

TD AMERITRADE Clearing, Inc. Roth IRA Disclosure Statement & Custodial Agreement

Disclosure Statement

Roth Individual Retirement Plan of TD AMERITRADE Clearing, Inc.

The Roth Individual Retirement Account (IRA) described in this statement is a retirement plan first available to depositors in 1998. The Roth IRA is a personal savings plan that lets you set aside money for your retirement. The following information is provided to you in accordance with the requirements of the Internal Revenue Code, as amended from time to time, and should be reviewed in conjunction with the Custodial Agreement. The Custodian of the account which you have established is TD AMERITRADE Clearing, Inc. This Roth IRA is a form approved by the Internal Revenue Service that the Roth IRA satisfies the applicable requirements for Roth IRAs under Section 408A of the Internal Revenue Code. The tax advantages of a Roth IRA cannot be assumed merely by the use of a proper form of Roth IRA document. Although the IRS has approved this Roth IRA as to the form, it has not made a determination of the merits of such Roth IRA as an investment.

Revocation of Account

You may revoke your Roth IRA within 7 days after the account has been established by hand delivering or mailing a written notice to TD AMERITRADE Clearing, Inc. If you revoke your Roth IRA by written notice, the notice must be postmarked by the 7th day after the account has been established. Upon receipt of your revocation, you will receive a refund of the entire amount contributed to the Roth IRA without penalty, service charge, or administrative expense. If you revoke your Roth IRA, we are required to report the contribution on Form 5498 (except for transfers) and the revoked distribution on Form 1099-R. To revoke this account, send your written revocation request to TD AMERITRADE Clearing, Inc., Attention: IRA Department, P.O. Box 2226, Omaha, NE 68103-2226.

The notice should read as follows:

I hereby elect to revoke my IRA

Account Number: _____ Established on: _____

Account Owner's Signature: _____ Date: _____

Account Owner's Printed Name: _____

Statutory Requirements

A Roth IRA must satisfy certain requirements of the Internal Revenue Code. TD AMERITRADE Clearing, Inc.'s Custodial Agreement incorporates those requirements. In brief, the Internal Revenue Code requires that the Roth IRA be governed by a written instrument; that the Custodian (except in the case of a "rollover" contribution) accept only cash contributions; with certain limited exceptions, that only a bank or trust company act as Custodian of the Roth IRA; that no investment be made in life insurance contracts or in collectibles; that your interest in the Roth IRA be nonforfeitable at all times; and with certain limited exceptions, that your Roth IRA not be commingled with other property. If you die before the Custodian has distributed the entire interest in the Roth IRA, the Custodial Agreement must provide for distribution (or commencement of distribution) of the balance of the account to your beneficiaries. The time period over which distributions must be made depends on your beneficiary (if any) and, possibly, the age of the beneficiary. Special rules apply if your spouse is your sole beneficiary.

Contributions

General. Each taxable year, you may make a cash contribution to your Roth IRA in an amount equal to your annual compensation or an annual limit, whichever is less. Contributions (other than rollover contributions) must be made in the form of money (cash, check, or money order). Therefore, securities or other assets already owned cannot be contributed to a Roth IRA. All deposits received without identification to the contribution year or deposit type will be treated as current year contributions. A contribution to a Roth IRA is nondeductible, regardless of your Modified Adjusted Gross Income (MAGI) or whether you or your spouse is already covered by a tax-qualified plan. Refer to IRS Publication 590 for further information on deducting IRA contributions.

Limits on Contribution Amount. The annual contribution limits for a Roth IRA are as follows: 2001 – \$2,000, 2002 through 2004 – \$3,000, 2005 through 2007 – \$4,000, and 2008 and beyond – \$5,000. This limit may be indexed in \$500 increments for COLA increases beginning in 2009. In addition to the annual limit, if you have attained or will attain the age of 50 before the end of the taxable year, the Code allows for additional "catch-up" contribution amounts as follows: 2002 through 2005 – \$500, and 2006 and beyond – \$1,000. This amount may be adjusted for future COLA increases. The contribution limit for the Roth IRA is aggregated with any amount you contribute to a traditional IRA in a given tax year and is applied first to contributions to traditional IRAs, then to Roth IRAs. However, the limit does not include rollover contributions, contributions to a SEP or SIMPLE, or distributed excess contributions. If you are married, filing separately, you may not contribute to a Roth IRA. If your MAGI is above \$110,000 or \$160,000 if you are married, filing jointly, you may not contribute to a Roth IRA. For single filers with MAGI between \$95,000 and \$110,000 or between \$150,000 and \$160,000 for joint filers, the annual contribution limit is phased out using a prorated formula. Contributions may be made to a Roth IRA regardless of whether you are an active participant in another retirement plan, so long as the contribution limits are met.

Spousal Accounts. If you are married and file a joint tax return, you may make cash contributions to a "spousal" Roth IRA in addition to your own Roth IRA (even if your spouse has no compensation). A separate Roth IRA must be established for your spouse. The total amounts contributed to your own and to your spouse's Roth IRA must be equal to your combined annual compensation or double the annual limit, whichever is less. A spouse may treat the other spouse's compensation as his or her own to the extent the compensation is not used by the other spouse to make a Roth IRA or deductible traditional IRA contribution. Your combined annual compensation is reduced by Roth IRA contributions on the spouse's behalf. In no event, however, may the annual contribution to either your account or your spouse's account exceed the annual limit.

Compensation. Generally, compensation includes, wages, salaries, tips, commissions, bonuses, royalties from creative efforts and the earned income of the self-employed individual. Compensation also includes any alimony or separate maintenance payment includable in the individual's gross income. Compensation does not include amounts an individual receives as earnings or profits from property, such as dividends or interest, or amounts from a pension.

Modified Adjusted Gross Income. Modified Adjusted Gross Income (MAGI) is determined prior to adjustments for personal exemptions and itemized deductions. For purposes of determining the Roth IRA contribution, MAGI is modified to take into account deductions for IRA contributions, the student loan interest deduction, the foreign earned income and housing deduction, qualified bond interest used for higher education exclusion, employer-paid adoption expenses exclusion, deductions for qualified tuition and related expenses, and any required minimum distribution from a traditional IRA. You subtract the amount of any conversion to a Roth IRA.

Time of Contribution. Contributions for a taxable year must be made no later than the due date (not including extensions) for filing your federal income tax return for that taxable year. If you wish to make a contribution for any taxable year, the Roth IRA must be established and the contribution must be made no later than April 15 (or the first business day thereafter, if April 15 is on a Saturday, Sunday, or legal holiday) of the following year, even if you have an extension of time to file your federal income tax return. You may continue to make annual contributions to your Roth IRA after you reach age 70½.

Rollovers, Conversions, And Recharacterizations

Roth IRA Rollover Contribution. Distributions from your Roth IRA representing all or any part of the assets in your Roth IRA (or Rollover or Conversion Roth IRA in the case of a distribution from a Rollover or Conversion Roth IRA) are eligible for rollover treatment. You may rollover all or any part of the same property from this distribution of assets, within sixty (60) days of receipt, into the same Roth IRA (or Rollover or Conversion Roth IRA), another Roth IRA (or Rollover or Conversion Roth), or individual retirement annuity established as a Roth IRA under Code Section 408A, and still maintain the tax advantage status of these assets. Distributions from tax-qualified plans, SEPs, and SIMPLE IRAs are not eligible for rollover into your Roth IRA. The following rules apply to rollovers between Roth IRAs:

1. The rollover must be completed no later than the 60th day after the day the distribution was received by you.
2. You may have only one Roth IRA to Roth IRA rollover once in every 12-month period.
3. The same property you receive in a distribution must be the same property you roll over into the second Roth IRA.
4. You are required to make an irrevocable election indication that this transaction will be treated as a rollover contribution.
5. You may withdraw all or a portion of the balance in one Roth IRA and rollover all or a portion of the amount withdrawn to another Roth IRA. If you inherit a Roth IRA due to the death of the Participant, you may not roll this IRA into your own Roth IRA unless you are the spouse of the deceased. For distributions due to a first-time home purchase of a principal residence which does not materialize, all or any part of the amount distributed for such purpose can be returned or rolled over to a Roth IRA (or Rollover or Conversion Roth IRA). In such instance, the sixty (60) days is extended to one hundred twenty (120) days, and the rollover will not count for purposes of the "once every 12 months rule" mentioned above. Since failed or erroneous rollovers can result in significant tax consequences and possible penalties, you should speak to a competent tax advisor before initiating a rollover.

Rollovers From Qualified Employer-Sponsored Plans. At this time, you may not rollover amounts to a Roth IRA from any of the following: a qualified plan under Code section 401(a); a qualified annuity under Code section 403(a); a tax-sheltered annuity (TSA) or custodial account under Code section 403(b); or a government sponsored 457 plan. However, beginning in 2006, you may rollover amounts to and from a qualified Roth contribution program established by your employer.

Conversions From Traditional IRA to Conversion Roth IRA. If you are single or are married and file jointly, you may convert your traditional IRA or certain contributions made to a SIMPLE IRA or SEP IRA to a Conversion Roth IRA, if your MAGI does not exceed \$100,000. If you are married and file separately, you are not eligible to convert an IRA to a Roth IRA, regardless of your MAGI. Conversions to a Roth IRA are not limited by the "once every 12 months rule" described above. A conversion is simply a distribution from the IRA and a contribution to a Roth IRA. If you converted an IRA in 1998 to a Conversion Roth IRA, you may have elected to pay the federal income tax due on the taxable portion of the IRA distribution over a four-year period beginning with 1998 rather than including the entire amount in 1998. Otherwise, if you convert a traditional IRA, a SEP IRA or a SIMPLE IRA to a Conversion Roth IRA, you will pay the federal income tax due on the taxable portion of the IRA distribution for the year in which the IRA distribution is received. An IRA may be converted to a Roth IRA by a trustee-to-trustee transfer or an account-to-account transfer with the same custodian or by a distribution from an IRA and contribution to a Roth IRA within sixty (60) days from the distribution. Required minimum distributions may not be converted. Once you convert a SEP or SIMPLE IRA to a Roth IRA, no further SEP or SIMPLE contributions may be made to the Roth IRA. Any amount converted to a Roth IRA is includable in income as a distribution and subject to taxation as discussed in "Distributions" below.

Recharacterizations. You may elect to recharacterize all or any part of an IRA contribution, including a conversion of a SEP or SIMPLE IRA to a Roth IRA, made during the tax year. Employer contributions, including elective deferrals, under a SEP or SIMPLE IRA may not be recharacterized. To recharacterize your contributions, you must make an irrevocable election, in writing, to the Custodian to the address given under "Revocation of Account" above before the due date of your tax return, including extensions, for the tax year in which contribution was made to the first IRA. Contact the Custodian for instructions on the contents of the notice. A recharacterization is not a rollover and is not subject to withholding; a recharacterization is not subject to the "once every 12 month" rule.

(continued)

Limits on Conversions and Reconversions. If you converted an IRA to a Roth IRA in 1998 or 1999, then recharacterized the amount back to an IRA, you can only reconvert the amount one more time in 1999. Beginning in 2000, if you convert an IRA to a Roth IRA, then recharacterize, you may not reconvert the amount before the later of:

1. The end of the thirty (30) day period beginning with the date of recharacterization from a Roth IRA, or
2. The beginning of the tax year immediately following the tax year during which the amount was first converted to a Roth IRA. Failure to meet this requirement results in a failed conversion that may only be corrected by recharacterization to a traditional IRA.

Excess Contributions

An excess Roth IRA contribution can occur when you deposit more than you are eligible to contribute to a Roth IRA or when you have an unwanted Roth IRA contribution that you want to treat as an excess contribution. If you have made a contribution in excess of the maximum amount allowable by law and the excess contribution remains in your Roth IRA past the tax-filing deadline, a penalty of 6% applies for each year the excess remains in the Roth IRA.

Correcting an Excess Contribution by Withdrawing Excess in a Timely Manner. The 6% penalty may be avoided if the excess amount and the earnings attributable to the excess are withdrawn on or before the due date for filing your federal income tax return, including extensions, for the year for which the excess contribution was made. If you decide to correct your excess in this manner, earnings attributable to the excess contribution are taxable at ordinary income tax rates for the year in which the contribution was made. In addition, if you are under age 59½, the earnings attributable are subject to a 10% premature distribution penalty. Withdrawing the excess and earnings by the tax return due date is the only method that avoids the 6% excess contribution penalty.

Correcting an Excess Contribution by Withdrawing Excess After Tax Filing Due Date. If you do not correct your excess in the manner prescribed above by the due date for filing your federal tax return, then you may correct the excess contribution by withdrawing only the principal amount of the excess; earnings attributable to the excess contribution are not required to be distributed. The 6% penalty will apply, however, for each year that the excess remains in the Roth IRA, until the amount of the excess contribution is withdrawn (amended tax returns may need to be filed).

Correcting an Excess Contribution by Undercontributing. Another method of correcting an excess contribution, after your tax-filing deadline, plus extensions, is to treat a prior year excess as a regular contribution in a subsequent year. In other words, the excess could be eliminated by under-contributing in a later year, until the excess amount is used up. You will be subject to the 6% penalty for each year that the excess remains in the Roth IRA.

Transfers

Transfers Between Roth IRAs. A Roth IRA to Roth IRA transfer is permitted when all or a portion of your Roth IRA assets are moved from one financial organization to another. Transfers are not reported as a distribution.

Transfers Incident to Divorce. If all or any portion of your Roth IRA is awarded to a former spouse or spouse pursuant to divorce or legal separation, such portion can be transferred to a Roth IRA in the receiving spouse's name. This transaction can be processed without any tax implications to you provided a written instrument executed by a court incident to the divorce or legal separation in accordance with Code Section 408(d)(6) is received by the Custodian, and specifically directs such transfer. In addition, you must also provide the Custodian with a letter of instruction and account number of the Roth IRA maintained by the receiving spouse or a Roth IRA application executed by the receiving spouse, if a new Roth IRA will be established.

Bulk Transfer of Account. The Custodian may resign, at any time, upon thirty (30) days' written notice to you. You shall have thirty (30) days from the date of such notice to either direct a complete distribution of your account or designate a different successor custodian or trustee. If the Custodian is not directed as described above, you shall be deemed to have consented to the appointment of the successor custodian or trustee and to the terms of the new governing instrument, and neither you nor the successor shall be required to execute any written document to complete the transfer of the account to the successor custodian or trustee.

Distributions

Request for Distribution. The Custodian will not make any distribution from your Roth IRA until it has received written direction from you (or your beneficiary in the event of your death) specifying the distribution reason, amount, method, and a withholding election. The Custodian will not be responsible for complying with a direction which appears on its face to be genuine, or for refusing to comply if not satisfied that it is genuine, and the Custodian assumes no duty for further inquiry. Any amount distributed is treated as made from first regular contributions, then conversion contributions, and then earnings.

Taxation. Qualified distributions from your Roth IRA are tax- and penalty-free after five years of participation, if:

- Distributed after you reach age 59½,
- Distributed due to your death or total and permanent disability, or
- Distributed for a first-time home purchase (\$10,000 lifetime maximum).

Otherwise, earnings are taxable when distributed and may be subject to the 10% early distribution penalty described below. Distributions of excess contributions and distributions that are rolled over into another Roth IRA may also be tax-free if the requirements of the Internal Revenue Code are met. Check with your tax advisor to determine whether any contributions or earnings of your distribution may be taxable.

Five-Year Holding Period. The five-year holding period begins on the first day of the tax year in which a contribution or conversion is made (or the tax year to which a contribution relates) and ends on the last day of the fifth consecutive tax year after such tax year. The five-year period does not start over for subsequent contributions so long as the Roth IRA is not revoked or recharacterized; and, you only have one holding period for all of your Roth IRAs. The five year period is not recalculated upon your death, but your beneficiary may be able to count the time you held the Roth IRA towards the five-year period. However, if the beneficiary is a surviving spouse who treats the account as his or her own, the surviving spouse's five-year period ends, for all purposes, at the earlier of the decedent's five-year period or the surviving spouse's own five-year period.

Nonqualified Distributions. A distribution that is not qualified is includable in your gross income to the extent that the amount of the distribution exceeds your contributions to the Roth IRA, reduced by previously includable distributions. Corrective distributions are not considered contributions. Nonqualified distributions are subject to the 10% early withdrawal penalty that applies to traditional IRAs. However, you may avoid this penalty if you meet one of the following:

- A distribution due to death or disability,
- Attainment of age 59½,
- A distribution of an exempt excess contribution,
- A distribution that is rolled over to another eligible retirement plan,
- A distribution to purchase a principal residence for the first-time home buyer who is closely related to the IRA owner (\$10,000 lifetime limit),
- A distribution for deductible medical expenses (medical expenses of the individual that exceed 7.5% of IRA owner's adjusted gross income),
- A distribution to purchase health insurance (if you have received unemployment compensation for twelve (12) consecutive weeks in the current or previous year),
- A distribution that is part of a series of substantially equal periodic payments (at least annual payments) made over your life or joint lives of you and your designated beneficiary, or
- A distribution made on account of certain tax levies.

The 10% penalty generally does not apply to conversion amounts.

Age 70½ Required Minimum Distributions. You are not required to begin taking distributions from your Roth IRA when you reach age 70½ or at any time.

Distributions Upon Death. The assets remaining in your Roth IRA will be distributed to your designated beneficiary. If no beneficiary is named, or if your designated beneficiary dies before you do, your account will be paid to your surviving spouse. Upon your death, the method of distribution of the balance of your Roth IRA will depend upon your beneficiary. If your beneficiary is not your spouse, your beneficiary must start taking distributions from your account by the end of the calendar year following your death over his or her own life expectancy. If your spouse is the sole beneficiary of your Roth IRA, in the event of your death, your spouse may elect to rollover or transfer your Roth IRA assets to his or her own Roth IRA, treat your Roth IRA as his or her own, or take distributions over his or her life expectancy beginning by the later of the end of the calendar year following your death or the end of the calendar year in which he or she turns 70½. Your beneficiary may elect to take the balance distributed entirely by the end of the calendar year that is the 5th anniversary of your death.

Investments

As stated in Article VI of the Custodial Agreement, the Custodian will invest the assets of the Roth IRA only in accordance with written directions from the Participant. Section 6.07 of the Custodial Agreement lists permitted investments. These investments include securities, options (limited to a long put and call or covered call), bonds, annuities, and other government obligations. Investments may be limited or refused to the extent that they are unavailable or not offered through the Custodian in its regular course of business. Thus, the assets of the Roth IRA at any given time between its establishment and its termination through distribution of all the assets may contain one or more of the above-listed permitted assets depending upon which investments you have selected. It is, therefore, impossible to project the future value of the Roth IRA assets to you at any given time. The value of the Roth IRA will be solely dependent upon the performance of the investment instruments chosen by you. Therefore, no projection of the growth of the Roth IRA can reasonably be shown or guaranteed.

Limited Partnerships/Private Placements. Acceptance of limited partnerships, private placements, investments sold by subscriptions, and initial public offerings is at the sole discretion of the Custodian. The Custodian reserves the right to disallow the placement of assets in any account which are deemed to be administratively burdensome, or which make it unfeasible to fulfill the duties of the Custodian.

Unrelated Business Taxable Income. Acceptance of investments that generate unrelated business taxable income (UBTI) is at the sole discretion of the Custodian. If your account holds investments that generate unrelated business taxable income, then you may be required to provide any information necessary to prepare any required filings with the IRS. As Custodian, TD AMERITRADE Clearing, Inc. may be required to request a taxpayer identification number, prepare and file IRA Form 990-T, apply for an extension of time to file the return, and pay taxes from the account. All expenses incurred in connection with unrelated business taxable income, including the amount of any taxes paid, will be deducted from your Roth IRA.

Prohibited Transactions

To ensure the proper use of the assets deposited in the Roth IRA, the Custodian may not engage directly or indirectly in certain prohibited transactions. In brief, these transactions are:

1. The sale or exchange, or leasing of any property between the IRA and a disqualified person;
2. The lending of money or other extension of credit between the IRA and a disqualified person;
3. The furnishing of goods, services or facilities between the IRA and a disqualified person;
4. The transfer to, or use by or for the benefit of a disqualified person of the income or assets of the IRA;
5. Any act by a disqualified person who is a fiduciary whereby he/she deals with the income or assets of an IRA in his/her own interest or for his/her own account; or
6. The receipt of any consideration for his/her own personal account by any disqualified person who is a fiduciary from any party dealing with the IRA in connection with the transaction involving the income or assets of the IRA.

For purposes of the prohibited transaction rules, a "disqualified person" will include yourself, your beneficiary and persons or entities (corporations, trusts, estates or partnerships) which stand in close relationship to you. Of course, the prohibited transaction rules do not apply to your receipt of normal retirement benefits under your Roth IRA. If a prohibited transaction affecting your Roth IRA occurs, the IRA will lose its tax-exempt status. Furthermore, you may be required to include part, or all, of the IRA balance in your gross income for the taxable year in which the prohibited transaction occurs.

Other Tax Considerations

Gift Tax. Your designation of a beneficiary for your Roth IRA does not constitute a gift for federal gift tax purposes. If you elect during your lifetime to have all or any part of your account payable to a Beneficiary at or after your death, the election generally will not subject you to any gift tax liability, but you may want to check with your tax advisor. Transfer of your Roth IRA to another during your lifetime generally constitutes a gift and the balance of the account will no longer be treated as a Roth IRA.

Income Tax Withholding. Distributions from your Roth IRA may be subject to federal income tax withholding, unless you make a written election not to have tax withheld. If a tax election is not specified, federal income tax will be withheld at the rate of 10%. The withholding rules generally do not apply to a conversion or recharacterization. Effective January 2, 2002, TD AMERITRADE Clearing, Inc., in accordance with Internal Revenue Service regulations, will implement state tax withholding options on your IRA distributions. This will coincide with federal tax withholding, which is currently applied to IRA distributions. Please note: If your distribution is from a Roth IRA and is exempt from federal tax withholding, state tax will not be withheld even if the account owner resides in a mandatory withholding state. If you request a distribution from your IRA and you do not make an election regarding state tax withholding, TD AMERITRADE Clearing, Inc. will automatically apply withholding based on your state of residence. For more information on state withholding guidelines, see the State Withholding Guidelines document posted at www.tdameritrade.com. You may wish to contact your tax professional before making any election regarding state tax withholding. State law is subject to change and TD AMERITRADE Clearing, Inc. is not responsible for changes in state law that may affect the accuracy of this communication.

Filing Requirements. Contributions to your Roth IRA must be reported on your tax Form 1040 or 1040A for the taxable year contributed. You will be required to designate your contribution as deductible or nondeductible. You must file IRS Form 8606 for any year you make a nondeductible IRA contribution. If you and your spouse both make nondeductible contributions, then you each must file Form 8606. The penalty for not filing Form 8606, when required, is \$50. You must file Treasury Form 5329 with the Internal Revenue Service for each taxable year in which the contribution limits are exceeded, a premature distribution takes place, or less than the required minimum amount is distributed from your Roth IRA. Contributions to your Roth IRA are not deductible on your tax Form 1040 or 1040A for the taxable year contributed. Taxable portions of distributions from your Roth IRA or Rollover or Conversion Roth IRA which do not meet the requirements of qualifying distributions must be reported on your tax Form 1040 or 1040A for the taxable year of the distribution. Other reporting will be required by you in the event that special taxes or penalties described in this Disclosure Statement are due.

Fees

There may be certain fees and charges connected with the Roth IRA itself; these fees are itemized in the enclosed Fee Schedule. The Custodian reserves the right to change any and all fees after notifying the Participant, as provided in Section 8.01 of the Custodial Agreement.

Additional Information

This Disclosure Statement, together with the Custodial Agreement, should answer most questions concerning your Roth IRA. If you have additional questions regarding Roth IRAs, you should consult your tax advisor. You may obtain additional information regarding IRAs from any District Office of the Internal Revenue Service. See, in particular, the Internal Revenue Service Publication 590 and Internal Revenue Service Publication 560, which are updated annually.

Custodial Agreement

Roth Individual Retirement Plan of TD AMERITRADE Clearing, Inc.

TD AMERITRADE Clearing, Inc., having its principal office in Omaha, Nebraska, hereby declares itself Custodian of the assets contributed to the Fund by a Participant.

ARTICLE I - DEFINITIONS

- 1.01. "Account" means the account(s), which the Custodian shall maintain, for the Participant under the Plan.
- 1.02. "Act" means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.03. "Beneficiary" means a person designated by a Participant (or by a Participant's spouse, if applicable), or by the Plan, who is or may become entitled to a benefit under the Plan. See Article VII.
- 1.04. "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 1.05. "Compensation" means wages, salaries, professional fees, or other amounts derived from or received for personal service actually rendered (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code section 401(c)(2) (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Code section 401(c)(2) shall be applied as if the term trade or business for purposes of Code section 1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not includable in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. Compensation includes any amount includable in the Participant's gross income under Code section 71 with respect to a divorce or separation instrument described in Code section 71(b)(2)(A).
- 1.06. "Custodian" means TD AMERITRADE Clearing, Inc., or any successor in office who in writing accepts the position of Custodian.
- 1.07. "Fund" means all the property of every kind held or acquired by the Custodian under this Plan.
- 1.08. "Investment Manager" means the person, persons, or corporation, if any, a Participant appoints to direct the Custodian as to the investments in his or her Account, provided such person, persons, or corporation satisfies the definition of "investment manager" under Act section 3(38).
- 1.09. "Nonforfeitable" means a Participant's or Beneficiary's unconditional claim, legally enforceable against the Plan to the Participant's Account.
- 1.10. "Participant" means the individual who executes an Adoption Agreement to the Plan and who makes a contribution(s) as permitted by Code sections 219, 408, or 408A to the Fund or who makes a Qualifying Rollover Contribution to the Fund.
- 1.11. "Plan" means the Roth Individual Retirement Account established by the Participant in the form of this Custodial Agreement, including the Adoption Agreement under which the Participant has elected to participate in this Plan.
- 1.12. "Qualified Trust" means an exempt trust described in Code section 401(a), which is exempt from tax under Code section 501(a). The term "Qualified Trust" shall include the retirement plan of which the Qualified Trust is a part.
- 1.13. "Qualifying Rollover Contribution" means an amount described in Code sections 408A(c) and (e) which the Participant contributes to the Fund within sixty (60) days following the distribution or the last of a series of distributions or is transferred to the Fund in a trustee-to-trustee transfer. An amount shall not qualify as a Qualifying Rollover Contribution if it includes any amount that is a required distribution of an individual retirement account or annuity. There can be no rollover treatment for any amount received by a Beneficiary other than the surviving spouse of the original Roth IRA owner. Any rollover of an inherited Roth IRA by a Beneficiary other than the spouse of the original Roth IRA owner is not a Qualifying Rollover Contribution. Commencing January 1, 2006, a Qualified Rollover Contribution shall mean an amount distributed from a qualified Roth contribution program established by an employer under Code section 402A. To make a Qualifying Rollover Contribution, the contribution must meet the requirements of Section 2.02(c), below. The term "Qualified Rollover Contribution" includes a conversion of a non-Roth IRA or non-Roth IRA contribution to a Roth IRA.
- 1.14. "Rollover or Conversion Roth" means that if this Roth IRA is designated as a Rollover or Conversion Roth IRA, no contributions other than a rollover or conversion contribution from a Roth IRA or other IRA made during the same tax year will be accepted. In accordance with the Code, contributions made to any Roth IRA or other IRA may be recharacterized, converted, or reconverted in accordance with the rules provided by Treasury Regulation section 1.408A-4 and section 1.408A-5.
- 1.15. "Roth IRA" means that if this Roth IRA is not designated as a Rollover or Conversion Roth IRA, then, except in the case of a rollover contribution described in Code section 408A(e), the Custodian will accept only cash contributions and only up to the maximum amount allowed for any tax year of the Participant in accordance with Article II.
- 1.16. "Taxable Year" means the taxable year of the Participant.

ARTICLE II - CONTRIBUTIONS

- 2.01. **Cash Contributions.** Except in the case of a Qualifying Rollover Contribution or a recharacterization (as defined in Section 2.02(d), below), the Custodian only will accept cash contributions made by the Participant.

- 2.02. **Contribution by Participant – Maximum Permissible Amount.** Except in the case of a Qualifying Rollover Contribution or recharacterization, the total of contributions to all of a Participant's Roth IRAs for a taxable year shall not exceed the lesser of the applicable limits, described below, or one hundred percent (100%) of the Compensation includable in the Participant's gross income for the taxable year, in accordance with Code section 219(b)(1).

The contribution described above that may not exceed the lesser of the applicable limit or the Participant's Compensation is referred to as a "regular contribution." A "qualified rollover contribution" or a "conversion" is a contribution that meets the requirements of Code section 408(d)(3), except the one rollover-per-year rule of Code section 408(d)(3)(B) if the rollover contribution is from an individual retirement account other than a Roth IRA (a "non-Roth IRA").

- (a) **Regular Contribution Applicable Limit.** The applicable limit is determined as follows:

- (i) If the Participant has not attained age fifty (50) by the last day of the calendar year for which a contribution is made, the applicable limit is \$3,000 for any taxable year beginning in 2002 through 2004, \$4,000 for any taxable year beginning in 2005 through 2007, and \$5,000 for any taxable year beginning in 2008. After 2008, the applicable limit may be adjusted by multiples of \$500 by the Secretary of the Treasury for cost-of-living increases under Code section 219(b)(5)(C).
 - (ii) If the Participant has attained (or will attain) age 50 by the last day of the calendar year for which a contribution is made, the applicable limit may be increased to include a catch-up contribution in the amount of \$500 for any taxable year beginning in 2002 through 2005 and \$1,000 for any taxable year beginning in 2006 through 2008. For later calendar years, the maximum catch-up contribution will be indexed to inflation.
 - (iii) A Participant may also contribute to a spousal Roth IRA for the benefit of a non-working spouse so long as the aggregated contributions to both IRAs do not exceed the lesser of double the dollar amounts described in (i) and (ii) above for the applicable year or one hundred percent (100%) of the combined Compensation of the Participant and non-working spouse; provided that the spouse's Compensation for such purpose is reduced under Code section 219(c)(1)(B) by the amount of any contribution made on behalf of the spouse to a Roth IRA.
- (b) **Reduction of Regular Contribution Applicable Limit.** If (i) and/or (ii) below apply, the maximum regular contribution that can be made to all of the Participant's Roth IRAs for a taxable year is the smaller amount determined under (i) or (ii).
- (i) The maximum regular contribution is phased out ratably between certain levels of Modified Adjusted Gross Income ("Modified AGI," defined in (e), below) in accordance with the following table, as amended from time to time under governing law: The compensation listed in the above table is a Participant's Modified AGI. If a Participant's Modified AGI is in the phase-out range, the maximum regular contribution determined under this table for that taxable year is rounded up to the next multiple of \$10 and is not reduced below \$200.
 - (ii) If the Participant makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to all the Participant's Roth IRAs for that taxable year is reduced by the regular contributions made to the Participant's non-Roth IRAs for the taxable year. Such contributions are applied first to a non-Roth IRA under Treasury Regulation section 1.408A-3.
- (c) **Qualified Rollover Contribution Limit.** A rollover from a non-Roth IRA cannot be made to this Roth IRA if, for the year the amount is distributed from the non-Roth IRA,
- (i) the Participant is married and files a separate return,
 - (ii) the Participant is not married and has modified AGI in excess of \$100,000, or
 - (iii) the Participant is married and together the Participant and the Participant's spouse have Modified AGI in excess of \$100,000. For purposes of the preceding sentence, a husband and wife are not treated as married for a taxable year if they have lived apart at all times during that taxable year and file separate returns for the taxable year.
- (d) **SIMPLE IRAs.** No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to Code section 408(p) to an Account. In addition, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted as a rollover contribution under this Agreement prior to the expiration of the two (2) year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.
- (e) **Modified AGI.** For purposes of (b) and (c), above, a Participant's modified AGI for a taxable year is defined in Code section 408A(c)(3)(C)(i) and does not include any amount included in adjusted gross income as a result of a rollover or conversion from a non-Roth IRA.
- (f) **Compensation.** Compensation is defined under Section 1.05, above; however, in the case of a married Participant filing a joint return, the greater compensation of his or her spouse is treated as his or her own compensation, but only to the extent that such spouse's compensation is not being used for purposes of the spouse making a contribution to a Roth IRA or a nondeductible contribution to a non-Roth IRA.

Filing Status	Full Contribution	Phase-Out Range	No Contribution
Single or Head of Household	\$95,000 or less	Between \$95,000 and \$110,000	\$110,000 or more
Joint Return or Qualifying Widower	\$150,000 or less	Between \$150,000 and \$160,000	\$160,000 or more
Married Filing Separate Return	\$0	Between \$0 and \$10,000	\$10,000 or more

- 2.03. **Contributions After Age 70½.** Contributions to a Roth IRA may be made after a Participant attains age 70½ in accordance with Code section 408A(c)(4).
- 2.04. **Contributions to a Rollover or Conversion Roth.** No contributions other than IRA conversion contributions shall be made or accepted during the same tax year as the conversion.

ARTICLE III - PROVISIONS RELATING TO QUALIFYING ROLLOVER CONTRIBUTIONS, CONVERSIONS AND RECHARACTERIZATIONS

- 3.01. **Rollover Assets.** The Custodian may accept as a contribution to the Fund the same assets which the Participant received as a distribution from an eligible individual retirement account, provided, the assets, as contributed, satisfy the definition of Qualifying Rollover Contribution under Section 1.13. If a Participant contributes assets other than cash to the Fund, the assets must be the same assets the Participant received in a qualified distribution, except that portion, if any, of the Qualifying Rollover Contribution representing after-tax contributions of the Participant. To determine the portion representing after-tax contributions, the Participant first may apply cash distributed against after-tax contributions before applying any other assets he or she received.
- 3.02. **Rollover Contributions.** The Custodian may accept a rollover under this Agreement from another Roth IRA or any other IRA in accordance with Code section 408(d)(3); provided, however, that the one rollover per year rule of such Code section does not apply to a rollover from any IRA other than another Roth IRA. A rollover must meet the requirements of Code section 408A(c)(3) and Section 2.02(c). A recharacterization is not treated as a rollover contribution for purposes of Code section 408(d)(3)(B). Commencing January 1, 2006, the Custodian may also accept a rollover from or make a rollover to a qualified Roth contribution program established by an employer under Code section 402A.
- 3.03. **Conversions.** The Custodian may accept for investment in a Roth IRA a rollover of assets held on the Participant's behalf from an Individual Retirement Account other than a Roth IRA that is a conversion of an individual retirement plan or contribution within the meaning of Code section 408A(d)(3)(C) and Treasury Regulation section 1.408A-4. A conversion shall be made in cash or other form as is acceptable to the Custodian and shall require that the Participant sign any and all documents in a form and manner acceptable to the Custodian. A rollover to this Roth IRA that represents a conversion of any non-Roth IRA shall not be permitted for a taxable year if the Participant's adjusted gross income (as defined in Code section 408A(c)(3)(C)) for such taxable year exceeds \$100,000 (as adjusted from time to time), or if the Participant is married and filing a separate return unless the Participant and his or her spouse have been living apart for the entire tax year. After 2004, for purposes of the \$100,000 limit, adjusted gross income shall not include any required minimum distributions from an IRA. Conversions from a SIMPLE IRA are subject to the restrictions of Code section 408(d)(3)(G) and Treasury Regulation section 1.408A-4. Amounts distributed from a traditional IRA may not be converted unless all required minimum distribution from such account for the year have been made. A traditional IRA inherited from a Participant by a Beneficiary other than a surviving spouse may not be converted to a Roth IRA. A failed conversion may be recharacterized in accordance with Treasury Regulation section 1.408A-5 and Section 3.04.
- 3.04. **Recharacterizations.** A regular contribution to a non-Roth IRA (excluding excess contributions and employer contributions (including elective deferrals) to a SEP IRA or SIMPLE IRA) may be recharacterized pursuant to Code section 408A(d)(6) and the rules of Treasury Regulation section 1.408A-5 as a regular contribution to this Roth IRA, subject to the limits in Sections 2.02(a) and (b). Net earnings attributable to a contribution being recharacterized must be transferred with such amount. The Custodian shall determine the amount of such earnings in accordance with Proposed Regulation section 1.408A-5, including any subsequent guidance, effective for contributions made on or after January 1, 2004. A Participant must notify the Custodian of any recharacterization on or before the date of transfer in accordance with Q&A6(a) of Treasury Regulation section 1.408A-5.
- 3.05. **Reconversions.** Effective January 1, 2000, an amount converted from a traditional IRA to an Account and recharacterized back from the Account to the traditional IRA may not be reconverted to an Account except in accordance with Q&A9(a) of Treasury Regulation section 1.408A-5. Reconversions prior to 2000 are subject to the rules of Q&A9(b) of Treasury Regulation section 1.408A-5.

ARTICLE IV - SEPARATE ACCOUNT - NONFORFEITABLE ACCOUNT - EXCLUSIVE BENEFIT

- 4.01. **Separate Account.** The Custodian shall establish and maintain a separate Account in the name of the Participant and credit the Participant's contributions to that Account. If this Custodial Agreement is a spousal Roth Individual Retirement Account, the Custodian shall establish and maintain a separate Account in the name of each Participant who is a signatory to the Adoption Agreement under which a Participant adopts this Plan. Under a spousal Roth Individual Retirement Account, the Custodian will credit contributions made on behalf of each spouse to that spouse's separate Account. If a Participant makes both deductible contributions and a Qualifying Rollover Contribution(s) to the Fund, the Custodian shall maintain a separate Account for the Participant for each type of contribution unless the Participant directs the Custodian in the Participant's Adoption Agreement to combine both types of investments in one Account in the Participant's name.
- 4.02. **Nonforfeitable Account.** The interest of any Participant in the balance of his Account is at all times one hundred percent (100%) Nonforfeitable.
- 4.03. **Exclusive Benefit.** The Custodian shall maintain the Plan for the exclusive benefit of the Participant or his or her Beneficiaries. No person shall have any beneficial interest in the Participant's Account(s) except the Participant, or in the case of the Participant's death, his Beneficiary.
- 4.04. **Assignment or Alienation.** Except to the extent provided under Section 5.10, neither a Participant nor a Beneficiary shall assign or alienate any benefit, including an annuity contract, provided under the Plan. Any annuity contract shall not be transferable by the owner. Any amount pledged as collateral or security for a loan shall be deemed distributed.

ARTICLE V - DISTRIBUTION OF ACCOUNT

- 5.01. **Participant's Right to Withdraw.** A Participant shall have the right to withdraw any part of, or the balance in, his Account as of the last day of any month upon no less than thirty (30) days' written notice to the Custodian. Except in the case of a Participant's death, disability (as defined in Code Section 72(m)) or attainment of age fifty-nine and one-half (59½), before the Custodian

- distributes any amount from the Participant's Account at the request of a Participant, the Participant shall furnish the Custodian on the Custodian's form a written declaration of the Participant's intention as to the disposition of the amount to be distributed.
- 5.02. **Participant's Right to Withdraw Tax-Free.** A Participant shall have the right to withdraw any part of or all of the balance of the principal in his or her Account tax-free after five (5) years of participation, as of the last day of any month upon no less than thirty (30) days' written notice to the Custodian. The five (5) year period begins on the first (1st) day of the Participant's tax year for which the first (1st) regular contribution was made to any Roth IRA of the Participant and ends on the last day of the fifth (5th) consecutive tax year following such year. Such five (5) year period shall not be recalculated upon the death of the Participant under Treasury Regulation section 1.408A-6. In addition, under Code section 72(t), a Participant may withdraw such amounts penalty-free on or after the date on which the Participant attains age fifty-nine and one-half (59½), the Participant's death or disability, or for the first-time purchase of a home under Code section 72(t)(2)(F). Except in the case of a Participant's death or total and permanent disability, before the Custodian distributes any amount from the Participant's Account at the request of a Participant, the Participant shall furnish the Custodian on the Custodian's form a written declaration of the Participant's intention as to the disposition of the amount to be distributed. A Participant may also withdraw any contribution in excess of the limits described in Article II if such withdrawal meets the requirements of Code section 408A(d)(2)(C). Net earnings allocable to such excess contributions may be tax-free if such amounts are withdrawn before the due date, including extensions, of the Participant's tax return for the tax year in which the excess contribution was made. The Custodian shall determine the amount of such earnings in accordance with Proposed Treasury Regulation section 1.408-11, including any subsequent guidance, effective for contributions made on or after January 1, 2004.
- 5.03. **Form of Distribution.** A Participant may elect, on a form prescribed and provided by the Custodian, to have his or her Account distributed in any of the following forms:
- A single sum payment;
 - Equal or substantially equal monthly, quarterly, or annual payments over the life of the Participant;
 - Equal or substantially equal monthly, quarterly or annual payments over the life of the Participant and his/her designated Beneficiary;
 - Equal or substantially equal monthly, quarterly, or annual payments over a period certain not extending beyond the life expectancy of the Participant; or
 - Equal or substantially equal monthly, quarterly, or annual payments over a period certain not extending beyond the joint life and last survivor expectancy of the Participant and his/her designated Beneficiary.
- The Participant, at any time after he or she has attained age fifty-nine and one-half (59½), may direct the Custodian to commence payments in the manner specified under Subsections (a) through (e). The Participant's direction under the immediately preceding sentence shall be in writing, shall state a tax election, shall state the frequency and the amount of the payments, and shall state the date the payments shall commence.
- 5.04. **Required Distribution.** No amount shall be required to be distributed prior to the death of the individual for whose benefit the Account was originally established.
- 5.05. **Death of Participant.** Notwithstanding any provisions of this Agreement to the contrary, the distribution of a Participant's interest in an Account shall be made in accordance with the requirements of Code section 408(a)(6), as modified by Code section 408A(c)(5), and the Treasury Regulations issued thereunder. The following is effective January 1, 2003. For distributions made prior to such date but after January 16, 2001, a Participant, surviving spouse of Beneficiary may elect to apply the distribution rules under the 1987 Proposed Regulations, the 2001 Proposed Regulations or the 2002 Final Regulations (only for distributions commencing on or after April 1, 2002) for Code section 401(a)(9) to such distributions.
- Upon the death of the Participant, the Custodian shall pay to the Participant's designated Beneficiary the entire nonforfeitable Account at least as rapidly as follows:
 - If the Participant's Account balance is payable to or for the benefit of a designated Beneficiary that is someone other than the Participant's surviving spouse, then the entire Account balance of the Participant will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with Subsection (iii) below.
 - If the sole designated Beneficiary is the Participant's surviving spouse, then the entire Account balance will be distributed starting by the end of the calendar year immediately following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age seventy and one-half (70½), if later), over such spouse's life, or, if elected, in accordance with Subsection (iii) below. If the surviving spouse dies before distributions are required to begin, the remaining Account balance will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with Subsection (iii) below. If the surviving spouse dies after distributions are required to begin, any remaining Account balance will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.
 - If there is no designated beneficiary, or if applicable by operation of Subsections (i) or (ii) above, the entire Account balance will be distributed by the end of the calendar year containing the fifth (5th) anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under Subsection (ii) above).
 - If the sole designated beneficiary is the Participant's surviving spouse, the spouse may elect to treat the Account as his or her own Roth IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the Account, makes a rollover to or from such Account, or fails to take required distributions as a Beneficiary.
 - The amount required to be distributed each calendar year under (a)(i) or (a)(ii) is the quotient obtained by dividing the value of the Account as of the end of the preceding calendar year by the remaining life expectancy specified in such Subsection.
 - Life expectancy is determined by using the Single Life Table contained in Q&A-1 of section 1.401(a)(9)-9 of the Treasury Regulations. If the sole Designated Beneficiary is the Participant's surviving spouse, then, unless otherwise elected by the surviving spouse by the time distributions are required to begin, the surviving spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. Such election shall be irrevocable by the surviving spouse and shall apply to all subsequent years. In the case of any other Designated Beneficiary, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in Subsections (a)(i) or (ii) and reduced by one (1) for each subsequent calendar year.
 - The "value" of the Account includes the amount of any outstanding Qualified Rollover Contribution, transfer, or recharacterization under Q&A-7 and Q&A-8 of Treasury Regulation section 1.408-8.
- 5.06. **Terms of Distribution.** The Plan does not require the Custodian to purchase an annuity contract or to make distribution of the remaining interest within a five (5) year period if distributions over a term certain had commenced prior to the Participant's death and will continue for a period permitted under Section 5.03(d) or (e). In such a case, the Custodian shall continue to make such distributions over the term certain to the Participant's Beneficiary or Beneficiaries unless, on a written form, provided by the Custodian, the Beneficiary or Beneficiaries timely elect a single sum payment or direct the Custodian to purchase such an annuity contract. If an Account contains both regular contributions and conversion amounts, special ordering rules may apply. Any amount distributed is treated as made first from regular contributions, then conversion contributions (on a first-in, first-out basis), then earnings.
- 5.07. **Permitted Periodic Payment.** In lieu of purchasing and distributing an immediate annuity contract, as provided under Section 5.06, the Custodian, in accordance with the written election of the Participant's Beneficiary or Beneficiaries, may, after a Participant's death, distribute directly from the Participant's Account over a period certain the deceased Participant's entire remaining interest to his Beneficiary or Beneficiaries. The period certain under this Section 5.07 shall not exceed the life expectancy of the distributee Beneficiary determined as of the earlier of the date the Beneficiary elects the method of payment of his Beneficiary interest in the Participant's Account or the date the Custodian commences payment to him of his Beneficiary interest. The Custodian shall make period certain payments under this Section 5.07 in equal or substantially equal monthly, quarterly, or annual installments. The period certain payments must commence under this Section 5.07 within one (1) year of the date of the Participant's death unless the designated Beneficiary is the owner's surviving spouse. If the designated Beneficiary of the owner is the owner's surviving spouse, the spouse may elect within the five (5) year period commencing with the owner's date of death to receive equal or substantially equal payments over the life or life expectancy of the surviving spouse commencing at any date prior to the date on which the deceased owner would have attained age seventy and one-half (70½). The surviving spouse may accelerate these payments at any time; i.e., increase the frequency or amount of such payments. If the designated Beneficiary is the owner's surviving spouse, the spouse may treat the Account as his or her own Roth IRA. This election may be made at any time after the Participant's death or will be deemed to have been made if such surviving spouse makes a regular contribution to the Account, makes a qualified rollover to or from such Account, or fails to elect any of the above provisions.
- 5.08. **Beneficiary's Election.** A beneficiary must generally make any election granted under Section 5.06 or under Section 5.07 by the earlier of December 31 of the year in which a distribution must commence or the end of the calendar year that contains the fifth (5th) anniversary of the Participant's death. The Custodian shall provide the Beneficiary the written form for making any election under this Article V. As of the time for making the election under this Section 5.08, a Beneficiary no longer shall have any right to receive any part of the balance of the Account of which he is Beneficiary, except to the extent expressly provided by the Beneficiary's election. The written form provided by the Custodian shall constitute a part of this Custodial Agreement as if fully set forth within this Section 5.08.
- 5.09. **Rollover to Qualified Trust.** Commencing January 1, 2006, a Participant may direct the Custodian to transfer all or part of the assets of his or her account to the trustee of a Qualified Trust under which an employer maintains a qualified Roth contribution program under Code section 402A.
- 5.10. **Transfer of Account Because of Divorce.** Notwithstanding Section 4.04, in the event the Participant and the Participant's spouse obtain a final decree of divorce, or dissolution of their marriage, the Participant may direct the Custodian in writing to transfer the appropriate portion of the assets in the Participant's Account to the Participant's former spouse, provided the transfer is in accordance with the final decree of divorce or in accordance with a written instrument incident to the divorce or dissolution of marriage.
- 5.11. **Rollover to IRA/Recharacterization.** A Participant may direct the Custodian to transfer part or all of the assets of his or her Account to the trustee or custodian of another Roth IRA plan. The trustee or custodian must indicate in writing that it will accept the transfer of such assets and that it is an individual retirement plan eligible to accept Account assets. A Participant may direct the Custodian to recharacterize a conversion or a regular contribution (including earnings) to an Account as a contribution to another IRA by providing the custodian written notification of the Participant's election to recharacterize in accordance with Treasury Regulation section 1.408A-5. Effective January 1, 2000, an IRA owner who converts a traditional IRA to a Roth IRA then transfers such amount back to a traditional IRA in any tax year may not reconvert or recharacterize such amount from the traditional IRA to an Account before the later of the beginning of the tax year following the tax year of the conversion to a Roth or the end of the thirty (30) day period beginning on the day the person transfers the amount from an Account back to the traditional IRA through recharacterization.

ARTICLE VI - INVESTMENT OF FUND PARTICIPANT AND CUSTODIAN POWERS

- 6.01. Acceptance. The Custodian accepts the appointment as Custodian of the Fund created under the Plan and agrees to perform the obligations imposed.
- 6.02. Participant Investment Responsibility. Subject to Section 6.03, the Participant has the sole authority and discretion, fully and completely, to select and to direct the investment of all assets in his Account(s). The Participant accepts full and sole responsibility for the success or failure of any selection he makes.
- 6.03. Appointment of Investment Manager. The Participant may appoint an Investment Manager (including the Custodian) to direct the investment of the Fund. If the Participant appoints an Investment Manager, the Participant shall furnish to the Custodian a written notice of the appointment and evidence of the Investment Manager's acceptance of appointment pursuant to Act section 3(38). The Participant alone has the responsibility for the appointment, selection, and retention of an Investment Manager. The Custodian shall assume that the appointed Investment Manager is at all times qualified to act in that capacity. The Custodian shall further assume the Investment Manager possesses the authority to direct investment of the Fund until such time as the Participant notifies the Custodian in writing that he has appointed another Investment Manager or that the Participant has assumed responsibility for directing investment of the Fund.
- 6.04. Custodian Limitation on Liability. The Custodian shall not be liable for the acts or omissions of the Participant or any Investment Manager or Managers. The Custodian shall not have any responsibility nor any loss of income or of capital nor for any unusual expense which the Custodian may incur relating to any investment or to the sale or exchange of any assets which the Participant or Investment Manager directs the Custodian to make.
- 6.05. Custodian's Interim Responsibility. If a Participant's initial contribution to the Fund is in the form of cash, the Custodian shall deposit the contribution to the Account of the Participant pending further investment of the Fund unless the Custodian has received other written instructions from the Participant or from a properly appointed Investment Manager. If the initial contribution is in the form of assets in kind, the Custodian shall retain the assets pending further written instructions from the Participant or from a properly appointed Investment Manager.
- 6.06. Custodian's Right Not to Follow Investment Directions. Notwithstanding any other provision of this Article VI, the Custodian reserves the right to refuse to follow any investment direction which the Custodian determines violates the Act or Code or which would create practical problems in storage or otherwise which could result in the imposition of a substantial tax on the Participant's Account or which would result in a deemed distribution from the Participant's Account.
- 6.07. Investment of Fund. The Custodian, as Custodian of the Funds entrusted to it under the Plan, shall not commingle the Fund with any other property it holds, except in a common trust or common investment fund, and no part of the funds will be invested in life insurance. The Custodian may limit or refuse investments to the extent that such investments are unavailable or are not offered through the Custodian in its regular course of business. The Custodian is authorized and empowered, but not by way of limitation, with the following powers, rights, and duties, each of which the Custodian shall exercise solely as Custodian in accordance with either the Participant's or an Investment Manager's written direction:
- (a) To hold or invest any part or all of the Fund in any common or preferred stocks, long put or call options, covered call options, open-end or closed-end mutual funds, bonds (including U.S. retirement plan bonds), debentures, convertible debentures, commercial paper of any type, mortgages, notes, limited partnerships or private placements (acceptance is at the sole discretion of the Custodian), or other property of any kind, real or personal, permissible as an investment (specifically excluding investment in life insurance contracts) for a Roth Individual Retirement Account; provided that if the Custodian acquires collectibles within the meaning of Code section 408(m) after December 31, 1981, such assets will be treated as taxable distributions in an amount equal to the cost of such collectible and taxed as such;
 - (b) To retain in cash so much of the Fund as the Participant directs in writing is necessary to satisfy liquidity needs of the Plan and to pay interest on free credit balances held in the Fund without liability in a money market account, including specific authority to invest in deposits of the Custodian;
 - (c) To manage, sell, contract to sell, grant options to purchase, convey, petition, divide, subdivide, exchange, transfer, abandon, insure, lease, and otherwise deal with all property, in such manner for such considerations and on such terms and conditions as are in accordance with the written direction it receives;
 - (d) To have with respect to the Fund all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights; and (SPECIAL RESTRICTIONS ON INVESTMENTS)
 - (e) If the trust acquires collectibles within the meaning of Code section 408(m) after December 31, 1981, such trust assets will be treated as a taxable distribution in an amount equal to the cost of such collectible and taxed as such.
- 6.08. Custodian's Powers. The Custodian shall have the power or duty:
- (a) To hold any securities or other property in the Fund in the name of the Custodian or its nominee, or in another form as it may deem best, with or without disclosing the custodial relationship;
 - (b) To retain any funds or property subject to any dispute without liability for the payment of interest and to decline to make payment or delivery of the funds or property or delivery of the funds or property until a court of competent jurisdiction makes final adjudication;
 - (c) To file any tax or information return required of the Custodian and to pay any tax, interest, or penalty associated with any such tax return;
 - (d) To furnish to the Participant or Beneficiary annual reports, fair market value or other items as may be required by governing law. The contents of all such items shall be conclusive on all persons (excepting any item to which the Participant actually files with the Custodian written exceptions or objections within ten (10) days after the constructive or actual receipt of such, or within such other time as may be required by governing law, whichever is less. Unless written exceptions are actually received by the Custodian within said time period, the Custodian shall be fully released and discharged regarding all matters and transactions expressly contained in such reports, statements, or items; and
 - (e) To begin, maintain, or defend any litigation necessary in connection with the administration of the Plan, except that the Custodian shall not be obliged or required to do so unless indemnified to its satisfaction.
- 6.09. Prohibited Transactions. The Participant shall not borrow any money from the Fund, nor shall the Participant pledge any part of the Fund as security for a loan. Furthermore, neither the Participant nor the Custodian shall engage, either directly or indirectly, in any of the following transactions:
- (a) The sale or exchange or leasing of any property between the Fund and a Disqualified Person;
 - (b) The lending of money or other extension of credit between the Fund and a Disqualified Person;
 - (c) The furnishing of goods, services, or facilities between the Fund and a Disqualified Person;
 - (d) The transfer to, or use by or for the benefit of, a Disqualified Person of the income or assets of the Fund;
 - (e) Any act by a Disqualified Person who is a fiduciary whereby he deals with the income or assets of the Fund in his own interest or for his own Account; or
 - (f) The receipt of any consideration for his own personal Account by any Disqualified Person who is a fiduciary from any party dealing with the Fund in connection with the transaction involving the income or assets of the Fund.

"Disqualified Person" shall have the meaning ascribed to that term under Code section 4975(e)(2).

ARTICLE VII - PARTICIPANT ADMINISTRATIVE PROVISIONS

- 7.01. Participant Beneficiary Designation. The Participant may from time to time designate, in writing, any person or persons, contingently or successively, to whom the Custodian shall pay his or her Account on event of the Participant's death. The Custodian shall prescribe the form for the written designation of Beneficiary; and upon the Participant's filing the form with the Custodian, it effectively shall revoke all designations filed prior to that date by the Participant. The Participant may designate, in writing, a change of beneficiary upon the conversion of an existing regular IRA to a Roth IRA.
- 7.02. Spouse Beneficiary Designation. Except to the extent state law provides that a surviving spouse has an ownership interest in the Participant's Account, a Participant's surviving spouse shall not have the right to designate a Beneficiary or Beneficiaries to receive the balance, if any, of the Participant's Account upon the surviving spouse's death.
- 7.03. No Beneficiary Designation. If a Participant fails to designate a Beneficiary in accordance with this Article VII or if all designated Beneficiaries die before complete distribution of the Participant's Account, then upon the date of the death of the last to die of the Participant and all designated Beneficiaries, the Custodian shall distribute the balance of the Participant's Account in accordance with Section 5.05, Section 5.06, or Section 5.07 in listed order of priority to the following named person(s) surviving on that date:
- (a) The Participant's spouse;
 - (b) The Participant's children, including adopted children, in equal shares;
 - (c) The Participant's parents, in equal shares; or
 - (d) The legal representative of the estate of the last to die of the Participant and the designated Beneficiaries.
- 7.04. Participant Information. The Participant shall furnish the Custodian whatever information is necessary for the Custodian to prepare any reports required under Code section 408(i) or the Treasury Regulation issued under that Code Section.
- 7.05. Participant Statements. The Custodian may assume the truth of any statement made by the Participant under the provisions of the Adoption Agreement. The Custodian shall be under no duty of inquiry with respect to any statement made by the Participant and shall have no liability with respect to any action taken in reliance upon any such statement.

ARTICLE VIII - CUSTODIAN ADMINISTRATIVE PROVISIONS

- 8.01. Fees and Expenses From Fund. The Custodian shall receive such reasonable annual compensation as the Participant and the Custodian from time to time may agree. The Custodian shall pay all expenses (including any tax, interest, or penalty on a tax) reasonably incurred by it in its administration of the Plan from the Fund unless the Participant pays the expenses. The Custodian may establish a reasonable reserve from the assets of the Fund with which to pay its compensation or expenses of administration.
- (a) Fees. The Participant agrees to pay the Custodian any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this Roth IRA, including any fees for distributions from, transfers from, and termination of this Roth IRA. The Custodian may change its fee schedule at any time by giving the Participant 30 days' prior written notice of the new fee schedule. The Participant hereby agrees that the current fee schedule, and any new fee schedule that is deemed to be accepted by the Participant, is reasonable.
 - (b) Fees for Brokerage Services. The Participant agrees to pay the Custodian reasonable fees for the broker-dealer services which the Custodian renders on behalf of the Custodial Account, which fees shall be charged to the Custodial Account and may not be reimbursed by the Participant. The Custodian agrees that the broker-dealer services rendered will comply with the following requirements of the Department of Labor Prohibited Transaction Exemption 97-11 which requires that:

(continued)

- (i) the individual retirement account whose value or fees are taken into account to determine eligibility to receive low- or no-cost broker-dealer services will be established and maintained for the Participant's exclusive benefit;
 - (ii) the services offered under the brokerage agreement are of the type the broker-dealer may offer consistent with federal and state law; and
 - (iii) the services offered under the brokerage agreement are provided in the ordinary course of the broker-dealer's business to individuals who qualify for discounted services but do not maintain individual retirement accounts with the broker-dealer.
- (c) The Participant agrees to pay any reasonable expenses incurred by the Custodian in the performance of its duties in connection with the Account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, fees for the appraisal of assets for which a fair market value is not readily available, expenses incurred in connection with distribution of all or part of the assets of the Account, expenses incurred in locating or determining the identity of any Beneficiary, taxes of any kind whatsoever that may be levied or assessed with respect to such Account, and expenses in connection with preparation and filing any returns and reports with regard to unrelated business income.
- (d) Fees and expenses charged to the Account and not paid by the Participant shall be collected either from the assets in the Account or from any contributions to such Account, and the Custodian may liquidate such of the assets of the Account for such purposes as in its sole discretion it shall determine. The Participant shall be responsible for any deficiency.
- 8.02. Distribution of Cash or Property. The Custodian may make distribution under the Plan in cash or property at fair market value as determined by the Custodian.
- 8.03. Custodian Reports. The Custodian shall submit custodial reports to the Internal Revenue Service and to the appropriate state taxing authorities at such times and in such manner as prescribed by law. In addition, the Custodian will provide annual calendar year reports to Participants on or before January 31 of the calendar year following the calendar year to which such reports relate and such information concerning required minimum distributions as is prescribed by the Commissioner of the Internal Revenue Service.

ARTICLE IX - MISCELLANEOUS

- 9.01. No Responsibility for Participant Action. The Custodian shall not have any obligation nor responsibility with respect to any action required by the Plan to be taken by a Participant. The Custodian is not required to determine the correctness of the amount of any Participant contribution nor is the Custodian required to determine whether a Participant's rollover contribution satisfies that definition of Qualifying Rollover Contribution.
- 9.02. Fund Not Guaranteed. The Custodian does not in any way guarantee the Fund from loss or depreciation. The liability of the Custodian to make any payment from the Fund at any time and all times is limited to the then available assets of the Fund.
- 9.03. Indemnity of Custodian. The Participant indemnifies and saves harmless the Custodian from and against any and all loss resulting from liability to which the Custodian may be subjected by reason of any act or conduct (except willful misconduct or gross negligence) in its official capacities in the administration of this Fund or Plan, or both, including all expenses reasonably incurred in its defense. The indemnification provisions of this Section 9.03 shall not release the Custodian from any liability it may have under the Act for breach of a fiduciary duty.
- 9.04. Controlling Provisions. No provision of this Custodial Agreement shall be valid to the extent that it is inconsistent, in whole or in part, with Code Sections 408 and 408A and the Regulations under these Code Sections.
- 9.05. Successors. The Plan shall be binding upon all persons entitled to benefits under the Plan, their respective heirs and legal representatives, and upon the Custodian and its successors.
- 9.06. Word Usage and Titles. Words used in the masculine shall apply to the feminine, where applicable, and wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as plural. Articles and Section titles are for reference only.
- 9.07. State Law. Nebraska law shall determine all questions arising with respect to the provisions of this Custodial Agreement, except to the extent Federal statutes supersede Nebraska law.

ARTICLE X - AMENDMENT AND TERMINATION

- 10.01. Amendment. The Custodian shall have the right at any time and from time to time:
- (a) To amend this Custodial Agreement without a Participant's consent in any manner it deems necessary or advisable in order to qualify (or maintain qualification of) this Custodial Agreement and Fund created under it under the provisions of Code section 408 and Code section 408A; and
 - (b) To amend this Custodial Agreement, with an affected Participant's written consent, in any other manner. However, no amendment shall authorize or permit any of the Fund (other than the part required to pay taxes and administration expense) to be used for or diverted to purposes other than for the exclusive benefit of the Participant, his Beneficiaries, or their estates. The Custodian shall not amend an individual Participant's Adoption Agreement without the written consent of the individual Participant who is a signatory to that Adoption Agreement. An Adoption Agreement is a signed and executed agreement between a Participant and the Custodian, which the Participant has completed.
- 10.02. Termination. The Participant shall have the right, at any time, to terminate this Plan and the Fund created under this Custodial Agreement. The Plan shall terminate upon the first to occur of the following:
- (a) The date terminated by the Participant's written notice given to the Custodian at least thirty (30) days prior to termination;
 - (b) On the date the Custodian has distributed all assets in the Participant's Account to the Participant and his Beneficiaries; or
 - (c) On the date the Participant's Plan ceases to be a Roth Individual Retirement Account within the meaning of Code Section 408 and Code Section 408A. As soon as administratively practicable after this date, the Custodian shall distribute all of the assets in the Fund in single sum payment to the Participant.
- 10.03. Resignation or Removal of Custodian. The Participant may remove the Custodian or the Custodian may resign upon thirty (30) days' written notice to either party. In addition, but not in limitation of the foregoing, the Custodian may, at its discretion, resign and appoint a successor custodian/trustee to serve under this Custodial Agreement or to serve under another governing instrument determined by the successor custodian/trustee effective thirty (30) days after the Custodian provides written notice to the Participant. During such 30 days, the Participant shall have the option to either direct a complete distribution of the account balance or designate a different successor custodian or trustee. If the Custodian is not directed as described above, the Participant shall be deemed to have consented to the appointment of the successor custodian or trustee and to the terms of the new governing instrument, and neither the Participant nor the successor shall be required to execute any written document to complete the transfer of the account to the successor custodian/trustee. The successor custodian/trustee may rely on any information, including beneficiary designations, previously provided by the depositor. If the Participant intends to continue his or her Roth IRA in the form of this Custodial Agreement, the Participant shall appoint a new custodian who is willing to accept the appointment as successor custodian. The Custodian shall have the right to a settlement of its account which, at the option of the Custodian, may be:
- (a) By judicial settlement in an action the Custodian institutes in a court of competent jurisdiction; or
 - (b) By a settlement agreement between the Custodian and the recipient. Upon settlement under this Section 10.03, all right, title and interest of the Custodian in the assets of the Fund and all rights and privileges under this Custodial Agreement vested in the Custodian shall vest in the successor custodian, if applicable. At that time, all duties and liability of the Custodian shall terminate under the Plan; provided, however, the Custodian shall execute, acknowledge and deliver all documents and written instruments necessary to transfer and convey the right, title and interest in the assets of the Fund, and all rights and privileges, to the successor custodian. Notwithstanding anything in this Section to the contrary, the Custodian shall have the option to require a Participant to execute such documentation or any other action the Custodian determines is necessary or appropriate to carry out this Section, and the Participant shall comply with any such requirement. In the event that the Participant fails to appoint a new custodian, the Custodian may at its option, deliver or transfer to the Participant all assets of the Fund and all duties and liability of the Custodian shall terminate under the Plan.
- 10.04. Substitution of Custodian. The Custodian (or trustee) will substitute another custodian (or trustee) in place of TD AMERITRADE Clearing, Inc. should TD AMERITRADE Clearing, Inc. receive notice from the Internal Revenue Service that substitution is required because it has failed to comply with the requirements of Treasury Regulation section 1.408-2(e), dealing with passive trustees or custodians.



By: _____
Joseph H. Moglia, President

Ameritrade, Inc. has changed its name to TD AMERITRADE Clearing, Inc.; the following documents are being updated.

Special Notice: Individual Retirement Account plan documents were previously approved as indicated in the following letters. TD AMERITRADE Clearing, Inc. filed amended plan documents with the IRS reflecting a change in name from Ameritrade, Inc. to TD AMERITRADE Clearing, Inc.

TD AMERITRADE Clearing, Inc. Individual Retirement Account Financial Disclosure

IRA fees – The Participant agrees to pay the Custodian any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this IRA, including any fees for distributions from, transfers from, and terminations of this IRA.

Earnings – TD AMERITRADE Clearing, Inc. IRAs are self-directed, and your annual growth is dependent on the nature of investment. The Custodian does not in any way guarantee the account from loss or depreciation. It is therefore impossible to project the future value of the IRA assets to you at any given time. The value of the IRA will be solely dependent upon the performance of the investment instruments chosen by you.

Investments – As stated in Article VI of the Custodial Agreement, the Custodian will invest the assets of the IRA only in accordance with written directions from the Participant. These investments include securities, options (limited to a long put and call or covered call), bonds, annuities, and other government obligations. Investments may be limited or refused to the extent that they are unavailable or not offered through the Custodian in its regular course of business.

Internal Revenue Service

Plan Name: Roth IRA Custodial Account 802

PIN: 00148850000-002 Case: 194900761 EIN: 47-0533629

Letter Serial No: 07018424

Department of the Treasury

Washington, DC 20224

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ADVANCED CLEARING INC

4317 ECHOLS ROAD STREET

CHRYSLER, MI 48127

Contact Person: Ms. Arlington 50 00197

Telephone Number: (202) 412-0773

In Reference to: TEFRA 72

Date: 03/14/2000

Dear Applicant:

In our opinion, the form of the prototype trust, custodial account or annuity contract identified above is acceptable for use as a Roth IRA under section 408A of the Internal Revenue Code, as amended through the Internal Revenue Service Restructuring and Reform Act of 1994.

Each individual who adopts this approved prototype will be considered to have a Roth IRA that satisfies the requirements of Code section 408A, provided the individual follows the terms of the approved prototype document, does not engage in certain transactions specified in Code section 408(a), and, if the Roth IRA is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(c) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each participant in this program as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the IRA.

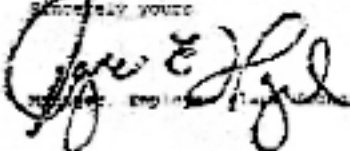
The Internal Revenue Service has not evaluated the merits of this IRA and does not guarantee contributions or investments made under the IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

This prototype IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Number Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype IRA.

Sincerely yours,



James E. Felt, Director, Employee Plans Technical Group 1

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Advanced Clearing, Inc.
4211 South 102nd Street
Omaha, NE 68127-1031

Contact Person:
Mr. C. Thompson, Badge 50-07262
Telephone Number:
(202) 622-7021
In Reference to:
T:EP:RA:T1
Date:
November 15, 2000

EIN Number: 47-0533629

Ladies and Gentlemen:

In a letter dated July 14, 1999, as supplemented by letters and facsimile transmittals dated September 24, 1999, November 29, 1999, January 10, 2000, February 8, 2000, February 18, 2000, March 6, 2000, March 28, 2000, April 19, 2000, April 20, 2000, June 12, 2000, June 14, 2000, July 17, 2000, August 23, 2000, and November 2, 2000, your authorized representative requested a written notice of approval that Advanced Clearing, Inc. (formerly known as AmeriTrade, Inc.) may act as a nonbank trustee for medical savings accounts established under section 220 of the Internal Revenue Code and individual retirement arrangements (IRAs) established under sections 408, 408A, and 530.

Section 220(d)(1)(B) of the Code provides, in pertinent part, that the trustee of a medical savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Q & A-10 of Notice 96-53, 1996-2 C.B. 219 provides, in pertinent part, that persons other than banks, insurance companies, or previously approved IRA trustees or custodians may request approval to be a trustee or custodian in accordance with the procedures set forth in section 1.408-2(e) of the Income Tax Regulations.

Section 408(a)(2) of the Code requires that the trustee of an IRA be a bank (as defined in section 408(n) of the Code) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the IRA will be consistent with the requirements of section 408.

Advanced Clearing, Inc.

Section 408A of the Code provides, in general that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

Section 530(b)(1)(B) of the Code (dealing with education individual retirement accounts) require that the trustee of such an account be a bank (as defined in section 408(n) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

The Income Tax Regulations at section 1.408-2(e) contain the requirements that such other person must comply with in order to act as trustee, for purposes of sections 220, 408(a)(2), 408A, and 530 of the Code. One of the requirements of section 1.408-2(e) states that such person must file a written application with the Commissioner demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Based on all the information submitted to this office and all the representations made in the application, we have concluded that Advanced Clearing, Inc. meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a nonbank trustee for medical savings accounts established under section 220 of the Code and individual retirement arrangements (IRAs) established under sections 408, 408A, and 530.

This letter authorizes Advanced Clearing, Inc. to act as a passive or non-passive nonbank trustee. When Advanced Clearing, Inc. acts as a passive nonbank trustee (within the meaning of section 1.408-2(e)(6)(i)(A) of the regulations), it is authorized only to acquire and hold particular investments specified by the trust instrument. It may not act as a passive trustee if under the written trust instrument it has discretion to direct investments of the trust funds.

This letter while authorizing Advanced Clearing, Inc. to act as a trustee does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.408-2(e)(5)(viii)(C) of the regulations. Advanced Clearing, Inc. may not act as a trustee unless it undertakes to act only under trust instruments that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because Advanced Clearing, Inc. has failed to comply with the requirements of section 1.408-2(e) of

Advanced Clearing, Inc.

the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have \$1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

Advanced Clearing, Inc. is required to notify the Commissioner of Internal Revenue, Attn: T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of Advanced Clearing, Inc. to act as a nonbank trustee for medical savings accounts established under section 220 of the Code and individual retirement arrangements (IRAs) established under sections 408, 408A, and 530 is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

This approval letter is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, may not rely on an approval letter issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the approval letter issued to such entity prior to the acquisition, merger, consolidation or other type of reorganization. Such entity may have to apply for a new notice of approval in accordance with section 1.408-2(e) of the regulations.

This letter constitutes a determination that Advanced Clearing, Inc. may act as a nonbank trustee for medical savings accounts established under section 220 of the Code and individual retirement arrangements (IRAs) established under sections 408, 408A, and 530 and does not bear upon its capacity to act as a trustee or custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments.

This is a retroactive notice of approval effective April 18, 1984 and will remain in effect until withdrawn by Advanced Clearing, Inc. or revoked by the Service. This notice of approval supersedes the notice of approval issued to AmeriTrade, Inc. on April 18, 1984. This notice of approval does not authorize Advanced Clearing, Inc. to accept any fiduciary account before this notice becomes effective.

In accordance with the power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

John Swieca, Manager
Employee Plans Technical Group 1
Tax Exempt and Government Entities Division



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

March 16, 2003

Ameritrade, Inc.
4211 South 102nd St.
Omaha, Nebraska 68127-1031

EIN: 47-0533629

Re: Ameritrade, Inc., f/k/a Advanced Clearing Inc., Non-Bank Trustee
Status

Ladies and Gentlemen:

This in response to your letter dated December 30, 2002, concerning a change to your nonbank trustee application. Your application was approved, pursuant to section 1.408-2(e) of the Income Tax Regulations, on November 15, 2000. Our approval letter authorized Advanced Clearing, Inc. to act as a passive or non-passive trustee for medical savings accounts established under section 220 of the Internal Revenue Code and individual retirement arrangements (IRAs) established under sections 408, 408A, and 530.

Pursuant to section 1.408-2(e)(6)(iv) of the regulations, your letter informed this office that Advanced Clearing, Inc. changed its name to Ameritrade, Inc. effective January 2, 2002. Your letter indicated that this change affected your name only.

We have updated our files accordingly, and notice is hereby given that the name "Advanced Clearing, Inc." has been removed from our list of approved nonbank trustees and replaced with "Ameritrade, Inc."

This is not a determination as to whether Ameritrade, Inc. continues to meet the requirements of section 1.408-2(e) of the regulations. Thank you for writing to us about this matter.

Should you have any questions, please contact Roz Ferber, Badge No. 50-02277, at (202) 283-9592.

Sincerely,

Andrew E. Zuckerman, Manager
Employee Plans Technical Group 1