

## Solo 401(k) Terms of Service

Client engages Solera Plan Services, LLC dba Safeguard Advisors (Safeguard) to implement a Solo 401(k) plan and agrees to the following terms of service:

**CONSULTING SERVICES:** Safeguard agrees to perform the following services necessary to implement and support the Solo 401(k) plan established per this agreement.

- Provision of complete and compliant Solo 401(k) plan documents
- Assistance with the establishment of a plan-held bank or brokerage account
- Assistance with the rollover of existing retirement plan funds into the solo 401(k) plan
- Future consulting guidance with respect to general plan administrative requirements
- Future consulting guidance with respect to IRS rules surrounding disqualified persons, prohibited transactions, and potential tax exposure stemming from Unrelated Debt-Financed Income(UDFI) or Unrelated Business Taxable Income (UBTI)

**LIMITATION OF SCOPE:** Safeguard is not acting as trustee, administrator, or fiduciary to Client's Solo 401(k) Plan. Safeguard services do not include the provision of tax, legal, or investment advice. Safeguard does not perform tax return preparation or other tax filings. Safeguard does not provide representation of client in any proceedings before any state or federal court, agency, or board.

**CLIENT RESPONSIBILITY:** Because this is a "self-directed" investment strategy, Client acknowledges and agrees to maintain plan investments and administration within all applicable IRS regulations and will hold Safeguard harmless for decisions and actions taken by Client.

**CLIENT REPRESENTATIONS:** Client represents that he or she has provided, and that Safeguard may rely on, complete and accurate information regarding Client's business that shall be designated as the sponsoring employer and Client's eligibility to establish and operate a Solo 401(k) plan.

**CLIENT REPRESENTATION OF QUALIFICATION:** Client understands the following qualification requirements and represents he or she is eligible to establish a Solo 401(k) plan:

- Client operates a for-profit business creating earned income in the form of self-employment income or W-2 wages
- There are no non-owner employees of the business over the age of 21 who work more than 1,000 hours per year
- There are no non-owner employees of the business over the age of 21 who will work more than 500 hours in any one year for 3 or more consecutive years
- Client and Client's spouse, if married, have no controlling interest in any other businesses with plan-eligible employees

**CLIENT ACKNOWLEDGEMENT OF ADMINISTRATIVE RESPONSIBILITY:** Client understands that the operation of a Solo 401(k) plan comes with administrative responsibilities. Client acknowledges such responsibility for plan administration as outlined in the *Plan Administrator's Guide*, including but not limited to:

- Retaining plan records and making such records available to other participants of the plan.
- Filing form 5500-EZ on behalf of the plan as required if the plan value exceeds \$250,000 at any point during a tax year, or in the event of plan termination
- Filing form 1099-R and any associated forms in the event of issuing a distribution to a plan participant or beneficiary
- Maintaining the plan document as required with plan amendments and/or restatements. (See *Plan Document Subscription Agreement* below)
- Providing notification to Safeguard Advisors and any relevant plan vendors of changes to the email or physical address associated with the plan.

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- Performing periodic assessment of the plan to ensure that continued operation is in compliance with the tax code; including the continuation of self-employment activities and a lack of plan-eligible employees in this or any other business Client or Client's spouse, if married, may control.
- Engaging Safeguard Advisors or suitable counsel to assist with the formal termination of the plan should plan qualification status cease to exist or if a decision to terminate is made.

**PLAN DOCUMENT SUBSCRIPTION AGREEMENT:** Client acknowledges that the Solo 401(k) plan document must be amended and restated from time to time as required by law. Failure to adopt amendments and restatements per statutory deadlines can result in administrative penalties and/or plan disqualification.

Client engages Safeguard to provide such amendments on a subscription basis with a fee of \$125 per year starting one year after initial plan delivery. Client agrees that Safeguard may charge the credit card provided for initial services, or an alternate card provided by Client in the future, annually in the anniversary month of original Solo 401(k) plan delivery.

Client may cancel this subscription at any time by written notice. Client understands that by cancelling, Safeguard will not provide any further amendments and that it will be Client's responsibility to keep the plan document in compliance from that point forward.

Client understands that failure to pay for the subscription agreement within 90 days after any renewal payment is due shall be considered an election to terminate this subscription.

**LIMIT OF LIABILITY:** It is agreed that Safeguard's responsibility for damages, or claims of damage, regardless of the form of action, shall not exceed the total amount paid for the services invoiced. This shall be the exclusive remedy. Either party may bring no action, regardless of form, arising out of the services under this agreement, more than one year after the date of the last service provided under this agreement.

**30-DAY TERMINATION:** Within 30 calendar days from execution of this agreement, client may elect to terminate this agreement and receive a refund less a \$200 processing fee. Any request for refund must be submitted in writing. After said 30 days, no refund shall be available.

**DISPUTE:** Any dispute related to services provided shall be settled by arbitration in Jefferson County, Colorado according to the rules of the American Arbitration Association. Arbitration is final and binding on the parties. The parties are waiving their right to seek remedies in court, including the right to a jury trial.

**APPLICABLE LAW:** The laws and jurisdiction of the state of Colorado shall govern any and all matters of dispute between Safeguard and Client.

**CLIENT PRIVACY:** Safeguard agrees to protect and not disclose to third parties not directly associated with the services rendered under this agreement any personal or private information. However, this clause does not pertain to government agencies or law enforcement agencies.

**DIGITAL COMMUNICATIONS:** Client agrees to transact business using electronic communications and to receive notices and disclosures via electronic means.

**MISCELLANEOUS:** This document sets forth the entire agreement between the parties. This Agreement shall be binding upon all successors and assigns of the parties hereto. This Agreement is severable, and if any provision herein shall be deemed invalid, all other valid provisions shall remain in force.