

TRANSFER ROLLOVER DUE DILIGENCE FORM

Client Name: _____

- A. Account Value \$ _____
- B. Client Age _____
- C. Client Liquid Net Worth \$ _____
- D. Does this transfer involve an annuity product? If yes, form LFF188 must also be completed Yes No

SECTION 1 – SELECT TYPE OF TRANSFER/ROLLOVER

(Examples of transfers excluded from heightened fiduciary/best interest review: Recommended transfers within same advisory platform-i.e. Freedom to Freedom; Transitioning FAs in first three months at Level Four who are required to follow FINRA Rule 2273 education disclosure, ERISA Plan education or unsolicited rollovers)

- A. **Transitioning Level Four Financial B/D to Level Four Fee-based Advisory Account or Vice Versa**
Confirm Disclosure Document Delivery and Form CRS sent Yes No
- B. **Transitioning Fee-based Advisory Account to new Fee-based Advisory Account platform, i.e. Freedom to ICA**
Confirm Disclosure Document Delivery and Form CRS sent Yes No
- C. **IRA Transfer**
- D. **Rollover from an ERISA Plan or Outside (Non-Level Four) IRA Account**
 - ERISA Rollover Education (Skip Sections 2 and 3, Complete Education Checklist with Investor)
 - ERISA Rollover Unsolicited (Skip Section 2 and 3)
 - Has the client completed form 1236CF Rollover Election Certification? Yes No
 - Outside IRA Account

SECTION 2 – SUITABILITY

- A. **Would the client be required to liquidate any investment product?** Yes No
If yes, please list in the table below
- B. **Did you solicit the purchase of the original investment?** Yes No

Mutual Fund/UIT

Fund/UIT Name	Share Class	Approx Time Held	\$ Amount	% CDSC

SECTION 3 – ACCOUNT TRANSITION

A. What alternatives have you considered with this request? If none, why were no alternates considered?

B. What analysis or reviews have you conducted to determine if the account will generate higher or lower fees/expenses for the client other than the current plan?

C. Describe how the client will benefit from this recommendation

IRA ROLLOVER EDUCATION CHECKLIST

Investors considering rolling over assets from a qualified employer-sponsored retirement plan (“Employer Plan”) to an Individual Retirement Account (“IRA”) should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and may engage in a combination of these options.)

Client Name _____ Review Date _____

I. General Distribution Options Review		
Options	Pros	Cons
Leave retirement assets in the current plan	<ul style="list-style-type: none"> • Money continues to grow tax- deferred • May be eligible for penalty-free withdrawals if client retires at or after age 55 • Potential for full protection from creditors under federal law 	<ul style="list-style-type: none"> • Plan investment limitations • Non-spousal beneficiaries generally required to take lump- sum distribution • May have restrictions on trading and additional fees
Take cash out	<ul style="list-style-type: none"> • Immediate access to savings • Taking a distribution of shares of company stock may lower taxes, if eligible 	<ul style="list-style-type: none"> • No longer tax-deferred • Penalty if under 59 ½ • Subject to 20% federal withholding
Rollover to a new employer plan	<ul style="list-style-type: none"> • Money continues to grow tax- deferred • Ability to take loans if plan allows • Account consolidation • May be eligible for penalty-free withdrawals if client retires at or after 55 • Potential for full protection from creditors under federal law • Required Minimum Distributions not required from current employer plan if still working after age 72 	<ul style="list-style-type: none"> • Subject to distribution rules of the plan • Non-spousal beneficiary options may be limited. • Plan investment limitations • May have restrictions on trading and additional fees
Rollover to an IRA or Roth IRA	<ul style="list-style-type: none"> • Money continues to grow tax deferred or tax-free (Roth) • Investment flexibility • Flexible beneficiary designations and distribution options • Access to money • Able to convert to a Roth IRA 	<ul style="list-style-type: none"> • No loans or age-55 retirement- distribution provisions • Outstanding loan on a plan must be addressed before the rollover to an IRA • Potential for higher costs and fees than employer sponsored plans • IRA assets protected in bankruptcy proceedings only
II. General Considerations		
There are many factors in rolling assets from an employer’s plan to an IRA. Below are some of the areas you should consider.		
Factors		
<p>Fees and Expenses- Investors may face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. Depending on your investment needs, a Financial Professional may establish an IRA as a brokerage account, which will result in commission charges, or an investment advisory account, which will result in asset-based fees. In addition to the fees charged by Level Four, the underlying investment (mutual fund, ETF, annuity, or other investment) may also charge a management fee. Custodial and trading fees may also apply. Investing in an IRA with Level Four will typically be more expensive than an Employer Plan.</p>		

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Account #

Investment Options- How satisfied are you with the options available through your Employer Plan? Are you interest in other investment options not available through your Employer Plan? IRAs typically offer a broader range of investment options than an Employer plan.

Services- What service levels are available under your Employer Plan? Does your Employer Plan provide access to investment recommendations, planning tools, telephone help lines, education materials or workshops? What type of investment management are you looking for (recommendations of investments on a discretionary or non-discretionary basis, continuous monitoring, or are you interested in a self-managed account)?

Penalty-Free Withdrawals- If you are aged 55 to 59 ½, you may be able to take penalty-free withdrawals from your Employer Plan. Also, some plans allow for borrowing or loans. Withdrawals from an IRA will generally result in a penalty before the age of 59 ½.

Protection from Creditors and Legal Judgments- Generally, Employer Plan assets have unlimited protection from creditors under federal law, while IRA assets are only protected in bankruptcy proceedings. State laws vary in the protection of IRA assets in lawsuits.

Required Minimum Distributions- Once an individual reaches age 72, the rules for both Employer Plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. However, if you are still working at age 72, you generally are not required to make required minimum distributions from an Employer Plan. This may be advantageous if you plan to work into your 70s.

Employer Stock- If you hold significantly appreciated employer stock in your Employer Plan; you should consider negative tax consequences of rolling the stock to an IRA. If the employer stock is transferred in-kind to an IRA, stock appreciation will be taxed as ordinary income upon future distribution from the IRA vs possible application of net unrealized appreciation, subject only to capital gains tax. **Note:** *It can be risky to have too much employer stock in your retirement account.*

III. General Resources

Resources

The Firm encourages you to discuss your options and review the above listed considerations (independently or with the reliance on a third-party such as with an accountant, third-party administrator, investment advisor to your Employer Plan (if available), or legal counsel, to the extent you consider necessary. An additional resource is FINRA's ["The IRA Rollover: 10 Tips to Making a Sound Decision"](#).

The Firm encourages you to explore the specific services your Financial Professional provides as well as their general investment philosophy, methodology and experience. When you have made the decision to take a lump-sum distribution from your Employer Plan and rollover to an IRA, request your Financial Professional begin the process of recommendations designed for your unique situation.

SECTION 4 – IMPORTANT CLIENT DISCLOSURE AND ACKNOWLEDGEMENT

By signing below client acknowledges that the firm and its financial advisors are fiduciaries under ERISA when providing investment advice regarding client's retirement plan, IRA, or Education Savings Account ("ESA"). Before making a decision to open this account, we have recommended that you carefully review the client account agreements and account disclosure forms, including without limitation, the pros and cons of rollovers included in the IRA Rollover Education Checklist (attached) as well as firm level disclosure documents, including Form ADV Part 2A (or comparable wrap brochure disclosure document) and Form CRS.

Client Name

Signature

Date

SECTION 5 – FINANCIAL REPRESENTATIVE ACKNOWLEDGEMENT

By signing below, I acknowledge that I have provided my client(s) with all required disclosures and have made the client (s) aware of all pertinent details related to this transfer/rollover as set forth in this form.

Financial Professional Representative

Signature

Date

SECTION 6 – PRINCIPAL APPROVAL

- A. Review involves ERISA education (completed education checklist attached), or unsolicited rollover? Yes No
- B. Review Checklist requiring principal analysis documentation (if yes, notes/documentation required.) Yes No
 - 1. Will the transfer involve a surrender charge or CDSC? Yes No
 - 2. Will the transfer involve the surrender of features such as riders or death benefit? Yes No
- C. Requires two principal approvals if: Account value is \$1,000,000 or more Client age is 75 or greater

D. Principal Review Notes

- 1. Describe your review analysis

- 2. Attach documents with additional information requested and additional principal analysis completed.

E. I have reviewed the above information and, based on this and other additional information available to me, I do the following:

- 1. Approve this transfer/rollover Reject this transfer/rollover

Registered Principal Name	Signature	Date
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- 2. Approve this transfer/rollover Reject this transfer/rollover

Registered Principal Name	Signature	Date
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- 3. Approve this transfer/rollover Reject this transfer/rollover

Registered Principal Name	Signature	Date
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Notes