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# Investment Authorization & Direction Form for a Secure or Unsecured Promissory Note

Traditional | Roth | SEP | SIMPLE

## OUR GOAL IS TO EXCEED YOUR EXPECTATIONS.

Please select the processing method you prefer:

- Normal Processing** | No additional charge. Processed within 3 to 5 business days.
- Expedited Processing** | An Expedited Processing Fee of \$200.00 will be charged to your IRA Account for same day processing if remitted by 10:00 am (PST).

PTC IRA Account Number

## SUBMISSION OF INVESTMENT DOCUMENTS

The Investment Authorization & Direction form provides all the information necessary to make a formal investment request. This request is required before an investment can be placed using a self-directed retirement arrangement (IRA). Be sure the following items are in effect prior to returning the Investment Authorization & Direction form to Preferred Trust Company: 1. **Preferred Trust account is open.** 2. **Funds are available to make this investment.** 3. **Copy of Promissory Note/Mortgage and Security Interest** (if applicable), **copy of Deed of Trust, Deed of Mortgage Security Agreement, corporate documents** (if applicable) and **W9**

Completed investment documents can be sent by one of the following options:

1. **EchoSign** | Please contact a Preferred Trust Agent
2. **Scan and Email** | [investment@ptcemail.com](mailto:investment@ptcemail.com)

## SECTION 1 | IRA Account Owner Information

First Name  Last Name  Last 4 Digits of SSN  DOB (MM/DD/YY)

Daytime Phone Number  Email Address

## SECTION 2 | Vesting Name on Investment

### TO AVOID DISQUALIFYING YOUR IRA PLEASE READ THIS SECTION BEFORE PROCEEDING.

The investments in your IRA must reflect the EIN of Preferred Trust Company, which requires that all investments have the accurate Vesting Name. All investment documents must reflect the legal ownership of this investment as your IRA Account. Failure to title the asset correctly may cause delays and/or tax consequences. The correct vesting name for all related investment documents must be: Preferred Trust Company, LLC FBO Your Name, Account Type, and Account Number **Example:** Preferred Trust Company, LLC FBO Jane Doe, Traditional IRA, 123456789

If your account will be **less than 100% owner**, the ownership percentage must also be included in the vesting name. **Example:** Preferred Trust Company, LLC FBO Jane Doe, Traditional IRA, 123456789, 65% Undivided Interest

Vesting Name

## SECTION 3 | Investment Information

Amount of Investment

**NOTE:** When considering the Amount of the Investment it should be noted that Preferred Trust Company requires a minimum cash balance in all IRAs of \$500.00.

### TYPE OF PROMISSORY NOTE

**Secured Promissory Note** | Prior to funding the Promissory Note the collateral described in **Section 5** has been secured by a legal recorded document.

**Unsecured Promissory Note** | If Unsecured Promissory Note is selected you intended to not have collateral securing the Promissory Note or prior to funding the Promissory Note the collateral described in **Section 6** has **not** been secured by a legal recorded document. This option should be selected if you intend to secure the Promissory Note at a later date as Preferred Trust Company will identify the investment as an Unsecured Promissory Note until provided a legal recorded document. Once the legal recorded document is provided the investment will be reclassified as a Secured Promissory Note.

## SECTION 4 | Secure Promissory Note Collateral and Promissory Note Terms Information

Confirm by checking the boxes below that the following information is incorporated in the **Secured Promissory Note** as required by Preferred Trust Company:

- |  |  |
|--|--|
| <input type="checkbox"/> Address of Collateral or Description of Collateral                              | <input type="checkbox"/> Lender signature and notary   |
| <input type="checkbox"/> Position of Promissory Note (1st or 2nd)  |  |
| <input type="checkbox"/> Interest Rate   | <input type="checkbox"/> Lender Contact Information (Preferred Trust Company FBO (Clint Name), Address, Phone and Email) |
| <input type="checkbox"/> Interest Due Schedule (Monthly, Quarterly, Annually, At Maturity)               |  |
| <input type="checkbox"/> Maturity Date   |  |
| <input type="checkbox"/> Description Clause for Extension (if applicable)                                |  |
| <input type="checkbox"/> Borrower signature and notary   |  |
| <input type="checkbox"/> Borrower Contact Information (Company or Person Name, Address, Phone and Email) |  |
- Address or Name of Security Instrument

## SECTION 5 | Unsecured Promissory Note Promissory Note Terms and Future Collateral Information

Confirm by checking the boxes below that the following information is incorporated in the **Unsecured Promissory Note** as required by Preferred Trust Company:

- |  |  |
|--|--|
| <input type="checkbox"/> Position of Promissory Note (1st or 2nd)  | <input type="checkbox"/> Lender signature and notary   |
| <input type="checkbox"/> Interest Rate   |  |
| <input type="checkbox"/> Interest Due Schedule (Monthly, Quarterly, Annually, At Maturity)   | <input type="checkbox"/> Lender Contact Information (Preferred Trust Company FBO (Clint Name), Address, Phone and Email) |
| <input type="checkbox"/> Maturity Date <b>NOTE: It is the company policy of Preferred Trust Company that peer-to-peer lending or Unsecured Promissory Notes must have a loan duration no greater than 2 years, including an extension.</b> |  |
| <input type="checkbox"/> Description Clause for Extension (if applicable)  |  |
| <input type="checkbox"/> Borrower signature and notary   |  |
| <input type="checkbox"/> Borrower Contact Information (Company or Person Name, Address, Phone and Email)   |  |
- Borrower Name Defined on Note

**TYPE OF COLLATERAL INTENDED TO SECURE THE PROMISSORY NOTE AFTER FUNDING** | Only complete if you intend to reclassify the Unsecured Promissory Note to a Secured Promissory Note post-funding by providing Preferred Trust Company a legal recorded document vesting your IRA to the collateral defined below.

- Address of Collateral or Description of Collateral

## SECTION 6 | Investment Funding Instructions

**WIRE | \$30.00** fee will be deducted from your IRA Account. Preferred Trust Company recommends sending a copy of the official wire instructions from the financial institution to confirm the bank account and routing numbers before the investment is funded. If official wire instructions are not provided, Preferred Trust Company cannot be held accountable for inaccurate banking information provided and if applicable your account will be assessed a \$30.00 fee for a returned payment.

Name of Financial Institution  Account Type  Checking  Savings

Name on Account  Bank Account Number  Wire Routing Number

## SECTION 7 | Investment Fee Payment

**NOTE:** One or some of the fees below will be applicable to your investment. If you have questions regarding the applicable fees, please contact [investment@ptcemail.com](mailto:investment@ptcemail.com). **You have the following options to pay your fees associated with this transaction.**

### Alternative Investment Transaction Fee | \$200

All investment transactions that are not real estate assets will be assessed an Alternative Investment Transaction Fee.

### IRA Service/Research Fee | \$100 per hour

Any transaction that requires Preferred Trust Company to provide additional assistance in completing the transaction will be assessed a IRA Service/Research Fee per hour.

- Deduct fee(s) from my IRA Account

Charge by credit card on file

- By selecting charge credit card on file, you authorize Preferred Trust Company to charge your credit card for service-related fee(s) associated with this transaction and subsequent fees should your IRA cash balance not be sufficient to pay outstanding fees while maintaining the required minimum cash balance. If you do not have a credit card on file you must complete a **Credit Card Authorization Form**. You can request the form by sending an email to [investment@ptcemail.com](mailto:investment@ptcemail.com).

## SECTION 8 | Investment Authorization & Direction Disclosure and IRA Account Owner Agreement

1. Preferred Trust Company does not investigate, sponsor, or endorse any investment product. The account owner (Herein described as "you") assume the sole responsibility for the success or failure of your investment(s). You are responsible for directing the investment of assets in your account. Preferred Trust Company does not provide any investment advice, or recommend or evaluate the merits or suitability of any investment.
2. If you were referred to Preferred Trust Company by a financial representative, agent, affiliate of Preferred Trust Company, or outside investment firm, Preferred Trust Company is not responsible for and is not bound by any representations, warranties, statements or agreements made by any financial representative, agent, affiliate of Preferred Trust Company, or outside investment firm.
3. Preferred Trust Company does not offer any investment advice, nor does it endorse any investment, investment product, or investment strategy. Custodian does not endorse any financial advisor, representative, broker, or other party involved with an investment selected by me. It is my own responsibility to perform proper due diligence with regard to any such representative, financial advisor, broker, or other party. Any review performed by Custodian with respect to an investment shall be solely for Custodian's own purposes of determining the administrative feasibility of the investment and in no way should be construed as an endorsement of any investment, Investment Company, or investment strategy. In addition, the acceptance of any investment should not be construed as an endorsement of any investment, Investment Company, or investment strategy.
4. Custodian is acting solely as passive Custodian to hold retirement account assets and in no other capacity. Custodian has no responsibility to question any investment directions given by me or any appointed financial representative or agent. I understand that the Custodian does not compensate or receive compensation from the chosen representative or agent.
5. Custodian is under no obligation or duty to investigate, analyze, monitor, verify title, or otherwise evaluate any investment contemplated herein, or to obtain or maintain insurance coverage, (liability, property, or otherwise) with respect to any assets or investments purchased by me. Custodian is not responsible to take any action should there be any default or any other obligation with regard to this investment.
6. It is not the responsibility of the Custodian to review the prudence, merits, viability, or suitability of any investment made by me or to determine whether the investment is acceptable under ERISA, the Internal Revenue Code, or any other applicable law. I understand that certain transactions are prohibited in individual retirement accounts and qualified retirement plans under Section 4975 of the Internal Revenue Code. I further understand that the determination of a prohibited transaction depends on the facts and circumstances that surround the particular transaction. Custodian will not determine as to whether the investment is prohibited.
7. I understand that should my IRA engage in a prohibited transaction, my account will incur a taxable distribution as well as possible penalties.
8. Custodian does not provide legal or tax services or advice with respect to my investment. I represent to the Custodian that I have consulted with my own legal, tax, and accounting advisors to insure that my investment does not constitute a prohibited transaction and that my investment complies with all applicable federal and state laws. The undersigned releases and indemnifies, and agrees to hold harmless and defend Custodian in the event that my investment or sale of assets pursuant to the Investment Authorization & Direction violates any federal or state law or regulation or otherwise results in a disqualification, penalty, fine, or tax imposed upon the IRA, Custodian, or the undersigned.
9. In the event any investment for my retirement account produces taxable income (unrelated or debt financed) pursuant to IRS 511-514, I agree to prepare or have prepared for me, the required tax form along with a Investment Authorization & Direction authorizing the Custodian to pay taxes from my account. All forms must be submitted to the Custodian for filing at least five (5) days prior to the date on which they are due.
10. The undersigned authorizes and directs Custodian to execute and deliver, on behalf of the undersigned's IRA, any and all documents delivered to the Custodian in connection with my investment and Custodian shall have no responsibility to determine or verify that any such documents are complete, accurate, or constitute necessary to comply with this direction.
11. Custodian shall be responsible to comply with those investment directions given by the undersigned to purchase, retain, and/or sell assets attainable by Custodian "over the counter" on a recognizable change or otherwise, including, without limitation, bank deposits, real property, promissory notes and other indebtedness, mortgages, Viatical's, securities, interests in partnerships and limited liability companies, account receivable, security interests, etc.; provided in each case that the investment may be obtained by the Custodian and is compatible with its administrative and operational requirements and framework, as determined by the Custodian, in its sole discretion.
12. The undersigned agrees that any documents sent to the undersigned by the Custodian in connection with my investment shall be deemed approved by the undersigned, unless written notice to the contrary in received by the Custodian within five (5) days after delivery of such document by the Custodian.
13. Custodian shall use reasonable efforts to acquire or sell investments in accordance with the directions of the undersigned within a reasonable period of time after the Custodian has received an investment direction and Custodian shall make reasonable efforts to notify the undersigned if Custodian is unable or unwilling to comply with an investment direction. Custodian will, subject to the foregoing, remit funds as directed, but has no responsibility to verify or asses that such funds have been invested to purchase or acquire the asset selected by me.
14. Custodian shall have no duty or responsibility to disburse any payment for investments without express direction. I agree to provide Custodian with payment instructions utilizing Custodian's Investment Authorization & Direction form or such form approved by Custodian. Custodian also has the right not to effect any transaction/ investment in which it deems to be beyond the scope of its administrative capabilities or expertise.
15. Custodian shall be fully protected and indemnified in acting upon any instrument, certificate, form, or paper believed to be genuine and to be signed or presented by the proper person or persons whether or not by facsimile or other copy, and Custodian is under no duty to make and investigation or inquiry as to any statement contained in such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements contained therein.
16. The undersigned represents to Custodian that if any investment is a "security" under applicable federal or state securities laws, such investment has been registered or is exempt from registration under federal and state securities laws; and the undersigned releases and waives all claims against Custodian for its role in carrying out the instructions of the undersigned with respect to such investment. The undersigned acknowledges that the foregoing representation is being relied upon by Custodian in accepting the undersigned's Investment Authorization & Direction and agrees to indemnify Custodian with respect to all costs, expenses (including attorney's fees), fines, penalties, liabilities, damages, actions, judgments, and claims arising out of such investment and/or a breach of the foregoing representation.
17. The undersigned understands that valuations of illiquid assets (assets that are not traded on a public exchange) are generally reported at cost, or value provided to us by issuers, program sponsors, IRA owners, or estimates of value. These values are only for guidance or reporting purposes and should not be deemed an accurate representation of true fair market value of the asset. Where no readily available market information exists, assets may be designated as "not available." The undersigned consents to the fee schedule of Custodian as in effect, and may be modified from time to time.

18. The undersigned releases and indemnifies, holds harmless and defends Custodian from any and all claims, damages, liability, actions, costs, expenses (including, without limitation, attorney's fees) and responsibility for any loss resulting to the Retirement account, the undersigned, or to any beneficiary or incurred by Custodian, in connection with or by reason of any sale or investment made or other action taken (or omitted to be taken) pursuant to and/or in connection with the Investment Authorization & Direction or resulting from serving as Custodian. Any suit filed against Custodian arising out of or in connections with its role as Custodian of the undersigned's retirement account shall only be instituted in the courts of Clark County, Nevada; and the undersigned agrees to submit to such jurisdiction. The undersigned agrees to reimburse or advance to the Custodian, on demand, all legal fees, expenses, costs, fines, and penalties incurred or to be incurred in connection with the defense, contest, or prosecution of any claim made, threatened or asserted pertaining to the undersigned's investment through Custodian, including, without limitation, claims asserted by the undersigned, any state or federal regulatory authority or self-regulatory organization.

19. My account is self-directed and I, alone, am responsible for the selection, due diligence, management, review, and retention of all investments in my account. I agree that the Custodian is not a fiduciary for my account, as the term is defined in the Internal Revenue Code, ERISA, or any other applicable federal, state, or local laws. I hereby direct the Custodian, in their passive capacities, to enact this transaction for my account. I acknowledge and confirm that I have received, read, and understand each of the disclosures for my account(s) and direction(s) of investment, and consent and agree to the terms and conditions contained therein.

20. As an account owner of a self-directed retirement account, I understand, acknowledge, represent and warrant to the Custodian the following: a) I have properly titled all assets held by my retirement account; b) Any individuals and/or entities associated with this investment does not constitute a "disqualified person" as defined by IRC 4975(e)(2); c) I am not receiving any personal benefit from the investments made by my retirement account; d) If my retirement account invests in an asset that does not provide an automated update in regards to its Fair Market Value (FMV), I must provide that value to Preferred Trust each year as requested; e) An investment in my retirement account may create Unrelated Business Taxable Income (UBTI), and I will consult my tax advisor or CPA on the tax consequences of my investment; f) My retirement account has invested in an asset that complies with all applicable federal and/or state laws and requirements; g) I have provided all documentation associated with my investment to Preferred Trust Company, LLC; h) I have read the disclosures provided with the Investment Authorization & Direction and accept any and all risk that may be associated with the asset I have chosen; and i) The Custodian does not insure the investments made by my retirement account.

I agree to release, hold harmless, and indemnify Preferred Trust Company with regard to any claims, liabilities, costs or expenses arising out of the investment and/or any dispute that may occur in the future regarding the investment. I, the undersigned, understand the provisions herein and agree to be bound by the indemnification contained in the Preferred Trust Company Individual Retirement Account Custodial Agreement and Investment Authorization & Direction.

Signature of IRA Account Owner

Date

**INTERNAL USE ONLY**

**Verified**  
(Initials and Date)