Notice Regarding IRA Rollovers

Disclosure of Considerations

Investors considering rolling over assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA") should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan.

OPTIONS

A plan participant leaving an employer typically has four options (and may engage in a combination of these options):

1. Leave the money in the former employer's plan, if permitted;
2. Rollover the assets to a new employer's plan (if available and rollovers are permitted);
3. Rollover Employer Plan assets to an IRA; or
4. Cash out the Employer Plan assets and pay the required taxes on the distribution.

CONFLICT of INTEREST

By recommending that you rollover your Employer Plan assets to an IRA, [FIRM NAME] and your Financial Advisor may earn commissions or asset-based fees as a result. In contrast, leaving assets in your Employer Plan or rolling the assets to a plan sponsored by your new employer likely results in little or no compensation to [FIRM NAME] or your Financial Advisor. [FIRM NAME] and the Financial Advisor have an economic incentive to encourage investors to rollover Employer Plan assets into an IRA maintained at [FIRM NAME]. **Investors are under no obligation to rollover Employer Plan assets to an IRA at** [FIRM NAME].

CONSIDERATIONS

There are many considerations in rolling assets from your former employer's plan to an IRA. Below are some of the areas you should consider.

☐ **Fees and Expenses** – Investors may face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. Depending on your investment needs, your Financial Advisor may establish an IRA as a brokerage account, which will result in commission charges, or an investment advisory account, which will result in asset-based fees. In addition to the fees charged by [FIRM NAME], the underlying investment (mutual fund, ETF, annuity, or other investment) may also charge a management fee. Custodial and trading fees may also apply. Investing in an IRA with [FIRM NAME] will typically be more expensive than an Employer Plan.

☐ **Investment Options –** How satisfied are you with the options available through your Employer Plan? Are you interested in other investment options not available through your Employer Plan? IRAs typically offer a broader range of investment options than an Employer Plan.

☐ **Services –** What service levels are available under your Employer Plan? Does your Employer Plan provide access to investment advice, planning tools, telephone help lines, educational materials or workshops? What type of investment management are you looking for (management of investments on a discretionary or non-discretionary basis or are you interested in a self-managed account)?

☐ **Penalty-Free Withdrawals** – If you are aged 55 to 59 ½, you may be able to take penalty-free withdrawals from your Employer Plan. Also, some plans allow for borrowing or loans. Withdrawals from an IRA will generally result in a penalty before the age of 59 ½.

☐ **Protection from Creditors and Legal Judgments** – Generally, Employer Plan assets have unlimited protection from creditors under federal law, while IRA assets are only protected in bankruptcy proceedings. State laws vary in the protection of IRA assets in lawsuits.

☐ **Required Minimum Distributions** – Once an individual reaches age 70 ½, the rules for both Employer Plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. However, if you are still working at age 70 ½, you generally are not required to make required minimum distributions from an Employer Plan. This may be advantageous if you plan to work into your 70s.

☐ **Employer Stock –** If you hold significantly appreciated employer stock in your Employer Plan, you should consider negative tax consequences of rolling the stock to an IRA. If the employer stock is transferred in-kind to an IRA, stock appreciation will be taxed as ordinary income upon distribution. However, it can be risky to have too much employer stock in your retirement account. It may be advisable to liquidate the holdings and roll over the value to an IRA, even if it means losing long-term capital gains treatment on the stock's appreciation.

The Firm encourages you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment advisor to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

BY SIGNING BELOW, YOU ACKNOWLEDGE THE FOLLOWING:

- Receipt of FINRA's Investor Alert entitled, "The IRA Rollover: 10 Tips to Making a Sound Decision";
- You have been provided ample time to review your options and the above listed considerations (independently or with reliance on a third-party, as recommended above);
- You understand that the noted considerations apply to the current rollover in question and to any future rollovers into this IRA account.
- You have made the decision to take a lump-sum distribution from your Employer Plan and rollover to an IRA.

Client Name	Client Signature/Date