



Notice of Possible Conflict of Interest in moving your 401(k) to an IRA

St John & Associates (Advisory Firm) is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, Advisory Firm is subject to specific duties and obligations under ERISA, the Department of Labor, and Internal Revenue Code that include among other things restrictions concerning certain forms of compensation.

When clients leave an employer there are typically five options regarding an existing retirement plan account, and the client can use a combination of these options:

- 1) If permitted, leave the funds in your former employer's plan
- 2) If rollovers are permitted and you have a new employer with a plan available, rollover the funds to your new employer's plan
- 3) Rollover to an Individual Retirement Account ("IRA"), or
- 4) Withdraw or cash out your funds from the plan (which may have adverse tax consequences depending on your age)
- 5) You may also have an option for an in-service distribution during your employment

In situations where the Advisory Firm is not already managing your retirement account and recommends that you roll over your retirement plan assets into an account to be managed by Advisory Firm, such a recommendation creates a conflict (benefitting us) when Advisory Firm earns an advisory fee on client's rolled over funds. Client is under no obligation to roll over retirement plan assets to an account managed by Advisory Firm.

St John & Associates has used the attached cited criteria to recommend you rollover your 401(k) to an IRA held at Fidelity Investments and under St John & Associates' management. Please sign the attached statement that you understand what this means, why we are recommending it for you, and that we will be collecting fees on the new IRA that were not collected by us previously.



Statement of Understanding

St John & Associates has recommended I rollover my 401(k) account, currently held by _____ to an IRA account held at Fidelity Investments and under St John & Associates' management.

By signing below, I certify that I understand St John & Associates is giving me investment advice as a fiduciary under ERISA and Section 4975 of the IRC. In compliance with the "impartial conduct standards" required by said code, I agree this advice is given in my best interest, with prudence and loyalty; that reasonable compensation is allowable; that the reasons for receiving this advice have been explained to me as noted below; and I am freely signing this documentation to record these facts.

I understand this means St John & Associates will collect fees on this account in accordance with my previously signed Fee Agreement with them.

The following criteria were used in making St John & Associates' recommendation:

- The current plan has rollover capabilities
- The current plan has withdrawal capabilities
- Client wishes to prepare to take distributions in the future
- Client is nearing age 59 1/2 and the current plan does not have distribution capabilities
- Client is dissatisfied with the limited range of investment options in their current plan
- Client has a change in their Tax status
- Client has a change in their Marital status
- Client has a change in their Employment status
- Client has a change in their Investment Objectives
- Client has moved
- Client has retired

Signed this _____ day of _____, 20__

Client