



# Brokerage/Trading

## Documents Required Prior to Investment Funding

Below is the process for setting up your new brokerage/trading account. This account will be part of your Midland investment portfolio. Midland will complete contribution and distribution tax reporting for assets held in your retirement account, including this trading account.

## Clients submits the following forms to Midland:

- **Trading Account Purchase Authorization**  
Completed and signed by client.
- **Trading Account Application (*for company that you are setting up trading account*)**  
If you have already submitted the trading account application to a party other than Midland, you will need to forward a copy to Midland for review. Prior to funding, Midland will ensure the trading account is appropriately titled to the IRA and trust tax ID.
- **Midland will fund your account according to your Purchase Authorization.**  
You will receive an email notification when this has been completed.

## Common questions about brokerage/trading accounts:

### Q. What happens after my trading account is opened?

**A.** Once the account is opened and funded, you will work directly with the new company to place your trading requests. You can do this either through your online access with your trading account company or by calling your company representative.

### Q. I already sent in paperwork to open a trading account to the trading company. Do I still need to send the trading account application to Midland?

**A.** Yes. Midland must be involved with the account establishment to ensure the trading account is titled to Midland Trust Company FBO Client Name and Midland Account #. Additionally, Midland will need to verify that the correct trust tax ID is tied to the account (not your personal SSN).

### Q. I already have a trading account with this company. Do I need a new account?

**A.** Yes. Personal funds and IRA funds may not be co-mingled in the same account.

### Q. I want to remove funds from my trading account, can I do this with them directly?

**A.** No. As the IRA administrator, all monies must flow through Midland. If you take funds from the trading account directly, this may be deemed a prohibited transaction.

### Q. This trading account requires that I sign a personal guarantee. Is that okay?

**A.** An IRA cannot personally guarantee an account per Internal Revenue Code Section 4975.



## 1 ACCOUNT INFORMATION

Name <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. <input type="checkbox"/> Mrs. <input type="checkbox"/> Dr. _____	Midland Account Number
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## 2 TRADING ACCOUNT INFORMATION

Is this a new or existing IRA Trading Account? <input type="checkbox"/> New <input type="checkbox"/> Existing    Trading Account #: _____		Type of Trading Account <input type="checkbox"/> Traditional Brokerage <input type="checkbox"/> Futures/Forex/Commodities	
How much would you like sent to this trading account? \$ _____ <input type="checkbox"/> All Available Funds		Trading Company Name	Trading Company Phone
Trading Company Address		City, State and Zip	
Rep Name	Rep Phone	Rep Email	
*Midland IRA will not execute trades on behalf of this third party trading account. Either yourself or your named Authorized Trader will be responsible to execute trades directly with the named trading company.			

## 3 WIRING INSTRUCTIONS

Bank Name		Account Holder Name
ABA Routing Number	Account Number	Special Instructions

**\$50 PROCESSING FEE APPLIES (NO ADDITIONAL FEE FOR BANK WIRE)**

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

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## 4 SIGNATURE AND ACKNOWLEDGEMENT

I confirm that I am directing Midland IRA, Administrator, to complete this transaction as specified above. I understand that my account is self-directed, and I take complete responsibility for any investment I choose for my account, including the investment specified in this Purchase Authorization. I understand that neither the Administrator nor the Custodian (Midland Trust) sells or endorses any investment products, and that they are not affiliated in any way with any investment provider. I understand that the roles of the Administrator and the Custodian are limited, and their responsibilities do not include investment selection for my account. I acknowledge that neither the Administrator nor the Custodian has provided or assumed responsibility for any tax, legal or investment advice with respect to this investment, and I agree that they will not be liable for any loss which results from my decision to purchase the investment. I understand that neither the Administrator nor the Custodian has reviewed or will review the merits, legitimacy, appropriateness or suitability of this investment, and I certify that I have done my own due diligence investigation prior to instructing the Administrator to make this investment for my account. I understand that neither the Administrator nor the Custodian determines whether this investment is acceptable under the Employee Retirement Income Securities Act (ERISA), the Internal Revenue Code (IRC), or any applicable federal, state, or local laws, including securities laws. I understand that it is my responsibility to review any investments to ensure compliance with these requirements.

I understand that in processing this transaction the Administrator and the Custodian are only acting as my agent, and nothing will be construed as conferring fiduciary status on either the Administrator or the Custodian. I agree that the Administrator and the Custodian will not be liable for any investment losses sustained by me or my account as a result of this transaction. I agree to indemnify and hold harmless the Administrator and the Custodian from any and all claims, damages, liability, actions, costs, expenses (including reasonable attorneys' fees) and any loss to my account as a result of any action taken in connection with this investment transaction or resulting from serving as the Administrator or the Custodian for this investment, including, without limitation, claims, damages, liability, actions and losses asserted by me.

I understand that if this Purchase Authorization and any accompanying documentation are not received as required, or, if received, are unclear in the opinion of the Administrator, or if there is insufficient Undirected Cash in my account to fully comply with my instructions to purchase the investment and to pay all fees, the Administrator may not process this transaction until proper documentation and/or clarification is received, and the Administrator will have no liability for loss of income or appreciation.

I understand that my account is subject to the provisions of Internal Revenue Code (IRC) §4975, which defines certain prohibited transactions. I acknowledge that neither the Administrator nor the Custodian has made or will make any determination as to whether this investment is prohibited under §4975 or under any other federal, state or local law. I certify that making this investment will not constitute a prohibited transaction and that it complies with all applicable federal, state, and local laws, regulations and requirements.

I understand that my account is subject to the provisions of IRC §§511-514 relating to Unrelated Business Taxable Income (UBTI) of tax-exempt organizations. If this investment generates UBTI, I understand that I will be responsible for preparing or having prepared the required IRS Form 990-T tax return and any other documents that may be required. I understand that neither the Administrator nor the Custodian makes any determination of whether or not investments in my account generate UBTI.

I understand that the assets in my account are required by the IRS to be valued annually as of the end of each calendar year. I agree to provide the prior year end value of this investment by no later than January 10th of each year on a form provided by the Administrator, with substantiation attached to support the value provided.

I understand that with some types of accounts there are rules for Required Minimum Distributions (RMDs) from the account. If I am now subject to the RMD rules in my account, or if I will become subject to those rules during the term of this investment, I represent that I have verified either that the investment will provide income or distributions sufficient to cover each RMD, or that there are other assets in my account or in other accounts that are sufficiently liquid (including cash) from which I will be able to withdraw my RMDs. I understand that failure to take RMDs may result in a tax penalty of 50% of the amount I should have withdrawn.

I understand that all communication regarding this transaction must be in writing and must be signed by me or by my authorized agent on my behalf, and that no oral modification of my instructions will be valid.

I understand that no person at the office of the Administrator or the Custodian has the authority to modify any of the foregoing provisions. I certify that I have examined this Purchase Authorization and any accompanying documents or information, and to the best of my knowledge and belief, it is all true, correct and complete.

I hereby authorize Midland IRA as agent for Midland Trust, the custodian for my self-directed account to execute the purchase of assets from time to time through the brokerage account indicated in this form upon my instruction or the instruction of my named representative and further authorize FTCO to allow such broker to hold possession of such assets until further instructed.

**Print Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

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



## 5 ADMINISTRATION AUTHORIZATION & INSTRUCTIONS

### TO: Administrator Regarding Commodity Futures Contracts, including Foreign Exchange Contracts

The undersigned ("Grantor") hereby issues these Instructions to Midland IRA as the agent for Custodian of Grantor's self-directed Individual Retirement Account ("IRA") and/or qualified retirement plan (the "Plan") identified below (the IRA and the Plan are collectively referred to as the Plan), as follows:

#### 1. Establishment of Brokerage Accounts.

1. Grantor desires to invest a portion of the assets in the Plan in commodity futures contracts and/or options, including Foreign Exchange Contracts (collectively referred to as "Futures").
2. In accordance with such desire, Grantor hereby instructs Administrator to establish one or more commodity trading accounts (the "Accounts") with such brokerage firms as Grantor may direct in writing ("Brokers") for the purpose of trading Futures.
3. Solely in its capacity as agent for Grantor, Custodian shall receive, execute and deliver to such brokerage firms such agreements, authorizations, and other documents as are presented to it by Brokers to open and maintain the Accounts, including, without limitation, any customer applications; customer signature forms; partnership, trust or joint account forms; arbitration agreements; transfer forms; riders to customer agreements for Qualified Plan and Individual Retirement Arrangements, and the disclosure statement required by applicable regulations of the Commodity Futures Trading Commission. Administrator may include appropriate exculpatory language regarding its role in such documents. Grantor acknowledges that it has received, reviewed, understands and has signed copies of all such documents.
4. The duties and obligations of Administrator pursuant to any brokerage agreement entered into on behalf of the Plan (including, without limitation, the obligations imposed relating to indemnification, margin requirements and security) shall only apply to Administrator as the Administrator of the Plan and not personally, and that all of the duties and obligations contained in any Customer Agreement entered into with a Broker at the direction of Grantor shall apply to and bind Grantor. Any liability incurred arising out of or related to this agreement will be paid from the assets of the Plan and not by Administrator individually.

#### 2. Limitations on Futures Trading.

1. Administrator may waive the limitation under paragraph 2.1. only if (i) Grantor has entered into a written advisory agreement with a Commodity Trading Advisor (CTA) and provided a copy of such agreement to Administrator or (ii) Grantor has provided Administrator a written request for waiver and explanation of other circumstances which would warrant a waiver of such limit and Administrator has agreed to such waiver in writing. Notwithstanding any such waiver, Grantor understands and agrees that a minimum cash deposit must remain in the Plan in an amount deemed necessary by Administrator.

#### 3. Transactions through Brokerage Accounts.

1. Grantor hereby directs Administrator, without the necessity for further instruction, to pay to Broker out of the assets of the Plan any and all amounts which Broker may from time to time request to satisfy margin calls, deficit balances or other obligations of the Plan arising from, or in connection with, the Accounts. Any such payment may be made with or without prior notice to Grantor; provided, however, that whether or not any such notice is given shall in no way affect Administrator's duty to promptly pay Broker such amounts as it requests pursuant to the foregoing direction.
2. In making any payment as instructed in paragraph 3.1, Administrator shall have no liability for any action taken or omitted to be taken by it as a result of its reasonable reliance upon instructions or information given to it by Broker. Grantor shall indemnify Administrator, its shareholders, directors, officers, employees and their respective successors or assigns from and against any and all claims, demands, proceedings, actions, liabilities, expenses and costs (including attorneys' fees and amounts paid in settlement) arising out of, or directly or indirectly relating to or resulting from the Accounts or the fulfillment of Administrator's duties provided for herein.

#### 4. Representations and Warranties. Grantor hereby represents, warrants and acknowledges as follows:

1. Grantor is the creator, beneficial owner, and Grantor of the Plan;
2. As a self-directed plan, Grantor possesses the exclusive authority under the documents establishing the Plan to make investment decisions for the Plan;
3. Administrator is not responsible for nor liable for any investment decisions made by Grantor for the Plan;
4. Administrator shall not exercise or have any authority to exercise any discretionary control respecting the management, administration, or disposition of the Plan or its assets, nor shall Midland IRA render or have any authority or responsibility to render any investment advice with respect to any monies or other assets of the Plan.
5. Grantor has determined that Futures transactions by the Plan are prudent and suitable for the Plan in view of the Plan's investment objectives and the risks associated with investment in the Plan. Grantor shall make a similar determination with respect to each individual transaction which it instructs Administrator or Brokers to engage in on behalf of the Plan, and Administrator shall have no responsibility with respect to such determination or the execution of such transactions.
6. Grantor acknowledges that the establishment of the Plan and all transactions executed through the Plan are subject to certain restrictions under Section 406 of ERISA and Section 4975 of the Code.
7. Grantor acknowledges that (if the Plan is an IRA) certain transactions engaged in by an IRA may cause the IRA to lose its tax-exempt status, and/or may result in the recognition of taxable income under Sections 511-514 of the Code. As a result, Grantor specifically represents and warrants that, with respect to each transaction to be executed through the Plan, Grantor has or will determine that the transactions in the Plan are appropriate for and consistent with the status of the Plan as a tax-exempt IRA.
8. Grantor understands that investment in commodity futures contracts and/or options is highly speculative in nature and subject to risk of loss, which may be greater than those of other investment vehicles in which retirement funds may be invested. Grantor represents that it has evaluated such risks and warrants that the investment by the Plan is prudent and suitable in view of the Plan's assets, other investments and retirement objectives. Grantor further understands and agrees that the investment of retirement funds in commodity futures contracts, as with any other type of investment, may involve income tax considerations and consequences for which Administrator neither renders advice nor assumes any liability whatsoever.
9. Grantor acknowledges and agrees that all of the representations and warranties set forth herein and in any other documents executed by Grantor in connection with the establishment and operation of the Accounts are true and correct. Grantor shall immediately notify Administrator in writing if any of the foregoing representations and warranties cease to be true and correct. Unless and until Administrator receives such notification, it shall be entitled to rely on the truth and accuracy of the foregoing representations and warranties.

#### 5. Binding Effect.

1. Notwithstanding any contemporaneous or subsequent communications (whether written or oral) to the contrary given by Grantor to Administrator, the authorizations and directions contained herein may not be revoked by Grantor for any reason whatsoever, so long as any Account remains open or so long as any amount due and owing, or claimed to be due and owing, to Broker remains outstanding.
2. The authorizations and directions contained herein shall be binding upon Grantor's heirs, successors, and legal representatives.

Executed on \_\_\_\_\_, 20\_\_\_\_ Print Name: \_\_\_\_\_

By (Account Holder Signature): \_\_\_\_\_