

Dear Client,

Our records indicate that you have a Distribution On Demand form on file with Baird for your IRA account. This letter serves as the notice of your right to change the current withholding election you have on file with us. If you choose to change your withholding election, the withholding election will supersede previous withholding elections you have on file with Baird, including withholding on periodic distributions and checks.

Please be advised that if you choose to maintain your current withholding election on file with Baird, no response is required. Please contact your Financial Advisor with any questions you have. You should also consider contacting your tax advisor before implementing any tax strategies.

Account Transactions - IRA Department
Robert W. Baird & Co. Incorporated
(Form W-4P/OMB No. 1545-0415)

Name _____ Account Number _____

Yes, withhold federal income tax at a rate of _____ % (not less than 10%) from the amount withdrawn.

Withhold additional federal income tax of \$ _____ .

Withhold state income tax at a rate of _____ % from the amount withdrawn (complete only if applicable).

No, I elect not to have federal income tax withheld. I understand that I am still liable for the payment of federal income tax on the amount of any distributions received. I also understand that I may be subject to federal income tax penalties under the estimated tax payment rules if my payments of the estimated tax and withholding are insufficient.

Signature _____ Date _____

Generally, federal income tax withholding applies to payments made from pension, profit-sharing, stock bonus, annuity and certain deferred compensation plans, IRAs and commercial annuities.

Purpose of Form W-4P

Unless you elect otherwise, federal income tax will be withheld from payments from Individual Retirement Accounts (IRAs). You can use Form W-4P or a substitute form, such as this form, furnished by the Trustee or Custodian, to instruct your Trustee or Custodian to withhold no tax from your IRA payments (or to revoke this election). This substitute form should be used only for distributions from IRAs that are payable upon demand.

Nonperiodic Payments

Payments from IRAs that are payable upon demand are treated as nonperiodic payments for federal income tax purposes. Generally, nonperiodic payments must have income tax withheld at a rate not less than 10%.

Periodic Payments

You can elect to have no income tax withheld from a periodic payment (IRA payment) by filing Form W-4P or a substitute form with the Trustee or Custodian and checking the appropriate box on that form. Your election will remain in effect for any subsequent distribution unless you change or revoke it.

The election to not have income tax withheld does not apply to any payments that are delivered outside the United States or its possessions to a U.S. citizen or resident alien. Other recipients who have these payments delivered outside the United States or its possessions may choose not to have income tax withheld only if an individual completes Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or satisfies the documentation requirements as provided under the regulations.

For more information, please see Publication 505, Tax Withholding and Estimated Tax, available from most IRS offices.

Caution: Remember that there are penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using Form W-4P.

Revoking the Exemption From Withholding

If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the Trustee or Custodian and check the appropriate box on that form.

Statement of Income Tax Withheld From Your IRA

By January 31 of next year, you will receive a statement from your Trustee or Custodian showing the total amount of your IRA payments and the total federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the Trustee or Custodian.

Please return this form to your Financial Advisor or to the Account Transactions - IRA Department at the below address.

Robert W. Baird & Co.
777 East Wisconsin Avenue
Milwaukee, WI 53202-5391
Main 414-765-3500
Toll Free 800-RW-BAIRD
rwbaird.com

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