

Memorandum

To: Our Valued Clients
From: Trading Direct / Ridge Clearing
Date: April 30, 2008
Re: IRA Check Writing Now Available

Ridge Clearing is pleased to provide you with a fast, efficient way for eligible IRA holders to withdraw from their retirement accounts. Your clients will be able to write a check, just as they would from a bank or retail brokerage account. Some highlights of this exciting new offering:

- ***What types of Retirement Plans are eligible for IRA Check Writing?***
Traditional IRAs, Rollover IRAs, and SEP-IRAs. Roth IRAs are also included, but must be established for at least five years (the normal rule for Roth Distributions). The five year minimum requirement is cumulative from when the client established the actual account, not necessarily from when it was established with your firm. Proof of the five year requirement is the client's responsibility and is addressed by a check box on the IRA Check Writing application.
 - ***Is there a minimum age requirement?***
Yes. An IRA holder must be at least 59-½ to be eligible.
 - ***Are there additional enrollment/annual fees for the IRA Check Writing product?***
No. There is no enrollment or annual fees for IRA Check Writing. However, the annual IRA maintenance fee will still apply.
 - ***How long does it take a client to receive their checks?***
Unless expedited shipping is requested, orders will be shipped via bulk mail. Delivery can be expected within 10-15 business days and clients may begin using the checks immediately upon receipt.
 - ***Are there any types of additional fees that may be incurred?***
Yes, but they are minimal. Initial check orders (25 checks) are free and re-orders are \$10.00. Expedited shipping may be requested and costs \$6.25 for First Class, \$21.99 for overnight. Returned checks are \$20.00, stop payments \$15.00, check copies \$2.50. ***All fees are deducted from the Retirement Account and can not be made from outside sources.***
- Please remember that once an account is assessed a fee, it can not be reversed or reimbursed. This is an IRS Regulation.***
- ***Is there a limit on the dollar amount of each check?***
Yes. The minimum check amount is \$100.00. Failure to meet this requirement may result in suspension of the product.

- **Can a client write a check before funds are available?**
No. Funds must be available as a cash or money market balance. Unavailable funds will result in a return and fee.

Please remember that a check can not post while waiting for a trade settlement. For example, a trade is placed on Monday, settles on Thursday, but a check is presented for payment on Tuesday. The check must be rejected because the funds are not available. Again, this is based on IRS regulations and there are no exceptions to this requirement.

- **How will these distributions be reported?**
The total of all checks (and any other distributions) will be reported as a "Normal Distribution" on form 1099-R. Clients receive this form each January with the prior year totals.
- **Can a client elect Federal Withholding?**
No. Clients cannot elect Federal or State Withholding on the disbursements and clients must agree to this on the application.
- **How does a client enroll in IRA Check Writing?**
An IRA Check Writing Application (example attached) must be completed and forwarded to Trading Direct.

If you have any questions regarding this bulletin, please contact Trading Direct Customer Service: info@tradingdirect.com or 800-925-8566.

IRA CHECK WRITING AGREEMENT

1. Description of IRA Check Writing

The IRA Check Writing service permits me to write checks to withdraw funds from my eligible Ridge Clearing Individual Retirement Account (the "IRA Account").

2. Checks

I understand that I may write checks on my IRA Account. Each check must be for a minimum of \$100.00 U.S. dollars. I understand that canceled checks **will not** be returned to me, though I may request copies of my checks. Ridge Clearing reserves the right to pay postdated checks, although it is not obligated to do so. Ridge Clearing also reserves the right not to pay any check if it determines, in its sole discretion, that the check is incomplete or improperly completed. I understand that any check that would cause me to exceed the "Available Cash Balances" in my IRA Account will not be honored. For purposes of this Agreement, "Available Cash Balances" shall mean amounts held in the sweep vehicle designated on my IRA account application for holding uninvested cash balances.

I understand that fees will be imposed for stop payments, checks returned for insufficient funds, and any other special services, and that these fees are subject to change without notice. I further understand that Ridge Clearing reserves the right to impose additional fees for other services at its discretion.

Schedule of Fees

Stop payment	\$15.00
Check returned for insufficient funds	\$20.00
Copy of a check	\$2.00
Reorder of checks	\$12.00
Overnight fee	\$21.99
First class delivery	\$6.25

In order for me to stop payment on any check, I must notify my Broker. Any fees assessed to the IRA may not be reimbursed, as per IRS regulations. To reorder checks, please contact your broker.

Ridge Clearing shall not be responsible for any person's action in refusing to honor or accept my checks, or for any person's action in taking possession of my checks.

3. Liability

I acknowledge that the checks issued pursuant to this Agreement are for my exclusive use and accordingly I agree to use reasonable care to safeguard them and limit access to them. I will not issue any checks in excess of my Available Cash Balance. I acknowledge and agree that I will have sole liability for all transactions made through the use of the checks. I also agree to pay the reasonable costs and expenses of collection of any unpaid balance due in connection with IRA Check Writing including, but not limited to, attorneys' fees involved in such collection to the extent provided by law.

4. Termination of IRA Check Writing

I may terminate the IRA Check Writing service at any time by contacting my Broker. Ridge Clearing may terminate my use of the IRA Check Writing service at any time and for any reason at its sole discretion. Termination of the service will not affect any rights and obligations incurred prior to termination, including my obligation to pay checks or other charges. Upon termination of the IRA Check Writing service for any reason, I agree that I will destroy all unused checks in my possession.

5. Distributions

I understand that any check written by me will be considered a distribution for Federal Income Tax purposes and will be reported by Ridge Clearing to the Internal Revenue Service ("IRS") at year-end, and that the taxable portion thereof will be subject to tax as ordinary income. **The distribution will be reported to the IRS as taken in the year in which my IRA Account is actually debited rather than the date appearing on any check.**

I understand the Federal Income Tax withholding provisions applicable to IRA distributions and that a withholding election must be made before any distribution can be taken. In order to utilize IRA Check Writing, I understand that I must choose not to have tax withheld with respect to check distributions, and I hereby so elect. I acknowledge that I have read and understand the "Notice of Tax Withholding on IRA Payments" set out below and understand that I may revoke or change my election not to have tax withheld from check distributions at any time. I further understand that, in the event that I do so change my election, I will have to submit an IRA distribution form to my Broker requesting federal and or state withholding, and I may not write any further checks from my account.

6. Notice of Tax Withholding on IRA Payments

The Federal Income Tax Law requires that Federal Income Tax must be withheld at a fixed rate of 10% of the amount distributed from an IRA Account unless I elect not to have tax withheld. As withdrawals from an IRA Account via the Ridge Clearing Check Writing service originate with me, the customer, I must elect not to have the 10% withheld from check distributions in order to utilize this service. Ridge Clearing is required to inform me that, by electing not to have Federal Income Tax withheld from check distribution(s), I may be responsible to pay estimated income taxes. I may incur penalties under the estimated tax rules if my withholding and estimated tax payments are not sufficient.

7. Roth Notification

By checking the Roth box under the account type section, I understand that I am solely responsible to determine eligibility for the 5 year ruling regarding Roth IRA distributions. If I attained age 59 1/2, then I may take a qualified distribution from my Roth IRA if this distribution is made after 5 years from the first year which a contribution was made to my Roth IRA. A withdrawal before 5 years and before age 59 1/2 will be taxable and subject to a 10% penalty. I will consult my tax advisor before making a withdrawal from my Roth IRA.

IRA CHECK WRITING APPLICATION IRA / Roth / SEP Accounts	Ridge Clearing & Outsourcing Solutions
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IRA Check Writing Signature Page

Instructions:

- Provide all required information in the specified boxes. Please PRINT neatly.
- Provide authorized signer signature in BLUE or BLACK ink.
- Return this completed page and application to your brokerage firm

Required Signature for Basic Checks	
ACCOUNT LAST NAME	CUSTOMER SOCIAL SECURITY #
ACCOUNT FIRST NAME	BROKERAGE ACCOUNT NUMBER
_____ (Customer Signature) _____ (Date)	
For Internal Use Only	
Brokerage Account Number	Checking Account Number