

Offered Example

Please review offered checklist items for possible use alongside self-directed IRA forms.

Your bank's "IRA Form Provider" may address Self-Directed IRAs compliance disclosures differently. *Some items listed may or may not apply to your specific disclosure requirements.* Review this document and keep/remove offered checklist items based on your determinations.

The identified 'checklist' is offered to ensure various compliance aspects of a Self-Directed IRA Account are addressed with the customer. Item 7-14 are identified in bold due to pre-determined disclosure importance.

Intent is for the account holder to initial *(each item noting acceptance/understanding)* and sign for bank retention.

Bank Name or Logo Here

Self-Directed IRA Investment/Account Holder Guidelines

Checklist for customer enrollment for the purpose of purchasing (Bank Holding Co. Name/Bank Name) common shares through the offered Self-Directed IRA program. This checklist is to be included with the Self-Directed IRA documents prepared on the customer's behalf solely for acquiring (Bank Holding Co. Name/Bank Name) common shares. The Self-Directed IRA program offered by (Bank Holding Co. Name/Bank Name) is solely for the purchase of the common shares of the bank and is not to include other securities or investments.

The provided checklist provides the identified investor important facts on the purchasing and placement of (Bank Holding Co. Name/Bank Name) common shares within the described Self-Directed IRA.

Checklist:

- 1) _____ The Self Directed IRA is comprised of two accounts. A cash account in which funds deposited would be utilized to purchase (Bank Holding Co. Name/Bank Name) common shares. Funds are defined as direct account contributions or interest/dividends placed in existing cash (IRA Type) account. Account holders can make cash deposits within the program parameters of an IRA account structure.

- 2) _____ Account holder instructs (Bank Name) to make stock purchases on their behalf (whole shares only) based on availability of funds in the cash account. (Bank Name) would make purchases on no less than on a quarterly basis. Account holder would be informed of shares purchased, the number of shares and at what price.
- 3) _____ Account holder understands that (Bank Name) would make purchases directly from the market place at the identified fair market value of the common shares, solely at their direction. Account holder to inform (bank name) the amount of shares to be purchased and when purchases are to be made. Purchases to be based on the Fair Market Value of the stock on a per share basis. Fair Market Value is determined quarterly by an independent third party appraiser. Account holder is solely responsible for authorizing and directing purchase of (Bank Holding Company/Bank Name) common shares for Self Directed IRA.
- 4) _____ Account holder understands that (Bank Holding Co. Name/Bank Name) is privately held and therefore shares may not always be available for purchase. If common shares are not available for purchase the available funds in the cash account would remain and receive interest, as stipulated in the account sign-up documentation. (Bank Name) will look to purchase shares on behalf of account holders, as availability of shares for sale becomes known.
- 5) _____ Bank Name) would provide custodial services in holding shares purchased within the Self-Directed IRA account on behalf of the account holder. Account holder would receive on an annual basis a statement from (Bank Name) noting the number of shares owned in the Self-Directed IRA account. Account value would be stated based on FMV price stipulated in a third party appraiser findings. Account holder would receive interim statement at such time additional shares are acquired or distributed.
- 6) _____ Account holder understands that the Self-Directed IRA follows the same rules as a regular IRAs (or other types of IRAs including 401ks in contribution limitations and distributions. Separate documentation has been provided to account holder on how the Self-Directed IRA is structured.
- 7) _____ **Account holder acknowledges that (Bank Name) will exercise no discretion with respect to the funds in my account, will not under any circumstance provide investment advice or recommendations and will invest funds in the account, only as directed by account holder.**
- 8) _____ **Account holder has entered into a custodial agreement under which (Bank Name) has no duties or responsibilities with respect to the investment of the funds in said account.**
- 9) _____ **Account holder understand that (Bank Name) shall not assume the responsibilities of a trustee, a fiduciary, or a person entitled to exercise any discretionary authority with respect to the funds in the account, as those terms and concepts are defined in the Internal Revenue Code ("IRC"), ERISA, or other applicable federal, state, or local laws.**
- 10) _____ **Account holder has the sole responsibility to manage the investment in the Self-Directed IRA and (Bank Name) has no responsibility to question direction given by the account holder. Account holder is directed to seek investment advice from investment professionals.**
- 11) _____ **Account holder understand that (Bank Name) does not make any determinations as to whether an investment is acceptable under ERISA, the IRC, or any other applicable federal, state, or local laws, including security laws.**

- 12) _____ Account holder acknowledges that funds held in corporate stock are not insured by the FDIC or any other government agency. Investments involve varying degrees of risk, including loss of principal. The Self-Directed IRA is neither an offer to sell nor a solicitation of an offer to buy any common shares of (Bank Holding Co. Name/Bank Name).
- 13) _____ Account holder acknowledges that common shares of (Bank holding Company Name/Bank Name) are not traded on an exchange and are defined as privately held securities and are viewed as being illiquid. Illiquid securities are defined as an asset or security that cannot be sold quickly due to a shortage of interested buyers or a lack of an established trading market.
- 14) Account holder recognizes that (Bank Name) Self-Directed IRA has been established solely for the purchasing of (Bank Holding Company Name/Bank Name) common stock. Bank does not accept any other investment form in the bank's Self-Directed IRA.
- 15) _____ Distribution: Account holder acknowledges that the Self-Directed IRA must follow certain guidelines pertaining to distributions. Mandatory distributions and directed early terminations would follow those guidelines. (Bank Name) would in making distributions first look to the cash account and then the stock investment held in the Self -Directed IRA. (Bank Name) to meet distribution requirements or as directed by Account holder would provide (distribute) common shares (whole shares only) of (Bank Holding Co. Name/Bank Name) at the then fair market value of the common shares to the account holder.
- 16) _____ Account holder understands that once in receipt of the common shares previously held in their Self-Directed IRA, the account holder can then sell the shares, if elected. (Bank Name) is not responsible for turning acquired (Bank Holding Co. Name/Bank Name) stock in the Self-Directed IRA into cash. Once in receipt of the common shares, Account holder can present described common shares to the trading desk of (Bank Holding Co. Name/Bank Name) for the purpose of selling shares within the marketplace. Account holder determines the selling price of shares.
- 17) _____ Account holder is responsible for any election for tax withholding due to a distribution or early withdrawal. Account holder can either pay to the bank identified percentage (IRC) of tax withholding or by Account holder selling the stock and requesting that the (Bank Name) trading desk withhold specified percentage for payment of taxes.

Account holder to signify their understanding and acceptance of the items defined in the provided checklist by placing their initial in the space next to each listed item and by signing below.

Account holder (signed): _____

Account holder (printed): _____

Date: _____