

**TRADITIONAL****IRA**  
Simplifier®**INHERITED INDIVIDUAL RETIREMENT ACCOUNT APPLICATION***The term Inherited IRA Owner is used below to mean a beneficiary who is entitled to receive distributions from the original owner's account.***PART 1. INHERITED IRA OWNER**

Name \_\_\_\_\_  
 Address Line 1 \_\_\_\_\_  
 Address Line 2 \_\_\_\_\_  
 City/State/ZIP \_\_\_\_\_  
 Tax ID (SSN/TIN) \_\_\_\_\_  
 Date of Birth \_\_\_\_\_ Phone \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Account Number \_\_\_\_\_  
 Relationship to Original Owner \_\_\_\_\_

**PART 2. INHERITED IRA CUSTODIAN***To be completed by the inherited IRA custodian*

Name \_\_\_\_\_  
 Address Line 1 \_\_\_\_\_  
 Address Line 2 \_\_\_\_\_  
 City/State/ZIP \_\_\_\_\_  
 Phone \_\_\_\_\_ Organization Number \_\_\_\_\_

 *This is an amendment to an existing inherited IRA.***PART 3. ORIGINAL OWNER'S INFORMATION**

Name (First/MI/Last) \_\_\_\_\_ Date of Birth \_\_\_\_\_  
 Social Security Number \_\_\_\_\_ Date of Death \_\_\_\_\_

**PART 4. PAYMENT ELECTION INFORMATION**

Has there been a payment election made for the assets you inherited from the employer-sponsored retirement plan or Traditional IRA?

- No
- Yes *(If yes, provide election information below)*
- The previous payment election made *(Select one)*
- Five-Year Rule
- Ten-Year Rule
- Life Expectancy Payments\*

\* If life expectancy payments are being taken, what is the date of birth of the individual whose life expectancy is being used to calculate the payment? \_\_\_\_\_

**Note:** *If incorrect or incomplete information regarding a previous payment election is provided, the custodian will not be held responsible for any penalties that may be incurred due to removing an insufficient amount.***PART 5. CONTRIBUTION INFORMATION**

Contribution Amount \_\_\_\_\_ Contribution Date \_\_\_\_\_

**CONTRIBUTION TYPE** *(Select one)**(If the check is payable to you and you are not a spouse beneficiary, the assets are not eligible for an inherited IRA)*

- Transfer** *(Direct movement of inherited assets from a Traditional IRA into this inherited IRA)*
- Direct Rollover From an Eligible Employer-Sponsored Retirement Plan** *(A direct movement of inherited assets from an eligible employer-sponsored retirement plan into this inherited IRA)*

By selecting this transaction, I irrevocably designate this contribution as a rollover.

A spouse beneficiary also has the following option available.

- Indirect Rollover From an Eligible Employer-Sponsored Retirement Plan** *(Inherited assets were paid to the spouse beneficiary and are now being moved into this inherited IRA)*

By selecting this transaction, I irrevocably designate this contribution as a rollover.

**PART 6. INVESTMENT AND DEPOSIT INFORMATION**

**INVESTMENT INFORMATION** *(Complete this section as applicable.)*

Investment Description	Quantity or Amount	Investment Number	Term or Maturity Date	Interest Rate
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**DEPOSIT METHOD**

- Cash or Check** *(If the contribution type is transfer from a Traditional IRA or direct rollover from an eligible employer-sponsored retirement plan, the check must be from a financial organization made payable to the custodian for this inherited IRA.)*
- Internal Account**  
 Account Number \_\_\_\_\_ Type *(e.g., checking, savings, IRA)* \_\_\_\_\_
- External Account** *(e.g., EFT, ACH, wire) (Additional documentation may be required and fees may apply.)*  
 Name of Organization Sending the Assets \_\_\_\_\_ Routing Number *(Optional)* \_\_\_\_\_  
 Account Number \_\_\_\_\_ Type *(e.g., checking, savings, IRA)* \_\_\_\_\_  
 Deposit Taken by \_\_\_\_\_

**PART 7. BENEFICIARY DESIGNATION**

I designate that upon my death, the assets in this inherited account be paid to the beneficiaries named below. The interest of any beneficiary that predeceases me terminates completely, and the percentage share of any remaining beneficiaries will be increased on a pro rata basis. If no beneficiaries are named, my estate will be my beneficiary.

I elect not to designate beneficiaries at this time and understand that I may designate beneficiaries at a later date.

**PRIMARY BENEFICIARIES** *(The total percentage designated must equal 100%. If more than one beneficiary is designated and no percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the inherited IRA.)*

Name _____	Name _____
Address _____	Address _____
City/State/ZIP _____	City/State/ZIP _____
Date of Birth _____ Relationship _____	Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____	Tax ID (SSN/TIN) _____ Percent Designated _____

**CONTINGENT BENEFICIARIES** *(The total percentage designated must equal 100%. If more than one beneficiary is designated and no percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the inherited IRA. The balance in the account will be payable to these beneficiaries if all primary beneficiaries have predeceased the inherited IRA owner.)*

Name _____	Name _____
Address _____	Address _____
City/State/ZIP _____	City/State/ZIP _____
Date of Birth _____ Relationship _____	Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____	Tax ID (SSN/TIN) _____ Percent Designated _____

Check here if additional beneficiaries are listed on an attached addendum. Total number of addendums attached to this Inherited IRA \_\_\_\_\_

**PART 8. SIGNATURES**

**Important:** Please read before signing.

I understand the eligibility requirements for the type of inherited IRA contribution I am making, and I state that I do qualify to make the contribution. I have received a copy of the Inherited IRA Application, the 5305-A Custodial Account Agreement, the Financial Disclosure, and the Disclosure Statement. I understand that the terms and conditions that apply to this inherited IRA are contained in this Application and the Custodial Account Agreement. I agree to be bound by those terms and conditions. Within seven days from the date I open this inherited IRA I may revoke it without penalty by mailing or delivering a written notice to the custodian.

I assume complete responsibility for

- determining that I am eligible to establish an inherited IRA,
- ensuring that all rollover or transfer contributions I make are within the limits set forth by the tax laws, and
- the tax consequences of any rollover or transfer contributions and distributions.

**X** \_\_\_\_\_  
 Signature of Inherited IRA Owner Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
 Signature of Witness Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
 Signature of Custodian Date (mm/dd/yyyy)

# INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

FORM (Rev. April 2017)

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 \$5,500 per year for tax years 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 tax years 2013 through 2017. For years after 2017, these 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 one 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 one 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 one for each subsequent year.
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 can 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 inherited IRA owner. The words “we,” “us,” and “our” mean the custodian. The words “inherited IRA owner” mean the individual establishing this inherited IRA with either a direct rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer from an inherited IRA. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.
- 8.02 **Notices and Change of Address** – Any required notice regarding this inherited IRA will be considered effective when we send it to the intended recipient at the last address that 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, if we receive ambiguous directions regarding any transaction, or if 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 will 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 will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your inherited 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), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will 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.

You will have 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 will be deemed correct and accurate, and we will 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 will be construed as conferring fiduciary status upon us. We will 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 inherited 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 including, but not limited to, electronic communication.

- 8.04 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your inherited IRA. We may release nonpublic personal information regarding your inherited IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.
- 8.05 **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 inherited 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 inherited 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 inherited IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. 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 inherited IRA.

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

**8.06 Restrictions on Contributions to the Inherited IRA** – Your inherited IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred compensation plans, or multiple transfers from inherited Traditional IRAs. In order to combine these inherited retirement assets in the same inherited IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited IRA. You may not make regular contributions to this inherited IRA.

**8.07 Investment of Amounts in the Inherited IRA** – You have exclusive responsibility for and control over the investment of the assets of your inherited IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that 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 successor beneficiaries will have the right to direct the investment of your inherited 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). We will have no discretion to direct any investment in your inherited IRA. We assume no responsibility for rendering investment advice with respect to your inherited 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 inherited IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will 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 inherited IRA unless you provide timely written directions acceptable to us.

You will select the investment for your inherited IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for inherited IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts).

**8.08 Successor Beneficiaries** – We may allow you, if permitted by state law, to name successor beneficiaries for your 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 your lifetime. Each inherited IRA beneficiary designation form that you file with us will cancel all previous designations. The consent of a successor beneficiary will not be required for you to revoke a successor beneficiary designation. If you do not designate a successor beneficiary, your estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for you.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a successor beneficiary take total distribution of all IRA assets by December 31 of the year following the year of death.

**8.09 Required Minimum Distributions** – You are required to take minimum distributions from your inherited IRA. The options available to you as a beneficiary of a deceased plan participant or deceased IRA owner are described in Article IV, section three.

**8.10 Termination of Agreement, Resignation, or Removal of Custodian** – Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your inherited IRA to another financial organization. If you do not complete a transfer of your inherited IRA within 30 days from the date we send the notice to you, we have the right to transfer your inherited IRA assets to a successor inherited IRA trustee or custodian that we choose in our sole discretion, or we may pay your inherited IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your inherited IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against your inherited IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your inherited IRA

If we are a nonbank custodian 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 require us to substitute another trustee or custodian.

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

**8.11 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 that includes your inherited IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your inherited IRA, but only if it is the type of organization authorized to serve as an inherited IRA trustee or custodian.

**8.12 Amendments** – We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

**8.13 Withdrawals or Transfers** – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

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



8.15 **Liquidation of Assets** – We have the right to liquidate assets in your inherited IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your inherited 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 to not hold us liable for any adverse consequences that result from our decision.

8.16 **Restrictions on the Fund** – Neither you nor any successor beneficiary may sell, transfer, or pledge any interest in your inherited IRA in any manner whatsoever, except as provided by law or this agreement.

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

8.17 **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 law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will 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 will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

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## GENERAL INSTRUCTIONS

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*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). However, only Articles I through VII have been reviewed 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. To make a regular contribution to a Traditional IRA for a year, the IRA must be established no later than the due date of the individual's income tax return for the tax year (excluding extensions). 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-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.

### 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.

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## SPECIFIC INSTRUCTIONS

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**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.

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# DISCLOSURE STATEMENT

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## RIGHT TO REVOKE YOUR INHERITED IRA

You have the right to revoke your inherited IRA within seven days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your inherited 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 custodian at the address listed on the application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your inherited IRA, please call the custodian at the telephone number listed on the application.

## REQUIREMENTS OF AN INHERITED IRA

- A. **Form of Contribution** – Your contribution must be either a rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer contribution from an inherited Traditional IRA. Your rollover or transfer contribution may be in cash and/or property.
- B. **Contribution Restrictions** – You may not make regular contributions to your inherited IRA.
- C. **Nonforfeitability** – Your interest in your inherited IRA is nonforfeitable.
- D. **Eligible Custodians** – The custodian of your inherited IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- E. **Commingling Assets** – The assets of your inherited IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- F. **Life Insurance** – No portion of your inherited IRA may be invested in life insurance contracts.
- G. **Collectibles** – You may not invest the assets of your inherited IRA in collectibles (within the meaning of IRC Sec. 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 IRC Sec. 408(m)(3)) are also permitted as inherited IRA investments.
- H. **Required Minimum Distributions** – You are required to take minimum distributions from your inherited IRA at certain times in accordance with Treasury Regulation 1.408-8. The calculation of the required minimum distribution is based, in part, on determining the original owner's designated beneficiary. A designated beneficiary is determined based on the beneficiaries designated as of the date of the original owner's death, who remain beneficiaries as of September 30 of the year following the year of the original owner's death. Any payment elections you either made or defaulted to under an inherited retirement plan or IRA generally carry over to this inherited IRA. Below is a summary of the inherited IRA distribution rules.

If you fail to remove a required minimum distribution, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

## Death of Original Owner Before January 1, 2020

1. If the original IRA owner or employer-sponsored retirement plan participant died
  - (a) on or after the original owner's required beginning date, distributions must be made to you over the longer of your single life expectancy, or the original owner's remaining life expectancy. If the original owner's designated beneficiary was not an individual or qualified trust as defined in the Treasury regulations, the original IRA or employer-sponsored retirement plan will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary of the original IRA or employer-sponsored retirement plan, distributions will commence using the original owner's single life expectancy, reduced by one in each subsequent year.
  - (b) before the original owner's required beginning date, the entire amount remaining in the account will, at your election, either
    - (i) be distributed by December 31 of the year containing the fifth anniversary of the original owner's death, or
    - (ii) be distributed over your remaining life expectancy.

If the original IRA owner's or participant's spouse is the sole designated beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of the original owner's death, or December 31 of the year life expectancy payments would be required to begin. A designated beneficiary of the original owner, other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) by December 31 of the year following the year of the original owner's death. If no election is made, the 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 the original owner's death. Generally, if the original owner's spouse is the designated beneficiary, distributions need not commence until December 31 of the year the original owner would have attained age 72 (70½ if the original owner would have attained 70½ before 2020), if later.

If the original owner's designated beneficiary is not an individual or qualified trust as defined in the Treasury regulations, the original IRA or employer-sponsored retirement plan will be treated as having no designated beneficiaries for purposes of determining the distribution period. If there is no designated beneficiary of the original IRA or employer-sponsored retirement plan, the entire inherited IRA must be distributed by December 31 of the year containing the fifth anniversary of the original owner's death.

If you have inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan and have either elected or defaulted to payments under the five-year rule, you may change to a life expectancy payment election if, by December 31 of the year following the year of the original owner's death, you remove a life expectancy-based payment before rolling over the remaining assets to your inherited IRA.

2. If you have elected to take life expectancy payments and fail to request your required minimum distribution by December 31, we reserve the right to do any one of the following.
  - (a) Make no distribution until you give us a proper withdrawal request
  - (b) Distribute your entire inherited IRA to you in a single sum payment
  - (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Single Life Expectancy Table, and pay those distributions to you until you direct otherwise

#### Death of Original Owner On or After January 1, 2020

The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of the original owner's death unless you are an eligible designated beneficiary or the account has no designated beneficiary for purposes of determining a distribution period. This requirement applies to beneficiaries regardless of whether the original owner died before, on, or after the required beginning date.

If you are an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over your remaining life expectancy (or over a period not extending beyond your life expectancy).

An eligible designated beneficiary is any designated beneficiary who is

- the original owner's surviving spouse,
- the original owner's child who has not reached the age of majority,
- disabled (A physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.),
- an individual who is not more than 10 years younger than the original owner, or
- chronically ill (A chronically ill individual is someone who (1) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.)

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.

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of the original owner's death. However, if the original owner's spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year the original owner would have attained age 72, if later. If the eligible designated beneficiary is the original owner's minor child, life expectancy payments must begin by December 31 of the year following the year of the original owner's death and continue until the child reaches the age of majority. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

If a beneficiary other than a person (e.g., an estate, a charity, or a certain type of trust) is named, the original owner will be treated as having no designated beneficiary of the IRA for purposes of determining the distribution period. If the original owner died before the required beginning date and there is no designated beneficiary of the IRA, the entire IRA must be distributed by December 31 of the

year containing the fifth anniversary of the original owner's death. If the original owner died on or after the required beginning date and there is no designated beneficiary of the IRA, distributions will commence using the original owner's single life expectancy, reduced by one in each subsequent year.

#### INCOME TAX CONSEQUENCES OF ESTABLISHING AN INHERITED IRA

- A. **Tax-Deferred Earnings** – The investment earnings of your inherited IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- B. **Taxation of Distributions** – The taxation of inherited IRA distributions depends on whether or not the original IRA owner had ever made nondeductible IRA contributions or after-tax contributions to the employer-sponsored retirement plan. If the original owner had only made deductible IRA contributions or pretax contributions to an employer-sponsored retirement plan, all inherited IRA distribution amounts will be included in income.

If the original owner had ever made nondeductible contributions to any IRA or after-tax contributions to an employer-sponsored retirement plan, the following formula must be used to determine the amount of any inherited 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 the original owner through the end of the year of the distribution that have not previously been withdrawn and excluded from income. Also note that the aggregate IRA balance includes the total balance of all of the original owner's IRAs as of the end of the year of distribution and any distributions occurring during the year.

- C. **Income Tax Withholding** – Any withdrawal from your inherited IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your inherited IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- D. **Early Distribution Penalty Tax** – No 10 percent early distribution penalty tax will apply to the inherited IRA distribution because the distribution is due to the death of the original owner.
- E. **Rollovers and Transfers** – Your inherited IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred compensation plans, or multiple transfers from inherited Traditional IRAs. In order to combine these inherited retirement assets in the same inherited IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited IRA. Rollover is a term used to describe a tax-free movement of cash or other property to your inherited IRA from a qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan that you have inherited as a beneficiary. The general rollover and transfer rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or transfer, please see a competent tax advisor.
  1. **Traditional IRA-to-Inherited Traditional IRA Transfers.** Assets you have inherited from a deceased Traditional IRA owner may be transferred to an inherited IRA. A transfer must be done directly between IRAs. You may not take constructive receipt of the assets in a transfer.



2. **Employer-Sponsored Retirement Plan-to-Inherited IRA Rollovers.**  
If you are a nonspouse beneficiary or the trustee of an eligible type of trust named as the beneficiary of a deceased employer-sponsored retirement plan participant, you may directly roll over any inherited assets eligible for rollover from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan to an inherited IRA, as permitted by the IRS. If you are a spouse beneficiary, you may either directly or indirectly roll over assets from an eligible inherited employer-sponsored retirement plan to an inherited IRA. Regardless of the method of rollover, the IRA must be maintained as an inherited IRA, subject to the beneficiary distribution requirements.
3. **Written Election.** At the time you make a rollover to an inherited IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

- D. **Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free inherited IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

## LIMITATIONS AND RESTRICTIONS

- A. **Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions to an inherited IRA.
- B. **Gift Tax** – Transfers of your inherited IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to inherited IRA distributions.
- D. **Prohibited Transactions** – If you or any successor beneficiary engage in a prohibited transaction with your inherited IRA, as described in IRC Sec. 4975, your inherited IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your inherited IRA. (1) Taking a loan from your inherited IRA (2) Buying property for personal use (present or future) with inherited IRA assets (3) Receiving certain bonuses or premiums because of your inherited IRA.
- E. **Pledging** – If you pledge any portion of your inherited 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 that year.

## OTHER

- A. **IRS Plan Approval** – Articles I through VII of the agreement used to establish this inherited IRA have 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** – For further information on IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://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. Therefore, when you open an inherited IRA, 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.

# IRA INHERITED IRA FINANCIAL DISCLOSURE

The term IRA will be used below to mean Traditional IRA or Roth IRA, unless otherwise specified.

The financial organization should complete the financial disclosure using Method I, Method II, or Method III. If the growth of the inherited IRA can reasonably be projected, use either Method I or Method II. The account values projected using Method I or Method II must be reduced by all applicable fees and penalties. If annual fees are assessed, such as an annual service fee, use Method II. If no projection of growth of the inherited IRA can reasonably be shown, use Method III.

## METHOD I Growth can be projected (Do not use Method I if an annual fee is charged. Instead, use Method II for financial projections.)

Your Age on Your Birth Date This Year \_\_\_\_\_ Length of Time Deposit (If applicable) \_\_\_\_\_

The charts below give projections of the value of your inherited IRA by showing the amount available at the end of each year. These projections assume an interest rate of .25%, compounded annually. If you have invested your inherited IRA in a time deposit, a loss-of-earnings penalty may be charged against a withdrawal before maturity. A transaction fee may also apply to your inherited IRA.

The Rollover or Transfer chart assumes that a one-time deposit of \$1,000 is made on the first day of the first year.

Indicate the projected account value for each of the years, taking into consideration any applicable loss of earnings penalty or other fees assessed if the inherited IRA owner received a distribution at the end of the year for which the projection is being made. First, circle the year-end projected inherited IRA value that is applicable for each of the first five years. Next, circle the applicable inherited IRA value for the years in which the inherited IRA owner will attain ages 60, 65, and 70. Subtract the inherited IRA owner's age indicated above from 60, 65, and 70 to locate the appropriate number of years (NO. YRS) rows.

### ROLLOVER OR TRANSFER

#### FINANCIAL PROJECTIONS WITH .25% RATE OF INTEREST

NUMBER OF YEARS	ACCOUNT VALUE	1 MONTH PENALTY	3 MONTH PENALTY	6 MONTH PENALTY	AMOUNT AFTER FEES AND PENALTIES
1	\$1,002.50	\$1,002.29	\$1,001.87	\$1,001.25	
2	1,005.01	1,004.80	1,004.38	1,003.75	
3	1,007.52	1,007.31	1,006.89	1,006.26	
4	1,010.04	1,009.83	1,009.41	1,008.78	
5	1,012.56	1,012.35	1,011.93	1,011.30	
6	1,015.09	1,014.88	1,014.46	1,013.83	
7	1,017.63	1,017.42	1,017.00	1,016.36	
8	1,020.18	1,019.96	1,019.54	1,018.90	
9	1,022.73	1,022.51	1,022.09	1,021.45	
10	1,025.28	1,025.07	1,024.64	1,024.00	
11	1,027.85	1,027.63	1,027.20	1,026.56	
12	1,030.42	1,030.20	1,029.77	1,029.13	
13	1,032.99	1,032.78	1,032.35	1,031.70	
14	1,035.57	1,035.36	1,034.93	1,034.28	
15	1,038.16	1,037.95	1,037.51	1,036.87	
16	1,040.76	1,040.54	1,040.11	1,039.46	
17	1,043.36	1,043.14	1,042.71	1,042.06	
18	1,045.97	1,045.75	1,045.32	1,044.66	
19	1,048.58	1,048.37	1,047.93	1,047.27	
20	1,051.21	1,050.99	1,050.55	1,049.89	
21	1,053.83	1,053.61	1,053.17	1,052.52	
22	1,056.47	1,056.25	1,055.81	1,055.15	
23	1,059.11	1,058.89	1,058.45	1,057.79	
24	1,061.76	1,061.54	1,061.09	1,060.43	
25	1,064.41	1,064.19	1,063.75	1,063.08	
26	1,067.07	1,066.85	1,066.41	1,065.74	
27	1,069.74	1,069.52	1,069.07	1,068.40	
28	1,072.41	1,072.19	1,071.74	1,071.07	
29	1,075.10	1,074.87	1,074.42	1,073.75	
30	1,077.78	1,077.56	1,077.11	1,076.44	
31	1,080.48	1,080.25	1,079.80	1,079.13	
32	1,083.18	1,082.95	1,082.50	1,081.82	
33	1,085.89	1,085.66	1,085.21	1,084.53	
34	1,088.60	1,088.37	1,087.92	1,087.24	
35	1,091.32	1,091.10	1,090.64	1,089.96	
36	1,094.05	1,093.82	1,093.37	1,092.68	
37	1,096.79	1,096.56	1,096.10	1,095.42	
38	1,099.53	1,099.30	1,098.84	1,098.15	
39	1,102.28	1,102.05	1,101.59	1,100.90	
40	1,105.03	1,104.80	1,104.34	1,103.65	
41	1,107.80	1,107.56	1,107.10	1,106.41	
42	1,110.57	1,110.33	1,109.87	1,109.18	
43	1,113.34	1,113.11	1,112.65	1,111.95	
44	1,116.12	1,115.89	1,115.43	1,114.73	
45	1,118.92	1,118.68	1,118.22	1,117.52	
46	1,121.71	1,121.48	1,121.01	1,120.31	
47	1,124.52	1,124.28	1,123.81	1,123.11	
48	1,127.33	1,127.09	1,126.62	1,125.92	
49	1,130.15	1,129.91	1,129.44	1,128.73	
50	1,132.97	1,132.74	1,132.26	1,131.56	
51	1,135.80	1,135.57	1,135.09	1,134.38	
52	1,138.64	1,138.41	1,137.93	1,137.22	
53	1,141.49	1,141.25	1,140.78	1,140.06	
54	1,144.34	1,144.11	1,143.63	1,142.91	
55	1,147.20	1,146.97	1,146.49	1,145.77	
56	1,150.07	1,149.83	1,149.35	1,148.64	
57	1,152.95	1,152.71	1,152.23	1,151.51	
58	1,155.83	1,155.59	1,155.11	1,154.39	
59	1,158.72	1,158.48	1,158.00	1,157.27	
60	1,161.62	1,161.37	1,160.89	1,160.16	
61	1,164.52	1,164.28	1,163.79	1,163.07	
62	1,167.43	1,167.19	1,166.70	1,165.97	

### ADDITIONAL FINANCIAL DISCLOSURE INFORMATION

The account values shown are projections based on many assumptions. They are not guaranteed, but depend upon many factors, including the interest rates and terms of future funding instruments.

We may charge you fees in connection with your inherited IRA. If we do not charge these fees now, we may do so in the future after giving you notice. If you do not pay these fees separately, they may be paid from the assets of your inherited IRA.

### CURRENT FEES

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**METHOD II Growth can be projected**

The financial projections below show the amount that would be available if you were to withdraw your inherited IRA assets at the indicated times. These projections are based on the following assumptions.

**ROLLOVER OR TRANSFER**

This projection assumes a one-time \$1,000 deposit is made on the first day of the first year.

Your Age on Your Birth Date in Contribution Year \_\_\_\_\_  
Investment Instrument \_\_\_\_\_  
Length of Time Deposit \_\_\_\_\_  
Rate of Interest \_\_\_\_\_ %  
Compounding Method \_\_\_\_\_

**FINANCIAL PROJECTIONS**

Number of Years in Inherited IRA Program	Total Accumulation of Inherited IRA Dollars	Amount After Fees and Penalties
1 Year	\$ _____	\$ _____
2 Years	\$ _____	\$ _____
3 Years	\$ _____	\$ _____
4 Years	\$ _____	\$ _____
5 Years	\$ _____	\$ _____

End of the Year You Reach Age	Total Accumulation of Inherited IRA Dollars	Amount After Fees and Penalties
60	\$ _____	\$ _____
65	\$ _____	\$ _____
70	\$ _____	\$ _____

**ADDITIONAL FINANCIAL DISCLOSURE INFORMATION**

The account values shown are projections based on many assumptions. These projections have been reduced by any applicable fees. They are not guaranteed, but depend upon many factors, including the interest rates and terms of future funding instruments.

We may charge you an annual service fee or other fees in connection with your inherited IRA. If we do not charge these fees now, we may do so in the future after giving you notice. If you do not pay these fees separately, they may be paid from the assets of your inherited IRA.

**CURRENT FEES**

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

**METHOD III Growth cannot be projected**

The value of your inherited IRA will be dependent solely upon the performance of any investment instrument used to fund your inherited IRA. Therefore, no projection of the growth of your inherited IRA can reasonably be shown or guaranteed.

Terms and conditions of the inherited IRA that affect your investment are listed below.

**INVESTMENT OPTIONS**

Your inherited IRA will be invested in products that we offer directly or those we offer through a relationship with a registered securities broker-dealer.

**FEES**

There are certain fees and charges connected with your inherited IRA investments. These fees and charges may include the following.

- Sales Commissions
- Investment Management Fees
- Distribution Fees
- Set Up Fees
- Annual Maintenance Fees
- Surrender or Termination Fees

To find out what fees apply, refer to the investment prospectus or contract.

There may be certain fees and charges connected with the inherited IRA itself. *(Select and complete as applicable.)*

Annual Service Fee \$ \_\_\_\_\_  
 Transfer Fee \$ \_\_\_\_\_  
 Rollover Fee \$ \_\_\_\_\_  
 Termination Fee \$ \_\_\_\_\_  
 Other *(Explain)* \_\_\_\_\_

We reserve the right to change any of the above fees after notice to you, as provided in your inherited IRA agreement.

**EARNINGS**

The method for computing and allocating annual earnings (e.g., interest, dividends) on your inherited IRA will differ based on the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings.

**OTHER**

Other terms or conditions that apply to your inherited IRA include the following.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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