

Education Savings Account Plan Document and Disclosure

Privacy Notice

This Privacy Notice is provided on behalf of Capital One Investing, LLC. It describes our practices for safeguarding personal information about the individuals, including IRA holders, who own or apply for our financial products or services primarily for personal, family, or household purposes.

If you are a plan sponsor, this Privacy Notice describes our practices for safeguarding personal information about your employee benefit plan participants and beneficiaries. It does not apply to you as the plan sponsor.

Protecting your privacy

We take great care to properly handle information about IRA holders and employee benefit plan participants and beneficiaries, hereafter "you." This Notice describes how we handle personal information and our commitment to protecting your privacy.

We safeguard the information we collect about you

We follow strict security standards and procedures to help prevent unauthorized access to personal information. Only properly authorized employees may access information we collect from or about you. We regularly test our technology and employ multiple procedures to protect the confidentiality of information about you. We apply rigorous standards for protecting personal information to all our interactions with you, including those conducted via the Internet.

How we collect information

We may collect information about you from the following sources:

- **Information we obtain during the application or enrollment process.** You may provide information as part of the application or enrollment process, such as your name, address, Social Security number, and employment data.
- **Information we obtain from third parties.** This type of information may include such things as market value data about your account and similar information.
- **Information about transactions and experience.** We create and retain information based on your transactions and experience with us, such as investment records and account balances.
- **Information we obtain through Internet technology.** This includes information you may provide via on-line forms you complete and information we receive when you visit our website.

How we share information with third parties

We may disclose the information we collect about you, former customers, plan participants, and beneficiaries in response to a subpoena, to prevent fraud, to comply with an inquiry by a government agency or other regulator, or as necessary for other legal purposes.

We also may disclose information we collect about you, former customers, plan participants, and beneficiaries as follows:

- to third party service providers that perform services for us in the processing or servicing of your transaction, or third parties that perform services on our behalf; and
- to third parties with your consent or at your direction or otherwise as permitted by law.

Accuracy of information

We strive to keep our records accurate and will make appropriate corrections when you notify us. Please let us know if there is incorrect information in any statements or other communications that you receive from us.

Additional information

If you have questions about our Privacy Notice, please write to our Privacy Officer at:

Capital One Investing, LLC
PO Box 259008
Plano, TX 75025

The term “third party” refers to any entity that is not an affiliate of Principal Trust Company. Receipt of this Notice does not constitute our acceptance of an application for any product or service. We may modify our privacy practices occasionally. If we do so, we will communicate any material changes to you as required by law.

If a state’s privacy requirements are more restrictive than those stated in this Notice, we will meet all applicable state requirements.

Your agent, broker, consultant, or others with whom you have a relationship may have a different privacy policy.

About the Coverdell Education Savings Account

A Coverdell Education Savings Account is a trust that is created to help pay the qualified education expenses of the designated beneficiary of the account. The Coverdell Education Savings Account provides a unique savings vehicle where distributions of contributions and earnings are potentially tax-free if used to pay for certain education expenses.

Parties involved in the account

Several parties are involved in the account:

- Custodian - maintains the IRA on behalf of the designated beneficiary.
- Grantor/Depositor - establishes the IRA for the benefit of a designated beneficiary. The grantor does not have to be a family member. The grantor can also be the Responsible Individual.
- Designated Beneficiary - individual under age 18* who is named in the document and will receive the benefit of the funds in the account.
- Responsible Individual - usually the parent or guardian of the designated beneficiary. In some cases, the designated beneficiary can become the responsible individual at the age of majority. The grantor can also be the responsible individual.
- Contributor - The grantor is the initial contributor, but any eligible individual, including the designated beneficiary, can contribute to the account.
- Death Designated Beneficiary - person or entity named to receive the assets upon the death of the designated beneficiary.
- Replacement Designated Beneficiary - qualified family member who replaces the original designated beneficiary.

Who is eligible?

The beneficiary must be under age 18* when original contributions are made to the account. The Contributor must meet modified adjusted gross income (MAGI) requirements to fund a Coverdell Education Savings Account. For an individual, including married filing a separate return, the contribution is reduced with MAGI between \$95,000 - \$110,000. For contributors who are married filing a joint return, the contribution is reduced with MAGI between \$190,000 - \$220,000. The contributor does not have to have earned income to make a contribution. A grandparent receiving pension benefits only could use a portion of the money to contribute to a Coverdell Education Savings Account of a grandchild. Or, a child could use money received as a gift to contribute it to his or her own Coverdell Education Savings Account. Note: A contribution may not be made on behalf of the child in the same tax year any amount is contributed to a qualified state prepaid tuition program, with some exceptions.

Note- Age limits for contributions, distributions, and rollovers do not apply to individuals with Special Needs.

How much can be contributed?

The most that can be contributed during a given year for a designated beneficiary is \$2,000, excluding rollovers from another Coverdell Education Savings Account. A designated beneficiary can have more than one account, but the total annual contribution to all accounts combined cannot exceed \$2,000. Contributions must be made by tax filing deadlines not including extensions. Contributions must be made in cash and are not tax deductible.

Who makes the investments?

The contributor usually chooses the initial investment for the account. Afterwards, the responsible individual has the power to change the initial investment and make decisions about investments for subsequent contributions.

Tax free distributions

Distributions from a Coverdell Education Savings Account are tax free if the distribution is used to pay for qualified education expenses at an eligible educational institution. Qualified education expenses include tuition, fees, books, supplies, equipment, academic tutoring, special needs services, uniforms, transportation, educational computer technology including internet access, and room and board in certain situations (the student must be enrolled at least as a half-time student at an eligible educational institution). The beneficiary must file IRS Form 8606 with the IRS to report Coverdell Education Savings Account distributions.

Rollovers

Once the beneficiary attains age 30*, any assets remaining in the account must either be distributed or rolled to a qualified family member's Coverdell Education Savings Account. Almost any relative will qualify as long as he or she is under age 30*. Only one rollover is permitted per Coverdell Education Savings Account per 12 months and rollovers must be done within sixty days. Also, rollovers must be in cash.

Excess contributions

In the event of an excess contribution, the excess will be returned to the Designated Beneficiary. The excess amount must be withdrawn by the first day of the sixth month following the taxable year (May 31), or the excess contribution will be subject to a six percent excise tax. The excise tax will be imposed for each year the excess amount remains in the account.

Definitions

Half-time student - The requirement that a student be at least a half-time student applies to room and board only. For example, John takes two courses (three credits each) at a qualified college. He can take a tax-free withdrawal to pay for education expenses associated with taking the courses, but cannot take a tax-free withdrawal to pay for his off-campus apartment because a full-time student at his college takes a minimum of a 16 credit work load.

Eligible educational institution - If the post-secondary educational institution is eligible to participate in a student aid program administered by the Department of Education, then it is an eligible educational institution. In addition to eligible post-secondary educational institutions, elementary and secondary schools (kindergarten through grade 12) are included in the definition of eligible educational institutions.

This booklet is informational only and should not be construed as providing individual tax or legal advice. For more information, consult IRS Notice 97-60 (available at <http://www.irs.gov/pub/irs-tege/notice97-60.pdf>). Both the depositor and responsible individual should read this Notice carefully. Please consult your own tax advisor or attorney regarding your individual situation.

Instructions for Coverdell Education Savings Account

Consult with your attorney

Carefully read over the enclosed information. Please consult with your attorney and tax advisor if you are thinking about starting your own trust.

Disclosure statement & trust agreement

Prior to completing any forms, read the Disclosure Statement and Form 5305-E in their entirety.

Application

This is the basic legal document through which you join the Trust. It should be carefully considered.

Please complete and sign the application. Make one copy for your records.

Upon completion of the application the Trust will become effective.

Trust installation and notice

Individual accounts will be opened by you at Capital One Investing. The registration of the account will be as follows:

Capital One Investing, LLC, TRUSTEE

FBO < Name of Designated Beneficiary > Coverdell Education Savings Account

Our Federal Tax I.D. number should appear when opening cash accounts. It is 91-1905424. When a cash account is opened, the Designated Beneficiary must receive a statement.

Investments

It is the responsibility of the Designated Beneficiary or Responsible Individual to direct the investment of the Trust funds. Investment directions may be given directly to your brokerage firm. Investment confirmations will be sent to you by your broker. Any transactions not generating a confirmation must be accompanied by additional written instructions.

The facilities of your brokerage firm will be available to you so that you may obtain research material in connection with your investments. Your brokerage firm will receive only brokerage commissions or appropriate dealer markups for the purchase and sale of securities within your account.

The brokerage firm cannot exercise discretion or control over your account, unless you are using the services of a registered investment advisor. Although they may provide investment information and advice to you, they do not intend that any advice given by them will serve as the primary basis for your investment decisions. Furthermore, it is our understanding that you will exercise independent judgment in making your investment decisions.

Contributions

IMPORTANT- Forward all contributions to your broker. Contributions will be reported for the tax year in which they are made. All Rollovers must be made in the form of cash.

NOTE- With the exception of rollovers, contributions in excess of \$2,000 per year cannot be accepted. Do not over-invest as this will cause a debit balance and may disqualify your Plan. Commissions are part of the cost of the investment and may not be paid separately.

Mailing instructions

If sent First Class, address to:

Capital One Investing, LLC
PO Box 259008
Plano, TX 75025

If sent by a courier service, address to:

Capital One Investing, LLC
7940 Dominion Parkway
Plano, TX 75024

Records

It is extremely important for you to keep good records covering your contributions and investments. Remember that you assume the responsibility for filing all Federal and State tax returns and forms required as participant of a Coverdell Education Savings Account.

Disclosure Statement for Coverdell Education Savings Account

In compliance with Regulation, Section 530, Capital One Investing, LLC, as Trustee, hereby submits the following Disclosure Statement for our Education Retirement Trust (Ed IRA) to the "Grantor" who has established the account for the benefit of the "Designated Beneficiary" (Beneficiary).

A. Revocation

A Responsible Individual or Grantor is entitled to revoke this account within seven days from the date the Grantor adopts this Trust. Upon revocation, the entire account plus the acceptance fee will be returned. The notice of revocation shall be in writing. The written notification of revocation may be mailed or hand delivered to the Trustee on or before seven days after the date the Grantor adopted the Trust.

In the event that the written notification is mailed, it shall be deemed to be mailed on the date of the postmark, or if sent by certified or registered mail, it shall be deemed to be mailed as of the date of certification or registration. If mailed, the written notice of revocation shall be mailed in the United States in an envelope, or other appropriate wrapper, and it is to be mailed by first class mail with the postage prepaid, and is to be addressed to:

Mail: IRA Manager
Personal delivery: IRA Manager
Capital One Investing, LLC
7940 Dominion Parkway
Plano, TX 75024
Phone: Customer Service at 800-747-2537

B. Overview

A Coverdell Education Savings Account is a trust or custodial account that is created or organized in the United States exclusively for the purpose of paying the qualified education expenses of the Designated Beneficiary of the account. The account must be designated as a Coverdell Education Savings Account when it is created in order to be treated as a Coverdell Education Savings Account for tax purposes.

A Coverdell Education Savings Account may be established for the benefit of any child under the age of 18*. Contributions will not be accepted after the Designated Beneficiary reaches his or her 18th* birthday. There is no limit on the number of Coverdell Education Savings Accounts that may be established with a particular child as beneficiary. However, the total aggregate contributions to all of the accounts for a particular child may not exceed \$2,000 in any given tax year.

Note- Age limits for contributions, distributions, and rollovers do not apply to individuals with Special Needs. You can open a Coverdell Education Savings Account with any bank or other entity that has been approved to serve as a nonbank trustee or custodian of an IRA that also offers Coverdell Education Savings Accounts.

The Grantor must name a Responsible Individual when the trust is established. The following rules apply to a Responsible Individual:

- A Responsible Individual shall be a parent or guardian of the Designated Beneficiary.
- The trust will only have one Responsible Individual.
- If the Responsible Individual dies or becomes incapacitated while the Designated Beneficiary is a minor, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual. The successor Responsible Individual must be named in writing and the appointment must be witnessed. If no successor Responsible Individual is named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian.
- The Designated Beneficiary shall become the Responsible Individual upon reaching the age of majority, unless the Grantor elects for the named Responsible Individual to continue to serve in that capacity. The election is made by marking the appropriate option on Form 5305-E.
- If the Designated Beneficiary dies and a family member under the age of majority becomes the Designated Beneficiary by reason of being a named death beneficiary, the Responsible Individual shall be such Designated Beneficiary's parent or guardian.
- For purposes of a Coverdell Education Savings Account, a family member includes a:
 - child,
 - grandchild,
 - sibling,
 - parent,
 - niece or nephew,
 - son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law,
 - spouse

There are two definitions you should be familiar with regard to Coverdell Education Savings Accounts:

1. Qualified education expenses - Expenses for tuition, fees, books, supplies, and equipment, academic tutoring, special needs services, uniforms, transportation and educational computer technology including internet access required for the enrollment or attendance of the Designated Beneficiary at an eligible educational institution. These expenses also include:

- Amounts contributed to a qualified state tuition program.
- Room and board (generally, the schools' posted room and board charge, or \$2,500 per year for students living off-campus and not at home) if the student is at least a half-time student at an eligible educational institution.

2. Eligible educational institution - Any college, university, vocational school, or other post-secondary educational institution including elementary and secondary schools (kindergarten through grade 12) that is described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) and therefore, eligible to participate in the student aid programs administered by the Department of Education. This category includes almost all accredited public, nonprofit, and proprietary post-secondary institutions.

C. Contributions

The rules for contributions to a Coverdell Education Savings Account are different from that of other IRAs.

- Amount - Up to \$2,000 per year in aggregate contributions may be made for the benefit of any child. The contributions may be placed in a single Coverdell Education Savings Account or in multiple Coverdell Education Savings Accounts. There is no limit on the number of education accounts that may be established designating a child as beneficiary, as long as the total contributions to all accounts do not exceed \$2,000.
- Timing - Contributions must be made by the tax filing deadline, not including extensions of the year to which they apply.
- Type - Contributions will only be accepted in cash. If no successor Responsible Individual is named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian.
- Restrictions - Any individual (including the child) may contribute to a Coverdell Education Savings Account if the individual's modified adjusted gross income (MAGI) for the taxable year is no more than \$95,000 (\$190,000 for married taxpayers filing jointly). The \$2,000 limit is reduced for individuals with modified adjusted gross income between \$95,000 and \$110,000 (between \$190,000 and \$220,000 for married taxpayers filing jointly). Taxpayers with MAGI above \$110,000 (\$220,000 if married filing jointly) cannot make contributions to anyone's Coverdell Education Savings Account.

To figure your maximum contribution:

MAGI - Max limit of \$95,000

$\$2,000 \text{ Maximum} \times (\text{assumes single filer}) = \text{Contribution}$

$\$15,000 \text{ (spread between } \$95,000 \text{ and } \$110,000)$

For instance, an unmarried taxpayer with MAGI of \$96,500 could make a maximum contribution per child of \$200 for that year ($\$2,000 \times (96,500 - \$95,000) / \$15,000 = \200).

- Contributions - Contributions to a Coverdell Education Savings Account are not deductible.
- Excess Contributions - There are four ways you can over-contribute to the account. They are:
 1. If the aggregate contributions for the benefit of a particular child exceed \$2,000 for a calendar year,
 2. If the contributions exceed the contribution limit based on the contributor's MAGI, even if less than \$2,000,
 3. If contributions are made to the account after the Designated Beneficiary turns 18.*

Note- Age limits for contributions, distributions, and rollovers do not apply to individuals with Special Needs.

The excess amount must be withdrawn by the first day of the sixth month following the taxable year (May 31), or the excess contribution's will be subject to a six percent excise tax. The excise tax will be imposed for each year the excess amount remains in the account.

D. Rollovers

In general:

- Funds from a Coverdell Education Savings Account can only be deposited to another Coverdell Education Savings Account,

- Funds must be deposited not later than 60 days after the date the distribution is made,
- The receiving Coverdell Education Savings Account must be for the benefit of the same Beneficiary or a member of the Beneficiary's family (as described in Section B),
- The Beneficiary of the receiving Coverdell Education Savings Account must not have attained age 30* as of the date the funds are deposited,
- Only one rollover is allowed per year,
- The \$2,000 limit does not apply to rollover contributions,
- Rollovers must be made in the form of cash.

E. Investments

The Grantor has the authority to direct the trustee regarding the investment of the amount the Grantor assigns to the trust (plus earnings). The Responsible Individual however, can redirect the trustee regarding such amount and any additional contributions (and earnings) to the trust.

No part of the trust funds may be invested in life insurance contracts.

The assets of the trust may not be commingled with other property except in a common trust fund or common investment fund.

No investments in Limited Partnerships or Limited Liability Companies are permitted in Capital One Investing, LLC Coverdell Education Savings Accounts.

It is the responsibility of the Responsible Individual to select and direct the investment of the Trust Fund, either in person or through an Investment Manager. Selection of investments must conform to the Trust. As an example but not limited to, investments may be made in common stocks, government and corporate bonds, mutual funds, savings programs, certain option transactions, and other lawful trust investments as stated in the Trust. Investments not generating confirmations must be accompanied by additional written instructions. An investment in collectibles with the exception of certain U.S. minted coins will be treated as a distribution, Code 408(m). Although the brokerage firm may provide investment information to your account, they do not intend that any information given by them will serve as a primary basis for investment decisions. Furthermore, it is our understanding that you will exercise independent judgment in making your investment decisions. The broker is only acting as the Trustee's agent for the purpose of the completion of the Application and for providing brokerage services as outlined in the Coverdell Education Savings Account. Any questions concerning the authority of your broker should be directed to the Trustee.

F. Distributions

Distributions to a Designated Beneficiary are tax free if:

- The amount of the withdrawal does not exceed the Designated Beneficiary's qualified higher education expenses (as defined in Section B),
- The Designated Beneficiary is enrolled in an eligible educational institution (as defined in Section B).

The Designated Beneficiary may be enrolled full-time, half-time, or less than half-time.

If the Designated Beneficiary withdraws an amount from a Coverdell Education Savings Account and does not have any qualified education expenses during the taxable year, the portion of the distribution that represents earnings that have accumulated tax-free in the account, are taxable. The taxable portion of the distribution is also subject to a 10 percent additional tax, unless an exception applies. Exceptions are:

1. Payments made to a death beneficiary (or to the estate of the Designated Beneficiary) on or after the death of the
2. Designated Beneficiary,
3. Made to the Designated Beneficiary on account of being disabled (within the meaning of Section 72(m)(7)).
4. Made on account of a scholarship, allowance, or payment described in Section 25A(g)(2), received by the account
5. holder to the extent the amount of the payment or distribution does not exceed the amount of the scholarship, allowance, or payment; or
6. The Designated Beneficiary elects to waive the tax exempt benefit under Section 503(d)(2).

Required distributions

Any balance remaining in a Coverdell Education Savings Account must be distributed:

- within 30 days of the date the Beneficiary attains age 30*, or
- within 30 days after the date of death of such Beneficiary.

If the Designated Beneficiary withdraws the funds from the account, they will be subject to income tax and the additional 10 percent tax on the amount that represent earnings.

The Designated Beneficiary may also:

- roll over the funds to another Coverdell Education Savings Account for the benefit of a member of their family who has not attained age 30*, or within 30 days after the date of death of such Beneficiary.
- if the terms of the Trust so permit, change the Designated Beneficiary to a new Designated Beneficiary who is a member of the previous Designated Beneficiary's family who has not attained age 30* (See Section B).

Note- Age limits for contributions, distributions, and rollovers do not apply to individuals with Special Needs.

Amounts rolled over in compliance with the requirements in Section D or when the Designated Beneficiary is changed to a family member, will not be includible in income or subject to the 10 percent tax.

Special rules for death and divorce

The transfer of a Designated Beneficiary's interest in a Coverdell Education Savings Account to a spouse under a divorce or separation agreement described in section 71(b)(2) will not be considered a taxable transfer. Furthermore, the interest, after such transfer, will be treated as a Coverdell Education Savings Account with the spouse as the Designated Beneficiary.

If the Designated Beneficiary dies and the surviving spouse is the designated death Beneficiary; the surviving spouse may treat the account as if they were the account holder.

G. Financial Disclosure

1. The amount of the money that will be available at any period of time will depend on the following:
 - Amount of contributions
 - Total years of participation
 - Earnings including interest, dividends, realized and unrealized gain and loss
 - Expenses
2. A guaranteed return or projected amount cannot be furnished because of the numerous investments available to you.
3. For a current list of fees applicable to this account, see Pricing & Rates, located in the Capital One Investing website's footer. Capital One Investing reserves the right to modify its fees at any time, including the right to impose a fee of up to \$25 to terminate this account.

H. Form 5498

Form 5498 will be completed by the Trustee and forwarded to the Designated Beneficiary and the IRS. This form reports contributions and rollovers received during the year. To ensure accuracy, the individual's cash statement from the brokerage firm must reflect whether money coming into the account is a contribution or rollover.

I. Additional Information

1. The Grantor agrees that all controversies between the Grantor, Responsible Individual, and/or Designated Beneficiary and the Trustee and/or any of its officers, directors, or employees present or former concerning or arising from:
 - any retirement account maintained with the Trustee by the Grantor, Responsible Individual or Designated Beneficiary
 - any transaction involving the Designated Beneficiary's account, whether or not such transaction occurred in such account or accounts; or
 - the construction, performance, or breach of this Agreement between us, whether such controversy arose prior, on, or subsequent to the date hereof, shall be determined by arbitration under the commercial arbitration rules of the American Arbitration Association. Any disputes as to the arbitrability of a matter or the manner of such arbitration shall be determined in such arbitration. Such arbitration shall be held in Wilmington, Delaware.

Arbitration Disclosures: Arbitration is final and binding on the parties; the parties are waiving their right to seek remedies in court, including the right to jury trial; pre-arbitration discovery is generally more limited than and different from court proceedings; the arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited; the panel of arbitrators will consist of arbitrators from American Arbitration Association; the arbitration will be under the commercial arbitration rules of the American Arbitration Association; the arbitration shall be held in Wilmington, Delaware; and any disputes as to such arbitration or the manner thereof shall be determined in such arbitration.
2. Agreement is not enforceable in accordance with its terms in a particular jurisdiction shall not affect the validity or enforceability of the remaining provisions of this Trust Agreement generally or in any other jurisdiction or as to any other parties, but rather such unenforceable provisions shall be stricken or modified in accordance with such determination only as to such parties and this Trust Agreement, as so modified, shall continue to bind the specific parties involved therein and otherwise all other parties in unmodified form.
3. A copy of Form 5305-E "Education Individual Retirement Trust Account" should be printed by the Responsible Individual upon the account setup and acceptance.
4. Further information can be obtained from any district office of the Internal Revenue Service.

IRS FORM 5305-E Coverdell Education Savings Trust Account

The form 5305-E Coverdell Education Savings Trust Account (Under Section 530 of the Internal Revenue Code) is the plan agreement that creates an Education Savings Account. The plan agreement sets forth the terms and conditions of the Education Savings Account.

[Click here](#) to access the form. DO NOT File this form with the Internal Revenue Service or with Capital One Investing, LLC

*Capital One Investing, LLC reserves the right to impose new fees or to increase fees charged, as it deems appropriate. For a current list of fees applicable to this account, see Pricing & Rates, located in the Capital One Investing website's footer.