

TDS LOGISTICS, INC.

2920 Bono Road
Staunton, IL 62088
Tel: 618-635-2698
Fax: 618-635-2836

**CONTRACT FOR TRANSPORTATION OF PROPERTY BETWEEN MOTOR
CARRIER BROKER AND A MOTOR CONTRACT CARRIER**

THIS Agreement made this _____ day of _____, 20____ by and between
_____, hereinafter referred to as CARRIER and TDS
Logistics, Inc., hereafter referred to as BROKER:

Whereas, Carrier is a motor contract carrier of property authorized by the Department of Transportation to provide transportation of property for shippers and receivers of general commodities; and

Whereas, Broker is a motor carrier broker, licensed to arrange for the transportation of property by License No. MC 676256-B, and controls the transportation of the commodities to be tendered to Carrier, in accord with the criteria established by TDS Logistics, Inc., and, thus is a shipper under those criteria.

NOW THEREFORE, Broker agrees to offer for shipment and Carrier agrees to transport by motor vehicle from and to such points between which service may require such quantities of authorized commodities as the Broker may require, subject to the availability of suitable equipment pursuant to the following terms and conditions:

(1) Carrier agrees, when it accepts shipment from Broker, to abide by remittance terms of Broker. Those terms are net 30 days from day paperwork (B.O.L. & Delivery Receipt) are received by Broker from Carrier.

(2) Carrier agrees to maintain Auto Liability Insurance Coverage in the amount of One Million Dollars (\$1,000,000.00) naming Broker as Certificate Holder. In the event of a claim, Carrier agrees to pay any deductibles which could exist with said policy. Carrier further agrees to maintain Cargo Insurance in the amount of One Hundred Thousand Dollars (\$100,000.00) or such other amount as must be required by Shipper to compensate Broker, owner, or consignee for loss or damage to property belonging to Broker, owner, or consignee which property comes into the possession of Carrier. Carrier agrees to comply with the form required by 49 C.F.R. 1043.2(b), and shall have no exclusions or restrictions that would not be accepted for a filing under the statutory requirements of the above cited sections, but shall, in all respects, be identical to the cargo insurance filed in accord with the said section. Carrier shall forward to Broker, a standard Certificate of Insurance which Certificate shall require the insurance carrier to give Broker written notice thirty (30) days prior to the cancellation of such cargo insurance.

(3) Destruction of, or damage to, any and all property accepted by Carrier for shipment, from any other cause, shall not release the Carrier from any of its obligations under this Agreement; it being expressly understood that the Carrier bears all risks of loss to, or damage of, the property from the date and time such property is accepted for shipment by Carrier and Carrier must properly insure same.

(4) Rates and charges for traffic moved under this Agreement shall be as agreed to between the parties hereto in writing and to be contained in a rate schedule or "Confirmation" provided or disclosed to Carrier at the time Carrier agrees to the shipment. Changes to this schedule confirmation shall also be made in writing on mutually agreed notice time, and similarly acknowledged. This schedule shall also contain the conditions of and charges for, any additional or accessorial services which may be required or performed. This schedule shall also set for the ways in which the statutory provisions as to contract carriage are to be fulfilled by furnishing transportation services designed to meet the distinct needs of Broker.

(5) Rates may be established or amended verbally in order to meet specific shipping schedules, as mutually agreed, but such verbal contract shall be reproduced in writing within eight (8) hours of the movement of the involved freight, in order to remain binding between the parties. Performance by the Carrier after receipt of the rate by mail, fax, email or other commercially reasonable method of transmission shall be deemed acceptance and/or ratification of the rate and shipping schedule.

(6) The Carrier shall, on each movement, issue a uniform (straight) Bill of Lading, and the traffic shall move under the terms and conditions of said Bill of Lading, which shall contain the standard provision as to the filing and settling of claims.

(7) Broker agrees to pay Carrier for the transportation of authorized commodities under this agreement in accordance with effective schedules.

(8) Neither party hereto will be liable for the failure to tender or timely transport freight under this Agreement if such failure, delay or other omission is caused by strikes, acts of God, war, accidents, civil disorder, or through compliance with legally constituted order of civil or military authorities.

(9) Carrier shall be liable to the Broker for loss or damage to any property transported under this agreement. Such liability shall begin at the time cargo is loaded upon Carrier's equipment at point of origin, and continue until said cargo is delivered to the designated consignee at destination or to any intermediate stopoff party. The liability shall be of the replacement cost of the loss or damaged item(s) if Carrier is proven to be liable.

(10) Cargo claims shall be investigated and settled in accordance with the regulations codified at 49 C.F.R. 1005. As a condition precedent to recovery, claims must be filed in writing with the receiving or delivering Carrier, and Carrier issuing this bill of lading, or Carrier on whose line the loss, damage, injury or delay occurred, or Carrier in possession of the property, when the loss, damage, injury or delay occurred, within one (1) year after delivery of the property; or, in the case of failure to make a delivery, then within one (1) year after reasonable time for delivery has elapsed; and suits shall be instituted against any carrier within two (2) years, three (3) months and one (1) day from the day when notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claims or any part or parts thereof specific in the notice. Where claims are not instituted thereon in accordance with the foregoing provisions, no carrier hereunder shall be liable, and such claims shall not be paid.

(11) If any dispute arises about any matter covered by the terms of the Motor Contract Carrier Agreement, the dispute must be submitted, by the party who alleges a violation filing a complaint with the Department of Transportation; Carrier, at its sole option, may elect to waive filing a complaint with the Department of Transportation and elect to commence legal action in the State of Illinois. The complaint shall contain specific references to pertinent statutory provisions and regulations of the Commission, and the terms of this contract that the complainant believes have been violated. Such a complaint shall be submitted in accordance with all of the provisions of 49 C.F.R. 1111. No court action can be taken by either party prior to the decision of the Commission, and the decision of the Commission shall be binding, final and non-appealable. If for any reason the Commission refuses to accept the complaint, or refuses to make a ruling on the subject matter of the complaint, then the parties' recourse shall be to the judicial system, either state or federal, in the federal district or state county in which the broker is located.

(12) The relationship of the Carrier to the Broker, shall, at all times be that of an independent contractor, except that the Broker shall be the agent for the Carrier for the collection of freight charges from the Shipper.

(13) This agreement is to become effective _____, and shall remain in effect for a period of one (1) year from such date, and from year to year thereafter, subject to the right of either party hereto to cancel or terminate the agreement at any time upon not less than thirty (30) days written notice of one party to another.

(14) Carrier shall not solicit traffic from any Shipper, Consignor, Consignee or Customer of Broker where (1) the availability of such traffic first became known to Carrier as a result of Broker's efforts, or (2) where the traffic of the Shipper, Consignor, Consignee or Customer of the Broker was first tendered to the Carrier by the Broker. If Carrier breaches this agreement and "back-solicits" the Broker's Customers, and obtains traffic from such a Customer, the Broker then is entitled for a period of three (3) years after the involved traffic first begins to move, to commission from the Carrier of 15% of the transportation revenue on the movement of the traffic.

(15) **Entire Agreement.** This Agreement, together with the Schedules and Exhibits attached hereto, contains all of the terms agreed upon with respect to the subject matter hereof, supersedes and replaces any prior understandings and agreements by and among the parties respecting the subject matter of this Agreement and may be modified or amended only by a written agreement executed by all the parties hereto.

(16) **Indemnity.** Carrier agrees to hold harmless and indemnify Broker from any and all loss, cost, charge, risk, liability, expense or damage Broker may incur, including, without limitation, interest, court costs and legal fees, by reason of Carrier's acts under this Agreement.

(17) **Presumption.** This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said party.

(18) **Titles and Captions.** All article, section and paragraph, titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor affect the interpretation of this Agreement.

(19) **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois.

(20) **Savings Clause.** If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

(21) **Benefit; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and permitted assigns. Neither party may transfer or assign this Agreement without prior written consent of the other party. In addition, Carrier agrees and warrants to Broker that it will not "double broker" any shipment assigned to it by Broker to any other trucking company or carrier and warrants and guarantees that it will transport any shipment assigned to it by Broker under motor vehicle assets which are maintained by Carrier at Carrier's expense which are in the exclusive care, custody and control of carrier, which motor vehicle assets are clearly designated and marked as being owned by the Carrier and which comply with and conform to all applicable Federal, State, and Local Department of Transportation requirements and which are clearly and distinctly marked with Carrier's Department of Transportation Motor Carrier number.

(22) **Counterparts.** This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not or may not be signatories to the original or the same counterpart.

BROKER:
TDS LOGISTICS, INC.
2920 Bono Road
Staunton, IL 62088
Phone: 618-635-2698
Fax: 618-635-2836

By: _____
Title _____
Date: _____

CARRIER:
Name: _____
Address: _____
Phone: _____
Fax: _____

By: _____
Title _____
Date: _____

ADDENDUM TO CONTRACT

WE ARE NOW OFFERING QUICK PAY ON ALL INVOICES USING THE FOLLOWING SCHEDULE

_____ **Five (5) Days - Discount @ 10%**

_____ **Ten (10) Days - Discount @ 7%**

_____ **Fifteen (15) Days - Discount @ 5%**

_____ **Thirty (30) Days - Discount @ 0%**

PLEASE PLACE AN "X" BY WHICHEVER TERMS YOUR COMPANY PREFERS. IF NO "X" THEN THE THIRTY(30) PAYMENT TERM WILL APPLY.

SIGNED: _____

CARRIER: _____



U.S. Department of Transportation
Federal Motor Carrier Safety Administration

1200 New Jersey Ave., S.E.
Washington, DC 20590

SERVICE DATE
April 22, 2009

LICENSE
MC-676256-B
TDS LOGISTICS INC
STAUNTON, IL

This License is evidence of the applicant's authority to engage in operations, in interstate or foreign commerce, as a broker, arranging for transportation of freight (except household goods) by motor vehicle.

This authority will be effective as long as the broker maintains insurance coverage for the protection of the public (49 CFR 387) and the designation of agents upon whom process may be served (49 CFR 366). The applicant shall also render reasonably continuous and adequate service to the public. Failure to maintain compliance will constitute sufficient grounds for revocation of this authority.

A handwritten signature in cursive script that reads "Kathy A. Weiner".

Kathy Weiner, Chief
Information Systems Division

BPO

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. It is estimated that an average of 10 minutes per response is required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Federal Motor Carrier Safety Administration, 400 7th St, SW, Washington, DC 20590.

Form BMC-85

Approved by OMB
2126-0017
Expires: 02/28/2009
License No.
MC- 678256

FMCSA FILER
ACCOUNT NO. 24389-00

PROPERTY BROKER'S TRUST FUND AGREEMENT UNDER 49 U.S.C. 13906
OR NOTICE OF CANCELLATION OF THE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That we TDS LOGISTICS INC
(Broker)
of 9019 ALBRECHT RD STAUNTON IL - 62088
(Street) *(City)* *(State)* *(Zip code)*

as TRUSTOR (hereinafter called Trustor), and Liberty National Financial Corp
(Name of Trustee)

a financial institution created and existing under the laws of Oklahoma
(State or District of Columbia)

as TRUSTEE (hereinafter called Trustee) hold and firmly bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Trustor is or intends to become a Broker pursuant to the provisions of the Title 49 U.S.C. 13904, and the rules and regulations of the Federal Motor Carrier Safety Administration relating to insurance or other security for the protection of motor carriers and shippers, and has elected to file with the Federal Motor Carrier Safety Administration such a Trust Fund Agreement as will ensure financial responsibility and the supplying of transportation subject to the ICC Termination Act of 1995 in accordance with contracts, agreements, or arrangements therefor, and

WHEREAS, this Trust Fund Agreement is written to assure compliance by the Trustor as a licensed Property Broker of Transportation by motor vehicle with 49 U.S.C 13906(b), and the rules and regulations of the Federal Motor Carrier Safety Administration, relating to insurance or other security for the protection of motor carriers or shippers, and shall insure to the benefit of any and all motor carriers or shippers to whom the Trustor may be legally liable for any of the damages herein described.

NOW, THEREFORE, the trustor and trustee, to accomplish the above, agree as follows:

1. Trustee agrees that payments made pursuant to the security provided herein to shippers and motor carriers pursuant to this Agreement will be made exclusively and directly to shippers or motor carriers that are parties to contracts, agreements or arrangements with Trustor.
2. Trustee agrees that the protection afforded to shippers and motor carriers hereby will continue until any and all claims made by shippers or motor carriers for which Trustor may be legally liable have been settled or until the funds deposited by Trustor pursuant to this Agreement have been exhausted, whichever comes first.
3. The parties hereto acknowledge and certify that said Trustee shall exclusively manage the security and trust fund, as herein set forth, and shall have legal title to the security and trust fund, pursuant to the terms and conditions as set forth in this agreement. Further, the parties hereto, and the said Trustee, as evidenced by their signatures to this agreement, acknowledge and certify that (a) said Trustee, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustor; and (b) said Trustor, neither has nor expects to have any interest, financial, proprietary, or otherwise, whatsoever, in Trustee.
4. Trustee acknowledges the receipt of the sum of Ten Thousand Dollars (\$10,000.00), to be held in trust under the terms and conditions set forth herein.
5. Trustee may, within its sole discretion, invest the funds comprising the corpus of this trust fund consistent with its fiduciary obligation under applicable law.
6. Trustee shall pay, up to a limit of Ten Thousand Dollars (\$10,000.00), directly to a shipper or motor carrier any sum or sums which Trustee, in good faith, determines that the Trustor has failed to pay and would be held legally liable by reason of Trustor's failure to perform faithfully its contracts, agreements, or arrangements for transportation by authorized motor carriers, made by Trustor while this agreement is in effect, regardless of the financial responsibility or lack thereof, or the solvency or bankruptcy, of Trustor.
7. In the event that the trust fund is drawn upon and the corpus of the trust fund is a sum less than Ten Thousand Dollars (\$10,000.00), Trustor shall, within thirty (30) days, replenish the trust fund up to Ten Thousand Dollars (\$10,000.00) by paying to the Trustee a sum equal to the difference between the existing corpus of the trust fund and Ten Thousand Dollars (\$10,000.00).

- 8. Trustee shall immediately give written notice to the FMCSA of all lawsuits filed, judgments rendered, and payments made under this trust agreement and of any failure by Trustor to replenish the trust fund as required herein.
- 9. This agreement may be canceled at any time upon thirty (30) days written notice by the Trustee or Trustor to the FMCSA on the form printed at the bottom of this agreement. The thirty (30) day notice period shall commence upon actual receipt of a copy of the trust fund agreement with the completed notice of cancellation at the FMCSA's Washington, DC office. The Trustee and/or Trustor specifically agrees to file such written notice of cancellation.
- 10. All sums due the Trustee as a result, directly or indirectly, of the administration of the trust fund under this agreement shall be billed directly to Trustor and in no event shall said sums be paid from the corpus of the trust fund herein established.
- 11. Trustee shall maintain a record of all financial transactions concerning the Fund, which will be available to Trustor upon request and reasonable notice and to the FMCSA upon request.
- 12. This agreement shall be governed by the laws in the State of Oklahoma, to the extent not inconsistent with the rules and regulations of the FMCSA.

This trust fund agreement is effective the 10TH day of APRIL, 09, 12:01 a.m., standard time at the address of the Trustor as stated herein and shall continue in force until terminated as herein provided.

Trustee shall not be liable for payments of any of the damages hereinbefore described which arise as the result of any contracts, agreements, undertakings, or arrangements made by the Trustor for the supplying of transportation after the cancellation of this Agreement, as herein provided, but such cancellation shall not affect the liability of the Trustee for the payment of any such damages arising as the result of contracts, agreements, or arrangements made by the Trustor for the supplying of transportation prior to the date such cancellation becomes effective.

IN WITNESS WHEREOF, the said Trustor and Trustee have executed this instrument on the 10TH day of APRIL.

TRUSTOR

Name TDS LOGISTICS INC

Address 9019 ALBRECHT RD/STAUNTON IL - 62088

Telephone No. (618) 635-2698

By Thomas L Schmitt Sr
(Signature and Title)

Witness Ken Bartlett

TRUSTEE

Name Liberty National Financial Corp. [SEAL]

Address 1300 12th Ave SE Ste 248 Norman, OK 73071

Telephone No. (405) 321-5310

By [Signature]
(Signature and Title)

Witness [Signature]

Only financial institutions may qualify to act as Trustee. Trustee, by the above signature, certifies that it is a financial institution and has legal authority to assume the obligations of Trustee and the financial ability to discharge them.

NOTICE OF CANCELLATION

THIS IS TO ADVISE THAT THE ABOVE BROKER TRUST FUND AGREEMENT EXECUTED ON THE _____ DAY OF _____ IS HEREBY CANCELED AS SECURITY IN COMPLIANCE WITH THE FMCSA SECURITY REQUIREMENTS UNDER 49 U.S.C. 13906(b) and 49 CFR 387.307, EFFECTIVE AS OF THE _____ DAY OF _____, 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE TRUSTOR, PROVIDED SUCH DATE IS NOT LESS THAN THIRTY (30) DAYS AFTER THE ACTUAL RECEIPT OF THIS NOTICE BY THE FMCSA.

DATE SIGNED

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF TRUSTEE OR TRUSTOR



June 10, 2009

THOMAS SCHMIDT JR
TDS LOGISTICS INC
9019 ALBRECHT ROAD
STAUNTON, IL 62088

CERTIFICATE OF STANDARD CARRIER ALPHA CODE (SCAC) ASSIGNMENT

The Standard Carrier Alpha Code of **TDGB** has been assigned to:

TDS LOGISTICS INC
9019 ALBRECHT ROAD
STAUNTON, IL 62088
MC-676256

This Alpha Code will apply only to the company name shown above through June 30, 2010. An invoice will be mailed approximately one month prior to expiration and must be returned promptly together with payment to ensure its continued validity. Should the company name or address change, please notify the National Motor Freight Association, Inc. at the address above. If you participate in the Bureau of Customs & Border Protection ACE, AMS, CAFES, FAST or PAPS programs, it is your responsibility to ensure that a copy of this letter is forwarded (email preferred) to the following address:

CBP SCAC Processing
Bureau of Customs and Border Protection
7681 Boston Blvd., Beauregard 1st Fl Wing A
Springfield, VA 22153
AMS.SCAC@DHS.GOV
Fax 703.650-3650

Alpha Codes ending with the letter "U" have been reserved for the identification of freight containers. If your Alpha Code ends with the letter "U", it should be used only for this purpose. A non-U ending Alpha Code should be obtained to satisfy other requirements such as company identification for Customs, Electronic Data Interchange, freight payments, tariffs, etc.

NOTICE: Assignment of the above listed SCAC is unrelated to participation in the National Motor Freight Classification (NMFC). Further, it does not confer membership in the National Motor Freight Traffic Association, Inc. nor allow use of the NMFC in connection with freight rates. For participation and membership information, please call (703) 838-1810

Request for Taxpayer Identification Number and Certification

**Give form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

Limited liability company (LLC). Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

Other entities. Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.