BUYING PRIVATE EQUITY

To assist you with your Private Equity purchase, PENSCO Trust Company (PENSCO) has compiled the following list of pitfalls of which you should be aware that may delay processing or could cause your request to be considered a possible prohibited transaction.

Third Party Documents Not Signed By the Account Owner

Anything that requires PENSCO's signature or initials must be signed by the Account Owner.

Some Asset Sponsors require your original signature on all purchase documents. Please be sure to inquire with the Asset Sponsor of this requirement before submitting your documents to PENSCO. If your original signature is required, send your request to PENSCO via US postal service mail delivery.

Vesting Reflected on the Purchase Documents

The vesting should read: PENSCO Trust Company Custodian FBO [Account Owner Name], IRA _____%

"Retirement Plan" or "Solo(k)" may be substituted where appropriate.

Prohibited Transactions

Your purchase must not be considered prohibited. The IRS prohibits personal use or use by disqualified parties as defined under *Section 4975* to include the 50% Rule

Additionally, a loan to an investment held in an IRA is prohibited, so be sure that the Operating Agreement does not have a clause for loans.

Capital Calls

PENSCO requires the notice from the Asset Sponsor informing of the Capital Call.

If the Capital Call purchase will result in an increase of value, the Asset Sponsor may require new subscription documents, and these should be included with your request.

Asset Sponsor Contact Information

PENSCO requires that the Asset Sponsor confirm the value and registration on any purchases that result in an increase in value. Please be sure to provide the most updated Asset Sponsor contact information with your request, and please keep PENSCO informed of any changes.

Transferring Into PENSCO

PENSCO requires the original subscription documents reflecting the resigning custodian registration.

Family Controlled and Single Member LLCs

All Operating Agreements must include specific text as outlined in paragraph II of the Investment Authorization Forms.

A Special Advisor is required. The Special Advisor must be a duly licensed certified public accountant or attorney in good standing, and s/he is responsible for monitoring if the transaction may be a "prohibited transaction" or "listed transaction," may generate "unrelated business taxable income" or "unrelated debt-financed income," or violate any requirement of Section 408 of the Internal Revenue Code.

One-time funding: Family Controlled entities can only be funded once as additional funding would exceed the 50% rule.

Retirement Account
↓
$$
↓
Private Equity

Parties *not* considered disqualified:

- Step Grandparents
- Step Parents
- Spouse's Parents
- Aunts, Uncles, & Cousins
- Siblings/Step Siblings
- Step Children & Their Spouses

Parties that *are* considered disqualified:

- Grandparents
- Parents
- Spouse
- Children/Adopted Children and their spouses
- Grandchildren and their spouses
- A Fiduciary
- A person providing services to the plan, such as a CPA or Attorney.
- Companies owned by disqualified parties.

PENSCO does not provide investment advice, does not sell investments and does not offer tax or legal advice. PENSCO does not evaluate, recommend or endorse any advisory firm or investment. Investments are not FDIC insured and are subject to risk, including the loss of principal.

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Checklist

IMPORTANT REMINDERS

Please supply all documents listed below to PENSCO Trust Company (PENSCO). Sending incomplete documents will delay the review and funding process. Please make sure to include sufficient funds to cover your investment, minimum cash requirement and transaction fees.

DO NOT USE THIS CHECKLIST FOR SINGLE MEMBER AND FAMILY CONTROLLED COMPANIES.

- ☐ **Fully completed, signed, and dated Private Equity Investment Authorization**
  (if asset has not been previously reviewed and accepted for Administrative Feasibility)
- ☐ **Fully completed, signed, and dated Private Equity Investment Notification Form if asset has not been previously reviewed and accepted for Administrative Feasibility.**

The following items applicable to the investment type:

Corporate Stock *(IRAs may only invest into C Corporations. Solo(k)s may invest into either S or C Corporations.)*

- ☐ Certificate of Incorporation
- ☐ Articles of Incorporation
- ☐ Offering Memorandum
- ☐ Subscription Agreement, Stock Purchase Agreement and/or any other form the investor is required to sign

Limited Liability Company

- ☐ Certificate of Organization/Articles of Organization
- ☐ Operating Agreement
- ☐ Subscription Agreement, or any other agreement or form the investor is required to sign

Limited Partnership *(PENSCO does not accept General Partnership investments)*

- ☐ Certificate of Partnership
- ☐ Articles of Organization
- ☐ Limited Partnership Agreement

Offshore, Hedge Funds and REITs

- ☐ Offering Materials
- ☐ Subscription/enrollment agreement, or any other agreement or form the investor is required to sign

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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Toll Free: 1-800-962-4238
www.pensco.com

SOLO(K) PRIVATE EQUITY INVESTMENT AUTHORIZATION

Do not use this form for Private Debt, Real Estate, Promissory Note Investments secured by Mortgages/Trust Deeds. Always obtain the most current form from our Web site www.pensco.com. Do not copy for future use.

The items listed in A and B below must be received by PENSCO Turst Company (PENSCO) to begin a review for Administrative Feasibility. If the asset you desire to purchase in your account has already been reviewed and determined Administratively Feasible, please provide only the documents listed below in B. **Documents and forms will be returned if they are not complete and signed where required.**

A.

___ Completed and signed Private Equity Investment Notification Form. Required if the asset has not been previously reviewed for Administrative Feasibility. Must be signed by the General Partner, Managing Member, Fund Manager, Corporate Officer or an authorized individual for one of the aforementioned. The form may not be modified.

___ Offering materials, including items such as offering memorandums, prospectuses, subscription agreements, etc.

B.

___ PENSCO Account application (if applicable)

___ PENSCO Transfer/Rollover Form (if applicable)

___ PENSCO Alternative Equity Investment Authorization Form

___ Applicable Subscription Agreement or enrollment documents completed and signed by Account Owner (Must be signed by Account Owner in all locations that PENSCO is required to sign.)

PENSCO will execute subscription documents in its nominee capacity as a directed custodian/trustee; however, Investor Suitability standards/questions (investor accreditation) must be completed and signed by the Account Owner.

If you, a family member or another disqualified party (see Prohibited Transaction Disclosure) is an officer of, or has an ownership interest in the entry in which you are investing, PENSCO reserves the right to require that you obtain an opinion of counsel from an ERISA or tax attorney regarding the matter of Prohibited Transactions. If you have questions, please consult with your tax advisor prior to submitting your investment instructions.

ACCOUNT OWNER INFORMATION (All Sections Required)

First Name: _____ MI: _____ Last Name: _____

Primary Daytime Phone Number: _____ Fax Number: _____

Secondary Daytime Phone Number: _____ Email Address: _____

Account Number: _____ Number of Units/Shares: _____ Amount $: _____

Account Number: _____ Number of Units/Shares: _____ Amount $: _____

Account Number: _____ Number of Units/Shares: _____ Amount $: _____

Account Number: _____ Number of Units/Shares: _____ Amount $: _____

INVESTMENT INSTRUCTIONS (All Sections Required)

Name of Investment: _____

Number of Units/Shares: _____ Price per Units/Shares: _____

Amount of Investment $: _____

Percentage of Ownership in this investment after this purchase is complete: _____%

I Authorize PENSCO Trust to (check one):

☐ New Purchase

☐ Additional Purchase

☐ Capital Call ☐ Increase Value ☐ Expenses (Include the Capital Call Notice from the investment sponsor.)

☐ Transfer/Rollover
Amount of investment to be transferred: ☐ $ _____ ☐ 100% ☐ other: _____

☐ Exchange - Name of investment exchanging from: _____
Total amount of investment to be exchanged: ☐ $ _____ ☐ 100% ☐ other: _____

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FUNDING INSTRUCTIONS

Payee Name: _____

Street Address: _____

City: _____ State/Province: _____

Country: _____ Postal Code: _____

(select one below)

☐ Check

☐ Wire

Please complete wire instructions below or attach wiring instructions

Bank Name: _____

ABA Number: _____

Bank Account Name: _____

Bank Account Number: _____

Ref Number: _____

Phone Number: _____

DOCUMENT FORWARDING INSTRUCTIONS

☐ Regular Mail (if not received by recipient, PENSCO will charge a $100.00 special services fee to place a stop payment and/or re-create documents

☐ Overnight (charge my PENSCO Trust Company Account)

☐ Overnight (use pre-addressed air bill, included)

☐ Overnight (send via 3rd party billing) Acct #_____

☐ Fed Ex ☐ UPS

If no box is checked the default will be to overnight at the client's expense. Please refer to the fee schedule for details

Send documents to (not required if information is same as stated above):

Contact Name: _____

Company Name: _____

Street Address: _____

City: _____ State/Province: _____

Country: _____ Postal Code: _____

Phone Number: _____ Fax Number: _____

Email: _____

ACKNOWLEDGEMENT AND SIGNATURE

1. I understand that I am responsible, and PENSCO and its related entities are not responsible, for selecting and reviewing the above investment and for determining the suitability, nature, value, risk, safety and merits of the investment that I authorize PENSCO to make for my Account.
2. I verify that I have received and read all pertinent information relating to the investment(s) named herein (i.e., private placement memorandum, purchase agreement, subscription documents, etc.).
3. I acknowledge that no funds will be paid to my PENSCO account if an exchange from one asset (existing asset) held in my PENSCO account is made to another issued by the same asset sponsor (new asset). I request that PENSCO update its records to reflect the exchange transaction and the new asset into my account. I agree to indemnify and hold PENSCO and its related entities, its affiliates, successors and assigns harmless from any and all claims, damages and losses that may result from such transaction.
4. I understand that distributions or dividends other than cash (i.e., distributions in-kind) paid by this investment are subject to administrative review by PENSCO. In the event that an asset paid as part of a distribution/dividend paid-in-kind, is determined that it is not considered administrative feasible, I may be required to remove the asset from my PENSCO account by transfer or distribution.

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5. I understand that PENSCO is not related to or affiliated with the management or selling agent(s) of the investment(s) that I have directed PENSCO to purchase for my account. I acknowledge that PESNCO has not reviewed, recommended or commented on the investment merits, risks, suitability or management of the asset(s) I have selected and I authorize PENSCO to process this transaction. I therefore agree to release, indemnify, defend, and hold PENSCO and its related entities harmless from any claims arising out of making such investment. I also understand and agree that PENSCO and its related entities will not be responsible to take any action should the investment noted herein become subject to default, including fraud, insolvency, bankruptcy, or other court order or legal process.

6. I understand that PENSCO will request confirmation of purchase as part of its role as custodian of my account, I also understand and agree that if the asset sponsor of the investment does not provide documentation to confirm this investment, PENSCO may resign as custodian of my account.

7. I agree that any dispute regarding this investment shall be submitted to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association and the terms of the Custodial Agreement. I understand that the prevailing party shall be entitled to recover all legal fees, reasonable costs and expenses and that these shall be in addition to any award of damage or any other relief to which the prevailing party is entitled.

8. I represent that the above investment is not a prohibited transaction, as defined in the Internal Revenue Code and Department of Labor regulations.

9. I acknowledge that this investment is not insured by the FDIC, is not an obligation of or guaranteed by PENSCO and is subject to risk, including the possible loss of principal.

10. I understand that offshore entities are not organized under the laws of the United States and, most likely, are not subject to U.S. regulations and/or legal system. I am aware that I am responsible for all legal matters concerning my account, and that PENSCO may resign as a directed custodian in the event of future legal proceedings.

    The asset sponsor of any offshore fund that I may direct PENSCO to purchase in my account may require that PENSCO provide additional documentation or other information pursuant to the anti-money laundering or other laws applicable to the asset sponsor in the country in which it operates or is domiciled. The particular requirement of each country and each asset sponsor may differ. It is my responsibility to determine these requirements prior to directing that an offshore investment be purchased in my account, and by signing this form, I acknowledge that I have done so.

    Additionally, the asset sponsor may impose similar requirements for PENSCO related to the processing of this purchase. PENSCO's policy is that it will provide a certification of compliance with United States anti-money laundering/anti-terrorism regulations applicable to PENSCO. If the asset sponsor requires additional information beyond the certification, PENSCO reserves the right to decline to provide such information and to instead characterize the offshore fund investment as no longer administratively feasible. I understand and acknowledge that PENSCO and its related entities will not be responsible for any consequences resulting from such a determination.

11. I have read and understand the disclosure printed on this form about foreign financial account reporting. I acknowledge that it is my responsibility to consult with my tax advisor and to determine if any actions are required on my part as an individual taxpayer with respect to any of the IRS requirements for reporting foreign financial accounts.

12. I agree that this Private Equity Investment Authorization is further subject to all the terms and conditions of the Custodial Agreement. *(Please sign below and provide all requested information)*

▶ _____ _____

Account Owner Signature Date

Print Name: _____

Name of Investment: _____ Investment Amount $: _____

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Upload forms to:	**Send mail to:**	**For express deliveries:**	**Questions?**
www.pensco.com/upload	PENSCO P.O. Box 173859 Denver, CO 80217-3859	PENSCO 1560 Broadway, Suite 400 Denver, CO 80202-3331	Call 1-800-962-4238
Fax to: 303-614-7051			

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