

Form **5305-RA**(Rev. April 2017)  
Department of the Treasury  
Internal Revenue Service**Roth Individual Retirement Custodial Account****(Under section 408A of the Internal Revenue Code)****Do not file  
with the Internal  
Revenue Service**

Name of depositor	Date of birth of depositor	Account number
Address of depositor		Check if amendment <input type="checkbox"/>
Name of custodian	Address or principal place of business of custodian	
Alto Trust Co.	320 Osuna Rd NE Unit G-1, Albuquerque, NM 87107	

The depositor named above is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named above has given the depositor the disclosure statement required by Regulations section 1.408-6.

The depositor assigned the custodial account \$ \_\_\_\_\_.

The depositor and the custodian make the following agreement.

**Article I**

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

**Article II**

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

**Article III**

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

**Article IV**

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 V**

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above 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 designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting 1 from the divisor for each subsequent year.

3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

**Article VI**

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

**Article VII**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

**Article VIII**

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear below.

**Article IX**

Article IX may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Depositor's signature ..... Date .....

Custodian's signature ..... Date .....

Witness' signature ..... Date .....

(Use only if signature of the depositor or the custodian is required to be witnessed.)

**General Instructions**

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

**Purpose of Form**

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. 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-RA with the IRS. Instead, keep it with your records.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross

to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs), and **Pub. 590-B**, Distributions from 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.

**Specific Instructions**

**Article I.** The depositor may be subject to a 6% tax on excess contributions if **(1)** contributions to other individual retirement arrangements of the depositor have been made for the same tax year, **(2)** the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or **(3)** the depositor's and spouse's

compensation is less than the amount contributed by or on behalf of them for the tax year.

**Article V.** This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph 3 of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

**Article IX.** Article IX 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.

**The Provisions in Articles IX, Article X, and Article XI have not been pre-approved  
by the IRS**

## **ARTICLE IX – GENERAL ADMINISTRATIVE PROVISIONS**

### **§ 9.01 Applicable Law; Terminology**

This Custodial Account Agreement shall be governed by the laws of the jurisdiction where the Custodian is organized. The term "Depositor" also includes the Depositor's beneficiary, where appropriate throughout this Agreement.

### **§ 9.02 Administrator for the Custodian; Sub-Custodians**

(a) The Custodian has delegated certain recordkeeping and administrative functions ("**Administrative Services**") with respect to the account described in this Form 5305-RA (the "**Account**") to Public Holdings, Inc., a Delaware corporation (the "**Administrator**"). The Administrator may perform duties on behalf of the Custodian, as agreed from time to time between the Custodian and the Administrator. The Administrator's duties may include, but are not limited to: executing applications, transfers, maintaining electronic records of account assets; ensuring all assets are titled using such naming convention as the Custodian may authorize; depositing contributions and income; and paying liabilities and distributions of the Account.

(b) The Custodian may delegate custodial functions and duties under this Agreement to any sub-custodian qualified to custody assets of the Account, subject to the Custodian's right to revoke such delegation in the Custodian's discretion. The Custodian shall remain responsible for the performance of the Custodian's duties under this Agreement with respect to the custody of assets of the Account held by any sub-custodian.

### **§ 9.03 Revocation**

The Depositor acknowledges and understands that within seven (7) days from the date the Depositor first accepts this Form 5305-RA and the terms of the Account, the Depositor may revoke the establishment of the Account by mailing or delivering a written notice to the Administrator at:

Public Holdings, Inc.

228 Park Ave South, Suite 97716, New York, NY 10003

If the Depositor revokes this Agreement within the seven (7) calendar day period, the Account will be closed and any service fees charged in connection therewith by the Administrator will be refunded, together with the entire amount of contributions made to the Account without any adjustment for earnings or any administrative expenses. The Depositor agrees that if they exercise this revocation, the Administrator is still required to report contributions on Form 5498 (except transfers) and the revoked distribution on Form 1099-R.

#### **§ 9.04 Annual Accounting**

The Custodian or Administrator shall, at least annually, provide the Depositor or designated beneficiary (in the case of death) with an accounting of the Account. Such accounting shall be deemed to be accepted by the Depositor or the beneficiary if the Depositor or beneficiary does not object in writing within sixty (60) days after the mailing of such accounting statement.

#### **§ 9.05 Amendment**

The Depositor irrevocably delegates to the Administrator or the Custodian the right and power to amend this Agreement. The Administrator will provide the Depositor with written notice of any such amendment, which amendment will be effective on the date specified in the notice. Depositor's consent is not required for amendments designed to conform these Terms with applicable law and/or IRS guidance. With respect to any other amendment, including but not limited to changes to the Fee Schedule that relate to the Account, Depositor shall be deemed to have consented to such amendment unless Depositor objects within 30 days from the date of written notice.

#### **§ 9.06 Resignation and Removal of Custodian or Administrator**

**(a)** The Custodian and Administrator may assign this Agreement and appoint any qualified successor trustee or custodian, or administrator, as the case may be, to serve under this Agreement. The successor trustee or custodian, or administrator, as the case may be, may rely on any information, including beneficiary designations, previously provided by the Depositor.

**(b)** Promptly upon appointment of a successor trustee or custodian, or administrator, the Custodian or Administrator shall: (1) notify the Depositor in writing of the appointment of such successor trustee or custodian, or administrator; and (2) deliver or cause to be delivered all assets of the Account (wherever located, and regardless of value) and records of the Account to the successor trustee or custodian, and/or administrator, as the case may be.

**(c)** The Custodian or Administrator may resign and demand that the Depositor appoint a successor trustee or custodian, or administrator, of this Account by giving the Depositor written notice at least thirty (30) days prior to the effective date of such resignation. The Depositor shall then have thirty (30) days from the date of such notice to: (i) designate a successor trustee or custodian, or administrator; (ii) notify the Custodian or Administrator of the name and address of the successor; and (iii) provide the Custodian or Administrator with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian, or administrator, of an individual retirement account.

**(1)** If the Depositor designates a successor and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian or Administrator shall deliver all assets held in the Account to the successor trustee or custodian, together with all records of the Account to the successor administrator, if any.

**(2)** If the Depositor does not notify the Custodian or Administrator of the appointment of a successor trustee or custodian, or administrator, within such 30-day period, then the Custodian or Administrator may distribute all assets held in the Account to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution. To the extent any assets cannot be distributed in kind, the Administrator may liquidate such assets and distribute the proceeds in cash to the Depositor, and the Depositor shall be wholly responsible for any tax consequences of such distribution.

**(d)** In any event, the Custodian or Administrator may expend any assets in the Account to pay expenses of transfer to the successor trustee or custodian, or administrator, or to the Depositor, as the case may be. In addition, the Custodian or Administrator may retain a reasonable portion of the assets as a reserve for payment of any anticipated remaining fees and expenses. Upon satisfaction of such fees and expenses, the Custodian or Administrator shall pay over any remainder of the reserve to the successor trustee or custodian, or to the Depositor, as the case may be.

### **§ 9.07 Fees and Expenses**

**(a)** The Custodian and Administrator have the right to charge fees relating to the custody and administration of the Account (including, without limitation, transaction, wire transfer or termination fees) in accordance with the fee schedule available [here](#). The Custodian and Administrator reserve the right to modify such fees upon thirty (30) days prior written notice to the Depositor. Fees or commissions may also be paid to the Custodian or Administrator by third parties for assistance in performing certain transactions or other services with respect to this Account.

**(b)** The Depositor is prohibited from depositing funds into the Account for the purpose of reimbursing the Account for fees or costs associated with the maintenance of the assets in the Account. Any funds deposited by the Depositor into the Account shall be treated as IRA contributions and shall be subject to the applicable annual contribution limits and income restrictions described in Section 9.15.

**(c)** The Depositor agrees to pay any expenses incurred by the Custodian and Administrator in the performance of their duties in connection with the Account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind whatsoever that may be levied or assessed with respect to such Account.

**(d)** Fees, taxes, and other administrative expenses charged to the Account shall be collected in the manner described in the Custodial Account Agreement. To the extent permitted by applicable law, the Custodian and Administrator may satisfy unpaid fees or expenses by liquidating assets held in the Account, applying amounts otherwise distributable to the Depositor, or taking such other steps as are permitted by the Custodial Account Agreement. For the avoidance of doubt, amounts transferred from the Depositor's paired Apex IRA to the Account by the Administrator for the purpose of paying custodial fees pursuant to the Custodial Account Agreement constitute custodian-to-custodian transfers and do not constitute deposits by the Depositor for purposes of Section (b) above.

(e) In the event the Custodian or Administrator is not certain as to who is entitled to receive all or part of the assets of the Account, the Custodian or Administrator reserves the right to withhold any payment from the Account, to request a court ruling to determine the disposition of such assets, and to charge the Account for any expenses incurred in obtaining such legal determination.

### § 9.08 Withdrawal Requests

All requests for distribution from the Account shall be submitted in the manner specified by the Administrator, which may require written instructions containing the Depositor's identifying information, the requested distribution amount, applicable tax withholding elections, and such other information as the Administrator or Custodian may require.

You may not take a cash distribution directly from the Account. To receive a distribution, you must first direct the sale of cryptocurrency assets held in the Account; the net proceeds of such sale will be transferred to your paired Apex IRA. You may then request a distribution from your Apex IRA in accordance with the agreements governing that account. In-kind transfers of cryptocurrency assets directly out of the Account are not currently supported.

Notwithstanding the foregoing, the Custodian or Administrator may require additional documentation or impose additional restrictions on distributions as described in the Custodial Account Agreement.

### § 9.09 Roth IRA Distributions

**(a) No Required Minimum Distributions During Owner's Lifetime.** The Depositor is not required to take distributions from the Account at any age during the Depositor's lifetime. The minimum distribution rules that apply to traditional IRAs do not apply to Roth IRAs while the Account owner is alive. However, after the death of the Account owner, certain minimum distribution rules apply to both traditional IRAs and Roth IRAs, as described in Section 9.11 below.

**(b) Qualified Distributions.** A "qualified distribution" is generally excludable from the Depositor's gross income and not subject to the additional 10% tax described in Section 9.10. A distribution is a qualified distribution only if both of the following conditions are met:

(i) **Five-Year Holding Period.** The distribution is made after the five-taxable-year period beginning with the first taxable year for which the Depositor (or the Depositor's spouse, if applicable) made a contribution to any Roth IRA maintained for the Depositor's benefit; and

(ii) **Triggering Event.** The distribution is made on account of: (A) the Depositor having attained age 59½; (B) the Depositor's death; (C) the Depositor's disability within the meaning of IRC § 72(m)(7); or (D) a qualified first-time homebuyer distribution (subject to a \$10,000 lifetime limit under IRC § 72(t)(2)(F)).

Distributions that do not satisfy both conditions above are non-qualified distributions. Non-qualified distributions are subject to income tax on the earnings portion of the distribution and may also be subject to the additional 10% tax described in Section 9.10, unless a statutory exception applies.

### **(c) Ordering Rules for Roth IRA Distributions**

For purposes of determining the tax treatment of distributions from a Roth IRA, distributions are deemed to come from the following sources in the following order:

**(1) Regular Contributions.** Regular annual Roth IRA contributions are deemed distributed first. Because the Depositor has already paid income tax on such amounts, these amounts are always distributed free of income tax and the additional 10% tax, regardless of the Depositor's age or how long the Account has been open.

**(2) Conversion and Rollover Contributions.** Conversion contributions (amounts converted from a traditional IRA to this Roth IRA) and rollover contributions are deemed distributed next, on a first-in, first-out basis. These amounts are not subject to income tax upon distribution (as tax was paid at the time of conversion or rollover), but may be subject to the additional 10% tax described in Section 9.10 if distributed within the five-taxable-year period beginning with the year of the conversion or rollover, unless a statutory exception applies.

**(3) Earnings.** Earnings on Account assets are deemed distributed last. Earnings distributed as part of a qualified distribution (as defined in Section 9.09(b)) are excludable from gross income. Earnings distributed as part of a non-qualified distribution are subject to income tax and may also be subject to the additional 10% tax described in Section 9.10, unless a statutory exception applies.

The Depositor should consult a tax advisor or attorney regarding the tax treatment of any specific distribution.

### **§ 9.10 Distributions Before Age 59½**

The Depositor acknowledges and understands that an additional tax of ten percent (10%) is imposed by IRC § 72(t) on distributions (including amounts deemed distributed as the result of a prohibited loan or use as security for a loan) made before the Depositor has attained age 59½, unless such distribution is made on account of death, disability, or a qualifying exception. A number of exceptions apply to this rule, and the Depositor should consult with a tax advisor or attorney prior to requesting a distribution before attaining age 59½.

### **§ 9.11 Death Benefit – Distribution Rules**

Upon the Depositor's death, beneficiaries are required to take distributions according to IRC § 401(a)(9) and Treasury Regulation § 1.408-8, as described below.

**(a) Death of Roth IRA Owner Before January 1, 2020.** The final list of designated beneficiaries is determined as of September 30 of the year following the year of the Depositor's death. This list includes only those beneficiaries named at the time of death who have not since disclaimed their interest or received a full distribution.

The entire amount remaining in the Account will, at the election of the designated beneficiaries, either: (a) be distributed by December 31 of the year containing the fifth anniversary of the Depositor's death; or (b) be distributed over the remaining life expectancy of the designated beneficiaries, commencing by December 31 of the year following the year of the Depositor's death. A surviving spouse who is the sole designated beneficiary must make this election by the earlier of December 31 of the year containing the fifth anniversary of the Depositor's death, or December 31 of the year in which the Depositor would have attained the applicable required minimum distribution age. All other designated beneficiaries must make this election by December 31 of the year following the year of the Depositor's death. If no election is made, distribution will be calculated in accordance with option (b). If the surviving spouse is the sole designated beneficiary, distributions need not begin until the later of: (i) December 31 of the year following the Depositor's death; or (ii) December 31 of the year in which the Depositor would have attained the applicable required minimum distribution age under IRC § 401(a)(9)(C) (age 70½ if the Depositor would have attained age 70½ before January 1, 2020; age 72 if the Depositor would have attained age 72 before January 1, 2023).

If a beneficiary other than a person or qualified trust (as defined in the Treasury Regulations) is named, the Depositor will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary, the entire Account must be distributed by December 31 of the year containing the fifth anniversary of the Depositor's death.

**(b) Death of Roth IRA Owner On or After January 1, 2020.** The entire amount remaining in the Account will generally be distributed by December 31 of the year containing the tenth (10th) anniversary of the Depositor's death, unless the Depositor has an eligible designated beneficiary, or no designated beneficiary (in which case the five-year rule applies instead), for purposes of determining a distribution period.

An eligible designated beneficiary is any designated beneficiary who is: (i) the Depositor's surviving spouse; (ii) the Depositor's child who has not reached the age of majority; (iii) disabled (a physician must determine that the impairment can be expected to result in death or to be of long, continued, and indefinite duration); (iv) an individual not more than ten (10) years younger than the Depositor; or (v) chronically ill, meaning the individual is unable to perform (without substantial assistance) at least two activities of daily living for an indefinite period due to loss of functional capacity, has a level of disability similar to the foregoing requiring assistance with daily living, or requires substantial supervision to protect from threats to health and safety due to severe cognitive impairment.

If the beneficiary is an eligible designated beneficiary, the remaining balance may be distributed over the eligible designated beneficiary's remaining life expectancy. Life expectancy distributions must generally commence by December 31 of the year following the year of the Depositor's death. If the eligible designated beneficiary is the Depositor's surviving spouse,

distributions need not begin until the later of: (i) December 31 of the year following the Depositor's death; or (ii) December 31 of the year in which the Depositor would have attained the applicable required minimum distribution age under IRC § 401(a)(9)(C), as adjusted from time to time by applicable legislation (currently age 73 for individuals born between January 1, 1951 and December 31, 1959, and age 75 for individuals born on or after January 1, 1960). If the eligible designated beneficiary is the Depositor's minor child, life expectancy payments must commence by December 31 of the year following the year of the Depositor's death and continue until the child reaches the age of majority, at which point the beneficiary will have ten (10) years to deplete the Account.

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals) may take distribution of the entire amount remaining in the Account over the remaining life expectancy of the trust beneficiary.

If a beneficiary other than a person (e.g., an estate, charity, or certain type of trust) is named, the Depositor will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary, the entire Account must be distributed by December 31 of the year containing the fifth anniversary of the Depositor's death.

A spouse who is the sole designated beneficiary of the entire Account will be deemed to elect to treat the Account as their own by either: (i) making contributions to the Account; or (ii) failing to take a required distribution from the Account following the Depositor's death. A spouse beneficiary may also roll over their share of the assets to their own Account, regardless of whether they are the sole designated beneficiary.

The Custodian or Administrator may, for any reason (including limitations of charter or bylaws), require that a beneficiary of a deceased Depositor take total distribution of all Account assets by December 31 of the year following the year of death.

If a beneficiary fails to take a required distribution after the Depositor's death, an excise tax of twenty-five percent (25%) is imposed on the amount that should have been taken but was not (reducible to ten percent (10%) if corrected within the applicable two-year correction window). The beneficiary must file IRS Form 5329 with their income tax return to report and remit any such excise tax.

In the event a beneficiary neglects to provide the Custodian or Administrator with a proper distribution request outlining the beneficiary's personal identifying information, the distribution amount, assets to be delivered, notice of federal and state tax withholding, and delivery instructions for the transfer, the beneficiary bears the burden of any tax or penalty associated with the failure to receive a timely distribution from the Account.

## **§ 9.12 Designation of Beneficiary**

**(a)** Except as may be otherwise required by the laws of the applicable state, in the event of the Depositor's death, the balance in the Account shall be paid to the beneficiary or beneficiaries designated by the Depositor on a beneficiary designation form acceptable to and filed with the

Custodian or Administrator. The Depositor may change their beneficiary designation at any time by filing a new beneficiary designation form with the Custodian or Administrator. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Depositor, or if the Custodian or Administrator cannot locate any named beneficiary after reasonable search, any balance in the Account will be payable to the Depositor's estate.

**(b)** If permitted by the Custodian or Administrator, in the event of the Depositor's death, any beneficiary may name a subsequent beneficiary or beneficiaries to receive the balance of the Account to which such beneficiary is entitled upon the death of the original beneficiary, by filing a Subsequent Beneficiary Designation Form acceptable to and filed with the Custodian or Administrator. Payments to such subsequent beneficiary or beneficiaries shall be distributed in accordance with the payment schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. In no event can any subsequent beneficiary be treated as a designated beneficiary of the Depositor, except that this limitation shall not apply with respect to subsequent beneficiaries designated by an original spouse beneficiary, in which case the original spouse beneficiary shall be treated as the Depositor. If the balance of the Custodial Account has not been completely distributed to the original beneficiary, and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.

### **§ 9.13 Responsibilities**

The Depositor represents and warrants that all information and instructions given to the Custodian or Administrator are complete and accurate, and agrees that the Custodian or Administrator shall not be responsible for any incomplete or inaccurate information provided by the Depositor or the Depositor's beneficiary or beneficiaries. The Depositor and the Depositor's beneficiary or beneficiaries agree to be responsible, jointly and severally, for all tax consequences arising from contributions to and distributions from the Custodial Account, and acknowledge that no tax advice has been provided by the Custodian or Administrator.

### **§ 9.14 Investment Provisions**

All contributions shall be invested and reinvested by the Administrator or Custodian as directed by the Depositor, provided that the Depositor has filed a form acceptable to the Custodian or Administrator granting such investment authority to the designated advisor. (See *Article X, Self-Directed IRA Provisions.*)

It is understood and acknowledged by the Depositor that the Custodian and Administrator shall assume no responsibility, expressed or implied, for any loss or diminution of the Account. The Custodian and Administrator shall have no duty other than to follow the written investment directions of the Depositor and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Depositor.

The Depositor's indemnification obligations with respect to the Custodian and Administrator are set forth in the [Custodial Account Agreement](#), which is incorporated herein by reference.

## **§ 9.15 IRA Contribution Limits and Rollovers**

The Depositor may make annual Roth IRA contributions up to the lesser of (i) the annual dollar limit established by the IRS (as adjusted periodically for cost of living) or (ii) 100% of the Depositor's taxable compensation for the taxable year. Roth IRA contributions are further subject to reduction or elimination based on the Depositor's modified adjusted gross income ("MAGI") and tax filing status, as established by the IRS and adjusted annually for cost of living. The Depositor assumes sole responsibility for determining their applicable contribution limit and eligibility to contribute. Current contribution limits and MAGI phase-out ranges are available [here](#).

The Depositor further assumes sole responsibility for determining their eligibility to make rollover contributions or conversions from another Roth IRA, or via conversion from a Traditional IRA. For additional information regarding rollovers and conversions applicable to this Account, see § 9.18.

## **§ 9.16 Excess Contributions**

The Depositor assumes full responsibility for any Account contribution that exceeds the applicable contribution limits, including such contribution's earnings as determined by calculating its Net Attributable Income. The Depositor acknowledges that such excess contribution is subject to a six percent (6%) excise tax penalty on the principal amount of the excess each year until the excess is corrected. The Depositor assumes full responsibility to remove or recharacterize any excess contribution or to file IRS Form 5329 to report the excise tax.

## **§ 9.17 Pledging / Security**

The Depositor acknowledges and agrees that should they pledge any portion of the Account as collateral for a loan, the amount so pledged will be treated as a distribution and may be includable in the Depositor's gross income for that year to the extent such deemed distribution does not constitute a qualified distribution as described in Section 9.09(b). Such deemed distribution may also be subject to the additional ten percent (10%) penalty tax described in Section 9.10 if the Depositor has not yet attained age 59½ and no statutory exception applies. The Depositor should consult a tax advisor prior to pledging any portion of the Account.

## **§ 9.18 Rollovers and Conversions**

The Depositor's Account: (i) may be rolled over to another Roth IRA owned by the Depositor, or to the Depositor's spouse in the event of the Depositor's death; (ii) may be a recipient of rollover contributions from another Roth IRA; or (iii) may receive conversion contributions from a Traditional IRA; provided, in each case, that all applicable rollover and conversion rules are followed.

A "rollover" refers to the movement of cash or other property to the Account from another Roth IRA. If Administrator has not enabled the in-kind transfer of assets in the Account to another IRA, Depositor must first sell such Account assets in the Account for cash and then rollover the

resulting funds into another IRA. Depositor shall bear all market risk associated with the timing of such sale. A "conversion" refers to the movement of traditional IRA assets to a Roth IRA, which is generally a taxable event.

Rollovers and conversions are often complex. The Custodian and Administrator shall not be responsible for determining whether a proper rollover contribution has been made, but the Custodian or Administrator may request certification that funds represent a qualified rollover to ensure the accuracy of the Custodian's and Administrator's records. The Depositor should consult a tax advisor or attorney prior to making any rollover election.

The Depositor should be aware of the following important limitations applicable to indirect rollovers: (i) **One-Rollover-Per-Year Rule.** A Depositor may generally make only one indirect (60-day) rollover from an IRA to another IRA within any 12-month period, regardless of the number of IRAs the Depositor maintains. This limitation applies in the aggregate across all of a Depositor's IRAs. Violation of this rule will result in the excess rollover being treated as a taxable distribution, potentially subject to the additional 10% tax described in Section 9.10; and (ii) **60-Day Rollover Deadline.** An indirect rollover must be completed — that is, the distributed funds must be deposited into the receiving IRA — within 60 days of the Depositor's receipt of the distribution. Failure to meet this deadline will generally result in the distribution being treated as taxable and potentially subject to the additional 10% tax, unless the IRS grants a hardship waiver. These rules do not apply to direct trustee-to-trustee transfers.

## **ARTICLE X — SELF-DIRECTED IRA PROVISIONS**

### **§ 10.01 Self-Direction**

The Custodian and Administrator shall have no duty other than to follow the written investment directions of the Depositor, and shall be under no duty to question said instructions.

### **§ 10.02 Indemnification**

The Depositor agrees to indemnify the Custodian and Administrator for any losses, costs, or fees (including reasonable attorneys' fees) incurred by the Custodian or Administrator in connection with any such investments or related directions by the Depositor. This indemnification provision is in addition to, and not in lieu of, the indemnification provisions set forth in the Custodial Account Agreement incorporated herein by reference pursuant to Section 9.14.

### **§ 10.03 Registration**

All assets of the Account shall be registered in the name of the Custodian, or in the name of the Administrator who shall be the agent of the Custodian for purposes of holding assets of the Custodial Account, for the benefit of Depositor. The Administrator may serve as agent of the Custodian with respect to the holding of assets of other investors, whether or not held under agreements similar to this one. The Custodian may commingle the assets so held to the extent permitted by law.

The assets of the Account may be held by the Custodian in individual or bulk segregation, in vaults, electronic or digital repositories, accounts, or wallets maintained by the Custodian or the Custodian's authorized sub-custodians, agents, or administrators.

#### **§ 10.04 No Investment Advice**

The Custodian or Administrator does not assume any responsibility for rendering advice with respect to the investment and reinvestment of the Account.

#### **§ 10.05 Prohibited Transactions**

The Depositor acknowledges and agrees to abide by the provisions of IRC § 4975 and the related Treasury Regulations pertaining to "Prohibited Transactions," and acknowledges that adverse tax consequences may result from any investment or other use of the Account that constitutes a Prohibited Transaction.

The Depositor understands that by engaging in a prohibited transaction as described in IRC § 4975(c) — such as any sale, exchange, borrowing, or leasing of any property between the Depositor and their IRA, or any other interference with the independent status and exclusive benefit of the Account — the Account will lose its exemption from preferential tax treatment and be deemed distributed in full in the tax year in which the Depositor or beneficiary, as applicable, engaged in the prohibited transaction. Such deemed distribution may also be subject to tax penalties if the Depositor had not attained age 59½ in the year of the prohibited transaction.

#### **§ 10.06 Taxes**

The Depositor assumes complete responsibility for the tax consequences of any and all contributions, transfers, rollovers, investments, distributions, and other transactions involving the Account.

For IRS reporting purposes, the Administrator will use the fair market value of the Depositor's cryptocurrency holdings as of December 31 of each year to prepare and file Form 5498, using prices sourced from the subcustodian or applicable third-party pricing provider. The Depositor acknowledges that cryptocurrency valuations may fluctuate and that the fair market value reported on Form 5498 reflects the value as of such date only.

If the Depositor directs investment of the Account in any investment or asset which generates or results in unrelated business taxable income (UBTI), it shall be the responsibility of the Depositor to advise the Custodian or Administrator and to provide the Custodian or Administrator with all information necessary to file any required returns or reports for the Account. The Custodian and Administrator are authorized to file such returns and reports and to apply assets of the Account to the payment of any taxes owed in connection with such transactions, investments, and/or UBTI.

### **§ 10.07 Gift and Estate Taxes**

The value of the Account will generally be includable in the Depositor's gross estate for federal estate tax purposes under applicable provisions of the Internal Revenue Code. No specific federal estate tax exclusion applies to Roth IRA assets. Contributions made to another person's IRA, or transfers of IRA assets, may have gift tax implications depending on the circumstances. The Depositor should consult with a tax advisor or attorney with respect to the application of estate and gift tax considerations relating to the Account.

### **§ 10.08 Special Tax Treatment**

Capital gains treatment and 10-year income averaging authorized by IRC § 402 do not apply to traditional, Roth, or SIMPLE IRA distributions.

### **§ 10.09 Additional Taxes – Form 5329**

The Depositor acknowledges that they must file IRS Form 5329 (Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts) with the Internal Revenue Service for each taxable year during which the Account is subject to additional tax, including for taxable distributions or excess contributions.

### **§ 10.10 Miscellaneous Expenses**

In addition to those expenses set out in this Agreement, the Depositor agrees to pay any and all expenses incurred by the Custodian or Administrator in connection with the investment of the Account, including but not limited to all legal expenses connected with the Custodial Account, and expenses of preparation and filing any returns and reports with regard to unrelated business income, including taxes and estimated taxes, as well as any transfer taxes incurred in connection with the investment or reinvestment of the assets of the Account.

## **ARTICLE XI – SEVERABILITY**

If any provision of this Custodian Agreement is found to be illegal, invalid, void, or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

*[END OF ROTH IRA ADDITIONAL PROVISIONS]*