

**1 ACCOUNT OWNER INFORMATION**

Legal Name:	Social Security Number:
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**2 CONVERSION INSTRUCTIONS**

Traditional IRA Account Number <input style="width: 90%; height: 25px;" type="text"/>	→	Roth IRA Account Number <input style="width: 90%; height: 25px;" type="text"/>
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If you do not have an IRA Plus Southwest Roth IRA, please leave this area blank and attach a new Account Application to this form.

**NOTE:** If you want your Roth Conversion to be processed before the end of the year, IRA Plus Southwest must receive your completed Roth Conversion Request before December 1st. Requests received after December 1st and/or incomplete forms will be processed as time allows.

Close my Traditional IRA after the conversion

Keep my Traditional IRA open for future investments  
(Standard account fees will apply.)

Full conversion

Convert at most recent value(s) provided by Account Owner

Convert using updated market value per attached Valuation Affidavit(s)

Partial conversion. Please list assets to be converted below.

NAME OF ASSET	UNITS	UNIT PRICE	MARKET VALUE*

\* If Market Value shown is not the most recent market value provided to IRA Plus Southwest, please provide a Valuation Affidavit for each asset being converted.

**3 PAYMENT OF FEES—FEES WILL BE DEDUCTED FROM YOUR ACCOUNT UNLESS OTHERWISE INDICATED**

- Conversion—\$75.00
- Asset Re-registration—\$100.00

Your account     
  Check enclosed     
  Credit Card on file

**4****NOTICE OF WITHHOLDING**

Internal Revenue Service regulations require that this notice be given to you each time you request a conversion of your IRA. The conversions of your IRA are subject to Federal Income Tax withholding, unless you elect not to have withholding apply. Although you may elect not to have income taxes withheld, you will still be liable for payment of any Federal Income Tax due on conversions of your IRA. If you elect not to have income tax withheld from your conversion, or if you do not have enough federal income tax withheld, you may be responsible for payment of estimated tax. In addition, you may incur penalties under the estimated tax payment rules if your withholding and estimated tax payments are not sufficient.

You should consult with your accountant, tax attorney or other tax advisor regarding your election of Federal Income Tax Withholding in Section 5 below. If you do not make an election, Federal Income Taxes will be withheld at a rate of 10%.

**5****INCOME TAX WITHHOLDING ELECTION**

**WARNING:** Any taxes withheld from the conversion will be treated as a regular distribution from your Traditional IRA and will NOT be converted to your Roth IRA. Any amounts withheld and not rolled over to your Roth IRA Account within 60 days may be subject to a 10% early withdrawal penalty if you are under 59<sup>1/2</sup>

Choose one. If no election is made, 10% will be withheld from the gross conversion amount.

- DO NOT** withhold any federal income tax from the conversion
- Withhold 10% of the conversion for federal income tax
- Withhold \_\_\_\_\_ % of the conversion for federal income tax (minimum 10%)
- Withhold \$ \_\_\_\_\_ from the conversion for federal income tax (must be at least 10% of conversion)

**6****ROTH CONVERSION DISCLAIMER AND ACKNOWLEDGEMENT****DISCLAIMER REGARDING MARKET VALUE**

If you are converting any asset whose value is not readily determinable on an established market, IRA Plus Southwest, LLC and the Custodian strongly suggest that you obtain an appraisal of the asset from a qualified independent third party before converting to a Roth IRA. Because a Roth conversion is a taxable event, you should be able to demonstrate to the Internal Revenue Service that you are paying tax on the fair market value of the assets converted should the IRS audit you or your IRA and challenge the value of the asset used in the conversion. In regulation §1.408A-4 the IRS addressed the attempt by some taxpayers to undervalue annuities in their Traditional IRAs when converting to a Roth. The IRS provides further insight into the issue in Notice 2004-8 Abusive Roth Transactions. Although Notice 2004-8 does not address Roth Conversions per se, the press release published by the Treasury Department states that the Notice issued guidance regarding "indirect contributions to Roth IRAs" and that the IRS was "concerned that some would try to abuse this savings vehicle (*Roth IRA*) in an attempt to skirt their tax responsibilities. The Notice itself describes transactions that "are not fairly valued and thus have the effect of shifting value into the Roth IRA." It is your responsibility to provide IRA Plus Southwest, LLC with the Fair Market Value of the assets to be converted. Neither IRA Plus Southwest, LLC nor the Custodian has any duty or responsibility to solicit any valuation from you or other third party.

**DISCLAIMER REGARDING PAYMENT OF FEES TO THIRD PARTY**

Third parties may charge fees for services associated with the Roth Conversion. For example, the third party providing the market value determination may charge a fee. In addition the investment sponsor, escrow agent, transfer agent or other party may charge a fee to re-register the converted asset to the name of the Roth IRA. These fees may be paid by the IRA. The Account Owner is permitted to pay certain fees associated with the set up and maintenance of the IRA without such payment being considered a contribution to the IRA. Whether payment of these fees charged by third parties would constitute a contribution to the IRA is unclear at this point in time. Consequently, IRA Plus Southwest, LLC will not report such payments as contributions if paid by the Account Owner; however, if the IRS later determines that these payments should have been treated as contributions, IRA Plus Southwest, LLC and the Custodian will assume no responsibility for the consequences.

**ACKNOWLEDGEMENT**

I hereby agree, acknowledge and represent the following with regard to all of the assets that I have requested to be converted from my Traditional IRA to my Roth IRA:

- A. I agree and acknowledge that the Roth Conversion of part or all of my Traditional IRA to a Roth IRA is treated as a distribution from my Traditional IRA and a subsequent rollover to my Roth IRA.
- B. I agree and acknowledge that IRA Plus Southwest, LLC will report the Roth Conversion to the Internal Revenue Service as a distribution from my Traditional IRA and a rollover to my Roth IRA and that I will owe income taxes on the amount of the Roth Conversion/distribution.
- C. I agree and acknowledge that the amount of the distribution reported to the IRS will be the Fair Market Value (FMV) of the assets in my Traditional IRA that are being converted.
- D. I agree and acknowledge that because of the aforementioned issues, it is important to determine the FMV of the assets being converted.

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**ROTH CONVERSION DISCLAIMER AND ACKNOWLEDGEMENT—CONTINUED**

- E. I agree and acknowledge that, under the provisions of the Form 5305 (Custodial Agreement), it is my responsibility to provide IRA Plus Southwest, LLC with the Fair Market Value of the assets held in my account or accounts and that neither IRA Plus Southwest, LLC nor the Custodian has any duty or responsibility to solicit any valuation from me or other third party.
- F. I agree and acknowledge that by completing Section 2 of this Roth Conversion Request, I have provided IRA Plus Southwest, LLC with the Fair Market Value of the assets being converted. I further agree and acknowledge that IRA Plus Southwest, LLC may rely on the FMV provided by me for reporting the Roth Conversion to the IRS and to me.
- G. I agree and acknowledge that I understand that there may be severe tax consequence as a result of the understatement or overstatement of the FMV of the assets being converted.
- H. I agree to defend and indemnify IRA Plus Southwest, LLC and the Custodian and to hold them harmless from and against **all losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of my IRA** should the Internal Revenue Service or any other entity or agency challenge the FMV that I have provided IRA Plus Southwest, LLC.
- I. I agree and acknowledge that any fees associated with this Roth Conversion that I pay to a third party may later be determined by the IRS to constitute a contribution to my IRA. I agree and acknowledge that IRA Plus Southwest, LLC will not treat or report the payment of such fees by me as a contribution to my IRA and that I alone am solely responsible for any and all consequences, tax or otherwise, resulting from my payment of these fees. I agree to defend and indemnify IRA Plus Southwest, LLC and the Custodian and to hold them harmless from and against **all losses, expenses, damages (of any kind), costs, including court costs and attorney fees, or taxes, including tax resulting from prohibited transactions or disqualification of my IRA** should the Internal Revenue Service or any other entity or agency determine that my payment of these fees constitutes a contribution to my IRA.

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**DECLARATION AND SIGNATURE**

I understand that by converting my traditional IRA to a Roth IRA, I will owe income tax on all pre-tax assets converted. The decision of whether to convert my traditional IRA to a Roth IRA was made in light of all relevant financial information in conjunction with my professional tax advisors. I have read the ROTH CONVERSION DISCLAIMER AND ACKNOWLEDGEMENT in Section 6 and agree to all the acknowledgments specified therein.

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

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