

Sterne, Agee & Leach, Inc.
1500 First National-Southern
Natural Building
Birmingham, Alabama 35203

Person to Contact:
Ms. B. Garcia
Telephone Number:
(202) 566-4185
Refer Reply to:
E:EP:T:3
Date:

SEP 11 1981

Gentlemen:

You have requested a determination that Sterne, Agee & Leach, Inc. may act as a passive trustee or custodian of plans benefiting owner-employees (Keogh plans) and Individual Retirement Accounts (IRAs) as provided in section 1.401-12(n) of the Income Tax Regulations.

Sections 401(d)(1) and 408(a)(2) of the Internal Revenue Code, as amended by the Employee Retirement Income Security Act of 1974 (ERISA), require a trustee or custodian of Keogh plans and IRAs to be a bank or such other person who demonstrates to the satisfaction of the Commissioner that he will administer such trusts in accordance with the requirements of sections 401 and 408, respectively.

Additionally, section 401(f) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section and the custodian is a bank (as defined in section 401(d)(1)) or other person who demonstrates to the satisfaction of the Commissioner that the manner in which such other plan will hold the assets will be consistent with the requirements of section 401 of the Code. Section 408(h) provides similar rules for custodians of individual retirement accounts.

Section 1.401-12(n) of the regulations provides that such a person must file a written application with the Commissioner, demonstrating as set forth in that section, his ability to act as trustee or custodian of plans benefiting owner-employees and individual retirement accounts.

We have concluded from all the representations made in the application that Sterne, Agee & Leach, Inc. meets the requirements of section 1.401-12(n) of the regulations and, therefore, may act as a passive trustee or custodian for Keogh plans and IRAs.

This letter authorizes Sterne, Agee & Leach, Inc. to act only as a passive trustee or custodian within the meaning of section 1.401-12(n) of the regulations; that is, it is authorized only to acquire and hold particular investments specified by the custodial or trust instrument. It may not act as trustee or custodian if under the written trust or custodial instrument it has discretion to direct investment of trust or custodial funds or any other aspects of the business administration of the trust or custodial account.

EXHIBIT B

Sterne, Agee & Leach, Inc.

This letter, while authorizing Sterne, Agee & Leach, Inc. to act as a passive trustee or custodian within the meaning of section 1.401-12(n)(7) of the regulations, does not authorize it to pool accounts in a common investment fund within the meaning of section 1.401-12(n)(6)(vi) of the regulations. Sterne, Agee & Leach, Inc. may not act as trustee or custodian unless it undertakes to act only under trust and custodial instruments which contain a provision to the effect that the employer is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because the specified trustee or custodian has failed to comply with the requirements of such regulations or is not keeping such records, or making such returns, or rendering such statements, as are required by forms or regulations.

Sterne, Agee & Leach, Inc. is required to notify the Commissioner of Internal Revenue, Attn: E:EP, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representation made in its application required by section 1.401-12(n) of the Income Tax Regulations.

Furthermore, the continued approval of its application is contingent upon its continued satisfaction of the criteria set forth in section 1.401-12(n) of the Income Tax Regulations.

This letter constitutes a determination as to whether Sterne, Agee & Leach, Inc. may act as trustee under section 401(d)(1) of the Code and does not bear upon its capacity to act as trustee or custodian under any other applicable law.

In accordance with the power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely yours,

(Signed) John Swieca

John J. Swieca
Acting Chief, Employee Plans
Technical Branch



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

APR 04 2012

Sterne, Agee & Leach, Inc.
Attn: C. Fred Wagstaff, III, Chief Financial Officer
800 Shades Creek Parkway, Suite 815
Birmingham, AL 35209

EIN: 63-0463600

Re: Sterne, Agee & Leach, Inc. — Nonbank Custodian Status

Mr. Wagstaff:

This is in response to your letter dated December 29, 2011, concerning a change to Sterne, Agee & Leach, Inc.'s nonbank custodian application, which was approved on September 11, 1981, pursuant to section 1.408-2(e) (formerly 1.401-12(n)) of the Income Tax Regulations (the regulations).

Pursuant to section 1.408-2(e)(6)(iv) of the regulations, you informed this office that you are now acting as a non-bank fiduciary for the following additional types of accounts not addressed in the September 11, 1981 approval letter: 401(not Keogh), 403(b)(7), and 530 Coverdell. Your original letter only approved you to act as a custodian for Keogh plans and IRAs under section 1.401-12(n) (now section 1.408-2(e)) of the regulations.

Your letter did not reveal any other changes that would materially affect the continuing accuracy of your nonbank trustee application.

Accordingly, we have updated your nonbank trustee application to reflect the information contained in your letter dated December 29, 2011.

Thank you for writing to us about this matter. No further action will be taken by this office.

This letter is not a new determination, nor a determination as to whether Sterne, Agee & Leach, Inc. continues to meet the requirements of section 1.408-2(e) of the regulations.

If you have any questions, please contact Mr. Darnell Hardy (Identification No. 1001492668) at (202) 283-9647.

Sincerely,

A handwritten signature in blue ink that reads "Carlton A. Watkins".

Carlton A. Watkins, Manager
Employee Plans Technical Group 1