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I. Primary Applicant Information				
First Name		MI	Last Name	
Address 1				
Address 2				
City		State	Zip	Email
Home Phone	Work/Cell		Date of Birth	Social Security#

II. Plan Sponsor/Company Information		
Company Name	Tax ID	Contact Name/Title
Co Address		
City		State
Phone		Fax
		Email

III. Eligibility Options – Article I
<p>1. <b>General Eligibility Requirements.</b> The Employer agrees to permit salary reduction contributions to be made to each calendar year to the SIMPLE individual retirement account of annuity established at the designated financial institution (SIMPLE IRA) for each employee who meets the following requirements (select either 1a or 1b):</p> <p>(a) <input checked="" type="checkbox"/> Full Eligibility. All employees are eligible.</p> <p>(b) <input checked="" type="checkbox"/> Limited Eligibility. Eligibility is limited to employees who are described in both (i) and (ii) below:</p> <p style="margin-left: 40px;">i. Current compensation. Employees who are reasonably expected to receive at least \$ _____ in compensation (not to exceed \$5,000) for calendar year.</p> <p style="margin-left: 40px;">ii. Prior compensation. Employees who have received at least \$ _____ in compensation (not to exceed \$5,000) during any calendar _____ year(s) (insert 0, 1, or 2) preceding the calendar year.</p> <p>2. <input checked="" type="checkbox"/> Excludable Employees          The Employer elects to exclude employees covered under a collective bargaining agreement for which retirement benefits were the subject of good faith bargaining. Note: <i>This box is deemed checked if the Employer maintains a qualified plan covering only such employees.</i></p>

IV. Timing of Salary Reductions – Article II
<p>1. (Standard) For a calendar year, an eligible employee may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which the employee becomes eligible to make salary reduction contributions, the period during which the employee may make or modify the election is a 60-day period that includes either the date the employee becomes eligible or the day before.</p> <p>2. (Optional) Eligible employees may make additional salary reduction elections or modify prior elections (check one):  <input checked="" type="checkbox"/> Semi-annually <input checked="" type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Monthly <input checked="" type="checkbox"/> Daily  <i>This option, will apply uniformly to all eligible employees.</i></p> <p>3. (Standard) No salary reduction election may apply to compensation that an employee received, or had a right to immediately receive, before execution of the salary reduction election.</p> <p>4. <input checked="" type="checkbox"/> (Optional) An employee may terminate a salary reduction election at any time during the calendar year. If this box is checked, an employee who terminates a salary reduction election may not resume salary reduction contributions during the calendar year.</p>

V. Contributions – Article III
<p>1. <b>Salary Reduction Contributions.</b> The amount by which the employee agrees to reduce his or her compensation will be contributed by the Employer to the employee's SIMPLE IRA.</p> <p>2. <b>Matching Contributions.</b> For each calendar year, the Employer will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year.</p> <p>2.1. The Employer may reduce the 3% limit for the calendar year in (i) only if:</p> <p style="margin-left: 40px;">a) The limit is not reduced below 1%;</p> <p style="margin-left: 40px;">b) The limit is not reduced for more than 2 calendar years during the 5-year period ending with the calendar year the reduction is effective; and</p> <p style="margin-left: 40px;">c) Each employee is notified of the reduced limit within a reasonable period of time before the employees' 60-day election period for the calendar year.</p>

**3. Nonelective Contributions.**

3.1. For any calendar year, instead of making matching contributions, the Employer may make nonelective contributions equal to 2% of compensation for the calendar year to the SIMPLE IRA of each eligible employee who has at least \$\_\_\_\_\_ (not more than \$5,000) in compensation for the calendar year. No more than \$230,000 in compensation can be taken into account in determining the nonelective contribution for each eligible employee.

3.2. For any calendar year, the Employer may make 2% nonelective contributions instead of matching contributions only if:

- a) Each eligible employee is notified that a 2% nonelective contribution will be made instead of a matching contribution; and
- b) This notification is provided within a reasonable period of time before the employees' 60-day election period for the calendar year.

**4. Time and Manner of Contributions.**

4.1. The Employer will make the salary reduction contributions (described above) to the designated financial institution for the IRAs established under this SIMPLE IRA plan no later than 30 days after the end of the month in which the money is withheld from the employee's pay.

4.2. The Employer will make the matching or nonelective contributions (described above) to the designated financial institution for the IRAs established under this SIMPLE IRA plan no later than the due date for filing the Employer's tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made.

**VI. Other Requirements and Provisions Article IV (General Information)**

1. Contributions in General. The Employer will make no contributions to the SIMPLE IRAs other than salary reduction contributions and or matching contributions
2. Vesting Requirements. All contributions made under this SIMPLE IRA plan are fully vested and nonforfeitable.
3. No Withdrawal Restrictions. The Employer may not require the employee to retain any portion of the contributions in his or her SIMPLE IRA or otherwise impose any withdrawal restrictions.
4. No Cost Or Penalty For Transfers. The Employer will not impose any cost or penalty on a participant for the transfer of the participant's SIMPLE IRA balance to another IRA.
5. Amendments To This SIMPLE IRA Plan. This SIMPLE IRA plan may not be amended except to modify the entries inserted in the blanks or boxes provided in Articles I, II, III, VI, and VII.
6. Effects Of Withdrawals and Rollovers
  - 6.1. An amount withdrawn from the SIMPLE IRA is generally includible in gross income. However, a SIMPLE IRA balance may be rolled over or transferred on a tax-free basis to another IRA designed solely to hold funds under a SIMPLE IRA plan. In addition, an individual may roll over or transfer his or her SIMPLE IRA balance to any IRA or eligible retirement plan after a 2-year period has expired since the individual first participated in any SIMPLE IRA plan of the Employer. Any rollover or transfer must comply with the requirements of section 408.
  - 6.2. If an individual withdraws an amount from a SIMPLE IRA during the 2-year period beginning when the individual first participated in any SIMPLE IRA plan of the Employer and the amount is subject to the additional tax on early distributions under section 72(t), this additional tax is increased from 10% to 25%.

**VII. Fees Schedule**

Qty	Fee	Amount	Total
	Plan Setup	\$250.00	
	Annual Administration Fee Per Employee: <\$25K in asset value	\$99.00	
	Annual Administration Fee Per Employee: >\$25K in asset value	\$225.00	
<i>Note: Other fees may apply. Refer to fee schedule.</i>		<b>Total</b>	

**Credit Card Payment**

\_\_\_\_\_ (Name on Card) \_\_\_\_\_ (Card Number) \_\_\_\_\_ (Expiration Date)

Amount To Be Charged On This Card: \$ \_\_\_\_\_ Check Card Type: [ ] Visa [ ] MasterCard [ ] American Ex.

I hereby authorize the above stated amount to be charged to my above listed card for the above listed services.

\_\_\_\_\_ (Signature)

## VIII. Appointment of Custodian and Third Party Administrator

I hereby appoint American Estate & Trust, LC to act as the Custodian and Designated Financial Institution (DFI) of my account (“Custodian”) and NAFEP to act as the Third-Party Administrator of my account (“TPA” or “Administrator”). This Account Application and Custodial Account Agreement (collectively the “Agreement”) comprise my total agreement, and govern all aspects of my relationship, with the Custodian and the TPA. I acknowledge and agree that the TPA is independent of the Custodian and is not empowered or authorized to obligate or bind the Custodian. Additionally, nothing in this Agreement shall be construed to render the TPA an employee, partner, agent of, or joint venturer with, the Custodian. The Custodian shall not be responsible or liable under any circumstances for any representations or statements made by the TPA.

## IX. Order Agreement

### Privacy Notice

The Custodian and TPA value your privacy. Nonpublic information collected from you will be protected. Personal information submitted to the Custodian or TPA for the creation of a custodial account is protected by professional ethics and fiduciary rules and by this privacy policy. Client information is not disseminated to anyone outside the Custodian’s or TPA’s home offices or to any party which is not legally related to the Custodian or TPA, and in any case, no unauthorized party will receive your information except as is necessary in the normal course of filling your order. Under federal law we may share information with certain providers that process and/or service your account but only when such providers have agreed to uphold the Custodian’s and TPA’s privacy policy. No client information is online or otherwise available to any party outside of the Custodian or TPA. No client information is sold, rented, or traded. Current and past client information may be obtained from the Custodian or TPA only by: the respective client, a proper court order, or a proper governmental demand. Access to your non-public personal information is restricted to employees on a need-to-know basis. The Custodian and TPA maintain physical, electronic, and procedural guidelines that comply with federal standards to guard your non-public personal information. The Custodian and TPA reserve the right to amend this privacy notice as required. You will be notified in advance of any modifications.

### Legal and Tax Advice

I expressly acknowledge and agree that federal, state and local laws and regulations with respect to retirement plans may be modified or amended from time to time and thereby affect the legal or tax status of my account and/or the operation of it. By signing this Agreement, I declare that I, with or without assistance from my own independent advisors, will assume sole responsibility for all legal and tax consequences arising from my account transactions, including all contributions, investments, and distributions and that I have sole responsibility for ensuring my actions will comply with all laws, regulations and guidelines. I declare that I am authorized to establish this account and to make investment decisions therein. I also declare that the Custodian and TPA have not, and will not, provide legal or tax advice, representations, guarantees or warranties with respect to the applicability of laws, regulations or guidelines to my particular situation. I further acknowledge and agree that the Custodian and TPA are not responsible for any legal, accounting, financial, tax, investment, actuarial or any other such professional services and/or advice rendered to me by any other persons or entities and that the Custodian and TPA do not provide and have not provided legal, accounting, financial, tax, investment or actuarial advice or opinions on any specific facts or circumstances of mine. Although the Custodian’s and/or TPA’s employees may discuss generically the rules pertaining to retirement plans, and certain publications and materials may be provided on some topics, such is provided for general informational, illustrative and educational purposes only. If professional assistance is required, I am advised to seek the services of a competent professional. It is my sole responsibility to use independent counsel to verify any representations, claims, or discussions made by the Custodian and/or TPA and to determine for me the appropriateness and proper ongoing operation of my retirement plan account.

### UBIT and UDFI

I understand that if my retirement funds are invested in certain assets, there could be special tax consequences. UBIT (Unrelated Business Income Tax) applies to IRA/401(k)/Pension/SIMPLE investments in active businesses. For example, if I invest my account in a limited partnership that incurs taxable active income for its partners, then the allocation of income that passes through to my account would be subject to UBIT (which is taxed at trust tax rates – currently less favorable than corporate rates). There are exemptions from UBIT for certain passive investments such as dividends, royalties, interest, and real property rent. Thus, if my account invested in a C-corporation that issued dividends to its stockholders, my account would not have to pay UBIT on those dividends (because the corporation is already paying its taxes at the entity level). I also understand that my account is expected to invest in long-term passive investments for my retirement and cannot run a business itself, so there could be problems if my account is too active in its activities (such as flipping houses). Active enterprises need to be run in an entity outside the plan. UDFI (Unrelated Debt-Financed Income) applies to passive investments that utilize debt financing. For example, if my account purchases tax lien certificates and borrows 50% of the purchase price, then approximately half of my account’s first year’s revenues would be subject to UDFI taxation. As the debt is paid down, the UDFI fraction is reduced. Qualified plans may be exempt from UDFI if the debt is used to purchase real property. I understand that it is important to examine potential UBIT and UDFI consequences when engaging in self-directed account investments. I understand and declare that neither the Custodian nor the TPA can or will provide tax advice for my particular situation and that I will consult a competent, independent advisor if these issues may apply to my investment choices.

### Pre-Acceptance Liability for Transfers and Rollovers

When I am transferring or rolling over assets from a prior custodian or plan administrator/trustee, I agree that neither the Custodian nor the TPA shall be liable in any manner for actions or omissions by the prior custodian or plan administrator/trustee and that responsibility for custodial or administration duties shall not apply to the Custodian or TPA until after the Custodian has received and accepted the full transfer or rollover. The Custodian and TPA have no responsibility or duty to inquire into or take action related to acts or omissions by the prior custodian or plan administrator/trustee.

### Investment Directions and Investment Processing Delays

I understand that I will need to provide the TPA with written investment directions for any investment I wish to make. The TPA will forward the directions to the Custodian which will implement them in the manner detailed in this Agreement. I will contact only the TPA with any questions or concerns I might have regarding my account administration or investments. I further understand that, due to the time necessary for processing this Application and receiving cleared fund deposits and/or receiving rollovers from prior custodians and administrators, there can be a significant reasonable delay between: (a) the date I initiate this Application; and (b) the date when an investment is executed by the Custodian. I agree that the Custodian and TPA are not responsible or liable in any manner for any losses or opportunity costs associated with such delays. Lack of planning on my part does not constitute an emergency on the part of the Custodian or TPA and I understand that the Custodian and TPA are not obligated to rush through any administrative or custodial processes to meet my personal deadlines.

The Custodian or TPA may offer expedited services for a fee but neither is ever obligated to do so. In the event an expedited service is requested and paid for, the Custodian and TPA shall make best efforts to expedite the processes involved but cannot guarantee they will be able to meet my requested deadlines. It is solely my responsibility to initiate this Application (including provision of necessary documentation), deposit contributions and/or initiate rollover requests, and provide investment directions, etc. with sufficient lead time so as to meet my desired investment timing.

#### **Litigation and/or Dispute Resolution Expenses**

If the Custodian and/or TPA is named as a party to a third-party claim relating to my account or investments, I hereby authorize the Custodian and/or TPA, respectively, to: (a) have sole discretion in choosing their own attorneys and other professionals to assist with litigation or other dispute resolution processes and (b) deduct from my account any amount necessary to pay such costs and expenses related to the litigation or dispute resolution processes, including, but not limited to, all attorneys' fees and costs incurred by the Custodian and/or TPA, respectively, in the defense of such claim. If there is insufficient Uninvested Cash in my account, I will promptly reimburse the Custodian and/or TPA, respectively, any remaining costs and expenses in such defense of the claim. If I fail to provide such reimbursement, then the Custodian and/or TPA is authorized to freeze and liquidate my investments and/or initiate legal action so as to obtain full reimbursement for any such costs and expenses. I also agree to hold the Custodian and TPA harmless for any default, surrender charges, or other losses or penalties due to any liquidation of my account assets in execution of this provision. For purposes of this paragraph, the terms Custodian and TPA include American Estate & Trust, LC and NAFEP, respectively, as well as their employees, agents, licensees, franchises, affiliates, joint ventures, assigns and/or business partners.

#### **Fraudulent Transfers**

I hereby state and declare that the account being considered under this Agreement will not be used to hinder, delay or defraud any existing creditors or governmental agencies that have a legal claim or interest in my assets, or to hinder, delay or defraud creditors or governmental agencies that I could reasonably expect to have a current or future claim. I further state and declare that I intend to repay all existing creditors and otherwise retain the means to discharge all my debts as they come due.

#### **Prohibited Transactions**

I understand that: (a) both ERISA and IRS rules prohibit certain transactions between a retirement plan, including my account, and "disqualified persons"; (b) as the owner of a self-directed account, I am a disqualified person; (c) certain relatives and entities in which I (or such relatives) have a significant ownership interest, are likewise disqualified persons; (d) the purpose of the rules is to prevent self-dealing and to minimize conflicts of interest that could adversely affect my account; (e) ERISA §§ 406-408 and Internal Revenue Code § 4975 detail these rules; (f) other regulations and notices issued by the DOL and IRS further refine and explain the rules; and (g) since my plan account is self-directed, it may be possible for me to direct my account to purchase nontraditional assets with account funds and that some of these transactions could violate the rules. Examples: using my account funds to purchase a property that I (or certain related parties) already own; having my account purchase an investment property and then renting it to my child (even at fair market rent); receiving compensation from an entity in which my account has a significant ownership; allowing myself or a relative to provide sweat equity labor or other services to a business significantly owned by my account; personally guaranteeing a loan made by my account; etc.. I further understand that it is very important to examine these rules before investing or otherwise interacting with my account assets. I understand and declare that the Custodian and/or TPA may provide me with some general guidance in this area but that does not substitute for legal or tax advice. I know I must consult my own independent advisor when deciding how to invest my account assets.

#### **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 account. 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 account. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your account at our discretion. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective. Fees such as sub-transfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this account. Any brokerage commissions attributable to the assets in your account will be charged to your account.

- a) *Third Party Administrator Fees ("Administrator", "TPA")*: The Depositor agrees that it has retained an Administrator for the account and the Depositor agrees that it will pay the Administrator the respective fees and expenses as show on the fee schedule.
- i) *Idle or Uninvested Cash*: In the case(s) where cash is received into the Depositor's account and there is no written investment direction for the Uninvested Cash, the Custodian will deposit or invest the Uninvested Cash into interest bearing or non-interest bearing accounts offered by the Custodian or in any other common trust funds offered and administered by the Custodian. The Depositor agrees that any income or earnings generated from the Uninvested Cash will be retained by the Custodian as compensation for services provided in managing the account and in managing the investments associated with the Uninvested Cash. The Depositor further understands that income or earnings retained from the Uninvested Cash also may be used to compensate the Administrator for its fees and expenses associated with account administration.

#### **Plan's Obligations**

In providing custodial services and in consideration for the fees paid, it is understood and acknowledged by and among American Estate & Trust, the Plan Administrator and Employer, where applicable, that:

Neither this nor any other agreement shall relieve Employer, the Plan Administrator, the Trustee of the Plan's Trust, other designated Fiduciaries or other responsible persons providing services to the Plan of any of the responsibilities or liabilities imposed by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986, as amended from time to time.

- American Estate & Trust and NAFEP will act in all matters only upon the direction of the Plan Administrator or the Trustees of the Plan's Trust and will at no time exercise any discretion or independent authority with respect to the performance of the Administrative services described in this Agreement, no such independent authority or discretionary rights having been granted to American Estate & Trust or NAFEP by the Employer, the Plan Administrator, or the Trustee of the Plan's Trust under this or any other agreement.
- American Estate & Trust or NAFEP shall not at any time under this Agreement or otherwise act in any capacity that is or may be construed as that of a fiduciary or investment counselor to the Plan or the Plan's Trust.
- The Employer and the Plan Administrator, and each of them, agree to indemnify, defend and hold American Estate & Trust and NAFEP harmless from all liability for any Federal, state or other taxes, which may be imposed upon Employer, any participant under the Plan or upon any third party

acting in any capacity in connection with the Plan. Furthermore, it is agreed that American Estate & Trust and NAFEP shall not have any duty to question any action or direction of the Employer, the Trustee of the Plan's Trust, the Plan Administrator or any agent or employee of these parties. Notwithstanding the preceding sentence, if any party to this Agreement or any governmental agency attempts to impose liability upon American Estate & Trust or NAFEP based upon a duty to question such actions, the Employer, the Plan Administrator and the Trustee of the Plan's Trust, and each of them, agree to indemnify, defend and hold American Estate & Trust or NAFEP harmless from all liability from any loss or damage (including any attorneys' fees), and any additional taxes in any 33 manner, directly or indirectly, arising out of or incident to the failure of American Estate & Trust or NAFEP to question any action of the Employer, the Plan Administrator, the Trustee of the Plan's Trust or any agents or employees of these parties.

- American Estate & Trust or NAFEP will rely solely upon the information submitted by fiduciaries of the Plan. American Estate & Trust or NAFEP is not responsible for any penalties, plan disqualification or any other liability due to the failure of the Plan fiduciaries to submit said information on a timely basis or due to said fiduciaries' failure to submit accurate information. The Employer, the Plan Administrator, the Trustee of the Plan's Trust and each of the above designated parties and fiduciaries agrees to indemnify, hold harmless and defend American Estate & Trust or NAFEP from all liability, loss and damage (including attorneys' fees) and any additional taxes in any manner, directly or indirectly, arising out of or incident to any actions of the Employer, the Plan Administrator, the Trustee of the Plan's Trust or any other designated fiduciaries of the Plan.
- Either American Estate & Trust or NAFEP or "Employer" shall have the right to terminate the Agreement for these services at any time without cause upon thirty (30) days prior written notice.

**Severability**

If any provision of this Application is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.



I acknowledge receipt of the enclosed Disclosure Statement and Fee Schedule. I declare that I have examined all these documents, including accompanying information, and to the best of my knowledge and belief, they are true, correct, and complete. I agree to abide by the terms of those documents and this Application and Agreement as currently in effect or as they may be amended from time to time.

Plan Sponsor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_