

Contact Center: (800) 248-8447 | [www.ForgeTrust.com](http://www.ForgeTrust.com)

This disclosure will provide you with information about your Self-Directed account and your requirements for managing the account.

## 1. SELF-DIRECT ACCOUNT OVERVIEW (Please refer to the Custodial Agreement for more detailed information about your account)

- **ACCOUNT IS "SELF-DIRECTED"** You (the grantor of the account) are solely responsible for giving Forge Trust Co. directives to take any action on behalf of the account. The assets selected for investment are solely your responsibility. This requires that you assure yourself of the financial soundness and appropriateness of the investment for your account and retirement objectives.
- **ACCOUNT FEES** You have agreed, by opening an account with Forge Trust Co., to pay all fees and charges that are made against your account. Forge Trust Co. will advise you of any fees due and unpaid with your quarterly account statement. These fees are due upon presentment and if no cash is available in your account, Forge Trust Co. may liquidate assets within the account to satisfy these obligations.
- **ACCOUNT INFORMATION** You have the responsibility to provide certain information about your account and investments to Forge Trust Co. to allow us to properly complete any required reporting to the Internal Revenue Service or other governmental agencies. If any of the information you provide is not sufficient to complete Forge Trust Co.'s obligations to the Internal Revenue Service or any other governmental agency, you will be notified of such deficiencies. After allowing you to correct the deficiencies, Forge Trust Co., at its sole discretion, will determine the sufficiency of the information and if insufficient, distribute the account assets to you. Future changes in Internal Revenue Service regulations or other laws and regulation may require further action by you to allow Forge Trust Co. to continue to maintain any specific asset within your account.
- **ACCOUNT TERMINATION** If you desire to terminate your account, you must provide Forge Trust Co. with a written directive and ensure that all fees are paid prior to the transfer of assets, final termination and closing of your account.
- **HOLD HARMLESS** You agree to hold harmless, protect and indemnify Forge Trust Co. from and against any and all liabilities, losses, damages, expenses and charges, including but not limited to attorney's fees, penalties and expenses of litigation, which Forge Trust Co. may sustain or might sustain resulting directly or indirectly from your account or investments within the account.

## 2. INVESTMENT SELECTION AND PERFORMANCE

- **SELF-DIRECTED INVESTMENTS** Neither Forge Trust Co., its employees or agents, nor any affiliate of Forge Trust Co. has recommended or directed any specific investment for your consideration. Neither Forge Trust Co., its employees or agents, nor any affiliate of Forge Trust Co. has acted in the capacity as an investment advisor or broker-dealer of any purchase or sale of an investment of a security for you, though with your direction Forge Trust Co. may purchase or sell a publicly-held security on your behalf, either directly or through any affiliate or entity that receives a commission for such a transaction.
- **ASSET PERFORMANCE** The performance of your investment selection, any gain, loss or income, will also be your sole responsibility. Forge Trust Co. is in no way responsible for, or liable for the performance or results of your investments.
- **NON-ENDORSEMENT** Forge Trust Co. does not endorse any investment made by you, or provide any investment advice to you about your investments. Forge Trust Co.'s review of investments is for the sole benefit of Forge Trust Co. for the purpose of determination of administrative and legal feasibility of the investment and should not be construed as an endorsement or opinion of any investment, investment company, or investment strategy. Forge Trust Co. does not endorse any broker, financial advisor, investment advisor, or other party involved with the investments chosen by you. You understand it is your duty to perform proper and full due diligence with regard to any such broker, financial advisor, investment advisor or other party.
- **NO DUTY TO INVESTIGATE INVESTMENTS** Forge Trust Co. holds no duty or obligation to investigate any investment. Forge Trust Co. is under no duty or obligation to examine, observe, verify title to or otherwise evaluate any potential investment considered or authorized by you, nor is it the duty of Forge Trust Co. to obtain or maintain any insurance coverage with respect to any asset or investment purchased by you. Forge Trust Co. is under no obligation or responsibility to take action should there be any default regarding your investment or account.
- **NO DUTY TO REVIEW INVESTMENTS** You understand and acknowledge that you have the sole responsibility for any taxes, penalties or other fees and/or expenses associated with your actions or inactions. It is your sole responsibility and duty to review the merits, legitimacy, or viability of any investment you make. It is not Forge Trust Co.'s responsibility to review merits, legitimacy, or viability of any investment made by you; nor is it the duty of Forge Trust Co. to determine whether the investment is acceptable under ERISA, the Internal Revenue Code or any other applicable state or federal law. You understand and acknowledge that certain transactions are prohibited in self directed individual retirement accounts as outlined in Section 4975 of the Internal Revenue Code. Further, you understand that prohibited transactions depend on the facts and circumstances that surround the particular transaction. Forge Trust Co. is under no obligation to investigate, determine or inform you whether an investment is prohibited. You understand and acknowledge that you are responsible for determining that any investment you make complies with all relevant statutes, rules and regulations, and laws.
- **NON-FDIC-INSURED INVESTMENTS** Your investments are non-FDIC-insured and subject to loss in value. Your investments may involve a substantial risk, may lack liquidity, and may result in a total loss of the investment. You acknowledge and confirm that all risk and loss sustained in your Retirement Account will not affect your retirement income standard; and if a mandatory distribution arises, that you will meet any mandatory distribution requirements by utilizing your IRA and/or other retirement accounts.

## 3. VALUATION

- **ANNUAL VALUATION** If Forge Trust Co. is unable to obtain an annual valuation for any asset within your account, you will ensure that an annual statement of the fair market value is provided to Forge Trust Co. in a timely manner.
- **THIRD PARTY VALUATION** Forge Trust Co. will require a third-party fair market valuation at the time of any taxable distribution, such as a Roth conversion, account holder distribution or required minimum distribution. You will ensure that a licensed professional (CPA, appraiser, etc) knowledgeable about the particular investment will provide such a valuation.

## 4. UNRELATED BUSINESS TAXABLE INCOME (see IRS Publication 590 for further information)

- If your IRA conducts an active trade or business, or invests in a partnership or limited liability company (LLC) taxed as a partnership that conducts an active trade or business, or if the IRA or a partnership or LLC taxed as a partnership in which the IRA invests realizes investment gains through debt-financing, the IRA may have

“unrelated business taxable income (UBTI).”

- Unrelated business taxable income, net of any allowable deductions, in excess of \$1,000 in any year may be taxable to your IRA. Applicable taxes are an expense of your IRA and must be paid with IRA funds. Forge Trust Co. may, at its sole discretion, liquidate any assets in your IRA to pay such taxes if Forge Trust Co. is notified of a tax deficiency by the IRS. You agree and acknowledge that assets will be liquidated as selected by Forge Trust Co. Subject to the contribution rules and limits, you may be able to contribute funds to your IRA to pay taxes in order to avoid liquidation of an asset. For any year that your IRA has unrelated business taxable income, before deductions, of more than \$1,000, you must prepare or have prepared on your behalf any required tax returns or forms, both Federal and State, including Internal Revenue Service Form 990-T. Forge Trust Co. is not responsible for preparing any return. You agree to prepare or have prepared these required Federal and state tax forms and submit all necessary forms to Forge Trust Co. for filing at least ten (10) days prior to the date on which they are due. Your account must have enough cash to pay the taxes, if any.

## 5. PROHIBITED TRANSACTIONS (see IRS Publication 590 for further information)

You understand and acknowledge that should you direct your self-directed individual retirement account(s) to engage in a prohibited transaction the account will incur a taxable distribution as well as possible penalties. Prohibited transactions are defined in IRC 4975. You acknowledge to Forge Trust Co. and confirm that you have consulted with, and in each successive investment will again consult with, your own legal and accounting advisor(s) to ensure that the investment(s) you make does not constitute a prohibited transaction, and that the investment(s) you make complies with all applicable federal and state laws, regulations and requirements, including but not limited to you determining that each interested entity and/or individual in your investment is not a disqualified person under IRC 4975 (e) (2), nor a “party in interest” as defined in ERISA Section 3(14).

You understand and acknowledge that your IRA can lose its exemption from federal income tax if the individual establishing the IRA or an IRA beneficiary engages in a “prohibited transaction.” If any other “disqualified person” engages in a prohibited transaction with your IRA, he or she will be subject to an excise tax equal to 15% of the amount involved each year until the transaction is corrected.

A Disqualified Person may be any of the following:

- You, the owner of the plan (IRA);
- A member of your family (i.e., your spouse, ancestors, lineal descendants and their spouses);
- The custodian of the plan;
- Any person providing services or is a fiduciary to the plan;
- Any corporation, partnership, trust, or estate in which you own (either direct or indirect) 50% or more;
- An officer, director, 10% or more shareholder, or highly compensated employee of the 50% or more owned entity described above.

Prohibited transactions generally include, but are not limited to, any direct or indirect:

- Sale, exchange or lease of any property between the IRA and disqualified person;
- Lending of money or any other extension of credit between the IRA and a disqualified person;
- Furnishing of goods, services or facilities between the IRA and a disqualified person;
- Transfer to or use for the benefit of a disqualified person the income or assets of the IRA;
- Act by a disqualified person who is a fiduciary whereby he or she deals with the income or assets of the IRA in his or her own interest or for his or her own account; and,
- Receipt of any consideration for the personal account of any disqualified person who is a fiduciary dealing with the IRA in connection with a transaction involving the income or asset of the IRA.

If the IRA loses its tax exemption because of a prohibited transaction, the fair market value of the IRA assets (net of any nondeductible contributions remaining in the IRA) as of the first day of the year of the transaction must be included in your gross income for the taxable year in which the loss of exemption occurs. If this takes place before you have attained age 59½, you will also be subject to the 10% premature distribution penalty tax on the amount so included in gross income unless there is an applicable exception. If you pledge any part of your IRA as security for a loan, the part so pledged will be treated as a distribution in the taxable year in which the pledging occurs and will be taxed accordingly.

## 6. ADDITIONAL DISCLOSURES (Please refer to the Custodial Agreement for additional information about your account)

- **INDIVIDUAL RETIREMENT ACCOUNT AND ROTH INDIVIDUAL RETIREMENT ACCOUNT INFORMATION** Additional information can be obtained from IRS Publication 590-A and 590-B, which is available at the IRS website [www.irs.gov](http://www.irs.gov).
- **FORGE TRUST CO. IS NOT AN AGENT** Forge Trust Co. does not represent nor act in the capacity of agent of any investment or other entity in which you may invest. Any promoter, broker, financial advisor, investment advisor, or other party involved in the purchase and sale of your investment is understood and acknowledged by you to be your own agent and representative and not the agent or representative of Forge Trust Co. Further, you understand and acknowledge that Forge Trust Co. does not represent nor act in the capacity as an agent of any investment program or other entity in which you may invest; and any promoter, broker, financial advisor, investment advisor, or other party involved in the purchase or sale of your investment will be understood to be your own employee, agent and representative and not the agent or representative of Forge Trust Co. Forge Trust Co.'s capacity is to act solely as a passive custodian to hold Retirement Account assets. Forge Trust Co. is not bound by or responsible for any representation, statements, warranties, or commitments made by such parties. Forge Trust Co. holds no responsibility or duty to make recommendations or investigations as to your choice of agent. Forge Trust Co. has no responsibility to inquire into any investment direction or instruction given to Forge Trust Co. by you, your employees, agents, or financial representative(s).
- **DOES NOT PROVIDE LEGAL/TAX ADVICE OR SERVICES** You understand and acknowledge that Forge Trust Co. does not provide you with legal or tax advice or services with respect to your investment. You release, indemnify, and agree to hold harmless, and defend Forge Trust Co. in the event that your investment, or purchase or sale of assets, related to your Forge Trust Co. Account violates any federal or state law or regulation or otherwise result in a disqualification, penalty, fine or tax imposed upon the Account, Forge Trust Co. or its employees, agents, affiliates, or assigns.
- **NOT LIABLE FOR ACCURACY OF STATEMENTS WITHIN DOCUMENTS** Forge Trust Co. is under no duty to investigate or inquire as to any statement contained within any instrument, certificate, or paper provided by you to Forge Trust Co., but Forge Trust Co. may accept the same as conclusive evidence of the truth and accuracy of the statements contained therein. Forge Trust Co. shall be free of all liability and fully protected by you when acting upon any document believed to be genuine and to be signed or presented by the proper person(s) by facsimile or other copy.
- **LIMITED DUTIES OF FORGE TRUST CO.** By signing this agreement you understand and agree that Forge Trust Co. is only required to comply with investment directions given by you to purchase, retain and/or sell assets obtainable by Forge Trust Co. on a recognized exchange or otherwise, including without limitation, bank deposits, real property, promissory notes, and other indebtedness, mortgages, securities, interests in partnerships and limited liability companies, accounts receivable, securities, interest, etc.; and it is at the sole discretion of Forge Trust Co. to determine the administrative and operational requirements of the investment. Forge Trust Co. is not required to notify you regarding any information, knowledge, irregularities or concerns of Forge Trust Co. relating to your investment or your financial advisor, broker, agent, promoter or representative, except as to civil pleadings or court orders received by Forge Trust Co. Forge Trust Co. will adhere to your directions within a reasonable

period of time of receipt of investment directions as to the purchase or sale of investments. Forge Trust Co. has no duty or responsibility to disperse any payment for your investment without your express direction. You agree to furnish Forge Trust Co. with payment instructions and acknowledge that it is your responsibility to ensure delivery of all notices regarding your investments. Forge Trust Co. has no responsibility to forward such notifications to you. Forge Trust Co. shall make reasonable efforts to notify you if Forge Trust Co. is unable or unwilling to comply with an investment direction(s) given by you. Forge Trust Co. shall, subject to the foregoing, remit funds as directed, but has no responsibility to verify or ensure that such funds have been invested to purchase or acquire the asset selected by you. You consent to the fee schedule of Forge Trust Co. as in effect and as may be modified from time to time. You acknowledge and consent to Forge Trust Co. placing all un-invested cash funds in an account chosen by Forge Trust Co. until Forge Trust Co. receives further direction from you. You acknowledge and understand that valuations of illiquid assets (e.g., assets that are not traded on a public exchange) are generally reported at cost, or values provided to us by issuers, program sponsors, Account owners or estimates of value. You understand that these values are only for guidance or reporting purposes and should not be deemed an accurate representation of the liquidation value of an asset.

- **LIABILITY FOR "SECURITY" INVESTMENTS** You acknowledge and represent to Forge Trust Co. that under applicable federal and state securities law, any investment you hold to be a "security" has been registered or is exempt from registration; you release and waive all claims against Forge Trust Co. for its role in carrying out your instruction with respect to any related investment directives and investments. In accepting your direction of investment, Forge Trust Co. relies solely on the representation provided by you. You agree to indemnify Forge Trust Co. with respect to all costs and expenses, including: attorneys' fees, court fees, fines, penalties, liabilities, damages, actions, judgments, claims arising out of such investment, and/or breach of the foregoing representation.
- **LIMITED RESPONSIBILITIES** Forge Trust Co.'s responsibilities and duties shall be limited to those explicitly provided to you by Forge Trust Co., including but not limited to your IRA custodial account agreement and/or other Forge Trust Co. documents as provided or as may be required. Forge Trust Co. shall have no liability to you regarding negligence, breach of fiduciary duty or otherwise. Forge Trust Co. is only liable for a breach of the terms of the documents and agreements as may be in effect at such a time, or otherwise. Any suit filed against Forge Trust Co. arising out of or in connection with its position as Forge Trust Co. of your Account(s) shall only be instituted in the court(s) as set forth herein or other Forge Trust Co. documents provided to you; and, you knowingly and voluntarily agree to submit to such jurisdiction.
- **MANDATORY ARBITRATION** Any dispute, claim or controversy arising out of or relating to this Agreement or the Custodial Account or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Agreement or the Custodial Account to arbitrate, shall be determined by binding arbitration in San Mateo, California before a former judge. The arbitration shall be administered either by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures or at the sole discretion of Forge Trust Co. by an arbitrator, who is a former judge, acceptable to Forge Trust Co. pursuant to its rules that shall govern. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a Court of appropriate jurisdiction. Allocation of Fees and Costs: The arbitrator may, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.
- **ATTORNEYS' FEES** By signing this agreement you agree to reimburse or advance to Forge Trust Co., on demand, all legal fees, expenses, costs and fines prior to commencement of any lawsuit or arbitration proceeding including penalties incurred or to be incurred in connection with the defense, contest or prosecution of any claim made, threatened or asserted pertaining to your investment through Forge Trust Co., or any other individual or entity including without limitation, claims asserted by you, any state or federal regulatory authority or self regulatory organization. You agree to release and indemnify, hold harmless and defend Forge Trust Co. from any and all claims, damages, liability, actions, costs, expenses (including without limitation, attorneys' fees) and responsibility for any loss resulting to the retirement account, you or to any beneficiary or incurred by Forge Trust Co. in connection with or by reason of any sale or investment made or other action taken (or omitted to be taken) pursuant to and/or in connection with the above direction or resulting from serving as Forge Trust Co. hereunder.

## 7. ACKNOWLEDGMENT

By opening an account with Forge Trust Co. you acknowledge that you have read and agree to the conditions and disclosures provided in this document as it pertains to the account and investment(s) you have selected.

You attest that you have received and read all pertinent investment information relating to your transactions in your account with Forge Trust Co. You confirm that you have completed the required due diligence related to your investment(s) and maintenance of your Forge Trust Co. Account and that you meet or exceed those requirements.

You understand that this is a self-directed retirement plan and that you alone are responsible for the investment choices you make, and you hold Forge Trust Co. harmless from any losses which you may incur as a result of the execution of the instructions you have given Forge Trust Co. You hereby authorize Forge Trust Co. to proceed with any transaction you have requested and that Forge Trust Co. holds no responsibility to verify or establish that documents are complete, accurate, or that the document(s) are necessary to comply with your direction.

You attest that the information you have given Forge Trust Co. is true and correct to the best of your knowledge and that any requested transaction does not constitute a violation of the prohibited transactions code section 4975 of the Internal Revenue Code, or any other regulations, plan participation rules or other code sections relating thereto.