

ESTABLISHING DIRECT
TRANSFERS TO BENEFICIARIES



RAYMOND JAMES®

The Raymond James Direct Transfer to Beneficiaries Service is a legal agreement between an individual and Raymond James & Associates that enables an individual's investment assets to bypass probate and be transferred directly to specified heirs under the transfer-on-death (TOD) provisions. The service is available to all clients with an individual or joint account custodied by Raymond James. Clients outside the United States cannot establish TOD accounts due to potential conflict with non-U.S. tax or estate laws.

This agreement between Raymond James and the account owner describes the terms and conditions governing the TOD feature of the account separately established by the owner with Raymond James.* The TOD feature is not available to accounts owned as tenants in common. If either owner has community property rights with respect to the property in the account, he or she agrees to waive those rights and acknowledge that Raymond James will distribute the assets of the account in accordance with rules governing joint tenancy with rights of survivorship.

Establishment of TOD Feature

This service shall establish a TOD feature on the account of the owner. This contract cannot be executed by an attorney-in-fact under a power of attorney (POA) instrument. This rule also applies to any fiduciary relationships. At the owner's death, any interest of the owner in all of the eligible assets in the account shall be transferred to an established Raymond James account for each of the beneficiaries designated. Upon establishing a TOD account, the owner cannot designate or " earmark " that specified assets within the account at the time go to specific beneficiaries. All ineligible assets (as later defined) will not be transferred and will remain in this account. All references to transfer shall mean to an account established with Raymond James. Assets that will be transferred to an estate must be transferred to an estate account established with Raymond James. Beneficiary percentages must be in whole numbers. Further, unless percentages are indicated and equal 100%, each asset in the account will be divided equally among the accounts established for the beneficiaries. If percentages are indicated but they do not equal 100%, the assets not apportioned shall be transferred to the estate of the owner.

Necessary Forms

The forms needed to establish a TOD account and to list the designated primary and contingent beneficiaries can be obtained from a Raymond James financial advisor. It is important to keep in mind that upon the establishment of a TOD account, the appropriate forms **must** be signed and notarized by a notary public.

Changing or Revoking a TOD Agreement

During a person's lifetime, he or she retains complete control of all assets. The investor receives all interest and dividends and will be responsible for all taxes incurred on assets in the account. The TOD agreement can be changed or revoked at any time with the completion of a new agreement obtained from a Raymond James financial advisor. Please note fees in the section titled "TOD Fees" on page 8. Any termination of the agreement must be submitted in writing by the owner in order to revoke the TOD agreement on an account.

*The term owner shall refer to all owners and, where appropriate, the last surviving owner.

Beneficiary Information

Primary Beneficiaries

Upon the death of the last surviving owner, eligible assets in the owner's account shall be transferred to the individual, individuals or entities designated by the owner as primary beneficiaries in the percentages indicated on the beneficiary designation form.

The owner understands that if the indicated percentages do not total 100%, or if any primary beneficiary predeceases the owner and the owner has not designated a contingent beneficiary for that primary beneficiary, the remaining shares or the share of the deceased primary beneficiary will be transferred to the estate of the owner. The owner further understands that if no percentages are designated, the assets will be transferred to primary beneficiaries in equal shares.

Contingent Beneficiaries

In the event any designated primary beneficiary does not survive the owner, that beneficiary's share shall pass to the contingent beneficiary or beneficiaries listed in conjunction with that designated primary beneficiary on the beneficiary designation form.

If the owner has designated more than one contingent beneficiary for any primary beneficiary, he or she shall receive the share of the deceased primary beneficiary in the percentages indicated by the owner, or if no percentages are indicated, in equal shares. If any contingent beneficiary is also deceased, that share shall be transferred to the estate of the owner.

Per Stirpes

"Per stirpes" cannot be used as a designation for any primary or contingent beneficiary; in other words, Raymond James will not accept as a beneficiary name "John Smith – per stirpes." All beneficiaries must be specified in order for the account owner's assets to be transferred; otherwise, they will be allocated in equal shares.

Transfer to Beneficiaries

As an investor, you have the right to decide who you would like to be a beneficiary. This can include family members, friends, religious organizations or charities. However, it is important that the owner list percentages of assets that should go to each beneficiary. If percentages are not given, all assets will be divided evenly. Assets distributed from a TOD account to beneficiaries or the owner's estate must first be transferred to an account established at Raymond James.

Any interest of the owner in all assets of the account shall be transferred as follows:

Primary beneficiaries – The assets shall be transferred to an established Raymond James account for each of the primary beneficiaries who survive the owner in the indicated percentages or, if no percentages are indicated, in equal shares.

Contingent beneficiaries – If a primary beneficiary fails to survive, that interest in the account shall be transferred to an established Raymond James account for the contingent beneficiary or beneficiaries designated by the owner for that share of the primary beneficiary.

By operation of law – If no beneficiaries survive the owner, any interest of the owner shall pass by operation of law. If the TOD account is owned by joint tenants with rights of survivorship, no transfer to beneficiaries will be made upon the death of the first joint tenant. The surviving joint tenant will become the owner of the assets in the account. Upon the death of last joint tenant, the assets in the account will be transferred to the beneficiaries in accordance with the designations set forth in this agreement unless it has been revoked or otherwise superseded.

Fractional Shares, Short Position and Options Information

Upon the death of the owner or last surviving owner, Raymond James may sell any assets that cannot be divided into negotiable amounts and distribute the proceeds of such sale. Raymond James may divide fractional shares in any manner it deems appropriate and distribute them, or the proceeds from them, to beneficiaries, unless directed otherwise by unanimous written consent from all beneficiaries. Raymond James shall have the right and sole discretion to purchase any security or option that has been sold short or written in the account, or it may retain in the account an amount of cash or securities it deems sufficient to protect itself until the expiration or cover of any short position or written options. Under no circumstances shall Raymond James be obligated to sell any asset in the account unless requested to do so by the unanimous written consent of all beneficiaries. Raymond James shall have no liability to any beneficiary for any loss or fluctuation in the value of assets held in the account after the death of the owner and before transfer of assets to beneficiaries. Without limiting the foregoing, the owner understands and agrees that any options in the account may sustain a substantial decline in value or expire worthless during the period that the assets are being transferred to the beneficiaries and Raymond James shall have no liability for any such loss. Raymond James shall, in its sole discretion, determine a reasonable method for transferring or otherwise administering all assets, payments or dividends received into the account after the death of the owner or last owner.

Designating Specific Assets

Occasionally, beneficiaries desire to divide assets among themselves in a manner that differs from that specified in the owner's TOD agreement (for example, by types of asset). Such requests will be accepted only with the written instruction and consent of all beneficiaries and is subject to a \$50 amendment fee in addition to the normal distribution fee (see TOD fees on page 8).

Information on Minors or Incapacitated Adults as Beneficiaries

If any designated beneficiary is a minor or incapacitated adult, Raymond James will transfer assets in the name of the duly appointed custodian, conservator or guardian. If, within 90 days after the death of the owner, there is no duly appointed custodian, conservator or guardian to accept a transfer for a minor or incapacitated adult, Raymond James may make a transfer to the estate of the owner and shall then be fully discharged from any obligations to said minor or incapacitated adult.

Guardianship Accounts

Guardianship accounts are not eligible for TOD unless the guardian provides a court order expressly granting the guardian the authority to determine the disposition of the owner's assets upon the owner's death in the discretion or by specific designation of the court.

Debts and Payment of Taxes by Owners

Raymond James shall not be responsible for the payment of any debts of the owner. Raymond James shall not be responsible for the payment of any taxes or other amounts owed by the owner, the estate owner or any beneficiary. Any existing debt in any account of an owner must be satisfied before a transfer to any beneficiary will be made.

Agreement Effects

Effect of Death of Joint Tenant on this Agreement

In the case of a joint tenancy account, after the death of an owner, this agreement shall continue to apply to the account of the surviving owner or owners, unless the surviving owner or owners shall change or revoke this agreement or add additional joint tenants.

Effect of this Agreement Revocation

This agreement revokes any prior agreement relating to the same subject matter with respect to the assets held in the owner's or owners' TOD account and may be revoked or changed by the owner. Owners, or the last surviving joint owner at any time prior to the death of the owner or last surviving joint owner, may revoke this agreement by filing a new agreement with Raymond James or by submitting a letter of revocation in a form acceptable to Raymond James. Should the owner elect to transfer this account away from Raymond James, the initiation of the transfer shall be deemed to constitute the revocation of this agreement by the owner. This agreement cannot be revoked or changed by a will or by an agent of the owner.

A conservator or attorney-in-fact may not revoke or change this agreement except by court order approving such revocation or change. This provision shall not prohibit an authorized purchase, sale or transfer of securities or assets by a conservator or attorney-in-fact acting on behalf of the owner with regard to the account. A \$50 fee is charged for amendments or revocation of the agreement (see TOD Fees on page 8).

This agreement shall not affect any provision of any other agreement entered into by the owner or owners with Raymond James.

Sworn Request Documentation

In making a transfer, Raymond James shall be entitled to receive and rely upon information provided in a sworn request document submitted by any beneficiary or personal representative of the owner's estate under the terms of this agreement. Raymond James shall not be held accountable to the owner or third party for making a transfer under the terms of this agreement based upon the information contained in any sworn request. Raymond James shall be entitled to receive said sworn request, a certified death certificate and such additional documentation as Raymond James may in its sole discretion deem appropriate before making such transfer. If a personal representative signs the sworn request, a certified court document dated within 60 days evidencing authority to sign is required.

What Happens If One of the Beneficiaries Dies Before the Owner?

If a primary beneficiary predeceases the owner, his or her share will be distributed to the contingent beneficiaries listed in the TOD agreement. However, if a contingent beneficiary predeceases the owner, his or her share will be distributed to the owner's estate.

As an example: Son "A," a primary beneficiary who has two daughters named as contingent beneficiaries, passes away before his father. Son "B" is the only other primary beneficiary and survives his father. Sons "A" and "B" are designated to each receive half of their father's assets. In this particular situation, granddaughters of "A" will now each receive 25% of their grandfather's account assets and son "B" the other 50%.

Raymond James' Rights and Duties Concerning Beneficiaries

Raymond James shall have no duty to locate beneficiaries, to determine the marital status of the owner at any time or to determine any other fact that may affect a transfer called for under this agreement. Any dispute with Raymond James regarding this account by the owner and/or beneficiary is subject to the arbitration provisions set forth in the customer agreement. Raymond James may require an indemnity bond for its benefit prior to making a transfer provided in this agreement. The preceding provisions of this paragraph shall not affect the rights of the beneficiaries among themselves.



Spousal Agreements

Spousal Consent – Community Property States

In Florida, state law requires that if the TOD owner or owners have a spouse, he or she is entitled to 30% of the estate. This law applies to both probate and non-probate property. Thus, it is the right of the surviving spouse to receive this “elective share,” which guarantees him or her a portion of the deceased spouse’s estate. Keep in mind, however, that Raymond James has no obligation to determine an owner’s marital status. The assets considered for valuing the elective estate include the decedent’s Florida probate estate and other properties owned outside Florida, any interest held in the TOD agreement, any interest in property held in joint tenancy with right of survivorship, and any property that is owned by his or her revocable trust.

If all of the following conditions are met at the time of the owner’s death, the TOD feature of this account shall be void unless a spousal consent form has been completed and filed with Raymond James, and has not been revoked prior to the owner’s death. **This may require that a spousal consent form be executed subsequent to this agreement if the owner’s marital status or state of residence changes. The owner shall be solely responsible for obtaining any required documents.**

If all of the following conditions apply, the spousal consent form must be signed. **There are no exceptions to this rule.**

- The owner has a surviving spouse.
- The owner and the surviving spouse at any time during their marriage resided in one or more of the following states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin.
- The surviving spouse is not the sole joint tenant of the account with the owner or is not designated on the last page of this agreement as the sole primary beneficiary.

Any spousal consent may be revoked by signing the revocation of spousal consent form provided by Raymond James. In order for this revocation to be effective, it must be filed with Raymond James prior to the owner’s death. Raymond James reserves the right to add to the list of states above in the event that any other state shall adopt a system of community or marital property.

Asset Information

TOD-Eligible Assets

Only assets held in an account at Raymond James and comprising a portion of a single or joint account of the owner or owners may be transferred pursuant to the terms of this agreement. The terms of this agreement and the TOD features of the account shall apply only to the following eligible assets:

- | | | |
|-----------------------------------|--|--|
| ■ Cash | ■ Closed-end mutual funds | ■ Stocks (listed and OTC) |
| ■ Heritage family of mutual funds | ■ Open-end mutual funds* | ■ Unit investment trusts (UITs) |
| ■ CDs, excluding jumbo CDs | ■ Collateralized mortgage obligations (CMOs) | ■ Options |
| ■ Corporate bonds | ■ Government securities | ■ Exchange-traded limited partnerships |
| ■ Municipal bonds | | |

*Open-end mutual fund positions held in Raymond James’ or its nominee’s name are eligible assets, but positions held in client name are ineligible assets under the TOD Agreement. Permissible mutual fund positions require all purchases, liquidations and exchanges be transacted through Raymond James. In addition, any permissible open-end mutual fund, except those held in client name, that appears on a Raymond James statement is included as part of the eligible assets. Please contact your Raymond James financial advisor to inquire how your open-end mutual fund positions are registered.

The following assets are **not** eligible for TOD:

- Any other limited partnership interest
- Gold and silver (or other precious metals)
- Fixed annuities
- Jumbo CDs
- Variable annuities
- Commodities

Any assets not specifically identified in either of the lists previously mentioned shall be deemed either eligible or ineligible according to the discretion of Raymond James.

In addition, all eligible assets must meet the following conditions for the provisions of this agreement pertaining to TOD to apply:

- Securities must be held in street name (with the exception of shares for the Heritage family of mutual funds) and
- Securities must be held in a single account or a jointly owned account, where appropriate.

Legal Information

Laws and Rules Governing this Agreement

The validity and effect of this agreement shall be governed by the law of the state of Florida. This agreement is made in accordance with and subject to the rules of Raymond James with respect to the TOD features of this service and is subject to the terms of Raymond James' customer agreement. This agreement shall not be valid and shall be of no effect in the state of Louisiana.

Agreement to Arbitrate

Each owner agrees that any dispute between the owner and Raymond James, its officers, directors, agents, and/or employees, will be resolved in accordance with the agreement to arbitrate contained in the customer agreement for this and any other accounts of the owner. The parties agree that any designated beneficiary of the TOD account is a third-party beneficiary of the account for purposes of this section. The owner acknowledges that this agreement does not in any way affect the owner's obligations under the agreement to arbitrate.

Transferring a TOD and Planning Information

How Does TOD Work upon Death?

Upon death, a named beneficiary will need to contact your financial advisor or Raymond James directly. We recommend this procedure be explained to one of the beneficiaries and this person be made responsible for contacting the owner's Raymond James financial advisor. We will then assist in the completion of all required documents for transferring assets into separate accounts for each beneficiary.

At this point, assets will be transferred to the beneficiaries and the heirs will have control of all securities defined in this agreement.

TOD Fees

The fees due to Raymond James for TOD services are listed below.

- \$75 to initially establish the account.
- \$50 to modify the terms of any beneficiary designation by the owner in this account or to modify distribution of assets to beneficiaries after the owner's death (requires unanimous consent of all beneficiaries).
- Additional fees are also due upon the establishment or modification of TOD in the following case: If more than eight (8) total primary and contingent beneficiaries are designated, \$25 for each beneficiary over this number. Example: An owner can have four primary beneficiaries and four contingent beneficiaries or he or she can have eight primary beneficiaries, etc., without incurring the \$25 charge.
- \$200 processing fee due at the time of the filing of a sworn request by a designated beneficiary or personal representative of the owner's estate or the estate of the last owner to die.
- The above charges do not include any other fees, including custody and transaction fees, customarily charged by Raymond James.
- All fees are non-refundable and due at the time:
 - The owner establishes a TOD account,
 - The owner modifies TOD, revokes the terms of any beneficiary designation forms or executes a new agreement that modifies the terms of the existing service, or
 - The owner's estate or the estate of the last owner to die is claimed.

If any of the fees under this service remain unpaid at the time of the filing of the sworn request or if the owner has any other monies due to Raymond James, Raymond James is authorized to deduct the amount of fees or monies due from account assets before making distributions to beneficiaries.

Final Word

TOD may result in certain tax and estate distribution consequences. As with any decision that may have tax or estate planning implications, please consult an attorney, tax advisor and your Raymond James financial advisor for advice on how Direct Transfer to Beneficiaries fits into your estate plan.



RAYMOND JAMES[®]

Individual solutions from independent advisors

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