

# Cost Basis Adjustment for Inherited Covered and Non-Covered Securities

## INSTRUCTIONS

Pershing LLC (Pershing) will, in accordance with the Federal income tax cost basis regulations, accept direction and authorization to adjust (step up or step down, if warranted) cost basis for covered and non-covered securities owned by a decedent at his or her death only when the securities are transferred out of the decedent's account and into the beneficiary's account, in the manner prescribed by Pershing.

Covered and non-covered securities positions must be transferred to the beneficiary's account and the transferor must select "Inheritance" as the reason for the transfer at the time of the transfer. Pershing will automatically adjust the cost basis for inherited covered and non-covered securities owned in a decedent's individual account to the fair market value as the date of the death, as determined by Pershing.

For any covered or non-covered securities positions that were disposed of in the account owned by the decedent after the decedent's death, but before the transfer of the remaining covered or non-covered securities in the account, please submit a Service Center Request to Cost Basis Reporting/Date of Death/Update. These positions will be adjusted based on the fair market value as of the date of the death, as determined by Pershing.

New transferee account registrations must be established and a new certified taxpayer identification number(s) (Social Security number{s}) provided for the transferee account.

The death certificate must be provided for all requests. If a foreign death certificate is submitted, a certified English language translation must also be submitted. Also, Pershing may require submission of satisfactory proof of the authority of the estate representative to execute the Selection, Valuation and Authorization forms (see the attached forms). The proof for this purpose would consist of evidence of the court appointment of the authorized estate representative in a form reasonably satisfactory to Pershing.

All covered and non-covered securities positions held in the decedent's account at the time of death will be adjusted, if warranted under U.S. Federal estate and income tax valuation rules, as determined by Pershing.

Pershing will only accept instructions to adjust the cost basis for covered and non-covered securities positions that remain in:

- (1) joint accounts only if the account is either a joint account established by married individuals as a tenancy-by-the-entirety or by married or unmarried individuals as a joint account with rights of survivorship and the decedent's name has been removed from the account title; or
- (2) revocable trust accounts (and other types of trust accounts) where the value of the trust assets are included in the decedent's gross estate for U.S. Federal estate tax purposes and the authorized representative of the estate (including for this purpose any trustee) certifies to such inclusion in the instructions to adjust cost basis.

In the case of all other joint accounts or non-qualifying trust accounts, the covered or non-covered securities positions must be transferred to a new transferee account(s) and provide the adjusted values for the decedent's interest in each securities position by completing the attached form and submitting a Service Center Request to Cost Basis Reporting/Date of Death/Update.

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## STEP 1. BENEFICIARY/TRANSFeree/ESTATE OWNER ACCOUNT INFORMATION

Name on Account	Account Number
Last Four Digits of Social Security Number or Taxpayer ID Number	Date of Death
Decedent Name	Decedent Social Security Number

Step 2 Selection and the following Step 3 Valuation and Step 4 Authorization must be completed for the selected options stated below. Covered and non-covered securities positions in accounts are required to be transferred to a new account(s) prior to submitting the forms (except in the case of Tenancy-by-the Entirety and Joint Account with Rights of Survivorship accounts and trust accounts meeting Pershing's stated requirements). Please submit a Service Center Request to Cost Basis Reporting/Date of Death/Update and attach this completed form.

## STEP 2. SELECTION

Please select ONE of the following options:

Please check all that apply:

	Fair Market Values on Date of Death provided by Pershing	Fair Market Values provided by the undersigned authorized representative
<input type="checkbox"/> The alternative valuation date (AVD) has been elected. <b>Required:</b> Alternative Valuation Date  Valuation for U.S. Federal estate tax purposes is based on the AVD which is elected by the executor/administrator/personal representative of the decedent's estate. The AVD generally is the date that corresponds to the date that is six months after the decedent's date of death. There are limitations on the use of the AVD valuation method. For any position sold prior to the AVD but after the date of death, Pershing will assign the sales price (on a per share or unit basis) as the adjusted cost basis of the sold covered or non-covered securities as of the AVD.	Selection and Authorization forms must be completed, signed and submitted.	Selection, Values and Authorization Forms must be completed, signed and submitted.
<input type="checkbox"/> The decedent's date of death occurred more than 18 months prior to the execution of these forms.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> The authorized representative of the decedent's estate wishes to provide the valuation reported to the Internal Revenue Service (IRS).		<input type="checkbox"/>
<input type="checkbox"/> Joint account where the covered or non-covered securities positions in the account are transferring to another account(s), but only _____% <b>(please enter percentage)</b> representing the decedent's interest in the transferred securities must be adjusted.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Joint Account established as a Tenancy-by-the Entirety (TBE) or a Joint Account with Rights of Survivorship.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Revocable trust account or other type of trust account where the value of the trust assets are included in the decedent's gross estate for U.S. Federal estate tax purposes.	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3. VALUATION**

This section must be completed and submitted by an authorized representative of the estate (executor, administrator or personal representative including a trustee where appropriate), and refer to the decedent by name, the name of any trust, his or her truncated SSN or trust account EIN and the account number(s). The Valuation form(s) must be submitted with an executed Authorization form to Pershing — see below. Proof of the authority of an authorized representative may be required (i.e., acceptable form of court appointment). If the authorized representative of the decedent’s estate or trustee is a financial institution, the name of the financial institution and the name and title of the institution’s representative who is authorized to sign on its behalf must be shown.

**ADD EXTRA COPIES OF THIS PAGE IF NEEDED.**

NAME OF SECURITY	CUSIP/SYMBOL	NUMBER OF SHARES	DATE OF DEATH OR ALTERNATIVE VALUE DATE	VALUE ON DATE OF DEATH OR AVD VALUE

**STEP 4. AUTHORIZATION**

This form must be signed by an authorized representative of the estate that is court appointed or by the trustee of a trust, dated, and refer to the decedent by name, his or her SSN, the EIN of any trust, the account number and provide proof of the representative's authority. If the authorized estate representative or trustee is a financial institution, the name of the financial institution and the name and title of the institution's representative who is authorized to sign on its behalf must be shown.

**Read carefully before signing below. All signers agree to the following by signing below:**

I/We understand that Pershing LLC is relying upon the information that I/we have provided and request Pershing LLC to process for purposes of adjusting the cost basis of inherited covered and non-covered securities positions identified herein and/or on the attached forms if such an adjustment in value is warranted under Federal estate and income tax rules. I/we understand that Pershing LLC is not responsible for the accuracy of and will not verify the information provided me/us, including, but not limited to, the eligibility of any estate to use the AVD valuation method, and Pershing LLC will utilize such information for tax information reporting purposes or for purposes of preparing and providing transfer statements to other brokers and custodians as required by applicable Federal income tax regulations and form instructions. I/we understand that taxpayers remain solely responsible for the accuracy of all cost basis information used for Federal income tax return reporting purposes and Pershing LLC will not report to the Internal Revenue Service any cost basis adjustments for non-covered securities. Accordingly, I/we hereby hold Pershing LLC and its respective officers, directors, employees, and agents (collectively, Pershing LLC) harmless from and against all claims, cost and expenses of any kind (including reasonable attorney's fees) incurred by Pershing LLC for relying in good faith upon these form(s) and the information provided by me/us and any and all adjustments to value made to the cost basis of inherited covered or non-covered securities by Pershing LLC utilizing its own valuation information or information submitted by the undersigned authorized representative.

Print Name of Current Owner or Trustee	Date
Signature	

X

Print Name of Joint Account Owner or Co-Trustee (if applicable)	Date
Signature	

X

**The authorized estate representative agrees to the following by signing below:**

I/We certify that I/we are the estate representative (duly appointed, qualified and acting) for the decedent's estate or the trustee of a trust in which the decedent had an interest at his or her death which is included in the decedent's gross estate for Federal estate tax purposes as identified in these forms, and I/we are authorized to provide the information regarding cost basis of the inherited covered or non-covered securities in accordance with the Internal Revenue Code of 1986, as amended, and the regulations thereunder, if applicable.

Pershing reserves the right to accept or reject these forms or to require correction of any information submitted. Pershing's failure to reject information or to require any correction does not constitute approval of the submitted forms or the information for cost basis and tax reporting purposes.

Both sections must be signed and proof of authority must be provided.

Print Name of Authorized Estate Representative	Date
For Revocable Trusts Only: Print Name of Submitting Trustee	
Signature	

X

**If Applicable:**

Print Name of Institution's Representative	Date
Signature	

X

**IF THERE ARE MULTIPLE AUTHORIZED ESTATE REPRESENTATIVES, ONLY ONE ESTATE REPRESENTATIVE IS REQUIRED TO SIGN. HOWEVER, ALL ESTATE REPRESENTATIVES WILL REMAIN RESPONSIBLE FOR THE INFORMATION PROVIDED (INCLUDING ANY UPDATED INFORMATION).**

**THE AUTHORIZED REPRESENTATIVE OF THE DECEDENT'S ESTATE OR THE TRUSTEE OF ANY TRUST, COMPLETING AND SUBMITTING THESE FORMS TO PERSHING SHOULD RETAIN A COPY OF THE EXECUTED FORMS IN THE RECORDS OF THE ESTATE OR TRUST.**