

# The “Fortress Trust IRA” Roth Individual Retirement Trust Account By Fortress Trust, LLC

AGREEMENT

This Roth Individual Retirement Agreement is created and hereby established by

(“grantor”, “you” or “your”) and Fortress Trust LLC, (“Fortress Trust”, “trustee”, “we”, “us”, or “our”) as trustee, and the parties hereby agree to the following terms and conditions, and are establishing a Roth individual retirement account (“Roth IRA”) under section 408A of the Code to provide the grantor’s retirement and for the support of his or her beneficiaries after death.

As provided in Article 9.01, all references to “sections” and the “Code” are references to sections of the Internal Revenue Code of 1986, as amended. You confirm and agree that the trustee has given you the disclosure statement required by Treasury Regulations 1.408-6.

# Article I

**1.01** **Contributions.** Except in the case of a “rollover contribution” pursuant to and as described in sections 408(d)(3) and 408A(e) of the Code and Articles 1.03 and 5.01 below, a recharacterization contribution described in section 408A(d)(6) of the Code and Article 5.03 or an IRA conversion contribution described in section 408A(d)(3)(C) of the Code and in Article 5.02, the trustee will accept only cash contributions up to $6500 per taxable year to all the grantor’s IRAs for 2023. For individuals who have reached the age of 50 by the end of the year, the grantor’s contribution limit is $7500 in 2023 for all the grantor’s IRAs. For years after 2023, these cash contribution limits may be increased by the Secretary of the U. S. Treasury to reflect a cost-of-living adjustment. These cash contribution limits are subject to Article 1.02. In addition, an individual may make additional contributions specifically authorized by statute, such as repayments of qualified reservist contributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with Exxon Valdez litigation. If your “Compensation”, as defined in Article 9.01 is less than the $6500 and $7500 amounts described above, the permissible contribution (other than a rollover contribution, recharacterization contribution or conversion as described above) shall be limited to 100% of your Compensation. We have no duty or responsibility to determine whether any such contribution is correct and/or deductible. If this is an “inherited IRA”, within the meaning of section 408(d)(3)(C) of the Code, no contributions will be accepted. No federal income deduction is available for contributions to the grantor’s IRA.

**1.02 Additional Limits on Contributions.** The maximum permissible contribution under this Roth IRA is phased out ratably between certain levels of modified adjusted gross income in accordance with the following table:

Full Phase-Out No

Filing Status Contribution Range Contribution

Modified AGI

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | |
| Single or Head | $129,000 or less |  | Between $129,000 |  | $144,000 |
| of Household |  |  | and $143,999 |  | or more |
| Joint Return | $218,000 or less |  | Between $218,000 |  | $228,000 |
| or Qualifying  Widow(er) |  |  | and $227,999 |  | or more |
| Married- | $10,000 |  | Between $0 |  | $10,000 |
| Separate Return |  |  | and $10,000 |  | or more |

An individual’s modified adjusted gross income (“modified AGI”) for a taxable year is defined in section 408A(c)(3) of the Code and does not include any amount included in adjusted gross income as a result of a qualified rollover contribution under Article 1.03. If the individual’s modified AGI for a taxable year is in the phase-out range, the maximum regular contribution determined under this table for that taxable year is rounded up to the next multiple of $10 and is not reduced below $200. After 2023, the dollar amount above will be adjusted by the Secretary of the Treasury for cost-of-living increases under section 408A(c)(3) of the Code. Such adjustments will be in multiples of the nearest $1000. If the grantor makes regular contributions to both Roth and non-Roth IRAs for a taxable year, the maximum regular contribution that can be made to all the grantor’s Roth IRAs for that taxable year is reduced by the regular contributions made to the individual’s non-Roth IRAs for the taxable year. In the case of a joint return, the AGI limits above apply to the combined adjusted gross income of the grantor and his or her spouse. A regular contribution to a non-Roth IRA may be recharacterized pursuant to the rules in section 1.408A-5 of the Treasury regulations as a regular contribution to this Roth IRA subject to the limits in Article 1.01 above.

**1.03 Qualified Rollover Contribution.** A “qualified rollover contribution” is a rollover contribution of a distribution from an eligible retirement plan described in section 402(c)(8)(B) of the Code.

# Article II

**2.01 Non-forfeitable.** The grantor’s interest in the balance in this Roth IRA trust account is nonforfeitable. This trust account is established for your exclusive benefit and that of your beneficiaries. If this is an “inherited IRA” within the meaning of section 408(d)(3)(C) of the Code maintained for the designated beneficiary of a deceased individual, references to “you” or the “grantor” are generally references to the deceased individual.

# Article III

**3.01** **Investment Limitations**. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Code).

**3.02 Investment in Collectibles.** No part of the trust account funds may be invested in collectibles (within the meaning of section 408(m) of the Code) except as otherwise permitted by section 408(m)(3) of the Code. Any investment in prohibited collectibles will be treated as a distribution in an amount equal to the cost of such collectibles.

# Article IV

**4.01 Distributions in General.** Notwithstanding any provision of this Agreement to the contrary, the distribution of the grantor’s interest in the Roth IRA shall be made in accordance with the following requirements and shall otherwise comply with section 408A(d) of the Code and the Treasury Regulations thereunder, as well as other binding guidance, the provisions of which are herein incorporated by reference. No amount is required to be distributed prior to the death of the grantor. If the grantor dies before all amounts are distributed, distribution will be made pursuant to Article 4.02. If this is an “inherited IRA” within the meaning of section 408(d)(3)(C) of the Code, this Article 4.01 does not apply. Notwithstanding any provision of this Agreement to the contrary, the distribution of the grantor’s interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6), as modified by section 408A(d), of the Code and the Regulations thereunder, the provisions of which are herein incorporated by reference.

**4.02 Distribution Commencement.** Notwithstanding any provision of this Roth IRA to the contrary, the distribution of the grantor’s interest in the account shall be made in accordance with the requirements of section 408(a)(6) of the Code, as modified by section 408A(d), and the regulations thereunder, the provisions of which are herein incorporated by reference. Upon the death of the grantor, his or her entire interest will be distributed at least as rapidly as follows:

1. If the sole designated beneficiary is: (1) the surviving spouse of the grantor; (2) a child of the grantor who has not attained the age of majority; (3) a disabled beneficiary (within the meaning of section 72(m)(7) of the Code; (4) a chronically ill beneficiary (within the meaning of section 7702B(c)(2) of the Code and section 409(a)(9)(E) of the Code or (5) a designated beneficiary who is not more than 10 years younger than the grantor as of the date of the grantor’s death; then the beneficiary is an “eligible designated beneficiary”.

1. The eligible designated beneficiary may make the life expectancy elections permitted pursuant to IRS Publication 590-B or successor guidance thereto or may elect to take distribution not later than the 10th year containing the anniversary of the date of death of the grantor.

1. If the beneficiary is not taking life expectancy payments, or is not an eligible designated beneficiary, the beneficiary must withdraw the entire balance of the Roth IRA on or before the 10th anniversary of the date of the grantor’s death.

1. If the beneficiary is not an individual, such as an estate or trust, the beneficiary must withdraw the entire balance of the Roth IRA on or before the 5th anniversary of the date of the grantor’s death.

1. The minimum amount to be distributed each year under Article 4.02(b) or (c) is the quotient obtained by dividing the value of the Roth IRA as of the end of the preceding year by the remaining life expectancy specified in such subsection. Life expectancy is determined using the table(s) prescribed in IRS Publication 590-B or successor guidance thereto. If distributions are being made to a surviving spouse as the sole designated beneficiary, and such spouse is more than ten years younger than the grantor, then the distribution period shall be determined under Table II of Appendix B of IRS Publication 590-B or successor guidance thereto.

1. The “value” of the Roth IRA includes the amount of any outstanding rollover, transfer and recharacterization under IRS Publication 590-B or successor guidance.

1. If the sole designated beneficiary is the individual’s surviving spouse, the spouse may elect to treat the Roth IRA as his or her own Roth IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the Roth IRA or fails to take required distributions as a beneficiary.

1. The required minimum distributions payable to a designated beneficiary from this Roth IRA may be withdrawn from another IRA the beneficiary holds from the same decedent in accordance with IRS Publication 590-B or successor guidance.

# Article V

**5.01 Additional Roth IRA Rollover Rules.** We will accept for your Roth IRA, in a form and manner acceptable to us, all rollover contributions that consist of cash, and we may, but shall be under no obligation to, accept all or any part of any other property permitted as an investment under section 408A of the Code. You (or your authorized agent) shall designate in a form and manner acceptable to us each rollover contribution as such to us, and by such designation shall confirm to us, that the proposed rollover contribution qualifies as a rollover contribution within the meaning of sections 402(c), 403(a)(4), 403(b)(8), 408A(3)(B), 408A(e), 408A(c)(6), 408(d)(3), and/or 457(e)(16) of the Code. You also represent that if you were a participant in a 401(k) plan of an employer in bankruptcy described in section 219(b)(5)(C) of the Code, any contribution made as a result of such participation and rolled over was made for taxable years after 2006 and before 2010. You (or your authorized agent) shall provide any information we may require to properly allocate rollover contributions to your account. Submission by or on behalf of you of a rollover contribution consisting of assets other than cash or property permitted as an investment under this Agreement shall be deemed to be the instruction of you to us. If such rollover contribution is accepted, we will use our best efforts to sell those assets for your account and to invest the proceeds of any such sale in accordance with this Agreement. We shall not be liable to anyone for any loss resulting from such sale or delay in effecting such sale; or for any loss of income or appreciation with respect to the proceeds thereof after such sale and prior to investment; or for any failure to affect such sale if such property proves not readily marketable in the ordinary course of business. All brokerage and other costs incidental to the sale or attempted sale of such property will be charged to your account. We will not be responsible for any losses you may incur as a result of the timing of any rollover from another trustee or custodian that is due to circumstances reasonably beyond the control of us. It shall be your responsibility to ensure that any minimum distribution required by section 408(a)(6) and 401(a)(9) of the Code and applicable Treasury Regulations is made prior to giving us such rollover instructions, subject to Article 6.02.

**5.02 Conversion Contributions.** We will accept for your Roth IRA in a form and manner acceptable to us, any or all distributions from a non-Roth IRA, other than a Roth IRA (including a SEP IRA, SARSEP IRA or a SIMPLE IRA), which consist of cash, for deposit into this Roth IRA. The trustee shall be under no obligation to accept all or any part of any other conversion contribution(s) as permitted under section 408A of the Code. The grantor shall designate each conversion contribution as such to the trustee and by such designation shall confirm to the trustee that a proposed conversion contribution qualifies as a conversion within the meaning of sections 408A(c)(3), 408A(d)(3) and 408A(e) of the Code, except that any conversion contribution shall not be considered a rollover contribution for purposes of section 408(d)(3)(B) of the Code relating to the one-rollover-per-year rule. It shall be the grantor’s responsibility to ensure that the conversion is permissible and satisfies the requirements of section 408A of the Code and any related rules, regulations and guidance issued by the Internal Revenue Service. The trustee will not be responsible for any penalties or losses the grantor may incur as a result of such conversion.

**5.03** **Recharacterization Contributions.** Amounts held by the grantor in another IRA may be transferred to the trustee in a form and manner acceptable to the trustee in a custodian or trustee transfer to the trustee to be held under this Roth IRA. The trustee will not be responsible for any penalties or losses the grantor may incur as a result of such transfer. Annual contribution or conversion contributions held on behalf of the grantor in this Roth IRA may be transferred (“recharacterization”) via a trustee-to-trustee transfer to a trustee or custodian of another IRA established for the grantor, if so directed by the grantor in a form and manner acceptable to the trustee. It shall be the grantor’s responsibility to ensure that the recharacterization is permissible and satisfies the requirements of section 408A of the Code and any related rules, regulations, and guidance issued by the Internal Revenue Service. A contribution or conversion must be made by the deadline for filing the grantor’s income tax return for the year the contribution or conversion as applicable, relates to or such later date as authorized by the IRS.

# Article VI

**6.01** **Information from Grantor.** The grantor and any appointed agent of the grantor agrees to provide the trustee to secure any information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E) of the Code and Treasury Regulation sections 1.408-5 and 1.408-6.

**6.02** **Annual Reports.**  The trustee agrees to submit to the Internal Revenue Service (“IRS”) and grantor and or the grantor’s appointed agent the reports prescribed by the IRS.

# Article VII

**7.01 Superseding Provisions.** Notwithstanding any other articles, which may be added or incorporated, the provisions of Articles I through VI and this sentence will be controlling. Any additional articles inconsistent with section 408A of the Code and the related Treasury Regulations will be invalid.

# Article VIII

**8.01** **Regulatory Amendment.** This Agreement will be amended as necessary, to comply with the provisions of the Code and related Treasury Regulations, with no notice or consent required.

# Article IX

**9.01 Definitions.** In this Agreement, the words “you” and “your” mean the grantor,

except in the case of an inherited Roth IRA, in which case the reference is to the inheriting party. The words “we,” “us,” and “our” mean the trustee. The word “Code” means the Internal Revenue Code, and “Regulations” means U. S. Treasury regulations. “Trust” means this Roth Individual Retirement Trust Account (also, Roth IRA”), as formed under section 408A of the Code. “Compensation”, for purposes for this Agreement, shall mean wages, salaries, professional fees or other amounts derived from or received for personal services (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in section 401(c)(2) of the Code (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, section 401(c)(2) of the Code shall be applied as if the trade or business for purposes of section 1402 of the Code included service described in section 401(c)(6) of the Code. “Compensation” does not include amounts derived from or received as earnings and profits from property (including but not limited to interest and dividends) or amounts not includible in gross income (determined without regard to section 112 of the Code). “Compensation” also does not include any amount received as a pension or annuity or as deferred compensation. “Compensation” shall include any amount includible in the individual’s gross income under section 71 of the Code with respect to a divorce or separation instrument described in subparagraph (A) of section 71(b)(2) of the Code. In the event of a married individual filing a joint return, the greater compensation of his or her spouse is treated as his or her Compensation, but only to the extent that such spouse’s Compensation is not being used for purposes of the spouse making an IRA contribution. “Compensation” also includes any differential wage payments as defined in section 3401(h)(2) of the Code. “Conversion Contribution” shall mean a contribution to this Roth IRA from an IRA other than a Roth IRA, including a SEP IRA, SARSEP IRA, or a SIMPLE IRA.

**9.02 Notices by Trustee.** Any required notice regarding this Roth IRA will be considered effective when we either directly or via our agent, send it to the intended recipient at the last email address that we have on record, unless such notice is required by Article 9.19 or the Code or Regulations to be mailed. The provisions of Article 9.19 shall govern all communications under this Agreement.

**9.03 Representations and Responsibilities.** You represent and warrant to us that the information and/or your appointed agent have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you and/or your appointed agent regarding any transaction, or if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, or those of your appointed agent and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your Roth IRA, except as required by applicable law. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings, or this Agreement. By executing this Agreement, you have agreed to the Fortress Trust Terms of Service and Privacy Policy, as they may be amended from time to time, as available at [www.Fortresstrustcompany.com.](http://www.fortresstrustcompany.com/)

We have permitted you to appoint an authorized agent as set forth in this Agreement to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment adviser), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent. You hereby irrevocably appoint them as your authorized agent and agree that the only way to change that is to affect a rollover to a new Roth IRA.

**9.04 Disclosure of Roth IRA Information.** We may use agents and/or subcontractors to assist in administering your Roth IRA. We may release nonpublic personal information regarding your Roth IRA to such providers as necessary to provide the products and services made available under this Agreement, and to evaluate our business operations and analyze potential product, service, or process improvements. Your authorized agent will have access to all information. Our regulators and auditors have access to all information.

**9.05 Service Fees.** We have the right to charge fees for our services, and the services of our third-party providers (e.g., tax return preparation, funds disbursement, funds processing, investment management, advisory services, and asset acquisition, disposition and maintenances fees). In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. Fees such as sub-transfer agent fees, exchange order flow fees, trading fees and mark-ups, customer service and IRA administration fees, which may be charged on an hourly or “per event” basis, or other fees, including revenue sharing arrangements, may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA. Any brokerage commissions attributable to the assets of your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

**9.06 Investment of Cash in Your Roth IRA.** Shall be as follows:

1. Grantor Self-Directed Management of Investments. You have responsibility for any self-directed investments of the assets in your Roth IRA, including those made via your authorized agent. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; our policies and practices; and this Agreement. After your death, your beneficiaries will have the right to direct the investment of your selfdirected (non-trustee-managed) Roth IRA assets, if any, subject to the same conditions that applied to you during your lifetime under this Agreement. We assume no responsibility for rendering investment advice with respect to self-directed investments in your Roth IRA, nor will we provide you with any opinion or judgment to you on matters concerning the value or suitability of any such investment or proposed investment for your Roth IRA. We have no duty to question your investment directions and shall not be responsible or liable for any loss resulting from your exercise of control (either by your action or inaction). In the absence of instructions from you, or if your instructions are not in a form acceptable to us, or if your instructions are not clear to us or in a form acceptable to us, we will have the right to hold off on executing such requests to invest funds unless and until clarified by you and/or brought into an acceptable form to us. We will generally not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA.
2. Trustee Management of Investments. For any portion of your Roth IRA that is managed by the trustee, as indicated in this Agreement, we may, as trustee in our fiduciary role, manage the investment of the applicable Roth IRA assets. For purposes of this Agreement, all cash in that trust which is not paired with a self-directed investment will be deemed to be “managable” by the trustee. The trustee may, in its sole discretion, invest such cash in such amounts and in such assets, including funds or business trusts maintained by trustee, as it deems appropriate. In executing and managing your investments, we are expressly authorized, at our discretion, to effect buy and sell transactions, settle transactions, manage assets, sell, contract to buy or sell, lend, grant or exercise options,, convey, retitle, exchange, transfer, abandon, improve, repair, insure, lease for any term, and otherwise deal with all property, real or personal, in your Roth IRA in such manner, for such prices and on such terms and conditions as we will decide, which may not be at best price, best terms or best execution, in acting for the exclusive benefit of you and any beneficiaries.
3. The trustee’s powers include, but are not limited to, the following:

* + 1. To hold any securities or other property under this Agreement in omnibus, either directly or at a nominee or sub-custodian, or in bearer form;

* + 1. To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance (including documents for the transfer and conveyance of real estate), and any and all instruments that may be necessary or appropriate to carry out our powers; To employ suitable agents, attorneys, or other persons;

* + 1. To exercise (or decline to exercise) the voting rights and other shareholder rights with respect to securities in your Roth IRA;

* + 1. To perform any and all acts that we deem necessary or appropriate for the proper administration of your Roth IRA and/or investments therein.

**9.07 Beneficiaries.** If you die before you receive all of the amounts in your Roth IRA, then ongoing payments from your Roth IRA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate. You may designate one or more persons or entities as a post-mortem beneficiary of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you do not designate a beneficiary or if all of your beneficiaries predecease you, your estate will be the beneficiary.

Your post-mortem beneficiaries as of the date set forth below, which shall continue to be so designated unless and until changed by you at a future date, are:

Name: Relationship: Allocation:

You have elected not to designate any post-mortem beneficiaries at this time, and you understand that you may designate or change beneficiaries at your discretion at a later date

A spouse beneficiary will have all rights as granted under the Code or applicable Regulations to treat your Roth IRA as his or her own.

We may allow an original Roth IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited Roth IRA at the time of your death) to name successor beneficiaries for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary’s lifetime. Each beneficiary designation form that the original Roth IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original Roth IRA beneficiary to revoke a successor beneficiary designation. If the original Roth IRA beneficiary does not designate a successor beneficiary, his or her estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

**9.08 Required Minimum Distributions.** We will provide you with information regarding distributions as required by Article 4.02. If you fail to request your required distribution by the required date, we can, at our complete and sole discretion, do any one of the following:

* Make no distribution until we receive a proper withdrawal request
* Distribute your entire Roth IRA to your beneficiary in a single sum payment

You agree that we will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

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

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

* Any fees, expenses, or taxes chargeable against your Roth IRA and in processing the sale, disposition or liquidation of investment (with very few exceptions, only cash may be transferred to another Roth IRA custodian or trustee);
* Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA; and/or;
* Proceeds net of gains or losses from liquidating investments held by your Roth IRA;
* We may establish a policy requiring distribution of the entire balance of your Roth IRA to you in cash and/or property, at our discretion, if the balance of your Roth IRA drops below our minimum balance policy.
  1. **Successor Trustee.** If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your Roth IRA) is acquired by another organization, that organization (or agency) may automatically become the trustee of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee. If for any other reason we cease to qualify to serve as a trustee under IRS regulations, we shall substitute a qualifying trustee or custodian.
  2. **Provision Pertaining to Rule Against Perpetuities.** Notwithstanding any other provision of this Agreement to the contrary, unless sooner terminated in accordance with such provision, each trust created or provided for under this Agreement shall terminate within the required period of time provided under Nevada law, including any amendments to Nevada law after the creation of this trust after the death of the last survivor of the following persons: (i) the grantor; and (ii) the beneficiaries and their descendants. If on the day preceding the expiration of any such period any properties are still held in this trust, such properties shall immediately vest in and be distributed to and among the persons entitled to receive such properties in the same manner and in the same proportion as such properties would be distributed from this trust upon its termination in accordance with the other provisions of this Agreement.
  3. **Access and Communications.** The trustee shall provide access to your Roth IRA, and all information contained therein, via the trustee’s affiliated applications, API integrated customers and/or other APIs that third parties can write into. You may be required to exclusively access your IRA through third parties’ websites and/or applications who have written into our APIs, and all communications regarding your IRA will be via that third-party. All communications sent by trustee or its API-integrated third-parties to the grantor or any beneficiary shall exclusively be via electronic means; meaning email and/or alerts in the Dashboard and/or SMS text or other electronic means as trustee may implement in its sole and absolute discretion. Statements shall only be available online in your Roth IRA, with notice of statement availability emailed to the grantor (or beneficiary, as may be appropriate after death) on not less frequently than a quarterly basis. Subject to Article 9.19, all communications sent by the trustee to the grantor, or any beneficiary shall exclusively be via electronic means; meaning email and/or alerts in the Dashboard and/or SMS text. Statements shall be available online in your Roth IRA, with notice of statement availability emailed to the grantor (or beneficiary, as may be appropriate after death) on not less frequently than a quarterly basis. The grantor acknowledges and agrees that the trustee may contact the grantor or any such beneficiary for any reason. No such contact will be deemed unsolicited.
  4. **Electronic Statements Election.** You hereby elect to receive electronic statements at intervals and on a schedule set entirely at the trustee’s discretion or as required by the Code. If you desire printed statements, you may elect to receive paper communication as described in Article 9.19.
  5. **Amendments.** We have the right to amend this Agreement at any time. As provided in Article VIII, any amendment we make to comply with the Code and related Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we email you notice of an amendment, you notify us in writing that you do not consent.
  6. **Withdrawals or Transfers to Other Plans or IRA Custodians.** All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.
  7. **Liquidation of Assets.** We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.
  8. **Restrictions.** Neither you nor any beneficiary may sell, transfer, or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in your Roth IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this Agreement.
  9. **Situs, Governing Law and Jurisdiction.** It is agreed between the grantor and the trustee that the situs of the grantor’s Roth IRA shall be Nevada. The validity, effect and interpretation of this Agreement and the administration of this Roth IRA created hereby shall be governed by the laws of the State of Nevada. Nevada is the trustee’s place of business and headquarters and is the principal place of administration of this Roth IRA. Exclusive jurisdiction and venue for any action brought regarding this Agreement or the trust shall be in Clark County, Nevada.
  10. **Notices and Change of Address.** Subject to this Article 9.19, all notices permitted or required by this Agreement will be sent via email and will be deemed to have been delivered and received upon transmission via any SMTP delivery service chosen by the sender. Notices shall be delivered to the addresses on record. By adopting this Agreement, you consent to the use of such electronic communication.

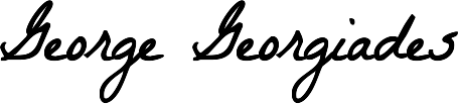
Notwithstanding the preceding paragraph, you have the right, at any time, to withdraw and revoke, in whole or in part, your consent to communicate electronically. You can elect to receive or make some, or all, communications in writing on paper. You may exercise this right by electronic means or by written communication to our physical address appearing on page 12. Note that in so doing, Fortress Trust may resign as trustee and terminate this Agreement, and you will need to move your Roth IRA to a new trustee. You may exercise this right by electronic means or by written communication to our physical address of record. To the extent you revoke your election to receive electronic communication or make elections electronically, you shall receive written paper elections and/or communications. No fee will be charged on account of withdrawal of consent or for the receipt of paper communications. We will advise you electronically or in a written paper communication of any changes in electronic communication methods you and your beneficiaries will have. We will advise you of any changes or updating in our methods of communications, subject to your election to receive written paper communications as provided above.You will have a reasonable opportunity to review, confirm, modify, or rescind any election before the election becomes effective. The trustee will electronically confirm the grantor’s evidence of ability to communicate electronically. If you elect to receive written paper communications, in such case, the notice will be considered effective when mailed to the last physical address in our records. Any notice to be given to us will be considered effective only when we receive it. You, or the intended recipient, must notify us of any change of email and/or physical address. This Article 9.19 shall be interpreted and construed to comply with Treasury Regulations 1.401(a)-21(b).

* 1. **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, binding on each signatory thereto. This Agreement may be executed by signatures, electronically or otherwise, which, upon grantor entering an electronic signature, which may be as simple as a checkbox or a hyperlink, such consent shall be binding upon each signing party to the same extent as an original executed handwritten version hereof. We may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions, or other instrument believed in good faith to be from you or your authorized agent.
  2. **Grantor’s Agent**. The grantor shall be entitled to appoint an agent to exercise the rights and obligations of the grantor under this Agreement, upon such terms as the grantor and the agent shall agree. The trustee may request, and shall be entitled to be given, a copy of any such arrangement and shall follow, without liability for doing so, the directions of the agent to the extent such directions are consistent with this Agreement and applicable law, as determined by the trustee. The trustee shall provide the agent with such data, reports, and communication as it would provide the grantor; provided that all such communication shall be conducted by electronic communication, as provided in the Agreement. Any changes to the grantor’s agency agreement with the agent shall be communicated to the trustee. By separate agreement with any such agent, the trustee may utilize the services of the agent to prepare communications, reports, governmental filings, and communications in connection with this Agreement.
  3. **Severability, Enforceability.** If any part of this Agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

Signed and agreed as of this date, , by and between:

Signed and agreed as of this date, , by and between:

Fortress Trust, LLC



Grantor, Roth IRA Owner George S. Georgiades, Executive Trust Officer

Address: 10801 W. Charleston Blvd., Suite 440

City, State, Zip: Las Vegas, NV 89135

Email: ira@fortresstrust.us

Phone:

Date of Birth:

# ADDENDUM A

**FORTRESS TRUST, LLC**

## ROTH INDIVIDUAL DISCLOSURE STATEMENT

This Disclosure Statement is required to be provided to you by IRS regulations and is a summary of requirements pertaining to your Fortress Trust Roth IRA. By adopting Fortress Trust Roth IRA, you acknowledge receipt of this Disclosure Statement. Terms used in this Disclosure Statement have the same meaning as used in the Fortress Trust Roth IRA.

Neither we nor any agent of ours provide tax or legal advice. As a result, you, as the person establishing this Roth IRA, are strongly encouraged to seek competent tax and/or legal advice with respect to this Roth IRA and your specific situation. We do not provide tax advice, and noncompliance with tax rules may result in adverse tax consequences and/or tax penalties.

## Right to Revoke Your ROTH IRA

You have the right to revoke this account within seven days of the date this Roth IRA is established. If you exercise this right, you are entitled to an amount contributed to the Roth IRA without penalty, service charge or administrative expense, though you acknowledge and agree that any investments you made may have changed in value and that trustee is in no way liable for any losses in the event that you revoke this Roth IRA and liquidate such assets, thus reducing the amount you receive versus the amount you contributed (the inverse is also true, of course, and in the event assets appreciated in value then you may receive more than you contributed, which would be subject to rollover requirements or tax consequences as articulated in the Code). If you do not exercise this right within seven days of the date above then you will have irrevocably accepted the terms and conditions of the IRA trust you have established. To revoke this IRA, simply notify the trustee in writing. If you want to revoke your IRA, or if you have any questions about the procedure for revoking your Roth IRA, please contact:

Fortess Trust LLC

Roth IRA Department

10801 W. Charleston Blvd., Suite 440

Las Vegas, NV 89135

ira@fortresstrust.us

## Communication

The preferred method of making elections and giving or receiving notices under this

Agreement is through electronic means, as described in Articles 9.02, 9.12, 9.13, and 9.19 of the Agreement. When you establish your Roth IRA under this Agreement, you consent to these types of communications. We will confirm your electronic media election by an electronic response. However, under this Agreement and under federal law, you can revoke or modify your elections, at no charge and at any time to elect to receive or give some or all elections or notices in written paper form. You can exercise this right at any time. Further details about your consent to electronic communication and your right to modify or revoke such consent are contained the Roth IRA Agreement at Article 9.19.

## Some Requirements of A Roth IRA

1. **Cash Contributions –** Your contribution must be in cash, unless it is a rollover contribution, recharacterization contribution or conversion contribution. Contributions to your Roth IRA for a tax year must be made on or before the due date (not including extensions) for your Federal income tax return for that tax year (April 15 for most individuals).
2. **Maximum Contribution –** The new (not including rollover conversion or recharacterization amounts) amount you may contribute to your Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your Compensation or $6,500 for 2023, with possible cost-of- living adjustments each year thereafter. For individuals who have attained the age of 50 by the end of the year, the grantor’s contribution limit is $7500 for all the grantor’s Roth

IRAs, subject to future cost-of-living increases after 2023. If you also maintain a traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code [“IRC’] section 408), the maximum contribution to your Roth IRA is reduced by any contributions you make to your traditional IRA. Your total annual contribution to all traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your Compensation; as defined in the Roth IRA document. Additional tax rules appear below.

1. **Tax Deductions –** No Federal income tax deduction is allowed for a contribution to a Roth IRA.

This table shows whether your contribution to a Roth IRA is affected by the amount of your modified adjusted gross income (“AGI”) computed for Roth IRA purposes.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **If your filing status is:** |  | **And your modified AGI is:** | | | **Then you can contribute** | |
|  |  | < $218,000 | | | up to the limit | |
| **Married Filing Jointly** or **Qualifying Widow(er)** |  | > $218,000 but < $227,999 | | | a reduced amount | |
|  | | > $228,000 |  |  | zero |
| **Married Filing Separately** | | < $10,000 |  |  | a reduced amount |
| and you lived with your | |  |  |  |  |
| spouse at any time during the year | | > $10,000 or more |  |  | zero |
| **Single, Head of Household**, | |  |  |  |  |
| or **Married Filing** | | > $138,000 but <$152,999 | | | a reduced amount |
| **Separately** and you did | |  | | |  |
| not live with your spouse | | >$153,000 or more | | | zero |
| at any time during the year | | | | |

## Amount of your reduced Roth IRA contribution

If the amount you can contribute must be reduced, figure your reduced contribution limit as follows:

1. Start with your modified AGI.
2. Subtract from the amount in (1):
   1. $218,000 if filing a joint return or qualifying widow(er);
   2. $-0- if married filing a separate return, and you lived with your spouse at any time during the year; or
   3. $153,000 for other individuals.
3. Divide the result in (2) by $15,000 ($10,000 if filing a joint return, qualifying widow(er) or married filing a separate return and you lived with your spouse at any time during the year).
4. Multiply the maximum contribution limit (before reduction by this adjustment and before reduction for any contribution to traditional IRAs) by the result in (3).
5. Subtract the result in (4) from the maximum contribution limit before this reduction. The result is your reduced contribution limit.
6. **Catch-Up Contributions –** If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is $1,000 per taxable year. This amount will be adjusted for inflation after 2023.
7. **Tax Credit for Roth IRA Contributions** **–** You may be able to receive a tax credit for your contribution to your Roth IRA. The maximum annual contribution amount eligible for the credit is $2,000 per person when filing jointly. Eligibility for the credit, which is a percentage of the contribution amount, is determined by your AGI as indicated in the chart below, as well as other requirements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Joint Filers** | **Head of** | **All Other** | **Credit** | **Maximum** |
| **(AGI)** | **Households** | **Filers (AGI)** | **Rate** | **Credit** |
|  | **(AGI)** |  |  |  |
| $0-$43,500 | $0-$32,625 | $0-$21,750 | 50% | $1,000[[1]](#footnote-1) |
| $43,501-  $47,500 | $32,626-  $35,625 | $21,751-  $23,750 | 20% | $400 |
| $47,501-  $73,000 | $35,626-  $54,750 | $23,751-  $36,500 | 10% | $200 |
| Over $73,000 | Over $54,750 | Over $36,500 | 0% | $0 |

* The above amounts are adjusted annually for inflation.  Use Form 8880 to claim the credit.
  1. **Sixty-Day Rollover Contributions –** If you have taken a distribution of all or part of your assets from your Roth IRA, you may make a rollover contribution of the same property into the same Roth IRA, another Roth IRA, or an individual retirement annuity established as a Roth IRA under section 408A of the Code, provided the rollover contribution is made within 60 days of your receipt of the distribution. This rollover treatment does not result in taxation if it is reinvested within the 60-day period, and it allows you to maintain the tax deferred status of these assets. A 60-day rollover can be made from a Roth IRA once every 12 months.
  2. **Recharacterized Contributions –** You may, in a manner acceptable to the trustee, transfer (“recharacterize”) via a trustee-to-trustee transfer of assets, any contribution in your Roth IRA (the “Initial IRA”), to another IRA (“the Second IRA”), or vice versa. Any net income attributable to a contribution that is recharacterized must be transferred to the second IRA. Converting a traditional IRA to a Roth IRA triggers a current tax on the traditional IRA amounts transferred. You may not elect to recharacterize an amount converted to your Roth IRA back to an IRA. The election to recharacterize any contribution and the trustee-to-trustee transfer must be completed on or before the due date (generally April 15), including extensions, for filing your federal income tax return for the year for which the contribution to the Initial IRA relates. The amount that is recharacterized is treated as having been originally contributed.
  3. **Conversion Contributions –** You can contribute all or any part of a distribution from an IRA, other than a Roth IRA, including a SEP IRA, SARSEP IRA, or SIMPLE IRA, to a Roth IRA (“conversion contribution”) within 60 days or by means of a trustee-to-trustee transfer, provided the amount is otherwise eligible to be rolled over. You will be subject to Federal income tax on the taxable portion of any conversion contribution, but the premature distribution penalty does not apply. Assets held in a SIMPLE IRA may be converted to a Roth IRA only after the expiration of the two-year period beginning on the date your employer first made contributions to your SIMPLE IRA Plan, as more fully described in section 72(t)(6) of the Code. However, distributions from tax-qualified plans (for example, pension, profit-sharing and Keogh plans) may not be contributed directly to a Roth IRA. This taxable portion is the amount that would have been included in your income if you had actually taken a distribution from the IRA (the “conversion amount”). A complication is that withholding taxes from a Roth IRA Conversion may make you ineligible for the Roth IRA Conversion, as amounts withheld from a Roth IRA Conversion are used in determining conversion AGI eligibility. If you are under age

59½, you are subject to a 10% early withdrawal penalty on any amounts distributed from your IRA and not converted to a Roth IRA within 60 days. The one rollover per year rule does not apply.

* 1. **AGI Limits for Conversion Contributions −** Eligibility to make conversion from an IRA, other than a Roth IRA, to a Roth IRA is phased out for individuals and married couples filing joint returns in any calendar year in which AGI exceeds $153,000 (single), $228,000 (jointly), and, as subsequently updated for cost-of-living increases. The amount of any minimum distribution from an IRA other than a Roth IRA required for the year of the conversion cannot be converted to a Roth IRA. IRS Form 8606 is filed in connection with Roth Conversions.  **J. Non-forfeitability –** Your interest in your Roth IRA is non-forfeitable.
  2. **Eligible trustees** – The trustee of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
  3. **Commingling Assets –** The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
  4. **Life Insurance –** No portion of your Roth IRA may be invested in life insurance contracts.
  5. **Collectibles –** You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (“IRS”). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.
  6. **Health Savings Accounts Distribution Rules –** A one-time “qualified Health Savings Account (HSA) funding distribution” may be made from a traditional IRA or a Roth IRA (other than a SEP or SIMPLE IRA) and contributed to the health savings accounts of an individual in a direct trust-to-trustee transfer. If eligible, the amount of the distribution will not be includable in income and is limited to the statutory maximum contribution allowed for such HSA eligible individual, reduced by any other contributions made to the HSA for that year. For further information, you may wish to obtain IRS Publication 969, Health Savings Accounts and other Tax-Favored Health Plans.
  7. **Distributions While the Grantor is Alive –** In general, you can withdraw earnings without penalties after age 59½, provided you meet the five-year rule. Withdrawals from your Roth IRA count as qualified distributions if at least five years have passed since you opened and contributed to the account. This is true without any regard to your age when you opened the account. You can make penalty-free withdrawals at age 59½, for instance, but if you were age 59 when you made your first contribution, you would need to wait until age 64 to withdraw any earnings. Qualified distributions are tax-free and penalty-free. As far as the IRS is concerned, a Roth IRA distribution is considered qualified if your account meets the 5-year rule and the withdrawal is:
* Made on or after the date you turn 59½;
* Taken because you have a disability;
* Made by your beneficiary or your estate after your death, or
* Used to buy, build, or rebuild your first home. In the eyes of the IRS, you are a first-time homebuyer if you (and your spouse, if you have one) have not owned a home during the previous two years. Keep in mind there is a $10,000 lifetime cap, so it is a one-time deal for most investors.

Non-qualified distributions are withdrawals that do not meet the IRS guidelines for qualified distributions. They are subject to taxes on earnings plus an additional 10% penalty. You may not have to pay the 10% penalty if one of these exceptions applies:

* The distributions are part of a series of substantially equal payments paid over at least five years or until you reach 59½, whichever period is longer;
* You have unreimbursed medical expenses exceeding 7.5% of your Adjusted Gross Income (AGI);
* You are paying medical insurance premiums after losing your job;
* The distributions are not more than your qualified higher education expenses (for you or eligible family members). The IRS also allows penaltyfree withdrawals from a Roth IRA to pay for higher education expenses for you, your spouse, or your children, grandchildren or great-grandchildren.

In addition, you may be to avoid the 10% penalty if the distribution is:

* Due to an IRS levy of the Roth IRA;
* A qualified reservist distribution;
* A qualified disaster recovery assistance distribution;  Up to $5000 for qualified birth or adoption distribution.

It is recommended that you check with a qualified professional before making any big decisions on a Roth IRA withdrawal. You or your tax advisor must determine if any distribution is a “qualified distribution”.

* 1. **Distributions after the Grantor’s Death −** If the grantor’s spouse is the sole beneficiary, the grantor’s spouse can elect to treat the grantor’s Roth IRA as his or her IRA, or can elect to receive distribution by the tenth anniversary of the grantor’s death, or can take distribution over his or her life expectancy, as determined under Article 4.02 of the Roth IRA.

If the designated beneficiary is (1) the surviving spouse of the grantor; (2) a child of the grantor who has not reached majority; (3) a disabled beneficiary (within the meaning of section 72(m)(7) of the Code; (4) a chronically ill beneficiary (within the meaning of section 7702B(c)(2) of the Code and section 409(a)(9)(E) of the Code; or (5) a designated beneficiary who is not more than 10 years younger than the grantor as of the date of the grantor’s death, then the beneficiary is an “eligible designated beneficiary”.

The eligible designated beneficiary may make the life expectancy payment elections permitted pursuant to IRS Publication 590-B or successor guidance thereto or may elect to take distribution not later than the end of the 10th anniversary of the date of the grantor’s death.

A designated beneficiary who is not an eligible designated beneficiary must receive the entire IRA balance not later than the end of the 5th year following the year of the date of the grantor’s death.

* 1. “Designated Beneficiary”- After your death, the actual beneficiaries of your Roth IRA are entitled to benefit from the assets in your Roth IRA. To make sure the minimum distribution is paid from your Roth IRA each year after the year of your death, one must determine if you have one or more “designated beneficiaries” of your Roth IRA for distribution purposes and the identity of the designated beneficiary.
  2. You should designate a beneficiary when you open a Roth IRA at Fortress Trust, LLC. You may choose a different beneficiary for each different type of IRA. Your most recent designation cancels any prior designation. If your beneficiary designation is not in effect at your death, your estate will be considered your sole beneficiary. The beneficiary rules of your Roth IRA appear in Article 9.07 of your Roth IRA. If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

## Income Tax Consequences of Establishing a Roth IRA

1. **Contribution Deadline –** The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar- year taxpayer and you make your Roth IRA contribution on or before your taxfiling deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year’s tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax-filing deadline, not including extensions.

1. **Excess Contributions** – An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess contribution is determined by the timeliness of the correction as identified below.
2. Removal Before Your Tax Filing Deadline. An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax-filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.
3. Removal After Your Tax Filing Deadline. If you are correcting an excess contribution after your tax-filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit.
4. Carry Forward to a Subsequent Year. If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.
5. **Income Tax Withholding –** As described above, if you comply with the distribution rules, your Roth IRA distribution is not taxable. Any taxable withdrawal that is taxable from your Roth IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA taxable withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
6. **Early Distribution Penalty Tax -** If you receive a Roth IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent will apply to the taxable amount of the distribution unless one of the following exceptions apply:
7. Death. After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax.
8. Disability. If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.
9. Substantially equal periodic payments. You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½.
10. Unreimbursed medical expenses. If you take payments to pay for unreimbursed medical expenses exceeding 7.5% of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.
11. Health insurance premiums. If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax.
12. Higher education expenses. Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax.
13. First-time homebuyer. You may take payments from your IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of $10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution.
14. IRS levy. Payments from your IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax.
15. Qualified reservist distributions. If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your IRA during the active-duty period are not subject to the 10 percent early distribution penalty tax.
16. Disaster distributions. Payment up to $22,000 from your Roth IRA made within 180 days of a federally declared disaster are not subject to the 10% early distribution penalty tax if your place of abode is within the declared disaster area and you have suffered economic loss as a result of the disaster. Such amounts can be repaid within three years of the date of distribution. For additional information on specific disaster, including listing of disaster areas, qualification requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590-B, Distribution from Individual Retirement Arrangements (IRAs), from the IRS or refer to IRS website at: [www.irs.gov.](http://www.irs.gov/)
17. Emergency expenses. Distributions after December 31, 2023, of up to $1000 may be made once every three years for qualifying emergency expenses arising from immediate need, personal or family emergency, in one distribution. Such amounts may be repaid within three years after the date of distribution.
18. Birth and Adoption Expenses. Up to $5,000 can be distributed exempt from the 10% early distribution penalty tax for qualifying birth and/or adoption expenses. Such amounts may be repaid within three years of the date of distribution.
19. Terminally ill individuals. If certified by a physician as having an illness or physical condition that can be expected to result in death within 84 months or less, distributions to such an individual are not subject to the 10% early distribution penalty tax. Such amounts can be repaid within three years of the date of distribution.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

**E. Further Information on Rollovers −** We are not responsible for determining whether you made a proper rollover contribution but we may request a certification that the funds represent a qualified rollover to ensure the accuracy of our records.

1. Traditional IRA-to-Traditional IRA Rollovers**.** Assets distributed from a traditional IRA may be rolled over to the same traditional IRA or another traditional IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper IRA-to-IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.
2. SIMPLE IRA-to-Traditional IRA Rollovers. Assets distributed from a SIMPLE IRA may be rolled over to your traditional IRA without IRS penalty tax provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with traditional IRA-to-traditional IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA-to-IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

You are permitted to roll over only one distribution from an IRA (traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov.](http://www.irs.gov/)

1. Employer-Sponsored Retirement Plan-to-Traditional IRA Rollovers. You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employersponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or Federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or Federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator generally will be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up out of pocket the amount withheld, and roll over the full amount distributed from your employer- sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your IRA not later than 60 days after you receive the distribution. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax, and if you are under age 59½ the 10 percent early distribution penalty tax (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer- sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

1. Beneficiary Rollovers From Employer-Sponsored Retirement Plans. If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased employer-sponsored retirement plan participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to an inherited IRA. The IRA must be maintained as an inherited IRA, subject to the beneficiary distribution requirements.
2. Traditional IRA-to-SIMPLE IRA Rollovers. Assets distributed from your traditional IRA may be rolled over to a SIMPLE IRA if the requirements of IRC Sec. 408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper traditional IRA-to-SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.
3. Traditional IRA-to-Employer-Sponsored Retirement Plan Rollovers. You may roll over, directly or indirectly, any taxable eligible rollover distribution from an IRA to your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan as long as the employer-sponsored retirement plan accepts such rollover contributions.
4. Traditional IRA-to-Roth IRA Conversions. If you convert to a Roth IRA, the amount of the conversion from your traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty tax. If you are over the IRA minimum distribution age, you must remove your required minimum distribution before converting your traditional IRA. These Conversions are also described in paragraph G on page 16.
5. Designated Roth Account Rollovers to Roth IRAs. Distributions from Roth sources in employer-sponsored plans (“designated Roth account”) can be rolled over into a Roth IRA via a 60-day rollover or a direct rollover. If only a portion of the distribution is rolled over, the portion that is rolled over is treated as consisting first of the amount of the distribution that is includible in gross income. Please note that assets rolled from an employer-sponsored plan to a Roth IRA cannot be rolled back to an employer-sponsored plan. Additionally, note that income limits that determine taxpayer eligibility for annual contributions to a Roth IRA do not apply to Roth IRA rollover contributions amounts.
6. Qualified Rollover Contributions to a Roth IRA (“Direct Roth Conversion”). The Code allows certain distribution of pretax assets from employer-sponsored plans (for example, 401(a), 403(b) and 457(b) governmental plans) may be eligible for rollover directly into your Roth IRA, subject to the restrictions and taxation that applies to conversions from a traditional IRA to a Roth IRA. Beneficiaries of pretax assets in employer-sponsored plans may be request a qualified rollover contribution to a Roth IRA or an Inherited Roth IRA, if applicable. A nonspouse beneficiary may roll over a decedent’s interest in an employer plan to an Inherited Roth IRA. The distribution must be directly rolled over (via a trustee-to-trustee transfer) to the Inherited Roth IRA. A spousal beneficiary may roll over a decedent’s interest in an employer plan to either 1; an inherited Roth IRA or 2) a Roth IRA that the beneficiary elects to treat as his/her own.
7. Direct Payment of Tax Refunds to IRAs. The Code allows taxpayers to direct that portion of his or her federal income tax refund may be directly deposited into a taxpayer’s Roth IRA as a contribution. In certain cases, taxpayers must complete IRS Form 8888, *Allocation of Refund*, to direct the contribution to their Roth IRA.
8. **Written Election −** At the time you make a rollover to an IRA, you must designate in writing to the trustee your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.
9. **Transfer Due to Divorce -** If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse’s Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation Agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another or one Roth IRA to another.

## Limitations and Restrictions

1. **SEP Plans -** Under a simplified employee pension (SEP) plan that meets the requirements of IRC Sec. 408(k), your employer may make contributions to your Roth IRA. Your employer is required to provide you with information that describes the terms of your employer’s SEP plan.
2. **Deduction of Rollovers and Transfers -** A deduction is not allowed for rollover or transfer contributions.
3. **Gift Tax -** Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
4. **Prohibited Transactions -** If you or your beneficiary engages in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its taxdeferred status, and you must include the value of your account not previously taxed in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA:
5. Taking a loan from your Roth IRA;
6. Buying property for personal use (present or future) with Roth IRA assets;
7. Receiving certain bonuses or premiums because of your Roth IRA.

**E. Pledging -** If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year. The amount so pledged can also be subject to the early distribution penalty tax described above, if applicable.

## Other

1. **IRS Plan Approval -** At present the Internal Revenue Service is not ruling as to whether Roth IRA forms comply with the requirements of the IRC. Your Fortress Roth IRA document has been carefully written to comply with the IRC. At such time as the Internal Revenue Service recommences issuing form approvals, this Fortress IRA will be submitted for such approval.
2. **Additional Information -** For further information on IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 1-800-TAX- FORM, or by visiting www.irs.gov on the Internet.
3. **Important Information About Procedures for Opening a New Roth IRA -** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

## ADDENDUM B

**ROTH IRA FINANCIAL DISCLOSURE**

### Growth Cannot Be Projected

The value of your Roth IRA will be dependent solely upon the performance of any investment in your Roth IRA. Therefore, no projections of the growth of your Roth IRA can reasonably be shown or guaranteed.

Terms and conditions of the Roth IRA that affect your investments are listed below.

### Investment Options

Your Roth IRA will be invested in either investments that you choose directly (“selfdirected”) pursuant to Article 9.06(a) of this Roth Individual Retirement Account and/or in products of our selection (“managed”) pursuant to Article 9.06(b) of the Roth Individual Retirement Account.

### Fees

We, as well as, your authorized agent and any other third-party integrated service provider earn income from fees charged for your Roth IRA, for processing transactions, for handling payments, for compliance obligations, for tax reporting, for investment advisory services and on your Roth IRA investments. We reserve the right to change any of the above fees after notice to you, as provided in your Roth IRA Agreement.

### Earnings

The method for computing and allocating annual earnings (e.g., interest, dividends) on your Roth IRA will differ based on the types of investments chosen. Refer to the investment policies, offering memorandums, prospectuses or other materials as appropriate for the investments in your Roth IRA, noting in particular the methods used for computing and allocating annual earnings.

### Money Market Fund Investments

You can lose money by investing in money market funds. Although funds may seek to preserve the value of your investment at $1.00 per share, they cannot guarantee they will do so. An investment in such a fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fortress Trust LLC and its affiliates have no legal obligation to provide financial support to money market funds and you should not expect that the sponsor would provide financial support to the fund at any time.

### Important Privacy Notice

This privacy notice is provided by FORTRESS TRUST, LLC (“Fortress Trust”). This notice describes how we handle your information and how we protect it.

1. Information We Collect. This information is called “Customer Data”. We collect information to serve you and identify services that may be valuable to you, including:

* 1. Information you or your authorized agent gives us (such as name, address, social security number, income and other financial assets);

* 1. About your Roth IRA and transactions with us;

* 1. Others give us (such as to verify your identity);

* 1. From information provided to our websites.

1. Sharing Information. We do not share Customer Data without your permission except as permitted or required by law and as permitted or disclosed in this Agreement.

1. Former Customers. If you end your relationship with us, we continue to handle customer data about you as described in this notice.

1. $2000 if married filing jointly. [↑](#footnote-ref-1)