

THE EQUITY TRUST COMPANY COVERDELL

COVERDELL EDUCATION SAVINGS ACCOUNT

WHEN TO USE THIS FORM



When you want to open an account to invest funds for educational purposes.

This trust or custodial account is created for the purpose of paying qualified education expenses for the designated beneficiary of the account.

INSTRUCTIONS AND GUIDELINES

- Please fill in all sections of the application and include a copy of ID (Social Security Card or Birth Certificate for minors).

Contributions

- If making a new contribution, be sure to include the contribution check with the application.
- If making a contribution with a credit card the dollar amount is limited to \$500.
- If you would like to sign up for Automatic Contributions, be sure to fill out the Automatic Ongoing Contributions box in Section 5.

Transfers

- If funding by transfer, please include transfer paperwork and a copy of current statement from transferring account.

Rollovers

- **TIME SENSITIVE** - ensure your rollover is completed within 60 days of the time you received the distribution in order to avoid any taxes or penalties.

Need Help? Call 888-ETC-IRAS (382-4727) and a Retirement Plan Specialist will assist you in opening your account today!

FEES AND PROCESSING TIMES



FEES:

Account Setup Fee: \$50.00 (one-time fee)

Account Maintenance Fees: Fees based on portfolio value of your account. Fee Schedule is located on page 18 of the IRA Custodial Account Agreement and Disclosure Statement.

PROCESSING TIMES:

- Typically, Equity Trust will open your account in approximately three business days unless corrections are required (transfer times may vary per custodian).
- Typical transfers take 14-30 days from the time the paperwork is received by the current custodian.
- Choosing *Express Transfer Service* can impact this time line as it applies to activities within Equity Trust Company's control.
- Please contact your current custodian to discuss what options they offer for expediting the processing of this transfer.

SUBMISSION OPTIONS



OVERNIGHT:

Equity Trust Company
225 Burns Road
Elyria, OH 44035

REGULAR MAIL:

Equity Trust Company
P.O. Box 1319
Elyria, OH 44036

eVANTAGE:

LOG ONTO eVANTAGE NOW to start your application online
Website Address: <https://forms.trustetc.com/eVantage>

FAX:

(440) 366-3755

CONTACT INFORMATION



PHYSICAL ADDRESS:

Equity Trust Company
225 Burns Road
Elyria, OH 44035

WEBSITE:

www.trustetc.com

For assistance, please contact a Retirement Plan Specialist at:

TOLL FREE:

888-ETC-IRAS (382-4727)

Or e-mail questions to:

E-MAIL:

help@trustetc.com

DO NOT FAX OR MAIL THIS COVER PAGE

PLEASE PRINT CLEARLY. A DELAY IN PROCESSING MAY OCCUR IF INSTRUCTION IS UNCLEAR.

1 ACCOUNT INFORMATION

BENEFICIARY'S LEGAL NAME (Last, First, Middle) <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.					DATE OF BIRTH (MM/DD/YYYY)	
HOME STREET ADDRESS (Required - No P.O. Box)				CITY		
COUNTY	STATE	ZIP CODE	COUNTRY	US CITIZEN?		
MAILING ADDRESS (If different from above - P.O. Box may be used)						
SOCIAL SECURITY NUMBER		HOME PHONE NUMBER		BUSINESS PHONE NUMBER		
EMAIL ADDRESS (Important - to notify you of information pertaining to your IRA)				ONLINE QUARTERLY STATEMENT? <input type="checkbox"/> Yes, I elect to receive an electronic statement <input type="checkbox"/> No		
DEPOSITOR'S NAME (Last, First, Middle) <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.					DATE OF BIRTH (MM/DD/YYYY)	
LEGAL ADDRESS				CITY		
COUNTY	STATE	ZIP CODE	COUNTRY	US CITIZEN?		
SOCIAL SECURITY NUMBER		HOME PHONE NUMBER		BUSINESS PHONE NUMBER		
RESPONSIBLE INDIVIDUAL'S NAME (Last, First, Middle) <input type="checkbox"/> Parent / <input type="checkbox"/> Guardian					DATE OF BIRTH (MM/DD/YYYY)	
LEGAL ADDRESS				CITY		
COUNTY	STATE	ZIP CODE	COUNTRY	US CITIZEN?		
SOCIAL SECURITY NUMBER		HOME PHONE NUMBER		BUSINESS PHONE NUMBER		

PLEASE ANSWER THE FOLLOWING QUESTIONS

Answer "Yes" or "No" to each of the following questions by checking the appropriate box. If a box is not checked for a question, the answer will be deemed to be "No".

<input type="checkbox"/> Yes <input type="checkbox"/> No	The Responsible Individual may change the beneficiary designated under this agreement to another member of the Designated Beneficiary's family described in Section 529(e)(2) in accordance with the Custodian's procedures.
<input type="checkbox"/> Yes <input type="checkbox"/> No	The Responsible Individual shall continue to serve as the Responsible Individual for the custodial account after the Designated Beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates. If the Responsible Individual becomes incapacitated or dies after the Designated Beneficiary reaches the age of majority under state law, the Responsible Individual shall be the Designated Beneficiary.

2 DESIGNATE YOUR ACCOUNT SECURITY INFORMATION

SELECT A 6-DIGIT PIN NUMBER² A PIN number is used to verify your identity when calling your First Class Service Team and to provide online access to your account information.

Confidential Six Digit Pin Number: *(Must Be Entirely Numeric)* EXAMPLE: 1 2 3 4 5 6

SELECT A SECURITY QUESTION Please select one of the following questions below and provide an answer. If you forget your PIN Number, this question can be used in place of the pin.

What's my pet's name? What's my mother's maiden name? What high school did I attend? Answer: _____

INTERNAL USE ONLY INTERNAL USE ONLY

FOR EQUITY TRUST COMPANY USE ONLY Account Number _____ Event Code _____ Tracking Code _____

COVERDELL ESA CUSTODIAL ACCOUNT

Form 5305-EA Under Section 530 of the Internal Revenue Code

FORM (REV. MARCH 2002)

The Depositor whose name appears on the Application is establishing a Coverdell Education Savings Account under Section 530 for the benefit of the Designated Beneficiary whose name appears on the Application exclusively to pay for the qualified elementary, secondary, and higher education expenses, within the meaning of Section 530(b)(2), of such Designated Beneficiary.

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

The Depositor and the Custodian make the following agreement:

ARTICLE I

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

ARTICLE II

No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or a common investment fund (within the meaning of Section 530(b)(1)(D)).

ARTICLE III

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

ARTICLE IV

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

ARTICLE V

The Responsible Individual named by the Depositor shall be a parent or guardian of the Designated Beneficiary. The custodial account shall have only one Responsible Individual at any time. If the Responsible Individual becomes incapacitated or dies while the Designated Beneficiary is a minor under state law, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual in a witnessed writing or, if no successor is so named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option on the Application, at the time that the Designated Beneficiary attains the age of majority under state law, the Designated Beneficiary becomes the Responsible Individual. If a Family Member under the age of majority under state law becomes the Designated Beneficiary by reason of being a named death beneficiary, the Responsible Individual shall be such Designated Beneficiary's parent or guardian.

ARTICLE VI

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

ARTICLE VII

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 530(h).

2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Responsible Individual the reports prescribed by the IRS.

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

10.01 *Notices And Change Of Address:* Any required notice regarding this Coverdell ESA will be considered effective when the Custodian mails it to the last address of the intended recipient which the Custodian has in its records. Any notice to be given to the Custodian will be considered effective when the Custodian actually receives it. The Responsible Individual must notify the Custodian of any change of address.

10.02 *Representations And Responsibilities:*

- (a) In General. The Depositor and Responsible Individual represent and warrant to the Custodian that any information the Depositor or Responsible Individual have given or will give the Custodian with respect to this Agreement is complete and accurate. Further, the Depositor and Responsible Individual agree that any directions they give the Custodian, or action they take will be proper under this Agreement, and that the Custodian is entitled to rely upon any such information or directions. If the Custodian fails to receive directions from the Depositor or Responsible Individual regarding any transaction, or if the Custodian receives ambiguous directions regarding any transaction, or the Custodian, in good faith, believe that any transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the Depositor or Responsible Individual or the appropriate government or judicial authority. The Custodian shall not be responsible for losses of any kind that may result from the Depositor or Responsible Individual's directions to the Custodian or the Depositor or Responsible Individual's actions or failures to act, and the Depositor or Responsible Individual agree to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act. The Custodian shall not be responsible for any penalties, taxes, judgments or expenses the Depositor or Responsible Individual incur in connection with this Coverdell ESA. The Custodian has no duty to determine whether the contributions or distributions comply with the Code, Regulations, rulings or this Agreement. The Custodian may permit the Responsible Individual to appoint, through written notice acceptable to the Custodian, an authorized agent to act on his or her behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, the Custodian has no duty to determine the validity of such appointment or any instrument appointing such authorized agent. The Custodian shall not be responsible for losses of any kind that may result from directions, actions or failures to act by the authorized agent, and the Responsible Individual agrees to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act by the authorized agent. Except as otherwise indicated herein, the Responsible Individual will have sixty (60) days after receiving any documents, statements or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements or other information. If the Responsible Individual does not notify the Custodian within 60 days, the documents, statements or other information shall be deemed correct and accurate, and the Custodian shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement the Custodian is acting as the Responsible Individual and Designated Beneficiary's agent. The Responsible Individual acknowledges and agrees that nothing in this Agreement shall be construed as conferring fiduciary status upon the Custodian. The Custodian 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 Coverdell ESAs.

The Responsible Individual agrees to release and indemnify, hold harmless and defend the Custodian from any and all claims, damages,

liability, actions, costs, expenses (including, without limitation, attorneys' fees) and responsibility for any loss resulting to the Coverdell ESA, to the Responsible Individual or Designated Beneficiary or to any designated death beneficiary or incurred by the Custodian, in connection with or by reason of any sale or investment made or other action taken (or omitted to be taken) pursuant to and/or in connection with any investment directed by the Responsible Individual or the investment advisor or resulting from serving as the custodian hereunder.

The Responsible Individual agrees to reimburse or advance to the Custodian, on demand, all legal fees, expenses, costs, fines, penalties and obligations incurred or to be incurred in connection with the defense, contest, prosecution or satisfaction of any claim made, threatened or asserted pertaining to any investment or action the Responsible Individual or the investment advisor directed through the custodian, including, without limitation, claims asserted by the Responsible Individual, any state or federal regulatory authority or self regulatory organization.

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.

- (b) **Prohibited Transactions.** The Responsible Individual understands that certain transactions are prohibited in Coverdell ESAs under Section 4975 of the Internal Revenue Code. The Responsible Individual further understands that the determination of a prohibited transaction depends on the facts and circumstances that surround the particular transaction. The Custodian will make no determination as to whether any Coverdell ESA investment is prohibited. The Responsible Individual further understands that should the Coverdell ESA engage in a prohibited transaction, the Designated Beneficiary will incur a taxable distribution as well as possible penalties. The Responsible Individual represents to the Custodian that the Responsible Individual has consulted or will consult with the Responsible Individual's own tax or legal professional to ensure that none of the Coverdell ESA investments will constitute a prohibited transaction and that the Coverdell ESA investments will comply with all applicable federal and state laws, regulations and requirements.
- (c) **Unrelated Business Income Tax (UBIT).** Since the Coverdell ESA is a tax-exempt organization under federal tax law, if the Coverdell ESA earns income from an investment which utilizes debt-financing or which is derived from a business regarded as not related to the exempt purpose of the Coverdell ESA, it may be subject to the so-called "unrelated business income tax" if it is in excess of permitted deductions. For example, income from a Coverdell ESA investment in a partnership generally will result in unrelated business taxable income. In the event that the Responsible Individual's direction of investment of Coverdell ESA assets results in taxable income (unrelated or debt-financed) pursuant to Sections 511-514 of the Internal Revenue Code in excess of the \$1,000 exclusion (as that amount may be adjusted) for any taxable year, the Responsible Individual agrees to prepare or have prepared the required Form 990-T tax return, an application for employer identification number (if not previously obtained), and any other documents that may be required, and to submit them to us, for filing with the Internal Revenue Service, at least five days prior to the date on which the return is due for such taxable year, along with an appropriate payment directive authorizing the custodian to execute the forms on behalf of the Coverdell ESA and to pay the applicable unrelated business income tax from the Coverdell ESA.
- (d) **Passive Custodian Provides No Investment Advice.** The Custodian does not provide legal or tax services or advice with respect to the Coverdell ESA investments; and the Responsible Individual releases and indemnifies and agrees to hold harmless and defend the Custodian in the event that any investment or sale of the Coverdell ESA assets pursuant to a Direction of Investment form violates any federal or state law or regulation or otherwise results in a disqualification, penalty, fine or tax imposed upon Designated Beneficiary, the Coverdell ESA, or the Custodian.
- (e) **Investment Conforms to All Applicable Securities Laws.** The Responsible Individual represents to the Custodian that if any investment by the Coverdell ESA is a security under applicable federal or state securities laws, such investment has been registered or is exempt from registration under federal and state securities laws; and the Responsible Individual releases and waives all claims against the Custodian for the Custodian's role in carrying out the Responsible Individual's instructions with respect to such investment.

The Responsible Individual acknowledges that the foregoing representation is being relied upon by the Custodian in accepting the Responsible Individual's investment directions and the Responsible Individual agrees to indemnify the Custodian with respect to all costs, expenses (including attorneys' fees), fines, penalties, liabilities, damages, actions, judgments and claims arising out of such investment and/or a breach of the foregoing representation.

- (f) **Custodian Not Responsible for Insurance.** The Custodian will not bear or assume any responsibility to notify the Responsible Individual or Designated Beneficiary, secure or maintain fire, casualty, liability or other insurance coverage on any personal or real property held by the Coverdell ESA with respect to any promissory note or other evidence of indebtedness. It is incumbent upon the Responsible Individual to arrange for such insurance as the Responsible Individual determines necessary or appropriate to protect the Coverdell ESA assets and to direct the Custodian in writing as to the payment of any premiums therefor. Furthermore it is the Responsible Individual's responsibility to determine that payment has been made upon the Responsible Individual's written request by verifying same with the Coverdell ESA statements.

The Custodian will not be responsible for notification or payments of any insurance premiums, real estate taxes, utilities, or other charges with respect to any investment held in the Coverdell ESA, unless the Responsible Individual specifically directs the Custodian to pay the same in writing and sufficient funds are available to pay same from the Coverdell ESA. Furthermore, it is the Responsible Individual's responsibility to determine that payment has been made from the custodial account. The Responsible Individual must utilize an appropriate payment directive form available from the Custodian within a sufficient period of time for such direction to be accomplished in accordance with the custodian's normal business practices (without regard to whether the Custodian has undertaken efforts to comply with such directive).

Notwithstanding anything in this agreement to the contrary, the Custodian may establish a policy permitting someone other than the Designated Beneficiary's parent or legal guardian to serve as Responsible Individual, provided the individual is not prohibited by law from serving in that capacity and fulfilling his or her obligations under this agreement.

- 10.03 **Service Fees:** The Custodian has the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover or termination fee) for maintaining the Coverdell ESA. In addition, the Custodian has the right to be reimbursed for all reasonable expenses, including legal expenses, the Custodian incurs in connection with the administration of the Coverdell ESA. The Custodian may charge the Designated Beneficiary separately for any fees or expenses, or the Custodian may deduct the amount of the fees or expenses from the assets in the Coverdell ESA at the Custodian's discretion. The Custodian reserves the right to charge any additional fee upon 30 days notice to the Designated Beneficiary or Responsible Individual that the fee will be effective. Fees such as subtransfer agent fees or commissions may be paid to the Custodian by third parties for assistance in performing certain transactions with respect to this Coverdell ESA.

Any brokerage commissions attributable to the assets in the Coverdell ESA will be charged to the Coverdell ESA. The Responsible Individual or Designated Beneficiary cannot reimburse the Coverdell ESA for those commissions.

Fees are generally based upon the fair market value of the assets held in the Coverdell ESA; provided that where such assets are nonmarketable investments or do not have a readily available market value, the fees shall be based upon cost or the estimated fair market value of such assets, whichever is greater. If an entity in which Coverdell ESA assets are invested is subject to bankruptcy, reorganization, receivership or similar proceedings, the fee based upon such asset will not be less than \$50.00. Publicly traded securities shall be valued at their fair market value. If cost is not reflective of fair market value with respect to the assets held in the Coverdell ESA, the Responsible Individual may provide the Custodian with a qualified independent valuation of such assets for purposes of determining an appropriate fee; and the Custodian will give consideration to such independent valuation. The Custodian's determination shall be binding and conclusive for purposes of Coverdell ESA fees based upon value.

The Custodian may perform sub-accounting, record-keeping, administrative and/or other services related to the Coverdell ESA. The Custodian may receive fees up to \$30.00 per month per account and/or reimbursement of expenses from financial institutions and/or money market funds with which Coverdell ESA funds have been deposited or invested for these services.

10.04 **Beneficiary(ies):**

1. Unless indicated otherwise on the Application, the Responsible Individual may not change the Designated Beneficiary. If the Depositor has indicated on the Application that the Responsible Individual may change the beneficiary designated under this agreement and the Responsible Individual chooses to do so, the Responsible Individual must designate a member of the family (as defined in Section 529(e)(2)) of the existing Designated Beneficiary. This designation can only be made on a form prescribed by the Custodian.
2. The Depositor or Responsible Individual may name one or more person or entity as death beneficiary of this Coverdell ESA. This designation can only be made on a form prescribed by the Custodian and it will only be

effective when it is filed with the Custodian during the lifetime of the Designated Beneficiary. Each beneficiary designation filed with the Custodian will cancel all previous ones unless the beneficiary designation specifies otherwise. The consent of a death beneficiary shall not be required in order to revoke a death beneficiary designation. If a death beneficiary is not designated with respect to this Coverdell ESA, the Designated Beneficiary's estate will be the death beneficiary.

10.05 Investment of Amounts in the Coverdell ESA:

- (a) In General. The Responsible Individual has exclusive responsibility for and control over the investment of the assets of the Coverdell ESA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by the Custodian's 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 the Designated Beneficiary's death, the death beneficiary(ies) shall have the right to direct the investment of the Coverdell ESA assets, subject to the same conditions that applied to the Responsible Individual during the Designated Beneficiary's lifetime under this Agreement (including, without limitation, Section 10.02 of this article). The Custodian will not exercise the voting rights and other shareholder rights with respect to investments in the Coverdell ESA unless the Responsible Individual provides timely written directions acceptable to the Custodian according to the Custodian's then current policies and procedures.

The Responsible Individual will select the type of investment for the Coverdell ESA assets, provided, however, that the selection of investments shall be limited to those types of investments that the Custodian are authorized by the Custodian's charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in Coverdell ESAs. The Custodian may, in its sole discretion, make available to the Responsible Individual, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by the Custodian and that the Custodian is capable of holding in the ordinary course of its business.

- (b) Custodian Acting in Passive Capacity Only. The Custodian is acting solely as a passive custodian to hold Coverdell ESA assets and has no discretion to direct any investment in the Coverdell ESA. Accordingly, the Custodian is not a fiduciary (as said term is defined in the Internal Revenue Code, ERISA, or any other applicable federal, state or local laws) with respect to the Coverdell ESA account. However, the Custodian may receive a commission in connection with the unsolicited purchase or sale of a publicly-traded security.

It is not the Custodian's responsibility to review the prudence, merits, viability or suitability of any investment directed by the Responsible Individual or the Responsible Individual's investment advisors or to determine whether the investment is acceptable under ERISA, the Internal Revenue Code or any other applicable law. The Custodian does not offer any investment advice, nor does the Custodian endorse any investment, investment product or investment strategy; and the Custodian does not endorse any investment advisor, representative, broker, or other party selected by the Responsible Individual. The Responsible Individual has no responsibility to question any investment directions given by the Responsible Individual or by any investment advisor or representative appointed by the Responsible Individual.

It is the Responsible Individual's responsibility to perform proper due diligence with regard to any such representative, investment advisor, broker or other party. The Custodian will follow the directions of any such investment advisor, representative, broker or other party selected by the Responsible Individual provided the Responsible Individual furnishes the Custodian with written authorization and documentation acceptable to the Custodian, and the custodian will be entitled to all the same protections and indemnities in the Custodian's reliance upon and execution of the directives of such investment advisor or other party as if such directives were given by the Responsible Individual.

The Custodian shall be under no obligation or duty to investigate, analyze, monitor, verify title to, or otherwise evaluate any investment directed by the Responsible Individual or the investment advisor, representative or agent; nor shall the Custodian be responsible to take any action should there be any default with regard to any investment.

Any review performed by the Custodian with respect to an investment shall be solely for the Custodian's own purposes of determining the administrative feasibility of the investment and neither such review nor its acceptance should be construed in any way as an endorsement of any investment, investment company or investment strategy. The Custodian also has the right not to effect any transaction/investment which the Custodian deems to be beyond the scope of the Custodian's administrative capabilities or expertise.

The Custodian has no duty or obligation to notify the Responsible Individual with respect to any information, knowledge, irregularities or the Custodian's concerns relating to the investment or the investment advisor, broker, agent, promoter or representative, except as to civil pleadings or court orders received by the Custodian.

The Custodian shall use reasonable efforts to acquire or sell investments in accordance with the Responsible Individual's directions within a reasonable period of time after the Custodian has received an investment direction and the Custodian shall make reasonable efforts to notify the Responsible Individual if the Custodian is unable or unwilling to comply with an investment direction. Subject to the foregoing, the Custodian shall remit funds as directed, but have no responsibility to verify or assure that such funds have been invested to purchase or acquire the asset selected by the Responsible Individual.

- (c) Investment Documentation. In directing the Custodian with respect to any investment, the Responsible Individual must utilize the Custodian's Direction of Investment form suitable to such investment.

The Custodian shall be fully protected in acting upon any instrument, certificate, paper or transmission believed to be genuine and to be signed or presented by the proper person or persons whether or not by facsimile or other form acceptable to the custodian, and the custodian shall be under no duty to make any investigation or inquiry as to any statement contained in any such communication, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

The Responsible Individual authorizes and directs the Custodian to execute and deliver, on behalf of the Coverdell ESA, any and all documents delivered to the Custodian in connection with the Coverdell ESA investments; and the Custodian shall have no responsibility to verify or determine that any such documents are complete, accurate or constitute the documents necessary to comply with the Responsible Individual's investment direction.

- (d) Deposit Investments. The deposit investments available through the Custodian may include savings, share, and/or money market accounts, and various certificates of deposit (CDs).
- (e) Un-Invested Cash Funds. The Responsible Individual directs the Custodian to sweep available free credit balances automatically into an interest-bearing money market fund or FDIC insured bank account until such time as further direction is received from the Responsible Individual or the Responsible Individual's designated representative(s).

The Responsible Individual authorizes the Custodian to change a money market or FDIC insured cash account, provided that the Custodian provides the Responsible Individual written notice prior to such change.

- 10.06 Termination: Either the Custodian or the Responsible Individual may terminate this agreement at any time by giving written notice to the other. The Custodian can resign as Custodian at any time effective 30 days after mailing written notice of its resignation to the Responsible Individual. Upon receipt of that notice, the Responsible Individual must make arrangements to transfer the Coverdell ESA to another financial organization. If the Responsible Individual does not complete a transfer of the Coverdell ESA within 30 days from the date the Custodian mails the notice to the Responsible Individual, the Custodian has the right to transfer the Coverdell ESA assets to a successor Coverdell ESA trustee or custodian that the Custodian chooses in its sole discretion or the Custodian may pay the Coverdell ESA balance to the Designated Beneficiary in a single sum. The Custodian shall not be liable for any actions or failures to act on the part of any successor trustee or custodian nor for any tax consequences the Designated Beneficiary may incur that result from the transfer or distribution of the Coverdell ESA assets pursuant to this section.

If this agreement is terminated, the Custodian may hold back from the Coverdell ESA a reasonable amount of money that it believes is necessary to cover any one or more of the following:

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

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

If the Custodian is required to comply with Section 1.408-2(e) of the Treasury Regulations and fails to do so, or the Custodian is not keeping the records, making the returns or sending the statements as are required by forms or regulations, the IRS may, after notifying the Responsible Individual or the Designated Beneficiary, require that a substitute trustee or custodian be appointed.

10.07 *Amendments:* The Custodian shall have the right to amend this agreement at any time. Any amendment the Custodian makes to comply with the Code and related regulations does not require the consent of either the Responsible Individual or the Depositor. Notwithstanding anything in this agreement to the contrary, other amendments may be made with the consent of the Responsible Individual. The Responsible Individual will be deemed to have consented to any other amendment unless, within 30 days from the date the Custodian mails the amendment, the Responsible Individual notifies the Custodian in writing that the Responsible Individual does not consent.

10.08 *Transfers From Other Plans:* The Custodian can receive amounts transferred to the Coverdell ESA from the custodian or trustee of another Coverdell ESA.

10.09 *Liquidation Of Assets:* The Custodian has the right to liquidate assets in the Coverdell ESA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Coverdell ESA. If the Responsible Individual fails to direct the Custodian as to which assets to liquidate, the Custodian will decide in its complete and sole discretion and the Responsible Individual agrees not to hold the Custodian liable for any adverse consequences that result from the Custodian's decision.

10.10 *Restrictions On The Fund:* Neither the Responsible Individual, the Designated Beneficiary (nor anyone acting on behalf of the Designated Beneficiary), the Depositor nor any contributor may sell, transfer or pledge any interest in the Coverdell ESA in any manner whatsoever, except as provided by law or this agreement.

The assets in the Coverdell ESA shall not be responsible for the debts, contracts or torts of the Responsible Individual, the Designated Beneficiary, the Depositor or any person entitled to distributions under this agreement.

10.11 *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 Ohio 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.

Any suit filed against custodian arising out of or in connection with this agreement shall only be instituted in the county courts of Lorain County, Ohio where custodian maintains its principal office and you agree to submit to such jurisdiction both in connection with any such suit you may file and in connection with any which we may file against you.

10.12 *Valuations Policy:* In valuing the assets of the custodial account for record-keeping and reporting purposes the Custodian shall use reasonable, good faith efforts to ascertain the fair market value of each asset through utilization of various outside sources available to the Custodian and consideration of various relevant factors generally recognized as appropriate to the application of customary valuation techniques.

However where assets are liquid or their value is not readily ascertainable on either an established exchange or generally recognized market, the valuation is by necessity not a true market value and is merely an estimate of value in a broad range of values and its accuracy should not be relied upon by the Responsible Individual or Designated Beneficiary for any other purposes.

The precision with which a value is assigned is a factor of the nature of the asset and the cost effectiveness of pursuing a more comprehensive appraisal. In certain cases where fair market value is not readily ascertainable and the Custodian does not have a recent qualified independent appraisal the Custodian may follow an internal protocol for assigning value based on the cost of the asset or the Custodian may rely upon a current independent appraisal obtained by the Responsible Individual.

The Custodian neither provides a guarantee of value nor the appropriateness of the appraisal techniques applied in developing an estimate of value and the Custodian assumes no responsibility for the accuracy of the valuations presented with respect to assets whose value is not readily ascertainable on either an established exchange or a generally recognized market.

10.13 *Form 990-T Filing for UBIT:* Pursuant to Sections 511-514 of the Internal Revenue Code the Responsible Individual agrees to prepare or have prepared the required Form 990-T tax return, an application for employer identification number (if not previously obtained), and any other documents that may be required, and to submit them for filing with the Internal Revenue Service to the custodian at least five days prior to the date on which the return is due for such taxable year, along with an appropriate payment directive authorizing the custodian to execute the forms on behalf of the Coverdell ESA and to pay the applicable unrelated business income tax from the Coverdell ESA on unrelated business income which exceeds the current \$1,000 exclusion.

SPECIFIC INSTRUCTIONS

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

PURPOSE OF FORM

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

If the model account is a trust account, see Form 5305-E, Coverdell Education Savings Trust Account.

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

DEFINITIONS

Custodian: The Custodian must be a bank or savings and loan association, as defined in Section 408(n), or any person who has the approval of the IRS to act as Custodian. Any person who may serve as a Custodian of a Traditional IRA may serve as the Custodian of a Coverdell ESA.

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

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

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

Responsible Individual: The Responsible Individual, generally, is a parent or guardian of the Designated Beneficiary. However, under certain circumstances, the Responsible Individual may be the Designated Beneficiary.

IDENTIFICATION NUMBERS

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

INSTRUCTIONS

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

Article X: Article X and any that follow may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the Depositor, Designated Beneficiary, or Responsible Individual, etc. Attach additional pages as necessary.

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

DISCLOSURE STATEMENT

REQUIREMENTS OF A COVERDELL ESA

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

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

The Coverdell ESA contribution that may be made by a Depositor is further limited if the Depositor's modified adjusted gross income (MAGI) exceeds \$190,000 and he or she is a married individual filing jointly (\$95,000 for single taxpayers). Married individuals filing jointly with MAGI exceeding \$220,000 may not fund a Coverdell ESA. Single individuals with MAGI exceeding \$110,000 may not fund a Coverdell ESA. The MAGI limits apply only to Depositors that are individuals.

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

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

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

- C. **ELIGIBLE CUSTODIANS** – The Custodian of the Coverdell ESA must be a bank, savings and loan association, credit union, or person approved by the Secretary of the Treasury.
- D. **COMMINGLING ASSETS** – The assets of the Coverdell ESA cannot be commingled with other property except in a common trust fund or common investment fund.
- E. **LIFE INSURANCE** – No portion of the Coverdell ESA may be invested in life insurance contracts.
- F. **COLLECTIBLES** – The assets of the Coverdell ESA may not be invested in collectibles (within the meaning of Internal Revenue Code (IRC) Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver bullion coins and certain state-issued coins are permissible investments. Beginning January 1, 1998, platinum coins and certain gold, silver, platinum or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Coverdell ESA investments.
- G. **REQUIRED DISTRIBUTIONS** – Except in the case of a special needs beneficiary the assets of the Coverdell ESA are required to be distributed to the Designated Beneficiary within 30 days of the Designated Beneficiary's attainment of age 30. The Designated Beneficiary will be subject to both income tax and an additional 10 percent tax on the portion of the distribution that represents earnings, if the Designated Beneficiary does not have any qualified education expenses in that year.

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

- H. **RESPONSIBLE INDIVIDUAL** – The Responsible Individual is generally the parent or guardian of the Designated Beneficiary. However, the financial organization may establish a policy that permits someone other than the Designated Beneficiary's parent or legal guardian to serve as the Responsible Individual. Unless otherwise indicated on the Application, the Responsible Individual may not change the Designated Beneficiary. If the Depositor has indicated on the Application that the Responsible Individual may change the

Designated Beneficiary, the Responsible Individual may change the Designated Beneficiary to another member of the Designated Beneficiary's family. The Responsible Individual shall perform the following duties.

1. receive a copy of the plan agreement and disclosure statement.
2. direct the Custodian regarding the investment of contributions, including the ability to redirect the investment of the initial contribution.
3. direct the Custodian regarding the administration, management and distribution of the account, unless the plan agreement indicates otherwise.
4. name a successor responsible individual if the need arises.
5. notify the Custodian of any address change for the individuals identified on the plan agreement.
6. remove excess contributions made to the Coverdell ESA.

INCOME TAX CONSEQUENCES OF ESTABLISHING A COVERDELL ESA

- A. **CONTRIBUTIONS NOT DEDUCTED** – No deduction is allowed for Coverdell ESA contributions, including transfer and rollover contributions.
- B. **TAX-DEFERRED EARNINGS** – The investment earnings of the Coverdell ESA are not subject to federal income tax as they accumulate in the Coverdell ESA. In addition, distributions of the Coverdell ESA earnings will be free from federal income tax if the distributions are taken to pay for qualified education expenses, as discussed below.
- C. **TAXATION OF DISTRIBUTIONS** – The taxation of distributions from the Coverdell ESA depends on whether or not the distributions are used for qualified education expenses.
1. **Qualified Education Expenses** – The Designated Beneficiary may take tax-free distributions from a Coverdell ESA to pay for elementary, secondary or post-secondary education expenses at an eligible educational institution. Such expenses include tuition, fees, books, supplies, special needs services, room and board, uniforms, transportation, academic tutoring and supplementary items or services (including extended day programs). Also qualifying are expenses for the purchase of computer technology or equipment, Internet access and related services, if such technology, equipment or services are to be used by the Designated Beneficiary or Designated Beneficiary's family during any of the years the Designated Beneficiary is in school. Qualified expenses may also include amounts contributed to a qualified tuition program.
 2. **Nonqualifying Distributions** – If a Designated Beneficiary withdraws amounts from a Coverdell ESA which exceed the qualified education expenses for the same year, or the distributions are not used for qualified education expenses, a portion of the distributions will be taxable. The amount in excess of the qualified education expenses is taxable pro rata, based on the earnings and the basis in the account.

In most cases of a nonqualified distribution, the taxable portion of a Coverdell ESA distribution is also subject to an additional 10 percent tax. There are several exceptions to the 10 percent tax including distributions made payable
 - a. to a designated death beneficiary of the Coverdell ESA or to the estate of the Designated Beneficiary following the death of the Designated Beneficiary;
 - b. to the Designated Beneficiary if the Designated Beneficiary is disabled;
 - c. to the Designated Beneficiary if the Designated Beneficiary received a qualified scholarship, an educational assistance allowance or an excludable payment exception, but only to the extent the distribution is not more than the amount of the scholarship, allowance or excludable payment, and
 - d. to the Designated Beneficiary as a removal of excess along with the net income attributable.
 3. **Hope or Lifetime Learning Credits** – A Designated Beneficiary may claim the Hope Credit or the Lifetime Learning Credit on his or her federal income tax return in the same taxable year that a tax-free distribution from a Coverdell ESA is claimed, as long as the distribution(s) does not cover the same expenses claimed for the Hope Credit or Lifetime Learning Credit.

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

1. **Coverdell ESA to Coverdell ESA Rollovers** – Funds distributed from a Coverdell ESA may be rolled over to another Coverdell ESA of the same Designated Beneficiary or that of a qualifying family member if the requirements of IRC Sec. 530(d)(5) are met. A proper Coverdell ESA to Coverdell ESA rollover is completed if all or part of a distribution is rolled over not later than 60 days after the distribution is received. The Responsible Individual may not have completed another rollover from the distributing Coverdell ESA during the 12 months preceding the date the distribution was received. Further, the Responsible Individual may roll the same dollars or assets only once every 12 months.
2. **Qualified Family Member** – A Coverdell ESA may be rolled to another Coverdell ESA of the same Designated Beneficiary or to a Coverdell ESA maintained for the benefit of a qualified family member of the Designated Beneficiary, who is under the age of 30. The age 30 limitation does not apply to qualified family members who are special needs beneficiaries. Qualified family members of the Designated Beneficiary include the Designated Beneficiary's child, grandchild, or stepchild, brother, sister, stepbrother, or stepsister, nephew or niece, parents, stepparents, or grandparents, uncle or aunt, spouses of all the family members listed above, cousin, and Designated Beneficiary's spouse.
3. **Rollover of Military Death Benefits** – If you receive or have received a military death gratuity or a payment from the Servicemembers' Group Life Insurance (SGLI) program, you may be able to roll over the proceeds to your Coverdell ESA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Roth IRA. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in the Coverdell ESA.

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

LIMITATIONS AND RESTRICTIONS

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

FEDERAL TAX PENALTIES

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

OTHER

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

PRIVACY POLICY

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Our Commitment to You

Equity Trust Company has been and remains committed to the strict confidentiality of our clients' personal information. We go to great lengths to ensure the integrity and security of your personal information. At Equity Trust Company we recognize that your relationship with us is based on trust and your trust is taken very seriously. As required by federal law and regulation, we are providing the following policy to you regarding our information practices.

Equity Trust Company Privacy Policy

Equity Trust Company restricts access to your personal and account information to those employees and affiliates who need to know that information to provide products, educational materials, or services to you. For example, Equity Trust Company may provide such information to its affiliate Retirement Education Group which provides educational seminars and materials to individuals related to retirement planning and the use of IRA accounts in retirement planning. We maintain physical, electronic and procedural safeguards to guard your non-public personal information. We do not sell any of your personal or account information to any third party affiliates or non-affiliates and we will not do so [except that we reserve the right to transfer such information in connection with a sale of our business (whether by sale of assets, or a merger, consolidation or other similar transaction), or a reorganization or liquidation of our business whether or not in connection with a filing for bankruptcy under applicable law.]

Information Equity Trust Company Collects From You

At various times, Equity Trust Company collects nonpublic personal information from you, including but not limited to:

- Information we receive from you on applications or other forms; and
- Information about your transactions with us and others.

You typically provide this personal information when you complete an Equity Trust Company account application or when you open an account with an affiliated brokerage firm. This information may include, but is not limited to, your name, address, social security number, investment experience, relationship with broker/dealers, risk tolerance, financial references, investment objective, tax bracket, net worth, annual income and occupational/educational background.

What Equity Trust Company Does with Your Personal Information

Equity Trust Company restricts access to your personal and account information to those employees and affiliates who need to know that information to provide products, educational materials or services to you. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. We *do not* sell any of your personal or account information to any third party affiliates or non-affiliates; however we may provide such information to any successor custodian/trustee for your account. However, since publicly held securities transactions are effected through a correspondent clearing firm, we do provide certain account information (such as your name, social security number, address, date of birth, and telephone number; and under limited circumstances, net worth, annual income, tax bracket, investment objectives and risk tolerance) and transaction activity to our clearing firm to effect and administer your transaction requests. In addition, certain account information (such as your name, address, account activity and positions) is provided to a service provider with whom Equity Trust Company has contracted to print and mail account statements.

Except as set forth above, we do not disclose any of our customers' or former customers' nonpublic personal information to anyone, except as permitted by law. For example, Equity Trust Company *will* provide your personal information in the following situation:

- Upon request by federal, state or local law enforcement agencies;
- Upon request by the IRS for tax reporting purposes; and
- Upon request by other organizations that protect your privacy.

If you decide to close your account(s) with us or become an inactive customer, we will continue to adhere to the privacy policies and practices as set forth in this notice.

Your Privacy with Equity Trust Online

Equity Trust Company considers your online confidentiality and privacy to be as important as your written documentation. At Equity Trust Company, we use a variety of protections to maintain the security of your online session. For example, we make use of firewall barriers, authentication procedures and data encryption of 128 Bit SSL.

When you visit our website, aggregate, nonpersonal information (i.e., browser type, Internet protocol address, pages visited, and average time spent on our website) may be collected through the use of "cookies." A "cookie" is a persistent client side hypertext transfer protocol file. Cookies are pieces of information that a website can transfer to a visitor's hard drive for recordkeeping purposes. Cookies help web surfing by saving visitor preferences and other information. The use of cookies is a widespread industry standard and thus many major websites use cookies. Most web browsers are initially configured to accept and process cookies. You can configure your browser to refuse cookies. For more information on our online privacy policies, please visit our website.

How Equity Trust Company Will Inform You of Changes to Our Policies

As required by federal law and regulation we will notify you of our privacy policy annually. Equity Trust Company reserves the right to modify this policy at any time and will inform you if any such changes are made.