

IMPORTANT INFORMATION RE: ESTABLISHING SUBSTANTIALLY EQUAL PERIODIC PAYMENT PROGRAMS UNDER SECTIONS 72(q) AND 72(t) OF THE INTERNAL REVENUE CODE

Ordinarily, funds distributed from a non-qualified annuity or an Individual Retirement Account (IRA) prior to age 59 1/2 are subject to a 10% tax penalty (in addition to the ordinary income taxes assessed). Through a plan of substantially equal periodic payments (SEPPs or "distributions"), an individual may withdraw funds from a non-qualified annuity or IRA before age 59 1/2 without incurring a 10% tax penalty. To take SEPPs from a non-qualified annuity, contact your annuity provider or your agent/representative. To take SEPPs directly from an employer's qualified retirement plan or 403(b)(7) custodial account, you must contact your employer or plan administrator to find out about available options. Alternatively, you can roll over funds from the qualified retirement plan into an IRA before setting up the distributions. Your agent/representative can help you with this.

When you establish a SEPP, you are withdrawing funds that you set aside to provide for you throughout your retirement years. These funds may represent your life's savings; as such, you must make an informed decision, taking into account the information noted below and the information and advice provided by your own tax and legal professionals. Please do not sign or initial this form until you fully understand the terms of this transaction.

Negative investment performance of your IRA or non-qualified annuity assets will reduce the amount of money you have available for disbursement and the length of distributions. This means that you may have less money available for retirement than originally planned, and/or that the assets under the SEPP may be entirely depleted. In either event, you will not be able to terminate or recalculate your SEPP without triggering tax penalties (other than to make a one time conversion from the Annuity Factor or Amortization Methods to the Required Minimum Distribution method).

For more information on SEPPs, consult the firm's brochure "Accessing Your Retirement Funds" or the FINRA Investor Alert "Look Before You Leave: Don't be Misled by Early Retirement Investment Pitches that Promise Too Much", September 14, 2006 available at <http://www.finra.org>. If you have consulted with your tax and legal professionals and determined you would like to establish SEPP distributions from your non-qualified annuity or IRA, please read and initial the following statements.

- _____ 1. I have decided to enter into a SEPP for the purposes of taking distributions from my IRA or non-qualified annuity. I understand that I will be required to pay taxes on the SEPP distributions received.
- _____ 2. I have chosen to establish my SEPP as follows (check one):
- _____ a. By rolling my qualified plan funds over into an individual retirement account; or
- _____ b. By purchasing or exchanging a non-qualified annuity.
- _____ 3. My agent/representative has: (i) reviewed with me the features and benefits of the product(s) purchased, including products purchased or exchanged to fund any IRA or non-qualified annuity; (ii) performed a separate suitability analysis for such product(s); and (iii) provided me with separate disclosures related to that product(s).
- _____ 4. I understand that taking any distributions, including SEPP distributions, from my IRA or non-qualified annuity now will reduce the funds available to me from these resources during my retirement.
- _____ 5. I acknowledge that: (a) my agent/representative has reviewed with me the distribution methods available to calculate my SEPP (i.e. Required Minimum Distribution (RMD) also known as the Life Expectancy Retirement Option (LERO), Amortization and Annuity Factor methods); (b) I have been provided a copy of the calculations for all three distribution methods; and (c) I have selected the _____ method as the most appropriate for me. **(Note: You may change your calculation method from the annuity factor or amortization methods only once after you begin taking payments, and only to switch to the required minimum distribution (RMD) also known as the Life Expectancy Retirement Option (LERO). If you have begun taking distributions for the current calendar year, you must wait until the next calendar year to start a new SEPP using the RMD calculation method. SEPP distributions using the RMD calculation method will be much lower. You will need to contact the product provider to request a new calculation method or discuss this with your agent/representative.**

- _____ 6. I understand that the calculations of SEPP distribution methods that I have received are based upon assumptions made regarding life expectancy, interest rates, estimated future returns and the current balance in the IRA or non-qualified annuity, and do not reflect the impact of fees or charges associated with my investments. If any of these variables are different at the time that distributions are scheduled to be taken from my annuity or IRA, or if the fees and charges are included, the amount of my SEPPs may change.
- _____ 7. I understand that to avoid the 10% tax penalty through use of a SEPP, I must withdraw money at least once a year, and must keep taking distributions for five years, or until I reach age 59 1/2, *whichever is longer*. For instance, if I decide to take distributions starting at age 52, I must continue to take these distributions until I reach age 59 1/2. If I decide to take distributions starting at age 57, I must continue to take those withdrawals for five years (60 months). I understand that I may transfer the balance of this IRA or non-qualified annuity to another IRA or non-qualified annuity during this time period and continue my SEPP.
- _____ 8. I understand that, except for the one-time change to the RMD method currently allowed, if I make any modifications to my SEPP before reaching the later of five years or age 59 1/2, all prior SEPP distributions will become subject to the 10% penalty tax, plus interest. Examples of modifications that may retroactively trigger the 10% penalty tax plus interest include: 1) terminating the SEPP before the deadline; 2) making additional contributions via cash or rollover; or 3) taking withdrawals, loans or other distributions in addition to or different than the scheduled SEPP distribution.
- _____ 9. If I am using mutual funds or a variable annuity to fund my SEPP, I understand that the underlying investments may increase or decrease in value. If I am using a fixed annuity, I understand that the future interest credits may not be guaranteed. In either case, this may mean that I have less money available for distribution than originally planned or that the retirement assets under the SEPP will be entirely depleted before the distribution period expires.
- _____ 10. I understand that my agent/representative may receive commissions or other compensation, and that there may be additional fees and charges associated with my investments. I have had a sufficient opportunity to inquire about those commissions, compensation, and fees and how they might impact the calculations that I have been given.

For Qualified Plan Rollovers Only:

- _____ a. I understand that to establish a SEPP, I must contact either my employer or plan administrator to discuss distribution options available directly from the employer's qualified plan, or roll qualified funds over into an IRA.
- _____ b. I have received, read and understood the Special Federal Income Tax Notice on Plan Distributions my employer or plan administrator provided to me pursuant to IRC Section 402(f).
- _____ c. Prior to making this decision, I contacted my employer or my plan administrator to discuss any distribution options available from my qualified retirement plan.

Acknowledgements

I have read and considered the above information and have been advised to consult with my own independent tax and/or legal professionals regarding the implications of taking SEPPs from my non-qualified annuity or IRA. I understand that I am responsible for choosing the SEPP calculation method that fits my personal circumstances. I have been given the opportunity to discuss the consequences of taking SEPPs with my independent tax and/or legal professional, and any questions I may have had were answered to my satisfaction.

 Client Signature Date

 Joint Account Holder Signature (if applicable) Date

I have discussed each of the above disclosures with the applicant/client and believe that the applicant/client understands them sufficiently to make an informed decision to begin taking SEPPs and to choose an appropriate SEPP calculation method. I also have answered the applicant's/client's questions and have advised the applicant/client to consult with his or her own independent tax and/or legal professional before entering into this transaction.

 Agent/Registered Representative Signature Date