

# **Transfer on Death Application and Agreement**

*Services to TOD Accounts*

## **Easing Transitions**

# Transfer on Death (TOD) Agreement

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(Office Use Only)

## REGISTRATION OF ACCOUNTS IN BENEFICIARY FORM

The following Agreement shall govern any Transfer on Death (TOD) registration established through your introducing firm ("Broker"), carried by First Clearing\*.

### SECTION 1: OPENING YOUR ACCOUNT

To establish a TOD registration of your account, you must complete and submit the TOD application, and your Broker and First Clearing must accept it. Throughout this application and agreement, "We" or "Us" refers to your Broker and First Clearing. We are not required to accept instructions from any other person, including any attorney-in-fact, to establish, revoke, or change a TOD registration. First Clearing may rely on any order or instruction it receives from your Broker with respect to your account without further inquiry including any order or instruction received regarding distributions to beneficiaries.

You must reside in the United States in order to establish a TOD registration. TOD registration is not available for Louisiana or non-United States residents. If you reside in or move to Louisiana or outside of the United States, we have the right to terminate any TOD registration.

Only accounts owned by individuals are eligible for TOD registration. For joint accounts, TOD registration is permitted on joint accounts with rights of survivorship (including tenants by the entirety), but not on "tenants in common" joint accounts.

The following types of assets are not eligible for TOD registration:

- Physical securities certificates
- Limited partnership interests
- Certificated shares of mutual fund companies
- Assets held in your name at mutual fund companies
- Commodities
- Precious metals
- Annuities
- Life insurance policies

We may designate other types of prohibited assets.

### SECTION 2: RELATIONSHIP TO OTHER AGREEMENTS

This TOD Agreement supplements any other agreement(s) relating to your account and will be governed by the laws of the State of New York. If there are inconsistencies between this TOD Agreement and other agreement(s) governing your account, the terms of this TOD Agreement will apply for issues involving your TOD registered account.

### SECTION 3: REVOCATION

To revoke your TOD registration, you (and any other account owners) must complete the TOD revocation form. Your Broker will not accept a revocation through any other document or through any other person, including any attorney-in-fact. Revocation will not be effective until your Broker accepts the revocation form.

In the case of a joint account, after the death of an account owner, this Agreement shall continue to apply to an account that must be established by the surviving owner or owners unless the surviving owner or owners change or revoke this agreement by completing our revocation form. Revocation is not effective until our acceptance of the revocation form.

### SECTION 4: BENEFICIARIES - GENERAL

You may establish a TOD naming one or more beneficiaries who do or do not reside in the U.S. Please note that your Broker will not accept any TOD beneficiary designation where a beneficiary resides in a

country that is subject to U.S. Department of Treasury Office of Foreign Asset Control (OFAC) sanctions. Your Broker is not required to accept instructions from any other person, including any attorney-in-fact, to name or change beneficiaries.

You must provide the name, physical address, date of birth, and taxpayer identification number for any beneficiary.

If you designate a trust as a beneficiary, you must specify the date the trust was established. For any trustee you name, your designation includes any co-trustee or successor trustee. If any trust or entity is revoked or terminated before the last surviving account owner's death, your Broker will treat the trust or entity as if it were an individual who died before the last surviving account owner.

To change a beneficiary, all account owners must complete a new TOD application, and your Broker must accept it.

Your Broker will honor only the most recent beneficiary designation on file.

A beneficiary has no rights in your account until all account owners have died. From the last surviving account owner's death until the distribution of assets, all living beneficiaries will be tenants in common.

### SECTION 5: PRIMARY BENEFICIARIES

You must designate one or more primary beneficiaries to whom account assets will be distributed upon the last surviving account owner's death.

You should designate a percentage of assets for each primary beneficiary. If you do not designate percentages, then all primary beneficiaries will share equally. If you designate percentages and the total is more than 100%, the primary beneficiaries will share in proportion to their designated percentages. If you designate percentages and the total is less than 100%, the percentage for which no primary beneficiary is designated will be distributed to the last surviving account owner's estate.

### SECTION 6: CONTINGENT BENEFICIARIES

You may but are not required to designate one or more contingent beneficiaries for your account.

A contingent beneficiary will receive a portion of the account assets of a designated primary beneficiary who dies before the last surviving account owner.

If you do not designate a contingent beneficiary or if the contingent beneficiary designation does not equal 100% for each designated primary beneficiary, and all primary beneficiaries have died, your assets or a portion of your assets will go to the estate of the last surviving account owner, unless you have chosen otherwise pursuant to a per stirpes designation. Please consult an estate-planning attorney for additional information regarding per stirpes designations.

### SECTION 7: PER STIRPES BENEFICIARY DESIGNATION

You have the option to add a per stirpes designation to your primary or contingent beneficiary designation. If you make a per stirpes designation, and the primary or contingent beneficiary, as applicable, does not survive the last surviving account owner, then any share

\*Account(s) carried by First Clearing. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

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otherwise payable to such beneficiary shall instead be paid to such beneficiary's descendants by right of representation.

In order to make a per stirpes designation, you must check the per stirpes box associated with the primary or contingent beneficiary designation, as applicable. You must also complete the PER STIRPES DESIGNATION section in the application, which designates a personal representative or an individual serving in a specific capacity to provide your Broker with the proper name(s) of any per stirpes beneficiary.

Descendants will include persons within the class living on the date of the designation as well as persons born or legally adopted after the date of the designation who are members of the class living on the date of the death of last surviving account owner. If you make a per stirpes designation and the particular primary or contingent beneficiary, as applicable, has no descendants, then the share otherwise payable to such beneficiary shall be paid to any members of the class of beneficiaries, either primary or contingent, as applicable, who survived the last surviving account holder in the proportion that their shares bear to each other. If you make a per stirpes designation, and the designation fails due to there being no descendants within an entire class of beneficiaries, either primary or contingent as applicable, the assets will be paid to the estate of the last surviving account owner. For the purposes of this section 7, beneficiaries shall include a named beneficiary or descendants of a deceased named beneficiary eligible to receive assets because of the per stirpes designation.

### SECTION 8: MINOR BENEFICIARIES

If a beneficiary is a minor, then you must designate a custodian under the Uniform Transfers to Minors Act (UTMA). If you have not nominated a custodian for a minor beneficiary, or if the custodian is unable or unwilling to accept the distribution, we may distribute your assets to an UTMA custodian who is later appointed for the minor, or to the minor's conservator or guardian. Custodians under the Uniform Gifts to Minors Act (UGMA) are not eligible to be beneficiaries or receive distributions.

### SECTION 9: DISTRIBUTIONS

After the last surviving account owner dies, no activity in your account will be permitted until the requirements below are met. Before distributing assets, your Broker must receive the following:

- Legal proof of death of all account owners;
- A copy of our distribution request form, signed by or for each beneficiary or personal representative of the last surviving owner's estate; and
- A waiver of inheritance or estate taxes (if required under state law).

If a beneficiary is an estate, then your Broker will require (1) letters testamentary for the personal representative(s), and (2) an affidavit of domicile. If a primary beneficiary dies before the last surviving account owner, legal proof of death is required.

Once your Broker approves these documents, your assets will be distributed in kind to the beneficiaries according to the percentages in the most recent TOD application on file. Assets will not be sold in your account in order to distribute cash to your beneficiaries. Any residual dividends and interest will be distributed in accordance with the percentages designated in the most recent TOD agreement on file with us. In the case of a joint account, after the death of an owner, this agreement shall continue to apply to the account established by the surviving owner or owners unless the surviving owner or owners change or revoke this agreement.

If any primary beneficiary dies or disclaims his/her interest before the death of the last surviving account owner, that primary beneficiary's share will be distributed to (a) the corresponding contingent beneficiary; (b) the other primary beneficiaries on a pro rata basis; (c) your estate; or (d) pursuant to your per stirpes designation, depending on the option you have chosen. If you designate contingent beneficiaries and if any of the contingent beneficiaries die before the last surviving account owner, that share will be distributed to the last surviving account owner's estate unless you have chosen otherwise pursuant to your per stirpes designation. If the order of death of the

last surviving account owner or any beneficiary cannot be determined, then it will be assumed that the beneficiary died first.

Your Broker may reduce or eliminate distributions if your Broker receives written notice from an account owner's estate that the assets must be used to pay the estate's expenses. In such case, the estate's personal representative may select assets to distribute to the estate.

When your Broker receives notice of the last surviving account owner's death, we will have no obligation to:

- Locate any beneficiary or any account owner's heirs or representatives of their estates;
- Notify any person of a proposed or completed transfer of your assets; or
- Verify any information submitted by a person claiming to have an interest in your account.

### SECTION 10: FRACTIONAL SHARES

Your beneficiaries must instruct your Broker in writing on how to allocate fractional shares or assets subject to minimum share or amount designations. If your beneficiaries do not provide such instructions, your Broker may, but is not required to, sell all fractional or other shares and distribute the proceeds (after deducting sales commissions and expenses) according to the percentage for each beneficiary. If your Broker sells any fractional shares or other assets in your account after your death, the proceeds will be subject to backup tax withholding.

### SECTION 11: WELLS FARGO LOAN BALANCE

If your account is pledged to secure a loan balance owed to Wells Fargo Bank, N.A. when the last surviving account owner dies, the outstanding loan balance must be paid in full prior to any distributions. We may, at our sole discretion, sell any and all securities in your account to satisfy any outstanding balance and your representatives or beneficiaries will not be entitled to choose which securities are sold. If the last surviving account owner is deceased, contact [collateralmanager@wellsfargo.com](mailto:collateralmanager@wellsfargo.com) for instructions on paying off the outstanding loan balance.

### SECTION 12: MARGIN OR DEBIT BALANCE

We have the right to reduce any distribution to beneficiaries if there are any outstanding financial obligations of the account owner, including, but not limited to, any margin or debt balance. This shall include any dividends, interest, earnings, or other payments associated with these account assets. We also have the right to select which assets to sell to pay the margin or debit balance prior to distribution.

### SECTION 13: LIABILITY

We will not have any liability if we pay out interest or dividends after the last surviving account owner's death and the beneficiaries have not provided your Broker with all of the documents listed in Section 9 above in a timely manner.

Should the distribution of assets be delayed by the beneficiaries' failure to provide the documents listed in Section 9 above, or by a dispute or claim to your account, we will not be liable for any resulting decline in the value of your account.

Once assets from your account are distributed, we will be released fully from any liability.

We will not be liable for failing to notify you of changes in TOD law that may affect your account.

### SECTION 14: DISPUTES

If we cannot determine the persons entitled to receive a distribution or their proper share, or if a dispute by a beneficiary or a beneficiary's descendants or spouse arises as to the proper distribution, or if claims to the distribution are made by creditors of the estate, surviving spouse, personal representative, heirs or others, we reserve the right to require the parties to determine their respective rights before making any distribution by court order, arbitration, or any other manner acceptable to us prior to making any distribution. We have no duty to withhold the distribution of assets based on knowledge of any adverse

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claims unless proper written notice is given which allows us reasonable opportunity to act, and shall accept no responsibility for any transfers made pursuant to the Agreement before such notice is given.

**SECTION 15: MISCELLANEOUS**

You, your estate or your successors-in-interest, including all beneficiaries and heirs, shall fully indemnify and hold First Clearing and your Broker, their agents, affiliates, successors, and assigns, parent companies, subsidiaries, officers, directors, shareholders, members, employees, and attorneys harmless from and against all claims, actions, costs, liabilities, and damages including attorneys' fees arising out of or relating, but not limited to:

- . Any conflicting designation of assets in your account by will, revocable living trust or any other instrument.
- . Any written change of beneficiaries that you have made that has not been accepted by Us.
- . First Clearing or your Broker making distributions upon notice of the death of the last surviving account holder.
- . Any other action taken in opening and maintaining your account under this agreement or registering the securities in your account.

We make no representation as to the effectiveness of your beneficiary designations or the tax consequences of holding this account or distributing assets from it. You should seek legal or other appropriate counsel regarding all legal and tax issues related to this TOD agreement and registration.

# Transfer on Death (TOD) Application

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Account Owner(s) Name		Social Security Number
1.		
2.		
Account Owner Address		
1.		
City	State	ZIP
2.		
City	State	ZIP

You are applying for registration of your account in beneficiary form thereby assigning ownership of the account on your death to your beneficiary(ies) named within. You direct your broker and First Clearing to transfer all TOD-eligible assets in this account in accordance with this application and the TOD agreement included with this application.

You release your Broker, First Clearing, and their agents and representatives from all claims, demands, suits, actions, liabilities, and responsibilities whatsoever and agree to indemnify them from any and all liabilities, costs, or expenses whatsoever including attorneys' fees, for acting in good faith in accordance with the instructions and the privileges selected herein. You further certify that you received and read the TOD agreement included with and made a part of this application. All terms of this application and agreement shall be binding upon your heirs, representatives, and assigns.

If you are married and live in a community property jurisdiction, you understand that if you designate a beneficiary who is not your spouse, your spouse must approve your designation of beneficiary by signing this form. Community property jurisdictions are as follows: Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin, and Puerto Rico. Note that in Alaska, community property rules may be adopted by agreement signed by the married couple.

**IF YOU ARE MARRIED AND LIVE IN A COMMUNITY PROPERTY JURISDICTION, YOU UNDERSTAND THAT A SUBSEQUENT MARRIAGE PRIOR TO YOUR DEATH MAKES THIS DESIGNATED BENEFICIARY INEFFECTIVE AND YOU UNDERSTAND THAT ANY SPOUSE TO WHOM YOU ARE MARRIED AFTER YOU MAKE THIS DESIGNATION MUST CONSENT TO YOUR DESIGNATION. Also see page 5.**

**IF YOU ARE MARRIED AT THE TIME OF YOUR DEATH, AND LIVE IN A COMMUNITY PROPERTY JURISDICTION, AND IF YOUR BROKER HAS NOT ACCEPTED AN APPLICATION THAT INCLUDES THE APPROPRIATE SPOUSAL CONSENT, YOU UNDERSTAND THAT THIS BENEFICIARY DESIGNATION IS INEFFECTIVE AND THAT ALL TOD-ELIGIBLE ASSETS WILL BE DISTRIBUTED TO YOUR ESTATE.**

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## PRIMARY BENEFICIARY DESIGNATION

At the death of the last surviving account owner and upon receipt of all required documents, your Broker will transfer all TOD-eligible assets in the account to the following primary beneficiaries who survive the last surviving account owner. Unless different percentages are indicated below, the TOD-eligible assets in the account shall be divided equally among the primary beneficiaries. The percentages designated below must add up to 100%. Note: If you designate any beneficiaries that are minors, you MUST designate a Custodian under the Uniform Transfers to Minors Act (UTMA). (For example, list the custodian's name and indicate "as custodian for" and then list the minor's name.)

### YOU MUST CHECK ONE BOX BELOW.

If any primary beneficiary is not alive when the last surviving account owner dies or if that beneficiary disclaims his/her interest, that beneficiary's share shall be distributed as follows:

- To the remaining primary beneficiary(ies) on a pro rata basis (proportionate to the designated percentages).
- To the applicable contingent beneficiary(ies) designated in the Contingent Beneficiary Designation section on page 6.
- To the last surviving account owner's estate.
- To the heirs of the pre-deceased/disclaimed primary beneficiary(ies) per stirpes. If you check this box, you must also complete the Per Stirpes Designation section on page 6.

(Please use a separate sheet if additional beneficiaries are desired. The sheet must be signed by all account owners.)

<b>1</b>	Relationship to Client	Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
	Designated Percentage	Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
	%			
<b>2</b>	Relationship to Client	Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
	Designated Percentage	Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
	%			
<b>3</b>	Relationship to Client	Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
	Designated Percentage	Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
	%			
<b>4</b>	Relationship to Client	Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
	Designated Percentage	Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
	%			

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## CONTINGENT BENEFICIARY DESIGNATION

(Please use a separate sheet if additional beneficiaries are desired. The sheet must be signed by all account owners.)

<b>1</b>	Contingent Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
Contingent to Primary Beneficiary Number(s)	<input type="checkbox"/>		
Percentage of Primary Beneficiary Share	Contingent Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
%			
<b>2</b>	Contingent Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
Contingent to Primary Beneficiary Number(s)	<input type="checkbox"/>		
Percentage of Primary Beneficiary Share	Contingent Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
%			
<b>3</b>	Contingent Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
Contingent to Primary Beneficiary Number(s)	<input type="checkbox"/>		
Percentage of Primary Beneficiary Share	Contingent Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
%			
<b>4</b>	Contingent Beneficiary Name	SSN (last 4 digits) or Tax ID	Telephone Number
Contingent to Primary Beneficiary Number(s)	<input type="checkbox"/>		
Percentage of Primary Beneficiary Share	Contingent Beneficiary Address (Street number, City, State, and ZIP Code)		Birth Date or Trust Date
%			

### Optional Designation

- Check this box only if you would like to designate the contingent beneficiary(ies) named in this section to share in the account per stirpes. This will entitle the share of the pre-deceased/disclaimed contingent beneficiary(ies) to pass to his/her descendants. If you check this box, you must also complete the per stirpes designation section at the bottom of this page.

## PER STIRPES DESIGNATION

Complete this section only if you have designated primary or contingent beneficiaries to share in the account per stirpes. Per stirpes is a method of distributing the assets should a beneficiary predecease the account holder. This designation is optional. A per stirpes designation means that if a beneficiary dies before you, upon your death, the predeceased beneficiary's share will pass to his or her descendants. For example, suppose you have named 2 primary beneficiaries, Beneficiary A and Beneficiary B. They are to share equally the assets of the account. Both Beneficiaries have 2 children. If you make a per stirpes designation and both beneficiaries survive you, 50% will be paid to Beneficiary A and 50% will be paid to Beneficiary B. If Beneficiary A survives you but Beneficiary B predeceases you, upon your death 50% is paid to Beneficiary A, and the other 50% that would normally be paid to Beneficiary B will be divided equally and paid to the two children of Beneficiary B. If you elect to make this designation, you must designate a Personal Representative or a "role." A role is described as an executor or trustee. Upon your death, your Broker will rely on the instructions provided by this individual for proper distribution instructions. This is a simplified example of per stirpes. Before making this designation, you should obtain a complete explanation from your legal advisor. It is important that you have a full understanding prior to designating a per stirpes beneficiary.

In order to make a per stirpes designation, you must have designated either the primary beneficiaries named in the Primary Beneficiary Designation section or the contingent beneficiaries named in the Contingent Beneficiary Designation section to share in the account per stirpes. Completion of one of the following choices is also required:

- I designate a personal representative to provide my Broker with the proper identity of any unnamed beneficiaries and the extent of their interest in the account identified above. My personal representative will be:
- \_\_\_\_\_
- I designate an individual serving in a specific capacity or role to provide my Broker with the proper identity of any unnamed beneficiaries and the extent of their interest in the account identified above. The individual serving in the role of \_\_\_\_\_ will provide the proper identity to my Broker.

# Transfer on Death (TOD) Application

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## ACCOUNT INFORMATION *(Check one box below.)*

- Original Application for Registration in Beneficiary Form
  Change for Registration In Beneficiary Form

**IMPORTANT: Some of the assets shown on your account statement may not be eligible for TOD registration. Please refer to the Terms and Conditions for more information. Assets not eligible for TOD registration will be distributed to your heirs through normal probate or estate settlement procedures. Because of the complex legal and tax ramifications involved, we cannot advise whether a TOD registration is or is not an appropriate component of an individual client's tax and estate planning. The ability to register securities accounts in TOD form is created by state law and not all states have enacted or recognize such laws. CLIENTS SHOULD ALWAYS CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS BEFORE ELECTING OR REVOKING A TOD ACCOUNT REGISTRATION.**

**X**

\_\_\_\_\_  
Account Owner Signature \_\_\_\_\_  
Date

**X**

\_\_\_\_\_  
Account Owner Signature \_\_\_\_\_  
Date

## SPOUSAL CONSENT

**If Account Owner lives in a community property jurisdiction, this section must be completed by the spouse of the Account Owner if the spouse is not a joint tenant of this Account and is not named as the sole primary beneficiary of the Account assets.** The undersigned hereby declares that he/she is the spouse of the Account Owner noted above and consents to any designation of beneficiaries made whatsoever and whensoever by the Account Owner for this TOD Registration and agrees not to make any claim against the Beneficiary(ies) or against us as a result of any distribution to said Beneficiary(ies) pursuant to this Application. This consent shall apply to all TOD-Eligible assets in the Account at the Death of the Account Owner.

<b>Name of Spouse <i>(Please type or print)</i></b>			
<b>Address of Spouse</b>	<b>City</b>	<b>State</b>	<b>ZIP Code</b>

**X**

\_\_\_\_\_  
Signature of Spouse \_\_\_\_\_  
Date

## REQUIRED NOTARIZATION OF SPOUSE'S SIGNATURE

State \_\_\_\_\_

County \_\_\_\_\_

Subscribed and sworn to before me

This \_\_\_\_\_ Day of \_\_\_\_\_ the Year \_\_\_\_\_

\_\_\_\_\_  
(Signature of Notary Public)

My Commission Expires \_\_\_\_\_