



*SIMPLE IRA*  
Disclosure Statement  
& Custodial Account Agreement

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References to the "Custodian" mean PF PC Trust Company, which will be renamed BNY Mellon Investment Servicing Trust Company effective July 1, 2011.

## SIMPLE INDIVIDUAL RETIREMENT ACCOUNT (IRA) DISCLOSURE STATEMENT

The following information is the disclosure statement required by federal tax regulations. You should read this Disclosure Statement, the Custodial Account Agreement and prospectuses for the mutual funds in which your Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account ("SIMPLE IRA") contributions will be invested. The rules governing IRAs are subject to change. You should consult Internal Revenue Service ("IRS") Publications 560 and 590 or the IRS web site [www.irs.gov](http://www.irs.gov) for updated rules and requirements.

### IMPORTANT INFORMATION ABOUT U.S. GOVERNMENT REQUIREMENTS THAT MAY AFFECT YOUR ACCOUNT

PFPC Trust Company, which will be renamed BNY Mellon Investment Servicing Trust Company effective July 1, 2011 ("PFPC", "we", or "us"), provides custodial and administrative services for your retirement or savings account. As a result of this role, persons who open a retirement or savings account are considered 'customers' of PFPC ("you" or "your").

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires PFPC, as a financial institution, to obtain, verify, and record information that identifies each person who opens an account. All accounts we open are opened on a conditional basis – conditioned on our ability to verify your identity in accordance with Federal law.

When establishing an account, you are required to provide your full legal name, address, government issued identification number (e.g. social security number), date of birth, and other information within your account-opening application that will allow us to identify you. We may also request a copy of your driver's license or other identifying documents and may consult third-party databases to help verify your identity. If the account you are opening will be registered in the name of a beneficiary, trust, or estate or charity, we may require additional identifying documentation.

**If you fail to provide any requested identifying information or documentation when opening your account, your new account application may be rejected.**

**If we open your account, and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by U.S. Government regulations, we reserve the right to take any one or more of the following actions:**

- We may place restrictions on your account which block all purchase transactions and we may place additional restrictions on your account blocking other transactional activities if we determine such additional restrictions are appropriate under Federal law or regulation.
- We may close your account, sell (i.e., "liquidate") the assets in your account in the prevailing market at the time, and send you a check representing the cash proceeds of your account. This distribution will be reported to the Internal Revenue Service and may result in unfavorable consequences to you under Federal and state tax laws.

**You May Incur Losses.** Despite being opened as a conditional account, your account will be invested as you instruct and you will be subject to all market risks during the period between account opening and any liquidation necessitated by your failure to furnish requested identifying information or by an inability to adequately verify your identity. You may also be subject to additional market risks if the additional transactional restrictions discussed above are placed on your account. In addition, the closing of your account may subject you to fees and charges imposed by a sponsor, issuer, depository or other person or entity associated with one or more of the assets in which you are invested, and any sales charges you may have paid in connection with your purchases will not be refunded.

**You Assume All Responsibility For These Losses.** PFPC expressly disclaims any responsibility or liability for losses you incur as result of your failure to furnish identification materials we request, including investment losses and any other loss or damage (including but not limited to lost opportunities and adverse tax consequences). If you proceed with the account opening process, you accept all risks of loss resulting from any failure of yours to furnish the identification materials we request or from a subsequent inability to adequately verify your identity in accordance with Federal law or regulation.

### STATE UNCLAIMED PROPERTY LAW DISCLOSURE

The assets in your custodial account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by the particular state law, your assets must be transferred to the appropriate state. We are required by law to advise you that your assets may be transferred to an appropriate state in compliance with these state laws.

### REVOCATION OF YOUR SIMPLE IRA

You have the right to revoke your SIMPLE IRA and receive the entire amount of your initial investment by notifying the Custodian in writing within seven (7) days of establishing your SIMPLE IRA (account open date). If you revoke your SIMPLE IRA within seven days, you are entitled to a return of the entire amount contributed, without adjustment for such items as sales commissions, administrative expenses, or fluctuations in market value. If you decide to revoke your SIMPLE IRA, notice should be delivered or mailed to the address listed in the application instructions.

This notice should be signed by you and include the following:

1. The date.
2. A statement that you elect to revoke your SIMPLE IRA.
3. Your SIMPLE IRA account number.
4. The date your SIMPLE IRA was established.
5. Your signature and your name printed or typed.

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid, or with an IRS approved overnight service. This means that when you mail your notice, it must be postmarked on or before the seventh day after your SIMPLE IRA was opened. A revoked IRA will be reported to the IRS and the Depositor on IRS Forms 1099-R and 5498.

## **YOUR SIMPLE IRA ACCOUNT**

You have opened a SIMPLE IRA, which is an IRA for the exclusive benefit of you and your beneficiaries, created by a written instrument (the Custodial Account Agreement).

The following requirements apply to your SIMPLE IRA:

1. Contributions, transfers and rollovers may be made only in "cash" by check, draft, or other form acceptable to the Custodian.
2. The Custodian must be a bank, trust company, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
3. No part may be invested in life insurance contracts.
4. Your interest must be nonforfeitable.
5. The assets of the custodial account may not be mixed with other property except in a common investment fund.
6. You must begin receiving distributions from your account no later than April 1 of the year following the year in which you attain age 70½; and distributions must be completed over a period that is not longer than the joint life expectancy of you and your beneficiary.

## **CONTRIBUTIONS**

For 2011, the elective deferral contribution limit is \$11,500 or 100% of your salary, whichever is less. In the case of an eligible employee who will be age 50 or older before the end of the calendar year, the above limitation is \$14,000 for 2011. For tax years after 2011, the above limits may be subject to IRS cost-of-living adjustments, if any. Please read the SIMPLE Individual Retirement Account (IRA) Disclosure Statement carefully or consult IRS Publication 560 or a professional tax advisor for more information about eligibility requirements and contribution restrictions.

## **TAX TREATMENT OF CONTRIBUTIONS**

Salary reduction contributions to a SIMPLE IRA are excludable from federal income tax and are not subject to federal income tax withholding until distributed to you. Salary reduction contributions to a SIMPLE IRA are subject to tax under the Federal Insurance Contributions Act ("FICA"), the Federal Unemployment Tax Act ("FUTA"), and the Railroad Retirement Tax Act ("RRTA"), and should be reported accordingly by your employer on Form W-2, Wage and Tax Statement. Your employer's matching and non-elective contributions to your SIMPLE IRA are not subject to FICA, FUTA, or RRTA taxes, and are not required to be reported on Form W-2. Check with your professional tax advisor or the IRS website [www.irs.gov](http://www.irs.gov) for more information.

## **DESCRIPTION OF AVAILABLE OPTIONS FOR YOUR CONTRIBUTIONS**

The assets in your custodial account will be invested in accordance with instructions communicated by you (or following your death, by your beneficiary) or by your (or following your death, your beneficiary's) authorized agent. Account contributions may be invested in shares of one or more mutual funds made available to you in connection with this SIMPLE IRA account (the "Mutual Funds"), or in other investments that are eligible for investment under section 408(a) of the Internal Revenue Code and that are acceptable to the Custodian as investments under the SIMPLE Individual Retirement Account (IRA) Application and Adoption Agreement.

**Mutual Fund Option:** An investment in one or more Mutual Funds involves investment risks, including possible loss of principal. In addition, growth in the value of your Mutual Funds is neither guaranteed nor protected due to the characteristics of a mutual fund investment. Detailed information about the shares of each Mutual Fund available to you for investment of your SIMPLE IRA contributions must be furnished to you in the form of a prospectus. The method for computing and allocating annual earnings is set forth in the prospectus. (See the section of each prospectus entitled "Dividends.") The prospectus also sets forth the costs and expenses you incur by being invested in a particular Mutual Fund; such costs and expenses reduce any yield you might obtain from the Mutual Funds. (See the section of the prospectus entitled "Expense Table" and the sections referred to therein). For further information regarding expenses, earnings, and distributions of a particular Mutual Fund, see that Mutual Fund's financial statements, prospectus and/or statement of additional information.

In Article VIII, Section 23 of the SIMPLE IRA RETIREMENT CUSTODIAL ACCOUNT AGREEMENT ("Section 23"), which constitutes an important part of this SIMPLE IRA APPLICATION and ADOPTION AGREEMENT, you authorize the Custodian to act in its discretion for your benefit in situations where assets in your custodial account are liquidated and the Custodian has not received instructions from you in a timely manner regarding the disposition of such proceeds or where the only instructions received from you cannot reasonably or practicably be carried out. For example, a Mutual Fund may take actions which result in that Mutual Fund, or in your investment in that Mutual Fund, being involuntarily liquidated. The Mutual Fund or the prospectus for that Mutual Fund may direct that the proceeds of the liquidation be placed in an asset not available to you under this SIMPLE IRA or provide solely that the cash or other property resulting from the liquidation be distributed directly to shareholders. If the Custodian does not receive timely instructions from you that it can reasonably and practicably carry out (for example, in-kind property distributed by the Mutual Fund may not be a permissible asset for a SIMPLE IRA), then in Section 23 you authorize the Custodian to exercise its discretion in acting on your behalf, including taking such actions as placing the proceeds in a money market mutual fund or an FDIC-insured bank account or money market account, distributing the proceeds to you or holding the proceeds uninvested. Other examples may exist involving different liquidation circumstances and different restrictions or limitations regarding the disposition of the proceeds. The Custodian expressly disclaims any liability for any action taken or omitted under the authority of Section 23, unless the Internal Revenue Code or regulations implementing the Internal Revenue Code require otherwise.

## **EXCESS DEFERRALS**

Important: Please consult with your employer to discuss the appropriate steps to correct excess contributions.

Amounts deferred to your SIMPLE IRA in excess of the allowable limit may be subject to a non-deductible excise tax of 6% for each year until the excess is removed. The 6% excise tax will not apply if the excess contribution and earnings allocable to it are distributed by April 15th of the year following the annual deferral. Amounts distributed after April 15<sup>th</sup> may incur additional adverse tax consequences. You should consult a professional tax advisor if distributing an excess after April 15th. Earnings will be removed with the excess contribution pursuant to Internal Revenue Code Section 408(d)(4) and IRS Publication 590. For the purpose of the excess contribution, we will calculate the net income attributable ("NIA") to the contribution

using the method provided for in the IRS Final Regulations for Earnings Calculation for Returned or Recharacterized Contributions. This method calculates the NIA based on the actual earnings and losses of the SIMPLE IRA during the time it held the excess contribution. Please note that a negative NIA is permitted and, if applicable, will be deducted from the amount of the excess contribution. An IRS Form 1099-R will be issued in the year the distribution takes place. You must file IRS Form 5329 to report excise tax.

Consult a professional tax advisor, IRS Publications 560 and 590 or the IRS website [www.irs.gov](http://www.irs.gov) for more information pertaining to excess contributions.

### **TRANSFERS AND ROLLOVERS INTO YOUR SIMPLE IRA**

Transfers and rollovers can be made into your SIMPLE IRA if the monies are from another SIMPLE IRA. IRS regulations prohibit the transfer or rollover of other types of retirement assets into a SIMPLE IRA.

### **TRANSFERS AND ROLLOVERS BETWEEN SIMPLE IRAS**

In general, you may transfer the assets of one SIMPLE IRA to another SIMPLE IRA without tax consequences if you 1) transfer the assets by way of a direct trustee-to-trustee transfer, or 2) "roll over" a distribution from one SIMPLE IRA to another SIMPLE IRA. A nontaxable "roll over" occurs when you deposit money received from a SIMPLE IRA into another SIMPLE IRA within 60 calendar days of your receipt of the distributed proceeds. The IRS strictly enforces the 60-day time limit. If you rollover only a portion of a distribution, the portion that is not rolled over will be subject to taxation and applicable penalties, if any. In addition, only one rollover of the SIMPLE IRA assets is permitted every 365 days.

### **TRANSFERS AND ROLLOVERS INTO OTHER TYPES OF RETIREMENT ACCOUNTS - REQUIRED TWO YEAR HOLDING PERIOD**

Once you have participated in your employer's SIMPLE IRA Plan for two years, you may transfer or rollover the assets in your SIMPLE IRA to another SIMPLE IRA, or to a Traditional or SEP IRA or an employer plan without tax consequences by means of a direct trustee-to-trustee transfer or a 60-day rollover. Any transfer or rollover out of a SIMPLE IRA into another type of IRA or employer plan prior to satisfying the required two year holding period (two years from the date on which you first participated in a SIMPLE IRA maintained by your employer) is treated as a distribution from your SIMPLE IRA, which is subject to taxation and may be subject to early distribution penalties (see "Taxation of SIMPLE IRA Distributions" below).

### **TAXATION OF SIMPLE IRA DISTRIBUTIONS**

The income of your SIMPLE IRA is not taxed until the money is distributed to you. Distributions are taxable as ordinary income when received. A distribution received before you attain age 59½ is considered a premature distribution and is subject to a penalty tax equal to 10% of the distribution unless an exception applies (see "Early Distributions from a SIMPLE IRA" below). If the premature distribution is made prior to satisfying the required two year holding period (two years from the date on which you first participated in a SIMPLE IRA maintained by your employer) and no exception applies, then the penalty tax is increased to 25%.

### **EARLY DISTRIBUTIONS FROM A SIMPLE IRA**

Your receipt or use of any portion of your SIMPLE IRA before you attain age 59½ is considered an early or premature distribution. The distribution is subject to a penalty tax equal to 10% of the distribution (the penalty tax is increased to 25% if the distribution occurs prior to satisfying the required two year holding period) unless one of the following exceptions applies to the distribution:

1. due to your death, or
2. made because you are disabled, or
3. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or
4. used for health insurance cost due to your unemployment, or
5. used for higher education expenses defined in section 529(e)(3) of the Internal Revenue Code, or
6. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
7. part of a scheduled series of substantially equal periodic payments over your life, or over the joint life expectancy of you and a beneficiary. If you request a distribution in the form of a series of substantially equal periodic payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the penalty tax will apply retroactively to the year payments began through the year of such modification, or
8. required because of an IRS levy, or
9. the distribution is a Qualified Reservist Distribution.

The penalty tax is in addition to any federal income tax that is owed at the time of distribution. For more information on the penalty tax and the exceptions listed above, consult IRS Publications 560 and 590. If you are subject to a federal penalty tax due to a premature distribution, you must file IRS Form 5329.

### **REQUIRED DISTRIBUTIONS FROM A SIMPLE IRA**

You are required to begin receiving minimum distributions from your SIMPLE IRA by your required beginning date (April 1 of the year following the year you attain age 70½). The year you attain age 70½ is referred to as your "first distribution calendar year". Your required minimum distribution for each year, beginning with the calendar year you attain age 70½, is generally based upon the value of your account at the end of the prior year divided by the factor for your age (derived from the IRS Uniform Lifetime Distribution Period Table). This table assumes you have a designated spouse beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum distribution amount is the prior year end fair market value (value as of December 31<sup>st</sup>), adjusted for outstanding rollovers, transfers and recharacterizations (that relate to a conversion or failed conversion made in the prior year). You are responsible for notifying the Custodian of any outstanding amounts.

If the amount distributed during a taxable year is less than the minimum amount required to be distributed, you will be subject to a penalty tax equal to 50% of the difference between the amount distributed and the amount required to be distributed. You are responsible for monitoring this schedule from

year to year to make sure that you are withdrawing the required minimum amount. If you are subject to a federal penalty tax due to a missed required minimum distribution, you must file IRS Form 5329.

However, no payment will be made from this SIMPLE IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary, as of the January 1<sup>st</sup> of the calendar year that contains your required beginning date, and such spouse is more than 10 years younger than you. The required minimum distribution for the second distribution calendar year and for each subsequent distribution calendar year must be made by December 31<sup>st</sup> of each such year. A SIMPLE IRA required minimum distribution election form is available from the Custodian.

### **SIMPLE IRA DISTRIBUTIONS DUE TO DEATH**

If, prior to your death, you have not started to take your required distributions and you properly designated a beneficiary (ies), the entire value of your SIMPLE IRA must be distributed to your beneficiaries within five years after your death, unless the designated beneficiary elects in writing, no later than September 30<sup>th</sup> of the year following the year in which you die, to take distributions over their life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31<sup>st</sup> of the calendar year you would have attained age 70½, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed no later than the December 31<sup>st</sup> of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your SIMPLE IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your SIMPLE IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year.

If your spouse is your sole beneficiary, your spouse may elect to treat your SIMPLE IRA as their own SIMPLE IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your SIMPLE IRA as his or her own SIMPLE IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own SIMPLE IRA.

After your death, your designated beneficiary may name a subsequent beneficiary. Any subsequent beneficiaries must take distributions at least as frequently as the original designated beneficiary.

If you do not properly designate a beneficiary, or all designated beneficiaries have predeceased you, your spouse shall become the beneficiary or, if no surviving spouse or unmarried, the distribution will be made to your estate. Consult IRS Publication 590 for a complete discussion of rules governing distributions due to death.

Per Stirpes Designations - The Custodian shall accept as complete and accurate all written instructions provided in good order by the estate/executor with regard to the identification of your beneficiaries and the allocations thereto.

In order to ensure the proper tax reporting of SIMPLE IRA distributions to the IRS, you are required to complete the appropriate distribution form for all distributions. A SIMPLE IRA distribution form is available from the Custodian.

### **CONVERTING TO A ROTH IRA (see - IMPORTANT CHANGES TO ROTH CONVERSIONS EFFECTIVE JANUARY 1, 2010)**

You may also "convert" all or a portion of your SIMPLE IRA (after satisfying the required two year holding period) to a Roth IRA if your adjusted gross income (joint or individual) does not exceed \$100,000 for the tax year, unless you are married and file a separate return. (If you are a married individual, filing a separate return, and have lived apart from your spouse for the entire year, you may be eligible to be treated as a single payer.) A conversion is a type of distribution and is not tax-free. You may not convert any portion of a required minimum distribution (RMD). Distributions are taxable as ordinary income when received, except the amount of any distribution representing the return of non-deducted contributions is not taxed. The 10% penalty tax on early distributions does not apply to conversion amounts unless an amount attributable to a conversion is distributed from the Roth IRA prior to five years from the date of the conversion. Your SIMPLE IRA may be converted to a Roth IRA by means of an in-house direct transfer (within the same financial institution) or as a direct transfer between two different financial institutions.

A conversion is reported as a distribution from your SIMPLE IRA (IRS Form 1099-R) and a conversion contribution to your Roth IRA (IRS Form 5498). The rules regarding conversions to Roth IRAs are complex and you should consult a professional tax advisor prior to a conversion.

### **IMPORTANT CHANGES TO ROTH CONVERSIONS EFFECTIVE JANUARY 1, 2010**

Beginning in 2010, there are no eligibility requirements for converting a SIMPLE IRA (after satisfying the required two year holding period) into a Roth IRA under the Tax Increase Prevention and Reconciliation Act of 2006 ("TIPRA"). You should consult your tax advisor or the IRS web site [www.irs.gov](http://www.irs.gov) regarding special taxation rules that will apply to conversions occurring in 2010.

### **RECHARACTERIZATION OF A ROTH IRA CONVERSION (Correction Process)**

You may correct a conversion made in error by recharacterizing the conversion. A conversion is recharacterized by transferring the conversion amount plus allocable earnings back to a SIMPLE IRA. The correction must take place prior to the due date, including extensions, for filing your federal income tax return for the tax year in which the conversion was originally made. A recharacterized conversion may be converted back to a Roth IRA, however limitations may apply. Assets that have been recharacterized back to a SIMPLE IRA cannot be reconverted to a Roth IRA in the same tax year or within thirty days of the recharacterization. A recharacterized conversion is reported as a distribution from the Roth IRA (IRS Form 1099-R) and a recharacterization contribution to the SIMPLE IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a professional tax advisor prior to any recharacterization or reconversion. A recharacterization form is available from the Custodian and should be used for all recharacterization requests.

## **FEES AND CHARGES**

There is an annual custodial maintenance fee for your SIMPLE IRA account as set forth on the Application. The Custodian may also charge a service fee in connection with any distribution from your SIMPLE IRA.

## **QUALIFIED RESERVIST DISTRIBUTIONS**

Early distributions paid to military reservists called to active duty after September 11, 2001 ("Qualified Reservist Distributions") are eligible to be repaid to an IRA within a two-year period after the end of active duty. This provision applies to distributions made after September 11, 2001. Repayments cannot exceed the amount of your Qualified Reservist Distributions. Repayment cannot be made after the later of either the date that is two years after your active duty period ends, or August 16, 2008. The repayments are not treated as rollovers. For additional information refer to IRS Publication 590 under the heading "Qualified reservist repayments."

## **PROHIBITED TRANSACTIONS**

If you or your beneficiary engages in any prohibited transaction as described in Internal Revenue Code Section 4975(c) (such as any sale, exchange, borrowing, or leasing of any property between you and your SIMPLE IRA; or any other interference with the independent status of the account), the account will lose its exemption from tax and be treated as having been distributed to you in the tax year in which you or your beneficiary engaged in the prohibited transaction. The distribution may also be subject to additional penalties including a possible penalty tax if you have not attained age 59½. See IRS Publication 590 for further instructions on calculating taxable gain, reporting amounts in income and prohibited transaction penalty taxes.

In addition, if you or your beneficiary use (pledge) all or any part of your SIMPLE IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you. Your distribution may also be subject to a penalty tax if you have not attained age 59½ during the year which you make such a pledge.

## **ESTATE TAX**

Amounts payable to your spouse, as your named beneficiary, may qualify for a marital tax deduction for federal estate tax purposes.

## **INCOME TAX WITHHOLDING**

The Custodian is required to withhold federal income tax from any distribution from your SIMPLE IRA to you at the rate of 10% unless you choose not to have tax withheld. You may elect out of withholding by advising the Custodian in writing, prior to the distribution, that you do not want tax withheld from the distribution. This election may be made on any distribution request form provided by the Custodian. If you do not elect out of tax withholding, you may direct the Custodian to withhold an additional amount of tax in excess of 10%.

State income tax withholding may also apply to distributions from your SIMPLE IRA when federal income tax is withheld. Please contact your tax advisor or state tax authority for information about your state's income tax withholding requirements.

## **ADDITIONAL INFORMATION**

Distributions under \$10 will not be reported on IRS Form 1099-R (as allowed under IRS regulations). However, you must still report these distributions to the IRS on your Form 1040 (as well as other forms that may be required to properly file your tax return).

For more detailed information, you may obtain IRS Publication 560 - Retirement Plans for Small Business and IRS Publication 590 - Individual Retirement Arrangements (IRAs) from any district office of the Internal Revenue Service or by calling 1-800-TAX-FORM. Any SIMPLE IRA transaction may have tax consequences; consult your professional tax advisor to obtain information about the tax consequences in connection with your particular circumstances.

## **IRS APPROVED FORM**

Your SIMPLE IRA is the Internal Revenue Service's model custodial account contained in IRS Form 5305-SA. Certain additions have been made in Article VIII of the form. By following this form, your SIMPLE IRA meets the requirements of the Internal Revenue Code. However, the IRS has not endorsed the merits of the investments allowed under the SIMPLE IRA. This form cannot be used with Coverdell ESAs, Roth, SEP, or Traditional IRAs.

**SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**  
**(Form 5305-SA March 2002)**

The participant is establishing a Savings In centive Match Plan for Employees of Small Employers Individual Retirement Account ("SIMPLE IRA") under sections 408(a) and 408(p) of the Internal Revenue Code to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian has given the participant the disclosure statement required under Regulations section 1.408-6.

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The participant and the Custodian make the following agreement:

**ARTICLE I**

The Custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant. No other contributions will be accepted by the Custodian.

**ARTICLE II**

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

**ARTICLE III**

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

**ARTICLE IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
  - (a) A single sum, or
  - (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.
3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the participant dies on or after the required beginning date and:
    - (i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) there is no designated beneficiary; the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.
  - (b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.
  - (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs), may satisfy the minimum distribution requirement described above, by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under 408(a)(6).

#### **ARTICLE V**

1. The participant agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit reports to the Internal Revenue Service (IRS) and the participant as prescribed by the IRS.
3. The Custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

#### **ARTICLE VI**

Notwithstanding any other articles, which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with sections 408(a) and 408(p) and the related regulations will be invalid.

#### **ARTICLE VII**

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signature appears on the SIMPLE IRA Account Application and Adoption Agreement.

#### **ARTICLE VIII**

1. All funds in the custodial account (including earnings) shall be invested in assets permissible under the Code which have been designated by the Custodian as eligible for investment ("Eligible Assets") as directed by the participant in compliance with this Agreement. Eligible Assets will be purchased at the prices determined in accordance with the market applicable to particular Eligible Assets.
2. The Custodian may hold all Eligible Assets in accounts registered to the Custodian or its nominee. Participant shall be the beneficial owner of all Eligible Assets held in the custodial account notwithstanding such registration.
3. The participant shall, from time to time, direct the Custodian to invest funds received by the Custodian under this Agreement. Any funds received by the Custodian under this Agreement for which the Custodian does not receive investment directions may, at the sole discretion of the Custodian, be returned to the participant or held uninvested until direction is received from the participant, in either case without such funds being deemed contributed to the custodial account.
4. The Custodian agrees to forward, or to cause to be forwarded, to participant (i) the then-current prospectus, if any, applicable to each Eligible Asset held in the custodial account, and (ii) any notices, proxies and proxy soliciting materials received by it with respect to Eligible Assets held in the custodial account. In the event Custodian does not receive timely directions from participant with respect to any voting interests of participant in Eligible Assets in the custodial account, Custodian is hereby directed to and shall vote such interests (i) in the same proportion as other participants have timely directed the Custodian to vote such interests, or (ii) as required by law if a vote other than that provided for by clause (i) is so required.
5. The participant shall have the right by written notice to the Custodian (i) to designate one or more beneficiaries to receive any benefit to which the participant may be entitled in the event of the participant's death prior to the complete distribution of such benefit, and (ii) to designate one or more beneficiaries in replacement of any previously designated beneficiaries. Any such notice will be deemed to be in effect when received in good order by the Custodian. If no such designation is in effect at the time of the participant's death, or if all designated beneficiaries have predeceased the participant, the participant's surviving spouse shall become the participant's beneficiary, or, if the participant does not have a surviving spouse at the time of death, the distribution will be made to the participant's estate.

6. (a) The Custodian shall have the right to receive rollover contributions as described in Article I of this Agreement. The Custodian reserves the right to refuse to accept any property or contribution which is not in the form of cash.
- (b) The Custodian, upon written direction of the participant and after submission to the Custodian of such documents as it may reasonably require, shall transfer the assets held under this Agreement (reduced by (1) any amounts referred to in paragraph 8 of this Article VIII and (2) any amounts required to be distributed during the calendar year of transfer) to a successor individual retirement account, to an individual retirement annuity for the Participant's benefit, or directly to the participant.
- Any amounts received or transferred by the Custodian under this paragraph 6 shall be accompanied by such records and other documents as the Custodian deems necessary to establish the nature, value and extent of the assets and of the various interests therein.
7. Without in any way limiting the foregoing, the participant hereby irrevocably delegates to the Custodian the right and power to amend at any time and from time to time the terms and provisions of this Agreement and hereby consents to such amendments, provided they shall comply with all applicable provisions of the Code, the Treasury regulations thereunder and with any other governmental law, regulation or ruling. Any such amendments shall be effective when the notice of such amendments is mailed to the address of the participant indicated by the Custodian's records.
8. Any income taxes or other taxes of any kind whatsoever levied or assessed upon or in respect of the assets of the custodial account or the income arising therefrom, any transfer taxes incurred, all other administrative expenses incurred, specifically including but not limited to, administrative expenses incurred by the Custodian in the performance of its duties and fees for legal services rendered to the Custodian, and the Custodian's compensation may be paid by the participant and, unless so paid within such time period as the Custodian may establish, shall be paid from the participant's custodial account. The Custodian reserves the right to change or adjust its compensation upon 30 days advance notice to the participant.
9. The benefits provided hereunder shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized, except to such extent as may be required by law.
10. The Custodian may rely upon any statement by the participant (or the participant's beneficiary if the participant is deceased) when taking any action or determining any fact or question which may arise under this Agreement. The participant hereby agrees that neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with any Eligible Asset held at any time in the custodial account will be liable for any loss or expense resulting from any action taken or determination made in reliance on such statement. The participant assumes sole responsibility for assuring that contributions to the custodial account satisfy the limits specified in the appropriate provisions of the Code. The participant agrees that the participant will not direct the Custodian to engage in any prohibited transactions (as defined in Code section 4975) with respect to the Custodial Account.
11. The Custodian may resign at any time upon 30 days written notice to the participant and to the sponsor, issuer, depository or other person or entity primarily associated with each Eligible Asset held in the custodial account, and may be removed by the participant at any time upon 30 days written notice to the Custodian. Upon the resignation or removal of the Custodian, a successor Custodian shall be appointed within 30 days of such resignation notice and in the absence of such appointment, the Custodian shall appoint a successor unless the Agreement be sooner terminated. Any successor Custodian shall be a bank (as defined in section 408(n) of the Code) or such other person found qualified to act as a Custodian under an individual account plan by the Secretary of the Treasury or his delegate. The appointment of a successor Custodian shall be effective upon receipt by the Custodian of such successor's written acceptance, which shall be submitted to the Custodian, the Funds, and the participant. Within 30 days of the effective date of a successor Custodian's appointment, the Custodian shall transfer and deliver to the successor Custodian applicable account records and assets of the custodial account (reduced by any unpaid amounts referred to in paragraph 8 of this Article VIII). The successor Custodian (and any successor thereto) shall be subject to the provisions of this Agreement (or any successor thereto) on the effective date of its appointment.
12. The Custodian shall, from time to time, in accordance with instructions in writing from the participant (or the participant's beneficiary if the participant is deceased), make distributions out of the custodial account to the participant in the manner and amounts as may be specified in such instructions (reduced by any amounts referred to in Article VIII, paragraph 8). A SIMPLE IRA Distribution Request Form is available from the Custodian, and should be obtained and used to request any distribution from your SIMPLE IRA. Notwithstanding the provisions of Article IV above, the Custodian assumes (and shall have) no responsibility to make any distribution from the custodial account unless and until such written instructions specify the occasion for such distribution and the elected manner of distribution, except as set forth in the second part of this paragraph (12) below, with respect to age 70½ distributions.

Prior to making any such distribution from the custodial account, the Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian, but the Custodian shall not be liable for complying with written instructions which appear on their face to be genuine, or for refusing to comply if not satisfied such instructions are genuine, and assumes no duty of further inquiry. Upon receipt of proper written instructions as required above, the Custodian shall cause the assets of the custodial account to be distributed in cash and/or in kind, as specified in such written instructions.

The participant may select a method of distribution under Article IV, paragraph 3, option (a) or (b) above. If the participant requests an age 70½ distribution by timely written instruction but does not choose any of the methods of distribution described above by the April 1st following the calendar year in which he or she reaches age 70½, distribution to the participant will be made in accordance with Article IV, paragraph 2, option (b). If the participant does not request an age 70½ distribution from the custodial account by timely written instruction, or does not specify the amount of the age 70½ distribution which the participant will be taking from another IRA(s), no distribution will be made; however calculation of the current year Required Minimum Distribution amount which cannot be rolled over to another IRA will be made in accordance with Article IV, paragraph 2, option (b).

13. Distribution of the assets of the custodial account shall be made in accordance with the provisions of Article IV as the participant (or the participant's beneficiary if the participant is deceased) shall elect by written instructions to the Custodian; subject, however, to the provisions of sections 401(a)(9), 408(a)(6) and 403(b)(10) of the Code, the regulations promulgated thereunder, Article VIII, paragraph 12 of this Agreement. The provisions of this paragraph (13) of Article VIII shall prevail over the provisions of Article IV to the extent the provisions of this paragraph (13) are permissible under proposed and/or final regulations promulgated by the Internal Revenue Service.

14. In the event any amounts remain in the custodial account after the death of the participant, the rights of the participant under this Agreement shall thereafter be exercised by his or her beneficiary.
15. The Custodian is authorized to hire agents (including any transfer agent for Eligible Assets) to perform certain duties under this Agreement.
16. This Agreement shall terminate coincident with the complete distribution of the assets of the participant's account.
17. All notices to be given by the Custodian to the participant shall be deemed to have been given when mailed to the address of the participant indicated by the Custodian's records.
18. Neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with any Eligible Asset held at any time in the custodial account shall be responsible for any losses, penalties or other consequences to the participant or any other person arising out of the making of, or the failure to make, any contribution or withdrawal.
19. In addition to the reports required by paragraph (2) of Article V, the Custodian shall periodically cause to be mailed to the participant in respect of each such period an account of all transactions affecting the custodial account during such period and a statement showing the custodial account as of the end of such period. If, within 30 days after such mailing, the participant has not given the Custodian written notice of any exception or objection thereto, the periodic accounting shall be deemed to have been approved and, in such case or upon the written approval of the participant, the Custodian, and the Funds shall be released, relieved and discharged with respect to all matters and statements set forth in such accounting as though the account had been settled by judgment or decree of a court of competent jurisdiction.
20. In performing the duties conferred upon the Custodian by the participant hereunder, the Custodian shall act as the agent of the participant. The parties do not intend to confer any fiduciary duties on the Custodian and none shall be implied. Neither the Custodian nor any sponsor, issuer, depository or other person or entity associated with Eligible Assets shall be liable (and neither assumes any responsibility) for the collection of contributions, the deductibility or the propriety of any contribution under this Agreement, the selection of any Eligible Asset for this custodial account, or the purpose or propriety of any distribution made in accordance with Article IV and Paragraph 12, 13 of Article VII I, which matters are the sole responsibility of the participant or the participant's beneficiary, as the case may be. The participant and the successors of the participant, including any beneficiary, executor or administrator, shall, to the extent permitted by law, indemnify and hold the Custodian and any sponsor, issuer, depository or other person or entity associated with Eligible Assets and their affiliates, successors and assigns harmless from any and all claims, actions or liabilities, except such as may arise from such party's own bad faith, negligence, nonfeasance, or willful misconduct.
21. The Custodian shall be responsible solely for the performance of those duties expressly assigned to it in this Agreement and by operation of law. In determining the taxable amount of a distribution, the participant shall rely only on his or her federal tax records, and the Custodian shall withhold federal income tax from any distribution from the custodial account as if the total amount of the distribution is includible in the participant's income.
22. Except to the extent superseded by federal law, this Agreement shall be governed by, and construed, administered and enforced according to, the laws of the State of Delaware, and all contributions shall be deemed made in Delaware.
23. Fund Liquidation and Other Events Permitting Custodian Exercise of Administrative Discretion. In the event any asset or property held in the custodial account (or any asset or property previously subject to the operation of this section and administered by the Custodian) is redeemed or liquidated, matures, or is otherwise converted to cash or other property (a "Liquidation") for any reason or under any circumstances and the Custodian does not receive timely instructions designating what it should do with the proceeds of such Liquidation (the "Proceeds") from any person lawfully entitled to give instructions with respect to the account, including without limitation the registered owner of the custodial account ("Owner") and successors and representatives of the Owner, including beneficiaries, heirs, executors, and administrators, or other proper persons or entities, or instructions are received but they cannot reasonably or practically be carried out as given or are ambiguous or unclear, the Owner expressly directs and authorizes the Custodian to take "Any Reasonable Course Of Conduct". "Any Reasonable Course Of Conduct" is hereby defined to mean a course of conduct that the Custodian determines to be reasonable under the circumstances -- this course of conduct may include any one or more of the following, but it is not limited to the following: (i) depositing Proceeds in an FDIC-insured bank account or any other account, or using Proceeds to purchase shares of a money market mutual fund or any other asset or property, (ii) distributing Proceeds to persons the Custodian reasonably determines to be lawfully entitled to distributions from the account, (iii) holding Proceeds uninvested in a general account of the Custodian or other depository; and (iv) resigning as Custodian and engaging in a course of conduct, including any described in clauses (i) through (iii), outright and free of trust, if the Owner does not appoint a Custodian which immediately accepts transfer of all Proceeds, although nothing in this clause (iv) shall be interpreted to obligate the Custodian to resign before taking any course of conduct, including any described in clauses (i) through (iii).

In the event any agreement or understanding (other than this custodial account agreement) pursuant to which or in consideration of which the Custodian serves as custodian of the Account is terminated (and is not renewed or replaced) and a successor custodian does not take custody of the account in connection with or following such termination, the Custodian, after not less than 30 days notice to the Owner or such other persons as the Custodian reasonably determines to be entitled to give instructions with respect to the account, may (i) take Any Reasonable Course Of Conduct with respect to any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered by the Custodian, and (ii) may reset custodial fees charged to and owed by the account owner to the Custodian to an amount equal to the costs of maintaining the account.

The Custodian is authorized to pay or recover any costs and expenses associated with taking Any Reasonable Course of Conduct by utilizing the assets, property or Proceeds involved or by retaining a portion of such in a reserve and subsequently distributing any unused portion of the reserve. To offset administrative costs of the Custodian under any of the above described circumstances not otherwise recovered the Custodian shall be entitled to retain for its own account any incidental benefits earned in connection with taking Any Reasonable Course of Action, including "float", bank service credits or overnight investment earnings.

The Custodian shall not be liable for any action taken in reliance on this section, unless such liability is required by the Internal Revenue Code or regulations implementing the Internal Revenue Code, and the Owner expressly waives and releases the Custodian from all such liability. Without limiting the generality of the foregoing, in the event the Custodian makes a distribution from the account to the persons it reasonably determines to be entitled to account distributions, the owner and such persons shall bear sole responsibility for any taxes, fines, assessments penalties, levies, tariffs, or other liabilities or consequences of any nature arising or resulting from the distribution, including non-monetary liabilities or consequences, and for taking any actions following the distribution to avoid or mitigate any liabilities or consequences.

This section shall not be interpreted so as to impose any duty of any nature on the Custodian if any one or more of the events described in this section occurs, whether a duty to take or omit to take any act in particular, to place Proceeds in any particular asset or property, to take possession of Proceeds if possession is discretionary, to exercise discretionary investment authority over the account, or to distribute Proceeds to the Owner. For purposes of clarification, it is the intention of this section to provide the Custodian with the broadest possible discretion permitted by law, including the discretion to hold Proceeds uninvested.

The Owner authorizes the Custodian to escheat or otherwise remit to appropriate jurisdictions in accordance with applicable abandoned property or other laws any assets or property in the custodial account, any Proceeds or any asset or property previously subject to the operation of this section and still administered or held by the Custodian, and to the extent any of the foregoing consists of anything other than cash, the Custodian may escheat or remit the non-cash asset, property or Proceeds or the cash resulting from a liquidation of such non-cash asset, property or Proceeds.

The account owner acknowledges and accepts the risks of owning the account as described in this section, including the investment risks and tax consequences of the Custodian taking Any Reasonable Course Of Conduct.

## GENERAL INSTRUCTIONS

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

## PURPOSE OF FORM

Form 5305-SA is a model custodial account agreement that meets the requirements of sections 408(a) and 408(p) and has been automatically approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the participant or his or her beneficiaries.

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

See IRS Publication 560, Retirement Plans for Small Business, or IRS Publication 590, Individual Retirement Arrangements (IRAs) for more information on IRAs, including the required disclosures the Custodian must give the Participant.

## DEFINITIONS

**Participant** - The participant is the person who establishes the custodial account.

**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.

## TRANSFER SIMPLE IRA

This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(l)(2) do not apply to transfer SIMPLE IRAs.

## SPECIFIC INSTRUCTIONS

**Article IV.** - Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the participant reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

**Article VIII.** - Article VIII and any that follow it may incorporate additional provisions that are agreed to by the participant and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the participant, etc. Use additional pages if necessary and attach them to this form.



## ***SIMPLE IRA Application Instructions***

**DO NOT USE THIS FORM TO ESTABLISH A COVERDELL ESA, ROTH IRA, SEP IRA, OR TRADITIONAL IRA.**

### **HOW TO COMPLETE THE ENCLOSED FORMS**

Please make sure a copy of your employer's SIMPLE IRA plan document (either a 5304-SIMPLE agreement or IRS approved prototype agreement) is attached to your Application. To open a SIMPLE IRA with Virtus Mutual Funds, your employer's SIMPLE plan must permit plan participants to designate the financial institution that will serve as the custodian, trustee, or issuer of your SIMPLE IRA. If you are an employer who is establishing a SIMPLE Plan, please refer to the IRS website [www.irs.gov](http://www.irs.gov) to obtain a copy of IRS Form 5304-SIMPLE.

References to the "Custodian", "PFPC", "we" or "us" mean PFPC Trust Company, which will be renamed BNY Mellon Investment Servicing Trust Company effective July 1, 2011.

To establish a SIMPLE Individual Retirement Account ("SIMPLE IRA"), please complete the "Virtus Mutual Funds SIMPLE IRA Application and Adoption Agreement" (the "Application"). The applicant's name must be that of an individual, not a business or trust. The SIMPLE IRA you establish with the Custodian is referred to in these forms and documents as "your SIMPLE IRA" or "custodial account", depending on the context. The Custodian of the SIMPLE IRA you establish pursuant to the Application must receive the complete name and address of your employer.

The maximum allowable contribution to your SIMPLE IRA for tax year 2011 is 100% of your salary up to \$11,500 as deferred compensation. This limit is in addition to your employer's matching or non-elective contributions. In the case of an eligible employee who will be age 50 or older before the end of the calendar year, the above limitation is \$14,000 for 2011. For tax years after 2011, the above limits may be subject to Internal Revenue Service ("IRS") cost-of-living adjustments, if any. Please read the SIMPLE Individual Retirement Account Disclosure Statement carefully or consult IRS Publications 560 or 590 or consult a professional tax advisor for more information about eligibility requirements and contribution restrictions.

Contributions to your SIMPLE IRA may be invested in one or more mutual funds pursuant to the Mutual Fund Option (please see "Description of Available Options for Your Contributions"). Prospectuses for the mutual funds available through the Mutual Fund Option (the "Funds") may be obtained by calling 1-800-243-1574 or by visiting [Virtus.com](http://Virtus.com). Before investing in a Fund, please be sure to read the prospectus for that Fund carefully.

All portions of this SIMPLE IRA Application and Adoption Agreement are binding on you so you are encouraged to read all portions of it, and in particular the section titled "Description of Available Options for Your Contributions", the Custodial Account Agreement and the Application section titled "Terms and Conditions".

**Please make checks payable to Virtus Mutual Funds**

#### **SIMPLE IRA ROLLOVERS**

If you are rolling money into your SIMPLE IRA that you received from a SIMPLE IRA held with another custodian, trustee or issuer, please be sure to mark "Rollover from a SIMPLE IRA" in the Participant Information section of the Application and complete the Certification of Rollover Assets Form.

#### **SIMPLE IRA TRANSFERS**

If you will be transferring assets from an existing SIMPLE IRA to your Virtus Mutual Funds SIMPLE IRA, please be sure to mark "Transfer from a SIMPLE IRA" in the Participant Information section of the Application and complete the SIMPLE IRA Transfer of Assets Form. If you have questions or need assistance, please call 1-800-243-1574.

Please mail your completed Application to:

#### **First Class Mail:**

Virtus Mutual Funds  
P.O. Box 9874  
Providence, RI 02940-8074

#### **Overnight Mail:**

Virtus Mutual Funds  
4400 Computer Drive  
Westborough, MA 01581  
1-800-243-1574





**SIMPLE IRA Application & Adoption Agreement**

For assistance in completing this application, please call your financial advisor or a Virtus Mutual Fund Services representative at 1-800-243-1574. For more information about our funds, including how to obtain a prospectus, call 1-800-243-4361 or visit Virtus.com.

- Important**
- Please complete all applicable sections in black ink.
  - Non-resident Aliens must provide a completed Form W-8BEN or evidence of application for same. Without it, we will be unable to establish the account.
  - **Please ensure that your signature appears in Section 11.**
  - **Mail the completed application to one of the following addresses:**

**First Class Mail:**  
 Virtus Mutual Funds  
 PO Box 9874  
 Providence, RI 02940-8074

**Overnight Mail:**  
 Virtus Mutual Funds  
 4400 Computer Drive  
 Westborough, MA 01581

**Section 1 PARTICIPANT INFORMATION**

Name (First, M.I., Last) Daytime Telephone Number

Street Address Evening Telephone Number

City State ZIP Code

Social Security Number Date of Birth

Mailing Address (if different from above. If your mailing address is a P.O. Box, you must provide your street address.)

Email Address

If the Depositor is a minor, until the Depositor reaches the age of majority, the Responsible Individual will exercise the powers and duties of the Depositor. Federal Law requires the following identifying information for the parent or guardian acting for the minor:

Name of Responsible Individual Social Security Number Date of Birth

Residential Address

**Section 2 SIMPLE IRA Account Information**

- Salary Deferral Contributions** - Establishing account in connection with a SIMPLE IRA plan maintained by your employer.  
 Date you first participated in the employer's SIMPLE IRA plan: \_\_\_\_\_
- Direct Transfer of Assets** - Transfer from another SIMPLE IRA which was part of a SIMPLE IRA plan maintained by your employer. Please complete this application and the SIMPLE IRA Transfer of Assets Form. No check is required.  
 Date of first contribution to your prior SIMPLE IRA under the employer's SIMPLE IRA plan: \_\_\_\_\_
- Rollover from a SIMPLE IRA**  
 Date of first contribution to your prior SIMPLE IRA under the employer's SIMPLE IRA plan: \_\_\_\_\_

**Employer Information - Please attach a copy of the employer's 5304-SIMPLE Form or Prototype Adoption Agreement**

Name of Employer

Address City State Zip

Contact Name Telephone Number

## Section 3

## FUND SELECTION

| Names of Funds                                     | Class of Shares*              |                               | Fund Allocation |            |
|--|-------------------------------|-------------------------------|-----------------|------------|
|  | A                             | C                             | Dollar Amount   | Percentage |
| Virtus Allocator Premium AlphaSector <sup>SM</sup> | <input type="checkbox"/> 2401 | <input type="checkbox"/> 2402 | \$ _____        | or _____ % |
| Virtus AlphaSector <sup>SM</sup> Rotation          | <input type="checkbox"/> 1425 | <input type="checkbox"/> 1426 | \$ _____        | or _____ % |
| Virtus Alternatives Diversifier                    | <input type="checkbox"/> 1641 | <input type="checkbox"/> 1642 | \$ _____        | or _____ % |
| Virtus Balanced                                    | <input type="checkbox"/> 50   | <input type="checkbox"/> 1490 | \$ _____        | or _____ % |
| Virtus Balanced Allocation Fund                    | <input type="checkbox"/> 1722 | <input type="checkbox"/> 1723 | \$ _____        | or _____ % |
| Virtus Bond  | <input type="checkbox"/> 468  | <input type="checkbox"/> 702  | \$ _____        | or _____ % |
| Virtus CA Tax-Exempt Bond                          | <input type="checkbox"/> 556  | n/a                           | \$ _____        | or _____ % |
| Virtus Core Equity                                 | <input type="checkbox"/> 1730 | <input type="checkbox"/> 1731 | \$ _____        | or _____ % |
| Virtus Dynamic AlphaSector <sup>SM</sup>           | <input type="checkbox"/> 1251 | <input type="checkbox"/> 1253 | \$ _____        | or _____ % |
| Virtus Emerging Markets Opportunities              | <input type="checkbox"/> 1734 | <input type="checkbox"/> 1735 | \$ _____        | or _____ % |
| Virtus Foreign Opportunities                       | <input type="checkbox"/> 1493 | <input type="checkbox"/> 1494 | \$ _____        | or _____ % |
| Virtus Global Commodities Stock                    | <input type="checkbox"/> 1953 | <input type="checkbox"/> 1954 | \$ _____        | or _____ % |
| Virtus Global Infrastructure                       | <input type="checkbox"/> 1438 | <input type="checkbox"/> 1439 | \$ _____        | or _____ % |
| Virtus Global Opportunities                        | <input type="checkbox"/> 550  | <input type="checkbox"/> 469  | \$ _____        | or _____ % |
| Virtus Global Premium AlphaSector <sup>SM</sup>    | <input type="checkbox"/> 2404 | <input type="checkbox"/> 2405 | \$ _____        | or _____ % |
| Virtus Global Real Estate Securities               | <input type="checkbox"/> 1854 | <input type="checkbox"/> 1855 | \$ _____        | or _____ % |
| Virtus Greater Asia ex Japan Opportunities         | <input type="checkbox"/> 1858 | <input type="checkbox"/> 1859 | \$ _____        | or _____ % |
| Virtus Greater European Opportunities              | <input type="checkbox"/> 1856 | <input type="checkbox"/> 1857 | \$ _____        | or _____ % |
| Virtus Growth & Income                             | <input type="checkbox"/> 835  | <input type="checkbox"/> 837  | \$ _____        | or _____ % |
| Virtus High Yield                                  | <input type="checkbox"/> 69   | <input type="checkbox"/> 68   | \$ _____        | or _____ % |
| Virtus High Yield Income                           | <input type="checkbox"/> 1745 | <input type="checkbox"/> 1746 | \$ _____        | or _____ % |
| Virtus Insight Government Money Market             | <input type="checkbox"/> 950  | n/a                           | \$ _____        | or _____ % |
| Virtus Insight Money Market                        | <input type="checkbox"/> 952  | n/a                           | \$ _____        | or _____ % |
| Virtus Insight Tax-Exempt Money Market             | <input type="checkbox"/> 955  | n/a                           | \$ _____        | or _____ % |
| Virtus International Equity                        | <input type="checkbox"/> 1876 | <input type="checkbox"/> 1877 | \$ _____        | or _____ % |
| Virtus International Real Estate Securities        | <input type="checkbox"/> 1795 | <input type="checkbox"/> 1796 | \$ _____        | or _____ % |
| Virtus Mid-Cap Core                                | <input type="checkbox"/> 1866 | <input type="checkbox"/> 1867 | \$ _____        | or _____ % |
| Virtus Mid-Cap Growth                              | <input type="checkbox"/> 80   | <input type="checkbox"/> 1369 | \$ _____        | or _____ % |
| Virtus Mid-Cap Value                               | <input type="checkbox"/> 1431 | <input type="checkbox"/> 1432 | \$ _____        | or _____ % |
| Virtus Multi-Sector Fixed Income                   | <input type="checkbox"/> 558  | <input type="checkbox"/> 525  | \$ _____        | or _____ % |
| Virtus Multi-Sector Short Term Bond                | <input type="checkbox"/> 561  | <input type="checkbox"/> 524  | \$ _____        | or _____ % |
|  | Class T Shares                | <input type="checkbox"/> 1429 | \$ _____        | or _____ % |
| Virtus Premium AlphaSector <sup>SM</sup>           | <input type="checkbox"/> 1873 | <input type="checkbox"/> 1874 | \$ _____        | or _____ % |
| Virtus Quality Large-Cap Value                     | <input type="checkbox"/> 1594 | <input type="checkbox"/> 1595 | \$ _____        | or _____ % |
| Virtus Quality Small-Cap                           | <input type="checkbox"/> 1742 | <input type="checkbox"/> 1744 | \$ _____        | or _____ % |
| Virtus Real Estate Securities                      | <input type="checkbox"/> 578  | <input type="checkbox"/> 1422 | \$ _____        | or _____ % |
| Virtus Senior Floating Rate                        | <input type="checkbox"/> 1805 | <input type="checkbox"/> 1806 | \$ _____        | or _____ % |
| Virtus Short/Intermediate Bond                     | <input type="checkbox"/> 1768 | <input type="checkbox"/> 1769 | \$ _____        | or _____ % |
| Virtus Small-Cap Core                              | <input type="checkbox"/> 1412 | <input type="checkbox"/> 1414 | \$ _____        | or _____ % |
| Virtus Small-Cap Sustainable Growth                | <input type="checkbox"/> 1766 | <input type="checkbox"/> 1767 | \$ _____        | or _____ % |
| Virtus Strategic Growth                            | <input type="checkbox"/> 597  | <input type="checkbox"/> 816  | \$ _____        | or _____ % |
| Virtus Tactical Allocation                         | <input type="checkbox"/> 552  | <input type="checkbox"/> 700  | \$ _____        | or _____ % |
| Virtus Tax-Exempt Bond                             | <input type="checkbox"/> 1783 | <input type="checkbox"/> 1784 | \$ _____        | or _____ % |
| Virtus Value Equity                                | <input type="checkbox"/> 1738 | <input type="checkbox"/> 1739 | \$ _____        | or _____ % |

\*Class A shares will automatically be purchased if no class of shares is selected.

**General Provisions**

Note, the share percentage must equal 100% for all Primary or all Contingent Beneficiaries. If neither the Primary nor the Contingent Beneficiary box is checked, the beneficiary will be deemed to be a Primary Beneficiary. If a trust is designated as a Beneficiary, please provide both the date of the trust and the name(s) of the trustee(s).

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal shares (or in the specified shares, if indicated). I understand that, unless I have specified otherwise, if I name multiple Primary Beneficiaries and a beneficiary does not survive me, such interest is terminated and that percentage will be divided proportionately among the remaining Primary Beneficiaries. Similarly, unless I have specified otherwise, if no Primary Beneficiary survives me and I have named multiple Contingent Beneficiaries and a beneficiary does not survive me, such interest is terminated and that percentage will be divided proportionately among the remaining Contingent Beneficiaries.

I understand that I may change my beneficiaries at any time by giving written notice to the Custodian. If I do not designate a beneficiary, or if all designated beneficiaries predecease me, my surviving spouse will become the beneficiary of my IRA. If I do not have a surviving spouse at the time of my death, my estate will become the beneficiary of my IRA.

**PER STIRPES BENEFICIARY DESIGNATIONS - The Custodian shall accept as complete and accurate all written instructions provided in good order by the estate/executor with regard to the identification of the beneficiaries and the allocations thereto.**

|                          |                    |         |                        |                             |
|--------------------------|--------------------|---------|------------------------|-----------------------------|
| <input type="checkbox"/> | <b>Primary, or</b> | _____   | _____                  | _____                       |
| <input type="checkbox"/> | <b>Contingent</b>  | Name    | Social Security Number | Relationship to Participant |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | Address | Date of Birth          | Percentage                  |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | City    | State                  | ZIP Code                    |
| <input type="checkbox"/> | <b>Primary, or</b> | _____   | _____                  | _____                       |
| <input type="checkbox"/> | <b>Contingent</b>  | Name    | Social Security Number | Relationship to Participant |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | Address | Date of Birth          | Percentage                  |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | City    | State                  | ZIP Code                    |
| <input type="checkbox"/> | <b>Primary, or</b> | _____   | _____                  | _____                       |
| <input type="checkbox"/> | <b>Contingent</b>  | Name    | Social Security Number | Relationship to Participant |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | Address | Date of Birth          | Percentage                  |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | City    | State                  | ZIP Code                    |
| <input type="checkbox"/> | <b>Primary, or</b> | _____   | _____                  | _____                       |
| <input type="checkbox"/> | <b>Contingent</b>  | Name    | Social Security Number | Relationship to Participant |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | Address | Date of Birth          | Percentage                  |
|                          |                    | _____   | _____                  | _____                       |
|                          |                    | City    | State                  | ZIP Code                    |

**Community Property Spousal Consent**

**Note:** Consent of the Participant's spouse may be required in a community property or marital property state to effectively designate a beneficiary other than, or in addition to, the Participant's spouse.

**Disclaimer for Community and Marital Property States:** The Participant's spouse may have a property interest in the account and the right to dispose of the interest by will. Therefore, any sponsors, issuers, depositories and other persons or entities associated with the investments and the Custodian specifically disclaim any warranty as to the effectiveness of the Participant's beneficiary designation or as to the ownership of the account after the death of the Participant's spouse. For additional information, please consult your legal advisor.

I consent to the Beneficiary Designation.

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

**Section 5****RIGHT OF ACCUMULATION**

If an account is entitled to a Reduced Sales Charge under the terms of the current prospectus, please provide the following information:

|           |                |                      |                             |
|-----------|----------------|----------------------|-----------------------------|
| Fund Name | Account Number | Account Registration | Relationship to Participant |
| Fund Name | Account Number | Account Registration | Relationship to Participant |
| Fund Name | Account Number | Account Registration | Relationship to Participant |
| Fund Name | Account Number | Account Registration | Relationship to Participant |

**Section 6****LETTER OF INTENT**

Under the terms of the current prospectus, I intend to purchase, within thirteen months from the date of receipt, shares of one or more of Virtus Mutual Funds (excluding the Virtus Insight Money Market Fund, Virtus Insight Government Money Market Fund and Virtus Insight Tax-Exempt Money Market Fund). The total amount of my purchase will equal an aggregate amount of not less than:

\$50,000       \$100,000       \$250,000       \$500,000       \$1,000,000

Shares of the named mutual funds owned by me at the date of this Letter (including shares owned by my spouse and our minor children who are under the age of majority, or an individual trust) are held in the below-specified accounts:

|           |                |                      |                                      |
|-----------|----------------|----------------------|--------------------------------------|
| Fund Name | Account Number | Account Registration | Owner's Relationship to Participant* |
| Fund Name | Account Number | Account Registration | Owner's Relationship to Participant* |
| Fund Name | Account Number | Account Registration | Owner's Relationship to Participant* |
| Fund Name | Account Number | Account Registration | Owner's Relationship to Participant* |

\*Must be self, spouse or child. If child, indicate current age.

This is a new Letter of Intent, which will be effective on the date the account(s) is established.  
 This is an existing Letter of Intent that was signed on \_\_\_/\_\_\_/\_\_\_ for \$\_\_\_\_\_, LOI#\_\_\_\_\_

**Section 7****INVESTMENT DEALER Complete this section if the investment is made through an investment dealer.**

|   |                         |            |
|---|-------------------------|------------|
| Dealer Name   | Dealer Number           |            |
| Branch Address (No., Street, City, State, Zip Code) | Branch Number           |            |
| Representative's Name                               | Phone Number (Required) | Rep Number |

Is this sale at net asset value (NAV)?     No       Yes

If "Yes", please indicate below:

- For an organization that charges an account management fee under the terms of the current prospectus.
- For an individual investor. Please complete the Virtus NAV Authorization Form and submit with this application.

**Section 8****TELEPHONE EXCHANGE**

This option will automatically be given unless stated below.

Telephone exchanges can only be made when the shares are of the same classification (i.e., Class A to Class A or Class C to Class C)

I do not wish the Telephone Exchange Privilege for me or my Dealer Representative.

**Section 9** | **ELECTRONIC DELIVERY (eDelivery)**

Access your funds' regulatory documents, (including prospectuses, annual and semi-annual reports), tax forms or your account statements at your convenience via the Internet by signing up for eDelivery at **Virtus.com/eDelivery**.

Once registered, you will receive email notification when fund documents are available for you to view and download at Virtus.com.

eDelivery is a more secure and environmentally friendly alternative to traditional paper mailings – you are a few clicks away from faster access to information and simplified recordkeeping.

You can change your delivery options at any time, free of charge. If you own Virtus Mutual Funds through a broker/dealer or a retirement plan, you may not be eligible for eDelivery. Please contact us at 1-800-243-1574 for assistance.

**Section 10** | **FEE SCHEDULE**

- **Annual Account Maintenance Fee (per Social Security Number)..... \$15.00** - The maintenance fee, payable to the Custodian, BNY Mellon Investment Servicing Trust Company, is payable the first year and annually thereafter. If payment is not submitted, the fee will be deducted from your account during the last month of the calendar year. If the custodian deducts the fee from the account, mutual fund shares may have to be liquidated to generate the funds for the fee.
- **Termination of your last IRA Account (per Social Security Number)..... \$25.00** – Upon the termination of the last IRA account under your Social Security number, a termination fee of \$25.00 may be deducted from the account and is payable to VP Distributors, LLC. Mutual fund shares will be liquidated to generate the funds for this fee.

By signing below, the participant consents to these transactions.

**Section 11** | **TERMS AND CONDITIONS – Signature Required**

I, the Participant, acknowledge receiving and reading the SIMPLE IRA Application and Adoption Agreement Instructions, the Disclosure Statement, the Custodial Account Agreement and the Privacy Notice (the "Account Documents"). I acknowledge receiving and reading the current prospectus for each Mutual Fund I may have designated for investment. I understand that contributions to my SIMPLE IRA will be invested in accordance with the written instructions I provide with respect to that contribution. The Custodian, upon proper instructions from me, is authorized to exchange units of one Eligible Asset for units of any other Eligible Asset and to purchase units of any Eligible Asset with the proceeds of any redemption.

Article VIII, Section 23 of the Custodial Account Agreement authorizes the Custodian to take or to omit to take certain actions in the event assets or property in my SIMPLE IRA account are liquidated and the Custodian does not receive timely instructions it can reasonably or practicably carry out and I agree to said Section 23.

I hereby establish a SIMPLE IRA in accordance with the instructions provided on these pages and agree to participate under the terms and conditions contained in the Account Documents and these pages titled "SIMPLE IRA APPLICATION AND ADOPTION AGREEMENT" (the "Full Agreement"). I agree that this SIMPLE IRA becomes effective only upon written acceptance by the Custodian and that such written acceptance will consist of a confirmation of transaction statement. I also acknowledge receiving a copy of the employer plan document under which this SIMPLE IRA is established.

I agree that the Custodian may amend (add to, delete from or revise) any term of the Full Agreement at any time by notice to me and that my sole remedy if I disagree with the amendment is to transfer funds in the SIMPLE IRA account to another custodian. I agree that the Full Agreement is binding on me and on my successors in interest.

**Custodial Fees:** The annual maintenance fee is owed and due for each full and partial calendar year that the SIMPLE IRA is open. The Participant may pay the fee with funds other than those in the SIMPLE IRA ("non-custodial funds"). If the fee for a calendar year is not paid by the participant from non-custodial funds by the date reasonably designated by the Custodian or prior to closing the SIMPLE IRA account, the Custodian is authorized to deduct the fee from funds in the SIMPLE IRA account at any time immediately after such payment due date or immediately after receiving instructions to close the SIMPLE IRA account. The Custodian is authorized to change the fee but will give at least 30 days written notice to the Participant of any fee change. The Custodian will keep those records, identify and file returns and provide other information concerning the IRA as required of custodians by the Internal Revenue Code and any regulations issued or forms adopted by the Internal Revenue Service or U.S. Treasury Department.

I direct that upon my death benefits be paid as indicated on the beneficiary designation. If I name a Trust as beneficiary, I understand I must provide certain information concerning such Trust to the Custodian.

I (the Participant) certify under penalties of perjury that (i) all information I have provided on this form or otherwise in connection with establishing my SIMPLE IRA is true, correct, and complete, and (ii) I am a US person (including a US resident alien) and that my Social Security Number is true, correct and complete and that this number is my Taxpayer Identification Number. (Foreign persons must use appropriate Form W-8.)

**To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies persons opening accounts. To comply, the Custodian requires the participant's name, address, date of birth and government-issued identification number (generally, a Social Security Number) and other information that may help the Custodian identify the participant; and the Custodian may ask for copies of related documentation and may consult third-party databases to help verify the participant's identity. I have read and I understand the Disclosure Statement which explains the risks of opening this account if I do not provide all requested identification materials or if my identity cannot be adequately verified in accordance with U.S. Government requirements.**

Participant's Signature (or signature of Parent or Guardian)

Date

**PLEASE RETAIN A PHOTOCOPY OF THE COMPLETED IRA APPLICATION & ADOPTION AGREEMENT FOR YOUR RECORDS.**

SIMPLE IRA Custodian: BNY Mellon Investment Servicing Trust Company, 4400 Computer Drive, Westborough, MA 01581



**Instructions F** **or assistance, call 1-800-243-1574.**

Use this form to request a transfer of SIMPLE IRA assets held with another custodian to your Virtus Mutual Funds SIMPLE IRA. Based on your instructions, PFPC Trust Company, which will be renamed BNY Mellon Investment Servicing Trust Company effective July 1, 2011, will initiate the transfer for you. If you are over age 70½, you are responsible for distributing any required minimum distribution amounts from your current SIMPLE IRA in advance of the transfer. Please remember the transfer of assets can only occur between SIMPLE IRA accounts. Incomplete information will result in delays in processing your request. If you need assistance completing this form, please contact our Customer Service Department at 1-800-243-1574.

**Section 1** **PARTICIPANT INFORMATION**

Name \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_

Address (If your mailing address is a P.O. Box, you must provide your street address.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

**Section 2** **INVESTMENT INSTRUCTIONS**

- A.**  Establish a new SIMPLE IRA. I have attached the required SIMPLE IRA Application.  
 Deposit the proceeds into my existing SIMPLE IRA. Account Number: \_\_\_\_\_
- B.**  Invest the proceeds in accordance with the investment allocation provided on the SIMPLE IRA Application & Adoption Agreement. **OR**  
 Invest as follows:
- Fund Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or \_\_\_\_\_ %  
 Fund Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or \_\_\_\_\_ %  
 Fund Name: \_\_\_\_\_ Amount \$ \_\_\_\_\_ or \_\_\_\_\_ %

**Section 3** **CURRENT CUSTODIAN AND ACCOUNT INFORMATION**

Please attach your most recent statement, if possible. Note: your current custodian may require a Medallion Signature Guarantee to process your transfer request. Please see the Participant Authorization section for an explanation of the Medallion Signature Guarantee.

Name of Current Custodian \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

**Investment to transfer:**

- 1.** Account Number: \_\_\_\_\_ Share Class \_\_\_\_\_ CUSIP \_\_\_\_\_  
 Liquidate Entire Account  Partial Dollar or Share Amount \_\_\_\_\_  Transfer-In-Kind  
 For Certificates of Deposit:  Immediately\*  At Maturity Date \_\_\_\_\_



**For assistance, please contact us at 1-800-243-1574 or visit our website at Virtus.com**

Instructions: Use this form to certify that a contribution is an eligible rollover contribution. Please complete the form in full and mail to our office, along with the rollover check, to one of the following addresses:

Virtus  
P.O.  
Providence,  
1-800-243-1574

**First Class Mail: Ov**  
Mutual Funds  
Box 9874 4400  
RI 02940-9874

Virtus

**overnight Mail:**  
Mutual Funds  
Computer Drive  
Westborough, MA 01581

**Section 1** **PARTICIPANT INFORMATION**

Name \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Existing Account Number: \_\_\_\_\_ or  New SIMPLE IRA Account Application attached

**Section 2** **PARTICIPANT CERTIFICATION**

By signing below, I certify that the following are true and correct:

- The investment is an eligible SIMPLE IRA rollover contribution being rolled over within 60 days of receipt, and includes only SIMPLE IRA assets.
- The rollover does not include any required minimum distribution amounts or corrective distribution amounts.

I understand that this rollover contribution is irrevocable. I agree that I am solely responsible for all tax consequences. I also agree that neither the Custodian nor Virtus Mutual Funds nor any of their affiliates shall have responsibility for any such tax consequences or any consequences resulting from this amount being ineligible for rollover. Rules regarding rollovers, and their tax implications, are complex. Please refer to IRS Publications 560 and 590 or a professional tax advisor for more information.

I have read this form and understand and agree to be legally bound by the terms of this form. I also understand that the Custodian will rely on my certification when accepting my rollover contribution.

Participant's Signature \_\_\_\_\_ Date \_\_\_\_\_



**FACTS****WHAT DOES BNY MELLON INVESTMENT SERVICING TRUST COMPANY DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information.

Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Account balances
- Transaction history
- Account transactions
- Retirement assets

When you are no longer our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons BNY Mellon Investment Servicing Trust Company chooses to share; and whether you can limit this sharing.

| Reasons we can share your personal information   | Does <b>BNY Mellon Investment Servicing Trust Company</b> share? | Can you limit this sharing? |
|--|--|-----------------------------|
| For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes No   |                             |
| For our marketing purposes—to offer our products and services to you   | No No  |                             |
| For joint marketing with other financial companies   | No No  |                             |
| For our affiliates' everyday business purposes—information about your transactions and experiences   | Yes No   |                             |
| For our affiliates' everyday business purposes—information about your creditworthiness   | No No  |                             |
| For our affiliates to market to you  | No No  |                             |
| For nonaffiliates to market to you   | No No  |                             |

Questions? Call

855-649-0623

## Who we are

Who is providing this notice?

BNY Mellon Investment Servicing Trust Company, custodian for self-directed savings and retirement accounts, such as Individual Retirement Accounts, Qualified Plans and 403(b)(7) Plans, and for mutual fund Wrap Product and Global Cash Portal accounts

## What we do

How does **BNY Mellon Investment Servicing Trust Company** protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our internal data security policies restrict access of nonpublic personal information to authorized employees. We maintain physical, electronic and procedural safeguards to guard our customers' nonpublic personal information. Employees who violate our data security policies are subject to disciplinary action, up to and including termination.

How does **BNY Mellon Investment Servicing Trust Company** collect my personal information?

We collect your personal information, for example, when you

- Open an account or deposit funds
- Make deposits or withdrawals from your account
- Provide account information
- Give us your contact information
- Show your government-issued ID

We also collect your personal information from affiliates or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- **BNY Mellon Investment Servicing Trust Company** does not share information with nonaffiliates so they can market to you.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- **BNY Mellon Investment Servicing Trust Company** doesn't jointly market.

## Other important information

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy, and may be amended at any time. We will keep you informed of changes or amendments as required by law.

**Section A General Information**

**Employer & Plan Information**

Name of Employer \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Employee Information**

Name \_\_\_\_\_ Employee Number \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Section B Terms of Agreement (To be completed by Employer)**

**Limits on Elective Deferrals**

Subject to the requirements of the Employer's SIMPLE IRA Plan, each employee who is eligible to enroll as a Contributing Participant may set aside a percentage of his or her pay into the Plan (Elective Deferrals) by signing this *Salary Reduction Agreement*. This *Salary Reduction Agreement* replaces any earlier *Salary Reduction Agreement* and will remain in effect as long as the Employee remains an eligible Employee or until he or she provides the Employer with a new *Salary Reduction Agreement* as permitted by the Plan. I understand that the total amount of my salary contributions in any calendar year cannot exceed the Maximum Employee Contribution, as shown in the following table:

| <b>SIMPLE IRA Employee Contribution Limit</b> |  |  |
|---|--|--|
| <u>Year</u>                                   | <u>Under Age 50</u>  | <u>50 or Older</u>                       |
| 2008  | \$10,500   | \$13,000                                 |
| 2009 and later                                | Increases annually in \$500 increments based on cost-of-living increases | \$2,500 more than the under age 50 limit |

**Changing this Agreement**

An employee may change the percentage of pay he or she is setting aside into the Plan. Any Employee who wishes to make such a change must complete and sign a new *Salary Reduction Agreement* and give it to the Employer during the Election Period or any other period the Employer specifies on the *Participation Notice & Summary Description*.

**Terminating this Agreement**

You may terminate your salary reduction election at any time. However, if you terminate your election outside of the normal election cycle, your employer has the option to prohibit you from resuming salary reduction elections during the remainder of the calendar year. Consult Article II, item 2d of the attached Form 5304-SIMPLE to determine if your employer has chosen this option.

**Effective Date**

I understand that my salary reduction contributions will start as soon as permitted under the SIMPLE plan and as soon as administratively feasible or, if later, \_\_\_\_\_. (If applicable, fill in the date you want the salary reduction contributions to begin. The date must be later than the date you sign this agreement.)

**Section C Authorization and Investment Selection**

**Salary Reduction Agreement**

I, the undersigned Employee, wish to set aside, as Elective Deferrals, \_\_\_\_\_% or \$\_\_\_\_\_ (which equals \_\_\_\_\_% of my current rate of pay) into my Employer's SIMPLE IRA Plan by way of payroll deduction. I elect to have my SIMPLE IRA plan contributions invested as follows:

| Asset Description | Percentage | Asset Description | Percentage |
|-------------------|------------|-------------------|------------|
| _____             | _____%     | _____             | _____%     |
| _____             | _____%     | _____             | _____%     |
| _____             | _____%     | _____             | _____%     |

Percentages must total 100%

**NOTE**

: If you are eligible to defer, your SIMPLE IRA Plan permits Catch-Up Contributions and you attain age 50 before the close of the plan year, you may make Catch-Up contributions under the SIMPLE IRA Plan. Certain limits, as required by law, must be met prior to being eligible to make Catch-Up Contributions. Your election above will pertain to Elective Deferrals, which may include Catch-Up Contributions. See your Employer for additional information, including the Catch-Up Contribution limit for the year.

I agree that my pay will be reduced in the manner I have indicated above, and I affirmatively elect to have this amount contributed to the investments listed below. This *Salary Reduction Agreement* will continue to be effective while I am employed, unless I change or terminate it as explained in Section B above. I acknowledge that I have read this entire *Salary Reduction Agreement*, I understand it and I agree to its terms. Furthermore, I acknowledge that I have received a copy of the *Participation Notice & Summary Description*.

Signature of Employee \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature for Employer \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_