

GUIDE

INVESTMENTS IN SINGLE-MEMBER LLCs

Please read this entire document prior to completing the investment directive. A Single-Member LLC investment may be purchased at your direction or transferred from an existing IRA. Supporting documents and information must be provided to M2 Trust. Please make sure that all paperwork is correctly filled out as investment packages which are submitted with improperly executed documents or missing items will be considered incomplete and may experience processing delays and a reprocessing fee (refer to fee schedule).

Required Documents

1. Fully executed M2 Trust Single-Member Limited Liability Company Investment Directive & Agreement.
2. M2 Trust requires that the Operating Agreements for the Single-Member LLC be prepared by an attorney or a facilitator company whose standard documents have been reviewed by legal counsel. Operating Agreements prepared by you, an accountant, or websites, such as LegalZoom.com or BizFilings.com are not acceptable.
3. A file-stamped copy of the articles of organization showing the complete name of the limited liability company as it appears in the state of organization's records must be provided prior to the funding of the investment.
4. The limited liability company must apply for and obtain a Tax Identification Number from the IRS and provide a copy of the IRS confirmation letter to M2 Trust prior to funding the limited liability company.
5. The Operating Agreement must contain language to address IRA-related issues concerning prohibited transactions (IRC § 4975), the plan asset rules, the allowance of subsequent or additional capital contributions and unrelated business income tax (including language that ensures that the manager of the LLC will prepare and file all necessary tax forms with the appropriate federal, state and local taxing authorities).
6. The Operating Agreement must name the LLC manager and provide the manager's address, telephone number and email address.
7. The Operating Agreement must accurately designate the member as "M2 Trust, Custodian, FBO your name] IRA" and use M2 Trust's Tax ID 83-2254374.
8. The Operating Agreement must be signed by the member and the manager, if the manager is not the IRA Account Holder, as having read, understood and agreed to the provision contained within the Operating Agreement.
9. The Operating Agreement must provide a signature line for an authorized signer of M2 Trust to sign on behalf of the member.
10. A bank account in the name of the limited liability company must be established at a financial institution such as a bank, credit union or brokerage firm, and the funds invested by the IRA must be deposited into that bank account.

PROHIBITED TRANSACTIONS

IRC § 4975 prohibits interactions between your account and a disqualified person, i.e., certain individuals and entities related to you. See IRS Publication 590 and/or IRC § 4975 for more information.

Prohibited transactions generally include the following transactions:

- Lending money or engaging in some other extension of credit between your account and a disqualified person. For example, you cannot invest funds into an entity managed or controlled by a family member or lineal descendant.
- Furnishing goods, services or facilities between your account and a disqualified person.
- Transfer or use by or for the benefit of a disqualified person, the income or assets of your account.
- Dealing with income or assets of your account by a disqualified person acting in his/her own interest or for his/her own account.
- Receipt of any personal consideration by you or other disqualified person from any party in connection with a transaction involving the income or assets of your account.

A disqualified person generally includes the following:

- You, as the IRA Account Holder;
- A person providing services to your account;
- A family member, such as your spouse, children, or lineal descendants and their spouses;
- Any person providing services to the plan;
- Any entity (corporation, partnership, trust, or estate) in which you own (either direct or indirect) 50% or more; and
- An officer, director, 10% or more shareholder, or highly compensated employee of the 50% or more owned entity described above.

SUBMISSION OPTIONS

How to Submit Your Investment Directive - Account Holders can submit their investment directive by mail, fax or email; however, if the supporting documents or investment entity require original ink signature(s) please **mail** the investment directive with the supporting documents.

Mail
M2 Trust Services, LLC
700 17th Street, Suite 1100
Denver, CO 80202

Fax
Fax: (720) 420-8381

Email
Investments@M2Trustservices .com

DISCLOSURES

M2 Trust has not and will not complete any due diligence regarding investments and will not question or review the Account Holder's investment decision. Investment decisions within an account are made entirely by the Account Holder, who is responsible for the selection and management of all investments held in the account. M2 Trust is not a "fiduciary" as such term is defined in the Internal Revenue Code, ERISA or any other applicable local, state or federal laws. M2 Trust makes no representations or guarantees concerning investments and any such claims made by a financial representative or product provider are not supported by M2 Trust. M2 Trust does not sponsor or endorse any investment, nor does it evaluate investments as to their merit.

M2 Trust typically processes this paperwork within three (3) business days, unless expedited service is requested (at an additional cost). Expedited service requests do not guarantee same-day service. If expedited service is requested, all required documents must be submitted with the investment directive at the same time.

M2 Trust charges a transaction fee to process Single-Member LLC transactions and an asset holding fee each quarter (refer to fee schedule).

Certain investments may generate Unrelated Business Taxable Income ("UBTI"), refer to §§ 511 through 514 of the Internal Revenue Code for more information. M2 Trust does not monitor for UBTI and does not prepare Form 990-T. If such a tax is applicable, the Account Holder is responsible to have the proper 990-T tax form prepared and forwarded to M2 Trust along with Account Holder's authorization to pay the tax from the account.

Investments may be subject to review by M2 Trust prior to funding in order to determine administrative feasibility. M2 Trust reserves the right to: 1) charge a nonrefundable special services fee for such reviews; and 2) not process any investment which it determines contains administrative, management or safekeeping requirements beyond its capabilities or expertise.

The investment is NOT insured by the FDIC, and is NOT a deposit or other obligation of, or guaranteed by M2 Trust. Investments are subject to investment risk, including the possible loss of the principal amount invested.