

This form must accompany all paperwork concerning the opening of an account or other transaction related to a retirement account rollover, or the transfer of a commission-based brokerage account to an advisory account. Please complete the form with the client, and execute the second page. Please check off whether you are acting as a broker for Coastal Equities, Inc., as an Investment Advisor, or both, by checking the appropriate box(es) in paragraph one. Incomplete forms will be returned to the advisor.

1. Coastal Investment Advisors, Inc. Coastal Equities, Inc. and the Advisor identified below, hereby acknowledge that in recommending this Roll Over or Transfer from a Commission Account to Fee Account, that they are each acting as fiduciaries in making this recommendation. The recommendation must therefore be in the best interest of the retirement investor.

2. The recommended transaction is:
- Rollover from an ERISA account to an IRA
 - Rollover from an IRA to another IRA
 - Transfer of a commission-based brokerage account to a fee advisory account.

3. The concepts below have been discussed between the advisor and the client:
- Alternatives to Roll Over, such as leaving money in the existing plan
 - Fees and Expenses in the current plan versus fees and expenses in an IRA
 - Fees and Expenses in the current brokerage account versus a fee account
 - Whether the plan sponsor pays some or all of the plan’s administrative expenses
 - The different levels of service under the plan and the IRA
 - The range of investments available under each alternative
 - Estate planning considerations: _____
 - Required minimum distributions
 - Plan participants born before Jan. 2, 1936: 10-year income averaging treatment available to 401(k) participants
 - Other: _____

- Documents reviewed and considered:
- Form 5500 of current plan
 - Other prospective plans: _____
 - Plan benefit statements
 - Participant Fee disclosures under ERISA 404(a)
 - Other: _____

Additional Disclosures

- **Range of Investments:** An IRA may offer a wider range of investments to choose from, I am aware there may be other investment options in the employer-sponsored plan.
- **Fees & Expenses:** Both IRAs and employer-sponsored plans have a number of different associated fees and expenses. Employers may pay for some or all of the plan’s administrative expenses. However, investment-related expenses, such as sales loads and commissions, typically apply to both IRAs and employer-sponsored plans. When I considered

rolling over assets, the fees and expenses charged by both the employer-sponsored plan and the IRA were taken into account.

- Services: I considered the level of service available with each option.
- Loans & Withdrawals: Participants in employer-sponsored plans may have greater ability to take loans or withdrawals.
- Creditor Protections: While IRA assets may be protected in a bankruptcy, employer-sponsored plan assets generally have unlimited protection from creditors under Federal law. State law varies.
- Required Minimum Distributions (RMDs): While RMDs apply to both IRAs and employer-sponsored plans, if an employee is working at or beyond age 70 ½, they are not required to take RMD's from their current employer's plan.
- Employer Stock & Tax Consequences: There may be adverse tax consequences of rolling appreciated employer stock held in an employer-sponsored plan to an IRA. For example, stock appreciation generally will be taxed as ordinary income upon distribution. On the other hand, there may be long-term advantages to liquidating that stock and rolling over the value to an IRA to obtain greater diversification.

By signing below, I certify that the foregoing statements made by me are true.

_____ (investor) _____ (date)

_____ (investor) _____ (date)

_____ (advisor) _____ (date)