



**NEXT GENERATION**  
TRUST COMPANY  
*CONTROL YOUR FUTURE, TODAY*

**New Account Starter Kit**

# Coverdell Education Savings Account

**Address:**

Next Generation Trust Company  
401 E. 8th Street, Suite 200H  
Sioux Falls, SD 57103

Next Generation Services, LLC  
75 Livingston Ave, Suite 304  
Roseland, NJ 07068

**Toll Free:** (888) 857-8058  
**Phone:** (973) 533-1880  
**Fax:** (973) 533-1088

**EMail:**

Accounts@NextGenerationTrust.com

**Get Started Today!**

**Visit us on the web:**

[www.nextgenerationtrust.com](http://www.nextgenerationtrust.com)

# Application Checklist

## Step One:

Fill Out Pages 1-3 on the Application

- Complete Page 1:* Don't forget to fill out your county, occupation, and please elect only one type of account to open. If you wish to open more than one account, please fill out a second application.
- Complete Page 2:* Don't forget to include the Social Security Number and birthday for any and all beneficiaries.
- Complete Page 3:* Please sign and date on the bottom line.

## Step Two:

Choose a Fee Option on the Fee Schedule

- Please elect the fee option you feel is best suited for your account.
- Elect an invoice option.
- Sign and Date on the bottom line.

## Step Three:

Client Release Form

- Fill out your name and the date.
- Bring this form to a notary. Have them witness your signature on the line requesting client signature, unless you are using Right Sign.
- Have a notary sign and stamp the bottom portion, unless you are using Right Sign.

## Step Four:

Fund Your Account via Transfer/Rollover/Contribution

*(Note: One or more may apply)*

- Transfer Form:* This form is for transferring funds from an existing CESA to a CESA with Next Generation. Please note that your current custodian may request a medalion stamp guarantee to process the transfer form. Please check your current custodian requirements and include an account statement.
- Rollover Form:* Please fill out our form for internal use only. Clients will be responsible for initiating rollovers from their current custodian. To avoid taxes, complete the rollover within 60 days of the distribution date.
- Contribution:* If contributing to your account, please make sure you make the check payable to Next Generation TC FBO Client Name IRA #####. Note the contribution year in the memo section.

## Step Five:

Make a Copy of Your Photo ID

- Make a copy of your non-expired, government issued photo identification.
- Also include a copy of the minor's photo ID. If no photo ID is available, a scanned copy of the birth certificate will suffice.
- If you have a different address than the one on your ID, please attach a current Tax bill, banking statement, utility bill, or Rental Agreement signifying proof of address.

## Step Six:

Fill out the Additional Optional Forms

- Fill out the Interested Party Designation form to allow another person, other than yourself, to obtain account information.
- Fill out the Limited Power of Attorney form to allow another person, other than yourself, to obtain account information and conduct transactions on behalf of the account.

## Final Step:

Pay Your Fees and Submit the Completed Packet

- Make a check out for the \$50 setup fee and the appropriate administration fee (based on your elected fee option) payable to: *Next Generation Trust Company* or
- Fill out a Credit Card Authorization Form (*note: we do not accept American Express*).
- Mail Original Documents to: *Next Generation Services  
75 Livingston Avenue, Suite 304  
Roseland, NJ 07068*

## Please Note:

Processing Times and Other Information

- Administration review will be between two and five business days depending on the complexity of the transaction and our volume in the transaction queue.
- Transactions are scheduled in the order in which they are received. Please expect transactions to be completed in two business days after receipt of original, correct documents AND cleared funding.
- Clearing times: Wire (24 hours), ACH/Money Order/Certified Check (2 business days), Check (5 business days)
- For help filling out these documents, please call the office. For investment documents, please visit the Client Forms section of our website.



**DEPOSITOR INFORMATION**

For Office Use Only: Account #:

Depositor Name (required) \_\_\_\_\_

Depositor Residential Address (required) \_\_\_\_\_

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

Depositor Mailing Address (optional) \_\_\_\_\_

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

Date of birth (MM/DD/YYYY)

Social Security Number (Required)

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Mr.  Mrs.  Ms.  Dr.

Single

Married

Widowed /Divorced

COUNTY (required): \_\_\_\_\_

OCCUPATION (required): \_\_\_\_\_

Depositor Phone (\_\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_\_) \_\_\_\_\_

Cell (\_\_\_\_\_) \_\_\_\_\_

Email \_\_\_\_\_

Please tell us how you heard about us

**RESPONSIBLE INDIVIDUAL INFORMATION** (Parent/Legal Guardian, if different from above)

Name (required) \_\_\_\_\_

Date of birth (MM/DD/YYYY)

Residential Address (required) \_\_\_\_\_

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

Phone (\_\_\_\_\_) \_\_\_\_\_

Social Security Number (Required)

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The responsible individual  shall  shall not continue to serve as the responsible individual after the designated beneficiary attains the age of majority pursuant to section 5.02 of the custodial agreement.

The responsible individual  may  may not change the beneficiary designated under this custodial agreement.

Note: The Responsible Individual may be the Depositor, but generally must be a Parent or Legal Guardian of the Beneficiary.

**MINOR INFORMATION** (Please furnish copy of birth certificate)

Name (required) \_\_\_\_\_

Date of birth (MM/DD/YYYY)

Residential Address (required) \_\_\_\_\_

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

Phone (\_\_\_\_\_) \_\_\_\_\_

Social Security Number (Required)

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**Important: Identification is required for all parties listed on this form. Proof of responsible individual's relation to minor must be furnished to open account.**



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**PLEASE INDICATE FUNDING METHOD.** Check all that apply.

Annual Contribution

Tax year of contribution: \_\_\_\_\_  
Please attach deposit coupon.

Transfer

Transfer from existing CESA.  
Please attach transfer form.

Indirect Rollover

Take receipt of the assets for up to 60 days  
before redepositing in a new CESA. Please  
attach rollover form.

**PLEASE INDICATE BENEFICIARIES**

I, \_\_\_\_\_, designate the persons named below as the Primary and/or Contingent Beneficiaries of this account. A beneficiary shall be deemed to be a Primary Beneficiary if the Primary or Contingent box is not selected for said beneficiary. In the event of my demise, Primary Beneficiaries who survive me shall receive the assets of the account in equal shares (or in the specified shares, as designated). If all Primary Beneficiaries pre-decease me, Contingent Beneficiaries who survive me shall receive the assets of the account in equal shares (or in the specified shares, as designated). A Primary or Contingent beneficiary's interest and the interest of such beneficiary's heirs shall terminate completely, in the event that the aforementioned beneficiary does not survive me. In such cases, the share for any remaining Primary or Contingent Beneficiary shall be increased on a pro rata basis. In the event that there are no surviving Primary or Contingent Beneficiaries, remaining assets of the account shall be distributed to my estate in accordance with the plan provisions.

Primary  Contingent

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Relationship: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Share: \_\_\_\_\_ %

If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.

Primary  Contingent

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Relationship: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Share: \_\_\_\_\_ %

If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.

Primary  Contingent

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Relationship: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Share: \_\_\_\_\_ %

If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.

Primary  Contingent

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_ Relationship: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Share: \_\_\_\_\_ %

If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.

**DEPOSITOR SIGNATURE**

I understand that I may change or add beneficiaries at any time by completing the Change of Beneficiary form and submitting the original to an Administrator for Next Generation Trust Company. Next Generation Services is located at 75 Livingston Ave. Ste. 304, Roseland, NJ 07068.

Signature of Participant: \_\_\_\_\_ Date: \_\_\_\_\_

**SPOUSAL CONSENT** (only required if your spouse is not the primary beneficiary-see note below).

This section is to be completed if your legal residence is in a Community Property State and your spouse has not been designated as your Primary Beneficiary with 100% share.

I, \_\_\_\_\_, (name of spouse) hereby approve the above beneficiary designation.

Spouse Signature

Date



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

**APPOINTMENT OF CUSTODIAN, INVESTMENT DIRECTION AND IMPORTANT DISCLOSURES:**

**Your signature is required. Please read before signing.** The account holder shown on the front of this application must read this agreement carefully and sign and date this part. By signing this application, you acknowledge the following:

**Appointment**

I appoint Next Generation Trust Company as the Custodian of my Account ("Custodian"), and understand and acknowledge that the Custodial Plan Agreement and my Application are my agreement with the Custodian. Next Generation Services, LLC ("Administrator") is the Administrator to the Custodian. The Administrator may change the custodian to any institution permitted by law or as instructed by the undersigned. Written direction is understood to also include a facsimile signature. The account is established for the exclusive benefit of the Account holder or his/her beneficiaries.

**Adequate Information**

I acknowledge that I have received a copy of the Custodial/Plan Agreement, Disclosure Statement and the Fee Disclosure. I understand that the terms and conditions that apply to this Account are contained in these documents. I agree to be bound by those terms and conditions. If this is an IRA, within 7 days from the date the account application is signed, it may be revoked without penalty by mailing or delivering a written notice to the Custodian/Administrator.

**Responsibility for Tax Consequences**

I assume all responsibility for any taxes and/or penalties that may result from making contributions to, transactions within and distributions from my Account. I attest that I am authorized and I am of legal age to establish this Account and make investments permitted under the Custodial/Plan Agreement offered by the Custodian/Administrator.

I assume complete responsibility for:

- 1) Determining that I am eligible for a transaction that I direct the Custodian/Administrator to make on behalf of my account;
- 2) Ensuring that all contributions made are within the limits set by current tax laws; and,
- 3) The taxes of any contribution (including rollover contributions and distributions).

I attest under penalties of perjury:

- 1) That I have provided you with my correct Social Security or Tax I.D. Number; and,
- 2) That I am not subject to backup withholding because I am exempt from backup withholding; or, I have not been notified by the IRS that I am subject to backup withholding; or, the IRS has notified me that I am no longer subject to backup withholding.

**You must cross out #2 if you have been notified by the IRS that you are now subject to backup withholding because of under reporting interest or dividends on your tax return.**

Except as stated above, we will not release information about you to others unless you or someone you have authorized, in writing, have consented and/or instructed us to do so, or we are required by law or other regulatory authority.

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

Until I change or revoke this designation, I hereby instruct the Custodian/Administrator to follow the investment directions that I will provide in investing and reinvesting the principal and interest, as confirmed by directions in writing to the Administrator from the undersigned for this account or other custodial account for which the Administrator serves as record keeper. The Custodian is authorized to accept written and/or verbal direction that is confirmed in writing by the undersigned, authorized party, or by the Administrator. Written direction is understood to also include facsimile signature.

This account is established for the exclusive benefit of the Account holder or his/her beneficiaries. In taking action based on this authorization the Custodian/Administrator may act solely on the written instruction or representation of the Account holder or authorized party.

I expressly certify that I take complete responsibility for the type of investments which I choose to purchase within this account. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any and all claims, including, but not limited to, actions, liabilities, losses, penalties, fines and/or third party claims, arising out of my account and/or in connection with any action taken on the reliance upon my written instructions and/or representations, or in the exercise of any right, power or duty of Custodian/Administrator, its agents and/or assigns. The Custodian/Administrator may deduct from the account any amounts they are entitled for reimbursement under the foregoing hold harmless provision. I acknowledge and understand that the Custodian/Administrator shall have no responsibility or fiduciary role whatsoever related to or in connection with this account in taking any action related to any purchase, sale or exchange instructed by the undersigned or the undersigned's authorized agents, including but not limited to suitability, compliance with any state or federal law or regulation, income or expense, or preservation of capital or income. For purposes of this paragraph, the terms Custodian and Administrator include Next Generation Trust Company/ Next Generation Services, LLC, its agents, assigns, joint venturers and/or business partners.

*I acknowledge receipt of a Fee Disclosure and receipt of the Custodial/Plan Agreement and Disclosure Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. I understand that failure to submit a signed Fee Disclosure will result in fees calculated "based on value of account" (See Fee Disclosure).*

*I declare that I have examined this document, including all accompanying information, and to the best of my knowledge and belief, it is true, correct and complete. I acknowledge I have read the Fee Disclosure, the Plan/Custodial Agreement and Account Disclosure Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. If you would like to give permission to another individual to access your account information (such as your spouse or other individual), you will need to complete the Limited Power of Attorney form or Interested Party Designation form.*

PLEASE PRINT, SIGN AND MAIL THIS FORM TO NEXT GENERATION SERVICES, 75 LIVINGSTON AVE. STE 304, ROSELAND, NJ 07068.

Signature of Account Owner \_\_\_\_\_ Date \_\_\_\_\_

In the event of claims made by others related to my account and/or investments where the Custodian/ Administrator is a named party, the Custodian/Administrator shall have the unequivocal right at their sole discretion to appoint and select their own attorneys to represent them in such actions and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, other costs and internal costs (collectively "Litigation Costs"), incurred by the Custodian/Administrator in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by the Custodian/Administrator, on their demand, I will immediately reimburse the Custodian/Administrator any outstanding balance of the Litigation Costs. If I fail to immediately reimburse the Litigation Costs, the Custodian/Administrator shall have the unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian/Administrator will not be responsible to take any action should there be any default with regard to this investment.

I understand that no one at the Custodian/Administrator has authority to agree to anything different than the above listed understandings of the Custodian's/Administrator's policy. For purposes of this paragraph, the terms Custodian and Administrator include Next Generation Trust Company/ Next Generation Services, LLC, its agents, assigns, joint venturers and/or business partners.

In executing transfers, it is understood and agreed that I will not hold the Custodian/Administrator liable or responsible for anything done or omitted in the administration, custody or investments of the account prior to the date they shall complete their respective acceptance as successor custodian and administrator and shall be in possession of all of the assets, nor shall they have any duty or responsibility to inquire into or take any action with respect to any acts performed by the prior Custodian, or Administrator.

If any provision of this Application 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.

**Important Information for Opening a New Account**

To comply with the USA PATRIOT ACT, we have adopted a Customer Identification Program. All new accounts must provide a copy of an unexpired, photo-bearing, government-issued identification (driver's license or passport). The copy must be readable so we can verify the client's name, driver's license number or state issued ID number.

**Our Privacy Policy**

You have chosen to do business with the Custodian/Administrator named on the Account Application. As our client, the privacy of your personal non-public information is very important to us. We value our customer relationships and we want you to understand the protections we provide in regard to your account(s) with us.

**Information We May Collect**

We collect non-public personal information about you from the following sources to conduct business with you:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, or others;

Non-public personal information is non-public information about you that we may obtain in connection with providing financial products or services to you. This could include information you give us from account applications, account balances, and account history.

**Information We May Share**

We do not sell or disclose any non-public information about you to anyone, except as permitted by law or as specifically authorized by you. We do not share non-public personal information with our affiliates or other providers without prior approval by you. Federal law allows us to share information with providers that process and service your accounts. All providers of services in connection with the Custodian/Administrator have agreed to the Custodian's/Administrator's confidentiality and security policies. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

**Confidentiality and Security**

We restrict access to non-public personal information to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedural guidelines that comply with federal standards to guard your non-public personal information. The Custodian/Administrator reserves the right to revise this notice and will notify you of any changes in advance. If you have any questions regarding this policy, please contact us at the address or telephone number listed on the application.

# FEE SCHEDULE



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

**ANNUAL ADMINISTRATION FEE: DETERMINE THE BEST FEE OPTION FOR YOU.**  
**ACCOUNT SET UP FEE: \$50 FOR PAPER APPLICATION \$25 FOR ELECTRONIC APPLICATION**  
**IN ADDITION TO MINIMUM ANNUAL FEE DUE, EITHER \$325 (OPTION 1) OR \$196 (OPTION 2)**

**Directions:** Please check only one box.

**OPTION ONE: FEE BASED ON NUMBER OF ASSETS**

Annual recordkeeping fee is \$325 per asset and/or liability per year. Each additional asset is paid at the time of acquisition. Minimum annual record keeping fee is \$325. Minimum fee will be applied to first asset purchased if acquired during first year. Account will be billed in the anniversary month of account opening. Please note that debt financing on an asset is charged as an additional investment. Precious metal asset is reduced to \$100/asset

**OPTION TWO: FEE BASED ON ACCOUNT VALUE**

Billed Quarterly based upon the month that your account is opened.

Account Value	Quarterly Rate	Account Value	Quarterly Rate
up to \$9,999	\$49	\$75,000-\$99,999	\$179
\$10,000-\$19,999	\$59	\$100,000-\$149,999	\$209
\$20,000-\$29,999	\$75	\$150,000-\$199,999	\$249
\$30,000-\$39,999	\$95	\$200,000-\$249,999	\$299
\$40,000-\$49,999	\$115	\$250,000-\$499,999	\$399
\$50,000-\$59,999	\$129	\$500,000+	\$499
\$60,000-\$74,999	\$149		

**TRANSACTION FEES:**

- Purchase, Sale, Exchange, or Re-registration of any domestic asset: \$100
- Purchase, Sale, Exchange, or Re-registration of any international asset: \$125
- Further Funding an existing asset: \$50
- Partial Redemption or Liquidation Request: \$50
- Transaction for a Real Estate Deposit: \$25
- Outgoing Checks: \$5 each
- Cashier's or other Official Bank Check: \$25
- Wire Transfers (Domestic): \$30
- Wire Transfers (International): \$50
- Outgoing ACH: \$30
- Rush fee for expedited transaction processing or review services within the same day or next day may apply. Discuss further with a representative.
- Partial Termination, transfers out to another custodian and/or non qualified distribution, \$100. Applicable transaction fees will apply for assets being transferred or distributed in-kind.
- Full Termination resulting in zero balance is \$250, but does not include normal distributions. This includes lump sum distributions and transfer outs, but does not include required minimum distributions. Applicable transaction fees will apply for assets being transferred or distributed in-kind. Annual recordkeeping fees are not prorated when an account closes.

Regardless of Fee Option, Solo 401k's are billed a plan document fee of \$300 annually.

**All accounts include at no additional charge:**

- Access to regular/education networking events
- Online Account Access
- Annual statements mailed
- Normal eligible distribution by check
- Annual tax reporting
- Quarterly statements emailed

**RELATED EXPENSES:**

- Medallion Guarantee \$25, Notary \$15 For non-NGTC forms.
- Returned items of any kind and stop payments: \$30 per item.
- Reprocessing of incomplete documents are charged \$25 per reprocessing, plus applicable fees. Discuss further with a representative.
- Special Services, such as research of closed assets or accounts, research for legal issues, or special handling of transactions: \$150 per hour.
- Express Mail: \$30 minimum, dependent on destination and speed.
- Invoice Reprocessing for late payments: \$25.
- If you wish to receive quarterly mailed statements please remit \$40 and initial here \_\_\_\_\_. This charge is incurred annually.

**BILLING OPTIONS:** Please check only one box.

Please check only one box. If no box is checked, fees will be automatically deducted from your undirected cash balance. All transaction fees are due at the time of transaction. Annual recordkeeping fees are billed as specified above. You may prepay fees at any time. If not paid by the due date, fees will be deducted from your uninvested balance. If there are insufficient funds in your account, we may liquidate other assets to pay for such fees in accordance with your Plan and Trust Disclosure.

- Please check if you would like to receive a printed invoice by mail for your administration fees.
- Please check if you would like to have fees charged to your credit card. Please attach credit card authorization form. No invoice will be mailed.

**SIGNATURE:**

In accordance with your plan and trust disclosure which you received as part of your application, custodial fees are part of the plan and trust disclosure. We will make our best effort to notify you of all changes to your fee schedule within a 30 day notice by posting the information on our website at [www.nextgenerationtrust.com](http://www.nextgenerationtrust.com).

*In accordance with your Account Application, this Fee Disclosure is part of your agreement with the Custodian/Administrator and must accompany your application.*

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

# CLIENT RELEASE FORM



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

**CLIENT RELEASE:** *This form is required when establishing an account. Mail form to Next Generation Services.*

This Release, dated \_\_\_\_\_, is given

By the Releaser \_\_\_\_\_, referred to as "You,"

TO NEXT GENERATION TRUST COMPANY, 401 E. 8th Street, Suite 200H, Sioux Falls, SD 57103, referred to as "NGTC" and NEXT GENERATION SERVICES, LLC 75 Livingston Ave., Ste. 304, Roseland, NJ 07068, referred to as "NGS".

If more than one person signs this release, "You" shall mean each person who signs this Release.

1. **Disclosure.** You understand and agree that NGTC/NGS does not approve investments for your Retirement Plan. NGTC/NGS is strictly a neutral holder of your Retirement Plan's Assets. In addition, you have read Internal Revenue Service Regulation Title 26, Section 4975 and are familiar with the prohibited transactions listed and the penalties which will be assessed by the Internal Revenue Service in the event that you engage in prohibited transaction(s).
2. **Release.** Because NGTC/NGS has no control over the investments you direct NGTC/NGS to make on behalf of your self-directed retirement plan, and could not know if there is information you have not provided to NGTC/NGS which would make NGTC/NGS inform you that you may be engaging in a prohibited transaction, YOU RELEASE AND GIVE UP ANY AND ALL CLAIMS AND RIGHTS WHICH YOU MAY HAVE AGAINST NGTC/NGS SHOULD YOU ENGAGE IN, APPEAR TO ENGAGE IN, OR BE ACCUSED OF ENGAGING IN, A PROHIBITED TRANSACTION UNDER THE IRS CODE. THIS RELEASES ALL CLAIMS, INCLUDING THOSE OF WHICH YOU ARE NOT AWARE AND THOSE NOT MENTIONED IN THIS RELEASE. NGTC/NGS HAS NO OBLIGATION TO PROVIDE A DEFENSE OR OTHERWISE INDEMNIFY YOU AGAINST ANY CLAIM, FINE, PENALTY, JUDGMENT OR SETTLEMENT RESULTING FROM A CLAIM RAISED UNDER THE IRS CODE AGAINST YOU.
  - a. You understand and agree that NGTC/NGS does not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of any entity or investment you want to invest in. You are solely responsible for making sure that the entity was not formed or will not operate in a way that does or may lead to a prohibited transaction under Internal Revenue Code Section 4975.
  - b. You understand and agree that you are also solely responsible for making sure that the Retirement Plan has adequate funds for any future mandatory capital calls, and you indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with a loss or diminution in value of your Retirement Plan's investment in the entity because of a failure to meet a future mandatory capital call.
  - c. You understand and agree that NGTC/NGS has given you no tax advice regarding the possibility that your Retirement Plan may be subject to Unrelated Business Income Tax (UBIT) as a result of its investment in any entity or other investment. If your Retirement Plan owes UBIT on its investment in an entity, you agree to prepare or cause to be prepared IRS Form 990T for filing. You understand and agree that any UBIT owed must come from funds belonging to the Retirement Plan, and you indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with a failure to prepare IRS Form 990T and pay any resulting UBIT due from funds belonging to the Retirement Plan. If UBIT is owed the IRA must get it's own EIN#.
  - d. You represent that you have done your own due diligence on any company you want to invest in, or any other investment you want to make.
  - e. You understand and agree that NGTC/NGS makes no attempt to evaluate any company you want to invest in. For example, NGTC/NGS makes no attempt to check the financial strength of the company, nor do we check with the Secretary of State to see if the company is in good standing, nor do we 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 company. You, as the Retirement Plan holder, are 100% responsible for evaluating any company and any investment.
  - f. You understand and agree that neither NGTC/NGS nor any of its officers, directors, shareholders or employees are associated in any way with any company you may want to invest in. Neither NGTC/NGS nor any of its officers, directors, shareholders or employees have given you any investment, legal or tax advice pertaining to any investment.
  - g. You agree to indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with your Retirement Plan investment in any company, entity, or other investment.
3. **Consideration.** You acknowledge that unless you sign this release, NGTC/NGS will not accept you as a client, and you are free to seek the services of other firms. In consideration of you signing this release, NGTC/NGS will provide the services of our company and we will rely upon the promises in this release.
4. **Who is Bound.** You are bound by this Release. Anyone who succeeds to your rights and responsibilities, such as your heirs or the executor of your estate, is also bound. This Release is made for the benefit of NGTC/NGS and all who succeed to our rights and responsibilities.
5. **Signatures.** You understand and agree to the terms of this Release. If this Release is made by a corporation its proper corporate officers sign and its corporate seal is affixed.

This Release is given by: \_\_\_\_\_  
*Signature of Client*

\_\_\_\_\_  
*Account Number*

**NOTARY CERTIFICATION REQUIRED**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I CERTIFY that on \_\_\_\_\_, 20\_\_\_\_\_,

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one person):

a) is named in and personally signed this document; and b) signed, sealed and delivered this document as his or her act and deed.

\_\_\_\_\_  
*Signature of Notary*

*(Seal Here)*

**NEXT GENERATION TRUST COMPANY**  
401 E. 8TH STREET, SUITE 200H  
SIOUX FALLS, SOUTH DAKOTA 57103  
TOLL FREE: 888-857-8058

# CREDIT CARD AUTHORIZATION FORM



**NEXT GENERATION  
TRUST COMPANY**  
CONTROL YOUR FUTURE, TODAY

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

## PERSONAL INFORMATION:

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Cardholder Name *(if different)* \_\_\_\_\_

Cardholder Billing Address \_\_\_\_\_

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

Telephone Number \_\_\_\_\_ Email Address \_\_\_\_\_

## CREDIT CARD INFORMATION:

Card Type: *Please check ONLY ONE Option*

MasterCard     Discover     Visa    *Please Note: We cannot accept American Express. We apologize for any inconvenience this may cause.*

Credit Card Number: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Expiration Date: \_\_\_\_\_ / \_\_\_\_\_

CCV: \_\_\_\_\_  
*(Last three digits on back of card)*

Keep card on file for all fees (no invoice will be sent)

One time charge in the amount of \$ \_\_\_\_\_

## SIGNATURE: *Please securely email, fax, or mail this form to Next Generation Services.*

*I, the undersigned, authorize that these charges will appear on my credit card statement under the name Next Generation Trust Company and I accept full financial responsibility for payment of this order. I further agree that this authorization will remain in effect until I revoke it in writing.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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**PERSONAL INFORMATION:**

Account Holder Name: \_\_\_\_\_ Next Generation Account #: \_\_\_\_\_

**INTERESTED PARTY DESIGNATION:**

Please complete the information in this section to authorize a third party (spouse, broker, financial planner, attorney, etc) to receive information about your account. Please note that this section only authorizes a third party to have unlimited access to your account information, however they will not be permitted to make changes to your account. Please complete this section in full and submit to Next Generation Services by fax, mail, or secure email.

Name of Interested Party \_\_\_\_\_

Interested Party Address \_\_\_\_\_

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

Contact Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

Please check ONE or BOTH Options:  Please provide Interested Party online access  Please send duplicate statements

**SIGNATURE:**

*This Designation will remain in effect until Account Holder provides revocation in writing to Next Generation Trust Company (Custodian) or Next Generation Services (Administrator). I understand that neither the Custodian (Next Generation Trust Company) nor the Administrator (Next Generation Services) is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any claims, including, but not limited to actions, liabilities, losses, penalties, fines, attorney's fees and/or third party claims arising out of and/or in connection with their reliance on this Designation. This indemnity and hold harmless provision shall survive any Termination of this Designation. In the event of claims by others related to my account and/or investment wherein Custodian and/or Administrator are named as a party, Custodian and/or Administrator shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorney's fees and costs and internal costs (collectively "Litigation Costs") incurred by Custodian and/or Administrator. If there are insufficient funds in my account to cover the Litigation Costs incurred by Custodian and/or Administrator, on demand by Custodian and/or Administrator, I will promptly reimburse Custodian and/or Administrator the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Custodian and/or Administrator shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian and/or Administrator will not be responsible to take any action should there be any default with regard to this investment. If any provision of this Designation 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.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# LIMITED POWER OF ATTORNEY FORM



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

## PERSONAL INFORMATION:

Account Holder Name: \_\_\_\_\_ Next Generation Account #: \_\_\_\_\_

## LIMITED POWER OF ATTORNEY:

Please complete the information in this section to authorize a third party to conduct all transactions (with the exceptions noted) in your account. **This designation may not be used to direct transfer or distributions, or to make changes to beneficiary designations.** This section applies **ONLY** to Next Generation TC forms and documents. Please complete this section in full and submit the notarized original to Next Generation Services at 75 Livingston Avenue, Suite 304, Roseland, NJ 07068.

Name of Attorney-In-Fact \_\_\_\_\_

Attorney-In-Fact Address \_\_\_\_\_

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

Contact Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

**Please check ONLY ONE Option:**  Please provide Attorney-In-Fact online access  Please send duplicate statements

Signature of Attorney-In-Fact: \_\_\_\_\_

## SIGNATURE: Please mail this form to Next Generation Services.

*This Designation will remain in effect until Account Holder provides revocation in writing to Next Generation Trust Company (Custodian) or Next Generation Services (Administrator). I understand that neither the Custodian (Next Generation Trust Company) nor the Administrator (Next Generation Services) is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any claims, including, but not limited to actions, liabilities, losses, penalties, fines, attorney's fees and/or third party claims arising out of and/or in connection with their reliance on this Designation. This indemnity and hold harmless provision shall survive any Termination of this Designation. In the event of claims by others related to my account and/or investment wherein Custodian and/or Administrator are named as a party, Custodian and/or Administrator shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorney's fees and costs and internal costs (collectively "Litigation Costs") incurred by Custodian and/or Administrator. If there are insufficient funds in my account to cover the Litigation Costs incurred by Custodian and/or Administrator, on demand by Custodian and/or Administrator, I will promptly reimburse Custodian and/or Administrator the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Custodian and/or Administrator shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian and/or Administrator will not be responsible to take any action should there be any default with regard to this investment. If any provision of this Designation 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.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## NOTARY CERTIFICATION REQUIRED

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I CERTIFY that on \_\_\_\_\_, 20\_\_\_\_\_,  
personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one person):  
a) is named in and personally signed this document; and b) signed, sealed and delivered this document as his or her act and deed.

\_\_\_\_\_  
Signature of Notary

(Seal Here)

## DEPOSIT COUPON

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

Please use this form when making a deposit into your account and mail to Next Generation Services.

Note: **DO NOT** use this form for a rollover, sale/payoff of an asset, or a fee payment.

For a Rollover, please submit the Rollover Form.

For a sale/payoff, please submit the Sell Direction Letter.

For fee payments, please submit a check made payable to *Next Generation TC*.

### DEPOSIT ACCOUNT INFORMATION

Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Phone #: ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_ Date: \_\_\_\_\_

### DEPOSIT INFORMATION

Deposit Amount (required): \$ \_\_\_\_\_ Check/Money Order # (required): \_\_\_\_\_

Please check one of the following:

Annual Contribution

Tax Year (required) \_\_\_\_\_ Account Type (required) \_\_\_\_\_

Rental/Lease Income

CUSIP or Description (required) \_\_\_\_\_

Loan Payment<sup>1</sup>

Principal Only \$ \_\_\_\_\_ Interest Only \$ \_\_\_\_\_

CUSIP or Description (required) \_\_\_\_\_

Other (please specify) \_\_\_\_\_

### CHECK PAYABLE INSTRUCTIONS:

All deposit checks are to be made payable to:

Next Generation TC FBO \_\_\_\_\_ (name) IRA \_\_\_\_\_ (account #)

<sup>1</sup> Please be advised that unless otherwise noted on the deposit coupon or the face of the check, the loan payment will be applied to Interest Only. If you have another account type please call the office for payable instructions.

# TRANSFER FORM

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

Use this form to:

- Move assets directly from one custodian to another custodian without personally initiating the movement.
- Do not use this form to make a direct rollover. Please use the Rollover Form.

If you wish to liquidate any assets as part of your transfer to NGTC ensure that the liquidation process is completed PRIOR to completing this form. Transfer of your funds may be delayed if this step is not taken. Please note: Fees may apply from resigning custodian.

Please return this form to Next Generation Services, the Administrator of your plan. This form instructs the Custodian or Trustee of your current/resigning plan to transfer your assets to Next Generation Trust Company. Next Generation Services will arrange this transfer on your behalf.

**PERSONAL INFORMATION:**

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Legal Address (required) \_\_\_\_\_

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

Telephone Number \_\_\_\_\_ Social Security Number (Required) 

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**CURRENT CUSTODIAN/TRUSTEE:** Where your funds are currently. Express deliveries cannot be made to a PO Box.

Name of Custodian/Trustee \_\_\_\_\_ Account Number \_\_\_\_\_

Office Address \_\_\_\_\_

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

Telephone Number \_\_\_\_\_ Contact Name \_\_\_\_\_

**TYPE OF ACCOUNT TO BE TRANSFERRED/ELIGIBILITY:** Must transfer to the same type of account at Next Generation Trust Company.

I am transferring **FROM** the following type of plan (select one):

- Traditional  Roth  SEP  Beneficiary IRA  
 SIMPLE  ESA  HSA

I am transferring **TO** the following type of plan (select one):

- Traditional  Roth  SEP  Beneficiary IRA  
 SIMPLE  ESA  HSA

I am an eligible person to perform this transaction (select one):

- Non-spouse Beneficiary of Account  Spouse Beneficiary of Account  Coverdell Responsible Individual  
 IRA Holder  HSA Account Owner  Ex-spouse

**TYPE OF ASSET TO BE TRANSFERRED:** Indicate whether this is A. COMPLETE Transfer OR B. PARTIAL Transfer.

If liquidation of assets is required, you must instruct your current Custodian to liquidate PRIOR to submitting this form. Next Generation Trust Company is not authorized to liquidate investments or assets on your behalf. All transfer forms **MUST** be accompanied by a current account statement from your current custodian.

**COMPLETE TRANSFER** to my IRA. Please check only one option below, indicating what assets you would like to transfer to your Next Generation Trust Company IRA.

**Cash.** Please submit \$ \_\_\_\_\_ (required) in cash to Next Generation Trust Company.

Please make checks payable to: **Next Generation TC FBO (Client Name) IRA**

**In Kind Asset Transfer & Cash.** For transfer of illiquid assets IN KIND (Real Estate, LLCs, Private Stock, Notes, etc.). Please note, re-registration fees may apply. Additional documentation **WILL** apply, though, so please contact a Next Generation representative.

All vestings to read: **Next Generation TC FBO (Client Name) IRA**

**PARTIAL TRANSFER** to my IRA. Please check all that apply below, indicating what assets you would like to transfer to your Next Generation Trust Company IRA.

**Cash.** Please submit \$ \_\_\_\_\_ (required) in cash to Next Generation Trust Company.

Please make checks payable to: **Next Generation TC FBO (Client Name) IRA**

**In Kind Asset Transfer.** For transfer of illiquid assets IN KIND (Real Estate, LLCs, Private Stock, Notes, etc.). Please note, re-registration fees may apply. Additional documentation **WILL** apply, though, so please contact a Next Generation representative.

All vestings to read: **Next Generation TC FBO (Client Name) IRA**

Please see page two of this form for asset description and delivery instructions.

# TRANSFER FORM



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

**DESCRIPTION OF ASSETS TO BE TRANSFERRED:** *Please attach additional delivery instructions if needed. Fees may apply from your resigning custodian.*

Asset Description	Amount (\$)

**DELIVERY INSTRUCTIONS:** *Next Generation Services will attach instructions for resigning custodian.*

- a. How would you like us to send this transfer request to your current resigning custodian? *(Please note, not all custodians accept faxed transfer forms.)*
- Mail       Express Delivery (\$30 fee)       Fax (please provide number) \_\_\_\_\_
- b. How would you like your cash sent from your current resigning custodian to Next Generation Trust Company?
- Mail/Check       Electronic/Wire (\$30 fee)
- c. If you have selected express services above, how would you like to pay for those services? *(Fees are due at the time services are rendered.)*
- Check       Credit Card       Deduct from Account *(You must have cash available prior to transfer.)*

**SIGNATURE AND ACKNOWLEDGEMENT:** *This does not constitute a direct rollover.*

I hereby agree to the to the terms and conditions set forth in this Account Asset Transfer Authorization and acknowledge having established an account through the execution of the \_\_\_\_\_ *(Type of IRA)* account application. I understand the rules and conditions applicable to an Account Transfer. I am authorized to request this transfer and instruct Next Generation Trust Company to execute such a transaction. I understand that employees/representatives of Next Generation Trust Company/Next Generation Services do not have authority to agree to anything other than what is contained in this Account Asset Transfer Authorization.



\_\_\_\_\_  
*Account Holder Signature*

\_\_\_\_\_  
*Date*

**FOR OFFICE USE ONLY:**

**Acceptance of Receiving Custodian**

Pursuant to a limited written delegation, Next Generation Trust Company as Custodian ("Custodian"), has authorized Next Generation Services to sign this form on the Custodian's behalf to verify the Custodian's acceptance of the transfer described above and apply proceeds, upon their receipt, to the Account established by Next Generation Trust Company on your behalf. CUSTODIAN ASSUMES NO FIDUCIARY OR TRUST OBLIGATIONS TO YOU AS IT ONLY ACTS AS CUSTODIAN OF YOUR FUNDS WITH NO INVESTMENT CONTROL. Next Generation Services, on behalf of Custodian, Next Generation Trust Company.

\_\_\_\_\_  
*Authorized Signatory*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Account Number*

Type of Account:     Traditional     Roth     SEP     SIMPLE     ESA     HSA     Beneficiary IRA

# ROLLOVER FORM



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

This form is required to document the rollover of your asset to Next Generation Trust Company. You must contact your former/resigning Custodian/Administrator to roll over your plan. Next Generation Trust Company will not initiate this rollover. Return this form to Next Generation Services.

## PERSONAL INFORMATION:

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Legal Address (required) \_\_\_\_\_

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

Telephone Number \_\_\_\_\_ Social Security Number (Required) 

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## YOUR FUNDS ARE CURRENTLY/FORMERLY HELD AT:

Name of Custodian/Trustee \_\_\_\_\_ Account Number \_\_\_\_\_

Contact Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

Address \_\_\_\_\_

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

## INDICATE THE TYPE OF PLAN YOU ARE ROLLING OVER FROM:

- Traditional IRA       Roth IRA       SEP IRA       SIMPLE IRA  
 ESA       HSA       Beneficiary IRA       Other Qualified Plan \_\_\_\_\_

## VERIFY THAT YOU ARE ELIGIBLE TO PERFORM THIS TRANSACTION: *Please select ONLY one.*

I am an eligible person to perform this transaction (select one):

- Plan Participant     Spouse Beneficiary     Non-spouse Beneficiary     Responsible Individual (for Coverdell ESAs)     Ex-spouse

**Either Part 1 or 2 must be selected and not both**

## PART I. ROLLOVER FROM ANOTHER IRA (OR ANOTHER SIMPLE IRA)

I certify that the following statements are true and correct.

- This rollover contribution is being made within 60 days after my receipt of funds from another IRA, in which I was either the participant or surviving spouse beneficiary, or in the case of a distribution from an IRA due to a first time homebuyer which is being rolled into this IRA because of a delay in the acquisition of the first time home, this rollover contribution is being made within 120 days after my receipt of funds from the distributing IRA.
- During the 12-month period prior to my receipt of the distribution being rolled over, I have not received a rollover distribution from any IRA which was subsequently rolled over to another IRA. (This rule does not apply to a delay in the acquisition of a residence for a first time homebuyer as discussed above).
- I am not rolling over any required minimum distributions with respect to the distributing IRA plan.
- If this rollover contribution represents a distribution from a SIMPLE IRA and I have not participated in my Employer's SIMPLE Plan for 2 years, this rollover contribution is being made into another SIMPLE IRA. Date Employee First Participated in original SIMPLE IRA: \_\_\_\_\_

## PART II. ROLLOVER/DIRECT ROLLOVER FROM AN EMPLOYER PLAN

I certify that the following statements are true and correct.

- The undersigned certifies that my employer's qualified plan, qualified annuity, 403(b) plan, governmental 457(b) plan, or the Federal Employee's Thrift Savings Plan has made or will make an Eligible Rollover Distribution which is either being paid in a Direct Rollover to the Custodian or Trustee of my IRA, or, if I am the participant or the surviving spouse, paid directly to me which I am rolling over no later than the 60th day after receiving the Eligible Rollover Distribution.
- This Rollover/Direct Rollover is not part of a series of payments over my life expectancy(ies) or over a period of 10 years or more.
- This Rollover/Direct Rollover does not include any required minimum distributions with respect to the employer's plan.
- This Rollover/Direct Rollover does not include a hardship distribution, an unforeseeable emergency distribution, a corrective distribution, or a deemed distribution of a defaulted loan from any employer's plan.
- I certify that I am eligible to establish an IRA with this Rollover/Direct Rollover of an Eligible Rollover Distribution, and that I am one of the following: the plan participant; the surviving spouse of the deceased plan participant; the spouse or former spouse of the plan participant under a Qualified Domestic Relations Order, or a non-spouse beneficiary (in which case I understand I may only make a direct rollover to an inherited IRA).
- I certify that this Rollover/Direct Rollover does not contain a Designated Roth Contribution Account.

# ROLLOVER FORM



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

**PART III. ADDITIONAL INFORMATION FOR ROLLOVERS BEGINNING AT AGE 70 1/2**

I received the distribution from the other plan on \_\_\_\_\_. This distribution  is  is not an outstanding rollover as of the prior December 31st.  
 I certify that I have already satisfied my required minimum for the IRA being rolled over from another IRA.

**ROLLOVER INSTRUCTIONS TO RESIGNING CUSTODIAN:**

To roll over CASH, please follow the instructions below. Contact our office for wire instructions.

CASH: Please make check payable to: Next Generation TC FBO (my name) IRA

CASH: \$ \_\_\_\_\_

Asset Description	Amount (\$)

To roll over INVESTMENTS (Private Stock, Real Estate, LLCs, Notes, etc.), please attach a current statement of assets, further documentation will be required.

**SIGNATURE:** Please return this form to Next Generation Services by fax, secure email, or mail.

I agree to the terms and conditions set forth in this Rollover Certification form. I acknowledge having established an account through the execution of the \_\_\_\_\_ (type of account) plan documents. I understand that this Indirect or Direct Rollover is irrevocable and I have consulted my tax advisor regarding tax considerations that may apply. I assume full responsibility for this Indirect or Direct Rollover and will not hold the Custodian/Administrator or Issuer of either the receiving or distributing party liable for the consequences of the above rollover. I understand that employees/representatives of Custodian/Administrator do not have authority to agree to anything other than what is contained in this Rollover Certification Form. I irrevocably designate this contribution of assets with a value of \$ \_\_\_\_\_ (total value of rollover) as a rollover. The undersigned authorizes the Custodian/Administrator to commingle regular IRA contributions with Rollover/Direct Rollover contributions pursuant to PART II above. I understand that commingling regular IRA contributions with Rollover/Direct Rollover contributions from employer plans may preclude me from rolling over funds in my rollover "conduit" IRA into another employer's plan. With such knowledge, I authorize and direct the Custodian/Administrator to place regular IRA contributions in my rollover "conduit" IRA or vice versa.

The undersigned hereby irrevocably elects, pursuant to IRS Regulation 1.402(a)(5)-IT to treat this contribution as a rollover contribution. I understand that this will not be a valid IRA rollover unless PART I or PART II (and, if applicable, PART III) are correct statements. I acknowledge that, due to the complexities involved in the tax treatment of eligible rollover distributions from qualified plans, qualified annuities, 403(b) plans, governmental 457(b) plans, or the Federal Employee's Thrift Savings Plan and rollovers/direct rollovers to IRAs, the Custodian/Administrator has recommended that I consult with my tax advisor or the Internal Revenue Service before completing this transaction to make certain that this transaction qualifies as a rollover and is appropriate in my individual circumstances. I understand rollover contributions are reported to the IRS. I hereby release the Custodian/Administrator from any claim for damages on account of the failure of this transaction to qualify as a valid rollover.

Signature of Distributee: \_\_\_\_\_ Date: \_\_\_\_\_

**NEXT GENERATION TRUST COMPANY**  
401 E. 8TH STREET, SUITE 200H  
SIOUX FALLS, SOUTH DAKOTA 57103  
TOLL FREE: 888-857-8058

**COVERDELL EDUCATION  
SAVINGS CUSTODIAL  
ACCOUNT**

Custodial Agreement and Disclosure Statement



**NEXT GENERATION**  
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**COVERDELL EDUCATION  
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**Article I**

- 1.01 The custodian may accept additional cash contributions provided the designated beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the designated beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in section 530(d)(5) are limited to \$2,000 for the tax year. In the case of an individual contributor, the \$2,000 limitation for any year is phased out between modified adjusted gross income (AGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of \$190,000 and \$220,000. Modified AGI is defined in section 530(c)(2).

**Article II**

- 2.01 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 a common investment fund (within the meaning of section 530(b)(1)(D)).

**Article III**

- 3.01 Any balance to the credit of the Designated Beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.
- 3.02 Any balance to the credit of the Designated Beneficiary shall be distributed within 30 days of his or her death unless the designated death beneficiary is a family member of the Designated Beneficiary and is under the age of 30 on the date of death. In such case, that family member shall become the Designated Beneficiary as of the date of death.

**Article IV**

- 4.01 The Depositor shall have the power to direct the Custodian regarding the investment of the above-listed amount assigned to the custodial account (including earnings thereon) in the investment choices offered by the Custodian. The Responsible Individual, however, shall have the power to redirect the Custodian regarding the investment of such amounts, as well as the power to direct the Custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the Responsible Individual does not direct the Custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the Depositor also will govern all additional contributions made to the custodial account until such time as the responsible individual otherwise directs the Custodian. Unless otherwise provided in this agreement, the Responsible Individual also shall have the power to direct the Custodian regarding the administration, management, and distribution of the account.

**Article V**

- 5.01 The "Responsible Individual" named by the Depositor shall be a parent or guardian of the Designated Beneficiary. The custodial account shall have only one Responsible Individual at any time. If the Responsible Individual becomes incapacitated or dies while the Designated Beneficiary is a minor under state law, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual in a witnessed writing or, if no successor is so named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option in the Adoption Agreement, at the time that the Designated Beneficiary attains the age of majority under state law, the Designated Beneficiary becomes the Responsible Individual. If a family member under the age of majority under state law becomes the Designated Beneficiary by reason of being a named death beneficiary, the Responsible Individual shall be such Designated Beneficiary's parent or guardian.
- 5.02 If elected in the Adoption Agreement, the Responsible Individual shall continue to serve as the Responsible Individual for the custodial account after the Designated Beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates. If the Responsible Individual becomes incapacitated or dies after the Designated Beneficiary reaches the age of majority under state law, the Responsible Individual shall be the Designated Beneficiary.

**Article VI**

- 6.01 If elected in the Adoption Agreement the Responsible Individual may change the beneficiary designated under this agreement to another member of the Designated Beneficiary's family described in section 529(e)(2) in accordance with the Custodian's procedures.

**Article VII**

- 7.01 The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 530(h).
- 7.02 The Custodian agrees to submit to the Internal Revenue Service (IRS) and Responsible Individual the reports prescribed by the IRS.

**Article VIII**

- 8.01 Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III will be controlling. Any additional articles inconsistent with section 530 and the related regulations will be invalid.

**Article IX**

- 9.01 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 Depositor and Custodian whose signatures appear on the Adoption Agreement.



#### Article X

- 10.01 **Applicable Law:** This Custodial Agreement shall be governed by the laws of the state where the Custodial Account has its situs. The term Designated Beneficiary shall also include the Depositor, Responsible Individual and Death Beneficiary, where applicable.
- 10.02 **Annual Accounting:** The Custodian shall, at least annually, provide the Designated Beneficiary (or the Responsible Individual, if applicable) with an accounting of such Designated Beneficiary's account. Such accounting shall be deemed to be accepted by the Designated Beneficiary, if the Designated Beneficiary (or Responsible Individual) does not object in writing within 60 days after the mailing of such accounting.
- 10.03 **Amendment:** The Depositor, Designated Beneficiary and Responsible Individual irrevocably delegates to the Custodian the right and power to amend this Custodial Agreement. Except as hereafter provided, the Custodian will give the Designated Beneficiary (or Responsible Individual) 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Designated Beneficiary (or Responsible Individual) of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor, Designated Beneficiary and Responsible Individual shall be deemed to have consented to any such amendment unless the Designated Beneficiary (or Responsible Individual) notifies the Custodian to the contrary within 30 days after notice to the Designated Beneficiary (or Responsible Individual) and requests a distribution or transfer of the balance in the account.
- 10.04 **Resignation and Removal of Custodian:**
- The Trustee may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing agreement selected by the successor trustee or custodian by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor trustee or custodian and notify the Custodian of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.
  - The Depositor may at any time remove the Custodian and replace the Custodian with a successor trustee or custodian of the Depositor's choice by giving 30 days notice of such removal and replacement. The Custodian shall then deliver the assets of the account as directed by the Depositor. However, the Custodian may retain a portion of the assets of the ESA as a reserve for payment of any anticipated remaining fees and expenses, and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.
  - The Custodian may resign and demand that the Depositor appoint a successor trustee or custodian of this ESA by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor trustee or custodian, notify the Custodian of the name and address of the successor trustee or custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian of a Coverdell ESA.
    - If the Depositor designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or custodian.
    - If the Depositor does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution.
- In either case, the Custodian may expend any assets in the account to pay expenses of transfer (including re-registering the assets and preparation of deeds, assignments, and other instruments of transfer or conveyance) to the successor trustee or custodian or the Depositor, as the case may be. In addition, the Custodian may retain a 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 shall pay over any remainder of the reserve to the successor trustee or custodian or to the Depositor, as the case may be.
- 10.05 **Custodian's Fees and Expenses:**
- The Depositor, Designated Beneficiary and Responsible Individual agree that the Custodian shall be entitled to receive any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this Coverdell ESA, including, but not limited to, any fees for distributions from, transfers from, and terminations of this Coverdell ESA. The Custodian may change its fee schedule at any time by giving the Designated Beneficiary (or Responsible Individual) 30 days prior written notice.
  - The Depositor, Designated Beneficiary and Responsible Individual agree that the Custodian shall be entitled to reimbursement for any expenses incurred by the Custodian in the performance of its 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.
  - All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the Depositor, Designated Beneficiary or Responsible Individual, but the Depositor, Designated Beneficiary and Responsible Individual shall be responsible for any deficiency.
  - In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian reserves the right to withhold any payment from the Custodial Account, to request a court ruling to determine the disposition of the Custodial assets, and to charge the Custodial Account for any expenses incurred in obtaining such legal determination.
- 10.06 **Withdrawal Requests:** All requests for withdrawal, distribution, or payment from the account shall be in writing on a form provided and accepted by the Custodian. Such written request must also specify the reason for the withdrawal, distribution, or payment and the desired method or form of withdrawal, payment, or distribution.
- 10.07 **Responsibilities:** The Depositor, Designated Beneficiary and Responsible Individual represent that all information and instructions given to the Custodian by the Depositor, Designated Beneficiary and Responsible Individual is complete and accurate and that the Custodian shall have no responsibility for any



incomplete or inaccurate information provided by the Depositor, Designated Beneficiary or Responsible Individual. The Depositor, Designated Beneficiary and Responsible Individual agree to be responsible for all tax consequences arising from contributions to and distributions from this Custodial Account and acknowledges that no tax advice has been provided by the Custodian.

10.08 **Change of Designated Beneficiary:**

- (a) If elected in the Adoption Agreement, while the Designated Beneficiary is a minor or otherwise lacks legal capacity, the Responsible Individual may at any time change the Designated Beneficiary for this Coverdell ESA to any member of the family under the age of 30 of the original Designated Beneficiary or direct the Custodian to roll over or transfer the funds in this Coverdell ESA to a Coverdell ESA for any member of the family under the age of 30 of the original Designated Beneficiary. If elected in the Adoption Agreement, when the Designated Beneficiary has legal capacity, the Designated Beneficiary may at any time change the Designated Beneficiary for this Coverdell ESA to any member of the family under the age of 30 of the original Designated Beneficiary or direct the Custodian to roll over or transfer the funds in this Coverdell ESA to a Coverdell ESA for any member of the family under the age of 30 of the original Designated Beneficiary.
- (b) Any change of Designated Beneficiary under this Coverdell ESA agreement shall not be treated as a distribution, if the new Designated Beneficiary is a Member of the Family (as defined under section 10.10) and such new Designated Beneficiary has not attained the age of 30, as of the date of such change.
- (c) Notwithstanding Section 3.01, a new Designated Beneficiary may be named within 30 days after the Designated Beneficiary attains the age of 30.

10.09 **Designated Beneficiary's Minority or Incapacity:** The following provisions apply while the Designated Beneficiary is a minor or lacks legal capacity:

- (a) The Responsible Individual shall have, to the exclusion of the Designated Beneficiary, all of the rights, powers, and responsibilities granted to the Designated Beneficiary under this Custodial Agreement, including, without limitation, the right to receive accountings and notices of amendment and resignation, the power to remove and replace the Custodian, the power to direct investments, the power to request withdrawals, distributions, and payments, and the power to direct a rollover or transfer to the trustee or custodian of a Coverdell ESA for the Designated Beneficiary or another member of the family of the Designated Beneficiary.
- (b) In the event the Responsible Individual dies, becomes disabled, or otherwise fails or refuses to act and no successor Responsible Individual has been appointed, or no duly appointed Responsible Individual is willing or able to serve, then a parent of the Designated Beneficiary or the legal guardian or conservator of the estate of the Designated Beneficiary may appoint a Responsible Individual in writing on a form acceptable to and filed with the Custodian.

10.10 **Member of the Family:** The term "member of the family of the Designated Beneficiary" includes the Designated Beneficiary's: spouse, children, grandchildren, sibling, parent, niece or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; and spouses of the foregoing. A first cousin, but not his or her spouse, is also a family member.

10.11 **Designated Death Beneficiary:** In accordance with Article 3.02 of this Agreement and if permitted by the Custodian, the Depositor, Designated Beneficiary or Responsible Individual shall have the right to name a Designated Death Beneficiary(ies) on a form provided by and acceptable to the Custodian. In the event of the Designated Beneficiary's death, such Designated Death Beneficiary(ies) shall be entitled to the remaining interest in the account. If any such Designated Death Beneficiary is not a member of the family (as defined in Article 10.10 of this Agreement), the remaining balance in the account shall be distributed to the Designated Death Beneficiary within 30 days of the death of the Designated Beneficiary. If any such Designated Death Beneficiary is a member of the family (as defined in Article 10.10 of this Agreement), the remaining balance in the account shall become the Coverdell ESA of the Designated Death Beneficiary. If no death beneficiary designation is in effect or if none of the Death Beneficiaries survive the Designated Beneficiary, the remaining balance will be paid to the estate of the Designated Beneficiary.

## Article XI

### SELF-DIRECTED COVERDELL ESA PROVISIONS

- 11.01 **Investment of Contributions:** At the direction of the Designated Beneficiary (or the direction of the Depositor or the Responsible Individual, whichever applies) the Custodian shall invest all contributions to the account and earnings thereon in investments acceptable to the Custodian, which may include marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), covered call options, certificates of deposit, and other investments to which the Custodian consents, in such amounts as are specifically selected and specified in orders to the Custodian in such form as may be acceptable to the Custodian, without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a custodial account investment. The Custodian shall be responsible for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received as required, or, if received, are unclear in the opinion of the Custodian, all or a portion of the contribution may be held uninvested without liability for loss of income or appreciation, and without liability for interest pending receipt of such orders or clarification, or the contribution may be returned. The Custodian may, but need not, establish programs under which cash deposits in excess of a minimum set by it will be periodically and automatically invested in interest-bearing investment funds. The Custodian shall have no duty other than to follow the written investment directions of the Designated Beneficiary (or the Depositor or Responsible Individual), and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Designated Beneficiary.
- 11.02 **Registration:** All assets of the account shall be registered in the name of the Custodian or of a suitable nominee. The same nominee may be used with respect to assets of other investors whether or not held under agreements similar to this one or in any capacity whatsoever. However, each Designated Beneficiary's account shall be separate and distinct; a separate account therefor shall be maintained by the Custodian, and the assets thereof shall be held by the Custodian in individual or bulk segregation either in the Custodian's vaults or in depositories approved by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
- 11.03 **Investment Advisor:** The Designated Beneficiary (or Depositor or Responsible Individual) may appoint an Investment Advisor, qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct the investment of this Coverdell ESA. The Designated Beneficiary shall notify the Custodian in writing of any such appointment by providing the Custodian a copy of the instruments appointing the Investment Advisor and evidencing the Investment Advisor's acceptance of such appointment, an acknowledgement by the Investment Advisor that it is a fiduciary of the account, and a certificate evidencing the Investment Advisor's current registration under the Investment Advisor's Act of 1940. The Custodian shall comply with any



investment directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Designated Beneficiary, Depositor or Responsible Individual that the Investment Advisor's appointment has been terminated. The Custodian shall have no duty other than to follow the written investment directions of such Investment Advisor and shall be under no duty to question said instructions, and the Custodian shall not be liable for any investment losses sustained by the Designated Beneficiary.

- 11.04 **No Investment Advice:** The Custodian does not assume any responsibility for rendering advice with respect to the investment and reinvestment of this Coverdell ESA and shall not be liable for any loss which results from the Designated Beneficiary's exercise of control over his account. The Custodian and Designated Beneficiary (or Depositor or Responsible Individual) may specifically agree in writing that the Custodian shall render such advice, but the Designated Beneficiary, Depositor or Responsible Individual shall still have and exercise exclusive responsibility for control over the investment of the assets of the account, and the Custodian shall not have any duty to question investment directives.
- 11.05 **Prohibited Transactions:** Notwithstanding anything contained herein to the contrary, the Custodian shall not lend any part of the corpus or income of the account to; pay any compensation for personal services rendered to the account to; make any part of its services available on a preferential basis to; acquire for the account any property, other than cash, from; or sell any property to, any Designated Beneficiary, any member of a Designated Beneficiary's family, or a corporation controlled by any Designated Beneficiary through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote, or of 50 percent or more of the total value of shares of all classes of stock of such corporation.
- 11.06 **Unrelated Business Income Tax:** If the Designated Beneficiary, Depositor or Responsible Individual directs investment of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Designated Beneficiary, Depositor or Responsible Individual to so advise the Custodian and to provide the Custodian with all information necessary to prepare and file any required returns or reports for the account. As the Custodian may deem necessary, and at the Designated Beneficiary's (or Depositor's or Responsible Individual's) expense, the Custodian may request a taxpayer identification number for the account, file any returns, reports, and applications for extension, and pay any taxes or estimated taxes owed with respect to the account. The Custodian may retain suitable accountants, attorneys, or other agents to assist it in performing such responsibilities.
- 11.07 **Disclosures and Voting:** The Custodian shall deliver, or cause to be executed and delivered, to the Designated Beneficiary, Depositor or Responsible Individual all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian shall not vote any shares of stock or take any other action, pursuant to such documents, with respect to such assets except upon receipt by the Custodian of adequate written instructions from Designated Beneficiary, Depositor or Responsible Individual.
- 11.08 **Miscellaneous Expenses:** In addition to those expenses set out in Section 10.05 of this plan, the Designated Beneficiary, Depositor or Responsible Individual agrees to pay any and all expenses incurred by the Custodian in connection with the investment of the account, including 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.
- 11.09 **Nonbank Custodian Provision:** If the Custodian is a nonbank custodian, the Designated Beneficiary, Depositor or Responsible Individual shall substitute another trustee or custodian in place of the Custodian upon receipt of notice from the Commissioner of the Internal Revenue Service or his delegate that such substitution is required because the Custodian has failed to comply with the requirements of Income Tax Regulations Section 1.408-2(e), or is not keeping such records, making such returns, or rendering such statements as are required by applicable law, regulations, or other rulings. The successor trustee or custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury pursuant to Section 408(a)(2) of the Code. Upon receipt by the Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the account (less amounts retained pursuant to Section 10.04 of the Custodial Agreement) and all records (or copies thereof) of the Custodian pertaining thereto, provided that the successor trustee or custodian agrees not to dispose of any such records without the Custodian's consent.

#### Article XI UNDIRECTED CASH BALANCES

- 12.01 In the event that cash is received in my account from any source, including without limitation, contributions, transfers, rollovers or cash income from any investment in my account, for which the Custodian or Administrator have not received a written investment direction letter ("Undirected Cash"), you authorize the Custodian or Administrator to invest all Undirected Cash in non-interest bearing or interest bearing government guaranteed or insured investments or accounts, including Treasury securities and other government-guaranteed debt instruments and deposit accounts at banks insured by the Federal Deposit Insurance Corporation, including negotiable and non-negotiable time deposits, savings deposits and demand deposits. I acknowledge that government securities and negotiable time deposits may need to be liquidated in markets maintained by banks or registered broker-dealers at then-current market prices that may be less than the face amount of the instrument.

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#### General Instructions

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

#### Purpose of Form

Form 5305-EA is a model custodial account agreement that meets the requirements of section 530(b)(1) and has been pre-approved by the IRS. A Coverdell education savings account (ESA) is established after the form is fully executed by both the Depositor and the Custodian. This account must be created in the United States for the exclusive purpose of paying the qualified elementary, secondary, and higher education expenses of the Designated Beneficiary.

If the model account is a trust account, see Form 5305-E, Coverdell Education Savings Trust Account.

Do not file Form 5305-EA with the IRS. Instead, the Depositor must keep the completed form in its records.

**NEXT GENERATION TRUST COMPANY**  
401 E. 8TH STREET, SUITE 200H  
SIOUX FALLS, SOUTH DAKOTA 57103  
TOLL FREE: 888-857-8058

**COVERDELL EDUCATION  
SAVINGS CUSTODIAL  
ACCOUNT**

Custodial Agreement and Disclosure Statement



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

#### 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. Any person who may serve as a Custodian of a traditional IRA may serve as the Custodian of a Coverdell ESA.

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

**Designated Beneficiary.** The Designated Beneficiary is the individual on whose behalf the custodial account has been established.

**Family member.** Family members of the Designated Beneficiary include his or her spouse, child, grandchild, sibling, parent, niece or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law, and the spouse of any such individual. A first cousin, but not his or her spouse is also a "family member".

**Responsible Individual.** The Responsible Individual, generally, is a parent or guardian of the Designated Beneficiary. However, under certain circumstances, the Responsible Individual may be the Designated Beneficiary.

#### Identification Numbers

The Depositor and Designated Beneficiary's social security numbers will serve as their identification numbers. If the Depositor is a nonresident alien and does not have an identification number, write "Foreign" in the block where the number is requested. The Designated Beneficiary's social security number is the identification number of his or her Coverdell ESA. If the Designated Beneficiary is a nonresident alien, the Designated Beneficiary's individual taxpayer identification number is the identification number of his or her Coverdell ESA. An employer identification number (EIN) is required only for a Coverdell ESA for which a return is filed to report unrelated business income. An EIN is required for a common fund created for Coverdell ESAs.

#### Specific Instructions

**Note:** The age limitation restricting contributions, distributions, rollover contributions, and change of beneficiary are waived for a designated beneficiary with special needs.

**Article X.** Article X and any that follow may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the Depositor, Designated Beneficiary, or Responsible Individual, etc. Attach additional pages as necessary.

**Optional provisions in Article V and Article VI.** Form 5305-EA may be reproduced in a manner that provides only those optional provisions offered by the Custodian.



## GENERAL INFORMATION

Coverdell Education Savings Accounts (Coverdell ESAs) were established under the Taxpayer Relief Act effective in 1998. This type of account was originally called an Education Individual Retirement Account and the annual contribution limit per Designated Beneficiary for 1998 through 2001 was \$500. Effective for contributions made for tax year 2002, the annual contribution limit is increased to \$2,000 per Designated Beneficiary. The Economic Growth and Tax Relief Reconciliation Act increased the annual contribution limit, as well as made other important changes that are described in the following questions and answers. Amounts deposited in the account grow tax-free until distributed, and the Designated Beneficiary will not owe tax on any withdrawal from the account if the Designated Beneficiary's qualified education expenses at an eligible educational institution for the year equal or exceed the amount of the withdrawal. If the Designated Beneficiary does not need the money for educational purposes, the account balance can be rolled over to a Coverdell ESA of certain family members who can use it for their education. Amounts withdrawn from a Coverdell ESA that exceed the Designated Beneficiary's qualified education expenses in a taxable year are generally subject to income tax and to an additional tax of 10 percent.

There are potentially three (or more) parties involved in the establishment of, making contributions to, and directing distributions from the account. These parties are referred to in the following questions and answers, and include the:

**Depositor:** The Depositor is the initial contributor who establishes the Coverdell ESA by executing the Adoption Agreement and who contributes the initial contribution. Subsequent contributions to the account may be made by the original Depositor or by other eligible contributors. The Depositor may also be the Designated Beneficiary and/or the Responsible Individual.

**Designated Beneficiary:** The Designated Beneficiary is the individual for whose benefit the Coverdell ESA is established. Except for "special needs designated beneficiaries", no contribution can be made after the Designated Beneficiary's 18th birthday. The Designated Beneficiary may also be the Depositor and/or the Responsible Individual.

**Responsible Individual:** The Responsible Individual is the individual who generally controls all decisions regarding the account, including authorizing payments from the account. There can be only one Responsible Individual at any time and generally must be a parent or legal guardian of the Designated Beneficiary. However, in certain cases the Designated Beneficiary may automatically become his or her own Responsible Individual. The Responsible Individual may also be the Depositor.

### **Q1: What is a Coverdell Education Savings Account (Coverdell ESA)?**

**A1:** A Coverdell ESA is a trust or custodial account that is created or organized in the United States exclusively for the purpose of paying the qualified education expenses of the Designated Beneficiary of the account. The account must be designated as a Coverdell ESA when it is created in order to be treated as a Coverdell ESA for tax purposes.

### **Q2: For whom may a Coverdell ESA be established?**

**A2:** A Coverdell ESA may be established for the benefit of any child under the age of 18. Contributions to a Coverdell ESA is not permitted after the Designated Beneficiary reaches his/her 18th birthday.

### **Q3: Where may an individual open a Coverdell ESA?**

**A3:** An individual may open a Coverdell ESA with any bank, or other financial institution that has been approved to serve as a nonbank trustee or custodian of an individual retirement account (IRA), and the bank or entity is offering Coverdell ESAs.

### **Q4: When may a taxpayer start contributing to a Coverdell ESA?**

**A4:** A taxpayer may start making contributions on January 1, 1998, or at any time thereafter.

### **Q5: How much may be contributed to a Coverdell ESA on behalf of a Designated Beneficiary?**

**A5:** For tax years 1998 through 2001, the maximum contribution limit per year was \$500 in aggregate contributions made for the benefit of any Designated Beneficiary. For tax year 2002 and thereafter, the maximum contribution limit per year is \$2,000 in aggregate contributions made for the benefit of any Designated Beneficiary. Contributions may be made into a single Coverdell ESA or into multiple Coverdell ESAs for the benefit of any one Designated Beneficiary.

### **Q6: What happens if more than the maximum annual contribution limit is contributed to a Coverdell ESA on behalf of a Designated Beneficiary for a particular calendar year?**

**A6:** Aggregate contributions for the benefit of any one Designated Beneficiary in excess of annual limit for a particular calendar year are treated as excess contributions. If the excess contributions (and any earnings attributable to them) are not withdrawn from the ESA that received the excess contribution by May 31st of the calendar year following the calendar year in which the excess was made, the excess contribution is subject to a 6 percent excise tax for each year the excess amount remains in the account. If the excess contributions (and any earnings) are timely withdrawn, no 6 percent excise tax applies. However, any earnings distributed in such a corrective distribution will be taxable to the Designated Beneficiary, but no 10% additional tax applies to the earnings.

### **Q7: May contributions other than cash be made to a Coverdell ESA?**

**A7:** No. Coverdell ESAs are permitted to accept contributions made in cash only.

### **Q8: May contributors take a deduction for contributions made to a Coverdell ESA?**

**A8:** No. Contributions to a Coverdell ESA are not deductible. Therefore, contributions to a Coverdell ESA create "basis" in the account. This means that any distributions that are not used for qualified education expenses are taxable only with respect to any earnings on the contributions.



**Q9: Are there any restrictions on who can contribute to a Coverdell ESA?**

**A9:** Any individual may contribute to a Coverdell ESA if the individual's modified adjusted gross income for the taxable year for which the contribution is made is no more than \$95,000 (\$190,000 for married taxpayers filing jointly). For purposes of this section, "modified AGI" means the AGI of the taxpayer for the taxable year increased by amounts excluded from gross income under sections 911 (foreign earned income); 931 (income from Guam, American Samoa, or Northern Mariana Islands); and 933 (income from Puerto Rico). The maximum annual contribution per Designated Beneficiary is gradually reduced for individuals with modified adjusted gross income between \$95,000 and \$110,000 (between \$190,000 and \$220,000 for married taxpayers filing jointly).

For example, an unmarried taxpayer with modified adjusted gross income of \$96,500 could make a maximum contribution for the year per Designated Beneficiary of \$1,800 ( $\$110,000 - \$96,500 \times .1333 = \$1,800$ ). A married individual filing jointly with modified adjusted gross income of \$215,000 could make a maximum contribution for the year per Designated Beneficiary of \$350 ( $\$220,000 - \$215,000 \times .07 = \$350$ ). Taxpayers with modified adjusted gross income above \$110,000 (\$220,000 for married taxpayers filing jointly) cannot make contributions to anyone's Coverdell ESA.

**Q10: May a Designated Beneficiary contribute to his/her own Coverdell ESA?**

**A10:** Yes.

**Q11: Does a taxpayer have to be related to the Designated Beneficiary in order to contribute to the Designated Beneficiary's Coverdell ESA?**

**A11:** No.

**Q12: Can entities make contributions to the Designated Beneficiary's Coverdell ESA?**

**A12:** Yes. Any entity can make contributions to the Designated Beneficiary's Coverdell ESA without regard to such entity's adjusted gross income. For example, Century Computer Services, Inc. decides to make Coverdell ESA contributions on behalf of any child under the age of 18 of their employees in the amount of \$500. Century Computer Services, Inc. qualifies as a contributor regardless of the company's adjusted gross income, but the company cannot take a deduction for such contributions. Also, other contributions up to \$1,500 could be made into the same Coverdell ESA or another Coverdell ESA on behalf of any one these employees' children.

**Q13: Is the contributor to a Coverdell ESA required to have compensation or earned income in order to make contributions?**

**A13:** No. The contributor (whether an individual or an entity) is not required to have earned income or compensation.

**Q14: What is the deadline for making contributions to a Coverdell ESA for a particular tax year?**

**A14:** Beginning for contributions made for tax year 2002, the deadline to make contributions is the tax filing deadline for such year not including extensions. Thus, in most cases, the deadline to make contributions for a tax year is the following April 15th. The contributor should designate in writing to the trustee or custodian the tax year for which the contribution is being made.

**Q15: Are there any special reporting requirements for a Coverdell ESA?**

**A15:** Yes. The trustee or custodian will issue an annual Form 5498-ESA to the IRS and to the Designated Beneficiary reporting contributions made for the tax year, and any rollover contributions or transfers received during the tax year. The trustee or custodian will also issue Form 1099-Q to the IRS and to the Designated Beneficiary whenever distributions or transfers are paid from the account. The Designated Beneficiary is responsible for determining whether or not a distribution is taxable and to file Form 5329 with the IRS if excess contributions have been made to the account or if distributions were made that exceed the qualified education expenses for the year. If a rollover or transfer is made from the Coverdell ESA of one Designated Beneficiary to another eligible family member of the Designated Beneficiary, certain statements must be attached to the tax returns of both the original Designated Beneficiary and the eligible family member to which the account was rolled over or transferred (see Form 1040 instructions). Taxable distributions from a Coverdell ESA are included in gross income on the "Other Income" line of Form 1040. The trustee or custodian is not required to report the taxable amount of any distribution from the ESA, except for earnings that are distributed on a returned contribution. Instead, the trustee or custodian will report the December 31st fair market value on Form 1099-Q. The Designated Beneficiary will use the worksheet in IRS Publication 970 to figure the earnings, basis and taxable amount of any ESA distributions.

**Q16: How many Coverdell ESAs may a Designated Beneficiary have?**

**A16:** There is no limit on the number of Coverdell ESAs that may be established for a particular Designated Beneficiary. However, for any given taxable year the total aggregate contributions to all the accounts for a particular Designated Beneficiary may not exceed the annual contribution limit described in Q&A 5.

**Q17: May a Designated Beneficiary take a tax-free withdrawal from a Coverdell ESA to pay qualified education expenses if the Designated Beneficiary is enrolled less than full-time at an eligible educational institution?**

**A17:** Yes. Whether the Designated Beneficiary is enrolled full-time, half-time, or less than half-time, he/she may take a tax-free withdrawal to pay qualified education expenses.

**Q18: What happens when a Designated Beneficiary withdraws assets from a Coverdell ESA to pay for qualified education expenses?**

**A18:** Generally, the withdrawal is tax-free to the Designated Beneficiary to the extent the amount of the withdrawal does not exceed the Designated Beneficiary's qualified education expenses.



**Q19: What are “qualified education expenses”?**

**A19:** “Qualified education expenses” mean qualified higher education expenses for tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the Designated Beneficiary at an eligible educational institution. Qualified higher education expenses also include room and board (generally the school’s posted room and board charge, or \$2,500 per year for students living off-campus and not at home) if the Designated Beneficiary is at least a half-time student at an eligible educational institution. A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled.

The standards for determining whether a student is enrolled at least half-time are the same as those used for the Hope Scholarship Credit. A student is eligible for the Hope Scholarship Credit if: (1) for at least one academic period (e.g., semester, trimester, quarter) beginning during the calendar year, the student is enrolled at least half-time in a program leading to a degree, certificate, or other recognized educational credential and is enrolled in one of the first two years of postsecondary education, and (2) the student is free of any conviction for a Federal or State felony offense consisting of the possession or distribution of a controlled substance. For purposes of the Hope Scholarship Credit, a student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution’s standard for a full-time workload must equal or exceed the standards established by the Department of Education under Higher Education Act and set forth in 34 CFR 674.2(b).

Beginning in 2002, qualified education expenses also include qualified elementary and secondary education expenses for tuition, fees, academic tutoring, special needs services in the case of a special needs beneficiary, books, supplies, and other equipment which are incurred in connection with the enrollment or attendance of the Designated Beneficiary as an elementary or secondary school student at a public, private or religious school. Such expenses also include room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private or religious school in connection with such enrollment or attendance, and expenses for the purchase of any computer technology or equipment or Internet access and related services, if such technology, equipment, or services are to be used by the Designated Beneficiary and the Designated Beneficiary’s family during any of the years the Designated Beneficiary is in school.

Qualified education expenses also include amounts contributed to a qualified state tuition program. Also, qualified education expenses are reduced by any amount provided by scholarship, educational assistance allowance, or any other payment (other than a gift or bequest) which is excludable from gross income under any law of the United States.

**Q20: What is an eligible educational institution?**

**A20:** For purposes of qualified higher education expenses, an eligible educational institution is any college, university, vocational school, or other postsecondary educational institution that is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and, therefore, eligible to participate in the student aid programs administered by the Department of Education. This category includes virtually all accredited public, nonprofit, and proprietary postsecondary institutions. (The same eligibility requirements for institutions apply for the Hope Scholarship Credit, the Lifetime Learning Credit, and early withdrawals from IRAs for qualified higher education expenses).

For purposes of elementary and secondary education expenses, an eligible education institution means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under state law.

**Q21: What happens if a Designated Beneficiary withdraws an amount from a Coverdell ESA but does not have any qualified education expenses to pay in the taxable year he/she makes the withdrawal?**

**A21:** Generally, if a Designated Beneficiary withdraws an amount from a Coverdell ESA and does not have any qualified education expenses during the taxable year, a portion of the distribution is taxable. The taxable portion is the portion that represents earnings that have accumulated tax-free in the account. The taxable portion of the distribution is also subject to a 10 percent additional tax unless an exception applies. Form 5329 is required to be filed with the IRS by the Designated Beneficiary. The 10 percent additional tax does not apply to distributions made: (1) to a death beneficiary (or to the estate of the Designated Beneficiary) after the death of the Designated Beneficiary; (2) attributable to the Designated Beneficiary become disabled within the meaning of section 72(m)(7) of the Internal Revenue Code; or (3) made on account of a scholarship, allowance or payment to the extent such payment or distribution does not exceed the amount of such scholarship, allowance or payment.

**Q22: Is a distribution from a Coverdell ESA taxable if the distribution is contributed to another Coverdell ESA?**

**A22:** Any amount distributed from a Coverdell ESA and rolled over to another Coverdell ESA for the benefit of the same Designated Beneficiary or certain members of the Designated Beneficiary’s family is not taxable. An amount is rolled over if it is paid to another Coverdell ESA on a date within 60 days after the date of the distribution. Members of the Designated Beneficiary’s family include the Designated Beneficiary’s spouse, children, grandchildren, sibling, parent, niece or nephew, son-in-law, daughter-in-law, father-in-law, mother-in-law, or sister-in-law, and the spouse of any such individual. A first cousin, but not his or her spouse is also a family member of the Designated Beneficiary. The annual contribution limit to Coverdell ESAs does not apply to these rollover contributions. For example, an older brother who has \$5,000 left in his Coverdell ESA after he no longer needs the account for education purposes can roll over the full \$5,000 balance to a Coverdell ESA for his younger sister who is still in high school without paying any tax on the transfer or rollover. The eligible family member to whose Coverdell ESA such amount is rolled over or transferred must be under the age of 30. Only one rollover between Coverdell ESAs is permitted during a 12-month period.

**Q23: What happens to the assets remaining in a Coverdell ESA after the Designated Beneficiary finishes his/her education?**

**A23:** There are two options. The amount remaining in the account may be withdrawn for the Designated Beneficiary. The Designated Beneficiary will be subject to both income tax and the additional 10 percent tax on the portion of the amount withdrawn that represents earnings if the Designated Beneficiary does not have any qualified education expenses in the same taxable year he/she makes the withdrawal. Alternatively, if the amount in the Designated Beneficiary’s Coverdell





ESA is withdrawn and rolled over (or transferred) to another Coverdell ESA for the benefit of an eligible member of the Designated Beneficiary's family, the amount rolled over or transferred will not be taxable.

**Q24: Rather than rolling over money from one Coverdell ESA to another, may the Designated Beneficiary of the account be changed from one Designated Beneficiary to another without triggering a tax?**

**A24:** Yes, provided: (1) the terms of the particular trust or custodial account permit a change in designated beneficiaries, and (2) the new Designated Beneficiary has not attained age 30 and is a member of the previous Designated Beneficiary's family.

**Q25: May a student or the student's parents claim the Hope Scholarship Credit or Lifetime Learning Credit for the student's expenses in a taxable year in which the student receives money from a Coverdell ESA on a tax-free basis?**

**A25:** Yes, effective for tax year 2002. If a student is receiving a tax-free distribution from a Coverdell ESA in a particular taxable year (beginning in 2002), the student's expenses may generally be claimed as the basis for a Hope Scholarship Credit or Lifetime Learning Credit for that same year, provided however that the distributed amount from the Coverdell ESA is not used for the same educational purposes as the tax credit.

**Q26: May contributions be made to both a qualified state tuition program and a Coverdell ESA on behalf of the same Designated Beneficiary in the same taxable year?**

**A26:** Yes, beginning in tax year 2002. The excise tax prohibiting contributions to both a Coverdell ESA and a qualified state tuition program was repealed for 2002 and forward. Therefore, contributions may be made to a Coverdell ESA on behalf of a Designated Beneficiary during the same taxable year in which any contributions are made to a qualified state tuition program on behalf of the same Designated Beneficiary. However, if distributions from a Coverdell ESA and a qualified state tuition program exceed the Designated Beneficiary's qualified education expenses for the year, the Designated Beneficiary is required to allocate the expenses between the distributions to determine the amount includible in gross income, if any.

**Q27: What happens to the assets remaining in the Coverdell ESA after the death of the Designated Beneficiary?**

**A27:** Generally within 30 days after the death of the Designated Beneficiary, distribution is made to the Designated Beneficiary's estate; or the Responsible Individual may change the name of the Designated Beneficiary to an eligible family member under the age of 30 of the original Designated Beneficiary, if the agreement permits. Alternatively, if the agreement permits the naming of a Designated Death Beneficiary, any remaining balance in the account on the date of death of the Designated Beneficiary shall become payable to such Designated Death Beneficiary. If the Designated Death Beneficiary is not an eligible family member of the Designated Beneficiary, the entire balance must be distributed within 30 days of the death of the Designated Beneficiary. If the Designated Death Beneficiary is an eligible family member of the Designated Beneficiary, the entire balance may be rolled over or transferred tax free to a Coverdell ESA on behalf of such Designated Death Beneficiary. Any distributions paid after the date of death of the Designated Beneficiary are taxable to the extent such distribution represents earnings, unless the account is rolled over or transferred to a Coverdell ESA on behalf of an eligible family member of the Designated Beneficiary.

**Q28: What happens to the assets remaining in the Coverdell ESA after the Designated Beneficiary attains the age of 30?**

**A28:** Any balance remaining in the Coverdell ESA when the Designated Beneficiary attains the age of 30 must be distributed to such Designated Beneficiary within 30 days. However, if permitted under the Agreement, the remaining balance may be rolled over or transferred to a Coverdell ESA on behalf of an eligible family member.

**Q29: Do the age requirements described above apply to "special needs" Designated Beneficiaries?**

**A29:** No. A Coverdell ESA established on behalf of any Designated Beneficiary with special needs (as determined by IRS regulations) may continue to receive contributions after the Designated Beneficiary's 18th birthday. In addition, any remaining balance in a Coverdell ESA on behalf of any Designated Beneficiary with special needs is not required to be distributed within 30 days after the Designated Beneficiary attains the age of 30.

**Q30: Does the Internal Revenue Service provide a publication that contains more information on Coverdell ESAs?**

**A30:** Yes. IRS Publication 970, Tax Benefits for Higher Education, contains information regarding the Coverdell ESA, as well as claiming the Hope Credit, Lifetime Learning Credit, student loans, penalty-free withdrawals from IRAs for certain education expenses, employer-provided educational assistance and qualified state tuition programs. The Custodian recommends that the Depositor, Designated Beneficiary and/or Responsible Individual read Publication 970 before making contributions to or taking distributions from a Coverdell ESA. Publication 970 can be downloaded from the IRS web site at [www.irs.gov](http://www.irs.gov).

**Q31: Can payments received from a military death gratuity or a payment from Servicemember's Group Life Insurance (SGLI) be contributed to a Coverdell ESA?**

**A31:** Yes, if you received a military death gratuity or a payment from the SGLI after October 6, 2001, you may roll over all or part of the amount received to one or more Coverdell ESAs for the benefit of members of the beneficiary's family. Such payments are made to an eligible survivor upon the death of a member of the armed forces. The contribution to a Coverdell ESA from survivor benefits received after June 16, 2008, cannot be made later than 1 year after the date on which you receive the gratuity or SGLI payment. If you received survivor benefits before June 17, 2008, with respect to a death from injury occurring after October 6, 2001, you could have contributed to a Coverdell ESA no later than June 17, 2009. The amount contributed from the survivor benefits is treated as part of your basis in the Coverdell ESA and will not be taxed when distributed. Also, the one rollover per Coverdell ESA during a 12-month period does not apply to a military death gratuity or SGLI payment.

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**Q.32 Are the changes to the Coverdell ESA rules made under the Economic Growth and Tax Relief Reconciliation Act of 2001 that were effective in 2002 subject to EGTRRA's sunset provision?**

**A.32** Yes. Certain rules are scheduled to expire after 2010 as part of EGTRRA's sunset provision. These rules include: the maximum annual Coverdell ESA contribution; the AGI limits of the contributor; the definition of qualified education expenses; the deadline for making a contribution for a given year; the coordination of the rules between Coverdell ESAs and the Hope Scholarship Credit or Lifetime Learning Credit.