

Inherited IRA Special Needs Trusts

Thank you for attending Stetson University's Special Needs Trust Virtual Conference.

Oppenheimer & Co. Inc. is among the few firms that will custodian and domicile inherited IRA's intended to qualify as Special Needs Trusts (d)4(a), under IRS (Private Letter Ruling) PLR 2006 200 25. One of our areas of expertise is the custodianship and management of SNT accounts on a minimal fee basis (0.9% to 0.6% annually). *Most importantly, we keep our clients compliant with the **Uniform Prudent Investor Act**.*

This is how our process works

It starts with a regular IRA custodian to IRA custodian transfer. Once the account is here, a person with a guardianship (or power of attorney) instructs us to move the assets from the incapacitated person's inherited IRA to a SNT IRA. We do *not* move funds directly into the SNT, because the transfer would become taxable at that point.

If there is no guardianship, one needs to be established. If an RMD is required, we can accept a signature from the SNT Trustee to move the RMD from the inherited IRA to an account at Oppenheimer for the SNT.

We also secure a Letter of Authorization from the guardian. The LOA instructs us that, upon the advice of independent legal counsel, the guardian instructs us to transfer the assets from the inherited IRA to the SNT IRA. These LOAs are a key component of the process and include standard indemnity language.

Our process provides for a non-taxable transfer that can avoid impacting eligibility for any needs-based assistance being received. Our team can also assist in reducing bonding costs by blocking and restricting accounts in court supervised cases.

Please feel free to use us as a resource.

Darryl J. Lynch

Darryl J. Lynch, AIF[®]

Managing Director – Investments



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INVESTMENT PROFILE QUESTIONNAIRE

SAMPLE

Date: _____
Account Title: _____
Investable Assets: \$ _____
Client's Age: _____
Time Horizon: _____
Proposed Model: **BALANCED INCOME**
Monthly withdrawal: _____
Blocked Y/N: _____

1. What is the size of the account? (Does not include real estate or personal property)

- | | | |
|---------------------------------|-------------|-----------|
| a) \$0 - \$25,000 | (2 points) | |
| b) \$25,000 - \$50,000 | (4 points) | |
| c) \$50,000 - \$100,000 | (6 points) | |
| d) \$100,000 - \$250,000 | (8 points) | |
| e) \$250,000 - \$500,000 | (10 points) | |
| f) \$500,000 - \$750,000 | (12 points) | 12 |
| g) \$750,000 - \$1,000,000 | (14 points) | |
- *add 2 pts for each additional \$250,000

2. When do you anticipate that routine annual withdrawals exceeding 3% of invested assets (stocks, bonds, odds, etc.) will be needed from the account?

- | | | |
|------------------------|-------------|----------|
| a) Less than 3 years | (2 points) | |
| b) 3 - 5 years | (4 points) | |
| c) 5 - 10 years | (6 points) | 6 |
| d) 10 - 15 years | (8 points) | |
| e) 15+ years | (10 points) | |

3. If any lump sum distributions are expected in the next 5 years, what is the approximate percentage of the current account value?

- | | | |
|---|-------------|----------|
| a) No lump sum distributions are expected | (8 points) | |
| b) 0% - 10% | (6 points) | 6 |
| c) 11% - 25% | (2 points) | |
| d) 26% - 50% | (0 points) | |
| e) 50% + | (-2 points) | |

4. During the next 5 years, any income that comes to the ward, outside of investment income (Social Security, annuity, wages, etc.) that will most likely?

- | | | |
|---|-------------|----------|
| a) Decline | (-2 points) | |
| b) Client does not have outside income | (0 points) | |
| c) Remain about the same | (2 points) | 2 |
| d) Increase slightly (1% - 3%) | (4 points) | |
| e) Increase significantly (4% or greater) | (8 points) | |

5. During the next 5 years, what percentages of the routine annual expenses are expected to be covered by income that comes to the guardian, outside of investment income?

- | | | |
|--|-------------|----------|
| a) Client does not have outside income | (0 points) | |
| b) 1% - 20% | (2 points) | 2 |
| c) 21% - 50% | (4 points) | |
| d) 51% - 80% | (8 points) | |
| e) 81% - 100% | (10 points) | |

6. What is the likelihood that large withdrawals will be made for the ward, due to an unforeseen circumstance (health reasons or legal problems, etc.)?

- a) Very Likely (81% – 100%) (-2 points)
- b) Likely (66% - 80%) (0 points)
- c) Somewhat Likely (35% - 65%) (2 points) **2**
- d) Not Likely (11% - 34%) (4 points)
- e) Very Unlikely (0% - 10%) (8 points)

7. If any significant non-routine distributions (home or vehicle purchases, college, etc.) are expected, when will they occur? If more than one is expected, when will the first distribution occur?

- a) Less than 3 years (2 points)
- b) 3 – 5 years (4 points)
- c) 5 – 10 years (6 points) **6**
- d) 10+ years (8 points)
- e) No lump sum distributions expected (10 points)

SUBTOTAL: 36

8. During the next year what percentage of the current account value do anticipated net withdrawals represent? (Income + Investment Income – Expenses = Net Withdrawals)

- a) 0% - 3% (+15.0%)
 - b) 4% - 10% (+12.0%)
 - c) 11% - 19% (+6.0%)
 - d) 20% - 35% (+3.0%)
 - e) 36% + (- 3.0%)
- +4.32**

9. What is the Ward's age?

- a) 0 – 7 years (+24.0%)
 - b) 8 – 15 years (+18.0%)
 - c) 16 – 30 years (+10.0%)
 - d) 31 – 65 years (+ / - 0.0%)
 - e) 66 – 75 years (-10.0%)
 - f) 76+ years (-18.0%)
- 3.60**

10. Based on known spending and with a 3% return on investments, how long will the account last?

- a) Less than 3 years (-3.0%)
 - b) 3 – 5 years (+ 3.0%)
 - c) 5 – 10 years (+ 6.0%)
 - d) 10 – 15 years (+12.0%)
 - e) 15 – 20 years (+18.0%)
- * add 6 pts for each additional 5 years
- +6.48**

TOTAL SCORE:

00 – 19 = Capital Preservation

20 – 35 = Income

36 – 60 = Balanced Income

61 – 96 = Balanced Growth

97 – 100 = Growth

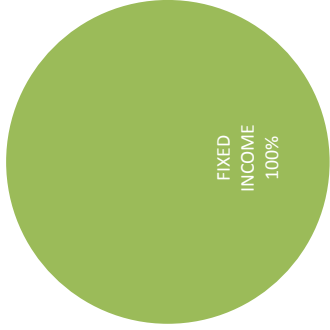
TOTAL SCORE: 43.20

APPROVAL SIGNATURE:

DATE:

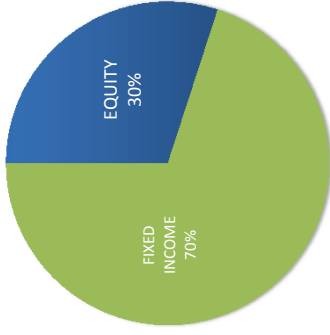
ALLOCATION MODELS

CAPITAL PRESERVATION



FIXED INCOME		100%
Ultra Short Term Fixed Inc.	19	
Short Term Fixed Income	60	
Intermediate Term Fixed	20	
Cash	1	

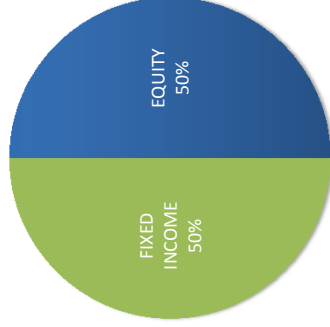
INCOME



FIXED INCOME		70%
Short Term Fixed Income	29	
High Yield Bonds	6	
Intermediate Term Fixed	34	
Cash	1	

EQUITY		30%
Large Cap Value	9	
Large Cap Growth	10	
Mid Cap Blend	4	
International Equities	5	
Tech & Industrial Equities	2	

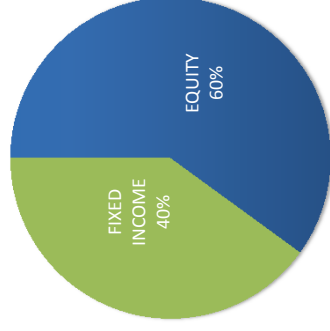
BALANCED INCOME



FIXED INCOME		50%
Short Term Fixed Income	19	
High Yield Bonds	5	
Intermediate Term Fixed	25	
Cash	1	

EQUITY		50%
Large Cap Value	15	
Large Cap Growth	16	
Mid Cap Blend	8	
International Equities	7	
Tech & Industrial Equities	4	

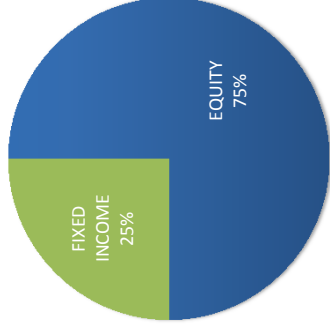
BALANCED GROWTH



FIXED INCOME		40%
Short Term Fixed Income	4	
High Yield Bonds	5	
Intermediate Term Fixed	30	
Cash	1	

EQUITY		60%
Large Cap Value	20	
Large Cap Growth	21	
Mid Cap Blend	5	
International Equities	8	
Tech & Industrial Equities	6	

GROWTH



FIXED INCOME		25%
Short Term Fixed Income	4	
High Yield Bonds	6	
Intermediate Term Fixed	14	
Cash	1	

EQUITY		75%
Large Cap Value	23	
Large Cap Growth	24	
Mid Cap Blend	10	
International Equities	9	
Tech & Industrial Equities	9	



Financial Advisors for
Conservators,
Guardians and Trustees

National Strength. Local Presence.



Financial Advisors for Conservators, Guardians and Trustees

Our Mission

Our mission is to serve as trusted advocates and Financial Advisors for Conservators, Guardians and Trustees. We seek to enable them to properly manage their clients' investment assets while potentially increasing their efficiency and reducing their liability.



Darryl J. Lynch, AIF®

Managing Director – Investments

Darryl Lynch has worked with Guardians and Trustees throughout the years. He has recommended best practices for attorneys and guardians across the country. Shortly after earning his MBA from Duke University in Durham, NC he began his over 35 year career in the financial services industry. His experience is unparalleled as he has been a member of the National Guardianship Association (NGA) since 2002 and currently sits on the Center for Guardianship Certification's (CGC) review board. He was also awarded by the Center for Fiduciary Studies the designation, Accredited Investment Fiduciary (AIF)®.

Darryl has spent over 30 years at Oppenheimer & Co. Inc., where his experience and the firm's resources assist him in making knowledgeable recommendations and providing a high level of client service. Originally growing up in the St. Louis area, he now resides in Kirkland, WA. Darryl is a member of the Illinois Guardianship Association (IGA), the Washington Association of Professional Guardians (WAPG) and Guardian/Conservator Association of Oregon (CGA). He has taught classes and given many presentations for CE for various associations of Professional Guardians, Attorneys and Fiduciaries. He also specializes in working with Special Needs Trusts, High Net Worth investors and charitable organizations. His work demonstrates his commitment to helping invest and protect assets by providing independent financial insights.

Darryl is also a member of the Oppenheimer Executive Council, a prestigious designation awarded to our top Financial Advisors. In his free time, he enjoys mountain biking, science and volunteering at various organizations throughout the Northwest.

Kathleen M. Palumbo

Executive Director – Investments

Peter C. Palumbo, AIF®

Director – Investments



Kathy Palumbo, Executive Director, joined Oppenheimer & Co. Inc. ("Oppenheimer") in 1995 after five years at Stifel Nicholas. Today, she is the thought leader of an established, well-respected practice, assisting high net worth individuals, families, conservators and members of the legal community. She is a seasoned investment Advisor who differentiates herself from other Advisors in the industry by providing customized investment and estate planning strategies for high net worth individuals, families, conservators and members of the legal community in Missouri.

She attributes her success with her clients today to the skills she acquired over 20 years of experience as a registered nurse – listening compassionately to patients, developing a plan, and executing it to improve their condition.

Kathy graduated from St. Louis University with a Bachelor of Science in Nursing. Outside the office, Kathy likes to stay active in athletic, charitable, and professional organizations. She's a lifetime supporter of the St. Louis Cardinals and St. Louis University Billiken Basketball teams. Kathy served as Board President of Catholic Services for Children & Youth, a Catholic Charities agency.

Peter Palumbo, Director – Investments of Oppenheimer & Co. Inc. since 2007. He is a member of the National Guardianship Association (NGA). Together, Kathy Palumbo and Peter formed The Palumbo Group. Peter provides customized financial strategies to clients striving to optimize professional wealth management and estate planning for wealth transfer between generations.

Peter's desire to provide customized investment strategies to the legal community was established early in his life by emulating the dedication of his father, attorney Peter "Pete" J. Palumbo Jr. and his great uncle Honorable Pascal "Pat" Palumbo.

Peter graduated from Saint Louis University High and Marquette University with a double major in marketing and organizational management.

In his spare time, Peter is active in his community, holding positions on numerous Boards such as; White House Retreat Board, Our Lady of Lourdes Endowment and Finance Committees, SLUH Alumni Board, Loyola Academy Development Committee and the Marquette University Club of St. Louis Scholarship.

Financial Advisors for Conservators, Guardians and Trustees

About Us

As longstanding Financial Advisors with Oppenheimer & Co. Inc., we focus our business on helping Conservators, Guardians, Trustees and Guardians ad Litem (GALs) streamline and better manage their clients' investment needs. We work collaboratively with you to standardize and simplify your financial decision-making on behalf of your clients.

Available Services

With over 50 years of combined experience at Oppenheimer & Co. Inc., we offer a lasting relationship and are always available to meet personally to discuss your clients' needs.

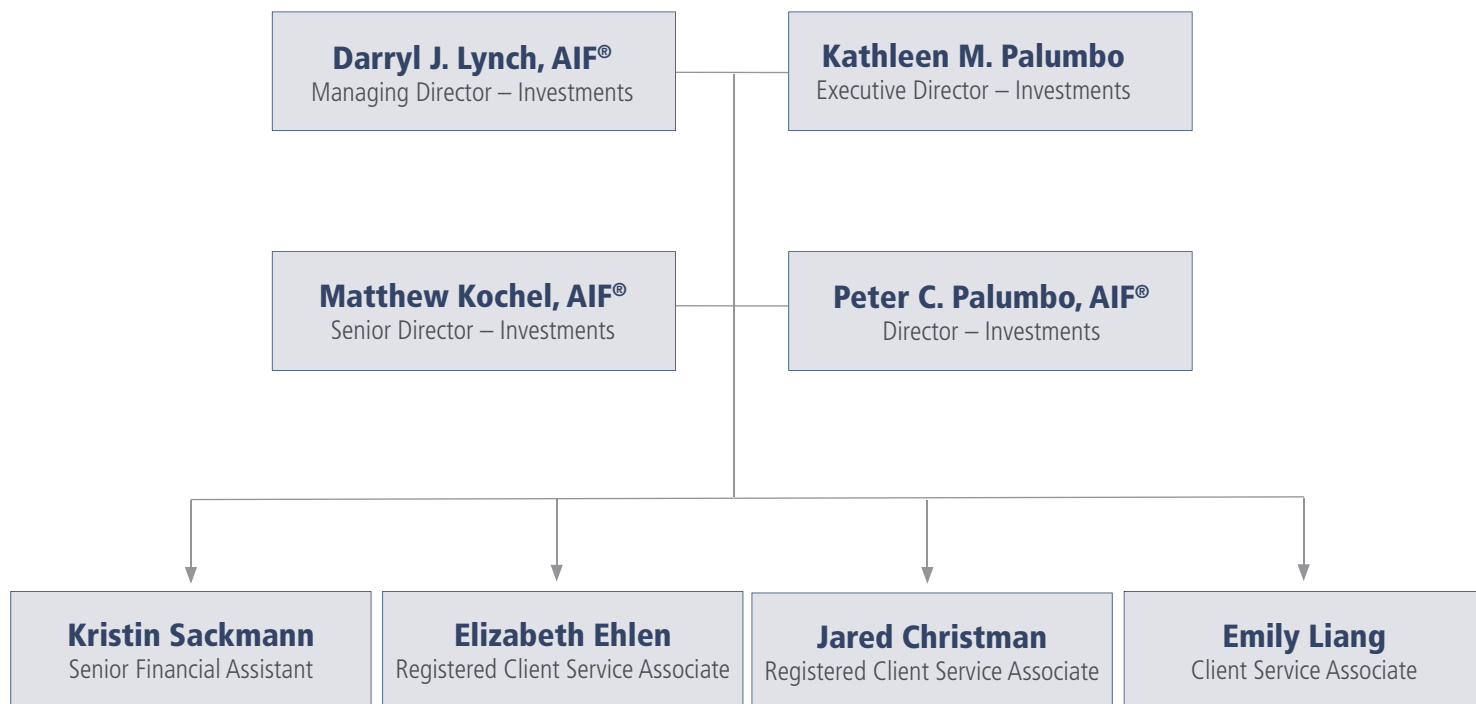
- » Investment Policy Statements for clients selecting one of the programs in our asset management platform
- » Assistance with setting objective criteria for level of risk, diversification and income
- » Cost-effective investment management services
- » Knowledgeable and experienced in working with the application of the Prudent Investor Rule
- » Diversified portfolios, ongoing monitoring and periodic rebalancing of assets (automatic periodic rebalancing is available only in select programs)
- » Income-generating accounts based on the client's income needs and risk tolerances
- » Financial advice for Special Needs Trusts
- » For certain guardianship cases, we have the ability to Block or Freeze Accounts
- » Documentation of all reviews performed with the guardian, including a detailed Quarterly Portfolio Review Report (for select accounts)
- » Simple fee model for advice, transactions, and custody of the accounts is available in select programs (availability of multiple account programs ranging from a variety of fee based programs to standard commission based accounts)

Diversification does not guarantee a profit or protect against a loss.

Various account programs are available through Oppenheimer & Co. Inc. ("Oppenheimer") and its affiliate Oppenheimer Asset Management Inc. ("OAM") within the asset management platform. Certain programs are fee based. Adopting a fee-based account program may not be suitable for all investors; anticipated costs should be compared with anticipated annual fees. Prior to investing in a program on the asset management platform, please refer to the corresponding Oppenheimer ADV Part 2A Appendix 1 or the OAM ADV Part 2A Appendix I for information about the advisory program selected, including program fee schedules and other fees that may apply. Both ADVs Part 2A Appendix I are available from your Oppenheimer Financial Advisor or the SEC website. OAM is an indirect, wholly owned subsidiary of Oppenheimer Holdings Inc., which is also the indirect parent of Oppenheimer. Oppenheimer is a registered investment adviser and broker dealer.

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