDELL ESA ACCOUNT IDENTIFICATION NUMBER		
		<input type="checkbox"/> Regular <input type="checkbox"/> Transfer <input type="checkbox"/> Rollover			
CONTRIBUTION AMOUNT					
COVERDELL ESA RESPONSIBLE INDIVIDUAL					
A responsible individual must be designated below.					
Name and Address	Social Security #	Home Phone	Business Phone	Relationship	
Check the box if you would like to select either of the following options. If a box is not checked for an option, the option will be deemed to not be selected.					
<input type="checkbox"/> The responsible individual may change the beneficiary designated under this agreement to another member of the designated beneficiary's family described in section 529(e)(2) in accordance with the custodian's procedures.					
<input type="checkbox"/> The responsible individual shall continue to serve as the responsible individual for the custodial account after the designated beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates. If the responsible individual dies or becomes incapacitated or dies after the designated beneficiary reaches the age of majority under state law, the responsible individual shall be the designated beneficiary.					
SUCCESSOR COVERDELL ESA RESPONSIBLE INDIVIDUAL					
In the event of the death or legal incapacity of the responsible individual while the designated beneficiary is a minor under state law, the following shall become the responsible individual. If no successor is named, the successor responsible party shall be the designated beneficiary's parent or guardian.					
Name and Address	Social Security #	Home Phone	Business Phone	Relationship	
SIGNATURES AND DATE					
<p><i>Important: Please read before signing. The signature of the responsible individual shall be obtained if someone other than the depositor will be the responsible individual.</i></p> <p>I understand the eligibility requirements for the Coverdell ESA deposit I am making and I state that I do qualify to make the deposit. I have received a copy of the Application, Form 5305-EA Plan Agreement and Disclosure Statement. I understand that the terms and conditions which apply to this Coverdell ESA are contained in this Application and the 5305-EA Plan Agreement. I agree to be bound by those terms and conditions.</p> <p>I assume complete responsibility for:</p> <ol style="list-style-type: none"> 1. Determining that I am eligible to contribute to a Coverdell ESA each year I make a contribution. 2. Insuring that all contributions I make are within the limits set forth by the tax laws. 3. Certifying that I am qualified to assume the responsibilities of the responsible individual as set forth in this Agreement, if I am designated on this Application as the responsible individual. 4. Managing and administering the account and authorizing transactions involving contributions and distributions, if I am designated on this Application as the responsible individual. 					
Coverdell ESA Depositor	Date	Witness	Date		
Coverdell ESA Responsible Individual	Date	Perelman-Carley Authorized Representative	Date		

COVERDELL EDUCATION SAVINGS CUSTODIAL ACCOUNT

Form 5305-EA under section 530 of the Internal Revenue Code.

FORM (REV. MARCH 2002)

The depositor whose name appears on the Application is establishing a Coverdell education savings account (Coverdell ESA) under section 530 for the benefit of the designated beneficiary exclusively to pay for the qualified elementary, secondary, and higher education expenses, within the meaning of section 530(b)(2), of such designated beneficiary.

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

The depositor and the custodian make the following agreement:

ARTICLE I

The custodian may accept additional cash contributions provided the designated beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the designated beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in section 530(d)(5) are limited to \$2,000 for the tax year. In the case of an individual contributor, the \$2,000 limitation for any year is phased out between modified adjusted gross income (AGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of \$190,000 and \$220,000. Modified AGI is defined in section 530(c)(2).

ARTICLE II

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 a common investment fund (within the meaning of section 530(b)(1)(D)).

ARTICLE III

1. Any balance to the credit of the designated beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.
2. Any balance to the credit of the designated beneficiary shall be distributed within 30 days of his or her death unless the designated death beneficiary is a family member of the designated beneficiary and is under the age of 30 on the date of death. In such case, that family member shall become the designated beneficiary as of the date of death.

ARTICLE IV

The depositor shall have the power to direct the custodian regarding the investment of the above-referenced amount assigned to the custodial account (including earnings thereon) in the investment choices offered by the custodian. The responsible individual, however, shall have the power to redirect the custodian regarding the investment of such amounts, as well as the power to direct the custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the responsible individual does not direct the custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the depositor also will govern all additional contributions made to the custodial account until such time as the responsible individual otherwise directs the custodian. Unless otherwise provided in this agreement, the responsible individual also shall have the power to direct the custodian regarding the administration, management, and distribution of the account.

ARTICLE V

The "responsible individual" named by the depositor shall be the parent or guardian of the designated beneficiary. The custodial account shall have only one responsible individual at any time. If the responsible individual becomes incapacitated or dies while the designated beneficiary is a minor under state law, the successor responsible individual shall be the person named to succeed in that capacity by the preceding responsible individual in a witnessed writing or, if no successor is so named, the successor responsible individual shall be the designated beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option below, at the time the designated beneficiary attains the age of majority under state law, the designated beneficiary becomes the responsible individual. If a family member under the age of majority under state law becomes the designated beneficiary by reason of being a named death beneficiary, the responsible individual shall be such designated beneficiary's parent or guardian.

ARTICLE VI

(See the Application and Section 10.04 of this agreement for information regarding the Responsible Individual's ability to change the Designated Beneficiary named by the Depositor.)

ARTICLE VII

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 530(h).
2. The custodian agrees to submit to the Internal Revenue Service (IRS) and responsible individual the reports prescribed by the IRS.

ARTICLE VIII

Notwithstanding any other articles that may be added or incorporated, the provisions of Articles I through III will be controlling. Any additional articles inconsistent with section 530 and the related regulations will be invalid.

ARTICLE IX

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 depositor and the custodian whose signatures appear on the Application.

ARTICLE X

In this part of this Agreement (Article X) the words “we,” “us” and “our” mean Perelman-Carley & Associates, Inc. and “Code” means the Internal Revenue Code.

10-1 Notices and Change of Address: Any required notice regarding this Coverdell ESA will be considered effective when we mail it to the last address of the intended recipient that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. The responsible individual must notify us of any change of address.

10-2 Representations and Responsibilities: The depositor and the responsible individual represent and warrant to us that any information that the depositor and the responsible individual have given or will give us with respect to this Agreement is complete and accurate. Further, the depositor and the responsible individual agree that any directions they give us or action they take will be proper under this Agreement and that we are entitled to rely upon any such information or directions. We shall not be liable for acting upon any instructions given by the responsible individual named on the Application prior to the time we receive appropriate written notice that the designated beneficiary has met the requirements for assuming control of the Coverdell ESA, or that a new responsible individual has been appointed. We shall not be responsible for losses of any kind that may result from the depositor's or responsible individual's directions to us or the depositor's and the responsible individual's actions or failures to act. The depositor and the responsible individual agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We have no duty to determine whether the contributions or distributions with respect to this Coverdell ESA comply with the Code, regulations, rulings or this Agreement and shall not be responsible for any penalties, taxes, judgments or expenses of the designated beneficiary or any depositor to this Coverdell ESA.

Notwithstanding anything in this Agreement to the contrary, we may establish a policy permitting someone other than the designated beneficiary's parent or legal guardian to serve as responsible individual, provided the individual is not prohibited by law from serving in that capacity and fulfilling his or her obligations under this Agreement.

10-3 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 this Coverdell ESA. In addition, we have the right to be reimbursed for all reasonable expenses incurred in connection with the administration of this Coverdell ESA. We may charge the designated beneficiary separately for any fees or expenses or we may deduct the amount of fees or expenses from the assets in this Coverdell ESA at our discretion. We reserve the right to charge any additional fee upon 30 days notice to the responsible individual that the fee will be effective. Any brokerage commissions attributable to the assets in the Coverdell ESA will be charged to the Coverdell ESA. The responsible individual, depositor or designated beneficiary cannot reimburse the Coverdell ESA for those commissions.

10-4 Beneficiary(ies):

1. Unless indicated otherwise on the Application, the responsible individual may not change the designated beneficiary. If the depositor has indicated on the Application that the responsible individual may change the beneficiary designated under this Agreement and the responsible individual chooses to do so, the responsible individual must designate a member of the family (as defined in section 529(e)(2)) of the existing designated beneficiary. This designation can only be made on a form prescribed by us.
2. The Depositor may name one or more person or entity as death beneficiary of this Coverdell ESA. This designation can only be made on a form prescribed by us and it will only be effective when it is filed with us during the lifetime of the designated beneficiary. Each beneficiary designation filed with us will cancel all previous ones. The consent of a death beneficiary shall not be required in order to revoke a death beneficiary designation. If a death beneficiary is not designated with respect to this Coverdell ESA, the designated beneficiary's estate will be the death beneficiary.

10-5 Termination: Either the responsible individual or we may terminate this Agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after mailing written notice of our resignation to the responsible individual. Upon receipt of that notice, the responsible individual must make arrangements to transfer the Coverdell ESA to another financial organization. If the responsible individual does not complete a transfer of this Coverdell ESA within 30 days from the date we mail the notice to the responsible individual, we have the right to transfer this Coverdell ESA assets to a successor Coverdell ESA trustee or custodian that we choose in our sole discretion or we may pay the Coverdell ESA balance to the designated beneficiary in a single sum. We shall not be liable for any actions or failures to act on the part of any successor trustee or custodian nor for any tax consequences the designated beneficiary may incur that result from the transfer or distribution of the Coverdell ESA assets pursuant to this section.

If this Agreement is terminated, we may hold back from the Coverdell ESA a reasonable amount of money that we believe is necessary to cover any one or more of the following:

- Any fees, expenses or taxes chargeable against the Coverdell ESA;
- Any penalties associated with the early withdrawal of any savings instrument or other investment in the Coverdell ESA.

If our organization is merged with another organization (or comes under the control of any Federal or State agency) or if our entire organization (or any portion which includes this Coverdell ESA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of the Coverdell ESA, but only if it is the type of organization authorized to serve as an ESA trustee or custodian.

If we are required to comply with section 1.408-2(e) of the Treasury Regulations 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 the responsible individual or the designated beneficiary, require that a substitute trustee or custodian be appointed.

10-6 Amendments: We shall have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related regulations does not require the consent of either the depositor or the responsible individual. Notwithstanding anything in this Agreement to the contrary, other amendments may be made with the consent of the responsible individual. The responsible individual will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, the responsible individual notifies us in writing that the responsible individual does not consent.

10-7 Transfers from Other Plans: We can receive amounts transferred to the Coverdell ESA from the trustee or custodian of another Coverdell ESA.

10-8 Liquidation of Assets: We have the right to liquidate assets in the Coverdell ESA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Coverdell ESA. If the responsible individual fails to direct us as to which assets to liquidate, we will decide in our complete and sole discretion and the responsible individual agrees not to hold us liable for any adverse consequences that result from our decision.

- 10-9 *Restrictions on the Fund:* Neither the responsible individual, the designated beneficiary (nor anyone acting on behalf of the designated beneficiary), the depositor nor any contributor may sell, transfer or pledge any interest in the Coverdell ESA in any manner whatsoever, except as provided by law or this Agreement. The assets in the Coverdell ESA shall not be responsible for the debts, contracts or torts of the responsible individual, the designated beneficiary, the depositor or any person entitled to distributions under this Agreement.
- 10-10 *Withdrawals:* All requests for withdrawal shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.
- 10-11 *Investment of Amounts in the Coverdell ESA:* The responsible individual will select the type of investment for this Coverdell ESA assets; provided, however, that your selection of investments shall be limited to those types of investments that we are authorized by our charter to offer and do in fact offer for investment in Coverdell ESAs. Any investment you select for this Coverdell ESA shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by or flow from the bylaws of our organization and all Federal and State laws and regulations, which apply to us
- 10-12 *What Law Applies:* This Agreement is subject to all applicable Federal and State laws and regulations. If it is necessary to apply any State law to interpret and administer this Agreement, the law of the State of Nebraska shall govern.

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

GENERAL INSTRUCTIONS

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

PURPOSE OF FORM

Form 5305-EA is a model custodial account agreement that meets the requirements of section 530(b)(1) and has been pre-approved by the IRS. A Coverdell ESA is established after the form is fully executed by both the depositor and the custodian. This account must be created in the United States for the exclusive purpose of paying the qualified elementary, secondary and higher education expenses of the designated beneficiary.

Do not file Form 5305-EA with the IRS. Instead, the depositor must keep the completed form in its records.

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. Any person who may serve as a custodian of a traditional IRA may serve as the custodian of a Coverdell ESA.

Depositor: The depositor is the person who establishes the custodial account.

Designated beneficiary: The designated beneficiary is the individual on whose behalf the custodial account has been established.

Family member: Family members of the designated beneficiary include his or her spouse, child, grandchild, sibling, parent, niece or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, and the spouse of any such individual. A first cousin, but not his or her spouse, is also a "family member."

Responsible individual: The responsible individual, generally, is a parent or guardian of the designated beneficiary. However, under certain circumstances, the responsible individual may be the designated beneficiary.

IDENTIFICATION NUMBERS

The depositor's and designated beneficiary's social security numbers will serve as their identification numbers. If the depositor is a nonresident alien and does not have an identification number, write "Foreign" in the block where the number is requested. The designated beneficiary's social security number is the identification number of his or her Coverdell ESA. If the designated beneficiary is a nonresident alien, the designated beneficiary's individual taxpayer identification number is the identification number of his or her Coverdell ESA. An employer identification number (EIN) is required only for a Coverdell ESA for which a return is filed to report unrelated business income. An EIN is required for a common fund created for Coverdell ESAs.

SPECIFIC INSTRUCTIONS

Note: The age limitation restricting contributions, distributions, rollover contributions, and change of beneficiary are waived for a designated beneficiary with special needs.

Article X: Article X and any that follow may incorporate additional provisions that are agreed to by the depositor and custodian to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the custodian, custodian's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the depositor, designated beneficiary, or responsible individual, etc. Attach additional pages if necessary.

Optional provisions in Article V and Article VI: Form 5305-EA may be reproduced in a manner that provides only those optional provisions offered by the custodian.

FINANCIAL DISCLOSURE STATEMENT

(For Self-Directed Coverdell Education Savings Account)

The amount of money that will be available at any period of time whether the first year, the end of five years, or upon attaining age 30 will depend on the following: (a) amount of contributions; (b) total years of participation; (c) earnings from such account including interest, dividends, realized and unrealized losses; (d) expenses incurred for brokerage commissions and custodian fees; and (e) due to the numerous modes of investments that you may choose, neither a guaranteed return or a projected amount can be practically furnished.

Custodial Fees: Perelman-Carley & Associates, Inc. (Perelman-Carley) has established the following fee schedule for its Coverdell ESAs.

Account set-up fee:	\$25.00
Annual maintenance fee:	None
Minimum balance:	None
Early distribution penalty	¼ of 1%, minimum of \$15.00, maximum of \$50.00
Returned check fee	\$25.00

Perelman-Carley reserves the right to institute new fees and charges or to change any of the administrative fees or charges listed above upon 30 days written notice.

You have the option to pay for any custodial fees separately from the Coverdell ESA itself. If, however, payment is not made separately, the fees will be automatically charged to the account, or as directed by the responsible individual in writing, charged against another account over which the responsible individual has investment authority. When separately billed and paid, such fees are deductible to the extent that they constitute ordinary and necessary expenses for the management of the Coverdell ESA, but are subject to the 2% floor on miscellaneous itemized deductions.

Brokerage Commissions: Commissions shall be charged as outlined in Perelman-Carley's commission schedule.

Other Expenses: Any taxes of any kind which may be imposed with respect to the Coverdell ESA and any reasonable expenses incurred by Perelman-Carley in the management of the assets under the Coverdell ESA together with any fees referred to above, shall be paid by the responsible individual, or if not timely paid, will be charged against the account, or as directed by the responsible individual in writing, charged against another account over which the responsible individual has investment authority.

DISCLOSURE STATEMENT

(For Self-Directed Coverdell Education Savings Account)

REQUIREMENTS OF A COVERDELLE IRA

- A. CASH CONTRIBUTIONS – A Coverdell ESA contribution must be in cash.
- B. MAXIMUM CONTRIBUTION – The total amount that may be contributed to any and all Coverdell ESAs on behalf of a Designated Beneficiary is \$2,000 per year, excluding rollover and transfer contributions.

Contributions may not be made to a Coverdell ESA after the Designated Beneficiary's 18th birthday, except in the case of a special needs beneficiary.

The Coverdell ESA contribution that may be made by a Depositor is further limited if the Depositor's modified adjusted gross income (MAGI) exceeds \$190,000 and he or she is a married individual filing jointly (\$95,000 for single taxpayers). Married individuals filing jointly with MAGI exceeding \$220,000 may not fund a Coverdell ESA. The MAGI limits apply only to Depositors that are individuals.

If the Depositor is married filing jointly with MAGI between \$190,000 and \$220,000, the maximum Coverdell ESA contribution is determined as follows: (1) subtract the Depositor's MAGI from \$220,000, (2) divide the difference by \$30,000, and (3) multiply the result in step (2) by \$2,000. For example, if the Depositor's MAGI is \$205,000 the maximum Coverdell ESA contribution that may be made by such Depositor is \$1,000. This amount is determined as follows: [(\$220,000 minus \$205,000) divided by \$30,000] multiplied by \$2,000.

If the Depositor is a single tax filer with MAGI between \$95,000 and \$110,000 the maximum Coverdell ESA contribution is determined as follows (1) subtract the Depositor's MAGI from \$110,000, (2) divide the difference by \$15,000, and (3) multiply the result in step (2) by \$2,000. For example, if the Depositor's MAGI is \$98,000 the maximum Coverdell ESA contribution that may be made by such Depositor is \$1,600. This amount is determined as follows: [(\$110,000 minus \$98,000) divided by \$15,000] multiplied by \$2,000.

The Coverdell ESA contribution that may be made by a Depositor is not limited by contributions made by the Depositor to Traditional or Roth IRAs. In addition, there is no earned income requirement to be eligible to contribute to a Coverdell ESA. There is no requirement that the Depositor be related to the Designated Beneficiary in order to make contributions. In addition, the Designated Beneficiary may contribute to his or her own Coverdell ESA.

- C. ELIGIBLE CUSTODIANS – The Custodian of the Coverdell ESA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- D. COMMINGLING ASSETS – The assets of the Coverdell ESA cannot be commingled with other property except in a common trust fund or common investment fund.
- E. LIFE INSURANCE – No portion of the Coverdell ESA may be invested in life insurance contracts.
- F. COLLECTIBLES – The assets of the Coverdell ESA may not be invested in collectibles (within the meaning of Code section 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 Code section 408(m)(3) are also permitted as Coverdell ESA investments.

- G. **REQUIRED DISTRIBUTIONS** – Except in the case of a special needs beneficiary, the assets of the Coverdell ESA are required to be distributed to the Designated Beneficiary within 30 days of the Designated Beneficiary’s attainment of age 30. The Designated Beneficiary will be subject to both income tax and an additional 10 percent tax on the portion of the distribution that represent earnings, if the Designated Beneficiary does not have any qualified education expenses in that year.

Any balance remaining in the Coverdell ESA upon the death of the Designated Beneficiary shall be distributed within 30 days of the Designated Beneficiary’s death, unless a death beneficiary is named and the death beneficiary is a qualified family member under age 30. If the death beneficiary is a qualified family member under age 30, that individual will become the Designated Beneficiary as of the date of death.

- H. **RESPONSIBLE INDIVIDUAL** – The responsible individual is generally the parent or guardian of the Designated Beneficiary. However, the financial organization may establish a policy that permits someone other than the Designated Beneficiary’s parent or legal guardian to serve as the Responsible Individual. Unless otherwise indicated on the Application, the Responsible Individual may not change the Designated Beneficiary. If the Depositor has indicated on the Application that the Responsible Individual may change the Designated Beneficiary, the Responsible Individual may change the Designated Beneficiary to another member of the Designated Beneficiary’s family. The Responsible Individual shall perform the following duties.
1. Receive a copy of the plan agreement and disclosure statement.
 2. Direct the Custodian regarding the investment of contributions, including the ability to redirect the investment of the initial contribution.
 3. Direct the Custodian regarding the administration, management and distribution of the account, unless the plan agreement indicates otherwise.
 4. Name a successor responsible individual if the need arises
 5. Notify the Custodian of any address change for the individuals identified on the plan agreement.
 6. Remove excess contributions made to the Coverdell ESA.

INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

- A. **CONTRIBUTIONS NOT DEDUCTED** –No deduction is allowed for Coverdell ESA contributions, including transfer and rollover contributions.
- B. **TAX-DEFERRED EARNINGS** –The investment earnings of the Coverdell ESA are not subject to federal income tax as they accumulate in the Coverdell ESA. In addition, distributions of the Coverdell ESA earnings will be free from federal income tax if the distributions are taken to pay for qualified education expenses, as discussed below.
- C. **TAXATION OF DISTRIBUTIONS** – The taxation of distributions from the Coverdell ESA depends on whether or not distributions are used for qualified education expenses.

1. **Qualified Education Expenses** – The Designated Beneficiary may take tax-free distributions from a Coverdell ESA to pay for elementary, secondary or post-secondary education expenses at an eligible education institution. Such expenses include tuition, fees, books, supplies, special needs services, room and board, uniforms, transportation, academic tutoring and supplementary items or services (including extended day programs). Also qualifying are expenses for the purchase of computer technology or equipment, Internet access and related services, if such technology, equipment or services are to be used by the Designated Beneficiary or Designated Beneficiary’s family during any of the years the Designated Beneficiary is in school. Qualified expenses may also include amounts contributed to a qualified tuition program.

2. **Nonqualifying Distributions** – If a Designated Beneficiary withdraws amounts from a Coverdell ESA which exceed the qualified education expenses for the same year, or the distributions are not used for qualified education expenses, a portion of the distributions will be taxable. The amount in excess of the qualified education expenses is taxable pro rata, based on the earnings and the basis in the account.

In most cases of a nonqualified distribution, the taxable portion of a Coverdell ESA distribution is also subject to an additional 10 percent tax. There are several exceptions to the 10 percent including distribution made payable

- a. to a designated death beneficiary of the Coverdell ESA or to the estate of the Designated Beneficiary following the death of the Designated Beneficiary;
- b. to the Designated Beneficiary if the Designated Beneficiary is disabled;
- c. to the Designated Beneficiary if the Designated Beneficiary received a qualified scholarship, and educational assistance allowance or an excludable payment exception, but only to the extent the distribution is not more than the amount of the scholarship, allowance or excludable payment, and
- d. to the Designated Beneficiary as a removal of excess along with the net income attributable.

3. **Hope or Lifetime Learning Credits** – A Designated Beneficiary may claim the Hope Credit or the Lifetime Learning Credit on his or her federal income tax return in the same taxable year that a tax-free distribution from a Coverdell ESA is claimed, as long as the distribution(s) does not cover the same expenses claimed for the Hope Credit or Lifetime Learning Credit.

- D. **ROLLOVERS** – Coverdell ESA amounts may be rolled over to another Coverdell ESA of the same Designated Beneficiary or that of a qualified family member, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash to a Coverdell ESA from another Coverdell ESA. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Coverdell ESA to Coverdell ESA Rollovers** – Funds distributed from a Coverdell ESA may be rolled over to another Coverdell ESA of the same Designated Beneficiary or that of a qualifying family member if the requirements of IRC Sec. 530(d)(5) are met. A proper Coverdell ESA to Coverdell ESA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. The Responsible Individual may not have completed another rollover from the distributing Coverdell ESA during the 12 months preceding the date the distribution was received. Further, the Responsible Individual may rollover the same dollars or assets only once every 12 months.
2. **Qualified Family Member**– A Coverdell ESA may be rolled to another Coverdell ESA of the same Designated Beneficiary or to a Coverdell ESA maintained for the benefit of a qualified family member of the Designated Beneficiary, who is under the age of 30. The age 30 limitation does not apply to qualified family members who are special needs beneficiaries. Qualified family members of the Designated Beneficiary include the Designated Beneficiary’s spouse, child, grandchild, sister, brother, parent, niece, or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law and the spouse of any such individual. A first cousin of the Designated Beneficiary, but not his or her spouse is also considered a qualified family member.

3. **Rollover of Military Death Benefits** – If you receive or have received a military death gratuity or a payment from the Servicemembers' Group Life Insurance (SGLI) program, you may be able to roll over the proceeds to your Coverdell ESA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Roth IRA. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in the Coverdell ESA.

- E. **CARRYBACK CONTRIBUTIONS** – A contribution is deemed to have been made on the last day of the preceding taxable year if it is made by the deadline for filing the Depositor's income tax return (not including extensions), and the Depositor designates that contribution as a contribution for the preceding taxable year. For example, if the Depositor is a calendar year filer and makes a Coverdell ESA contribution on or before April 15, the contribution is considered to have been made for the previous tax year if the Depositor designates it as such.

LIMITATION AND RESTRICTIONS

- A. **PROHIBITED TRANSACTIONS** – If the Responsible Individual engages in a prohibited transaction with the Coverdell ESA as described in IRC Sec 4975, the Coverdell ESA will lose its tax-exempt status, and the Designated Beneficiary must generally include the value of earnings in his or her account in his or her gross income for the year.
- B. **PLEDGING** – If the Responsible Individual pledges any portion of the Coverdell ESA as collateral for a loan, the amount so pledged will be treated as a distribution, and will may be included in the Designated Beneficiary's gross income for that year to the extent that it represents earnings.
- C. **ESTATE AND GIFT TAX** – Transfers of Coverdell ESA assets to a death designated beneficiary made during the Designated Beneficiary's life and at his or her request or because of the Designated Beneficiary's failure to instruct otherwise, may be subject to federal gift tax under IRC Sec 2501 if made after October 22, 1986.
- D. **INCOME TAX TREATMENT** – Any withdrawal from the Coverdell ESA is not subject to federal income tax withholding.

FEDERAL TAX PENALTIES

- A. **EXCESS CONTRIBUTION PENALTY** – An excise tax of 6 percent is imposed upon any excess contribution made to a Coverdell ESA. This tax will apply each year in which an excess remains in the Coverdell ESA. An excess contribution is any contribution amount which exceeds the contribution limit, excluding rollover and direct transfer amounts. The contribution limit is \$2,000 per Designated Beneficiary per year. The contribution limit may be further limited by the Depositor's MAGI as discussed previously. The Excess contribution should be removed by the Responsible Individual and made payable to the Designated Beneficiary.
- B. **PENALTY REPORTING** – The Designated Beneficiary must file Form 5329 with the IRS to report and remit any penalties for excise taxes.

OTHER

- A. **IRS PLAN APPROVAL** – The agreement used to establish this Coverdell ESA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **ADDITIONAL INFORMATION** – You may obtain further information on Coverdell ESAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 970, Tax Benefits For Higher Education, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the internet.
- C. **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** – To help 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. What this means to you: When you open an account, 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.