office name
address
city, state, zip
phone
fax
web address

The Entrust Group
Self-Directed Retirement Plan Services

IRA Card Checking℠ Disclosure Statement

The information covered in this IRA Card Checking℠ Disclosure Statement applies to any IRA Card Checking℠ that you maintain at office name. *Information regarding charges, regulations and policies may change, and we will inform you of these changes. We may change (add to, delete or alter) the terms of this IRA Card Checking℠ Disclosure Statement at any time by mailing a notice, statement message or an amended disclosure statement to you at your last known address. In this disclosure statement, and all IRA Card Checking℠ related forms, the words "you" and "yours" refer to the IRA holder or owner; "we," "us," "company" and "Administrator" refer to* office name.

Definitions

1. **"Account Holder"** means the IRA owner that has opened an IRA Card Checking℠ as a result of a direct request by the Administrator. For your protection, and the protection of your retirement account with the Administrator, only the "Account Holder" should have access to and use the IRA Card Checking℠. You agree that if you make your IRA Card Checking℠ available to others, the Administrator or Custodian are not liable for any claims, suits, demands, actions, proceedings, judgments, penalties, damages, losses, liabilities, costs and expenses.

1.1 **"Administrator"** refers to the provider through which your Self-Directed IRA is maintained.

1.2 **"Authorized Signer"** means the individuals with signature authority on the IRA Card Checking℠. One or more signers delegated by Administrator will have signing authority on all IRA Card Checking℠ accounts for balancing, maintenance and inquiry purposes only. Signers delegated by Administrator will not have access to your IRA Card or IRA Card℠ Checks.

1.3 **"Authorized User"** means "Account Holder" that has received an IRA Card or IRA Card℠ Checks as a result of a direct request by the Administrator. For your protection, and the protection of your retirement account with the Administrator, only the "Account Holder" should have access to and use (with or without PIN) the IRA Card℠. You agree that if you make your IRA Card℠ or PIN available to others, the Administrator or Custodian are not liable for any claims, suits, demands, actions, proceedings, judgments, penalties, damages, losses, liabilities, costs and expenses.

1.4 **"Card"** means an IRA Card℠ issued by Custodian or a vendor delegated by Custodian which is a debit card. The IRA Card℠ belongs to the Custodian in its capacity as Custodian of your IRA. The Custodian makes it available to you as a convenient way to enable you to access funds in your IRA. If the Custodian or the Administrator determines that you are using the card for other purposes, the Custodian or the Administrator reserves the right to terminate the IRA's card privileges.

1.5 **"Card Activation"** refers to activating your IRA Card℠ upon receipt. You will call the number provided to activate your card. The IRA Card℠ can't be used without being activated.

1.6 **"Card Holder"** means you, in your capacity as the recipient of an IRA Card℠ acquired from Custodian or a vendor delegated by Custodian that has been activated as a result of a direct request by the Administrator.

1.7 **"Checking"** means an IRA Card Checking℠ issued by Custodian in the name of International Bank and Trust FBO your name and IRA number. The IRA Card Checking℠ belongs to the Custodian in its capacity as Custodian of your IRA. The Custodian makes it available to you as a convenient way to enable you to access funds in your IRA. If the Custodian or the Administrator determines that you are using the checking for other purposes, the Custodian or the Administrator reserves the right to terminate the IRA's checking privileges.

1.8 **"Checks"** means IRA Card Checks issued by Custodian or a vendor delegated by Custodian which is a check. The IRA Card Checks belong to the Custodian in its capacity as Custodian of your IRA. The Custodian makes it available to you as a convenient way to enable you to access funds in your IRA. If the Custodian or the Administrator determines that you are using the checks for other purposes, the Custodian or the Administrator reserves the right to terminate the IRA's check privileges.

1.9 "**Custodian"** is disclosed in your Form 5305 Account Disclosure you received at the time your IRA was opened.

1.10 **"Limitations"** means limits on withdrawals and purchases. For security reasons and for your protection there may be times when we further limit the amounts. Different Limitations may apply based on the merchants and terminals used for transactions. You were advised of any and all limitations on your IRA Card Checking℠ Buy Direction Form.

1.11 **"Third Party Bank"** is International Bank and Trust (IBT), a New Hampshire Banking Corporation. IBT is responsible for requesting and properly vesting your IRA Card Checking℠ on behalf of the Administrator.

1.12 **"Transactions"** refers to any time your IRA Card℠ is used for ATM, Point of Sale (POS) or Signature based purchases, returns or exchanges, or when an IRA Card Check℠ is written and presented as a form of payment. When you use your IRA Card℠ to pay for goods and services, certain merchants may ask us to authorize the transaction in advance and may estimate its final amount. When we authorize the transaction, we commit to make the requested funds available when the transaction finally settles and may place a temporary hold on the account for the amount specified by the merchant. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available for any other purpose. We will only charge the account for the correct amount of the final transaction and will release any excess when the transaction finally settles. Neither Custodian or the Administrator are responsible or liable if a transaction is charged to your IRA Card℠ before a hold expires or if the amount of the hold placed for a reported transaction exceeds the amount of the actual transaction charged to your IRA Card℠.

Terms of Use

2. **Account Inactivity.** If at any point there has been no activity in your IRA Card Checking℠ for six (6) consecutive months, the funds remaining may be re-deposited to your regular uninvested funds in your IRA. The IRA Card Checking℠ account will be closed once the transfer has been completed. There will be no expense to you for this transaction.

2.1 **Asset Purchase.** Your IRA Card Checking℠ can be used to purchase an asset or used for an earnest money deposit. The vesting of title for an asset purchased with the IRA Card℠, or IRA Card Checks, if that asset is intended to be an asset of your IRA, must read: (Administrator Name) FBO (Your Name) IRA (Account Number)

2.2 **Card and PIN (Personal Identification number) Security.** You have an obligation to us to safeguard your IRA Card℠ and will take reasonable steps to prevent its unauthorized use. You accept responsibility for any failure to safeguard your card. This means storing the card in a secure location. You must not disclose or otherwise make your card or PIN available to others, and if you do, you authorize all transactions initiated by any such persons even if they exceed the authority (whether by the number or amount of such transactions) you gave them. For security reasons, you must not write your PIN on your card or keep it in the same location as your card. You must notify us immediately if your card is lost or stolen, your PIN has been compromised or you notice any unauthorized activity.

2.3 **Cash Refunds on Purchases.** Cash refunds should not be given to you for purchases made with your IRA Card℠ or IRA Card Checks. If a merchant gives you a credit for merchandise returns or adjustments paid with your IRA Card℠, it may do so by processing a credit adjustment, and upon receipt, a credit will be applied to your IRA Card℠. Cash back from the merchant is a taxable distribution. (See Distributions section for ways to correct distributions if you intended for the amount to remain in the IRA).

2.4 **Checks**. You have an obligation to us to safeguard your checks and will take reasonable steps to prevent their unauthorized use. You accept responsibility for any failure to safeguard your checks. This means storing the checks in a secure location. You must not make your checks available to others, and if you do, you authorize all transactions initiated by any such persons even if they exceed the authority (whether by the number or amount of such transactions) you gave them. You must notify us immediately if your checks are lost or stolen, your account has been compromised or you notice any unauthorized activity.

2.5 **Contributions** directly to your IRA Card Checking℠ are permitted. You can make contributions to your IRA Card Checking℠ via ATM, ACH or wire. Any contributions made to your IRA Card Checking℠ will be swept automatically to the uninvested cash within your IRA. Contributions can be made to your IRA and then the funds can be transferred to your IRA Card Checking℠. See your account disclosure for the rules and regulations of IRA contributions.

2.6 **Deadlines.** Deadlines refers to the timing of submitting your IRA Card Checking℠ Transaction Authorization Form and transaction receipts to the Administrator, and the date and time cutoff for transaction reporting. The IRA Card Checking℠ Transaction Authorization Form needs to be completed and submitted to your Administrator within thirty (30) calendar days of the transaction to avoid incorrect reporting. If the transaction is a distribution, no further action is required. IRA Card Checking℠ transactions need to be completed in the same year they are reported. Therefore, all transactions need to be completed before 10:00 pm Pacific Standard Time (PST) on 12/31 of the applicable year to be recorded for that year. Any checks issued will need to have been presented to the bank for payment by the specified deadline. Any transactions completed after will be recorded for the following year. This includes any transactions made in any other time zone in the world, or outstanding checks that haven't cleared the account.

2.7 **Declines or Overdrafts.** The IRA Card Checking℠ does not have overdraft, or credit privileges. The amount that you can spend using the IRA Card℠ or IRA Card Checks℠ will be limited to the amount of money in uninvested funds within your IRA. This is true regardless of the purpose of the use. If you wish to make an expenditure using the IRA Card℠ or IRA Card Checks℠ for an amount that is more than the amount currently in your cash account, you may liquidate another asset in your IRA. You may also transfer from one of your other IRA or Qualified Plan assets into the cash account. This will require instructing the Custodian to liquidate a portion of another asset (such as a mutual fund), which may take several days to complete, depending on the nature of your self directed investment. See the Sell Direction letters on our website at www.theentrustgroup.com for instructions on how liquidate investments and move the money to your uninvested funds within your IRA. Then you must direct that the funds be moved from your uninvested funds within your IRA to your IRA Card Checking℠.

2.8 **Distributions.** Using your IRA Card Checking℠ for Distributions from your IRA may be fully or partially taxable. (Please refer to your account disclosure for more details on Distributions). Each IRA Card℠ or IRA Card Check℠ transaction will be considered a distribution until information to support the purchase of an IRA asset or maintenance of an existing IRA asset is provided to the Administrator in accordance with the information provided herein. The IRA Card Checking℠ Transaction Authorization Form needs to be completed and submitted to your Administrator within thirty (30) calendar days of the transaction to avoid incorrect reporting. Transactions using IRA Card Checks℠ are counted as an official transaction when the check pays against the IRA Card Checking℠. If the transaction is a distribution, no further action is required. If you are under age 59 1/2 and receive a premature distribution from your IRA, an additional 10% excise tax may apply on the taxable amount of the distribution unless an exception applies. All withdrawals from your IRA (except certain transfers and recharacterization) are subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your IRA distribution in most cases. If your distribution or withdrawal is subject to Federal Tax Backup Withholding, then standard IRS withholding rates will apply. In addition to Federal tax withholding, distributions from IRAs may also be subject to state income tax withholding.

2.9 **Distributions Made in Error**. When there is a taxable distribution, the Custodian will file a Form 1099-R with the IRS, showing that the amount was distributed from the IRA, whether it is a traditional or Roth in accordance with IRS regulations. A copy of this form will be sent to you by January 31. If you intended for the amount to remain in the IRA, there may be a limited opportunity to correct the situation, by providing supporting or missing documentation proving that the funds were used for a non-taxable purpose. If you provide this information by March 15, the Custodian will provide a revised 1099-R to you and will file only the corrected one with the IRS. If you provide this information between March 16 and the end of the following year, the

Custodian will prepare and file a revised 1099-R, and will charge you a fee for correcting the filing. You may also reverse the consequence of a taxable distribution from your IRA is to redeposit, or rollover, the amount of the distribution within 60 days. This may be done only once in any 12-month period. A redeposit of this type is considered to be an IRA-to-IRA rollover. The rules for IRA-to-IRA rollovers state that there can be only one such rollover for each of the IRA's that you have during any 12-month period. Therefore, if you have made some other IRA-to-IRA rollover (including a rollover that was used to establish your Entrust IRA in the first place) within the preceding 12-month period, this option of re-depositing funds will not be available to you. Based on this limitation, it is clear that this option is something that, while occasionally useful, should not be relied upon to correct taxable uses of your IRA Card Checking℠ on a regular basis. (See the IRA Disclosure Statement for IRA-to-IRA Rollovers.

2.10 **Expiration.** All IRA Card Checks will expire (become stale dated) six (6) months from issuance unless canceled by Custodian, the Administrator or Account Holder before the end of that period.

2.11 **Fees.** The fee schedule on the IRA Card Checking℠ Buy Direction Form describes the most frequently encountered fees associated with the IRA Card Checking℠. Fees are not prorated and may be deducted automatically from your account. If insufficient funds are available in your IRA to cover your fees, we may transfer funds from your IRA Card Checking℠ to your IRA. Annual IRA Card Checking℠ fee must be paid when the IRA Card Checking℠ Buy Direction Form is submitted. Annual IRA Card Checking℠ fee and monthly maintenance fees can be paid up to one year in advance at the discretion of the Account Holder. Monthly IRA Card Checking℠ fees will be invoiced quarterly. At all times, unless otherwise agreed in writing by the Administrator, IRA Card Checking℠ fees are subject to change with thirty (30) calendar day written notice to all Account Holders.

2.12 **Funds.** Whenever you request the Administrator to open an IRA Card Checking℠ for your IRA, sufficient funds need to be available in your uninvested cash within your Self-Directed IRA. The Deposit Funds shall be used solely to fund the account up to the amount of the Deposit Funds made available within your account. Once funded, the balances are kept in the account until depleted by Card usage, Check usage and/or Account Maintenance Fees. When an account is re-issued, the remaining balance will be transferred to the new Account minus any applicable fees if any.

2.13 **Funds Transfer Requests.** Please allow up to two (2) business days from the request date before the funds will be available for use in your IRA Card Checking℠.

2.14 **Interest**. Interest is not paid on funds that are transferred to your IRA Card Checking℠.

2.15 **Minimum Amounts.** IRA Card Checking℠ must be opened with a minimum amount of $1,000.00.

2.16 **Off-Line or System Unavailable Transactions.** In a rare instance the system is down or off-line and a transaction processes for more funds than you have available, your account will become overdrawn. Since the IRA Card Checking℠ does not allow overdraft or have credit privileges, this needs to be addressed immediately. You will be required to make a contribution (see your account disclosure for contribution rules and regulations) or liquidate a portion of another asset to cover the overdraft. Once the funds are in your IRA, the money will be transferred to your IRA Card Checking℠ to cover the overdraft. There is a NSF fee for each non-sufficient funds transaction with no daily maximum. Please see the IRA Card Checking℠ Buy Direction Form for NSF. The IRA Card Checking℠ belongs to the Custodian in its capacity as Custodian of your IRA. The Custodian makes it available to you as a convenient way access funds from your IRA. If the Custodian determines that you are abusing the IRA Card℠ or IRA Card Checks℠, the Custodian reserves the right to terminate the IRA's Checking privileges.

2.17 **Prohibited Transactions.** Notwithstanding anything contained herein to the contrary, the Custodian or the Administrator will not lend any part of the corpus or income of the account to; pay any compensation for personal services rendered to the account to; make any part of its services available on a preferential basis to; acquire for the account any property, other than cash, from; or sell any property to, Account Holder, any member of an Account Holder's family, or a corporation controlled by Account Holder through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote, or of 50 percent or more of the total value of shares of all classes of stock of such corporation. If you or your beneficiary engage in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code (IRC)) with your IRA, it will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year. If the IRA property in your IRA was subject to any prohibited transaction, and you have used the IRA Card℠ or IRA Card Checks℠ in any way involving the prohibited transaction, all activity involving the IRA Card℠ or IRA Card Checks℠ are subject to the Prohibited Transaction rules under Section 4975 of the IRC.

2.18 **Rollovers** are allowed from another IRA in partial or full amounts. You are not required to rollover the entire amount received from the first IRA. However, any amount you don't roll over will be taxed at ordinary income for federal income tax purposes. Any rollovers made directly to your IRA Card Checking℠ will be swept automatically to your uninvested cash within your IRA. You may use your IRA Card Checking℠ to transfer funds from your self-directed IRA established with your Administrator as a rollover contribution to another IRA, if the custodian of the receiving IRA accepts the IRA Card℠ or IRA Card Checks. The custodian receiving the rollover contribution must provide a copy of the rollover paperwork to the the Administrator for reporting purposes. Rollover rules apply as stated in this agreement. (See the IRA Disclosure statement for IRA to IRA roll overs).

2.19 **Statements.** Statements will be mailed to your address on file with the Administrator on a monthly basis. The Administrator will also receive a copy of the statement for record keeping and reporting purposes under IRS rules and regulations.

2.20 **Stop Payments.** Stop Payments my need to be placed on IRA Card Checks℠ you have issued from your IRA Card Checking℠. You will need to complete the stop payment portion of the IRA Card Checking℠ Transaction Authorization Form and fax it to your Administrator.

2.21 **Termination of your IRA Card Checking℠.** Termination of your IRA Card Checking℠ and/or the Agreement will not affect any payment obligations of the Account Holder pursuant to the IRA Card Checking℠ Buy Direction Form and/or the Agreement. Termination or cancellation of your IRA Card Checking℠ must be made in writing to the Administrator. Any remaining funds in the IRA Card Checking℠ will be transferred to your IRA minus the applicable fees disclosed on the IRA Card℠ Buy Direction Form, if any.

2.22 **Transfer.** A Direct transfer of all or a potion of your funds can be deposited in your IRA Card Checking℠. Direct transfers are not a taxable distribution. Any transfers to directly to your IRA Card Checking℠ will be swept automatically to the uninvested cash within your IRA.

3. **Confidentiality.** The Administrator and Custodian collect non-public personal information ("NPPI") about you from your application and other forms. We do not disclose NPPI about Account Holders or former Account Holders to anyone, except as permitted by law or with the Account Holder's consent. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your NPPI. We restrict access to NPPI to those employees who need to know that information to provide services to you. We prohibit our service providers from disclosing or using NPPI except as necessary to carry out the purposes for which the information was provided.

Indemnifications and Waivers

4. **Account Holder Indemnity.** Account Holder shall indemnify, defend and hold the Administrator and its officers, directors, agents and employees harmless from and against all claims, suits, demands, actions, proceedings, judgments, penalties, damages, losses, liabilities, costs and expenses (including, without limitation, reasonable legal and expert witness fees) resulting from any and all third-party claims against Account Holder arising from or relating to: (a) any unauthorized representation, warranty, act or omission made by Account Holder in connection with the Administrator, IRA Card℠, IRA Card Checks or Services; (b) any breach of a representation or warranty made by Account Holder hereunder; (c) any action or inaction by Account Holder or any of its agents which caused or is alleged to have caused damage to the person or property of a third-party; (d) any consequential, special, theft or incidental damages; or (e) the authorized or unauthorized use of the IRA Card℠, Card number with or without PIN or IRA Card Checks for any and all transactions not done by Account Holder.

4.1 **Limitation of Liability.** NOTWITHSTANDING ANYTHING ELSE IN THE DISCLOSURE OR OTHERWISE, TO THE MAXIMUM EXTENT PERMITTED BY LAW: NEITHER ACCOUNT HOLDER NOR THE ADMINISTRATOR WILL BE LIABLE TO THE OTHER WITH RESPECT TO ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER REGARDLESS OF THE LEGAL OR EQUITABLE THEORY OF RECOVERY OR WITH RESPECT TO THE COST OF PROCURING SERVICES OR TECHNOLOGY, OR ANY LIABILITY FOR ANY FAILURE OR DELAY DUE TO MATTERS BEYOND ITS REASONABLE CONTROL; AND NEITHER THE ADMINISTRATOR NOR ITS LICENSORS WILL BE LIABLE TO ACCOUNT HOLDER (OR ANY PARTY CLAIMING UNDER OR THROUGH ACCOUNT HOLDER) FOR ANY AMOUNTS IN EXCESS OF THE LESSER OF ACCOUNT HOLDER'S DAMAGES CAUSED BY THE ADMINISTRATOR 'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT. THE LIMITATION OF LIABILITY DISCLOSED DOES NOT APPLY TO THE EXTENT THAT APPLICABLE LAW PROHIBITS SUCH A LIMITATION.

4.2 **Waiver.** The waiver or failure of the Administrator to exercise in any respect any right that it has will not be deemed a waiver of that right in any other circumstances or a waiver of any further rights.

4.3 **Warranty Disclaimer.** NEITHER THE ADMINISTRATOR NOR ITS LICENSORS MAKES ANY WARRANTIES TO ACCOUNT HOLDER WITH RESPECT TO THE CARDS, CHECKS OR ANY SERVICES, OR MATERIALS DESCRIBED IN THIS DISCLOSURE. THE ADMINISTRATOR AND ITS LICENSORS HAVE DISCLAIMED ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE CARDS, CHECKS OR THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANT ABILITY, FITNESS FOR A PARTICULAR PURPOSE.

Miscellaneous

5. **Amendments.** From time to time the Administrator or Custodian may add to, delete or change the terms and conditions described in this disclosure. We will give you reasonable notice in writing before the amendment becomes effective if the amendment will result in increased fees or liability to you or impose stricter limitations on the transfers that you may make using the IRA Card℠ or IRA Card Checks. the Administrator or Custodian may also close your IRA Card Checking℠ at any time upon reasonable notice to you and transfer the account balance back to your self-directed IRA, after applying any fees applicable to that transfer.

5.1 **Disputes.** Disputes for IRA Card℠ or IRA Card Check℠ transactions and purchases will be handled by the Administrator. Unless otherwise required by law, an action or proceeding by you to enforce an obligation, duty or right arising under the IRA Card Checking℠ arrangement or by law with respect to your Card, Checks or any service must be commenced within one year after the cause of action accrues.

5.2 **Force Majeure** The Administrator will not be liable for any delays or failure to perform (other than any payment or confidentiality obligation) as a direct result of causes beyond the control of the Administrator and not due to the negligence on the part of the The Administrator for delay or failure, including, but not limited to, acts of God (such as fire, storm, earthquake), electrical outages, labor disputes, wars, hostilities, revolutions, riots, civil commotion, national emergency, unavailability of supplies, epidemics, force of nature or explosion or any law, proclamation, regulation, ordinance or other act or order of any court, government or governmental agency.

5.3 **IRA Card Checking℠ Requests.** Each IRA Card Checking℠ request is subject to acceptance by the the Administrator and Custodian and must include information as reasonably requested by the Administrator or Custodian from time to time at their sole discretion. Accepted requests will be filled by the Administrator and delivered in accordance with all regulatory requirements and in accordance with the Administrator's standard delivery policies, as amended from time to time by the Administrator.

5.4 **Reports and Records** The Administrator is authorized to receive statements and transaction activity related to your IRA Card Checking℠. This is necessary for the Administrator to maintain complete and accurate record keeping for proper reporting under IRS rules and regulations.