



Individual Retirement Account (IRA) Information Booklet

WE URGE EACH INDIVIDUAL TO CAREFULLY READ THIS DISCLOSURE STATEMENT AND CUSTODIAL AGREEMENT PRIOR TO ESTABLISHING AN ACCOUNT.

Effective December 20, 2011

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First Investors

Traditional IRA Disclosure Statement

Roth IRA Disclosure Statement

1. INTRODUCTION

This Disclosure Statement is distributed to you in accordance with Internal Revenue Service (IRS) regulations and is intended to provide you with a general explanation of the federal rules applicable to Traditional IRAs and Roth IRAs. The Disclosure Statement does not provide guidance on any state laws. However, you should be aware that state laws may affect your IRA in some instances, such as deductions, beneficiary designations, consent requirements and taxes. Also, assets held in your IRA may be subject to state unclaimed property laws.

WE URGE YOU TO READ THIS DISCLOSURE STATEMENT CAREFULLY PRIOR TO ESTABLISHING AN IRA.

Due to the unfavorable tax consequences which may result from the improper establishment of an IRA, you should confer with your attorney or qualified tax advisor. Additional information can be found in IRS Publication 590, "Individual Retirement Arrangements", from any district office of the IRS, or the IRS website at www.irs.gov.

First Investors reserves the right to amend the IRA governing instruments and this Disclosure Statement from time to time.

2. REVOCATION PROCEDURE

If you do not receive the applicable First Investors IRA Disclosure Statement more than seven (7) days prior to the date your First Investors IRA is established, you may revoke your First Investors IRA for any reason within seven (7) days after the date your First Investors IRA is established. If you revoke your First Investors IRA, the entire amount of your contribution will be refunded without penalty and without any adjustment for items such as sales commissions, administrative expenses or fluctuation in market value. If your First Investors IRA is established more than seven (7) days after the date you first received the applicable First Investors IRA Disclosure Statement, it cannot be revoked.

In order to revoke your First Investors IRA, you must mail or deliver a written notice of revocation to:

For Regular Mail Use:

First Investors Corporation
c/o Administrative Data Management Corp.
Attn.: Dept. R
P.O. Box 7837
Edison, New Jersey 08818-7837

For Overnight Mail Use:

First Investors Corporation
c/o Administrative Data Management Corp.
Attn.: Dept. R
Raritan Plaza I, 8th Floor
Edison, New Jersey 08837-3620

If mailed, the revocation notice shall be considered mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration) if it is deposited in the mail in the United States in an envelope or other appropriate wrapper, first class postage prepaid, properly addressed. While verbal revocations are not accepted, you may contact First Investors at 1-800-423-4026 if you have any questions with respect to this procedure.

3. DEFINITIONS

The following are definitions of terms used throughout this First Investors IRA Disclosure Statement and, unless otherwise stated, throughout the First Investors Traditional IRA and Roth IRA Custodial Agreements:

Annual Contributions: The applicable amount shown in the following table:

<u>Tax Year</u>	<u>Annual Contribution</u>
2011 and thereafter...	\$5,000 as adjusted for inflation

Beneficiary: The person or persons named by you to receive any undistributed amounts credited to your First Investors IRA upon your death. Unless otherwise noted, each beneficiary shall, from your death until the complete distribution of the Beneficiary's share in your First Investors IRA:

- have the same rights, responsibilities and control over his or her share of your First Investors IRA as you had prior to your death; and
- be subject to the same agreements and understandings as you.

Catch-Up Contributions: The additional contribution you may make to your IRA if you are 50 years of age or older as of the end of the tax year for which the contribution is being made. The additional contribution is determined as follows:

<u>Tax Year</u>	<u>Additional Contribution</u>
2011 and thereafter...	\$1,000

Code: The Internal Revenue Code of 1986, as amended from time to time, and regulations, rules, etc. issued thereunder. All references to sections of the Code, regulations, rules, etc. are to such sections as they may from time to time be amended or renumbered.

Compensation: The following is a general list of amounts included and excluded from Compensation. For a more comprehensive list of amounts included in and excluded from Compensation, consult with your attorney or qualified tax advisor. Includes wages, salaries, professional fees, and other amounts received for personal services actually rendered, including but not limited to such items as commissions paid to salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses and any amount includible in an individual's income as taxable alimony or separate maintenance payments. For purposes of determining IRA limitations and deductibility of contributions (i) for certain members of the U.S. Armed Forces serving in a combat zone, Compensation includes any nontaxable combat pay, and (ii) for reservists called to qualified active duty, Compensation includes "differential wage payments" as defined in Section 3401(h)(2) of the Code. For a self-employed person, compensation means earned income as defined in Section 401(c)(2) of the Code reduced by certain deductions and expenses such as the deduction the self-employed individual takes for contributions made to a self-employed retirement plan and the deduction allowed for one half of the individual's self employment taxes.

Compensation does not include amounts such as pension or annuity distributions, amounts received as deferred compensation, amounts derived from or received as earnings or profits from property, such as interest, dividends and rent, or, unless otherwise

provided by law, any amount not includible in gross income.

Custodian: Bank of New York Mellon, or any successor thereto.

Designated Roth Account: A Roth 401(k), Roth 403(b) or Roth 457 account.

Eligible Rollover Distribution: In general, any distribution of all or a portion of your vested account balance in a qualified retirement plan, a tax deferred annuity or custodial account, a Governmental 457 Plan or an IRA. However, the Code provides that certain distributions do not qualify as Eligible Rollover Distributions, for example:

- required minimum distributions;
- distributions made on account of a financial hardship or unforeseeable emergency;
- distributions of substantially equal periodic payments made over your life or the joint lives of you and your designated beneficiary or over a period of ten years or more;
- return of excess contributions or excess deferrals and any income allocable to the excess, or any excess annual additions and any allocable gains;
- defaulted loans treated as deemed distributions pursuant to Section 72(p) of the Code; and
- certain after-tax contributions.

First Investors: First Investors Corporation and its affiliates, as well as its and their officers, directors, representatives, employees and agents.

First Investors IRA Disclosure Statement: As applicable, the First Investors Traditional IRA Disclosure Statement, the First Investors Roth IRA Disclosure Statement or the First Investors Traditional IRA Disclosure Statement/First Investors Roth IRA Disclosure Statement.

First Investors IRA: As applicable, First Investors Roth IRA, First Investors Traditional IRA or First Investors Traditional IRA and First Investors Roth IRA.

First Investors Roth IRA: The Roth IRA sponsored by First Investors Corporation.

First Investors IRA Application: As applicable, the Application used to establish a First Investors Traditional IRA and/or a First Investors Roth IRA.

First Investors Traditional IRA: The Traditional IRA sponsored by First Investors Corporation.

Governmental 457 Plan: A deferred compensation plan established under Section 457(b) of the Code by a state, political subdivision of a state and any agency or instrumentality of a state or political subdivision of a state, provided that contributions to the plan are held in trust or custodial accounts for the benefit of participants.

IRA: As applicable, a Traditional IRA or a Roth IRA.

IRS: The Internal Revenue Service.

Maximum Annual Contribution: The overall dollar amount that you may contribute to any combination of Traditional and Roth IRAs for the year. The Maximum Annual Contribution is the lesser of: (a) 100% of your Compensation for the year; and (b) the sum of your Annual Contributions and Catch-Up Contributions. For Roth IRAs, the Maximum Annual

Contribution you may contribute to a Roth IRA will be reduced if:

- you make contributions to a Traditional IRA for the same taxable year;
- your modified adjusted gross income exceeds certain levels.

Roth IRA: A Roth Individual Retirement Account.

Traditional IRA: A Traditional Individual Retirement Account.

4. IRA REQUIREMENTS

An IRA is a trust created or organized in the United States for the exclusive benefit of an individual or his or her beneficiaries. The written instrument creating the trust must satisfy the following requirements:

- except in the case of rollover contributions and trustee-to-trustee transfers (explained below), contributions must be in cash and may not exceed the Maximum Annual Contribution on behalf of any individual;
- the trustee must be a bank or such person as approved by the Secretary of the Treasury;
- no part of the trust funds may be invested in life insurance contracts;
- the interest of an individual in the balance of his or her account must be nonforfeitable;
- the assets of the trust may not be commingled with other property except in a common trust fund or common investment fund; and
- the assets of the trust must be distributed in accordance with certain rules prescribed by law (explained below).

Your First Investors IRA is a custodial account which is treated as a trust for these purposes under the federal tax laws.

5. ELIGIBILITY

A. Traditional IRA

You are eligible to establish a Traditional IRA or make regular contributions to an existing Traditional IRA for any year in which you receive Compensation. However, you cannot make regular contributions to your Traditional IRA for the tax year in which you become age 70½ and for any tax year thereafter.

B. Roth IRA

You are eligible to establish a Roth IRA or make regular contributions to an existing Roth IRA for any year in which you receive Compensation provided your modified adjusted gross income does not exceed certain limits. Refer to Section 6 for further information. Unlike Traditional IRAs, you may contribute to a Roth IRA even if you have attained age 70½.

C. IRA for Minors

If you are a minor, you are not eligible to establish a First Investors IRA even if you receive Compensation. However, your parent or legal guardian may establish one for you. If your parent or legal guardian establishes a First Investors IRA for you, you may fund the IRA for any year in which you receive Compensation. Your parent or legal guardian may not fund the IRA on your behalf.

D. Spousal IRAs

If eligible, a husband and wife may each have their own separate IRAs. If your spouse has no Compensation or earns less than the sum of his or her Annual Contributions and Catch-Up Contributions, you may be eligible to fund an IRA on your spouse's behalf. Refer to Section 6 for a general discussion of spousal IRA contributions.

E. IRAs for Participants in Other Retirement Plans

You may contribute to a Traditional IRA and/or Roth IRA whether or not you are a participant in any other retirement plan. However, if you make contributions

to a Traditional IRA and are either an active participant in another retirement plan or married to a spouse who is an active participant, the amount of your Maximum Annual Contribution which is deductible for federal income tax purposes may be reduced or eliminated. Refer to Section 6 for further information.

6. CONTRIBUTIONS

A. Direct Contributions

(i) General

I. Traditional and/or Roth Contribution Limit

For any given year, you may make regular contribution(s) to any combination of Traditional and/or Roth IRAs up to your Maximum Annual Contribution. Refer to Section 6.B(iii)(I) for a general explanation of the reductions to the Maximum Annual Contribution for Roth IRAs.

II. Number of Payments

Your contributions to your Traditional and/or Roth IRAs may be made in one payment or any number of payments provided you do not exceed the Maximum Annual Contribution.

III. Timing of Contributions

Regular contributions for a particular tax year must generally be contributed by the due date (not including extensions) for filing your federal income tax return for that tax year. Notwithstanding the general rule:

- the contribution deadline is extended for individuals serving in the U.S. Armed Forces or in support of the U.S. Armed Forces in designated combat zones or qualified hazardous duty areas and, with certain exceptions, to spouses of such individuals;
- the contribution deadline may be extended for qualified reservists who received Qualified Reservist Distributions and choose to recontribute all or part of the distribution to an IRA (see Sections 6 and 7); and
- the contribution deadline may also be extended in certain other instances such as a federally declared disaster and certain legal holidays.

For specific advice as to whether you are eligible for these or any other extensions, consult with your attorney or qualified tax advisor.

IV. Federal Tax Refunds

If you are eligible to make a regular contribution to a Traditional IRA and/or Roth IRA, you may be able to direct that all or a portion of your federal tax refund be directly deposited into your IRA.

V. Federal Income Tax Credit

If you make contributions to a Traditional and/or Roth IRA, you may be eligible for a federal income tax credit. Refer to Section 16 for further information on the credit.

(ii) Traditional IRAs

There are two types of Traditional IRA contributions: those that are deductible on your income tax return (tax-deductible contributions) and those that are not (non-deductible contributions). Your Traditional IRA contributions may be all tax-deductible, all non-deductible, or a combination of both. When you make contributions to a Traditional IRA, you do not have to designate how much of the contribution will be deductible at the time payment is made.

I. Deductible Traditional IRA Contributions

A contribution to your Traditional IRA in an amount up to your Maximum Annual Contribution may be deductible for federal income tax purposes.

If you or your spouse is considered an active participant as described below, the following rules are used to determine if all or a portion of your annual contribution to your Traditional IRA is deductible for federal income tax purposes. Your Maximum Annual Contribution may be partially

deductible if you are an active participant and if your federal modified adjusted gross income (MAGI) or, if you are married and filing jointly, the combined MAGI of you and your spouse, is above the minimum Threshold Level but below the maximum Threshold Level. Individuals or married couples filing jointly with MAGIs below the minimum Threshold Level qualify for a full federal tax deduction. Individuals or married couples filing jointly with MAGIs above the maximum Threshold Level do not qualify for any deduction. Refer to the annual minimum and maximum Threshold Level charts below for assistance in determining the amount of your annual contribution which is deductible for federal income tax purposes. Note that a husband and wife who lived apart at all times during the year and filed separate tax returns for the year are treated as not married.

If you

- are not an active participant,
- file a joint federal income tax return,
- are married to a spouse who is an active participant, and
- the combined MAGI of you and your spouse is \$169,000 or less for 2011 and thereafter as adjusted for inflation,

you will be able to make a contribution to your Traditional IRA which is fully deductible for federal income tax purposes. A partial deduction is available if the combined MAGI of you and your spouse is more than \$169,000 for 2011 and thereafter as adjusted for inflation, but is less than \$179,000 for 2011 and thereafter as adjusted for inflation. No deduction is available if the combined MAGI of you and your spouse is \$179,000 or more for 2011 and thereafter as adjusted for inflation.

You are an active participant for a year if you are covered by any of the following retirement plans:

- a qualified plan described in Section 401(a) of the Code which includes a trust exempt from tax under Section 501(a) of the Code;
- an annuity plan described in Section 403(a) of the Code;
- a plan established for its employees by the United States, by a state or local government or by an agency or instrumentality thereof (other than an eligible deferred compensation plan as defined in Section 457(b) of the Code);
- an annuity contract or custodial account described in Section 403(b) of the Code;
- a simplified employee pension (SEP) described in Section 408(k) of the Code;
- a SIMPLE retirement account (SIMPLE) described in Section 408(p) of the Code;
- a trust described in Section 501(c)(18) of the Code.

You are an active participant for a year if your employer or union has a retirement plan under which money is added or allocated to your account or you are eligible to earn retirement credits. You are an active participant for a year even if you are not yet vested in your retirement benefit. Also, if you make required contributions or voluntary employee contributions to a retirement plan, you are an active participant. In certain plans, you may be an active participant even if you were only employed for part of the year. Your IRS Form W-2 should indicate your active participant status.

You are not considered an active participant if you are covered by a plan only because of your service as:

- an Armed Forces Reservist for 90 days or less of active service; or
- a volunteer fire fighter covered for fire fighting service by a government plan provided that your accrued benefit under such plan as of the beginning of the taxable year is not more than a single life annuity of \$1,800 per year payable at retirement.

Of course, if you are covered by any other plan, these exceptions do not apply.

Coverage under social security or railroad retirement is not coverage under an employer retirement plan.

If you receive retirement benefits from a previous employer's plan, you are not covered by that plan.

For specific advice as to whether you are an active participant in a retirement plan, consult with your attorney or qualified tax advisor.

The annual minimum and maximum Threshold Levels are as follows:

THRESHOLD LEVELS FOR AN INDIVIDUAL WHO IS AN ACTIVE PARTICIPANT: *

	<u>Minimum</u>	<u>Maximum</u>
2011 and thereafter ..	\$56,000.....	\$66,000

* For tax years beginning after December 31, 2011, the Threshold Level shown above is subject to cost-of-living adjustments.

THRESHOLD LEVELS FOR A JOINT RETURN FILER WHO IS AN ACTIVE PARTICIPANT: *

	<u>Minimum</u>	<u>Maximum</u>
2011 and thereafter ..	\$90,000.....	\$110,000

* For tax years beginning after December 31, 2011, the Threshold Level shown above is subject to cost-of-living adjustments.

If you are a married individual filing a separate return, your Threshold Level is \$0.

For example, if you are single (or married but treated as single under the exception described above), the 2011 minimum Threshold Level is \$56,000. If you are married and file a joint tax return, the 2011 minimum Threshold Level is \$90,000.

The following examples may help you in determining if all or a portion of your annual contribution to your Traditional IRA is deductible for federal income tax purposes. The examples are intended for illustrative purposes only and do not reflect cost-of-living adjustments that may be made to the Threshold Levels on and after January 1, 2012. For specific advice as to whether all or a portion of your annual contribution to your Traditional IRA is deductible for federal income tax purposes, consult with your attorney or qualified tax advisor.

If you are single (or married but treated as single under the exception described above) and if your MAGI is less than \$10,000 above your minimum Threshold Level for the year, you will still be able to make a deductible contribution to your Traditional IRA but it will be limited in amount.

If you are married and filing a joint return and if your MAGI is less than \$20,000 above your minimum Threshold Level for the year 2011 and beyond, you will still be able to make a deductible contribution to your Traditional IRA but it will be limited in amount.

The federal tax amount by which your MAGI exceeds your minimum Threshold Level is called your Excess MAGI.

If you are single (or married but treated as single under the exception described above), you may calculate your federal tax deduction limit by using the formula listed below:

$$\frac{\$10,000 - \text{Excess MAGI}}{\$10,000} \times \text{Maximum Annual Contribution} = \text{Deduction Limit}$$

If you are married and filing a joint return you may calculate your federal tax deduction limit by using the formula listed below:

$$\frac{\$20,000 - \text{Excess MAGI}}{\$20,000} \times \text{Maximum Annual Contribution} = \text{Deduction Limit}$$

You must round down the result to the next lowest \$10 level (the next lowest number which ends in 0). For example, if the result is \$1,525, you must round it down to \$1,520. If the final result is below \$200 but greater than \$0, your deduction limit is \$200. Your deduction limit cannot, in any event, exceed 100% of your Compensation.

The following examples illustrate the above formula:

Example One: Mr. Smith, a single individual, age 40, is an active participant in his employer's retirement plan and has MAGI of \$59,000 in 2011. He has contributed \$5,000 to his Traditional IRA for the year 2011. Mr. Smith wishes to calculate the federal tax deductible portion of his Traditional IRA contribution. He must first determine the amount of his Excess MAGI. Excess MAGI is equal to MAGI minus the Threshold Level. Since Mr. Smith is a single individual, his 2011 Threshold Level is \$56,000. Thus, his Excess MAGI is \$3,000 (\$59,000 - \$56,000). Mr. Smith will determine his deduction limit as follows:

$$\frac{\$10,000 - \$3,000}{\$10,000} \times \$5,000 = \$3,500$$

Example Two: Mr. and Mrs. Jones are a married couple who file a joint income tax return, have a combined MAGI of \$98,000 in 2011 and neither has attained age 50. Mr. Jones and Mrs. Jones are each participants in employer sponsored retirement plans. Mr. and Mrs. Jones have each contributed \$5,000 to their separate Traditional IRAs in 2011. The maximum allowable deduction for each spouse is \$5,000. Mr. and Mrs. Jones wish to calculate the federal tax deductible portion of their Traditional IRA contributions. Mr. and Mrs. Jones must first determine the amount of their Excess MAGI. Since they are a married couple filing a joint return, the 2011 Threshold Level is \$90,000. Thus, their Excess MAGI is \$8,000 (\$98,000 - \$90,000). Mr. and Mrs. Jones will each determine their individual federal tax deduction limit as follows:

$$\frac{\$20,000 - \$8,000}{\$20,000} \times \$5,000 = \$3,000$$

Mr. and Mrs. Jones will therefore be able to claim a total deduction of \$6,000 on their 2011 federal joint income tax return.

II. Nondeductible Traditional IRA Contributions
Even if your federal income tax deduction is less than your Maximum Annual Contribution, you may still contribute an amount equal to your Maximum Annual Contribution to any combination of Traditional IRAs and Roth IRAs.

The amount of your contribution to your Traditional IRA which is not deductible will be treated as a nondeductible contribution to your Traditional IRA. You may choose to treat a contribution as nondeductible even if you could have deducted all or part of the contribution. If you determine that all or a portion of your Traditional IRA contribution is nondeductible, you must report such amount to the IRS on Form 8606. If you fail to file Form 8606 or if you overstate the amount of the nondeductible contribution, you may be subject to IRS penalties.

(iii) Roth IRAs

I. Reductions to Maximum Annual Contributions
If you contribute to a Traditional IRA and a Roth IRA for the same taxable year, the maximum amount you can contribute to a Roth IRA is your Maximum Annual Contribution reduced by the amount you contribute to your Traditional IRA. For example, if

you are single, age 45 and have MAGI of \$40,000 for 2011, the maximum amount you may contribute to any combination of Traditional IRAs and Roth IRAs is \$5,000. If you contribute \$3,000 to a Traditional IRA, the maximum amount you can contribute to the Roth IRA is the Maximum Annual Contribution (\$5,000) reduced by the amount you contributed to your Traditional IRA (\$3,000). \$5,000 - \$3,000 = \$2,000.

Your Maximum Annual Contribution will be reduced if your modified adjusted gross income (MAGI) (or, if you are married, the combined MAGI of you and your spouse) exceeds certain levels. Your tax return will show you how to calculate your adjusted gross income (AGI). Your AGI is then modified for purposes of determining the maximum amount of your Roth IRA contributions. Your MAGI is determined under Section 408A(c)(3) of the Code. Generally, your MAGI is your AGI with certain deductions and credits added back. For example, your MAGI does not include any amount included in your AGI as a result of a conversion from an eligible retirement plan other than a Roth IRA. Examples of deductions and credits that are added back to your AGI include the following: any deduction you take with respect to your contributions to a Traditional IRA, as well as any foreign earned income or foreign housing exclusion.

For a more comprehensive list of amounts included and excluded for purposes of determining your MAGI for Roth IRA purposes, consult with your attorney or qualified tax advisor.

If you are at or below a certain MAGI level, called the Threshold Level, you can make the Maximum Annual Contribution to your Roth IRA. If you are single (if you are married, filed separately and lived apart from your spouse during the entire year, you may elect to be treated as though you are single), your Threshold Level is \$107,000 for 2011. If you are married and file a joint tax return, the Threshold Level is \$169,000 for 2011. If you are married but file a separate tax return, the Threshold Level is \$0. The Threshold Levels may be adjusted from time to time for inflation.

If your MAGI is \$15,000 or more above your Threshold Level (\$10,000 if you are married and filing a joint or separate return), you will not be able to make any contribution to a Roth IRA. If your MAGI is less than \$15,000 above your Threshold Level (\$10,000 if you are married and filing a joint or separate return), you will still be able to make a contribution, but it will be limited in amount. The amount by which your MAGI exceeds your Threshold Level (MAGI - Threshold Level) is called your Excess AGI. You can calculate your Contribution Limit as follows:

If you are single (or married, filing separately and lived apart from your spouse for the entire year):

$$\frac{\$15,000 - \text{Excess MAGI}}{\$15,000} \times \text{Maximum Annual Contribution} = \text{Contribution Limit}$$

If you are married and filing jointly:

$$\frac{\$10,000 - \text{Excess MAGI}}{\$10,000} \times \text{Maximum Annual Contribution} = \text{Contribution Limit}$$

If you are married, filing separately and lived with your spouse during all or part of the year:

$$\frac{\$10,000 - \text{MAGI}}{\$10,000} \times \text{Maximum Annual Contribution} = \text{Contribution Limit}$$

You must round the result to the next lowest \$10 level (the next lowest number which ends in zero). For example, if the result is \$1,525, you must round it down to \$1,520. If the final result is below \$200 but above zero, your Contribution Limit is \$200.

Your Contribution Limit cannot, in any event, exceed 100% of your compensation.

The following examples illustrate the above formula.

Example One: Mr. Smith, age 45 and single, has MAGI of \$113,000. To calculate the maximum contribution that he can make to a Roth IRA for 2011, he must first determine the amount of his Excess AGI. Excess AGI is equal to MAGI minus the Threshold Level. Since Mr. Smith is a single individual, his Threshold Level for 2011 is \$107,000. Thus, his Excess AGI is \$6,000 (\$113,000 - \$107,000). Mr. Smith will determine his contribution limit as follows:

$$\frac{\$15,000 - \$6,000}{\$15,000} \times \$5,000 = \$3,000$$

Example Two: Mr. and Mrs. Jones are a married couple who file a joint income tax return, have a combined MAGI of \$174,000 and are age 45. To calculate the maximum contribution that each of them can make to a Roth IRA for 2011, Mr. and Mrs. Jones must first determine the amount of their Excess AGI. Since they are a married couple filing a joint return the Threshold Level for 2011 is \$169,000. Thus, their Excess AGI is \$5,000 (\$174,000 - \$169,000). Mr. and Mrs. Jones will each determine their individual contribution limits as follows:

$$\frac{\$10,000 - \$5,000}{\$10,000} \times \$5,000 = \$2,500$$

Thus, Mr. Jones may contribute \$2,500 to his Roth IRA and Mrs. Jones may contribute \$2,500 to her Roth IRA.

Example Three: Mr. and Mrs. Smith are a married couple who file separate income tax returns. Mrs. Smith has MAGI of \$8,000. To calculate the maximum contribution she can make to a Roth IRA for 2011, she must first determine the amount of her excess AGI. Excess AGI is equal to MAGI minus the Threshold Level. Since Mrs. Smith is married filing separately, her Threshold Level is \$0. Thus her Excess AGI is equal to her MAGI. Mrs. Smith will determine her contribution limit as follows:

$$\frac{\$10,000 - \$8,000}{\$10,000} \times \$5,000 = \$1,000$$

II. Non-deductible Contributions

All contributions to your Roth IRA (and, if applicable, your spouse's Roth IRA) are made on an after-tax basis and are not tax deductible.

(iv) Spousal IRA Contributions

I. Traditional IRAs

If you and your spouse file a joint income tax return and

- your spouse has no Compensation for the taxable year,
- your spouse elects to be treated as having no Compensation for the taxable year, or
- your spouse's Compensation is less than the sum of your spouse's Annual Contributions and Catch-Up Contributions,

then you may fund a Traditional IRA for the benefit of your spouse. For purposes of spousal Traditional IRA contributions, the Maximum Annual Contribution is the sum of your spouse's Annual Contributions and Catch-Up Contributions.

If you are unable to make contributions to your Traditional IRA because you have attained age 70½ you may nevertheless be able to make contributions to your spouse's Traditional IRA until the year in which your spouse reaches age 70½.

II. Roth IRAs

If you and your spouse file a joint income tax return, your MAGI does not preclude you from contributing to a Roth IRA, and

- your spouse has no Compensation for the taxable year,
- your spouse elects to be treated as having no Compensation for the taxable year, or
- your spouse's Compensation is less than the sum of your spouse's Annual Contributions and Catch-Up Contributions,

then you may fund a Roth IRA for the benefit of your spouse. For purposes of spousal Roth IRA contributions, the Maximum Annual Contribution is the sum of your spouse's Annual Contributions and Catch-Up Contributions. Your Maximum Annual Contribution to a spousal Roth IRA will be reduced if your MAGI exceeds certain limits.

III. Traditional IRAs and Roth IRAs

If you make IRA contributions on behalf of yourself and your spouse, the aggregate amount of the contributions to both your IRA and your spouse's IRA may not exceed the lesser of:

- the combined Compensation of you and your spouse for such year, and
- the sum of your Maximum Annual Contribution and the Maximum Annual Contribution of your spouse. The contribution does not have to be split equally between the IRAs belonging to you and your spouse unless you contribute the maximum amount. However, each IRA is limited to that individual's Maximum Annual Contribution.

B. Excess Contributions

If you make a contribution to your IRA in excess of the Maximum Annual Contribution, such amount is an "excess contribution."

In general, if you do not withdraw the excess contribution from your Traditional IRA on or before the date for filing your federal income tax return, including extensions, you are subject to a 6% tax on the excess contribution for the tax year for which the contribution was made and for each subsequent tax year that the excess contribution remains in your Traditional IRA. You can apply the excess contribution made in one year to a later year to the extent that you are eligible to but do not make contributions for the year. However, you will continue to be subject to the 6% excise tax until the excess contribution is completely eliminated.

In general, if you do not withdraw the excess contribution from your Roth IRA on or before the date for filing your federal income tax return, including extensions, you are subject to a 6% tax on the excess contribution for the tax year for which the contribution is made and for each subsequent tax year that the excess remains in your Roth IRA. The excess contribution may be reduced as a deemed Roth IRA contribution for each subsequent tax year to the extent that you are eligible to but do not actually make direct contributions for such year. However, you will continue to be subject to the 6% excise tax until the excess contribution is completely eliminated.

The amount of the tax for any year cannot exceed 6% of the value of your IRA as of the close of the tax year.

You may avoid the imposition of such 6% tax if you withdraw any excess contributions from your IRA before the date for filing your federal income tax return, including extensions, for the year for which the excess contribution is made. The earnings attributable to the excess contribution must also be withdrawn and must be included in your gross income in the year for which the excess contribution was made. Such earnings may also be subject to the 10% tax on early withdrawals. Refer to Section 9 for information on the Early Withdrawal Tax.

For information on how to remove excess contributions after the date for filing your federal income tax return, consult with your attorney or qualified tax advisor.

C. Military Death Gratuity or SGLI Rollovers to Roth IRAs

If you receive a military death gratuity and/or a payment under the Service Member's Group Life Insurance (SGLI) program due to a death that occurs after June 18, 2008, you may contribute an amount no greater than the sum of the gratuity and SGLI payments to one or more Roth IRAs. The maximum amount that may be contributed to one or more Roth IRAs is reduced by the amount of the gratuity and/or SGLI payments made to Coverdell ESAs. You may rollover these assets to a Roth IRA even if you are not eligible to make regular contributions or rollover contributions because of the MAGI limitations. The limit of one rollover during a one-year period does not apply to a military death gratuity or SGLI payment. If the military death gratuity and/or SGLI payment is made to the Roth IRA within one year after the date on which the gratuity or payment is received by you, the contribution is treated as a qualified rollover contribution to the Roth IRA.

D. Trustee-to-Trustee Transfers & Rollover Contributions

(i) General Rules

For specific advice as to whether or not all or a portion of your contribution qualifies as a rollover or transfer, consult with your attorney or qualified tax advisor.

I. Trustee-to-trustee transfers

A trustee-to-trustee transfer is a direct transfer of cash or other assets from one custodian or trustee to another custodian or trustee. Since there is no distribution paid to you, they are generally neither includable in your income nor deductible. There is no limit on the dollar amount of trustee-to-trustee transfers and no limitation on the number of trustee-to-trustee transfers that may be made within a one-year period.

II. Rollovers

(a) Direct Rollovers. A Direct Rollover is a direct payment of all or a portion of an Eligible Rollover Distribution to your IRA.

The taxable portion of your Eligible Rollover Distribution that is directly rolled over to a Traditional IRA is not taxed until you take it out of your Traditional IRA.

The taxable portion of your Eligible Rollover Distribution that is directly rolled over to a Roth IRA is taxable in the same manner as a Conversion. Refer to Section 6.E for more information on Conversions.

(b) Indirect Rollovers to Traditional IRAs. An Indirect Rollover is a direct payment to you of an Eligible Rollover Distribution which is then rolled over by you to your Traditional IRA no later than the 60th day after the day you receive the distribution. Since the Eligible Rollover Distribution is being paid directly to you, the taxable portion of the distribution is subject to federal income tax withholding and may be subject to a 10% Early Withdrawal Tax described in Section 9.

(c) Rollover Format. If the assets distributed from your IRA or Employer-Sponsored Eligible Retirement Plan are property other than cash, the identical property must generally be contributed to your IRA in order to qualify for rollover treatment. Notwithstanding the foregoing, instead of rolling over property other than cash, you may sell the property and roll over the amount you received (including any increase in value) from the sale into an IRA. You may not keep the property and substitute cash for the property received.

You cannot rollover a life insurance contract that you receive from an Eligible Retirement Plan to your IRA.

(d) **Limit on Rollovers.** Generally, if you make a rollover of any part of a distribution from your IRA, you cannot, within a one-year period, make a rollover of any later distribution from that same IRA. You also cannot make a rollover of any amount distributed within the same one-year period from the IRA into which you made the rollover.

The one-year period begins on the date that you receive the distribution and not on the date it is rolled over into another IRA.

There is no limit on the number of rollovers you can make to your IRA from Employer Sponsored Eligible Retirement Plans.

(e) **Waiver of 60-Day Rollover Period.** The IRS may waive the 60-day rollover requirement if failure to do so would be against equity or good conscience, for example, if the failure was due to casualty, disaster or other events beyond the reasonable control of the individual.

(f) **IRA to IRA Rollovers.** You may roll over all or a portion of your IRA by taking a distribution from the IRA and recontributing it as a rollover contribution no later than the 60th day after the day you receive the distribution.

(g) **Rollovers and Transfers from SIMPLE IRAs.** You may roll over or transfer assets from a SIMPLE IRA to your IRA provided two (2) years have passed since the date on which you first participated in your employer's SIMPLE IRA, i.e., your initial contribution date. If you roll over or transfer the assets to a Roth IRA, this type of transaction is subject to the same rules as Conversions. Refer to Section 6.E for more information on Conversions.

(h) **Rollovers and Transfers from Traditional IRAs, SEPs and SARSEPs to Roth IRAs.** You may roll over or transfer assets from a Traditional IRA, SEP or SARSEP to your Roth IRA. This type of transaction is subject to the same rules as Conversions. Refer to Section 6.E for more information on Conversions.

(i) **Rollovers from Employer-Sponsored Eligible Retirement Plans to Traditional IRAs.** If you meet all of the requirements to do so, you may directly or indirectly roll over assets other than Designated Roth Accounts from your Employer Sponsored Eligible Retirement Plan to your Traditional IRA. Employer Sponsored Eligible Retirement Plans include the following: an employer's qualified retirement plan, a Governmental 457(b) Plan and a tax-sheltered annuity under Section 403(b) of the Code. Your employer, plan administrator or, where applicable, payor, is responsible for determining the assets that are Eligible Rollover Distributions and is required to provide you with an explanation of the rollover rules.

(j) **Rollovers of Designated Roth Accounts.** If you meet all of the requirements to do so, you may directly or indirectly roll over to your Roth IRA the portion of an Eligible Rollover Distribution that is attributable to a Designated Roth Account. You may roll over these assets to a Roth IRA even if you are not eligible to make regular contributions because of the MAGI limitations. This type of transaction is not a Conversion.

(k) **Rollovers from Eligible Retirement Plans to Roth IRAs.** If you meet all of the requirements to do so, you may directly roll over assets that are not Designated Roth Accounts from an Eligible Retirement Plan to your Roth IRA. Eligible Retirement Plans are described in Section 402(c)(8)(B) of the Code and include the following: an employer's qualified retirement plan, a Governmental 457(b) Plan and a tax-sheltered annuity under Section 403(b) of the Code. Your employer, plan administrator or, where applicable, payor, is responsible for determining the assets that

are Eligible Rollover Distributions and is required to provide you with an explanation of the rollover rules. This type of transaction is subject to the same rules as Conversions. Refer to Section 6.E for more information on Conversions.

(ii) To Rollover or Transfer to a First Investors IRA

To properly roll over or transfer all or part of your Eligible Rollover Distribution to your First Investors IRA, you must make a timely written election that such amount is to be treated as a rollover or transfer contribution. Contributions which qualify as an Eligible Rollover Distribution described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3) or 457(e)(16) of the Code or are treated as Eligible Rollover Distributions under Section 402(c)(11) of the Code may be made to your First Investors IRA as follows:

- that portion of the Eligible Rollover Distribution which is attributed to contributions other than contributions made to a Roth IRA or a Designated Roth Account under an eligible retirement plan may be rolled over or transferred to your First Investors Traditional IRA or they may be directly rolled over or transferred to your First Investors Roth IRA. This latter type of transaction is subject to the same rules as a Conversion. Refer to Section 6.E for more information on Conversions.
- that portion of the Eligible Rollover Distribution which is attributed to contributions made to a Roth IRA or a Designated Roth Account under an eligible retirement plan may only be rolled over or transferred to your First Investors Roth IRA.

E. Conversions, Recharacterizations and Reconversions: Direct Rollovers to Roth IRAs

You may convert a qualified rollover distribution from a Traditional IRA, SEP, SARSEP, and, under certain circumstances, a SIMPLE-IRA, to a Roth IRA. You may also directly roll over Eligible Rollover Distributions from a qualified retirement plan, 403(b) or Governmental 457(b) Plan to a Roth IRA.

The amount to be included in your gross income is determined as follows: first, determine the rollover or conversion amount; then, subtract the contributions which were made to the Traditional IRA or qualified retirement plan on an after-tax basis (i.e., contributions which have already been taxed). The resulting amount must be included in your gross income in the tax year for which the conversion or rollover is made. However if the conversion occurs on or after January 1, 2010 and before January 1, 2011, unless you elect otherwise, none of the gross income from the conversion is included in income in 2010, half of the gross income from the conversion is included in income in 2011 and the other half in 2012. If such converted amount is subsequently distributed before 2012, income inclusion is accelerated.

The 10% Early Withdrawal Tax described below does not apply to a rollover or conversion to a Roth IRA and such a rollover or conversion will not count toward the one-rollover-per-year limit.

If you convert from a non-Roth IRA to a Roth IRA, you may elect to transfer the "converted" assets back to a non-Roth IRA for any reason.

You may be able to treat a contribution made to one type of IRA as having been made to a different type of IRA. This is called "recharacterization." To recharacterize a contribution, you generally must have the contribution transferred from the first IRA (the one to which it was made) to the second IRA in a trustee-to-trustee transfer. If the transfer is made by the due date (including extensions) for your tax return for the year during which the contribution was made, you can elect to treat the contribution as having been originally made to the second IRA instead of to the first IRA. If you recharacterize your contribution, you must do all of the following:

- include in the transfer any net income allocable to the contribution. If there was a loss, the net income you must transfer may be a negative amount.
- report the recharacterization on your tax return for the year during which the contribution was made.
- treat the contribution as having been made to the second IRA on the date that it was actually made to the first IRA.

You cannot deduct the contribution to the first IRA. Any net income you transfer with the recharacterized contribution is treated as earned in the second IRA. The contribution will not be treated as having been made to the second IRA to the extent any deduction was allowed for the contribution to the first IRA.

If you convert a non-Roth IRA to a Roth IRA and then recharacterize that amount (i.e., transfer the amount back to a non-Roth IRA) you may be able to reconvert that amount into a Roth IRA.

The rules for conversions, recharacterizations and reconversions are very complex. Consult with your attorney or qualified tax advisor for detailed information on:

- when it is permissible to convert, recharacterize and/or reconvert contributions,
- the procedures for converting, recharacterizing and reconverting contributions,
- the tax implications of converting, recharacterizing and reconverting contributions, and
- the special rules relating to converting assets held in a SIMPLE IRA or a qualified retirement plan to a Roth IRA.

F. Rollovers and Transfers Upon Death or Divorce

If, as a result of a divorce or separation decree or a written document related to such decree, you are entitled to receive all or a portion of assets held in an IRA by your spouse or former spouse, you may be eligible to direct that such assets be directly transferred or rolled over to a new or existing IRA.

If, upon your spouse's death, you are entitled to receive all or a portion of assets held in an IRA by your spouse, you may be eligible to direct that such assets be directly transferred to a new or existing IRA.

If you receive a distribution from your spouse's employer's retirement plan pursuant to death or a "qualified domestic relations order," you may be eligible to make a tax-free rollover of all or a portion of the distribution to an IRA. Alternatively, you may directly roll over that portion of the assets that qualifies as an Eligible Rollover Distribution to a Roth IRA.

In any event, if any portion of the distribution is attributable to a Designated Roth Account, those assets may, to the extent permitted under the plan and Section 402(c) of the Code, be rolled over to a Roth IRA.

If you are a nonspouse beneficiary of an eligible retirement plan, to the extent permitted under the plan and Section 402(c)(11) of the Code, you may roll over that portion of the assets that qualifies as an Eligible Rollover Distribution to an inherited Traditional IRA. Alternatively, you may directly roll over that portion of the assets that qualifies as an Eligible Rollover Distribution to an inherited Roth IRA.

In any event, if any portion of the Eligible Rollover Distribution is attributable to a Designated Roth Account, those assets may, to the extent permitted under the plan and Section 402(c) of the Code, be directly rolled over to an inherited Roth IRA.

If you, as a nonspouse beneficiary, are entitled to receive all or a portion of assets held in an IRA, you may be eligible to direct that such assets be directly transferred to an inherited IRA.

If a beneficiary maintains an inherited IRA within the meaning of Section 408(d)(3)(C) of the Code, generally no contributions may be made to the IRA.

In the case of a distribution of property other than cash, the property generally must be rolled over or transferred.

For specific advice as to whether or not all or a portion of the distribution qualifies as a rollover or transfer, consult with your attorney or qualified tax advisor.

G. IRAs Established by an Employer

If you participate in your employer's qualified retirement plan which provides for immediate distribution of benefits that do not exceed \$5,000 upon termination of service, and you terminate service when your vested account balance exceeds \$1,000 but is less than or equal to \$5,000, you must elect to either roll over your account balance to another qualified plan that accepts such rollovers or to an IRA, or receive your account balance in cash. If you fail to make the requisite election, your employer will establish an IRA account in your name and transfer your account balance into that IRA. If your employer establishes such an IRA on your behalf, you may roll over or transfer all or any portion of your account to another IRA that accepts such a rollover or transfer.

H. Repayment of Qualified Reservist Distributions

If you are an individual who is ordered or called to active duty after September 11, 2001 for a period in excess of 179 days or for an indefinite period, and you received a Qualified Reservist Distribution in accordance with Section 72(t)(2)(G) of the Code, you may be eligible to make one or more contributions to your IRA up to the amount of your Qualified Reservist Distribution. The repayments may be made at any time during the two-year period beginning on the day after the end of your active duty. Such repayments are not subject to the IRA limits on contributions described herein. Any contribution made under this section 6.H does not qualify for a tax deduction. Repayments of Qualified Reservist Distributions to your Roth IRA increases your basis in the Roth IRA by the amount of the repayment.

I. Other Contributions

From time to time the Code and IRS may permit other contributions to be made to your IRA. For example, you may be eligible to rollover to an IRA qualified Exxon Valdez Settlement Income and rollover to a Roth IRA qualified airline payments. You may also be eligible to make to your IRA repayments of qualified recovery assistance distributions you received as a result of a federally declared disaster. For more information on these and other permissible contributions, consult with your attorney or qualified tax advisor.

7. DISTRIBUTIONS

A. Distributions Subject to 401(a)(9)

All distributions are subject to the requirements of Section 401(a)(9) of the Code. The provisions of Section 401(a)(9) of the Code override any distribution options which are inconsistent with such section of the Code.

B. Distribution Requests

Distributions and transfers may be made from your IRA at any time. Any request for a distribution or transfer must set forth the requested amount, the method of distribution or transfer and, if applicable, your withholding election.

C. Methods of Distributions

You may receive a distribution from your IRA in cash or roll over all or part of your Eligible Rollover Distribution into another IRA or into an eligible retirement plan that accepts rollover contributions from IRAs. You may also transfer the assets to another trustee or custodian. Required minimum distributions, after-tax contributions and assets from a Roth IRA may not be rolled over to a qualified retirement plan, a tax-sheltered annuity or custodial account, or Governmental 457 Plan. Therefore, if you (i) maintain a Traditional IRA that has tax-deferred assets and after-tax contributions and (ii) roll over assets from the Traditional IRA to a qualified retirement plan, a tax-sheltered annuity or custodial account, or a Section 457 Plan, the rollover will be deemed to have been made first from your tax-deferred assets.

D. Recharacterization

If you converted from a non-Roth IRA to a Roth IRA, you may be able to recharacterize those contributions and earnings thereon. Refer to Section 6.E for a brief discussion of recharacterization rules.

E. Payments to Beneficiary

(i) Surviving Spouse

If your surviving spouse is your Beneficiary, upon your death, your surviving spouse may treat your Traditional IRA as his or her own, receive a distribution from your Traditional IRA in cash, or roll over the assets into an IRA or into a qualified plan, a Section 403(a) annuity, a Section 403(b) annuity or custodial account or a Governmental 457 Plan in which your surviving spouse participates provided the plan accepts such rollovers. Your surviving spouse should consult with an attorney or qualified tax advisor.

If your surviving spouse is your Beneficiary, upon your death, your surviving spouse may treat the Roth IRA as his or her own, receive a distribution from your Roth IRA in cash, or roll over the assets to a Roth IRA in his or her name. Your surviving spouse should consult with an attorney or qualified tax advisor.

(ii) Nonspouse Beneficiaries

If your Beneficiary is an individual other than your surviving spouse, then, to the extent permitted under Section 402(c)(11) of the Code, upon your death, your nonspouse Beneficiary may directly transfer that portion of the IRA that qualifies as an Eligible Rollover Distribution to an Inherited IRA. The Custodian shall make such transfer in accordance with regulations, rulings and other administrative pronouncements issued by the IRS. Your Beneficiary should consult with a qualified tax advisor or attorney.

(iii) Trustee-to-trustee transfers

Upon your death, your Beneficiary may request a transfer of assets to another trustee or custodian. Since trustee-to-trustee transfers are not distributions or rollovers, required minimum distributions as described below may be transferred provided the aggregate required minimum distribution is satisfied before the end of the distribution year.

F. Transfers and Rollovers

Before making a trustee-to-trustee transfer or rollover of all or a portion of your First Investors IRA to an unaffiliated company, the successor trustee or custodian may be required to agree in writing to accept the transferred or rolled over assets.

For additional information on trustee-to-trustee transfers and rollovers, refer to Section 6.

For specific advice as to whether or not all or a portion of your distribution qualifies as a rollover or transfer, consult with your attorney or qualified tax advisor.

G. Required Minimum Distributions

Note: Section 401(a)(9)(H) of the Code provides that neither you nor your Beneficiaries were required to take Required Minimum Distributions for the calendar year 2009. As a result, if you had a Required Beginning Date (defined below) of April 1, 2010, you were not required to take a 2009 Required Minimum Distribution. Furthermore, Beneficiaries who were required to take 2009 Required Minimum Distributions because:

- you died before your Required Beginning Date,
 - your death occurred before January 1, 2009, and
 - the Beneficiary is to receive the entire Custodial Account by the end of the calendar year that contains the fifth anniversary of your death and the fifth anniversary of your death was December 31, 2009 or later
- will receive an extra year to receive the entire Custodial Account.

(i) Traditional IRA

You are required to begin to receive distributions from your Traditional IRA no later than your Required Beginning Date, i.e., no later than April 1 of the year following the calendar year in which you reach age 70½. In addition, a distribution must be made on or before December 31st of the year following the calendar year in which you reach age 70½ and for each succeeding year. These distributions are called required minimum distributions. To satisfy this requirement, you may choose to receive either the entire interest in your Traditional IRA or payments over a period no greater than your life expectancy or over the life expectancy of you and your Designated Beneficiary. You are solely responsible for complying with the required minimum distribution rules. In order to enforce compliance with the minimum distribution requirements, the IRS imposes a 50% penalty on the amount by which the required minimum distribution exceeds the actual amount distributed.

Your Beneficiaries will generally have until December 31 of the year following your death to begin receiving required minimum distributions. Exceptions exist if your Beneficiary is your surviving spouse or if your Beneficiary is required or chooses to distribute his or her share of your First Investors Traditional IRA within a five-year period. Your Beneficiaries are solely responsible for complying with the required minimum distribution rules.

(ii) Roth IRA

You are not required to begin to receive distributions from your Roth IRA during your lifetime, even when you attain age 70½. However, after your death, your Roth IRA is generally subject to the required minimum distribution rules of Section 401(a)(9) of the Code.

Your Beneficiaries are solely responsible for complying with the required minimum distribution rules. In order to enforce compliance with the minimum distribution requirements the IRS imposes a 50% penalty on the amount by which the required minimum distribution exceeds the actual amount distributed.

Your Beneficiaries will generally have until December 31 of the year following your death to begin receiving required minimum distributions. Exceptions exist if your Beneficiary is your surviving spouse or if your Beneficiary is required or chooses to distribute his or her share of your First Investors Roth IRA within a five year period.

(iii) Rules

The following is a brief description of the rules relating to the minimum distribution requirements. For specific advice on required minimum distributions for inherited IRAs within the meaning of Section 408(d)(3)(C) of the Code, consult with your attorney or qualified tax advisor.

I. Definitions

Definitions specific to Required Minimum Distributions are as follows:

- Required Beginning Date: The Required Beginning Date for Traditional IRAs is April 1 of the year following the year in which you attain age 70½.
- Designated Beneficiary:
 - (1) For the purpose of complying with the required minimum distribution rules, Section 401(a)(9) of the Code provides a specific definition of Designated Beneficiary as well as rules as to how the Designated Beneficiary is to be determined upon your death. Therefore, the Designated Beneficiary for the purpose of complying with Section 401(a)(9) of the Code may differ from the Beneficiary you named in accordance with Section 8.
 - (2) The Designated Beneficiary is determined as of September 30th of the calendar year following the calendar year of your death.
 - (3) Only individuals may be Designated Beneficiaries.
 - (4) Any person who was a named Beneficiary on the date of your death but is not a Beneficiary as of September 30th of the calendar year following the calendar year of your death (because, for example, he or she disclaimed entitlement or received his or her entire benefit) will not be taken into account in determining the Designated Beneficiary.
 - (5) If, as of September 30th of the year following the year in which you die, there is more than one named Beneficiary, the Beneficiary with the shortest life expectancy will be the Designated Beneficiary if the following apply:
 - all of the named Beneficiaries are individuals; and
 - your IRA has not been divided into separate accounts or shares for each Beneficiary in accordance with rules prescribed by the IRS.
 - (6) A trust cannot be a Designated Beneficiary even if it is a named Beneficiary. However, the beneficiaries of a trust will be treated as Designated Beneficiaries for determining the distribution period if all of the following are true:
 - (aa) the trust is a valid trust under state law, or would be but for the fact that there is no corpus.
 - (bb) the trust is irrevocable or will, by its terms, become irrevocable upon your death.
 - (cc) the beneficiaries of the trust who are beneficiaries with respect to the trust's interest in your benefit are identifiable from the trust instrument.
 - (dd) First Investors has been provided with *either* a copy of the trust instrument with an agreement that if the trust instrument is amended, First Investors will be provided with a copy of the amendment within a reasonable time, *or* First Investors is provided with all of the following:
 - a list of all of the beneficiaries of the trust (including contingent and remaindermen beneficiaries with a description of the conditions of their entitlement);
 - certification that, to the best of your knowledge, the list is correct and complete and that the requirements of (aa), (bb), and (cc) above, are met;
 - an agreement that, if the trust instrument is amended at any time in the future, you will, within a reasonable time, provide First Investors with corrected certifications to the extent that the amendment changes any information previously certified; and

- an agreement to provide a copy of the trust instrument to First Investors upon demand.

If the beneficiary of the trust is another trust and the above requirements are met for both trusts, the beneficiaries of the other trust will be treated as having been designated as beneficiaries for purposes of determining the distribution period.

II. Form of Payments

The annual required minimum distribution can be taken in a series of installments (monthly, quarterly, etc.) as long as the total distribution for the year is at least as much as the required minimum amount.

III. Amount of Payments

The amount of the required minimum distribution is based on your IRA balance. Your First Investors IRA balance is the amount in your First Investors IRA held by the Custodian at the end of the year preceding the year for which the required minimum distribution is being calculated. Your First Investors IRA balance is adjusted by certain rollovers and transfers.

IV. Multiple IRAs

If you have more than one IRA, you must determine the required minimum distribution separately for each IRA. However, you can total these required minimum distribution amounts and take the total from any one or more of your IRAs.

Likewise, if you are a Designated Beneficiary who inherited more than one IRA from the same decedent, you can total the required minimum distribution amounts and take the total from any one or more of your Inherited IRAs from the same decedent.

V. Rules Specific for Traditional IRAs

Required minimum distributions during your lifetime and in the year of your death if you die after your Required Beginning Date are based on a distribution period that can be determined using a single table and your age (Uniform Lifetime Table). The Uniform Lifetime Table is not affected by the age of the Beneficiary you named unless your sole named Beneficiary is a spouse who is more than 10 years younger than you. If your spouse is more than 10 years younger than you, a joint life and last survivor expectancy table may be used.

If you die after your Required Beginning Date and if you had not taken the required minimum distribution for the year of your death, your Beneficiary must take the required distribution before the end of the year in which death occurred using your required distribution schedule.

If you die after your Required Beginning Date and if

- the Designated Beneficiary as determined under Section 401(a)(9) of the Code is an individual such as your spouse or child, required minimum distributions for years after the year of your death are based on the longer of the Designated Beneficiary's single life expectancy or your remaining life expectancy.
- you do not have a Designated Beneficiary as determined under Section 401(a)(9) of the Code, required minimum distributions for years after the year of your death generally are based on your remaining life expectancy.

If you die before your Required Beginning Date, and if

- (1) the Designated Beneficiary is an individual, the Beneficiary may elect to receive the entire Traditional IRA held by the Custodian based on the Beneficiary's single life expectancy.
- (2) the Designated Beneficiary is an individual, the Beneficiary may elect to receive the entire Traditional IRA held by the Custodian by the end of the calendar year which contains the fifth anniversary of the date of your death. If

this election is made, no distribution is required for any year before that fifth year.

- (3) the sole Beneficiary is your surviving spouse, the Beneficiary may elect to commence receiving distributions on or before the later of:
 - the end of the calendar year immediately following the calendar year in which you died; or
 - the end of the calendar year in which you would have attained age 70½.
- (4) the Designated Beneficiary is an individual who fails to make an election under (1), (2) or (3), distributions will be based upon the Beneficiary's single life expectancy and distributions must commence on or before the end of the calendar year immediately following the calendar year in which you died.

If you die before your Required Beginning Date and your Beneficiary is not an individual, e.g. your Beneficiary is your estate or an entity, your Beneficiary must receive the entire Traditional IRA held by the Custodian by the end of the calendar year which contains the fifth anniversary of the date of your death. No distribution is required for any year before that fifth year.

VI. Rules Specific for Roth IRAs

If

- (1) the Designated Beneficiary is an individual, the Beneficiary may elect to receive the entire Roth IRA held by the Custodian based on the Beneficiary's single life expectancy starting no later than December 31 of the year following your death.
- (2) the Designated Beneficiary is an individual, the Beneficiary may elect to receive the entire Roth IRA held by the Custodian by the end of the calendar year which contains the fifth anniversary of the date of your death. If this election is made, no distribution is required for any year before that fifth year.
- (3) the sole Beneficiary is your surviving spouse, your surviving spouse may elect to commence receiving distributions from your Roth IRA on or before the later of:
 - the end of the calendar year immediately following the calendar year in which you died; or
 - the end of the calendar year in which you would have attained age 70½.
- (4) the Designated Beneficiary is an individual who fails to make an election under (1), (2) or (3), distributions will be based upon the Beneficiary's single life expectancy and distributions must commence on or before the end of the calendar year immediately following the calendar year in which you died.
- (5) you do not have a Designated Beneficiary or if your Beneficiary is not an individual, e.g. your Beneficiary is your estate or an entity, your Beneficiary must receive the entire Roth IRA held by the Custodian by the end of the calendar year which contains the fifth anniversary of the date of your death. No distribution is required for any year before that fifth year.

H. Conversions, Recharacterizations and Reconversions

You may convert your Traditional IRA to a Roth IRA. Such a rollover or conversion will not count toward the one-rollover-per-year limit.

If you convert from your Traditional IRA to a Roth IRA, you may elect to transfer the "converted" assets back to a non-Roth IRA for any reason.

You may be able to treat a contribution made to one type of IRA as having been made to a different type of IRA. This is called "recharacterization." To recharacterize a contribution, you generally must have the contribution transferred from the first IRA (the one to which it was made) to the second IRA in a trustee-to-trustee transfer. If the transfer is made

by the due date (including extensions) for your tax return for the year during which the contribution was made, you can elect to treat the contribution as having been originally made to the second IRA instead of to the first IRA. If you recharacterize your contribution, you must do all three of the following:

- Include in the transfer any net income allocable to the contribution. If there was a loss, the net income you must transfer may be a negative amount.
- Report the recharacterization on your tax return for the year during which the contribution was made.
- Treat the contribution as having been made to the second IRA on the date that it was actually made to the first IRA.

You cannot deduct the contribution to the first IRA. Any net income you transfer with the recharacterized contribution is treated as earned in the second IRA. The contribution will not be treated as having been made to the second IRA to the extent any deduction was allowed for the contribution to the first IRA.

If you convert your Traditional IRA to a Roth IRA and then recharacterize that amount (i.e., transfer the amount back to a non-Roth IRA) you may be able to reconvert that amount into a Roth IRA.

The rules for conversions, recharacterizations and reconversions are very complex. For detailed information on:

- when it is permissible to convert, recharacterize and/or reconvert contributions;
- the procedures for converting, recharacterizing and reconverting contributions; and
- the tax implications of converting, recharacterizing and reconverting contributions, consult with your attorney or qualified tax advisor.

I. Withdrawal of Contributions

You may withdraw all or a portion of your unwanted regular and catch-up IRA contributions and attributable earnings in the same manner as an excess contribution. The withdrawal contribution will not be taxable as a distribution, but the attributable earnings on the contribution will be taxable in the year in which you made the contribution and may be subject to the Early Withdrawal Tax. If you timely filed your federal income tax return, you may still be able to withdraw your unwanted contribution plus attributable earnings. For specific advice on how to withdraw contributions and attributable earnings after you filed your federal income tax return, consult with your attorney or qualified tax advisor.

J. Transfer Upon Divorce

Your spouse or former spouse may, pursuant to a divorce or separation decree or a written document related to such decree, transfer assets from your IRA to his or her IRA. Your spouse or former spouse should consult with a qualified tax advisor or attorney.

K. Qualified Charitable Distributions

If you have attained age 70½ you may make tax-free distributions directly from your IRA to a qualified charitable organization. These distributions are limited to \$100,000 per year and only apply to distributions made through December 31, 2011 or a later date as prescribed by law. For specific advice as to whether or not all or a portion of your distribution qualifies as a qualified charitable distribution consult with your attorney or qualified tax advisor.

L. Qualified Reservist Distribution

You may request a Qualified Reservist Distribution. A Qualified Reservist Distribution means a distribution from an IRA that is made to an individual who is ordered or called to active duty after September 11, 2001 for a period in excess of 179 days or for an indefinite period. Such distribution

may only be made during the period beginning on the date of such order or call to active duty and ending at the close of the active duty period.

M. Transfers to Health Savings Account

You may be able to directly transfer assets from your IRA to your Health Savings Account (HSA). Amounts distributed from your IRA under this provision are tax-free to the extent that the distribution would otherwise be taxable. In addition, such distributions are not subject to the Early Withdrawal Tax. Generally, only one such transfer may be made during your lifetime.

The amount that can be distributed from your IRA and contributed to an HSA is limited to the otherwise maximum deductible contribution amount to the HSA computed on the basis of the type of coverage under the high deductible health plan at the time of the contribution. The amount that can otherwise be contributed to the HSA for the year of the contribution from your IRA is reduced by the amount that has already been contributed to the HSA for the year.

No deduction is allowed for the amount transferred from an IRA to an HSA.

For specific advice on transferring IRA assets to an HSA, consult with your attorney or qualified tax advisor.

N. IRS Levy

To the extent permitted by applicable federal law, the Custodian, upon receipt of an IRS levy against the IRA (Levy), may liquidate assets held in the IRA with or without notice to you, and forward the proceeds to satisfy such Levy.

8. BENEFICIARY DESIGNATION

(a) When you establish your First Investors IRA, you have the right to name Beneficiaries to receive the balance in your First Investors IRA in the event of your death.

Upon your death, payment will be made in accordance with your valid Beneficiary Designation regardless of any contrary state law.

(b) You may designate your Beneficiaries by using First Investors' form or by designing your own Beneficiary Designation. Regardless of which method you choose, in order to be valid, your Beneficiary Designation must be received and accepted by First Investors. You should consult with a qualified attorney before making a Beneficiary Designation particularly if you are designating anyone other than an individual as a Beneficiary and/or if you are attempting to design your own Beneficiary Designation.

Your valid Beneficiary Designation shall apply to all your existing and future First Investors IRA accounts established under the same First Investors IRA Application. Therefore, if you wish to designate different beneficiaries on certain First Investors IRA accounts, you must complete separate First Investors IRA Applications setting forth the respective Beneficiary Designations.

(c) It is your responsibility to ensure that any Beneficiary Designation complies at all times with state law, federal law and any applicable domestic relations order. Therefore, you are responsible for periodically reviewing, and, if necessary, updating Beneficiary Designations to ensure such compliance.

(d) You have the right to change your Beneficiary Designation from time to time and the responsibility to periodically review, and if necessary change your Beneficiary Designation, especially whenever there is a change in circumstance, to ensure compliance with state law, federal law and any applicable

domestic relations order. Any change in your Beneficiary Designation must be in writing and must list all your intended Primary and Contingent Beneficiaries since it will revoke and replace any prior Beneficiary Designation on file for all your First Investors IRA accounts established under the Master Account indicated on your change request. To be valid, your new Beneficiary Designation must be received and accepted by First Investors.

If you do not file a change in Beneficiary Designation with First Investors, it shall be deemed that you represent that the most current Beneficiary Designation on file with First Investors complies with all federal and state laws and any applicable domestic relations order and that the Custodian and First Investors may rely on such representations without liability.

(e) If you designed your own Beneficiary Designation which was received and accepted by First Investors, then, upon your death, payment of your First Investors IRA will be made in accordance with such Beneficiary Designation.

(f) Unless you design your own Beneficiary Designation, upon your death, payment of your First Investors IRA will be made to your Primary Beneficiaries who survive you regardless of the duration of time that a Primary Beneficiary survives you. If you name more than one Primary Beneficiary without indicating the percentage of your First Investors IRA allocated to each, upon your death, each Primary Beneficiary who survives you will be entitled to an equal share of your First Investors IRA. In the event of a Primary Beneficiary's death prior to your death, his or her interest in your First Investors IRA will be divided among your surviving Primary Beneficiaries, pro rata, unless you specify otherwise in a form acceptable to and approved by First Investors. In the event a Primary Beneficiary dies after your death, the share of such deceased Primary Beneficiary will be distributed to the Successor Beneficiary as defined in Section 8(m). If no Successor Beneficiary survives the Primary Beneficiary or if no valid Successor Beneficiary Designation is on file with First Investors on the date of the Primary Beneficiary's death, then the share of such deceased Primary Beneficiary will be distributed to his or her estate.

If no Primary Beneficiary survives you, then payment of your First Investors IRA will be made to your Contingent Beneficiaries who survive you regardless of the duration of time that a Contingent Beneficiary survives you. If you name more than one Contingent Beneficiary without indicating the percentage of your First Investors IRA allocated to each, upon your death, each Contingent Beneficiary who survives you will be entitled to an equal share of your First Investors IRA. In the event of a Contingent Beneficiary's death prior to your death, his or her interest in your First Investors IRA will be divided among your surviving Contingent Beneficiaries, pro rata, unless you specify otherwise in a form acceptable to and approved by First Investors. In the event a Contingent Beneficiary dies after your death, the share of such deceased Contingent Beneficiary will be distributed to the Successor Beneficiary as defined in Section 8(m). If no Successor Beneficiary survives the Contingent Beneficiary or if no valid Successor Beneficiary Designation is on file with First Investors on the date of the Contingent Beneficiary's death, then the share of such deceased Contingent Beneficiary will be distributed to his or her estate.

(g) In the event that you designated a trust, an estate, an entity, a class of persons, and/or a juridical person as a Primary or Contingent Beneficiary of your First Investors IRA, then upon your death, the Custodian and First Investors may, upon proof of his, her or their appointment or incumbency, rely on the written certifications and instructions and the determination of beneficiaries

as provided to First Investors by the trustee of the trust, the executor, administrator or other court-appointed personal representative of the estate, or an authorized representative of the entity or juridical person. Alternatively, in order to determine the proper disposition of your First Investors IRA, First Investors, in its sole discretion, has the right to require and is authorized to act upon instructions and certifications from the duly appointed executor, administrator or other court-appointed personal representative of your estate.

(h) If no Beneficiary survives you, or if no valid Beneficiary Designation is on file with First Investors on the date of your death, then your First Investors IRA will be paid to your estate.

(i) If at the time of your death your Beneficiary is not a U.S. citizen or other U.S. person (such as a resident alien), the distribution options and tax treatment available to such beneficiary may be more restrictive.

(j) If upon your death (or the death of a Beneficiary) your First Investors IRA is payable to a person known by First Investors to be a minor or under a legal disability, First Investors may, in its absolute discretion, make all or any part of the distribution to:

- a parent of such person;
- the guardian, conservator, or other legal representative, wherever appointed, of such person;
- a custodial account established under a Uniform Gifts to Minors Act, Uniform Transfers to Minors Act, or similar act;
- any person having control or custody of such person; or
- such person directly, unless such person is a minor.

(k) Notwithstanding anything in this Agreement to the contrary, if a First Investors IRA is established for a minor under the provisions of either the Uniform Gifts to Minors Act or Uniform Transfers to Minor Act, the beneficiary of such IRA, while so established and maintained, shall be the minor's estate or as otherwise determined in accordance with the applicable state Uniform Gifts to Minors Act or Uniform Transfers to Minor Act.

(l) Notwithstanding anything to the contrary in the Agreement, a Beneficiary may disclaim all or a portion of an interest in the First Investors IRA provided that the Beneficiary has not previously accepted any interest in the property to be disclaimed and the disclaimer:

- is in a form acceptable to First Investors;
- identifies the individual for whom the First Investors IRA was established;
- identifies the Beneficiary's interest and the extent of the interest to be disclaimed;
- declines, refuses or renounces the interest to be disclaimed; and
- satisfies the disclaimer requirements of the state of the deceased individual's domicile.

First Investors may accept a trust's disclaimer made by a trustee on behalf of (A) a trust which is the Beneficiary of the First Investors IRA; (B) the beneficiary(ies) of the trust provided that (1) the disclaimer satisfies the aforementioned requirements; and either (2) state law of the deceased individual's domicile or the instrument governing the trust expressly gives the trustee the right to disclaim an interest on behalf of the trust and the beneficiary(ies); or (C) the beneficiary(ies) affected by the disclaimer consent.

First Investors may accept a disclaimer made by an executor, administrator or other court-appointed personal representative of an estate, or an authorized representative of the entity or juridical person, provided that (1) such executor, administrator or other court-appointed personal

representative of an estate, or an authorized representative of the entity or juridical person provides evidence of his or her or its appointment in a form and manner acceptable to First Investors; (II) the disclaimer satisfies the aforementioned requirements; and either (III) state law of the deceased individual's domicile or the instrument governing the estate expressly gives such personal representative the right to disclaim an interest on behalf of the estate and the beneficiary(ies); or (IV) the beneficiary(ies) affected by the disclaimer consent.

(m) Subject to applicable state law, if you die before your entire interest is distributed to you and if a Designated Beneficiary as defined in Section 7 elects to keep his or her portion of your First Investors IRA in your name – i.e., creates an "inherited IRA" – subject to the distribution rules outlined in Section 7 of this Disclosure Statement, then that Designated Beneficiary (Original Beneficiary) may, by written notice to First Investors in a form acceptable to First Investors, designate a beneficiary or beneficiaries (Successor Beneficiary) to receive the share of such deceased Original Beneficiary upon his or her death. Neither the Original Beneficiary nor any Successor Beneficiary may change the method of distribution and the age of the Successor Beneficiary shall have no effect upon the life expectancy factor determined by the method of distribution. Except as otherwise provided in this Section 8, a Successor Beneficiary Designation by a Designated Beneficiary is subject to all the rules of Section 8 that apply to a Beneficiary Designation by you.

(n) If First Investors, in its sole judgment, believes that there is doubt or controversy as to the determination of your beneficiaries, First Investors may resolve such doubt by judicial determination which shall be binding on all parties claiming any interest in your First Investors IRA. In such event all court costs, legal expenses, reasonable compensation of time expended by First Investors in the performance of its duties, and other appropriate and pertinent expenses and costs, including reasonable attorney's fees, shall be paid from your First Investors IRA.

(o) Neither the Custodian nor First Investors is responsible for:

- reviewing Beneficiary Designations as they are filed or at any time thereafter to determine if they sufficiently identify beneficiaries, if they are valid under state or federal law or any domestic relations order, or if they accomplish your intended purposes;
- reviewing trusts, wills or other documents that may be identified in your Beneficiary Designation or provided with your Beneficiary Designation;
- administering any trust identified in your Beneficiary Designation;
- determining actual members of a class of persons named in your Beneficiary Designation.

(p) Neither the Custodian nor First Investors is liable for any damages, claims or causes of action resulting from:

- a determination that your Beneficiary Designation is invalid under federal or state law or any domestic relations order;
- incorrect distributions that are due to the failure to provide sufficient information to enable First Investors to properly identify your intended Beneficiary or Beneficiaries;
- your failure to update your Beneficiary Designations as your circumstances change; or,
- if you have named a trust as your Beneficiary, your failure to provide First Investors with a copy of the trust and subsequent amendments to the trust, the failure of the trustees to

properly identify beneficiaries of the trust, or the failure of the trust to be created.

(q) The Custodian and First Investors shall be entitled to rely without liability on any representation of facts made by you, your Beneficiary, the executor, administrator or other court-appointed personal representative of your estate, the executor, administrator or other court-appointed personal representative of any beneficiary's estate, or any other person or entity which the Custodian and/or First Investors believes to be authorized to act in determining the identity of the beneficiaries at the time of your death.

(r) The Custodian and First Investors are authorized to rely without liability on written certifications and instructions made by you, your Beneficiary, the executor, administrator or other court-appointed personal representative of your estate, the executor, administrator or other court-appointed personal representative of any Beneficiary's estate, or any other person or entity which the Custodian or First Investors believes to be authorized to act on your or your Beneficiary's behalf. Neither the Custodian nor First Investors shall have any liability in following such instructions, even if those instructions are subsequently challenged in court by a trustee, executor, administrator or any other person.

(s) You should consult with a qualified attorney before making your Beneficiary Designation, particularly if you are designating anyone other than an individual as a Beneficiary and/or if you are attempting to design your own Beneficiary Designation.

(t) You agree on behalf of yourself, your Beneficiary or Beneficiaries, heirs, assigns and any other person or persons who may claim to succeed to any interest in your First Investors IRA (Successors or Assigns) that neither the Custodian nor First Investors shall be liable to such Successors or Assigns for any errors made in distributing the assets in your First Investors IRA after your death, except for errors that are intentional or the result of bad faith, and that the sole remedy of such Successors and Assigns shall be to bring an action or proceeding against the person or persons who they claim wrongfully received the distribution or distributions from your First Investors IRA.

9. TAX TREATMENT OF DISTRIBUTIONS

A. Federal Income Tax of Traditional IRAs

As a general rule, distributions from your Traditional IRA, other than rollovers and transfers that comply with the requirements of Section 408 of the Code, are includible in gross income for federal income tax purposes in the year they are distributed. Examples of exceptions to this general rule are as follows: if you convert all or a portion of your Traditional IRA to a Roth IRA, the amount of the conversion attributable to your deductible contributions is includible in gross income for federal income tax purposes; and, if nondeductible (after-tax) contributions have been made or transferred to your Traditional IRA, the portion of your distribution consisting of nondeductible contributions will not be taxed again when received by you.

Interest or other earnings on your Traditional IRA contribution, whether from deductible or nondeductible contributions, are, unless distributed as a tax-free transfer or rollover, generally not taxed until distributed from your Traditional IRA.

If nondeductible contributions have been made or transferred to your Traditional IRA, each distribution from your Traditional IRA will, for federal income tax purposes, consist of a nontaxable portion (return of nondeductible contributions) and a taxable portion (return of deductible contributions, if any, and

earnings). Thus, you may not take a distribution from your Traditional IRA which is entirely tax-free.

Neither the Custodian nor First Investors assumes any responsibility for ensuring that you comply with these rules.

The following formula is used to determine the nontaxable portion of your distributions for a tax year:

$$\frac{\text{Nondeductible Contributions Year end IRA Balance + total Distribution (for year)}}{\text{Total Distribution (for the year)}} = \frac{\text{Nontaxable Distributions (for the year)}}{\text{Total Distribution (for the year)}}$$

To determine your year end IRA account balance, treat all of your IRAs as a single IRA. This includes all Traditional and Roth IRAs, as well as SEP IRAs, SIMPLE IRAs, SARSEP IRAs, rollover IRAs and Conduit IRAs. You also add back the distributions taken during the year.

The following illustrates how you will determine the nontaxable portion of your distributions for a taxable year.

Example: Ms. Gray has made the following contributions to her Traditional IRA:

Year	Deductible	Nondeductible
2005	\$2,000	\$0
2006	\$2,000	\$0
2007	\$3,000	\$0
2008	\$1,500	\$1,500
2009	\$0	\$3,000
Total	\$8,500	\$4,500

During 2010, Ms. Gray receives a \$1,000 distribution from her Traditional IRA. On December 31, 2010 the total value of Ms. Gray's IRA is \$14,000. The nontaxable portion of the distribution she received during 2010 is determined as follows:

$$\frac{\$4,500}{\$14,000 + \$1,000} \times \$1,000 = \$300$$

A single lump sum distribution from your Traditional IRA is not entitled to ten year averaging or capital gains treatment that may apply to lump sum distributions from a qualified plan.

For specific advice as to whether or not all or a portion of your distribution qualifies as a tax-free rollover or transfer, consult with your attorney or qualified tax advisor.

B. Federal Income Tax of Roth IRAs

Distributions from your Roth IRA that are deemed to be attributable to your contributions are not subject to federal income tax. A distribution from your Roth IRA that is attributable to earnings on your contributions is generally subject to federal income tax unless it is a qualified distribution.

A qualified distribution from your Roth IRA is a distribution which satisfies the following two requirements:

- (i) the distribution is made after the fifth tax year period beginning with the first tax year for which a contribution was made to a Roth IRA set up for your benefit or converted from an IRA to a Roth IRA, and
- (ii) the distribution is:
 - made on or after the date on which you attain age 59½,
 - made to your designated beneficiary or to your estate on or after your death,
 - attributable to your disability as defined in Section 72(m)(7) of the Code, or
 - used to pay certain qualified acquisition costs (up to \$10,000 lifetime limit) of your first home or the first home of certain of your family members.

You are considered disabled if you are "unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued, and indefinite duration."

Distributions from your Roth IRA are deemed first to be distributions of contributions, then distributions of conversion contributions, and lastly distributions of earnings. Any amounts distributed that are treated as taxable will be taxed as ordinary income. Distributions are not eligible for capital gains treatment or the special 10-year averaging rules that may apply to lump sum distributions from qualified plans.

Federal tax on distributions from your Roth IRA will be withheld only if you elect such withholding. Your federal withholding election must be expressed in whole percentages.

C. Early Withdrawal Tax

In general, distributions from your Traditional IRA which occur prior to your attaining age 59½ will be subject to adverse tax consequences, while distributions from your Roth IRA which occur prior to your attaining age 59½ may be subject to adverse tax consequences. Not only may such distributions be fully taxable to you as ordinary income, such distributions may also be subject to a 10% additional tax.

For purposes of determining if you are subject to the 10% Early Withdrawal Tax, a special rule applies to amounts that were converted from other IRAs to a Roth IRA. (Refer to Section 6.E for a general discussion on conversions.) If you withdraw converted amounts within the five-year period beginning with the first day of the tax year in which that specific conversion was made, the distribution may be subject to the Early Withdrawal Tax if you do not meet one of the exceptions. Each time you convert from another IRA into a Roth IRA, a separate five-year period begins with respect to those converted amounts.

In addition to the exceptions for rollovers and the return of excess contributions discussed above, taxable distributions on account of your attainment of age 59½, death, or disability will be exempt from the 10% Early Withdrawal Tax. You are considered disabled if you are "unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued, and indefinite duration."

Distributions before age 59½ are not subject to the 10% Early Withdrawal Tax if made in the form of substantially equal periodic payments (paid not less frequently than annually) which are made over your life expectancy or the joint life expectancies of you and your designated beneficiary. However, if you request a distribution in the form of substantially equal periodic payments and you modify the payments before you attain age 59½ or after you attain 59½ but within five years from the date of your first payment, the Early Withdrawal Tax will apply retroactively to the year payments began.

Additional exemptions from the 10% Early Withdrawal Tax include distributions:

- used to pay certain medical expenses in excess of 7.5% of your adjusted gross income. Effective January 1, 2013 the income threshold will, with certain exceptions, increase from 7.5% to 10% of the Employee's adjusted gross income;
- used to purchase health insurance if you have been receiving unemployment compensation for 12 consecutive weeks or more;
- in amounts less than the amount of certain qualified higher education expenses incurred by you and certain of your family members;

- that are Qualified First-time Home-buyers Distributions up to a maximum lifetime limit of \$10,000;
- that are made on account of an IRS levy;
- that are conversions to Roth IRAs; and
- that are qualified reservist distributions within the meaning of Section 72(t)(2)(G) of the Code.

D. Gift Tax

Your designation of a beneficiary for your IRA will not be treated as a gift and will not subject you to federal gift taxes.

E. Estate Tax

Any amounts remaining in your IRA after your death may be included in your gross estate and may be subject to federal estate tax.

F. Excise Tax

An excise tax may be imposed on excess contributions. Refer to Section 6 for a discussion of excess contributions and excise taxes.

G. Conversions

Refer to Section 6 for a general discussion on the taxation of amounts converted to a Roth IRA from a non-Roth IRA, qualified retirement plan, 403(b) or Governmental 457(b) Plan.

H. Disclaimer

Neither the Custodian nor First Investors assumes any responsibility for ensuring that you comply with the tax rules on distributions from your First Investors IRA.

10. PROHIBITED TRANSACTIONS

You or your Beneficiary may not participate in any transaction with respect to your IRA which is prohibited by law. If you engage in a "prohibited transaction" as defined in Section 4975 of the Code, the taxable portion of your IRA will lose its tax-exempt status. This means that you will be taxed on the taxable portion of your IRA even if you do not actually receive a distribution. The taxable portion of your IRA may also be subject to the Early Withdrawal Tax described in Section 9. Such "prohibited transactions" include but are not limited to the following activities with a "disqualified person":

- the sale, exchange, or lending of any property between the IRA and a "disqualified person";
- lending of money or other extension of credit between the IRA and a "disqualified person";
- furnishing of goods, services, or facilities between the IRA and a "disqualified person".

Examples of "disqualified persons" include but are not limited to fiduciaries, family members and persons providing services to the IRA.

For more information on prohibited transactions, consult with your attorney or qualified tax advisor.

11. USE OF IRA TO SECURE A LOAN

Any portion of your IRA used as security for a loan is treated as a distribution and any taxable portion must be included in gross income for that taxable year and may be subject to the Early Withdrawal Tax described in Section 9.

12. REPORTING REQUIREMENTS

If a transaction has occurred upon which a special penalty tax is imposed, such as an excess contribution, a premature distribution or a failure to make a timely distribution, you may be required to file Form 5329 with your annual income tax return for such year.

13. IRS APPROVAL

This IRA is a model IRA which follows the approved document considered by the IRS to meet the applicable requirements of the Code. Therefore, the IRS will not issue a formal determination as to the qualified status of your IRA. The IRS's approval is a determination only as to the form of the IRA and does not represent a determination as to the merits of the IRA. Further information may be obtained from any IRS office or from the IRS website at www.irs.gov.

14. FIRST INVESTORS IRA BALANCE

Each of the mutual fund shares held in your First Investors IRA has an equal interest in the assets, net investment income and capital gains of the mutual fund selected. The value of fund shares is dependent upon the market value of the securities in the mutual fund investment portfolio, which are subject to fluctuations; therefore, growth in the value of your First Investors IRA cannot be projected or guaranteed. Unless you instruct otherwise, dividends from net investment income and capital gains distributions paid by the mutual funds selected will be reinvested in fund shares at the applicable reinvestment price as of the respective reinvestment dates and such additional shares will be credited to your First Investors IRA.

15. FEES, CHARGES & COMMISSIONS

If you fund your First Investors IRA by the direct purchase of Class A mutual fund shares, you generally will be assessed a sales commission equal to a percentage of the offering price. If you fund your First Investors IRA by the direct purchase of Class B shares or certain Class A shares, those purchases will be transacted at the fund's net asset value and a contingent deferred sales charge may be imposed upon redemption of such shares.

In addition to applicable sales commissions, there are fund operating expenses, i.e., 12b-1 fees and management fees, associated with each fund account in which your assets are invested. Each fund account is authorized to assess a low balance account fee if, for any reason other than market fluctuation, your investment in such fund account falls below the required minimum investment amount. Each fund account is authorized to assess a reasonable administrative service fee. An example of administrative services for which a fee may be imposed would be as follows: if mail which was sent to you has been returned as undeliverable, the fund account is unable to obtain a current address and the fund account employs a search company to locate you. For an explanation of operating expenses and fees see the Prospectus and Statement of Additional Information for each fund account which you select for investment of your contributions.

Refer to the Custodial Agreement for a discussion of fees, if any, charged by the Custodian.

16. FEDERAL INCOME TAX CREDIT

The following is intended to provide you with a general description of the federal income tax credit. For specific advice as to whether you qualify for the tax credit and the amount of such credit, consult with your attorney or qualified tax advisor.

(a) If you make contributions to a Traditional IRA and/or Roth IRA, you may be eligible for a federal income tax credit. The tax credit is in addition to any deduction available to you for your Traditional IRA contributions.

(b) You may be eligible for the tax credit unless you:

- have not attained age 18;
- are a full-time student;

- are claimed as a dependent under someone else's tax return;
- are married, file a joint federal tax return and you and your spouse have an adjusted gross income over \$55,500 for 2011 and thereafter, as may be adjusted for inflation;
- are head of household with adjusted gross income over \$41,625 for 2011 and thereafter, as may be adjusted for inflation; or
- are single, married filing separately or a qualifying widow(er) and your adjusted gross income is over \$27,750 for 2011 and thereafter, as may be adjusted for inflation.

(c) If you are eligible for a tax credit, the credit is an amount equal to a percentage of your annual "Eligible Retirement Plan Contributions" reduced for certain distributions. The percentage varies from 10% to 50% depending upon your tax filing status and adjusted gross income. The maximum annual contribution on which you can base the credit is \$2,000. For this purpose, your Eligible Retirement Plan Contributions include all contributions to any combination of Traditional and Roth IRAs, as well as all elective deferral contributions under an Eligible Retirement Plan and all voluntary after-tax contributions to a qualified retirement or 403(b) plan. An Eligible Retirement Plan includes a 401(k) plan, a 403(b) plan, a Governmental 457(b) Plan, a SIMPLE IRA, and a SARSEP. Your Eligible Retirement Plan Contributions are reduced by the aggregate distribution you receive during the testing period:

- from any IRA, plan or annuity to which an Eligible Retirement Plan Contribution may be made, and
- from any Roth IRA unless the distribution is rolled over.

Your Eligible Retirement Plan Contributions are not reduced by any of the following:

- the portion of any distribution which is not includible in income because it is a trustee-to-trustee transfer or a rollover distribution.
- distributions that are taxable as the result of an in-plan rollover to your Designated Roth Account.
- any distribution that is a return of a contribution to an IRA (including a Roth IRA) made during the year for which you claim the credit if:
 - the distribution is made before the due date (including extensions) of your tax return for that year,
 - you do not take a deduction for the contribution, and
 - the distribution includes any income attributable to the contribution.
- loans from a qualified employer plan that are treated as a distribution.
- distributions of excess contributions or deferrals (and income attributable to excess contributions and deferrals).
- distributions of dividends paid on stock held by an employee stock ownership plan under section 404(k).
- distributions from an eligible retirement plan that are converted to a Roth IRA.
- distributions from a military retirement plan.

The testing period consists of:

- the year for which you claim the credit,
- the period after the end of that year and before the due date (including extensions) for filing your return for that year, and
- the 2 tax years before that year.

Any distributions that your spouse receives are treated as received by you if you and your spouse file a joint return for the year of the distribution and for the year for which you claim the credit.

A distribution that is a return of an excess contribution to an Eligible Retirement Plan made during the year for which you claim the credit may,

under certain circumstances, reduce your eligible contributions.

17. DISASTER-RELATED RELIEF

The following is intended to provide you with a general description of disaster related relief. For IRS information on disaster-related tax relief and/or other disaster tax relief visit the IRS's web site at www.irs.gov or consult with your attorney or qualified tax advisor.

(a) A qualified recovery assistance distribution is any distribution you received and designated as such from an eligible retirement plan provided the distribution is the result of a federally declared disaster and the IRS has issued specific rules for the tax-favored withdrawals, repayments and loans from eligible retirement plans for individuals who suffered economic loss.

(b) If you take a qualified recovery assistance distribution, you generally will not be subject to the Early Withdrawal Tax for a premature distribution.

(c) Qualified recovery assistance distributions generally are permitted to be included in income in equal amounts over a 3-year period that begins with the year of the distribution. However, you can elect to pay the total tax on the distribution year's tax return.

(d) Most qualified recovery assistance distributions are eligible for repayment to an eligible retirement plan. For those distributions that are eligible for repayment, you generally have 3 years from the date you received the distribution to repay all or part of the qualified recovery assistance distribution to any eligible retirement plan that accepts rollovers. Amounts repaid are treated as qualified rollovers and are not included in income. Repayment to a Roth IRA is first considered to be a repayment of earnings. Any repayment in excess of earnings will increase your basis in the Roth IRA by the amount of the repayment in excess of earnings.

Custodial Agreement

Traditional Individual Retirement Account Form 5305-A (Under Section 408(a) of the Internal Revenue Code)

ARTICLE I

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 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 thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

The depositor's interest in the balance in the custodial account is nonforfeitable.

ARTICLE III

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The depositor's entire interest in the account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the custodian, to have the balance in the account distributed in:

(a) A single sum, or

(b) Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.

3. If the depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the depositor dies on or after the required beginning date and:

(i) the designated beneficiary is the depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death

and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) the designated beneficiary is not the depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by 1 for each subsequent year.

(b) If the depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. But, in such case, if the depositor's surviving spouse dies before the distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

(ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using

the depositor's (or, if applicable, the depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the depositor's death (or the year the depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

ARTICLE V

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The custodian agrees to submit to the Internal Revenue Service (IRS) and the depositor the reports prescribed by the IRS.

ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related regulations will be invalid.

ARTICLE VII

This agreement will be amended as necessary to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the depositor.

ARTICLE VIII

Note: Unless otherwise stated, for the definitions of terms used throughout Article VIII, refer to Section 3 of the First Investors IRA Disclosure Statement.

1. (a) First Investors is committed to complying with the USA PATRIOT Act and the regulations issued thereunder. Therefore, First Investors reserves the right to verify the Depositor's identity and reserves the right to redeem the Traditional IRA at the then current market value if the Depositor's identity is not verified to its satisfaction.

(b) (i) By execution of the First Investors IRA Application (Application), the individual named therein (Depositor) applied for a First Investors Traditional IRA (Account) described in Section 408(a) of the Internal Revenue Code of 1986, as amended (Code), has designated and appointed the Custodian as the custodian of the Account, and has adopted the Custodial Agreement and the accompanying Disclosure Statement.

- (ii) The Custodian has accepted its appointment as Custodian.
- (iii) The Custodian will establish and maintain an Account for the Depositor upon receipt of a properly completed and executed Application and other documentation required by the Custodian and First Investors.
- (iv) The Depositor and the Custodian hereby agree that the Account shall be governed by the provisions of the Agreement, as well as the Disclosure Statement and the Application.
- (c) (i) The Account previously established will be maintained pursuant to Section 408(a) of the Code in order to provide a retirement benefit for the Depositor named in a previous Application.
- (ii) By continuing to maintain an Account, the Depositor approves the continued designation and appointment of the Custodian as the custodian of the Account and agrees to the terms of the Agreement.
- (d) The Custodian agrees to act as the custodian of the Account in accordance with the terms and conditions of the Agreement.
- (e) The Custodian shall hold in the Account all contributions, transfers and rollovers which are received by it in good order, subject to the terms and conditions of the Agreement and for the purposes set forth herein. The Custodian shall be responsible only for such assets as shall be actually received by it.
- (f) The Account is created for the exclusive benefit of the Depositor and his or her beneficiaries. Generally, each beneficiary shall, from the Depositor's death until the complete distribution of the beneficiary's share in the Account, have the same rights, responsibilities and control over his or her share of the Account as the Depositor had prior to his or her death and shall be subject to the same agreements and understandings as the Depositor. Neither the Depositor nor any beneficiary shall use the Account or any portion thereof as security for a loan, nor shall such individual engage in any transaction prohibited by Section 4975 of the Code.
- (g) Assets held in an Account shall not be commingled with the property of others. For purposes of the preceding sentence, investment in a Designated Investment Company shall not be considered commingling.
2. (a) Contributions, transfers and rollovers must be made to the Account by check drawn on a U.S. bank payable to First Investors Corporation, by electronic funds transfer, or by federal fund wire.
- (b) (i) Contributions which qualify as "rollover contributions" described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3) or 457(e)(16) of the Code may be made to the Account.
- (ii) The Depositor shall identify rollover contributions and transfers as such in writing and the Custodian and First Investors are authorized to rely on such identification. Neither the Custodian nor First Investors shall be liable in any manner for relying on such identification or certifications which it believes to be genuine.
- (iii) Neither the Custodian nor First Investors shall be liable in any manner for a transfer or rollover that does not qualify as a transfer or rollover.
- (c) (i) The Custodian must receive specific instructions for specific purchases, sales, exchanges, and other transactions in a form and manner acceptable to the Custodian. If the Custodian is not provided with a properly completed Application or proper investment instructions or if the Custodian receives instructions which are, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request such information as it deems necessary. Pending receipt of such Application, documentation and/or clear instructions any amount may (I) remain uninvested, (II) be invested in money market shares, (III) be returned to the Depositor (or following the death of the Depositor, to either the beneficiary or the Depositor's estate, as applicable), or (IV) be returned to the remitting custodian or trustee.
- (ii) Contributions, transfers and rollovers to the Account and investments currently held in the Account may be divided between or among more than one Designated Investment Company. Unless waived, each payment into the Account must meet the minimum amount required by the Designated Investment Company. The term "Designated Investment Company" shall mean a registered investment company of the open-end management type, the securities of which are sponsored, distributed and/or underwritten by First Investors Corporation.
- (iii) The selection of the Designated Investment Company with respect to the investments held in the Account, current contributions, transfers and rollovers and those made in the future may be changed at any time and from time to time upon receipt by the Custodian of instructions acceptable to the Custodian.
- (iv) The Custodian shall have no duty to inquire into the investment practices of a Designated Investment Company and each Designated Investment Company shall have the exclusive right to control its investments.
- (d) The Custodian shall invest all such contributions, transfers and rollovers in the securities of the Designated Investment Company specified by the Depositor. The Custodian shall be responsible for executing such instructions promptly; provided, however, that if a transfer or rollover is made to the Account in excess of \$100,000 neither the Custodian nor First Investors shall be obligated to invest any portion of the Depositor's initial transfer or rollover to his or her Account until seven (7) calendar days have elapsed from the execution date of the Application. Investments may be delayed due to a force majeure (cause or event outside the reasonable control of the parties or that could not be avoided by the exercise of due care, such as an act of God or any mechanical, electronic or communications failure), government restrictions or changes, exchange or market rulings, strikes, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange or market.
- (e) Generally, all dividends and capital gains received upon assets in the Account shall be reinvested in the securities of the Designated Investment Company selected by the Depositor and credited to the Account.
- (f) Neither the Custodian nor First Investors shall be responsible in any way for the collection of contributions provided for under the Agreement, the selection of the investments for the Account, the purpose or propriety of any contribution, transfer or rollover or any action taken at the direction of the Depositor or such other person or entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor.
- (g) Neither the Custodian nor First Investors shall be liable to the Depositor, beneficiaries, or any other person for any depreciation or similar loss of assets or for the failure of the Account to produce any or larger net earnings.
- (h) Unless required by law, neither the Custodian nor First Investors shall have any obligation to: verify the Depositor's eligibility to make contributions; compel the Depositor to make any contribution; determine whether contributions made to the Account fall within the applicable limits; give advice on the deductibility of any contributions; or notify the Depositor of the existence or amount of an "excess contribution," if any, as that term is defined in Section 4973(b) of the Code. The Custodian and First Investors may rely solely on the representations and instructions of the Depositor.
3. (a) The Custodian or its nominee shall be the holder of record and the Depositor shall be the beneficial owner of all such securities and any other property in the Account.
- (b) The Custodian shall maintain a record of the Account for the Depositor reflecting his or her Account activity.
- (c) The Custodian shall furnish statements to the Depositor setting forth receipts, investments, disbursements, and other transactions. Upon the expiration of thirty (30) days after furnishing such statement, the Custodian and First Investors shall be forever released and discharged from all liability and accountability to anyone with respect to their acts, transactions, duties, obligations, or responsibilities as shown in or reflected by such statement, except with respect to any such acts or transactions for which written objections shall have been filed with the Custodian or First Investors within such thirty (30) day period by the Depositor, or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.
- (d) By giving investment instructions to the Custodian, the Depositor will be deemed to have acknowledged receipt of the prospectus of the Designated Investment Company in which the Depositor directs that the Custodian invest assets in his or her Account.
- (e) The Custodian shall deliver or cause to be delivered to the Depositor all notices, shareholder reports, prospectuses, financial statements, proxies, voting instruction cards, and proxy soliciting material relating to securities held in the Account. The Custodian in its capacity as Custodian hereunder shall vote all shares of the Designated Investment Company held hereunder in accordance with the instructions of the Depositor. However, the Custodian shall, unless otherwise prohibited by applicable law, without direction from the Depositor, vote shares held in the Account for which no voting instructions are timely received in the same proportion as shares for which voting instructions from such other shareholders are timely received.
4. (a) All distributions from an Account are subject to the requirements of Section 401(a)(9) of the Code.
- (b) Generally, no distributions will be made from the Depositor's Account until a properly completed and executed request form has been submitted to the Custodian in good order.

(c) (i) The Depositor or such other person or entity which the Custodian believes to be authorized to act on behalf of the Depositor, may request a distribution at any time. Such request must be in a form and manner acceptable to the Custodian. Such request must set forth the requested amount and method of distribution. In the event such request is, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request information it deems necessary be provided in a form and manner acceptable to the Custodian.

Upon receipt of such request, and, if applicable, additional information requested by the Custodian, the Custodian is authorized to liquidate and distribute assets held in the Account to make distributions, transfers or rollovers. Such distribution, transfer or rollover will discharge the Custodian from any and all claims as to the portion of the Account so distributed, transferred or rolled over.

(ii) If the Depositor is deceased, the beneficiary or legal representative of the Depositor, or such other entity which the Custodian believes to be authorized to act on behalf of the deceased Depositor, shall notify the Custodian in writing of any request for a distribution. Such request must be in a form and manner acceptable to the Custodian. Such notice must set forth the requested amount and method of distribution. In the event such request is, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request information it deems necessary be provided in a form and manner acceptable to the Custodian.

Upon receipt of such request, and, if applicable, additional information requested by the Custodian, the Custodian is authorized to liquidate and distribute assets held in the Account to make distributions, transfers or rollovers. Such distribution, transfer or rollover will discharge the Custodian from any and all claims as to the portion of the Account so distributed, transferred or rolled over.

(d) (i) A distribution which qualifies as an Eligible Rollover Distribution under the Code may be transferred as a direct rollover by the Depositor to an eligible retirement plan which accepts such rollover. An eligible retirement plan is defined in the Code as an Individual Retirement Arrangement (IRA), 403(b), a qualified defined contribution plan, a qualified defined benefit plan, or a Governmental 457 Plan. The Custodian shall pay such distribution in the form of a direct rollover in accordance with regulations, rulings and other administrative pronouncements issued by the Internal Revenue Service.

(ii) The Custodian may require that before a direct rollover or trustee-to-trustee transfer is made to an unaffiliated company, the successor trustee or custodian must agree in writing to accept the transferred assets.

(e) (i) The Custodian may refuse to honor any request for the distribution, transfer or rollover of any assets or payment of any amount from the Account if such request does not conform to the then current administrative policies of the Custodian or First Investors or the then applicable requirements for the distribution, rollover or transfer of shares of the Designated Investment Company in which the assets of the Account are invested and to which such request relates.

(ii) The Custodian and First Investors may rely solely on the representations of the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.

(iii) Neither the Custodian nor First Investors shall (i) be responsible in any way for the timing, purpose or propriety of any distribution, transfer or rollover made pursuant to instructions from the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor, or (ii) incur any liability or responsibility for any tax imposed as a result of such distribution, transfer or rollover.

(iv) Unless otherwise required by law, neither the Custodian nor First Investors shall have any obligation to give advice as to whether taxes or penalties are due on distributions, transfers or rollovers made hereunder or the amount due.

(f) If the Depositor fails to make an election to receive all or a portion of the interest in his or her Account by the Depositor's required beginning date as set forth in paragraph 2 of ARTICLE IV, no payments will be made to such Depositor until such time as the Custodian receives a properly completed payment request form.

(g) Notwithstanding anything to the contrary in this Agreement, to the extent permitted by applicable federal law, the Custodian, upon receipt of an Internal Revenue Service levy against the Depositor's Account (Levy), may liquidate assets held in the Account, with or without notice to the Depositor, beneficiary or legal representative or any other person or entity and forward the proceeds to satisfy such Levy. Except as otherwise provided by applicable law, neither the Custodian nor First Investors shall be liable for any action taken in good faith and in exercise of due care. In the event of any action undertaken by the Custodian or First Investors resulting from any order described herein, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and First Investors and any other expenses and costs, including reasonable attorney's fees, shall be collected by the Custodian or First Investors from the Account in accordance with this Agreement.

(h) Neither the Custodian nor First Investors shall have any obligation to pay interest on outstanding checks or distributions.

(i) Neither the Custodian nor First Investors shall have any obligation to return any amounts withheld from any distribution for federal income tax purposes where the amount withheld is a result of the Depositor's, beneficiary's, legal representative's or authorized entity's failure to provide a proper withholding election prior to such distribution.

5. (a) This Agreement shall terminate upon the complete distribution of the assets of the Account:

(b) Upon one hundred eighty (180) days written notice or such shorter notice as may be acceptable to the Custodian, First Investors Corporation (Sponsor) may remove the Custodian and name a Successor Custodian.

(c) Upon one hundred eighty (180) days written notice or such shorter notice as may be acceptable to the Sponsor, the Custodian may resign. Upon notice of such resignation, the Sponsor will name a Successor Custodian. If, within ninety (90) days of

the mailing of the notice of resignation of the Custodian, no successor custodian is appointed by the Sponsor or if the successor custodian appointed by the Sponsor has not notified the Custodian of its acceptance, the Custodian may appoint a successor custodian.

(d) Upon receipt by the Custodian of written notice of acceptance by the Successor Custodian, the Custodian shall transfer and pay over to such Successor Custodian the assets of the Account. Any outstanding fees, expenses and costs of the Custodian shall be payable in accordance with an agreement between the Custodian and the Sponsor. Upon the transfer of the assets of the Account, the Successor Custodian will succeed to all the rights and responsibilities of the Custodian hereunder and the Custodian shall be relieved from any future liability with respect to all amounts so transferred.

(e) The appointment and acceptance of the Successor Custodian shall be deemed an amendment to the definition of the Custodian in this Agreement and shall not terminate this Agreement. The Depositor shall not be required to sign any agreement accepting the Successor Custodian and shall be deemed to have accepted the Successor Custodian if the Depositor does not terminate the Account.

(f) Successor Custodian means a bank as defined in Section 408(n) of the Code or such other person who has agreed to and is qualified to act under this Agreement.

(g) If after the Custodian's removal or resignation no qualified successor has notified the Custodian of its acceptance to act, the Custodian shall, upon forty-five (45) days advanced notice to the Depositor, terminate the Account. Termination of the Account shall be effected by distributing the assets of the Account by a single sum payment in cash or in kind as the Custodian may elect, less any assets which may be reserved by the Custodian to pay its fees, expenses and costs, to the extent not otherwise paid. The Custodian shall distribute the Account to the Depositor or his or her beneficiaries or if there is no beneficiary, to the Depositor's estate.

(h) Upon the resignation or removal of the Custodian, the Depositor may request that the assets held in his or her Account be transferred to another custodian or trustee designated as eligible to receive such transfer. Such request must be in a form and manner acceptable to the Custodian. Upon completion of such transfer, the Agreement shall terminate and the Custodian and First Investors shall be relieved from all future liability with respect to all amounts so transferred.

(i) The Custodian shall not be liable for the acts or omissions of any Successor Custodian. Unless otherwise agreed to in writing by the Custodian or First Investors, upon the complete distribution or transfer of the assets of the Account, the Custodian and First Investors shall be relieved of all future liability with respect to this Agreement, the Account and the assets so distributed or transferred.

6. (a) Sales and other charges attributable to the acquisition of securities, as stated in the Designated Investment Company's then current prospectus, will be charged to the Depositor's Account for which such securities are acquired.

(b) Any taxes levied or assessed upon or in respect to the Depositor's Account, and any other expenses or fees incurred by or on behalf of the Account shall be paid from the assets of the Account. The Custodian shall liquidate such securities held in the Depositor's Account as are necessary to pay any such taxes, fees and expenses in full.

(c) There is an annual custodial fee for each Account, regardless of the number of Designated Investment Companies. The annual custodial fee is currently being paid by the respective Designated Investment Companies. However, the Designated Investment Companies reserve the right to discontinue paying this fee at any time. If the Designated Investment Companies exercise this right, the fee will be charged to the Depositor's Account.

(d) First Investors reserves the right to charge an annual maintenance fee which shall be deducted from the Depositor's Account on an annual basis and reserves the right to modify the annual maintenance fee from time to time.

(e) Except as otherwise provided herein, all other previously disclosed fees and expenses incurred in connection with the establishment, maintenance and administration of the Depositor's Account, including but not limited to the payment of low balance fees, will be paid from the Depositor's Account. The Depositor's Account may also be charged fees for an Account History Statement, copies of canceled checks, duplicate tax forms and use of express mail service pursuant to the Depositor's request. See the Designated Investment Company's prospectus and Statement of Additional Information for an explanation of such fees.

(f) The Depositor agrees that fees shall be paid when due. Such fees may be waived by the Custodian or, if applicable, First Investors at any time and may be revised by the Custodian upon forty-five (45) days written notice to the Depositor.

The Custodian and First Investors may impose new fees or increase, decrease or otherwise modify its fees for services hereunder by written notice to the Depositor, forty-five (45) days in advance of the effective date of such imposition or change in fees. The Depositor shall be deemed to have consented to any new or revised fees if the Depositor's Account is not terminated before the effective date of such imposition or revision. Custodial and administrative fees which have been added or revised in accordance with this Section will become legally binding.

7. (a) It shall be the obligation of the Depositor to notify the Custodian of any changes to his or her name and social security number and to his or her mailing address within a reasonable time. If the Depositor fails to do so, mail is returned as undeliverable, and the Custodian has been unable to obtain a current address, the Custodian may employ a company to locate the Depositor in accordance with rules established by the Securities and Exchange Commission. Returned dividend checks and other distributions will be outstanding and will not be reinvested into the Designated Investment Company from which it was removed. No interest will be paid on outstanding checks. All future dividends and other distributions will be reinvested in additional shares until new instructions are provided. See the Designated Investment Company's prospectus and Statement of Additional Information for a detailed explanation of these provisions.

(b) If the Custodian is unable to locate a person entitled to assets held in the Account, or if there has been no claim made for such assets, the Custodian shall continue to hold the assets due such person, subject to the unclaimed property laws of the applicable state to the extent not superseded by federal statutes.

8. The Custodian delegates to First Investors Corporation the right to amend the Agreement, including any retroactive or prospective amendments necessary to ensure that the

Agreement will satisfy or continue to satisfy the applicable requirements of the Code.

9. The Agreement may be amended from time to time by submitting a copy of any such amendment to the Depositor and to the Custodian at least forty-five (45) days in advance of the effective date of any such amendment. Notwithstanding the foregoing, no such advance submission shall be required in the case of any amendment that may be required by the Internal Revenue Service so that the Account shall remain an Individual Retirement Account under Section 408 of the Code or that is not required to ensure compliance with the Code but that the Custodian or First Investors deems desirable to (i) clarify existing provisions or (ii) reflect provisions of laws, regulations, notices or other Internal Revenue Service or regulating administrative pronouncements that could benefit the Depositor, provided, however, that such amendment does not significantly affect fees, expenses, charges and costs. The Depositor shall be deemed to have consented to any amendment if he or she does not terminate the Account.

10. (a) Written instructions and notices required to be given to the Custodian by the Agreement shall be signed and remitted to the Custodian. Any such notice or instruction shall not become effective until actual receipt of said notice or instruction in good order by the Custodian.

(b) Any notice from the Custodian provided for in the Custodial Agreement will be effective if sent by regular mail to the Depositor at the Depositor's address as shown on the records of the Custodian or, if the Depositor requested to receive notices electronically, if delivered to the e-mail address provided for such purpose. In the event that the Custodian is notified that electronic delivery failed for any reason, the notice will then be sent by regular mail to the address of record. The Depositor will be deemed to have received such notice seven (7) days after mailing by the Custodian. Notwithstanding the foregoing, the Custodian will be deemed to have mailed such notices to the Depositor if mail that had been previously sent to that person was returned as undeliverable and the Custodian has not been provided with a current address in accordance with its procedures.

11. (a) Neither the Custodian nor First Investors shall be responsible for any liability arising out of the Agreement except such liability as is occasioned by the gross negligence or willful misconduct of the Custodian or First Investors.

(b) Neither the Custodian nor First Investors shall be

- liable for any losses or depreciation in the value of shares of any Designated Investment Company or
- obligated to pay interest or appreciation in the value of shares of any Designated Investment Company

that might result from: (i) the delay in acting upon any instructions, directions or requests that are submitted to the Custodian without the appropriate authorization(s), form(s) or signature(s) as required by the Custodian, or (ii) acting upon any instructions, directions or requests that are believed to be complete and in good order. Neither the Custodian nor First Investors shall have any duty other than the exercise of good faith nor shall they incur any liability by reason of any action taken in reliance upon inaccurate or fraudulent information reported by any source believed to be reliable, or by reason of incomplete information in its possession at the time of such distribution that the Custodian or First Investors believes to be complete.

(c) Neither the Custodian nor First Investors shall be responsible for any action or no action taken at

the Depositor's request or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor. The Custodian and First Investors may rely upon and shall be protected in acting upon any written, verbal or electronic instructions or any other notice, request, consent, certificate or other instrument from the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor, which is reasonably believed by the Custodian or First Investors to be genuine and to have been properly executed.

(d) Unless otherwise required by law, neither the Custodian nor First Investors shall be obligated to take any action whatsoever with respect to the Account except upon receipt of directions in a form and manner acceptable to the Custodian from the Depositor, or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor, or, if applicable, the Depositor's beneficiary. Neither the Custodian nor First Investors shall be under any obligation to determine the accuracy or propriety of any such direction and shall be fully protected in acting in accordance therewith.

(e) Neither the Custodian nor First Investors shall be obligated to defend or engage in any suit with respect to the Account unless each shall first have agreed in writing to do so and shall have been fully indemnified to the satisfaction of the Custodian and First Investors. The Depositor or, if the Depositor is deceased, each of the Depositor's beneficiaries shall at all times indemnify and hold harmless the Custodian and First Investors from any liability arising from any action taken by the Custodian or First Investors upon the written, verbal or electronic instructions of the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.

12. The Custodian and First Investors agree to submit reports to the IRS, Department of Labor and the Depositor at such times, in such manner and containing such information as prescribed as the responsibility of the Custodian by the applicable federal statutes and the regulations thereunder.

13. The Custodian hereby appoints Administrative Data Management Corp. (ADM), an affiliate of First Investors Corporation and the transfer agent for each of the Designated Investment Companies hereunder, as its agent and has delegated to ADM administrative and discretionary duties with respect to the Account including, but not limited to:

- the establishment and maintenance of Accounts,
- the acceptance and investment of contributions, transfers and rollovers into such Accounts,
- the distribution of assets from such Accounts,
- correspondence relating to such Accounts, including the sending of required notices and other documents, and
- the delivery of quarterly and other statements.

ARTICLE IX

First Investors funds are not FDIC insured, are not guaranteed by the Custodian or First Investors, and are subject to investment risks including possible loss of principal.

ARTICLE X

State income tax law may differ from federal income tax law and may be more restrictive.

Some states have statutes that automatically reflect changes made to the federal income tax code. Other states have tax statutes that are based on the federal income tax code as in effect on a specific date so that changes to the federal income tax code made after that date become effective only when the state adopts legislation expressly incorporating the changes.

Before taking advantage of any changes made to the federal income tax code, the Depositor should consult with a qualified tax advisor or attorney regarding the relationship of his or her state tax statutes and the federal income tax code.

ARTICLE XI

No provision of this Agreement shall be construed to conflict with any provision of a U.S. Labor Department, Treasury Department or IRS regulation, ruling, notice, release or other order which affects, or could affect, the terms of this Agreement or its qualification under Section 408 of the Code.

This Agreement shall be construed, administered and enforced according to the laws of New York to the extent not preempted by federal law.



Custodian's Signature

GENERAL INSTRUCTIONS

(Section references are to the Internal Revenue Code unless otherwise noted.)

PURPOSE OF THE FORM

Form 5305-A is a model account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (depositor) and the custodian and must be completed no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

Do not file Form 5305-A with the IRS. Instead, keep it for your records.

For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see Pub. 590, Individual Retirement Arrangements (IRAs).

DEFINITIONS

Custodian - The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Depositor - The Depositor is the person who establishes the account.

IDENTIFYING NUMBER

The Depositor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

TRADITIONAL IRA FOR NONWORKING SPOUSE

Form 5305-A may be used to establish the IRA account for a nonworking spouse.

Contributions to an IRA account for a nonworking spouse must be made to a separate IRA account established by the nonworking spouse.

SPECIFIC INSTRUCTIONS

Article IV - Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the depositor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII - Article VIII and any that follow it may incorporate additional provisions that are agreed to by the depositor and custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc. Attach additional pages if necessary.

Custodial Agreement

Roth Individual Retirement Account Form 5305-RA

(Under Section 408(A) of the Internal Revenue Code)

ARTICLE I

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 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 thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single depositor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married depositor filing jointly, between AGI of \$150,000 and \$160,000; and for a married depositor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the custodian will not accept IRA Conversion Contributions in a tax year if the depositor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the depositor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

ARTICLE III

The depositor's interest in the balance in the account is nonforfeitable.

ARTICLE IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.

3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

ARTICLE VI

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made.

ARTICLE IX

Note: Unless otherwise stated, for the definitions of terms used throughout Article IX, refer to Section 3 of the First Investors IRA Disclosure Statement.

1. (a) First Investors is committed to complying with the USA PATRIOT Act and the regulations issued thereunder. Therefore, First Investors reserves the right to verify the Depositor's identity and reserves the right to redeem the Roth IRA at the then current market value if the Depositor's identity is not verified to its satisfaction.

(b) (i) By execution of the First Investors IRA Application (Application), the individual named therein (Depositor) applied for a First Investors Roth IRA (Account) described in Section 408A of the Internal Revenue Code of 1986, as amended (Code), has designated and appointed the Custodian as the custodian of the Account, and has adopted the Custodial Agreement and the accompanying Disclosure Statement.

(ii) The Custodian has accepted its appointment as Custodian.

(iii) The Custodian will establish and maintain an Account for the Depositor upon receipt of a properly completed and executed Application and other documentation required by the Custodian and First Investors.

(iv) The Depositor and the Custodian hereby agree that the Account shall be governed by the provisions of the Agreement, as well as the Disclosure Statement and the Application.

(c) (i) The Account previously established will be maintained pursuant to Section 408A of the Code in order to provide a retirement benefit for the Depositor named in a previous Application.

(ii) By continuing to maintain an Account, the Depositor approves the continued designation and appointment of the Custodian as the custodian of the Account and agrees to the terms of the Agreement.

(d) The Custodian agrees to act as the custodian of the Account in accordance with the terms and conditions of the Agreement.

(e) The Custodian shall hold in the Account all contributions, transfers and rollovers which are received by it in good order, subject to the terms and conditions of the Agreement and for the purposes set forth herein. The Custodian shall be responsible only for such assets as shall be actually received by it.

(f) The Account is created for the exclusive benefit of the Depositor and his or her beneficiaries. Generally, each beneficiary shall, from the Depositor's death until the complete distribution of the beneficiary's share in the Account, have the same rights, responsibilities and control over his or her share of the Account as the Depositor had prior to his or her death and shall be subject to the same agreements and understandings as the Depositor. Neither the Depositor nor any beneficiary shall use the Account or any portion thereof as security for a loan, nor shall such individual engage in any transaction prohibited under Section 4975 of the Code.

(g) Assets held in an Account shall not be commingled with the property of others. For purposes of the preceding sentence, investment in a Designated Investment Company shall not be considered commingling.

2. (a) Contributions, transfers and rollovers must be made to the Account by check drawn on a U.S. bank payable to First Investors Corporation, by electronic funds transfer, or by federal fund wire.

(b) (i) Contributions which qualify as "rollover contributions" described in Section 408A(e) of the Code may be made to the Account.

(ii) The Depositor shall identify rollover contributions and transfers as such in writing and the Custodian and First Investors are authorized to rely on such identification. Neither the Custodian nor First Investors shall be liable in any manner for relying on such identification or certifications which it believes to be genuine.

(iii) Neither the Custodian nor First Investors shall be liable in any manner for a transfer or rollover that does not qualify as a transfer or rollover.

(c) (i) The Custodian must receive specific instructions for specific purchases, sales, exchanges, and other transactions in a form and manner acceptable to the Custodian. If the Custodian is not provided with a properly completed Application or proper investment instructions or if the Custodian receives instructions which are, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request such information as it deems necessary.

Pending receipt of such Application, documentation and/or clear instructions any amount may (I) remain uninvested (II) be invested in money market shares, (III) be returned to the Depositor (or following the death of the Depositor, to either the beneficiary or the Depositor's estate, as applicable), or (IV) be returned to the remitting custodian or trustee.

(ii) Contributions, transfers and rollovers to the Account and investments currently held in the Account may be divided between or among more than one Designated Investment Company. Unless waived, each payment into the Account must meet the minimum amount required by the Designated Investment Company. The term "Designated Investment Company" shall mean a registered investment company of the open-end management type, the securities of which are sponsored, distributed and/or underwritten by First Investors Corporation.

(iii) The selection of the Designated Investment Company with respect to the investments held in the Account, current contributions, transfers and rollovers and those made in the future may be changed at any time and from time to time upon receipt by the Custodian of instructions acceptable to the Custodian.

(iv) The Custodian shall have no duty to inquire into the investment practices of a Designated Investment Company and each Designated Investment Company shall have the exclusive right to control its investments.

(d) The Custodian shall invest all such contributions, transfers and rollovers in the securities of the Designated Investment Company specified by the Depositor. The Custodian shall be responsible for executing such instructions promptly; provided, however, that if a transfer or rollover is made to the Account in excess of \$100,000 neither the Custodian, nor First Investors shall be obligated to invest any portion of the Depositor's initial transfer or rollover to his or her Account until seven (7) calendar days have elapsed from the execution date of the Application. Investments may be delayed due to a force majeure (cause or event outside the reasonable control of the parties or that could not be avoided by the exercise of due care, such as an act of God or any mechanical, electronic or communications failure), government restrictions or changes, exchange or market rulings, strikes, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange or market.

(e) Generally, all dividends and capital gains received upon assets in the Account shall be reinvested in the securities of the Designated Investment Company selected by the Depositor and credited to the Account.

(f) Neither the Custodian nor First Investors shall be responsible in any way for the collection of contributions provided for under this Agreement, the selection of the investments for the Account, the purpose or propriety of any contribution, transfer or rollover or any action taken at the direction of the Depositor or such other person or entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor.

(g) Neither the Custodian nor First Investors shall be liable to the Depositor, beneficiaries, or any other person for any depreciation or similar loss of assets or for the failure of the Account to produce any or larger net earnings.

(h) Unless required by law, neither the Custodian nor First Investors shall have any obligation to:

verify the Depositor's eligibility to make contributions; compel the Depositor to make any contribution; determine whether contributions made to the Account fall within the applicable limits; give advice on the deductibility of any contributions; or notify the Depositor of the existence or amount of an "excess contribution," if any, as that term is defined in Section 4973(b) of the Code. The Custodian and First Investors may rely solely on the representations and instructions of the Depositor.

3. (a) The Custodian or its nominee shall be the holder of record and the Depositor shall be the beneficial owner of all such securities and any other property in the Account.

(b) The Custodian shall maintain a record of the Account for the Depositor reflecting his or her Account activity.

(c) The Custodian shall furnish statements to the Depositor setting forth receipts, investments, disbursements, and other transactions. Upon the expiration of thirty (30) days after furnishing such statement, the Custodian and First Investors shall be forever released and discharged from all liability and accountability to anyone with respect to their acts, transactions, duties, obligations, or responsibilities as shown in or reflected by such statement, except with respect to any such acts or transactions for which written objections shall have been filed with the Custodian or First Investors within such thirty (30) day period by the Depositor, of, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.

(d) By giving investment instructions to the Custodian, the Depositor will be deemed to have acknowledged receipt of the prospectus of the Designated Investment Company in which the Depositor directs that the Custodian invest assets in his or her Account.

(e) The Custodian shall deliver or cause to be delivered to the Depositor all notices, shareholder reports, prospectuses, financial statements, proxies, voting instruction cards, and proxy soliciting material relating to securities held in the Account. The Custodian in its capacity as Custodian hereunder shall vote all shares of the Designated Investment Company held hereunder in accordance with the instructions of the Depositor. However, the Custodian shall, unless otherwise prohibited by applicable law, without direction from the Depositor, vote shares held in the Account for which no voting instructions are timely received in the same proportion as shares for which voting instructions from such other shareholders are timely received.

4. (a) All distributions from an Account are subject to the requirements of Section 401(a)(9) of the Code.

(b) Generally, no distributions will be made from the Account until a properly completed and executed request form has been submitted to the Custodian in good order.

(c) (i) The Depositor or such other person or entity which the Custodian believes to be authorized to act on behalf of the Depositor, may request a distribution at any time. Such request must be in a form and manner acceptable to the Custodian. Such request must set forth the requested amount and method of distribution. In the event such request is, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request information it deems necessary be provided in a form and manner acceptable to the Custodian.

Upon receipt of such request, and, if applicable, additional information requested by the Custodian, the Custodian is authorized to liquidate and distribute assets held in the Account to make distributions, transfers or rollovers. Such distribution, transfer or rollover will discharge the Custodian from any and all claims as to the portion of the Account so distributed, transferred or rolled over.

(ii) If the Depositor is deceased, the beneficiary or legal representative of the Depositor, or such other entity which the Custodian believes to be authorized to act on behalf of the deceased Depositor, shall notify the Custodian in writing of any request for a distribution. Such request must be in a form and manner acceptable to the Custodian. Such notice shall set forth the requested amount and method of distribution. In the event such request is, in the opinion of the Custodian, incomplete, not clear or otherwise not acceptable, the Custodian may request information it deems necessary be provided in a form and manner acceptable to the Custodian.

Upon receipt of such request, and, if applicable, additional information requested by the Custodian, the Custodian is authorized to liquidate and distribute assets held in the Account to make distributions, transfers or rollovers. Such distribution, transfer or rollover will discharge the Custodian from any and all claims as to the portion of the Account so distributed, transferred or rolled over.

(iii) The Custodian may refuse to honor any request for the distribution, transfer or rollover of any assets or payment of any amount from the Account if such request does not conform to the then current administrative policies of the Custodian or First Investors or the then applicable requirements for the distribution, transfer, or rollover of shares of the Designated Investment Company in which the assets of the Account are invested and to which such request relates.

(iv) Any request for a distribution in the form of a direct rollover will be made by the Custodian in accordance with regulations, rulings and other administrative pronouncements issued by the Internal Revenue Service.

(v) The Custodian may require that before a direct rollover or trustee-to-trustee transfer is made to an unaffiliated company, the successor trustee or custodian must agree in writing to accept the transferred assets.

(vi) The Custodian and First Investors may rely solely on the representations of the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.

(vii) Neither the Custodian, nor First Investors shall (i) be responsible in any way for the timing, purpose or propriety of any distribution, transfer or rollover made pursuant to instructions from the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor, or (ii) incur any liability or responsibility for any tax imposed as a result of any such distribution, transfer or rollover.

(viii) Unless otherwise required by law, neither the Custodian nor First Investors shall have any obligation to give advice as to whether taxes or penalties are due on distributions, transfers or rollovers made hereunder or the amount due.

(d) Notwithstanding anything to the contrary in this Agreement, to the extent permitted by applicable federal law, the Custodian, upon receipt of an Internal Revenue Service Levy against the Depositor's Account (Levy), may liquidate assets held in the Account, with or without notice to the Depositor, beneficiary or legal representative or any other person or entity, and forward the proceeds to satisfy such Levy. Except as otherwise provided by applicable law, neither the Custodian nor First Investors shall be liable for any action taken in good faith and in exercise of due care. In the event of any action undertaken by the Custodian or First Investors resulting from any order described herein, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and First Investors and any other expenses and costs, including reasonable attorney's fees, shall be collected by the Custodian or First Investors from the Account in accordance with this Agreement.

(e) Neither the Custodian nor First Investors shall have any obligation to pay interest on outstanding checks or distributions.

(f) Neither the Custodian nor First Investors shall have any obligation to return any amounts withheld from any distribution for federal income tax purposes where the amount withheld is a result of the Depositor's, beneficiary's or legal representative's or authorized entity's failure to provide a proper withholding election prior to such distribution.

5. (a) This Agreement shall terminate upon the complete distribution of the assets of the Account.

(b) Upon one hundred eighty (180) days written notice or such shorter notice as may be acceptable to the Custodian, First Investors Corporation (Sponsor) may remove the Custodian and name a Successor Custodian.

(c) Upon one hundred eighty (180) days written notice or such shorter notice as may be acceptable to the Sponsor, the Custodian may resign. Upon notice of such resignation, the Sponsor will name a Successor Custodian. If, within ninety (90) days of the mailing of the notice of resignation of the Custodian, no successor custodian is appointed by the Sponsor or if the successor custodian appointed by the Sponsor has not notified the Custodian of its acceptance, the Custodian may appoint a successor custodian.

(d) Upon receipt by the Custodian of written notice of acceptance by the Successor Custodian, the Custodian shall transfer and pay over to such Successor Custodian the assets of the Account. Any outstanding fees, expenses and costs of the Custodian shall be payable in accordance with an agreement between the Custodian and the Sponsor. Upon the transfer of the assets of the Account, the Successor Custodian will succeed to all the rights and responsibilities of the Custodian hereunder and the Custodian shall be relieved from any future liability with respect to all amounts so transferred.

(e) The appointment and acceptance of the Successor Custodian shall be deemed an amendment to the definition of the Custodian in this Agreement and shall not terminate this Agreement. The Depositor shall not be required to sign any agreement accepting the Successor Custodian and shall be deemed to have accepted the Successor Custodian if the Depositor does not terminate the Account.

(f) Successor Custodian means a bank as defined in Section 408(n) of the Code or such other person who has agreed to and is qualified to act under this Agreement.

(g) If after the Custodian's removal or resignation no qualified successor has notified the Custodian of its acceptance to act, the Custodian shall, upon forty-five (45) days advanced notice to the Depositor, terminate the Account. Termination of the Account shall be effected by distributing the assets of the Account by a single sum payment in cash or in kind as the Custodian may elect, less any assets which may be reserved by the Custodian to pay its fees, expenses and costs, to the extent not otherwise paid. The Custodian shall distribute the Account to the Depositor or his or her beneficiaries or if there is no beneficiary, to the Depositor's estate.

(h) Upon the resignation or removal of the Custodian, the Depositor may request that the assets held in his or her Account be transferred to another custodian or trustee designated as eligible to receive such transfer. Such request must be in a form and manner acceptable to the Custodian. Upon completion of such transfer, the Agreement shall terminate and the Custodian and First Investors shall be relieved from all future liability with respect to all amounts so transferred.

(i) The Custodian shall not be liable for the acts or omissions of any Successor Custodian. Unless otherwise agreed to in writing by the Custodian or First Investors, upon the complete distribution or transfer of the assets of the Account, the Custodian and First Investors shall be relieved of all further liability with respect to this Agreement, the Account and the assets so distributed or transferred.

6. (a) Sales and other charges attributable to the acquisition of securities, as stated in the Designated Investment Company's then current prospectus, will be charged to the Depositor's Account for which such securities are acquired.

(b) Any taxes levied or assessed upon or in respect of the Depositor's Account, and any other expenses or fees incurred by or on behalf of the Account shall be paid from the assets of the Account. The Custodian shall liquidate such securities held in the Depositor's Account as are necessary to pay any such taxes, fees and expenses in full.

(c) There is an annual custodial fee for each Account, regardless of the number of Designated Investment Companies. The annual custodial fee is currently being paid by the respective Designated Investment Companies. However, the Designated Investment Companies reserve the right to discontinue paying this fee at any time. If the Designated Investment Companies exercise this right, the fee will be charged to the Depositor's Account.

(d) First Investors reserves the right to charge an annual maintenance fee which shall be deducted from the Depositor's Account on an annual basis and reserves the right to modify the annual maintenance fee from time to time.

(e) Except as otherwise provided herein, all other previously disclosed fees and expenses incurred in connection with the establishment, maintenance and administration of the Depositor's Account, including but not limited to the payment of low balance fees, will be paid from the Depositor's Account. The Depositor's Account may also be charged fees for an Account History Statement, copies of canceled checks, duplicate tax forms and use of express mail service pursuant to the Depositor's request. See the Designated Investment Company's prospectus and Statement of Additional Information for an explanation of such fees.

(f) The Depositor agrees that fees shall be paid when due. Such fees may be waived by the Custodian or, if applicable, First Investors at any time and may be revised by the Custodian upon forty-five (45) days written notice to the Depositor.

(g) The Custodian and First Investors may impose new fees or increase, decrease or otherwise modify its fees for services hereunder by written notice to the Depositor, forty-five (45) days in advance of the effective date of such imposition or change in fees. The Depositor shall be deemed to have consented to any new or revised fees if the Depositor's Account is not terminated before the effective date of such imposition or revision. Custodial and administrative fees which have been added or revised in accordance with this Section will become legally binding.

7. (a) It shall be the obligation of the Depositor to notify the Custodian of any changes to his or her name and social security number and to his or her mailing address within a reasonable time. If the Depositor fails to do so, mail is returned as undeliverable, and the Custodian has been unable to obtain a current address, the Custodian may employ a company to locate the Depositor in accordance with rules established by the Securities and Exchange Commission. Returned dividend checks and other distributions will be outstanding and will not be reinvested into the Designated Investment Company from which it was removed. No interest will be paid on outstanding checks. All future dividends and other distributions will be reinvested in additional shares until new instructions are provided. See the Designated Investment Company's prospectus and Statement of Additional Information for a detailed explanation of these provisions.

(b) If the Custodian is unable to locate a person entitled to assets held in the Account, or if there has been no claim made for such assets, the Custodian shall continue to hold the assets due such person, subject to the unclaimed property laws of the applicable state to the extent not superseded by federal statutes.

8. The Custodian delegates to First Investors Corporation the right to amend this Agreement, including any retroactive or prospective amendments necessary to ensure that the Agreement will satisfy or continue to satisfy the applicable requirements of the Code.

9. This Agreement may be amended from time to time by submitting a copy of any such amendment to the Depositor and to the Custodian at least forty-five (45) days in advance of the effective date of any such amendments. Notwithstanding the foregoing, no such advance submission shall be required in the case of any amendment that may be required by the Internal Revenue Service so that the Account shall remain a Roth Individual Retirement Account under Section 408(A) of the Code or that is not required to ensure compliance with the Code but that the Custodian or First Investors deems desirable to (i) clarify existing provisions or (ii) reflect provisions of laws, regulations, notices or other Internal Revenue Service or regulating administrative pronouncements that could benefit the Depositor provided, however, that such amendment does not significantly affect fees, expenses, charges and costs. The Depositor shall be deemed to have consented to any amendment if he or she does not terminate the Account.

10. (a) Written instructions and notices required to be given to the Custodian by the Depositor shall be signed and remitted to the Custodian. Any such notice or instruction shall not become effective until actual receipt of said notice or instruction in good order by the Custodian.

(b) Any notice from the Custodian provided for in the Custodial Agreement will be effective if sent by regular mail to the Depositor at the Depositor's address as shown on the records of the Custodian or, if the Depositor requested to receive notices electronically, if delivered to the e-mail address provided for such purpose. In the event that the

Custodian is notified that electronic delivery failed for any reason, the notice will then be sent by regular mail to the address of record. The Depositor will be deemed to have received such notice seven (7) days after mailing by the Custodian. Notwithstanding the foregoing, the Custodian will be deemed to have mailed such notice to the Depositor, if mail that had been previously sent to that person was returned as undeliverable and the Custodian has not been provided with a current address in accordance with its procedures.

11. (a) Neither the Custodian nor First Investors shall be responsible for any liability arising out of this Agreement except such liability as is occasioned by the gross negligence or willful misconduct of the Custodian or First Investors.

Neither the Custodian nor First Investors shall be

- liable for any losses or depreciation in the value of shares of any Designated Investment Company or
- obligated to pay interest or appreciation in the value of shares of any Designated Investment Company

that might result from: (i) the delay in acting upon any instructions, directions or requests that are submitted to the Custodian without the appropriate authorization(s), form(s) or signature(s) as required by the Custodian, or (ii) acting upon any instructions, directions or requests that are believed to be complete and in good order. Neither the Custodian nor First Investors shall have any duty other than the exercise of good faith nor shall they incur any liability by reason of any action taken in reliance upon inaccurate or fraudulent information reported by any source believed to be reliable, or by reason of incomplete information in its possession at the time of such distribution that the Custodian or First Investors believes to be complete.

(b) Neither the Custodian nor First Investors shall be responsible for any action or no action taken at the Depositor's request or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor. The Custodian and First Investors may rely upon and shall be protected in acting upon any written, verbal or electronic instructions or any other notice, request, consent, certificate, or other instrument from the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor, which is reasonably believed by the Custodian or First Investors to be genuine and to have been properly executed.

(c) Unless otherwise required by law, neither the Custodian nor First Investors shall be obligated to take any action whatsoever with respect to the Account except upon receipt of directions in a form and manner acceptable to the Custodian from the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor or, if applicable, the Depositor's beneficiary. Neither the Custodian nor First Investors shall be under any obligation to determine the accuracy or propriety of any such direction and shall be fully protected in acting in accordance therewith.

(d) Neither the Custodian nor First Investors shall be obligated to defend or engage in any suit with respect to the Account unless each shall first have agreed in writing to do so and shall have been fully indemnified to the satisfaction of the Custodian and First Investors. The Depositor or, if the Depositor is deceased, each of the Depositor's beneficiaries, shall at all times indemnify and hold harmless the Custodian and First Investors from any liability

arising from any action taken by the Custodian or First Investors upon the written, verbal or electronic instructions of the Depositor or, if applicable, the Depositor's beneficiary or legal representative or such other entity which the Custodian or First Investors believes to be authorized to act on behalf of the Depositor, or, if applicable, the deceased Depositor.

12. The Custodian and First Investors agree to submit reports to the IRS, Department of Labor and the Depositor, at such times, in such manner and containing such information as prescribed as the responsibility of the Custodian by the applicable federal statutes and the regulations thereunder.

13. The Custodian hereby appoints Administrative Data Management Corp. (ADM), an affiliate of First Investors Corporation and the transfer agent for each of the Designated Investment Companies hereunder, as its agent and has delegated to ADM administrative and discretionary duties with respect to the Account including, but not limited to:

- the establishment and maintenance of Accounts,
- the acceptance and investment of contributions, transfers and rollovers into such Accounts,
- the distribution of assets from such Accounts,
- correspondence relating to such Accounts, including the sending of required notices and other documents, and
- the delivery of quarterly and other statements.

ARTICLE X

First Investors funds are not FDIC insured, are not guaranteed by the Custodian or First Investors, and are subject to investment risks including possible loss of principal.

ARTICLE XI

State income tax law may differ from federal income tax law and may be more restrictive.

Some states have statutes that automatically reflect changes made to the federal income tax code. Other states have tax statutes that are based on the federal income tax code as in effect on a specific date so that changes to the federal income tax code made after that date become effective only when the state adopts legislation expressly incorporating the changes.

Before taking advantage of any changes made to the federal income tax code, the Depositor should consult with a qualified tax advisor or attorney regarding the relationship of his or her state tax statutes and the federal income tax code.

ARTICLE XII

No provision of this Agreement shall be construed to conflict with any provision of a U.S. Labor Department, Treasury Department or IRS regulation, ruling, notice, release or other order which affects, or could affect, the terms of this Agreement or its qualification under Section 408A of the Code.

This Agreement shall be construed, administered and enforced according to the laws of New York to the extent not pre-empted by the federal law.



Custodian's Signature

GENERAL INSTRUCTIONS

(Section references are to the Internal Revenue Code unless otherwise noted.)

PURPOSE OF THE FORM

Form 5305-RA is a model account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

Do not file Form 5305-RA with the IRS. Instead, keep it for your records.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includable in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590, Individual Retirement Arrangements (IRAs).

DEFINITIONS

IRA Conversion Contributions - IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

Custodian - The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Depositor - The depositor is the person who establishes the custodial account.

SPECIFIC INSTRUCTIONS

Article I - The depositor may be subject to a 6 percent tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The depositor should see the disclosure statement or Pub. 590 for more information.

Article V - This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph 3 of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

Article IX - Article IX and any that follow it may incorporate additional provisions that are agreed to by the depositor and the custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the custodian, custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the depositor, etc. Attach additional pages if necessary.