

**Ridge Clearing &
Outsourcing Solutions**

*Individual
IRA or SEP
Account*

PLAN ESTABLISHMENT:

Forms needed to establish an **IRA Account**:

1. IRA Adoption Agreement
2. Authorization to Transfer Plan Assets to Successor Custodian (complete only if appropriate).

Forms needed to establish a **Simplified Employee Pension Plan (SEP)**:

1. IRS Form 5305-SEP (*To be completed and retained by Employer. Do not forward to Ridge Clearing & Outsourcing Solutions, Inc.*).
2. IRA Adoption Agreement (*To be completed by each SEP participant*)
3. Authorization to Transfer Plan Assets to Successor Custodian (complete only if appropriate).

Send completed forms along with initial contribution check(s) to your personal broker. All forms should have original signatures and checks should be made payable to '**Ridge Clearing & Outsourcing Solutions, Inc.**'.

NOTE: An individual cash account will be opened with Ridge Clearing & Outsourcing Solutions, Inc. (If you are opening a spousal IRA two separate accounts should be opened). The title of this account will be:

NAME OF PARTICIPANT
TYPE OF ACCOUNT (IRA, IRA Rollover, SEP Account, etc.).
RIDGE CLEARING & OUTSOURCING SOLUTIONS, INC. CUSTODIAN

(Participant's Address)

ELIGIBILITY:

Traditional IRA. You can establish and make contributions to an IRA if you received taxable compensation during the year and have not yet reached the age of 70 1/2 by the end of the year. Contributions may be made up to the lesser of 100% of compensation or \$3,000 (\$3,500 for individuals over the age of 50 in 2004) and \$4,000 in 2005 (\$4,500 for individuals over the age of 50 in 2005). If you maintain multiple IRA accounts, the maximum contribution to all of the accounts can not exceed \$3,000 for 2004 (\$3,500 for individuals over the age of 50) and not exceed \$5,000 for 2005-2007. An IRA for any year may be opened and funded at anytime before the due date for filing your tax return, not including any extensions. Contributions must be in the form of money (cash, check or money order).

Rollover IRA. If you received an eligible rollover distribution from your IRA, employer's qualified pension, profit sharing or stock bonus plan, annuity plan, or tax sheltered annuity plan (403(b) plan), you can roll over all or part of it into an IRA. Rollover contributions must be made by the 60th day after the day you receive a distribution from your IRA or employer's plan in order to continue their tax-deferred status.

SEP IRA. Any employer, including a sole proprietor with no employees, can establish a SEP for the benefit of all eligible employees. The owner of the business is also considered an employee who is eligible to receive a SEP contribution. Up to the lesser of 25 percent of compensation or \$41,000 can be deposited annually for an eligible employee (or such other amount provided by law). An eligible employee who receives a SEP contribution can also make an annual IRA contribution of the lesser of 100% of earned income up to \$3,000 for 2004 and \$4,000 for 2005-2007. A SEP IRA may be opened and funded up until the employer's tax filing deadline, including extensions.

BEFORE EXECUTING THESE FORMS YOU SHOULD CONSULT WITH YOUR ATTORNEY OR TAX ADVISOR TO DETERMINE WHETHER THIS IRA WILL ACCOMPLISH YOUR GOALS.

INDIVIDUAL IRA APPLICATION
Custodial Individual Retirement Account Adoption
Agreement

Ridge Clearing &
Outsourcing Solutions

ACCOUNT NUMBER

1. Account Information

Please print. All information must be completed in order for your account to be processed.

FULL NAME OF PARTICIPANT (First/ Middle/ Last)

SOCIAL SECURITY NUMBER DATE OF BIRTH

HOME ADDRESS (P.O. Box is not sufficient)

CITY/ STATE/ ZIP CODE HOME TELEPHONE NUMBER EMAIL ADDRESS

BUSINESS ADDRESS

CITY/ STATE/ ZIP CODE BUSINESS TELEPHONE NUMBER

PLEASE INDICATE THE ADDRESS TO WHICH ALL MAIL SHOULD BE SENT
 Home Business P.O. Box

P.O. BOX/ CITY/ STATE/ ZIP CODE

NAME OF YOUR BANK BANK ACCOUNT NUMBER

COUNTRY OF CITIZENSHIP COUNTRY OF LEGAL RESIDENCE

OCCUPATION EMPLOYER

IF YOU ARE AFFILIATED WITH OR WORK FOR A SECURITIES FIRM, PLEASE SPECIFY COMPANY.

IF YOU ARE A DIRECTOR, 10% SHAREHOLDER OR POLICY-MAKING OFFICER OF A PUBLICLY TRADED COMPANY, PLEASE SPECIFY THE COMPANY.

HAVE YOU GRANTED TRADING AUTHORIZATION TO ANOTHER PARTY? IF YES, REQUEST TRADING AUTHORIZATION FORM AND PROVIDE NAME OF AGENT
 Yes No

If you do not want your name, address and security position released to requesting companies in which you hold securities, please check here.

2. Investment Profile

INVESTMENT OBJECTIVE	INVESTMENT EXPERIENCE	ANNUAL INCOME	LIQUID NET WORTH	ESTIMATED NET WORTH	RISK TOLERANCE
<input type="checkbox"/> Capital Preservation (05)	<input type="checkbox"/> None (00)	(from all sources)	(cash & liquid investments only)	(excluding residence)	<input type="checkbox"/> Low
<input type="checkbox"/> Income (04)	<input type="checkbox"/> Limited (01)	<input type="checkbox"/> Under \$25,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Medium
<input type="checkbox"/> Growth (03)	<input type="checkbox"/> Good (02)	<input type="checkbox"/> \$25,000 to \$50,000 (02)	<input type="checkbox"/> \$50,000 to \$100,000 (02)	<input type="checkbox"/> \$50,000 to \$100,000 (02)	<input type="checkbox"/> High
<input type="checkbox"/> Speculation (06)	<input type="checkbox"/> Extensive (03)	<input type="checkbox"/> \$50,000 to \$100,000 (03)	<input type="checkbox"/> \$100,000 to \$500,000 (03)	<input type="checkbox"/> \$100,000 to \$500,000 (03)	
<input type="checkbox"/> Other (08)		<input type="checkbox"/> Over \$100,000 (04)	<input type="checkbox"/> Over \$500,000 (04)	<input type="checkbox"/> Over \$500,000 (04)	
TAX BRACKET %					

3. Type of Account

(Check One)
 Traditional IRA Rollover Account SEP - Simplified Employee Pension Account

NAME OF BUSINESS

4. Contribution Type

(Check One)
 Regular IRA contribution for tax year 20 ____
 Rollover from an IRA, employer-sponsored retirement plan or 403(b)
 SEP IRA, contribution for tax year 20 ____ (employer will make SEP contribution to participants IRA account)
 Transfer of existing IRA or SEP IRA




Please cut along the dotted line and return to your broker.

5. Depositor Authorization	I understand that I have the right to direct the investment and reinvestment of contributions to my Account and hereby appoint the following brokerage firm as my agent to execute my directions, as Broker under the terms of the Custodial Agreement.
	BROKERAGE FIRM
	ACCOUNT NUMBER

6. Enhanced Account Features	E-Documents Enrollment When you enroll your account in E-Docs, you will receive trade confirmations, account statements, tax-related documents, proxies, prospectuses, annual reports, and all other eligible account documents electronically. An e-mail notification will be sent to the Account Owner's e-mail address on the same day that any electronic documents become available. Just log into your account to access E-Docs and view, print or download your electronic documents.
	Please see your Investment Representative for enrollment information.

7. Beneficiary Designation	I hereby make the following designation of beneficiary pursuant to the provisions of the Ridge Clearing & Outsourcing Solutions, Inc. Custodial Agreement: In the event of my death, pay any interest I may have in my Custodial Account in equal proportions unless otherwise indicated to the following Primary Beneficiary or Beneficiaries:			
	Primary Beneficiary or Beneficiaries	1	NAME	RELATIONSHIP
		ADDRESS		SOCIAL SECURITY NUMBER
2		NAME	RELATIONSHIP	DATE OF BIRTH
		ADDRESS		SOCIAL SECURITY NUMBER
Alternate Beneficiary or Beneficiaries	If none of the above-named Primary Beneficiaries survives me, pay any interest I may have in my Custodial Account in equal proportions unless otherwise indicated to the following Alternate Beneficiary or Beneficiaries of the survivor(s) thereof:			
	1	NAME	RELATIONSHIP	DATE OF BIRTH
		ADDRESS		SOCIAL SECURITY NUMBER
	2	NAME	RELATIONSHIP	DATE OF BIRTH
	ADDRESS		SOCIAL SECURITY NUMBER	
	I understand that the Beneficiaries named herein may be changed or revoked by me at any time by filing a new designation in writing with the custodian. Spouse Consent (See Note): _____			
	Note: Consent of the Account holder's (Participant) Spouse may be required (for example, in a Community Property or Marital Property State) to effectively designate a beneficiary other than or in addition to the Participant's Spouse. Please consult a legal, tax, or other professional advisor to confirm if this consent is necessary. I indemnify Ridge Clearing from any adverse action as a result of my beneficiary designation.			

8. Signature Section	Please read the following IRA Account Terms and sign where indicated.			
	<ol style="list-style-type: none"> I acknowledge, by signing this agreement, that I have received, read, understand and agree to the terms and conditions as described in the Ridge Clearing & Outsourcing Solutions, Inc. "Disclosure Statement" and "Custodial Agreement". I understand the eligibility requirements for the type of IRA deposit I am making and state that I do qualify to make the deposit. I further acknowledge that I have received, read and understand the pre-dispute arbitration clause located in the Custodial Agreement, Article 8.17, and agree to resolve any disputes arising out of my IRA account by arbitration. I certify that, under penalty of perjury, my Social Security number on this application is correct. I have read and understand the Investment Objective Definitions: Capital Preservation - a conservative investment strategy characterized by a desire to avoid risk of loss; Income - strategy focused on current income rather than capital appreciation; Growth - investing in stocks with strong earnings and/or revenue growth or potential; Speculation - taking larger risks, usually by frequent trading, with hope of higher than-average gain. All strategies involve various types and levels of risk, the most common of which are market, credit, inflation, business and interest rate. 			
	SIGNATURE OF PARTICIPANT			DATE
				
	BRANCH APPROVAL		Ridge Clearing & Outsourcing Solutions, Inc. ACCEPTANCE	

For Office Use Only	FIRST TRADE	DATE OPENED	INTRODUCING BROKER / DEALER	CUSTOMER ID VERIFIED (Must be Completed)
	ACCOUNT NO.	INTRODUCING REP. SIGNATURE	APPROVED BY	<input type="checkbox"/> Yes <input type="checkbox"/> No

INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-A under Section 408(a) of the Internal Revenue Code

The Depositor named on the Application is establishing a Traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian named on the Application has given the Depositor the disclosure statement required by Regulations section 1.408-6.

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

The Depositor and the Custodian make the following agreement:

ARTICLE I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

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

ARTICLE III

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

ARTICLE IV

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

year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

- (ii) the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
 5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
 - (a) the required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
 - (b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - (c) the required minimum distribution for the year the Depositor reaches age 70½ must be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
 6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the Regulations under section 408(a)(6).

ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related Regulations will be invalid.

ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related Regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

ARTICLE VIII

- 8.01 *Definitions:* In this part of this Agreement (Article VIII), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.
- 8.02 *Notices and Change of Address:* Any required notice regarding this IRA will be considered effective when we send it to the intended recipient at the last address which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 8.03 *Representations and Responsibilities:* You represent and warrant to us that any information you have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are

entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with your IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement. We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. Any such delegation of investment responsibility shall be to an investment advisor under the Investment Advisors Act of 1940. If the assets of your IRA are to be directed by an investment advisor, you shall deliver to us a copy of the instruments appointing the investment advisor evidencing the investment advisor's acceptance of such appointment, an acknowledgment by the investment advisor that it is a fiduciary, and a certificate evidencing the investment advisor's current registration under said Act. We shall be fully protected in relying upon such instruments and certificate until otherwise notified in writing by you. We shall not be responsible for losses of any kind that may result from directions, actions or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by your authorized agent.

The investment advisor at any time may issue orders for the purchase or sale of securities directly to a broker; and in order to facilitate such transaction, upon request we shall execute and deliver appropriate trading authorizations. Written notification of the issuance of each order shall be confirmed by written advice via confirms or otherwise to us by the investment advisor.

You hereby agree to fully indemnify us and hold us harmless from and against any claim or liability which may be asserted against us by reason of our acting or not acting pursuant to any direction from the investment advisor or failing to act in the absence of any such direction.

You will have sixty (60) days after you receive any documents, statements or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements or other information. If you do not notify us within 60 days, the documents, statements or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement we are acting as your agent. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney's fees, arising from, or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement, we may accept or provide such information in any other form permitted by the Code or applicable Regulations.

8.04 Service Fees: We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover or termination fee) for maintaining your IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your IRA at our discretion. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this IRA.

Any brokerage commissions attributable to the assets in your IRA will be charged to your IRA. You cannot reimburse your IRA for those commissions.

8.05 Investment of Amounts in the IRA: You have exclusive responsibility for and control over the investment of the assets of your IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this Agreement. After your death, your beneficiary(ies) shall have the right to direct the investment

of your IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 8.03 of this article). The right to direct investment of assets may be restricted, however, as provided in Section 8.06. We shall have no discretion to direct any investment in your IRA. We assume no responsibility for rendering investment advice with respect to your IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your IRA unless you or your agent provide timely written directions acceptable to us.

You will select the type of investment for your IRA assets, provided, however, that your selection of investments shall be limited to any investment vehicle approved and obtainable by us, that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in IRAs. For example, investments may include but shall not be limited to common stocks, government and corporate bonds, mutual funds, the purchase of put options on existing positions and writing of covered listed call options. Investments not generating confirmations must be accompanied by additional written instructions. We shall act as a stockbroker or dealer whenever such services are required. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

We shall have the power and authority in the administration of this Agreement to do all acts, including by way of illustration but not in limitation of the powers conferred by law, the following:

- (1) Pursuant to your or your agent's direction, to invest and reinvest all or any part of the assets in securities obtainable through us and to invest in any lawful investment which is administratively acceptable to us without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction for investment by us;
- (2) Pursuant to your or your agent's direction, to hold part or all of the uninvested assets or to place the same in a savings account approved by you or purchase a Certificate of Deposit with an institution approved by you;
- (3) To employ suitable agents and counsel and to pay them reasonable expenses and compensation;
- (4) Pursuant to your or your agent's direction, to vote in person or by proxy with respect to securities held by us and to delegate our discretionary power;
- (5) Pursuant to your or your agent's direction (and subject to approval of a custodial account for option trading privileges), to write covered listed call options against existing positions, to liquidate or close such option contracts, and to purchase put options on existing long positions (the same securities cannot be used to simultaneously cover more than one position);
- (6) Pursuant to your or your agent's direction, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, and transfers or other changes affecting securities held by us;
- (7) To leave any securities or cash for safekeeping or on deposit, with or without interest, with such banks, brokers and other custodians as we may select, and to hold any securities in bearer form or in the name of these banks, brokers and any other custodians or in the name of the custodian without qualification or description or in the name of any nominee; and
- (8) Prior to the entry of any orders to purchase or sell securities in your account, you or your agent shall approve beforehand all such orders and direct us to implement such instructions. Selling short and executing purchases in an amount greater than available cash are prohibited. All investments outside of the cash account shall be accompanied by additional written instructions.

8.06 Beneficiary(ies): If you die before you receive all of the amounts in your IRA, payments from your IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your IRA. If you do not designate a beneficiary, or if all of your primary

and contingent beneficiary(ies) predecease you, your spouse will be the beneficiary, or if there is no spouse living at the time of your death, your estate shall be the beneficiary.

A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat your IRA as his or her own.

If the beneficiary designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, we may, at our discretion, make such payments to such person as may be acting as parent, guardian, committee, conservator, trustee or legal representative of such minor or incompetent and the receipt by any such person as selected by us shall be a full and complete discharge of us for any sums so paid.

We reserve the right to, at our discretion, deposit funds in a special savings account established in our name as Custodian for a beneficiary when within six months after any payment is due because we cannot ascertain the whereabouts or the identity of the beneficiary by mailing to the last known address shown on our records, and such beneficiary has not submitted a written claim for such payment before the expiration of said six-month period.

We may allow, if permitted by state law, an original IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited IRA at the time of your death) to name a successor beneficiary(ies) for the inherited IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original IRA beneficiary's(ies)' lifetime. Unless otherwise specified, each beneficiary designation form that the original IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original IRA beneficiary.

- 8.07 *Required Minimum Distributions:* Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following:

- make no distribution until you give us a proper withdrawal request;
- distribute your entire IRA to you in a single sum payment; or
- determine your required minimum distribution from your IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise.

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

- 8.08 *Resignation or Removal of Custodian:* We may resign as Custodian at any time upon 30 days written notice to the Participant. Upon resignation, we may, but shall not be required to, appoint a successor custodian under this Agreement; provided that any successor custodian shall satisfy the requirements of Code section 408(a)(2). Upon any such successor's acceptance of appointment, we shall transfer the assets of the custodial account, together with copies of relevant books and records, to such successor custodian; provided, however, that we are authorized to reserve such sum of money or property as we may deem advisable for payment of any liabilities constituting a charge on or against the assets of the custodial account, or on or against us. We shall not be liable for the acts or omissions of any successor custodian. If no successor custodian is appointed by us, the custodial account shall be terminated, and the assets of the Account, reduced by the amount of any unpaid fees or expenses, will be distributed to you.

If we are required to comply with Regulations section 1.408-2(e), and we fail to do so, or we are not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require you to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your IRA to you in cash or property if the balance of your IRA drops below the minimum balance required under the applicable investment or policy established.

- 8.09 *Termination of Custodial Account:* You may terminate this Agreement at any time upon notice to us in a manner and form acceptable to us. Upon such termination, we shall transfer the assets of the custodial account, reduced by the amount of any unpaid fees or expenses, to the custodian or trustee of another individual retirement account (within the meaning of Code section 408) or other retirement plan designated by you. We shall not be liable for

losses arising from the acts, omissions, delays or other inaction of any such transferee custodian or trustee. If we receive notice of your intention to terminate the custodial account and you have not designated a transferee custodian or trustee for the assets in the custodial account, the custodial account reduced by any unpaid fees or expenses, will be distributed to you.

- 8.10 *Successor Custodian:* If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion which includes your IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.

- 8.11 *Amendment and Termination of the Plan:* We have the right to amend or terminate this Agreement at any time consistent with the provisions of applicable law without obtaining your consent, or the consent of your spouse or your beneficiary(ies). You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.

- 8.12 *Withdrawals or Transfers:* All requests for withdrawal or transfer shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.

- 8.13 *Transfers from Other Plans:* We can receive amounts transferred to this IRA from the custodian or trustee of another IRA. In addition, we can accept direct rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer or direct rollover.

- 8.14 *Liquidation of Assets:* We have the right to liquidate assets in your IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.

- 8.15 *Restrictions on the Fund:* Neither you nor any beneficiary may sell, transfer or pledge any interest in your IRA in any manner whatsoever, except as provided by law or this Agreement.

The assets in your IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

- 8.16 *What Law Applies:* This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the laws of the State of New York shall govern. Any court accounting shall be in the courts of New York.

If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

- 8.17 **This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- The arbitrators do not have to explain the reason(s) for their award.**
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.**
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases a claim that is ineligible for arbitration may be brought in court.**
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

You agree that any controversy arising hereunder with us and/or any of our officers, directors, employees, agents or affiliates relating to this Agreement, or in any way arising out of a relationship with us, will be settled by arbitration in accordance with the rules then in effect of the New York Stock Exchange or National Association of Securities Dealers, as governed by the laws of the State of New York, which must be commenced by a written notice of intention to arbitrate. Judgment upon an arbitration award may be rendered in any court of competent jurisdiction.

No person shall bring putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (1) the class action certification is denied; (2) the class is decertified; or (3) the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

8.18 *Payment For Order Flow / Order Routing:* "Payment for order flow" is a common and widespread industry practice whereby a brokerage firm receives monetary or non-monetary remuneration in return for the routing of customer orders to a designated exchange, market maker, dealer or market center for execution. Ridge Clearing & Outsourcing Solutions, Inc. receives payment for order flow on certain transactions in the form of rebates, monetary compensation or an inter-company transfer of funds. Payment for order flow is considered to be compensation to Ridge Clearing & Outsourcing Solutions, Inc. Your broker, the introducing firm that clears its trades through Ridge Clearing & Outsourcing Solutions, Inc., may or may not be compensated for such orders. The source and nature of any compensation received in connection with a specific transaction will be furnished upon written request of the customer.

Absent specific instructions from customers, Ridge Clearing & Outsourcing Solutions, Inc. automatically routes orders in over-the-counter ("OTC") securities to selected OTC market makers. Selected exchange-traded securities may be routed to affiliated specialists, regional exchanges or designated third-market dealers. All orders are routed to an exchange, market-maker, dealer or market center that matches or improves upon the displayed national best bid or offer for the particular security at the time the order is processed. Price improvement opportunities, or execution at prices superior to the displayed national best bid or offer, may be available for certain transactions in NASDAQ and listed securities from execution destinations to which orders are routed.

8.19 *Assignability:* This Agreement shall inure to the benefit of our successors and assigns, shall be binding on you, your heirs, executors, administrators and assigns, and shall be governed by the laws of the State of New York.

8.20 *Accounting:* Within 90 days from the close of each custodial account year, We shall render an accounting (valuing the assets fair market value) to you, which accounting may consist of copies of regularly issued broker-dealer statements to you. In the absence of the filing in writing with us of exceptions or objections to any such accounting, within 30 days after the mailing of such accounting, you shall be deemed to have approved such accounting. In such case, or upon your written approval, we shall be released, relieved and discharged with respect to all matters and things set forth in such accounting as though such accounting had been settled by the decree of a court of competent jurisdiction. No person other than you may require an accounting or bring any action against us with respect to this agreement or our actions as Custodian.

We reserve the right to apply to a court of competent jurisdiction for judicial settlement of our accounts, for determination of any questions of construction which may arise or for instructions. You shall be the only necessary party defendant to such action except we may, if we so elect, bring in as a party defendant any other person or persons.

General Instructions

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

Purpose of Form

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

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

For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see **Pub. 590**, *Individual Retirement Arrangements (IRAs)*.

Definitions

Custodian. The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

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

Identifying Number

The Depositor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

Traditional IRA for Nonworking Spouse

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

Specific Instructions

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

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

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR IRA

If you receive this Disclosure Statement at the time you establish your IRA, you have the right to revoke your IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the **IRA Administrator, Ridge Clearing & Outsourcing Solutions, Inc., 26 Broadway, New York, New York 10004.**

If you send your notice by first class mail, your revocation will be deemed mailed as of the date of the postmark, or if sent by certified or registered mail, it shall be deemed to be mailed as of the date of certification or registration. If mailed, the written notice of revocation shall be mailed in the United States in an envelope, or other appropriate wrapper, first-class mail with the postage prepaid.

If you have any questions about the procedure for revoking your IRA, please call the Custodian at the telephone number listed on the attached Application.

REQUIREMENTS OF AN IRA

- A. **CASH CONTRIBUTIONS** - Your contribution must be in cash, unless it is a rollover contribution.
- B. **MAXIMUM CONTRIBUTION** - The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for 2008, with possible cost-of-living adjustments in years 2009 and beyond. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRAs (i.e., IRAs subject to Internal Revenue Code (Code) sections 408(a) or 408(b)) is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.
- C. **CONTRIBUTION ELIGIBILITY** - You are eligible to make a regular contribution to your IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made.
- D. **CATCH-UP CONTRIBUTIONS** - If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is \$500 for years 2002-2005 and \$1,000 for years 2006 and beyond.
- E. **NONFORFEITABILITY** - Your interest in your IRA is nonforfeitable.
- F. **ELIGIBLE TRUSTEE/CUSTODIANS** - The Trustee/Custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **COMMINGLING ASSETS** - The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **LIFE INSURANCE** - No portion of your IRA may be invested in life insurance contracts.
- I. **COLLECTIBLES** - You may not invest the assets of your IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as IRA investments.
- J. **REQUIRED MINIMUM DISTRIBUTIONS** - You are required to take minimum distributions from your IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
2. The applicable divisor is generally determined using the uniform lifetime table provided by the IRS. The table assumes a designated beneficiary exactly 10 years younger than you, regardless of who is named as your beneficiary(ies), if any. If your spouse is your sole designated beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the joint and last survivor table provided by the IRS, rather than the life expectancy divisor from the uniform lifetime table.

We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70½:

- (a) make no distribution until you give us a proper withdrawal request,
 - (b) distribute your entire IRA to you in a single sum payment, or
 - (c) determine your required minimum distribution each year based on your life expectancy calculated using the uniform lifetime table, and pay those distributions to you until you direct otherwise.
3. Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death, who remains your beneficiary(ies) as of September 30 of the year following the year of your death. If you die,
- (a) on or after your required beginning date, distributions must be made to your beneficiary(ies) over the longer of the single life expectancy of your designated beneficiary(ies), or your remaining life expectancy. If a beneficiary other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.
 - (b) before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiary(ies), either
 - (i) be distributed by December 31 of the year containing the fifth anniversary of your death, or
 - (ii) be distributed over the remaining life expectancy of your designated beneficiary(ies).

Your designated beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of your death. If your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire IRA may elect to redesignate your IRA as his or her own. Alternatively, the sole spouse beneficiary will be deemed to elect to treat your IRA as his or her own by either (1) making contributions to your IRA or (2) failing to timely remove a required minimum distribution from your IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own IRA.

4. To the extent the IRS permits use of the required minimum distribution rules provided in either the 1987 or the 2001 Proposed Regulations under Code sections 408 and 401(a)(9), those rules, as specifically described in the Regulations, and as summarized in the applicable IRS Publication 590, may continue to be applied. These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

- A. **IRA DEDUCTIBILITY** - If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-maintained retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution.

Definition of Active Participant - Generally, you will be an active participant if you are covered by one or more of the following employer-maintained retirement plans:

1. a qualified pension, profit sharing, 401(k), or stock bonus plan;
2. a qualified annuity plan of an employer;
3. a simplified employee pension (SEP) plan;

4. a retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under Code section 457);
5. a tax-sheltered annuity for employees of certain tax-exempt organizations or public schools;
6. a plan meeting the requirements of Code section 501(c)(18);
7. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and
8. a savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan.

If you do not know whether your employer maintains one of these plans, or whether you are an active participant in it, check with your employer or your tax advisor. Also, the IRS Form W-2, Wage and Tax Statement, that you receive at the end of the year from your employer will indicate whether you are an active participant.

If you are an active participant and are single, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out range maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$36,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 phase-out range maximum of \$44,000 minus your MAGI of \$36,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000 and multiplied by the contribution limit of \$3,000.)

If you are an active participant, are married and you file a joint income tax return, the deductible amount of your contribution is determined as follows: (1) begin with the appropriate phase-out maximum for the applicable year (specified below), and subtract your MAGI range; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$56,000 in 2002, your maximum deductible contribution is \$2,400 (the 2002 phase-out maximum of \$64,000 minus your MAGI of \$56,000, divided by the difference between the maximum and minimum phase-out limits of \$10,000 and multiplied by the contribution limit of \$3,000.)

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0 - \$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers Phase-out Range		Single Taxpayers Phase-out Range	
	(minimum)	(maximum)	(minimum)	(maximum)
2002	\$54,000	\$64,000	\$34,000	\$44,000
2003	\$60,000	\$70,000	\$40,000	\$50,000
2004	\$65,000	\$75,000	\$45,000	\$55,000
2005	\$70,000	\$80,000	\$50,000	\$60,000
2006	\$75,000	\$85,000	\$50,000	\$60,000
2007	\$80,000	\$100,000	\$50,000	\$60,000

If you are not an active participant in an employer-maintained retirement plan, are married to someone who is an active participant, and you file a joint income tax return, your maximum deductible contribution is determined as follows: (1) begin with \$160,000 and subtract your MAGI; (2) divide this total by \$10,000; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200 you may round up to \$200.

- B. **CONTRIBUTION DEADLINE** - The deadline for making an IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.
- C. **TAX CREDIT FOR CONTRIBUTIONS** - For taxable years beginning on or after January 1, 2002, and ending on or before December 31, 2006, you may be eligible to receive a tax credit for your Traditional or Roth IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and

- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional or Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 - 30,000	\$1 - 22,500	\$1 - 15,000	50
30,001 - 32,500	22,501 - 24,375	15,001 - 16,250	20
32,501 - 50,000	24,376 - 37,500	16,251 - 25,000	10
Over 50,000	Over 37,500	Over 25,000	0

*Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands and Puerto Rico.

- D. **TAX-DEFERRED EARNINGS** - The investment earnings of your IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- E. **NONDEDUCTIBLE CONTRIBUTIONS** - You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

- F. **TAXATION OF DISTRIBUTIONS** - The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, any IRA distribution will be fully included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income.

$$\frac{\text{(Aggregate Nondeductible Contributions)} \times \text{(Amount Withdrawn)}}{\text{Aggregate IRA Balance}} = \text{Amount Excluded from Income}$$

NOTE: Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income). Also note that the aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

- G. **ROLLOVERS AND CONVERSIONS** - Your IRA may be rolled over to an IRA of yours, may receive rollover contributions, and may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from another IRA, or from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan. Conversion is a term used to describe the movement of Traditional IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Traditional IRA to Traditional IRA Rollovers** - Funds distributed from your IRA may be rolled over to an IRA of yours if the requirements of Code section 408(d)(3) are met. A proper IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another IRA to IRA rollover from the distributing IRA during the 12 months preceding the date

you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

2. **SIMPLE IRA to Traditional IRA Rollovers** - Funds may be distributed from your SIMPLE IRA and rolled over to your IRA without IRS penalty provided, two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

3. **Employer-Sponsored Retirement Plan to Traditional IRA Rollovers** - You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan (other than distributions to nonspouse beneficiaries), unless it is part of a certain series of substantially equal periodic payments, a required minimum distribution, or a hardship distribution.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator will generally be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up the amount withheld, out of pocket, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive it. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax and, if you are under age 59½, the 10 percent early distribution penalty (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

4. **Traditional IRA to Employer-Sponsored Retirement Plans** - You may roll over, directly or indirectly, any eligible rollover distribution from an IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan so long as the employer-sponsored retirement plan accepts such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from an IRA that is not a part of a required minimum distribution.

5. **Traditional IRA to Roth IRA Conversions** - If your modified adjusted gross income is not more than \$100,000, and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). However, if you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

6. **Written Election** - At the time you make a proper rollover to an IRA, you must designate in writing to us, your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

H. **TRANSFER DUE TO DIVORCE** - If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another.

I. **RECHARACTERIZATIONS** - If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may

recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

LIMITATIONS AND RESTRICTIONS

A. **SEP PLANS** - Under a simplified employee pension (SEP) plan that meets the requirements of Code section 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information which describes the terms of your employer's SEP plan.

B. **SPOUSAL IRA** - If you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 70½, regardless of whether or not your spouse has compensation. You may make these spousal contributions even if you are age 70½ or older. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002-2004, \$8,000 for 2005-2007, and \$10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not contribute more than the individual contribution limit to each IRA.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's IRA. The maximum additional contribution is \$500 for years 2002-2005, and \$1,000 for years 2006 and beyond.

C. **DEDUCTION OF ROLLOVERS AND TRANSFERS** - A deduction is not allowed for rollover contributions or transfers.

D. **GIFT TAX** - Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.

E. **SPECIAL TAX TREATMENT** - Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to IRA distributions.

F. **INCOME TAX TREATMENT** - Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

G. **PROHIBITED TRANSACTIONS** - If you or your beneficiary engage in a prohibited transaction with your IRA, as described in Code section 4975, your IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your IRA: (1) taking a loan from your IRA; (2) buying property for personal use (present or future) with IRA funds; or (3) receiving certain bonuses or premiums because of your IRA.

H. **PLEDGING** - If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and will be included in your gross income for the taxable year in which you pledge the assets.

FEDERAL TAX PENALTIES

A. **EARLY DISTRIBUTION PENALTY** - If you are under age 59½ and receive an IRA distribution, an additional tax of 10 percent will apply, unless made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of \$10,000), or 10) a levy issued by the IRS. This additional tax will apply only to the portion of a distribution which is includible in your taxable income.

B. **EXCESS CONTRIBUTION PENALTY** - An additional tax of six percent is imposed upon any excess contribution you make to your IRA. This additional tax will apply each year in which an excess remains in your IRA. An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute.

C. **EXCESS ACCUMULATION PENALTY** - As previously described, you must take a required minimum distribution by your required beginning date for the year you attain age 70½ and by the end of each year thereafter. Your beneficiary(ies) is required to take certain minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.

- D. *PENALTY REPORTING* - You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

OTHER

- A. *IRS PLAN APPROVAL* - The Agreement used to establish this IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. *ADDITIONAL INFORMATION* - You may obtain further information on IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.
- C. *IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT* - To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

FINANCIAL DISCLOSURE

Ridge Clearing & Outsourcing Solutions, Inc. may charge your broker a fee. Please contact your broker for information regarding these charges.

The value of your IRA will be solely dependent upon the performance of any investment instrument chosen by you to fund your IRA. Therefore, no projection of the growth of your IRA can be reasonably shown or guaranteed. There are certain fees and charges associated with the investments you may select for your IRA.

In the event this agreement is terminated or you transfer out of your existing IRA, a \$60 fee will apply. Additionally, brokerage commissions may apply according to your selection of investments. Questions relative to brokerage commission(s) should be discussed with your Account Executive prior to executing any orders or you may refer to the prospectus which will describe the terms of the investment you choose.