



DISCLAIMER AND HOLD HARMLESS LLC FUNDING

Account Holder Name	
Account Number	
Date	

I, _____, owner of an account with the custodian American Estate & Trust (AET), account number _____, do hereby represent and agree that I will operate my account within the requirements of IRC 4975. Such representations and operations will be extended to, but not limited to, any other entities that I direct my funds to, invest in or lend to and/or any entities that I operate in a managerial or fiduciary capacity.

As the account owner, and investor, I agree that I will provide annual valuation reports to AET. I understand and agree that I will be required to hire a professional appraiser that is qualified to value and appraise assets of the same nature or character as this investment. I understand that if I fail to provide adequate appraisals as required, my assets may be disbursed at the last known value. I acknowledge that I have received a copy of the general requirements and guidelines for obtaining and providing valuations.

I understand and agree that I must maintain my account in good standing at all times. I understand that if I fail to pay account fees or engage in any other activity that causes my account to not be maintained in good standing, my account will be closed and my assets disbursed at the last known value. I understand that if my assets are disbursed, there may be tax implications.

As the account owner I agree to indemnify and hold American Estate & Trust, LC, and its employees or assigns or agents, harmless for any actions that have or may occur as a result of any investment directions that I provide and direct on behalf of my account.

Signature of account holder:

General Instructions And
Requirements For Providing Asset Valuations

General Instructions

When updating asset values for your account, certain steps must be followed. When the account holds non-cash, or hard to value assets, then an accurate asset valuation must be obtained. Examples of non cash, hard to value assets can be:

Real Estate
Tenants in common (TIC) in real estate
Checkbook control LLC
Private Placements (LLC, partnerships, thinly traded stock, etc.)
Loans or notes

- 1) If the account holds any of these type of assets, then the following steps must be followed in order to insure IRS compliance for establishing fair market value:
 - a) Obtain fair market valuation of the assets by a qualified independent expert for that asset type or category. For example, if the asset is real estate, then a qualified real estate appraiser must be hired to provide the valuation.
 - i) Fair market value is generally defined by receiving a formal appraisal of the assets from a qualified, independent appraiser for the type of asset(s) held in the account.
 - ii) A qualified appraiser is generally someone that is trained and certified in the specific asset class in question.
 - iii) Appraisals should be timely. This means that the appraisal provided for updating your assets should be completed and delivered within 1-4 weeks of the completion.

NOTE: You, the account holder or your spouse, would not be considered to be independent. So, if you are a trained real estate appraiser, or business valuation expert, you or your spouse could not provide the valuation on behalf of your account. You must hire a true, independent subject matter expert.

- b) If you hold interest in a private placement or other thinly traded or hard to value business entity, then you should contact the manager or partner of that entity and request a signed valuation statement showing what your current interest in that entity is worth. Such a statement should be signed, dated and notarized by the person(s) authorized to act on behalf of the entity.
 - c) Provide a copy of the valuations of the various assets held in the account to your account custodian or administrator, along with a letter from you stating under the penalty of perjury that the valuations and information that you have provided are correct, true and accurate to the best of your knowledge.
- 2) Accounts that hold membership interest in a checkbook control LLC
 - a) Option 1 – Asset Value based upon balance sheet
 - i) If you hold membership interest in your own account owned-LLC, then Section 1, above, would apply to any and all assets held in the LLC. This means that any non-cash, hard to value assets held in the LLC must also have a fair market appraisal or valuation by a independent expert.
 - ii) Once valuations are obtained, if required, you then need to have a trained and qualified tax professional such as a CPA provide a balance sheet showing the total value of the LLC. The tax professional must provide the valuation, supporting documentation and a signed letter stating that this is their valuation based upon the information provided.
 - iii) Provide the tax professional's valuation report and balance sheet to us along with your personal certification that all information is true and accurate in the penalty of perjury.
 - b) Option 2 - An alternative would be to hire a certified appraiser to provide a full appraisal of the LLC.
- 3) Inherited Accounts
 - a) If you have non-cash assets held in an Inherited Account, then you are required to take minimum distributions annually, or face a penalty on the un-withdrawn amount.

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- b) In order to ensure that the correct distributions are taken, you are required to get an annual fair market appraisal for the non-cash assets held in the account.
- 4) You are 70 ½ or older this year
 - a) If you are 70 ½ years of age this year or older, then you are required to take out minimum distributions from your retirement account.
 - b) In order to calculate the minimum distribution amount, you are required to obtain a fair market appraisal of the non-cash assets held in your account each year.
- 5) Documentation Requirements
 - Fair Market Valuations of any non-cash assets being updated or re-characterized.¹
 - Calculations of any gains or losses associated with the Roth Account that are to be re-characterized, if applicable

What Not To Do

Do not send detailed reports, schedules or statements and request that we add up values or do calculations in order to calculate the assets value.

Do not attempt to send us reports or statements of assets held in a LLC, Corp, or Trust and have us attempt to calculate and validate your valuations.

What To Expect

Your valuations will be completed within 2-3 days of receipt. The new values will be visible on your account statement or online.

The valuations provided may not be suitable or acceptable for taxable event transactions such as a Roth conversion, or an in-kind distribution. So, do not expect that your informational valuation will be suitable for completing any transaction that involves taxes or distribution of assets.

Transmittal of This Form

This form may be mailed, emailed or faxed to us at:

Email: info@americanestatetrust.com
Fax: 702-974-2524
Mail:
American Estate & Trust – Asset Valuations
6900 Westcliff Dr., Ste 603
Las Vegas, NV 89145

Questions or Help

If you have questions regarding what you need to do regarding asset valuations, please contact your account representative.

¹ IRS guidelines for asset valuations must be followed. A CPA statement or a client generated value will generally not suffice for a valuation. In general a valuation must be completed by someone who is qualified and trained to value such assets. Related parties cannot be used as the valuation expert.