

NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**PRIVATE PLACEMENT LETTER FOR ENTITY**

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_  
*(Retirement Plan Account Beneficial Owner Name)*

Name of Entity \_\_\_\_\_

Entity Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Name of Entity Manager \_\_\_\_\_ EIN of Entity \_\_\_\_\_

Next Generation Services ("NGS", the Administrator) has received instructions from the above referenced retirement plan account owner concerning an investment in the above named entity through his or her NGTC retirement account. The account to be invested is referred to in this document as the "account", regardless of whether it is a retirement account under Internal Revenue Code (the "IRC") §401, §408 or §408A, a Coverdell Education Savings Account ("CESA") under IRC §530, a Health Savings Account ("HSA") under IRC §223, or a qualified retirement plan. For the purpose of this document, the term 'IRA' in the investor name may also include, but is not limited to: Traditional, ROTH, SEP IRAs, SIMPLE and Qualified plans, HSAs and CESAs. The following instructions must be followed to ensure compliance with both IRS requirements and Next Generation TC, LLC policy.

- 1) The investor name must read: Next Generation Trust Company as Custodian FBO (Client Name) IRA (Account Number).
- 2) All payments, income, disbursements or payoffs for this investment must be made payable to the Investor Name listed above. Under the Internal Revenue Code, it is never acceptable to issue funds directly or make funds payable to the account owner (or the account owner's nominee or designee), or any other account owned by the NGTC account owner, as the NGTC account is the legal investor and is not affiliated with any other accounts owned by the NGTC account owner.
- 3) Do not use the account owner's personal social security number with respect to this investment for any purpose. If the account is an investor to which a K-1 or similar tax document will be issued, please use the following Next Generation Trust Account E.I.N.: 82-0905700. It is not permitted under NGTC Policy to use the E.I.N. shown above for any other purpose than the issuance of a K-1 or similar tax document to the account as investor in the entity. If a Form 990-T is required to pay unrelated business income tax ("UBIT") or unrelated debt-financed income tax ("UDFIT"), do not use the Next Generation Trust Account E.I.N. tax identification number. The account owner must obtain a new tax identification number from the Internal Revenue Service for the NGTC retirement account to report and pay the taxes on Form 990-T.
- 4) The NGTC account owner may not personally guarantee on behalf of the account any indebtedness of the entity to a third party nor may the account owner personally guarantee any indebtedness of the account to the entity.
- 5) Original stock certificates, membership certificates, counter signed contracts or other proof of ownership showing the proper vesting must be sent to and held by NGS, on behalf of the Custodian and the account. NGS is located 75 Livingston Ave. Ste. 304, Roseland, NJ 07068.
- 6) In the event that future capital contributions to the investment entity are required or desired (and provided the Account Owner determines that the capital call is not a prohibited transaction under Internal Revenue Code §4975), all funds must come from the NGTC account. The account owner may not advance funds on behalf of the NGTC account.
- 7) As the Administrator of the account, Next Generation Services must be notified promptly of any change in address, telephone number, or company status (such as bankruptcy filings, regulatory agency investigations or litigation).
- 8) It is understood that Next Generation Trust Company is required to report the fair market value of the NGTC account to the Internal Revenue Service and/or to the Plan each year. The NGTC account owner has agreed to obtain a fair market value for the NGTC account's investment in the entity as of December 31st each year and report this information to NGS as administrator to NGTC no later than March 31st of the following calendar year. It is understood and agreed that Next Generation Trust Company is entitled to rely on the valuation provided by the NGTC account holder or by the investment entity for reporting purposes and shall bear no responsibility as to the accuracy of the information provided. It is understood and agreed that until a different valuation is reported to Next Generation Trust Company, the value of the investment in the entity will be reported based on the Account's total investment in the entity. It is strongly advised that any reported values or statements should be delivered to Next Generation Services as an original, copy or duplicate statement to avoid any discrepancy in reported values by the asset and the value of the asset reported in the NGTC account. It is understood and agreed that if the client and/or the investment entity fails to provide a fair market value to Next Generation Services as required, Next Generation Trust Company may withdraw as administrator/custodian of the account and distribute the assets to the NGTC account holder personally or to a successor custodian.
- 9) Next Generation Services ("Administrator") is a self-directed retirement account administrator to the custodian. The NGTC IRA beneficial owner whose name appears on the Retirement Plan Application Form(s) (hereinafter called "account owner") has established a Retirement Custodial Account (an 'account') with Next Generation Trust Company or its successor (hereinafter referred to as "Custodian"). This NGTC account is established for the exclusive benefit of the individual (account owner, or his/her beneficiaries) within the meaning of §408A of the Internal Revenue Code and the related Treasury regulations. The Custodian has delegated certain account record keeping and administrative functions ("Administrative Services") to NGS, as the administrator. Neither NGTC nor any of its officers, directors, shareholders or employees is associated in any way with any company that may instruct the administrator to invest on behalf of the NGTC account. Neither the administrator nor any of its officers, directors, shareholders or employees provide any investment, legal or tax advice pertaining to any investments, holdings, or filings of the NGTC account or account owner. The account owner understands and agrees that the administrator makes no attempt to evaluate any entity, company, agreements, contracts or other investment entities or investment structures the account owner instructs the administrator to invest in, on behalf of the NGTC account. For example, NGTC makes no attempt to check the financial strength of the company, nor does NGTC check with the Secretary of State to see if the company is in good standing, nor check with the Securities and Exchange Commission, the Better Business Bureau or any other governmental or non-governmental agency to see if any complaints have been filed against the entities. The account owner is solely responsible for evaluating any entity, contract, agreement and/or any investment on behalf of the NGTC account. Any agreements signed by NGS, not individually but solely as agent for the Custodian under the Individual Retirement Account (IRA) Plan Agreement also known as Form 5305, is signed only by instruction by the account owner. Said Form 5305 Agreement is hereby made a part hereof in any agreements, contracts or any legally binding agreements and any claims against NGTC/NGS which may result here from, shall be payable only out of any IRA property which may be held hereunder the NGTC account. Any and all personal liability of NGTC/NGS is hereby expressly waived by the parties hereto and their respective successors, beneficiaries, assignees, transferees, designees, nominees, recipients, and legal counsel. All representations and undertakings are of NGS as agent for the Custodian and not individually; no liability is assumed by and/or shall be asserted against NGTC/NGS as a result of the signing of any instrument(s) on behalf of the account and/or account holder. The grantor, or account owner as account controller, has made all representations and warranties contained within any and all documentation, contracts, agreements and subscriptions and NGS, as agent for the Custodian and authorized signatory to the account, is signing (the) document(s) along with and/or for the grantor merely to assist the grantor, the NGTC account owner, in this purchase as prescribed by the Internal Revenue procedures requiring the purchase to be made by an IRA Custodian on behalf of the NGTC retirement account. NGTC/NGS is not a fiduciary to the account and hereby disclaims all fiduciary responsibility for the investment choice and its inherent risks. The retirement account beneficial owner has indemnified and hereby agrees to hold NGTC/NGS harmless in following any and all instructions and provisions.

By signing this agreement you are acknowledging that you understand and agree with all the above paragraphs, representations and warranties. Please sign below and return to our office.

Signature of Entity \_\_\_\_\_ Date \_\_\_\_\_

Title of Signatory \_\_\_\_\_