

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 (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)		
HOW DID YOU LEARN ABOUT PERELMAN-CARLEY?						TAX STATUS (% Bracket) _____		
ESTIMATED LIQUID NET WORTH				ESTIMATED NET WORTH				
< \$50,000				< \$50,000				
\$50,000 - \$150,000				\$50,000 - \$150,000				
\$150,000-250,000				\$150,000-250,000				
>\$250,000				>\$250,000				
ESTIMATED ANNUAL INCOME				ESTIMATED ANNUAL INCOME				
< \$50,000				< \$50,000				
\$50,000 - \$150,000				\$50,000 - \$150,000				
\$150,000-250,000				\$150,000-250,000				
>\$250,000				>\$250,000				
TYPE OF ACCOUNT								
CASH _____		MARGIN _____		OPTION _____				
<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.								
** 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

ROTH INDIVIDUAL RETIREMENT ACCOUNT APPLICATION

ROTH IRA HOLDER'S NAME AND ADDRESS			ROTH IRA ACCOUNT NUMBER			
			CONTRIBUTION DATE*			
			* If applicable			
SOCIAL SECURITY #	DATE OF BIRTH	PHONE #	CONTRIBUTION AMOUNT*			
			* If applicable			
CONTRIBUTION TYPE			CONTRIBUTION FOR TAX YEAR**			
<input type="checkbox"/> Regular or Spousal <input type="checkbox"/> Conversion <input type="checkbox"/> Transfer from Roth IRA <input type="checkbox"/> Recharacterization <input type="checkbox"/> Rollover from Roth IRA			** Only applicable for regular and spousal contributions			
DESIGNATION OF BENEFICIARIES						
The following individual(s) or entity shall be my primary and/or contingent beneficiary(ies). If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the Roth IRA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. If any primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If no primary beneficiary(ies) survive me, the contingent beneficiary(ies) shall acquire the designated share of my Roth IRA.						
No.	Name and Address	Social Security #	Date of Birth	Relationship	Type	Share %
1.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
2.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
3.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
4.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
5.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
SPOUSAL CONSENT			SIGNATURE AND DATE			
This section should be reviewed if either the trust or the residence of the Roth IRA holder is located in a community or marital property state and the Roth IRA holder is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal advisor.			I understand the eligibility requirements for the type of Roth IRA deposit I am making and I state that I do qualify to make that deposit. I have received a copy of the Application, Form 5305-RA (Plan Agreement), Financial Disclosure and Disclosure Statement. I understand that the terms and conditions which apply to this Roth Individual Retirement Account are contained in this Application and the Plan Agreement. I agree to be bound by those terms and conditions. Within seven days from the date I open this Roth IRA, I may revoke it without penalty by mailing or delivering a written notice to Perelman-Carley.			
<p style="text-align: center;">CURRENT MARITAL STATUS</p> <input type="checkbox"/> I Am Not Married - I understand that if I become married in the future, I must complete a new IRA Designation of Beneficiary form. <input type="checkbox"/> I Am Married - I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.						
I am the spouse of the above-named Roth IRA holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this Roth IRA, I have been advised to see a tax professional.			I assume complete responsibility for: 1. Determining that I am eligible for an Roth IRA each year I make a contribution. 2. Insuring that all contributions I make are within the limits set forth by the tax laws. 3. The tax consequences of any contribution (including rollover contributions and conversions) and distributions.			
I hereby give the Roth IRA holder any interest I have in the funds or property deposited in this Roth IRA and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by Perelman-Carley.						
Signature of Spouse		Date	Witness		Date	
Signature of Witness		Date	Perelman-Carley Representative		Date	

ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT

Form 5305-RA Under Section 408A of the Internal Revenue Code.

FORM (REV. MARCH 2002)

The depositor whose name appears on the Application is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian 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 408A(e), a recharacterized contribution described in section 408(A)(d)(6), or an IRA Conversion Contribution, 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

1. The annual contribution limit described in Article I is gradually reduce to \$0 for higher income levels. For a single depositor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married depositor filing jointly, between AGI of \$150,000 and \$160,000; and for a married depositor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the custodian will not accept IRA Conversion Contributions in a tax year if the depositor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the depositor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(e) and does not include IRA Conversion Contributions.
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

ARTICLE III

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

ARTICLE IV

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

ARTICLE V

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

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

9-1 *Definitions:* In this part of this Agreement (Article IX) the words “you” and “your” mean the depositor and the words “we,” “us” and “our” mean Perelman-Carley & Associates, Inc. and “Code” means the Internal Revenue Code, and “Regulations” means the Treasury Regulations.

9-2 *Notices and Change of Address:* Any required notice regarding this Roth IRA 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. You must notify us of any change of address.

9-3 *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, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no actions until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall 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 shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings or this Agreement. We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in fact, executor, administrator, investment manager), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We shall not be responsible for losses of any kind that may result from directions, actions or failures to act by your authorized agent. You will have sixty (60) days after you receive any documents, statements or other information. If you do not notify us within 60 days, the documents, statements or other information shall be deemed correct and accurate, and we shall 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 shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to Roth IRAs. 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.

9-4 *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 Roth 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 Roth IRA. We may charge you separately for any fees or expenses or we may deduct the amount of fees or expenses from the assets in your Roth IRA at our discretion. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

9-5 *Investment of Amounts in the Roth IRA:* You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which 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 beneficiary(ies) shall have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 9-3 of this article). We shall have no discretions to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth 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 Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any invested amounts in cash, and we shall 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 type of investment for your Roth IRA 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 Roth IRAs.

9-6 *Beneficiaries:* If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your Roth IRA. 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 your lifetime. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary shall 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) shall acquire the designated share of your Roth IRA. If you do not designate a beneficiary, or if all of your primary and contingent beneficiary(ies) predecease you, your estate will be the beneficiary.

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

We may allow, if permitted by state law, an original Roth IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited Roth IRA at the time of your death) to name a successor beneficiary(ies) for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's(ies') lifetime. Unless otherwise specified, each beneficiary designation form that the original Roth IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original Roth IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original Roth IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

9-7 *Termination of Agreement, Resignation, or Removal of Custodian:* Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we mail the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA trustee or custodian that we choose in our sole discretion or we may pay your Roth IRA to you 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 you may incur that result from the transfer or distribution of your assets pursuant to this section.

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

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

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 you, require you to substitute another custodian.

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

9-8 *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 which includes your Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your traditional IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.

9-9 *Amendments:* We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.

9-10 *Withdrawals or Transfers:* 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 or surrender charges and withholding requirements.

You are not required to take a distribution from your Roth IRA at age 70 ½. At your death, however, your beneficiary(ies) must begin taking distributions in accordance with Article V and Section 9.06 of this Agreement. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

9-11 *Transfers from Other Plans:* We can receive amounts transferred to this Roth IRA from the trustee or custodian of another Roth IRA as permitted by the Code. We reserve the right not to accept any transfer or direct rollover.

9-12 *Liquidation of Assets:* We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide in our complete and sole discretion and you agree not to hold us liable for any adverse consequences that result from our decision.

9-13 *Restrictions on the Fund:* Neither you nor any beneficiary may sell, transfer or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in your Roth IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

9-14 *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 your 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 your right or our 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-RA is a model custodial account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

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

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59 ½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see **Pub. 590, Individual Retirement Arrangements (IRAs)**.

DEFINITIONS

IRA Conversion Contributions: IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a non-Roth IRA to a Roth IRA. A non-Roth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

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

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

SPECIFIC INSTRUCTIONS

Article I: The depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The depositor should see the disclosure statement or Pub. 590 for more information.

Article V: This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph 3 of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

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

FINANCIAL DISCLOSURE STATEMENT

(For Self-Directed Roth Individual Retirement 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 60, 65 or 70 ½ 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 has established the following fee schedule for its Roth IRAs.

Account set-up fee:	\$25.00
Annual maintenance fee:	None
Minimum balance:	None
Conversion fee:	\$40.00
Recharacterization fee:	\$25.00
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 Roth IRA itself. If, however, payment is not made separately, the fees will be automatically charged to your account, or as directed by you in writing, charged against another account over which you have 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 Roth IRA, 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 Roth IRA and any reasonable expenses incurred by Perelman-Carley in the management of your account under the Roth IRA together with any fees referred to above, shall be paid by you, or if not timely paid, will be charged against your account, or as directed by you in writing, charged against another account over which you have investment authority.

DISCLOSURE STATEMENT

(For Self-Directed Roth Individual Retirement Account)

This Disclosure Statement provides you with information in non-technical language regarding the requirements and the responsibilities that you must assume in order to obtain the tax benefits of a Roth Individual Retirement Account (Roth IRA). Please read it carefully. The governing instruments for your Perelman-Carley Roth IRA are specific laws and the Roth IRA Agreement (See Roth Individual Retirement Custodial Account). We will be happy to respond to your questions, but we cannot serve as your legal counsel or tax adviser. You should consult your own professional tax adviser when your questions will require the application of Roth IRA law to your particular circumstances.

RIGHT TO REVOKE YOUR IRA

If you receive this Disclosure Statement at the time you establish your Roth IRA, you have the right to revoke your IRA within seven (7) days of its establishment. 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 of market value. You may make this revocation only by mailing or delivering a written notice to the Custodian at the address listed on the Application.

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

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

REQUIREMENTS OF AN ROTH IRA

- A. **CASH CONTRIBUTIONS** – Your contributions must be in cash, unless it is a rollover contribution.
- B. **MAXIMUM CONTRIBUTION** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3000 for years 2002-2004, \$4000 for years 2005-2007, and \$5000 for 2008, with possible cost of living adjustments in years 2009 and thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contributions to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$150,000 if you are a married individual filing a joint income tax return, or equals or exceeds \$95,000, if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$160,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$110,000 may not fund a Roth

IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2006.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$155,000, your maximum Roth IRA contribution for 2002 is \$1,500. This amount is determined as follows: $((\$160,000 \text{ minus } \$155,000) \text{ divided by } \$10,000) \text{ multiplied by } \$3,000$.

If you are single and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$98,000, your maximum Roth IRA contribution for 2002 is \$2400. This amount is determined as follows: $((\$110,000 \text{ minus } \$98,000) \text{ divided by } \$15,000) \text{ multiplied by } \$3,000$.

- C. CONTRIBUTION ELIGIBILITY – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.
- D. CATCH-UP CONTRIBUTIONS – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is \$500 for years 2002-2005 and \$1000 for years 2006 and beyond.
- E. CATCH-UP CONTRIBUTIONS ALLOWED IN CERTAIN EMPLOYER BANKRUPTCIES – You may be eligible to contribute an additional catch-up contribution of up to \$3,000 each year in 2006 through 2009. To be eligible, the following conditions must be met: 1) you were a participant in a 401k plan in which the employer matched at least 50% of your contributions to the plan with employer stock, 2) the employer must have been a debtor in a bankruptcy case in an earlier year and must have been indicted or convicted as a result of the events leading up to the bankruptcy, and 3) you must have been a participant in the 401k plan at least six months before the bankruptcy case was filed. If you choose to make these special catch-up contributions, you will not be eligible for the normal catch-up contributions for individuals age 50 and older.
- F. NONFORFEITABILITY – Your interest in your Roth IRA is nonforfeitable.
- G. ELIGIBLE CUSTODIANS – The Custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- H. COMMINGLING ASSETS – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- I. LIFE INSURANCE – No portion of your Roth IRA may be invested in life insurance contracts.
- J. COLLECTIBLES – You may not invest the assets of your Roth IRA 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 Roth IRA investments.
- K. BENEFICIARY PAYMENTS - Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death who remains your beneficiary(ies) as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your beneficiary(ies), either
1. be distributed by December 31 of the year containing the fifth anniversary of your death, or
 2. be distributed over the remaining life expectancy of your designated beneficiary(ies).
- If your spouse is your sole beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70 ½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) 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 (ii). In the case of distributions under option (ii), 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 70 ½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.
- A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.
- L. WAIVER OF 2009 BENEFICIARY PAYMENT – No beneficiary life expectancy payments are required from an inherited Roth IRA for calendar year 2009. If the five year rule applies to a Roth IRA with respect to any decedent, the five year period is determined without regard to calendar year 2009. For example, if a Roth IRA owner died in 2007, the beneficiary's five year period ends in 2013 instead of 2012.

INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

- A. CONTRIBUTIONS NOT DEDUCTED – No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.
- B. CONTRIBUTION DEADLINE – The deadline for making an IRA contribution is your tax return date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your Roth IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.
- C. TAX CREDIT FOR CONTRIBUTIONS – For taxable years beginning on or after January 1, 2002, and ending on or before December 31, 2006, you may be eligible to receive a tax credit for your Traditional or Roth IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1000 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 or Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2000.

Adjusted Gross Income*			
Joint Return	Head of a Household	All Other Cases	Applicable Percentage
\$1 – 30,000	\$1 – 22,500	\$1 – 15,000	50
30,001 – 32,500	22,500 – 24,375	15,001 – 16,250	20
32,501 – 50,000	24,376 – 37,500	16,251 – 25,000	10
Over 50,000	Over 37,500	Over 25,000	0

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

- D. D. TAX DEFERRED EARNINGS – The investment earning of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution as described below.
- E. TAXATION OF DISTRIBUTIONS – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.
 - 1. **Qualified Distributions** – Qualified distributions from your Roth IRA (both the contributions and the earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:
 - Attainment of age 59 ½
 - Disability
 - The purchase of a first home, or
 - Death

For example, if you made a contribution to your Roth IRA for 1998, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2003.
 - 2. **Nonqualified Distributions** – If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59 ½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These “ordering rules” are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.
- F. REQUIRED MINIMUM DISTRIBUTIONS - You are not required to take distributions from your Roth IRA at age 70 ½ (as required for Traditional and SIMPLE IRAs). However, your beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this Disclosure Statement regarding beneficiary’s(ies’) required minimum distributions.
- G. ROLLOVERS AND CONVERSIONS – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, and may receive conversion contributions provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRA. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. 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. **Roth IRA to Roth IRA Rollovers** – Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Roth IRA to Roth IRA rollover from the distributing Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).
 - 2. **Traditional IRA to Roth IRA Conversions** – If your modified adjusted gross income is not more than \$100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70 ½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall 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 is generally included in income, the 10 percent early distribution penalty shall 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.
 - 3. **Simple IRA to Roth IRA Conversions** – If your modified adjusted gross income is not more than \$100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing savings incentive match plan for employees of small employers (SIMPLE) IRAs into your Roth IRAs, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70 ½ or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
 - 4. **Rollovers of Roth Elective Deferrals** – Roth elective deferrals distributed from a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity may be rolled into your Roth IRA

5. **Rollovers from Employer-Sponsored Retirement Plans** – Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan after December 31, 2007 may be rolled over to your Roth IRA. Roth IRA conversion rules, as described above, will apply, including the requirement to include the taxable portion in income in the year distributed.
 6. **Beneficiary Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals** – If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k) or 403(b) plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals, and their earnings, to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
 7. **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 Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. 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 your Roth IRA.
 8. **Qualified HSA Funding Distribution** - If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free 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*.
 9. **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 Roth IRA by the later of 180 days after receipt of such amount, or June 21, 2009. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.
 10. **Rollover 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 tax 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 IRA website at www.irs.gov.
 11. **Written Election** – At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to us, your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.
- H. **TRANSFER DUE TO DIVORCE** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. Transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- I. **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 the 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. **SPOUSAL ROTH IRA** – If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002 – 2004, \$8,000 for 2005 – 2007, and \$10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution for to your spouse's Roth IRA. The maximum additional contribution is \$500 for years 2002 – 2005, and \$1,000 for years 2006 and beyond.

- B. **GIFT TAX** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- C. **SPECIAL TAX TREATMENT** – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.
- D. **INCOME TAX TREATMENT** – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- E. **CHARITABLE DISTRIBUTIONS** - If you are age 70 ½ or older, you may make tax-free distributions of up to \$100,000 per year directly from your Roth IRA to certain charitable organizations. Special tax rules may apply. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS. This provision applies to distributions during tax years 2006 and 2007.
- F. **PROHIBITED TRANSACTIONS** - If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred status, and you must generally include the value of earnings in your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal use (present or future) with Roth IRA funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.
- G. **PLEDGING** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** – If you are under age 59 ½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59 ½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), or 10) a levy issued by the IRS, or 11) active military duty (see Qualified Reservist Distributions, below).
- B. **EXCESS CONTRIBUTION PENALTY** – An additional tax of six percent is imposed upon any excess contribution you make to your Roth IRA. This additional tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute.
- C. **EXCESS ACCUMULATION PENALTY** – As previously described, your beneficiary(ies) is generally required to take certain minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.
- D. **PENALTY REPORTING** – You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

OTHER

- A. **IRS PLAN APPROVAL** – The agreement used to establish this Roth IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **ADDITIONAL INFORMATION** – You may obtain further information on Roth IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or by visiting www.irs.gov 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. 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.
- D. **HURRICANE-RELATED RELIEF** – If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita, or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your Roth IRA. Qualified distributions include Roth IRA distributions made on or after specified dates for each hurricane and before January 1, 2007 to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita, and Wilma*.
 - 1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.
 - 2. **Taxation May be Spread Over Three Years** – If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
 - 3. **Repayment of Qualified Hurricane Distributions** – You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.

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

- E. **QUALIFIED RESERVIST DISTRIBUTIONS** – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your Roth IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.
- F. **CHARITABLE DISTRIBUTIONS** – If you are age 70 ½ or older, you may make tax-free distributions of up to \$100,000 per year directly from your Roth IRA to certain charitable organizations. Special tax rules may apply. This provision applies to distributions during tax years 2008 and 2009, or until such later time as extended by Congress. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.
- G. **HEARTLAND DISASTER RELATED TAX RELIEF** - If you are an individual who has sustained an economic loss due to, or are otherwise considered affected by, the severe storms, tornadoes and flooding that occurred in the Midwestern disaster area, you may be eligible for favorable tax treatment on distributions and rollovers from your Roth IRA. Qualified disaster recovery assistance distributions include Roth IRA distributions made on or after specified dates for each disaster, and before January 1, 2010 to a qualified individual. For more information on this tax relief, refer to IRA publication 4492-B, *Information for Affected Taxpayers in the Midwestern Disaster Area*.
 - a. **10 Percent Penalty Exception on Qualified Distributions** – Qualified disaster recovery assistance distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first \$100,000 of qualified distributions to each individual.
 - b. **Taxation May be Spread Over Three Years** - If you received qualified disaster recovery assistance distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.
 - c. **Repayment of Qualified Disaster Recovery Assistance Distributions** – You may roll over qualified disaster recovery assistance distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60 day rollover rule does not apply to these distributions.