

Documents Required Prior to Investment Funding

Below is the process for funding your LLC investment. Any incomplete documentation may result in delays.

Required documents supplied from client:

State Registration/Articles of Organization

- The LLC must be listed as manager-managed
- Midland should not be listed as the Registered Agent or Managing Member
- Midland's address should not be listed as the Principal Place of Business

EIN Confirmation

Operating Agreement

- Midland's address should not be listed as the Principal Place of Business
- A party will need to be listed as the Manager of the LLC, as well as state the LLC is Manager-Managed
- Ensure a list of LLC Members is included
 - The IRA vesting must be listed as Midland Trust Company As Custodian FBO [Client Name] [Account Number]
 - The percentage of ownership must be listed for each member (if the IRA is the sole member, this should show 100%)
 - The initial Capital Contribution for each member should be listed
- The agreement must reference Internal Revenue Code Sections 4975 & 408 and include proper verbiage regarding disqualified parties and prohibited transactions
- The agreement must be executed by the manager of the LLC

Required documents supplied from Midland:

Midland Purchase Authorization

LLC Acknowledgement Letter

The manager of the LLC will need to pen initial each line item before signing

IMPORTANT THINGS TO CONSIDER:

- LLCs (including Single-Member LLCs) offer a great deal of flexibility for IRA investors. However, this flexibility also comes with additional responsibilities to ensure that the LLC follow all applicable IRA rules and that very good accounting records are maintained.
- All parties involved need to familiarize themselves with Prohibited Transactions rules (IRC 4975) to avoid potential tax consequences. It is highly encouraged that you seek competent advice from an attorney or tax advisor that thoroughly understands the rules related to investing your IRA into an LLC before proceeding.
- Any documents requiring the member's signature must be executed by a Midland signatory. The IRA holder does not have the authority to sign LLC documents as the IRA member.
- The IRA investor may be the LLC manager, but keep in mind that compensation to the IRA investor, either as the LLC manager or any other capacity, will likely be considered prohibited.
- Additional LLC capital contributions funded by the IRA at a later date that are not pro-rata may be prohibited.
- The LLC manager is responsible for all tax filings and annual reports for the LLC.
- Midland will request a valuation of the LLC on an annual basis. This information is required to be provided to the IRS annually filed on IRS Form 5498. The valuation is calculated by totaling all cash, brokerage, real estate and all other assets owned inside the IRA.



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 INVESTMENT DETAILS

Type of Entity you are investing in:*		Entity Name	
<input type="checkbox"/> LLC <input type="checkbox"/> LP <input type="checkbox"/> C-Corp <input type="checkbox"/> Land Trust <input type="checkbox"/> Other: _____			
Entity Address		City, State, Zip	
Entity Manager/Trustee Name	Manager/Trustee Phone	Manager/Trustee Email	
Total Investment to be Funded	Unit/Shares/Percentage to Purchase	Price per Unit/Share	
<small>*Subchapter S Corporations do not allow IRAs as investors *Investing an IRA in a "pass through" entity may cause Unrelated Business Income Tax. For more information, consult your tax professional or review IRS publication 598.</small>			

3 FUNDING INSTRUCTIONS Please send the funds for purchase via: ☐ WIRE ☐ CHECK ☐ TO BE PROVIDED

For WIRE - Please complete the info below Wire Fees: \$30 domestic \$50 international *If you do not supply an intermediary bank, we will use our own		For CHECK - Please complete the info below Allow 5-10 days for check to clear if sent by regular mail Void after 90 days	
Bank Name		Make Check Payable To	
Account Holder Name		Mail Check To	
ABA Routing Number	Account Number	Address	
For Credit To		City, State, Zip	
		Send Check via: <input type="checkbox"/> Regular Mail <input type="checkbox"/> Overnight Mail (\$30) <input type="checkbox"/> Cashier's Check (\$30 + Overnight Fee) <input type="checkbox"/> Hold for pick-up	

Signature: _____ Date: _____

[This Section Intentionally Left Blank]



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 neither the Administrator nor the Custodian reviews or approves the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, trust agreement or any other similar agreement regarding the purchase or operation of the entity I am instructing the Administrator to invest in for my account via this Purchase Authorization (the "Entity").

I understand that I am solely responsible for making sure that the Entity was not formed and will not operate in a way that does or may lead to a prohibited transaction under IRC §4975. I understand that if the Entity becomes a "disqualified person" (as that term is defined in IRC §4975) upon funding, then any future mandatory capital calls may be considered to be a prohibited transaction under IRC §4975. I agree to indemnify and hold harmless the Administrator and the Custodian and their respective officers, directors, shareholders and employees against any liability associated with investing in the Entity, including funding a capital call, and including any liability that arises because the investment is or may be a prohibited transaction under IRC §4975. I understand that I am responsible for confirming that no "disqualified person" with respect to my account will benefit from this investment in any way which is prohibited by IRC §4975.

I represent that I have done my own due diligence on the Entity. I understand that neither the Administrator nor the Custodian makes any attempt to evaluate the Entity or the individuals involved with the Entity. I understand that I am solely responsible for evaluating the Entity, its operations and its investment potential.

I understand that my investment in the Entity may be subject to the Plan Asset Regulations (29 C.F.R. § 2510.3-101) and Interpretive Bulletin 75-2 (29 C.F.R. § 2509.75-2) issued by the U.S. Department of Labor. If these regulations apply to this investment, the Entity is disregarded for purposes of the prohibited transaction rules of IRC §4975, and officers, directors, managers and the like may become fiduciaries of my account. I represent that I understand the Plan Asset Regulations and Interpretive Bulletin 75-2 or I have consulted with competent legal counsel regarding these regulations and their potential application to the Entity prior to making my investment decision.

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.

Print Name: _____

Signature: _____

Date: _____



AN
EQUITY TRUST
COMPANY

PRIVATE INVESTMENT DISCLAIMER & INDEMNITY AGREEMENT

Client Name _____

Midland Account # _____

Asset Name _____

This Disclaimer and Indemnity Agreement will confirm our mutual understanding and agreement regarding your proposed investment in the above mentioned investment or entity. Please sign this agreement and return it to us.

- 1) **NON-RELIANCE CLAUSE** – AS THE IRA OWNER AND INVESTOR, YOU AGREE THAT MIDLAND TRUST COMPANY (or its subsidiaries or continuing entities) (further known as Midland Trust in this document) HAS NOT GIVEN ANY ADVICE ON THIS INVESTMENT OR ASSET. AS THE INVESTOR YOU HAVE NOT RECEIVED ANY ADVICE FROM MIDLAND TRUST ON THIS ASSET/INVESTMENT AND MOST IMPORTANTLY YOU HAVE NOT RELIED ON ANY STATEMENTS MADE BY MIDLAND TRUST IN MAKING YOUR INVESTMENT DECISION.
- 2) You understand and agree that Midland Trust does not approve investments or actions you personally take or direct Midland Trust to take on behalf for your Account. Midland Trust is strictly a neutral administrator of your Account's assets.
- 3) You understand and agree that Midland Trust does not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of the entity or individual you want to invest with. You are solely responsible for making sure that your investment or entity was not formed or will not operate in a way that does or may lead to a prohibited transaction under Internal Revenue Code Section 4975.
- 4) You understand and agree that it is your responsibility to comply with state usury laws when lending funds from your IRA or an entity in which your IRA is invested. For a complete list of state usury laws, go to: <https://www.csbs.org/50-state-survey-consumer-finance-laws>
- 5) You understand that IRA assets are not FDIC insured except for un-invested cash held by Midland Trust up to the current regulator amount. You understand IRA assets and investments can lose value.
- 6) You represent that you have done your own due diligence on the individual investment or company you want to invest in. You are acknowledging that there is risk in any investment and that you may lose all or a portion of your principal. Midland Trust is not responsible for the collection of IRA asset income or payments or recovery.
- 7) You understand and agree that neither Midland Trust nor any of its officers, directors, shareholders or employees are associated in any way with the asset you are investing in. Neither Midland Trust nor any of its officers, directors, share-holders or employees have given you any investment, legal or tax advice pertaining to this investment. Midland Trust will never receive a commission from any investment. It can be industry practice for a promoter or organizer to pay standard IRA administrative fees for their clients.
- 8) You agree to indemnify and hold harmless Midland Trust, its officers, directors, shareholders and employees against any liability associated with your Account's investment in this asset or company.

We recommend that you read the most recent Alert from the SEC regarding investment risks in Self-Directed IRAs. www.sec.gov/investor/alerts/sdira

To signify your agreement with all of the above paragraphs, please sign below, date and return to our office by mail, fax or email. Thank you for your cooperation. We look forward to continuing to serve your retirement account needs.

Accepted, Understood and Agreed to:

Client Signature

Date Signed