



PRIVATE DEBT INVESTMENT CHECKLIST

Document checklist and a step-by-step guide for private debt investments



✓ DOCUMENT CHECKLIST

Below are the documents required to direct your STRATA Trust Company (“STRATA”) IRA to invest in private debt investments. For STRATA required forms, look for our self-service resource **SERVICENOW**, which enables fast form submission by letting you complete, sign, *upload supporting documentation*, and securely electronically transmit your information to STRATA in just a few minutes. Click the  icon anywhere you see the option available.

UNSECURED CORPORATE DEBT/CONVERTIBLE NOTE

» INVESTMENT ISSUER SUBMITS:

☐ [Private Investment Issuer Representation Letter](#) 

☐ Company Filing Document

☐ Offering Documents

» INVESTOR SUBMITS:

☐ [Investment Direction Private Investments](#) 

☐ Subscription Document, Note Purchase, and/or Lender’s Agreement

SECURED DEBT (pre-custody documents not required)

» INVESTOR SUBMITS:

☐ [Investment Direction Private Investments](#) 

☐ Security Document, Subscription Document, Note Purchase, Promissory Note and/or Lender’s Agreement

☐ Assignment (if any)



STRATA Trust Company (“STRATA”) performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers or service providers. As a custodian, STRATA does not sponsor, endorse or sell any investment and is not affiliated with any investment sponsor, issuer or dealer. STRATA does not provide investment, legal or tax advice. Individuals should consult with their investment, legal or tax professionals for such services.

OVERVIEW

A self-directed IRA (SDIRA) that holds private debt investments presents an exciting option to diversify your retirement savings. To ensure a smooth SDIRA purchase, it's important to have a solid understanding of the process.

PRIVATE DEBT CUSTODY PROCESS

This timeline is approximate, based on if the required documents are received in good order. Unsecured corporate debt/convertible note investments require a pre-custody review while secured debt investments do not. If transferring from another custodian or rolling over an IRA asset from another institution, STRATA is dependent on the existing service providers' transaction process times.



PRIVATE DEBT ESSENTIALS

- ☑ **Investment Registration** — The investment registration must reflect the name of the IRA, *STRATA Trust Company FBO (Accountholder Name] IRA (Account #)*.
- ☑ **Signatures** — Since your IRA is self-directed, STRATA cannot sign anything without your written approval. For any signature-required documents, the account owner must sign on each page that requires a signature or initial. Afterward, STRATA will sign in its capacity as the custodian of the IRA.
- ☑ **Fraud Prevention** — As a safeguard against potential fraud, STRATA does not disclose its verbal confirmation policies. A STRATA team member will reach out via the information of record if verbal confirmation is required.

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STEP-BY-STEP GUIDE

UNSECURED CORPORATE DEBT/CONVERTIBLE NOTE

» INVESTMENT ISSUER SUBMITS:



❑ Step 1 — Submit Pre-Custody Documents

Secured debt investments do not require a pre-custody review; investors can skip to Step 2. Unsecured corporate debt/convertible note assets require a pre-custody review, which typically takes 2-3 days once STRATA receives the information below from the investment issuer. Once this step is complete and the investment is approved, investors can move to Step 2.

❑ **Private Investment Representation Letter:** The Private Investment Representation Letter is to be completed and signed by the investment issuer (i.e., investment sponsor, general partner, managing member, officer, or trustee) of the named investment. To get started, visit our [Investment Onboarding](#) page, select your asset type, then follow the instructions provided. Investors will be able to send the document directly to the investment sponsor, and/or the investment sponsor can complete in just a few minutes. The investment sponsor will need to provide the documents below, along with the Private Investment Representation Letter.

❑ **Offering Documents:** Provide a copy of the Private Placement Memorandum, offering circular, operating agreement, limited partnership agreement, bylaws, blank subscription document, and any other offering documents related to the investment.

❑ **Filing Document:** A copy of the formation document or corporate filing, with the state filing stamp - Articles of Incorporation, Articles of Organization or Certificate of Formation, or other similar corporate filings.

SECURED DEBT

» INVESTOR SUBMITS:



❑ Step 2 — OPEN YOUR IRA

Getting started is easy. If you have not yet established your STRATA IRA, open your account in just a few minutes online. You will be prompted to select the [type of IRA](#) you will be self-directing, upload supporting documentation, and fund your account (Step 3). Per IRS regulations, if you are transferring or rolling over assets from another IRA service provider, you must choose the same IRA type (for example, Roth to Roth, Traditional to Traditional). Ready to get started? [Open an Account](#).

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□ Step 3 — FUND YOUR IRA

Fund your IRA by direct transfer, rollover, or annual contribution. Depending on the method selected, STRATA may be dependent on other financial institutions' processing times, which can be 10-14 business days (up to 30 days for rollovers). If you are opening a new STRATA IRA and skipped the funding option in Step 2 or have already established an IRA with STRATA, click here to [fund your IRA](#). *It is recommended to start the funding process as soon as possible to avoid processing delays.* Once STRATA receives the funds, it will take 2-3 business days to reflect the funds in your IRA.

- Make sure to include sufficient funds to cover any related processing fees. Click here to view [STRATA's IRA Fee Schedule](#).



□ Step 4 — DIRECT YOUR IRA

Once your STRATA IRA is open and funded, then you are ready to submit your documentation and provide direction instructions. Since the IRA will own the investment for the benefit of (FBO) the accountholder, the investment registration must be registered in the custodian's name.

□ **Investment Direction Private Investment:** Complete and sign STRATA's [Investment Direction Private Investment form](#)  which authorizes STRATA to send funds from your IRA. You will be prompted to upload the supporting documentation mentioned below with this form.

□ **Security Document, Subscription Document, Note Purchase, Promissory Note and/or Lender's Agreement:** The accountholder should provide a signed and executed corporate debt/convertible note, issuer's subscription document, security document, note purchase agreement, promissory note, and/or lender's agreement. After this has been signed by the accountholder, STRATA will sign in its capacity as the IRA custodian.

□ **Assignment:** If applicable to the note, periodic payments consisting of principal and interest will need an electronic copy of the amortization schedule. Otherwise, STRATA will convert the amortization schedule to an electronic copy, which may result in small rounding differences.



DEBT INSTRUMENT REGISTRATION

When your IRA holds a note, the payee must reflect **STRATA Trust Company, Custodian FBO (Accountholder Name) IRA (Account #)**. You will sign the note as the

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Investment Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

Accountholder, and STRATA will sign in its capacity as the IRA Custodian. *You cannot list yourself as the payee and assign or amend the note to your IRA as the buyer.* STRATA will be unable to process the transaction if you or a disqualified person are listed as the payee, since it would be a [prohibited transaction](#).

- If your IRA will not own 100% of the note, the debt instrument should reflect **STRATA Trust Company Custodian FBO (Accountholder Name) IRA (Account #) as to an undivided interest of ____%**.



- **Tax ID 26-2637994** — If applicable, STRATA's Tax ID should be used in place of the investor's SSN to retain the tax-exempt status for the IRA investment

» INVESTMENT ISSUER SUBMITS:

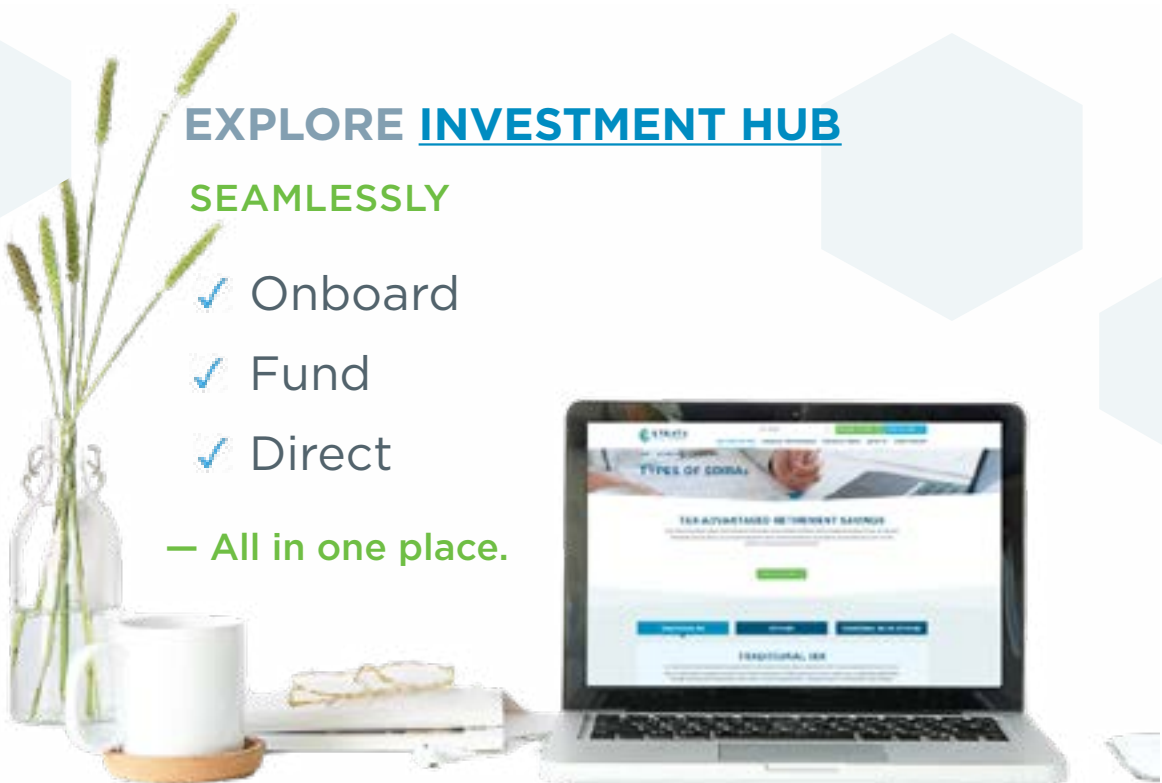
❑ Written Confirmation: Within 30 days of receiving funds, corporate debt/convertible note investment issuers are required to provide written confirmation of the purchase, including registration, purchase amount, and date of purchase, in order to finalize the purchase status within the client account. You may send the communication to NewInvestments@StrataTrust.com.

EXPLORE INVESTMENT HUB

SEAMLESSLY

- ✓ Onboard
- ✓ Fund
- ✓ Direct

— All in one place.



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IMPORTANT REMINDERS MANAGING YOUR INVESTMENT



Annual Reporting

Custodians like STRATA are required to report the fair market value (FMV) of your IRA-held assets each year. STRATA typically relies on the investment sponsor/issuer to provide this. However, if the FMV is reported through a fund administrator, transfer agent, or other third party, STRATA will either need access to the portal or may require your assistance to obtain the FMV.



Income and Expenses

In order to maintain IRS compliance, all income and expenses for your investment must flow through your IRA.

- Submit STRATA's [Deposit Certification form](#)  to add proceeds to your IRA.
- Submit STRATA's [Expense Payment Authorization form](#)  along with the invoice/bid/quote (whichever is applicable). STRATA will then send a check or wire funds to the payee directly from your IRA. Please be sure all invoices/quotes contain the named investment details.
- When IRA assets are invested in certain types of income-generating investments, the IRA itself is required to pay tax each year on the investment income. [Learn more about unrelated debt-financed income.](#)



Navigate Your Account Access Portal with Ease

Visit STRATA's [Self-Directed IRA Knowledge Center](#) to learn how to find important documents within your account, set up your online account, reset your password, and much more.



Enroll in Hassle-Free Payments

Make the payment of your IRA fees easy by enrolling in AutoPay. Simply submit your credit or bank card information, and your routine fees, including transaction fees, are on cruise control. Fill out the [Fee Payment Authorization form](#)  and select *Option 1* for AutoPay.



Explore Client Support

Your STRATA Client Services team provides online support through our website and offers a library of self-serve resources; visit us at www.StrataTrust.com/Client-Support.

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