

COVERDELL ESA

Education Savings Account

Penson Financial Services, Inc.

Plan Establishment:

Forms needed to establish a **Coverdell ESA:**

1. Coverdell ESA Account Application (*Important: The signature of the Responsible Individual should be obtained if someone other than the Depositor will be the Responsible Individual.*)
2. 'Electronic Services Agreement' or 'Online Service Agreement & Signature Form'.

Mail completed forms to:

Trading Direct
160 Broadway
East Bldg- FL 7
New York NY 10038

NOTE: An individual cash account will be opened with Penson Financial Services, Inc. The term "beneficiary" used throughout this document refers to the student or child. The title of this account will be:

Child's Name (Beneficiary)

Education Savings Account

Guardian's Name (Guardian)

PFSI Custodian

(Address)

(Address)

Eligibility & Tax Deferred Earnings / Tax Free Withdrawals:

See IRS publication 970 {pdf} regarding...

- [Parental] Income Limits ([pg 56](#))
- Qualified Education Expenses ([pg 56](#))
- Contribution Limits ([pg 57](#))
- Distributions ([pg 61](#))

BEFORE EXECUTING THESE FORMS YOU SHOULD CONSULT WITH YOUR ATTORNEY OR TAX ADVISOR TO DETERMINE WHETHER THIS *ESA* WILL ACCOMPLISH YOUR GOALS.

COVERDELL EDUCATION SAVINGS ACCOUNT

Custodial ESA Account Agreement

ACCOUNT NUMBER

1. ESA Designated Beneficiary
(Student/ Child)

Please print. All information must be completed in order for your account to be processed.

FULL NAME OF BENEFICIARY (First/ Middle/ Last)

SOCIAL SECURITY NUMBER DATE OF BIRTH

HOME ADDRESS (P.O. Box is not sufficient)

CITY/ STATE/ ZIP CODE HOME TELEPHONE NUMBER EMAIL ADDRESS

2. Depositor

FULL NAME

ADDRESS SOCIAL SECURITY NUMBER

CITY/ STATE/ ZIP CODE TELEPHONE NUMBER EMAIL ADDRESS

BUSINESS ADDRESS

CITY/ STATE/ ZIP CODE BUSINESS TELEPHONE NUMBER

PLEASE INDICATE THE ADDRESS TO WHICH ALL MAIL SHOULD BE SENT
 Home Business P.O. Box

P.O. BOX/ CITY/ STATE/ ZIP CODE

NAME OF YOUR BANK BANK ACCOUNT NUMBER

COUNTRY OF CITIZENSHIP COUNTRY OF LEGAL RESIDENCE

OCCUPATION EMPLOYER

IF YOU ARE AFFILIATED WITH OR WORK FOR A SECURITIES FIRM, PLEASE SPECIFY COMPANY.

IF YOU ARE A DIRECTOR, 10% SHAREHOLDER OR POLICY-MAKING OFFICER OF A PUBLICLY TRADED COMPANY, PLEASE SPECIFY THE COMPANY.

HAVE YOU GRANTED TRADING AUTHORIZATION TO ANOTHER PARTY? IF YES, REQUEST TRADING AUTHORIZATION FORM AND PROVIDE NAME OF AGENT
 Yes No

If you do not want your name, address and security position released to requesting companies in which you hold securities, please check here.

3. Investment Profile	INVESTMENT OBJECTIVE	INVESTMENT EXPERIENCE	ANNUAL INCOME	LIQUID NET WORTH	ESTIMATED NET WORTH	RISK TOLERANCE
	<input type="checkbox"/> Capital Preservation (05)	<input type="checkbox"/> None (00)	(from all sources)	(cash & liquid investments only)	(excluding residence)	<input type="checkbox"/> Low
	<input type="checkbox"/> Income (04)	<input type="checkbox"/> Limited (01)	<input type="checkbox"/> Under \$25,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Under \$50,000 (01)	<input type="checkbox"/> Medium
	<input type="checkbox"/> Growth (03)	<input type="checkbox"/> Good (02)	<input type="checkbox"/> \$25,000 to \$50,000 (02)	<input type="checkbox"/> \$50,000 to \$100,000 (02)	<input type="checkbox"/> \$50,000 to \$100,000 (02)	<input type="checkbox"/> High
	<input type="checkbox"/> Speculation (06)	<input type="checkbox"/> Extensive (03)	<input type="checkbox"/> \$50,000 to \$100,000 (03)	<input type="checkbox"/> \$100,000 to \$500,000 (03)	<input type="checkbox"/> \$100,000 to \$500,000 (03)	
	<input type="checkbox"/> Other (08)		<input type="checkbox"/> Over \$100,000 (04)	<input type="checkbox"/> Over \$500,000 (04)	<input type="checkbox"/> Over \$500,000 (04)	
	TAX BRACKET					
		%				

4. Contribution Type

(Check One)
 Regular Transfer Rollover

5. Depositor Authorization

I understand that I have the right to direct the initial investment of contributions to the Education IRA and hereby appoint the following brokerage firm as my agent to execute my directions, as Broker under the terms of the Custodial Agreement.

BROKERAGE FIRM

ACCOUNT NUMBER

6. Responsible Individual	A Responsible Individual must be designated below and must be a parent or legal guardian of Designated Beneficiary			
	FULL NAME OF RESPONSIBLE INDIVIDUAL (<i>First/ Middle/ Last</i>)			
	SOCIAL SECURITY NUMBER		DATE OF BIRTH	
	HOME ADDRESS (<i>P.O. Box is not sufficient</i>)		TELEPHONE NUMBER	EMAIL ADDRESS
	CITY/ STATE/ ZIP CODE			
<p><i>Answer "Yes" or "No" to each of the following questions by checking the appropriate box. If a box is not checked for a question, the answer will be deemed to be "No".</i></p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No The Responsible Individual may change the beneficiary designated under this agreement to another member of the Designated Beneficiary's family described in Section 529(e)(2) in accordance with the Custodian's procedures.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No The Responsible Individual shall continue to serve as the Responsible Individual for the custodial account after the Designated Beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the custodial account and the custodial account terminates. If the Responsible Individual becomes incapacitated or dies after the Designated Beneficiary reaches the age of majority under state law, the Responsible Individual shall be the Designated Beneficiary.</p> <p>I understand that I have the power to redirect the investment of contributions to the Education Savings Account and hereby appoint the following brokerage firm as my agent to execute my directions, as Broker under the terms of the Custodial Agreement.</p>				
BROKERAGE FIRM				
ACCOUNT NUMBER				
7. Successor Responsible Individual	In the event of the death or legal incapacity of the Responsible Individual while the Designated Beneficiary is a minor under state law, the following shall become the Responsible Individual. If no successor is named, the Successor Responsible Individual shall be the Designated Beneficiary's remaining parent or successor guardian			
	FULL NAME		RELATIONSHIP	SOCIAL SECURITY NUMBER
	ADDRESS		TELEPHONE NUMBER	EMAIL ADDRESS
8. Signature Section	Please read the following ESA Account Terms and sign where indicated.			
	1. I acknowledge, by signing this agreement, that I have received, read, understand and agree to the terms and conditions as described in the Pension Financial Services, Inc. "Disclosure Statement" and "Custodial Agreement". I understand the eligibility requirements for the type of deposit I am making and state that I do qualify to make the deposit.			
	2. I certify that, under penalty of perjury, my Social Security number on this application is correct.			
	3. I assume complete responsibility for the following:			
	a.) Determining that I am eligible to contribute to an Education Savings Account each year I make a contribution.			
	b.) Insuring that all contributions I make are within the limits set forth by the tax laws.			
	c.) Certify that I am qualified to assume the responsibilities of the Responsible Individual as set forth in this Agreement, if I am designated on this Application as the Responsible Individual.			
	d.) Managing and administering the account and authorizing transactions involving contributions and distributions, if I am designated on this Application as the Responsible Individual.			
	4. I have read and understand the Investment Objective Definitions: Capital Preservation - a conservative investment strategy characterized by a desire to avoid risk of loss; Income - strategy focused on current income rather than capital appreciation; Growth - investing in stocks with strong earnings and/or revenue growth or potential; Speculation - taking larger risks, usually by frequent trading, with hope of higher than-average gain. All strategies involve various types and levels of risk, the most common of which are market, credit, inflation, business and interest rate.			
	ESA DEPOSITOR			DATE
ESA RESPONSIBLE INDIVIDUAL			DATE	
BRANCH APPROVAL			DATE	
For Office Use Only	FIRST TRADE	DATE OPENED	INTRODUCING BROKER / DEALER	CUSTOMER ID VERIFIED <i>(Must be Completed)</i> <input type="checkbox"/> Yes <input type="checkbox"/> No
	ACCOUNT NO.	INTRODUCING REP. SIGNATURE		APPROVED BY