



A Division of Equity Trust Company

**AMENDMENT  
TO  
STERLING TRUST  
IRA CUSTODIAL ACCOUNT AGREEMENT  
AND DISCLOSURE STATEMENT**

DATED MARCH 1, 2010

The Custodial Account Agreement is hereby amended, effective March 1, 2010, as follows:

**1. Traditional IRA Custodial Account Agreement**

- Article I - Tax year 2009 was added and reads in its entirety as follows:

“Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and 2009 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and 2009 and thereafter. For tax years after 2009, the above limits will be increased to reflect a cost-of-living adjustment, if any.”

**2. Roth IRA Custodial Account Agreement**

- ◆ Article I - Tax year 2009 was added and reads in its entirety as follows:

“Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and 2009 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and 2009 and thereafter. For tax years after 2009, the above limits will be increased to reflect a cost-of-living adjustment, if any.”

**3. Traditional IRA Disclosure Statement**

- ◆ Income Tax Consequences of Establishing an IRA

- (A) *IRA Deductibility*: The Phase-Out Ranges for Joint Filers and Single Taxpayers chart was revised to include 2010 COLAS (Cost of Living Adjustments). A line item for the 2010 COLA limits was added to the chart as follows:

“2010 - Joint Filers - \$89,000-\$109,000; Single Taxpayer - \$56,000-\$66,000”

- (A) *IRA Deductibility*: The Phase-Out Ranges for Joint Filers and Single Taxpayers who are not active participants in an employer-maintained retirement plan but are married to an active participant have been revised to include the 2010 COLAS (Cost of Living Adjustments) and the paragraph reads in its entirety as follows:

“If you are not an active participant in an employer-maintained retirement plan, are married to someone who is an active participant, and you file a joint income tax return, your maximum deductible contribution is determined based upon your jointly computed AGI and will be phased out between \$167,000 and \$177,000 for 2010.”

- (C) *Tax Credit for Contributions*: The Adjusted Gross Income chart was revised to include 2009 limits. A paragraph was added below the chart to include the 2010 phase-out limits, which appears in its entirety as follows:

For 2009: Adjusted Gross Income*			Applicable %
Joint Return	Head of Household	All Other Cases	
\$1 - \$33,000	\$1 - \$24,750	\$1 - \$16,500	50%
\$33,001 - \$36,000	\$24,751 - \$27,000	\$16,501 - \$18,000	20%
\$36,001 - \$55,500	\$27,001 - \$41,625	\$18,001 - \$27,750	10%
Over \$55,500	Over \$41,625	Over \$27,750	0%

\*Adjusted gross income includes foreign earned income and income from Guam, American Samoa, North Mariana Islands and Puerto Rico.

For 2010, the credit is phased out when AGI exceeds \$55,500 for joint return filers, \$41,625 for heads of households, and \$27,750 for single and married filing separately.”

#### 4. Roth IRA Disclosure Statement

##### ◆ Requirements of a Roth IRA

- (B) *Maximum Contributions*: All MAGI limits were updated and this section reads in its entirety as follows:

“B. MAXIMUM CONTRIBUTION - The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$3,000 for years 2002-2004, \$4,000 for years 2005-2007, and \$5,000 for years 2008-2009, with possible cost-of-living adjustments in years 2010 and thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$166,000 if you are a married individual filing a joint income tax return, or equals or exceeds \$105,000 if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$176,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$120,000 may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA.

If you are married filing a joint income tax return and your MAGI is between \$166,000 and \$176,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$176,000; (2) divide the difference by \$10,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$172,000, your maximum Roth IRA contribution for 2009 is \$2,000. This amount is determined as follows: [(\$176,000 minus \$172,000) divided by \$10,000] multiplied by \$5,000.

If you are single and your MAGI is between \$105,000 and \$120,000, your maximum Roth IRA contribution is determined as follows: (1) Subtract your MAGI from \$120,000; (2) divide the difference by \$15,000; and (3) multiply the result in step (2) by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$114,000, your maximum Roth IRA contribution for 2009 is \$2,000. This amount is determined as follows: [(\$120,000 minus \$114,000) divided by \$15,000] multiplied by \$5,000.”

◆ Income Tax Consequences of Establishing a Roth IRA

- (C) *Tax Credit for Contributions*: The Adjusted Gross Income chart was revised to include 2009 limits. A paragraph was added below the chart to include the 2010 phase-out limits, which appears in its entirety as follows:

For 2009: Adjusted Gross Income*			Applicable %
Joint Return	Head of Household	All Other Cases	
\$1 - \$33,000	\$1 - \$24,750	\$1 - \$16,500	50%
\$33,001 - \$36,000	\$24,751 - \$27,000	\$16,501 - \$18,000	20%
\$36,001 - \$55,500	\$27,001 - \$41,625	\$18,001 - \$27,750	10%
Over \$55,500	Over \$41,625	Over \$27,750	0%

“\*Adjusted gross income includes foreign earned income and income from Guam, American Samoa, North Mariana Islands and Puerto Rico.

For 2010, the credit is phased out when AGI exceeds \$55,500 for joint return filers, \$41,625 for heads of households, and \$27,750 for single and married filing separately.”

- (G) *Rollovers and Conversions*; paragraph 2 - Traditional IRA to Roth IRA Conversions was amended and reads in its entirety as follows:

“2. **Traditional IRA to Roth IRA Conversions** - If your MAGI is not more than \$100,000, and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). However, if you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty. For tax years beginning after 2009, the MAGI limit will be eliminated.”

◆ Limitations and Restrictions

- (A) *Spousal Roth IRA*: The second paragraph was amended with 2009 and 2010 and reads in its entirety as follows:

“The amount you may contribute to your Roth IRA and your spouse’s Roth IRA is the lesser of 100 percent of your combined compensation or \$6,000 for 2002-2004, \$8,000 for 2005-2007 and \$10,000 for 2008-2009. This amount may be increased with cost-of-living adjustments in 2010 and beyond. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.”

**5. Personal Information Privacy Protection Policy**

- ◆ Existing Personal Information Privacy Protection Policy has been replaced in its entirety.

**6. USA PATRIOT Act Disclosure**

- ◆ A new USA PATRIOT Act Disclosure has been added.