This Disclosure Booklet is intended to comply with the College Savings Plans Network Disclosure Principles, Statement No. 6, adopted June 8, 2017.

**NOTE:** Section 529 qualified tuition programs are intended to be used only to save for Qualified Education Expenses, which now includes tuition expenses for kindergarten through twelfth grade. These programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.
# START K12 Program

## LOCATOR TABLE

You can find information in this Disclosure Booklet on these important topics:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Principal Location(s) in this Booklet</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions</td>
<td>• Definitions</td>
<td>B-1</td>
</tr>
<tr>
<td>Overview of Key Features</td>
<td>• Overview of Key Features</td>
<td>2</td>
</tr>
<tr>
<td>Fees and Costs</td>
<td>• Fees and Charges</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>• 2018 Program Fee Disclosure (Appendix D)</td>
<td>D-1</td>
</tr>
<tr>
<td>Investments</td>
<td>• Deposits and Investments</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>• Selection of Investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>• Investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>• Investments – Changes By Account Owner</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>• Trade Date</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>• The Vanguard Group</td>
<td>24</td>
</tr>
<tr>
<td>How and When Louisiana Tuition Trust Authority (LATTA) May Change The Investment Options</td>
<td>• Investment Management</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>• Selection of Investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>• Responsibilities and Powers of LATTA and the State Treasurer</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>• The Vanguard Group</td>
<td>24</td>
</tr>
<tr>
<td>Investment Performance</td>
<td>• Performance Charts (Appendix E)</td>
<td>E-1</td>
</tr>
<tr>
<td>Federal and State Tax Considerations</td>
<td>• Other States’ Qualified Tuition Programs</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>• Refunds</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>• Rollover Deposits</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>• Tax Benefits and Consequences</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>• Tax and Other Considerations</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>• Termination of a START K12 Account</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>• Transfer of START K12</td>
<td>24</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>• Investment Risks</td>
<td>12</td>
</tr>
<tr>
<td>Limitations or penalties imposed by the Program upon:</td>
<td>• Disbursements</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>• Investments – Changes By Account Owner</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>• Limitations</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>• Refunds</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>• Tax and Other Considerations</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>• Transfer of a START K12 Account</td>
<td>24</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

LOCATOR TABLE ........................................................................................................................................................................i
TABLE OF CONTENTS .....................................................................................................................................................................ii
Preface .........................................................................................................................................................................................1
  Disclosure .....................................................................................................................................................................................1
  Privacy Policy .............................................................................................................................................................................1
  Accuracy of Information in Disclosure Booklet.......................................................................................................................1
  Acknowledgement of Terms and Conditions ..........................................................................................................................1
  Administration ............................................................................................................................................................................1
  Authorized Representatives .....................................................................................................................................................1
  Booklet Availability ...............................................................................................................................................................2
  Definitions ................................................................................................................................................................................2
  Governing Laws ......................................................................................................................................................................2
  Not an Offer to Sell or Buy ....................................................................................................................................................2
  Offering Materials .................................................................................................................................................................2
  Other States’ Qualified Tuition Programs .............................................................................................................................2
  Participation Agreements ......................................................................................................................................................2
  Speakers Available ...............................................................................................................................................................2
Overview of Key Features ...........................................................................................................................................................2
  Purpose .....................................................................................................................................................................................2
  What Are Qualified Education Expenses? ............................................................................................................................3
  Deposits and Investments ....................................................................................................................................................3
  Documents in Good Order ....................................................................................................................................................3
  START K12 Account ............................................................................................................................................................3
  Investment Management ....................................................................................................................................................3
  Obligation of LATTA ............................................................................................................................................................3
  Opening a START K12 Account ........................................................................................................................................4
    Who May Open a START K12 Account? ............................................................................................................................4
    Participation Agreements ................................................................................................................................................4
    How to Open a START K12 Account ................................................................................................................................4
  Restrictions and Limitations ................................................................................................................................................4
    Disbursements and Refunds ...........................................................................................................................................4
    Maximum Total Account Value .......................................................................................................................................5
    Selection of Investment Funds ...........................................................................................................................................5
Disclosures, Terms, and Conditions

Abandoned START K12 Accounts
START K12 Account Categories
Account Owners
Authorizations and Certifications By Account Owner
Beneficiary of the Education Savings Account
Compliance with Law
Court Jurisdiction
Death or Disability of the Beneficiary
Deposits
Disbursements
Equity Investments
Fees and Charges
Selection of Investments: Designation of Deposits
Investments
Investments - Changes By Account Owner
Investment Risks
Involuntary Termination of a START K12 Account, With Penalty
Limitations
Louisiana Education Tuition and Savings Fund (Fund)
Management of the Fund
Refunds
Reports, Statements and Audits
Responsibilities and Powers of LATTA and State Treasurer
Rollover Deposits
Rollovers To Another 529 Qualified Tuition Program
Tax and Other Considerations
Disclaimer
Federal Tax Considerations
Federal Tax Treatment of Earnings
Federal Gift/Estate Tax
Transfers and Rollovers
Coverdell Education Savings Accounts
Disbursements from a START K12 Account
Generally
Qualified Higher Education Expense Disbursements
Refunds (Non-Qualified Distributions) and the Federal Additional Tax
Aggregation of START K12 Accounts
Determination of Taxable Earnings
Potential Future Changes in Federal Tax Law
Notice of Proposed Rulemaking
State Tax Considerations
This Student Tuition Assistance and Revenue Trust K12 (START K12) Program Disclosure Booklet Provides Important Information Concerning Certain Risks Relating To The Opening Of A START K12 Account And The Terms And Conditions For Participating In The START K12 Program. For This Reason, This Disclosure Booklet Must Be Read In Its Entirety Before Taking Any Action To Complete The START K12 Program Account Application. Please Read It Thoroughly Before You Open A START K12 Account And Keep It For Future Reference.

Protecting the privacy of your personal information is important to us. We respect your right to privacy and recognize our obligation to keep information about you secure and confidential. We do not sell or share information about you with outside marketers.

Federal law requires us to give you this notice about our privacy policy. The law also requires us to provide you with a copy of this notice each year that you are our customer. This Notice uses the term “nonpublic personal information.” This means personal information about you that identifies you and that is not available from public sources.

We collect nonpublic personal information about you and your Beneficiary from the following sources:

- Information we receive from you on START K12 Account applications, correspondence, communications, and other forms; and
- Information about your transactions with us or others with respect to your START K12 Account (from parties such as the State of Louisiana, Department of Revenue and its agents).

We do not disclose any nonpublic personal information about you, the Beneficiary, or our other current or former customers to anyone, except as permitted by law. (For example, we share such information with our contractors and agents, and to the Internal Revenue Service as needed to administer your START K12 Account in accordance with law and your direction.)

We restrict access to nonpublic personal information about you to our employees, contractors and agents who need to know the information in order to provide service to you. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations to safeguard your nonpublic personal information.

The information set forth herein has been obtained from official sources, which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Disclosure Booklet nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the START K12 Program or the Louisiana Tuition Trust Authority (LATTA) and the Louisiana State Treasurer (Program Managers) since the date hereof.

This START K12 Program Disclosure Booklet contains the Terms and Conditions applicable to a START K12 Account and the Participation Agreement. A completed START K12 Program Account Application includes an acknowledgement that you agree to be bound by the terms and conditions of this Disclosure Booklet and Participation Agreement. This Disclosure Booklet and the Account Application constitute the entire agreement between you and LATTA. The Account Owner, by signing the Account Application, and LATTA, by accepting it, have entered into an agreement for a START K12 Account in the START K12 Program administered by LATTA, subject to the Terms and Conditions and Disclosures in this Disclosure Booklet and Participation Agreement.

The START K12 Program is administered by LATTA, a statutory board created specifically for the purpose of administering the state’s qualified IRC Section 529 and 529a programs. Under the direction of LATTA, the Louisiana Office of Student Financial Assistance (LOSFA), a program of the Board of Regents (BOR), manages the program on a day-to-day basis. In accordance with the Louisiana Administrative Procedure Act, LATTA has promulgated rules to implement the START K12 Program and promulgates amendments to the rules from time to time.

No dealer, broker, salesperson or other person has been authorized by the START K12 Program or LATTA to give any information or to make any representations other than those contained in this Disclosure Booklet and, if given or made, such other information or representations must not be relied upon as having been authorized by the
START K12 Program Disclosure Booklet – November 15, 2018

**BOOKLET AVAILABILITY**

This Disclosure Booklet is available as public information on the START K12 Program’s Web site at [http://www.startsaving.la.gov](http://www.startsaving.la.gov).

**DEFINITIONS**

Capitalized words and terms not otherwise defined in the Disclosure Booklet have the meanings ascribed to such words and terms in the Glossary in Appendix B.

The following terms used in this booklet are defined as:

“Disbursement” is referred to in the Internal Revenue Code (IRC), Section 529, as a “Qualified Distribution” or a distribution made for payment of the Qualified Education Expenses of a designated Beneficiary.

“Refund” is referred to in IRC Section 529 as a “Non-Qualified Distribution” or a distribution NOT made for payment of the Qualified Education Expenses of a designated Beneficiary.

**GOVERNING LAWS**

This Disclosure Booklet of the Louisiana START K12 Program, as implemented by LSA-R.S. 17:3091 et seq. (Act), and the Louisiana Education Tuition and Savings Fund (Fund) is provided in connection with the START K12 Program Account Application, which is required for the opening of a START K12 Account. The START K12 Program Disclosure Booklet, including the appropriate Participation Agreement, all START K12 Accounts, and the START K12 Program are governed by the laws of the United States, the laws of the State of Louisiana and the Rules and Regulations adopted by LATTA. Any amendments to the federal or state statutes, rules or regulations governing the START K12 Program will amend the Agreement and the operation of the START K12 Program.

**NOT AN OFFER TO SELL OR BUY**

This Disclosure Booklet does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of START K12 Accounts by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. START K12 Accounts have not been registered with or approved by the United States Securities and Exchange Commission or any state securities commission.

**OFFERING MATERIALS**

This Disclosure Booklet with the accompanying Account Application has been identified by Louisiana’s START K12 Program as the Offering Materials intended to provide substantive disclosure of the terms and conditions of an investment in Louisiana’s START K12 Program. These Offering Materials are intended to comply with the College Savings Plans Network Disclosure Principles, Statement No. 6, adopted June 8, 2017.

**OTHER STATES’ QUALIFIED TUITION PROGRAMS**

IRC Section 529 Qualified Tuition Programs offered by other states may offer tax or other benefits to taxpayers or residents of those states that are not available under Louisiana’s START K12 Program. If you live outside of Louisiana, you should consider the college savings program offered by your home state or the state where you are employed prior to making a decision to open a START K12 Account in the START K12 Program.

**PARTICIPATION AGREEMENTS**

Each of the Participation Agreements that are included in Appendix A of this Disclosure Booklet is a contract between LATTA and an Account Owner. Those portions of the Disclosure Booklet concerning the START K12 Program and the terms applicable to START K12 Accounts, as modified from time to time, are incorporated by reference into the Participation Agreements. Statements contained in this Disclosure Booklet which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

**SPEAKERS AVAILABLE**

If you would like to host a Louisiana START K12 Program information session at your child’s school, sponsor an employee forum at your workplace, have a speaker at a meeting of a social or community organization, or have a neighborhood meeting for the parents and grandparents on your block, please let us know. Our Public Information Specialists travel the state providing various groups and organizations with complete information on how the Louisiana START K12 Program can help parents, grandparents, and others save for a child’s education. To schedule a speaker/presentation for your group, email our office at custserv@la.gov. If you prefer, you can also schedule a speaker/presentation by calling our office at 1-800-259-5626 between the hours of 8 a.m. – 4:30 p.m. CST.

**OVERVIEW OF KEY FEATURES**

**PURPOSE**

The Louisiana START K12 Program was created by the
Louisiana Legislature, through adoption of Act 687 of the 2018 Regular Session (the Act), to implement the Tax Cuts and Jobs Act of 2017 which allows Internal Revenue Code Section 529 college savings account funds to be used for tuition expenses related to a beneficiary’s enrollment in kindergarten through twelfth grade.

The START K12 Program is designed to allow individuals to save the tuition expenses related to a beneficiary’s enrollment in kindergarten through twelfth grade. The START K12 Program treats Deposits in a tax-favored manner under the provisions of IRC Section 529. To encourage saving, the State of Louisiana does not tax earnings when used to pay for qualified education expenses.

**WHAT ARE QUALIFIED EDUCATION EXPENSES?**

Qualified Education Expenses are expenses for tuition in connection with a beneficiary’s enrollment or attendance at an elementary or secondary school in grades kindergarten through twelve.

**DEPOSITS AND INVESTMENTS**

All Deposits to a START K12 Account are voluntary. An Account Owner may choose among the START K12 Program investments options selected by the State Treasurer.

Moneys Deposited for investment are held in a special account within the state Treasury until the Trade Date, when they are invested by the State Treasurer in one or more funds managed by The Vanguard Group. The particular Vanguard fund or funds in which an investment option invests are selected by the Louisiana State Treasurer and may change over time. As a START K12 Account Owner, you will own an interest in the START K12 Program, but you will not own shares of the underlying Vanguard funds.

**DOCUMENTS IN GOOD ORDER**

To process any transaction or request related to a START K12 Account, any documentation pertinent to the transaction or request must be executed when required and properly, fully, and accurately completed. LATTA may refuse to accept a START K12 Account Application or to process a transaction based upon the applicant’s or Account Owner’s failure to provide adequate documentation or to meet certain conditions set forth in the Terms and Conditions of this Disclosure Booklet and/or in the rules and regulations adopted by LATTA.

**START K12 ACCOUNT**

Upon LATTA’s acceptance of an Account Application, an individual START K12 Account will be established in the name of the Account Owner and for the benefit of the named Beneficiary. A Beneficiary must be a Natural Person. Funds are Disbursed from the START K12 Account for the purpose of paying the Qualified Education Expenses of the Beneficiary for attendance at an Eligible Educational Institution.

**NO GUARANTEE AS TO RETURN OR SUITABILITY**

Neither LATTA, LOSFA, the Louisiana State Treasurer nor the State of Louisiana guarantee the moneys that are invested in the START K12 Program. Deposits that are invested by the START K12 Program in funds of The Vanguard Group are neither guaranteed nor insured by The Vanguard Group, the Federal Deposit Insurance Corporation (FDIC), or any other entity. The value of your START K12 Account will depend on market conditions and the performance of the underlying funds in the investment(s) you select. Data showing the performance of the START K12 investments is presented in charts in Appendix E. INVESTMENTS IN VARIABLE EARNINGS FUNDS CAN GO UP OR DOWN IN VALUE, AND YOU COULD LOSE MONEY BY INVESTING IN THESE FUNDS.

**INVESTMENT MANAGEMENT**

All Deposits to the START K12 Program are invested on behalf of the program by the Louisiana State Treasurer. The investments are managed by The Vanguard Group, which is under contract to the Louisiana State Treasurer and LATTA. (See Equity Investments below for more information.) The current contract between The Vanguard Group, the Louisiana State Treasurer and LATTA is set to expire on December 31, 2019, at which time a new contract will be negotiated with an equity manager selected by the State Treasurer.

**OBLIGATION OF LATTA**

After an Account Application has been accepted and Deposits are being made according to the Terms and Conditions of the Agreement, LATTA is obligated to Disburse funds to the Account Owner up to the Current Value of the START K12 Account, or $10,000, whichever is less, to pay for the Qualified Education Expenses of the Beneficiary. The START K12 Program does not assist an Account Owner with respect to the admission, continued attendance, or graduation of the beneficiary from a particular eligible educational institution.

Once the START K12 Account is established, the Account Owner will choose the Investment fund to receive Deposits made to the START K12 Account.
In order to participate in the START K12 Program, a prospective Account Owner must complete a START K12 Program Account Application designating a Beneficiary to receive funds contributed to the START K12 Account (and earnings thereon) to pay for Qualified Education Expenses at an Eligible Educational Institution. Submission of an Account Application is acceptance of the terms and conditions of the Participation Agreement in this Disclosure Booklet. The Participation Agreement is subject to applicable federal and state statutory requirements and the program rules. The rules may be obtained from LOSFA or accessed at the information center on LOSFA’s Web site: http://www.startsaving.la.gov.

Who May Open A START K12 Account?

A START K12 Account may be opened by an individual, a Legal Entity, or a custodian who meets the following requirements:

- Both the Account Owner and the Beneficiary are U.S. Citizens, are permanent residents of the United States, or are lawfully residing in the United States and have a valid social security number.
- Either the Account Owner or the Beneficiary must be a Louisiana Resident.
- Individual Account Owners must be at least eighteen (18) years old at the time the START K12 account is opened.
- An authorized representative of a Legal Entity must open a START K12 Account in the name of the Legal Entity.
- Custodians for minors under the Uniform Transfers to Minors Act (UTMA) and custodians of minors appointed by courts of competent jurisdiction may open START K12 Accounts in the name of the minor.
- Signing the Account Application is your agreement to the terms and conditions of the Participation Agreement (individual, Legal Entity or custodian) that is applicable to your status.

Participation Agreements

There are Participation Agreements for individuals, Legal Entities and for custodians, whether appointed by a court or in accordance with UTMA. Each is found in Appendix A to this Disclosure Booklet. The Participation Agreement applicable to the status of the person opening the START K12 Account is the contract among the Louisiana State Treasurer, the LATTA, and the Account Owner. All the terms, conditions and disclosures contained in this Disclosure Booklet, as modified from time to time, are incorporated by reference into the Participation Agreements.

How to Open A START K12 Account

If you are an individual opening a START K12 Account in your name, you must (i) complete a paper Account Application for Natural Persons, or (ii) complete the Account Application for Natural Persons online at the START K12 Program’s Web site at http://www.startsaving.la.gov.

If you are an authorized representative of a Legal Entity, you must complete a paper Account Application for Legal Entities. You will be required to submit documentation corroborating your authority to sign on behalf of the Legal Entity. See the Participation Agreement for Legal Entities in Appendix A for a list of approved documentation.

If you are the custodian of a minor child, whether you were appointed by a court or in accordance with UTMA, you must complete a paper Account Application for Natural Persons with certain notations. Before submission of the Account Application, call the START K12 Program for instructions. You will be required to provide documents corroborating your status as custodian.

All Account Applications are available from the START K12 Program (See Contact Us in Appendix C.) or may be downloaded from the START K12 Program’s Web site at http://www.startsaving.la.gov.

Restrictions and Limitations

Disbursements and Refunds

Disbursements and Refunds are restricted. (See the Disbursements and Refunds sections below for more information.) On the date a START K12 Account is opened, either the Account Owner or his designated Beneficiary must be a Louisiana Resident, as defined in §707 of the START K12 Program rules.

For tax purposes, Disbursements should be requested during the calendar year Qualified Education Expenses are incurred.

Disbursements from a START K12 Account are made for payment of a Beneficiary’s Qualified Education Expenses at an Eligible Educational Institution and may not exceed the Qualified Education Expenses, or $10,000, whichever is less, for the institution attended by the Beneficiary. A Disbursement made for a Beneficiary who does not enroll in an Eligible Educational Institution constitutes a Refund and the amount Disbursed must be redeposited into the START K12 Account within sixty (60) days. LOSFA reserves the right to Refund any balance remaining in the START K12 Account and to close the START K12 Account. (See the Refunds section below for more information.)
Maximum Total Account Value

The total value of a START K12 Account cannot exceed the Maximum Allowable Account Balance, which is $180,000.00. The sum total of funds in all START K12 Accounts for the same Beneficiary may not exceed the Maximum Allowable Account Balance for that Beneficiary. Deposits can be made through automatic bank debit, payroll deduction or direct payment (including lump sums). There is no limitation on the frequency of Deposits and the minimum Deposit amount is ten dollars ($10). (See the Deposits section below for more information.)

Selection of Investment Funds

Account Owners may select one or more investment funds for each new Deposit to a START K12 Account.

Account Owners may change the investments for existing funds in each START K12 Account owned two (2) times during any calendar year.

Suitability

Neither LATTA, BOR, LOSFA, the Louisiana State Treasurer nor The Vanguard Group make any representations regarding the suitability of any investment option to any particular investor. Other types of investments and other types of savings vehicles may be more appropriate, depending upon your personal circumstances. Please consult your tax or investment adviser for more information.

Transferability

A START K12 Account is generally nontransferable except in the event of the transfer of ownership of a START K12 Account due to the death or dissolution of an Account Owner (See the Successor Account Owner section below for further information.) or in the transfer of ownership of the account to the beneficiary of the account by a Legal Entity (See the Transfer of START K12 Accounts section below for more information.)

Tax Benefits and Consequences

Significant tax consequences, both positive and negative, are connected with participation in the START K12 Program. The START K12 Program has been created by the state under the assumption that the program is tax-exempt and that the earnings generated by the investment of Deposits are tax-exempt as a result of the program being designated a “Qualified Tuition Program” in accordance with IRC Section 529. In addition to the federal and state income tax consequences, there are gift tax consequences that should be considered upon the opening of a START K12 Account on behalf of a Beneficiary and the making of Deposits to that account. Both federal and State tax law benefits are available for an Account Owner who opens a START K12 Account, including: federal tax deferral for earnings on Deposits; a limited federal tax deduction for the payment of tuition and related expenses; and earnings are State and federal tax-free when used toward Qualified Education Expenses. Please consult your tax or investment adviser for more information. (See the Tax and Other Considerations section below for more information.)

Term of the Participation Agreement

The term of the Participation Agreement shall commence when accepted by LATTA and continue until terminated pursuant to the terms of the Participation Agreement.

Disclosures, Terms, and Conditions

Abandoned START K12 Accounts

1. A START K12 Account will be abandoned in accordance with LSA-R.S. 9:151 et seq., if, during any five-year period subsequent to the Beneficiary’s twentieth (20th) birthday, the Account Owner has not communicated, in writing or by other means reflected in a contemporaneous record prepared by or on behalf of LATTA or LOSFA, with LATTA or LOSFA concerning the START K12 Account in which the funds are held, and has not otherwise indicated an interest in the funds. A communication, whether in writing or otherwise, from a person other than the Account Owner will not be accepted as an indication of interest in a START K12 Account unless documentation is provided to LATTA or LOSFA or its representative which identifies that person’s legal right to express an interest.

2. If a START K12 Account is abandoned as described herein, it will be terminated and its funds turned over to the Louisiana State Treasurer for deposit in the Bond Security and Redemption Fund where they will be held in trust pending a claim.

START K12 Account Categories

3. START K12 Accounts are assigned to one of five START K12 Account categories based on the state(s) of residence of the Account Owner and the Beneficiary and the relationship between the Account Owner and the Beneficiary at the time the Account Application is submitted. The assignment of a START K12 Account category is permanent, except in the event of the transfer of ownership of a START K12 Account due to the death or dissolution of an Account Owner (See the Successor Account Owner section below for further information.) START K12 Accounts opened for Account Owners are assigned to one of the categories described below.
Category I: Parents, grandparents, court-ordered custodians, persons claiming the Beneficiary as a dependent on their federal income tax return, if, at the time the Account Application is submitted, the Account Owner or Beneficiary is a resident of the state.

Category II: A person or persons determined by the administering agency to be a Member of the Family of the Beneficiary and, at the time the Account Application is submitted, the Account Owner or Beneficiary is a resident of the state. Members of the family include adults related to the Beneficiary as brothers, sisters, aunts, uncles, spouses, in-laws, step-parents and step-siblings.

Category III: Any other person and, at the time the Account Application is submitted, the beneficiary is a resident of this state.

Category IV: Any other person who, at the time the Account Application is submitted, is a resident of the state and the Beneficiary is not a resident of the state.

Category V: Any other person or Legal Entity or any government entity, and at the time of the submission of the Account Application:

(i) The Beneficiary is a resident of the state;

(ii) The federal adjusted income of the Beneficiary’s family is less than $30,000 or the Beneficiary is eligible for a free lunch under the Richard B. Russell National School Act (42 U.S.C. 1751 et seq.); and

(iii) The Beneficiary is not a member of the Account Owner’s family or a member of the family of any member or employee of LATTA or LOSFA.

4. The START K12 Account category is established based on the facts at the time the Account Application is submitted. With the exception of the change in ownership of a START K12 Account due to the death or dissolution of the Account Owner, the START K12 Account category will remain the same for the life of the START K12 Account, regardless of changes in Beneficiary and/or the legal residence of the Account Owner and/or the Beneficiary. In the event of the death of an Account Owner who is a Natural Person or the dissolution of a Legal Entity, the account category will be based on the Account Owner’s state of residence and the relationship between the Account Owner and Beneficiary at the time of the Account Owner’s death.

5. Natural Persons and Legal Entities may open START K12 Accounts for the purpose of donating funds to assist unrelated Beneficiaries to pay for their Qualified Education Expenses.

START K12 Accounts which are opened for unrelated, financially needy beneficiaries are classified as Category V START K12 Accounts. Such donations to a START K12 Account classified in Category V are IRREVOCABLE. Account Owners of Category V START K12 Accounts may elect to change the Beneficiary or authorize LATTA to name a new Beneficiary. In the event the new Beneficiary is not a Member of the Family of the first Beneficiary, there may be tax consequences. The Account Owner should consult with a qualified tax advisor prior to making such a change.

START K12 Accounts which are opened for unrelated Beneficiaries by a Legal Entity are classified as either a Category III or Category IV START K12 Account. The Account Owner may specify on the Account Application that upon the beneficiary’s graduation from high school, the account shall be rolled over into a START Saving Education Savings Account (ESA), and ownership of the account will transfer to the Beneficiary upon his 18th birthday, or upon his enrollment in an eligible postsecondary institution full time, whichever is later. Funds in START K12 Accounts which are transferred to the Beneficiary in this manner may only be disbursed to pay the Qualified Higher Education Expenses of the Beneficiary.

ACCOUNT OWNERS

6. A Natural Person must be at least eighteen (18) years of age to open a START K12 Account.

7. The ownership of a START K12 Account is non-transferable and cannot be assigned or otherwise encumbered, except that a transfer of ownership will occur in the event of the death of the Account Owner who is a Natural Person or the dissolution of a Legal Entity (See the Successor Account Owner section below for further information.) or in the transfer of ownership of the account to the beneficiary of the account by a Legal Entity. (See the Transfer of START K12 Accounts section below for more information.)

8. In order to be eligible to open a START K12 Account classified in Category V, the Account Owner must provide a copy of the Beneficiary’s family’s state tax return filed with the Louisiana Department of Revenue, or a copy of the Beneficiary’s family’s federal or state income tax return filed for the prior tax year, or a declaration by the Beneficiary’s family of its previous year’s income and that a federal return was not required to be filed, or proof the Beneficiary is a ward of the court, or proof the Beneficiary is eligible for a free lunch under the Richard B. Russell National School Act (42 U.S.C. 1751 et seq.).
9. By executing and submitting the Account Application, the Account Owner certifies that he/she has read and understands the START K12 Program Disclosure Booklet and agrees to the terms and conditions of the Participation Agreement. You should retain this Disclosure Booklet for your records.

10. By executing and submitting the Account Application, the account owner certifies that he understands and agrees that the collection of social security numbers is required for administrative purposes and will be used for purposes of federal and state income tax reporting and to access individual START K12 Account information.

11. At the time of signing the Account Application, the Account Owner certifies that both the Account Owner and the Beneficiary are U.S. Citizens, are permanent residents of the United States, or are lawfully residing in the United States and have a valid social security number, and one or both is/are a Louisiana Resident(s).

12. The Account Owner acknowledges, understands, and agrees that any moneys invested in START K12 Accounts are invested at the risk of the Account Owner and any losses of principal shall be borne solely by the Account Owner.

13. As an Account Owner, you agree to and acknowledge the following indemnity:

“You are opening a START K12 Account based upon your statements, agreements, representations, warranties, and covenants as set forth in the Account Application and this Disclosure Booklet. You agree to indemnify and hold harmless the State, LATTA, BOR, the Louisiana State Treasurer, the START K12 Program, any other agency of the State, and any other counsel, adviser, or consultant retained by, or on behalf of, those entities and any employee, officer, official, or agent of those entities from and against any and all loss, damage, liability, penalty, tax, or expense, including costs of reasonable attorneys’ fees, which they shall incur by reason of, or in connection with, any misstatement or misrepresentation that is made by you or your Beneficiary, any breach by you of the acknowledgements, representations, or warranties in the Account Application, this Disclosure Booklet, or the Participation Agreement or any failure by you to fulfill any covenants or agreements in the Participation Agreement. Your statements, representations, warranties, and covenants will survive the termination of your START K12 Account.”

14. LATTA may conclusively rely upon and so long as it acts in good faith, shall not be liable for taking or omitting to take any action in reliance upon any order from the Account Owner or any other notice, request, consent, certificate or other instrument or paper or electronic transmission believed by LATTA to be genuine and to have been properly executed. Any order or notification from the Account Owner or Beneficiary shall be provided in writing on an original document or, if provided by LATTA, via electronic transmission or, at LATTA’s discretion, may be provided by a copy thereof reproduced through photocopying, facsimile transmission or electronic transmission. For this purpose, LATTA may (but is not required to) give the same effect to a verbal instruction as it gives to a written instruction, and LATTA’s action in doing so shall be protected to the same extent as if such verbal instructions were, in fact, written instructions. LATTA shall not be obligated to determine the accuracy or propriety of any such directions and shall be fully protected in acting in accordance therewith. If instructions are received that, in the opinion of LATTA, are unclear or are not given in accordance with the Participation Agreement, LATTA shall not be required to act on the instructions and shall not be liable for any resultant loss.

15. The Account Owner agrees that any failure by LATTA to act or delay beyond time limits prescribed by law or permitted by this Agreement is excused if caused by the Account Owner’s negligence, interruption of communication facilities, suspension of payments by another financial institution, war, emergency conditions or other circumstances beyond the control of LATTA, provided LATTA exercises due diligence as the circumstances require.

16. The Account Owner agrees that in the event LATTA is served with levies, attachments, summons, subpoenas, court orders or other legal processes which name any Account Owner as debtor or otherwise, LATTA shall be entitled to rely upon the representations, warranties and statements made in such legal process. The Account Owner agrees that LATTA may respond to such legal process in its own discretion without regard to jurisdiction. The Account Owner agrees to hold harmless and indemnify LATTA for any losses, expenses and costs, including attorney fees, incurred by LATTA as a result of responding to such legal processes.

**Beneficiary of the START K12 Account**

17. A START K12 Account may be established on behalf of a Beneficiary by any person, whether a Natural Person or a Legal Entity, to include any Member of the Family and any Other Person. Either the Account Owner or the Beneficiary must be a resident of Louisiana at the time the START K12 Account is opened.

18. There is no limit on the number of START K12 Accounts that may be opened for one Beneficiary by different Account Owners; however, the sum total of
funds in all START K12 Accounts for the same Beneficiary may not exceed the Maximum Allowable Account Balance for that Beneficiary. Each START K12 Account may only have one Beneficiary. An Account Owner is not limited in the number of START K12 Accounts opened for different Beneficiaries.

**COMPLIANCE WITH LAW**

19. The START K12 Program is established in accordance with the Act, and is a Qualified Tuition Program under Section 529 of the Internal Revenue Code. Its purpose is to provide the Account Owner an opportunity to save for the Qualified Education Expenses of a named Beneficiary. Notwithstanding anything in this Disclosure Booklet to the contrary, the terms and conditions applicable to your START K12 Account will be interpreted and/or amended to comply with the requirements of IRC Section 529 and applicable regulations.

20. From time to time, there may be changes to federal or state laws or regulations that may directly or indirectly affect the terms and conditions of the START K12 Program and this Disclosure Booklet. Unless applicable law provides otherwise, LATTA may amend the terms of this Disclosure Booklet from time to time to comply with changes in the law or regulations or if LATTA determines it is in the START K12 Program’s best interest to do so. However, LATTA will not retroactively modify existing terms and conditions applicable to a START K12 Account in a manner adverse to you or your Beneficiary except to the extent necessary to assure compliance with applicable state and federal laws or regulations or to preserve the favorable tax treatment to you, your Beneficiary or the START K12 Program.

21. The Participation Agreement and START K12 Accounts are governed by the laws and regulations of the United States, the laws of the State of Louisiana, and LATTA’s rules and regulations. The Participation Agreement is entered into between the Account Owner and LATTA in the State of Louisiana. If any part of the Participation Agreement is determined by applicable law to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. The Account Owner agrees that any amendments to applicable state or federal statutes and regulations shall automatically amend the Terms and Conditions of the Participation Agreement.

**COURT JURISDICTION**

22. Any action arising under the Participation Agreement shall be brought in the Parish of East Baton Rouge, State of Louisiana.

**DEATH OR DISABILITY OF THE BENEFICIARY**

23. Upon the Disability of a Beneficiary, the Account Owner who is a Natural Person and whose START K12 Account is classified in Categories I, II, III, or IV may designate a substitute Beneficiary who is a Member of the Family of the original Beneficiary or terminate the START K12 Account. If the START K12 Account is terminated, the Refund shall be to the Account Owner or as designated by the Account Owner in the Owner’s Agreement. If no such designation is made by the time the beneficiary who has become disabled reaches age 20, the START K12 Account may be terminated by LATTA. If the START K12 Account is terminated, the Account Owner should consult with a qualified tax professional to determine the proper treatment of the Refund for state and federal tax purposes.

24. Upon the death of a Beneficiary, the Account Owner who is a Natural Person and whose START K12 Account is classified in Categories I, II, III, or IV may designate a substitute Beneficiary who is a Member of the Family or terminate the START K12 Account. If no such designation is made within 60 days of the death of the Beneficiary, the START K12 Account may be terminated by LATTA. If the START K12 Account is terminated, the Account Owner should consult with a qualified tax professional to determine the proper treatment of the Refund for state and federal tax purposes.

25. Upon the death or Disability of a Beneficiary, the Account Owner who is a Legal Entity or whose START K12 ACCOUNT is classified in Category V may designate a substitute Beneficiary who is a Member of the Family of the original Beneficiary or designate some other person as Beneficiary. If no such designation is made within sixty (60) days of the death of the Beneficiary or by the time the beneficiary who has become disabled reaches age 20, the START K12 Account may be terminated by LATTA, and LATTA shall designate a new Beneficiary who must meet the requirements of §709.A.3 and §711.A.5 of the START K12 Program Rules.

**DEPOSITS**

26. A Deposit of at least ten dollars ($10) must be made within 180 days from the date of the letter of notification approving the START K12 Account. A lump sum Deposit may not exceed the Maximum Allowable Account Balance. If the required Deposit is not made within the time allowed, the Agreement shall automatically terminate and shall be null and void.

27. Deposit options include monthly payments made directly to LATTA (including lump sum), automatic bank debit from a checking or savings account in a lump sum or on a recurring basis and by payroll deduction (if available through the employer). The Account Owner may change the monthly Deposit amount or the payment method at any time by notifying LATTA and, if applicable, the Account Owner’s employer.
You may go online to add funds to your active account(s) by using your credit or debit card or by using an electronic check drawn on your bank or credit union account. Your credit or debit card, or your bank or credit union account, will be charged for the total amount deposited in your START K12 Account plus a convenience fee. Please refer to the START K12 Program Web site (www.startsaving.la.gov) for a listing of the credit and debit cards accepted and for the amount of the convenience fee.

28. Checks and electronic funds transfers through the Automated Clearing House Network (ACH) (or automatic bank debit) received for Deposit are initially deposited into the Fund and invested prior to the Trade Date. All earnings from such investments are the property of the state and are deposited in the Variable Earnings Transaction Fund. Monies in the Variable Earnings Transaction Fund are used to cover trading losses caused by returned checks, rejected ACH transactions, and other transactional losses. (See the Trade Date section below for additional information.)

29. LATTA, at any time and without prior notice and at its discretion, may refuse any Deposit, limit the amount which may be deposited, accept all or any part of a Deposit or return all or any part of any Deposit. Deposits shall not be deemed accepted until deposited in the Fund and until check payments have cleared the financial institution upon which they are drawn. Deposits shall only be made in U.S. currency.

30. LATTA reserves the right to post all Deposits, including Deposits of cash, not later than midnight of the third business day after receipt of the funds, and LATTA shall not be liable for damage resulting from the exercise of this right. Any item received on a Saturday, Sunday or legal holiday shall be deemed received on the next business day.

31. If at any time the value of a START K12 Account exceeds the Maximum Allowable Account Balance, no further Deposits will be accepted.

32. Dishonored Deposits made by check and ACH transaction are subject to the following procedures and penalties.

- Upon the return of a check for insufficient funds, the check will be resubmitted for payment. If the check is returned for insufficient funds a second time, LATTA will return the check to the Account Owner. Any credits made to the Account Owner’s balance prior to the return of the check will be reversed and any fees charged to the START K12 Program because of the return for insufficient funds shall be deducted and reflected on the next START K12 Account statement.

33. Upon the return of a check as a result of the issuance of a stop payment order by the Account Owner, LATTA will return the check to the Account Owner. Any credits made to the Account Owner’s balance prior to the return of the check will be reversed and reflected on the next START K12 Account statement.

34. Electronic funds transfers or automatic bank debits may be authorized by the Account Owner for automatic Deposits. Such authorization shall continue in effect until LATTA receives a written revocation signed by the Account Owner at least ten (10) business days in advance of the scheduled transfer.

35. If LATTA receives notice of an actual or potential adverse claim to a START K12 Account or the funds therein, LATTA may, at its discretion, refuse to Disburse or Refund any money from the Account Owner’s START K12 Account until receipt of notice that such adverse claim has been resolved.

**DISBURSEMENTS**

*(Disbursements are referred to as “Qualified Distributions” in IRC Section 529.)*

36. Funds deposited into a START K12 Account shall be disbursed at the request of the Account Owner to the Account Owner to pay the Qualified Education Expenses for one (1) year incurred by the Beneficiary. For tax purposes, Disbursements should be requested during the calendar year they are incurred. The Account Owner must designate the amount to be disbursed, not to exceed the Qualified Education Expenses for the Eligible Educational Institution attended by the Beneficiary, the Current Value of the START K12 Account, or $10,000, whichever is less.

37. A Disbursement made for a Beneficiary who does not enroll in an Eligible Educational Institution constitutes a Refund and the amount disbursed must be redeposited into the START K12 Account within sixty (60) days. If the Account Owner fails to redeposit the money, LATTA may, in its sole discretion, refund any balance remaining thereafter and close the START K12 Account.

38. Disbursements shall be assigned a Trade Date of one (1) business day after the business day of receipt of the request.

**EQUITY INVESTMENTS**

39. By their nature, the funds in which START K12 Accounts may be invested are volatile and subject to
losses, particularly when the investment is made for a short period of time. Generally, equities appreciate in value over time; however, there is no assurance that the moneys so invested will grow in value or even maintain their value. Moneys invested in START K12 Program Accounts ARE NOT GUARANTEED.

40. Investing in one of the funds provided by the START K12 Program and managed by The Vanguard Group involves certain risks, including the possibility that you may lose money over short or even long periods of time. The value of your START K12 Account may increase or decrease over time based on the performance of the investment fund(s) you select. It is possible that, at any given time, the value of your START K12 Account may be less than the total amount contributed. Neither LATTA nor the START K12 Program makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. An investment in one or more of the funds provided by the START K12 Program and managed by The Vanguard Group is not a bank deposit, and it is not insured or guaranteed by the FDIC or any other government agency.

41. The funds offered by the START K12 Program include underlying mutual funds managed by The Vanguard Group. The Vanguard Group publishes a prospectus for each of its funds which discloses the fund’s objectives, policies, past performance and risks. Data indicating the performance of the START K12 Program’s investments managed by The Vanguard Group is presented in charts in Appendix E. You should read the prospectus for that fund. (See Appendix C, Contact Us below for Vanguard’s contact information.)

42. Deposits to Variable Earnings investment funds shall be assigned a Trade Date based on the method of Deposit and the date of receipt. Deposits by check or electronic funds transfer through the Automated Clearing House Network (automatic bank debit) shall be assigned a Trade Date of three (3) business days after the business day during which they are received. Deposits made by other electronic funds transfer shall be assigned a Trade Date of one (1) business day after the business day during which they were received. Deposits received on weekends and holidays will be considered received on the next business day.

FEES AND CHARGES

43. Although authorized to assess certain fees, LATTA has not approved the imposition of fees. All costs of LATTA or LOSFA or the Louisiana State Treasurer in administering the START K12 Program have been assumed by the State of Louisiana and paid from funds appropriated for that purpose. No fees or administrative costs are currently charged to an Account Owner and none are anticipated.

44. The START K12 Program is charged an investment management fee on the moneys it invests in mutual funds managed by The Vanguard Group. Currently, this fee, known as the underlying fund expense ratio, varies with each mutual fund. Currently, the maximum fee is 0.11 % (or $1.10 per $1,000 invested) per year. This fee is subject to change at any time without notice. These fees are deducted prior to the valuation of the funds’ net asset value, thereby reducing the value of the START K12 Program’s investments, which reduces the return to Account Owners. (See the Fee and Cost Tables in Appendix-D for more information.)

45. Checks and electronic funds transfers through ACH (or automatic bank debit) received for deposit are invested by the state treasurer prior to the Trade Date. All earnings from such investments are the property of the state and are deposited in a special fund within the State Treasury. Monies in this fund are used to cover trading losses caused by returned checks, rejected ACH transactions and other transactional losses.

SELECTION OF INVESTMENT FUNDS:
DESIGNATION OF DEPOSITS

46. The START K12 Program provides Account Owners with multiple investment choices that provide varying return potential and varying risks and that are designed to afford an opportunity to choose the fund(s) that best meet the Account Owner’s objectives for financing the costs of the education for the Beneficiary and that best fits the Account Owner’s risk tolerance. The available funds are explained in detail in this Disclosure Booklet under the heading “INVESTMENTS.” A prospective Account Owner should consult a financial advisor if he is uncertain as to which fund(s) to select or if he desires to evaluate his individual financial circumstances. Neither the LATTA, LOSFA, the Louisiana State Treasurer, nor The Vanguard Group can provide financial advice or counseling to Account Owners or to other contributors to Accounts about any of the available fund(s).

47. When an Account Owner establishes a START K12 Account, he or she must select one or more fund(s) in which to invest deposits. If more than one fund is selected, the Account Owner must designate what percentage of each Deposit is to be invested in each selected fund, provided each percentage must be in whole digits and the total of all percentages must equal one hundred percent (100%). An Account Owner may change the designation for future Deposits at any time by completing the appropriate form online at http://www.startsaving.la.gov, or submitting it by mail to P.O. Box 91202, Baton Rouge, LA, 70821-9202.

INVESTMENTS

48. This section of the Disclosure Booklet describes the five (5) funds that are currently available to Account Owners establishing START K12 Accounts. The State
Treasurer routinely monitors these funds. Based on its evaluation of the funds, the State Treasurer may change the current funds offered in the future. The funds include a federal money market fund, two bond index funds, and two stock market index funds.

49. All investments for the START K12 Program are managed by The Vanguard Group (the Underlying Vanguard Funds). The particular Vanguard fund or funds are selected by the Louisiana State Treasurer and may change over time. As an Account Owner, you will own an interest in the START K12 Program, but you will not own shares of the Underlying Vanguard Fund(s).

50. Investments in these funds are not guaranteed, and the Account Owner may lose some or all the money invested. Neither the State of Louisiana, LATTA, LOSFA, the START K12 Program, nor the Louisiana State Treasurer are responsible for any losses resulting from investments in these funds. Read the entirety of this document for additional disclaimers.

51. Vanguard Federal Money Market Fund (VMFXX)
   - **Investment Objective**: The Fund seeks to provide current income while maintaining liquidity and a stable share price of $1.
   - **Investment Strategy**: The Fund invests primarily in high-quality, short-term money market instruments. Under normal circumstances, at least 80% of the Fund’s assets are invested in securities issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the Fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The Fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

   Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The Fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

52. Vanguard Short-Term Bond Index Fund Admiral Shares (VBILX)
   - **Investment Objective**: The Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.
   - **Investment Strategy**: The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally does not exceed 3 years.

53. Vanguard Intermediate-Term Bond Index Fund Admiral Shares (VBILX)
   - **Investment Objective**: The Fund seeks to track the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity.
   - **Investment Strategy**: The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximate the full index in terms of key risk factors and other characteristics. All of the Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years. The Fund also maintains an average duration consistent with that of the Index.

54. Vanguard Total Stock Market Index Fund, Institutional Shares (VITPX) (Variable Earnings).
   - This Fund invests its assets in one (1) or more Underlying Vanguard Funds. **As an Account Owner, you will own an interest in the START K12 Program, but you will not own shares of the Underlying Vanguard Funds.**
• **Investment Objective.** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

• **Primary Investment Strategies.** The Fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and NASDAQ. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

• **Primary Risks.** See Investment Risks section, below.

55. **Vanguard Total International Stock Index Fund, Institutional Shares (VTSNX) (Variable Earnings).** This Fund invests its assets in one (1) or more Underlying Vanguard Funds. As an Account Owner, you will own an interest in the START K12 Program, but you will not own shares of the Underlying Vanguard Funds.

• **Investment Objective.** The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States.

• **Primary Investment Strategies.** The Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted, market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

• **Primary Risks.** See Investment Risks section, below.

---

**INVESTMENTS – CHANGES BY ACCOUNT OWNER**

56. For assets existing in a START K12 Account, Account Owners may change the investment selection only once during each calendar year. A change in investment selection that requires the sale of units in a mutual fund shall be assigned a Trade Date of one (1) business day after the business day of the receipt of a complete request.

**INVESTMENT RISKS**

57. Neither The Vanguard Group nor any government agency, including the FDIC, Federal Reserve, the State of Louisiana, the START K12 Program, the State Treasurer, LOSFA nor LATTA insures moneys invested in Mutual Funds.

58. **Funds May Not Meet Objectives.** There is no guarantee that the underlying Mutual Funds for Variable Earnings funds (See 48-55 above) will meet their objectives. Mutual Fund shares are not deposits or obligations of, or guaranteed by, any depository institution.

59. Primary risks associated with Vanguard mutual funds are described in Sections 51-55.

60. **Vanguard Federal Money Market Fund (VMFXX)**

The Fund is designed for investors with a low tolerance for risk; however, the Fund is subject to the following risks, which could affect the Fund’s performance:

- **Income risk:** The chance that the Fund’s income will decline because of falling interest rates. Because the Fund’s income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- **Manager risk:** The chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Credit risk:** The chance that the issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the Fund because it invests primarily in securities that are considered to be of high quality.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the FDIC or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

61. **Vanguard Short-Term Bond Index Fund Admiral Shares (VBIRX)**

The Fund is designed for investors with a low
tolerance for risk, but you could still lose money by investing in it. The Fund is subject to the following risks, which could affect the Fund’s performance:

- **Interest rate risk:** The chance that bond prices will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.

- **Income risk:** The chance that the Fund’s income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Fund’s monthly income to fluctuate accordingly.

- **Credit risk:** The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline. Credit risk is expected to be low for the Fund because it purchases only bonds that are of investment-grade quality.

- **Index sampling risk:** The chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index. Index sampling risk for the Fund is expected to be low.

- **Liquidity risk:** The chance that the Fund may not be able to sell a security in a timely manner at a desired price.

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the FDIC or any other government agency.

**62. Vanguard Intermediate-Term Bond Index Fund Admiral Shares (VBI LX)**

An investment in the Fund could lose money over short or long periods of time. You should expect the Fund’s share price and total return to fluctuate within a wide range. The Fund is subject to the following risks, which could affect the Fund’s performance:

- **Interest rate risk:** The chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

- **Income risk:** The chance that the Fund’s income will decline because of falling interest rates. Income risk is generally moderate for intermediate-term bond funds, so investors should expect the Fund’s monthly income to fluctuate accordingly.

- **Credit risk:** The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline. Credit risk is expected to be low for the Fund because it purchases only bonds that are of investment-grade quality.

- **Index sampling risk:** The chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index. Index sampling risk for the Fund should be low.

- **Liquidity risk:** The chance that the Fund may not be able to sell a security in a timely manner at a desired price.

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the FDIC or any other government agency.

**63. Vanguard Total Stock Market Index Fund, Institutional Plus Shares (VITPX)**

An investment in the Fund could lose money over short or long periods of time. You should expect the Fund’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The Fund’s performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. In addition, the Fund’s target index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

- **Index sampling risk:** The chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index. Index sampling risk for the Fund is expected to be low.

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the FDIC or any other government agency.

**64. Vanguard Total International Stock Index Fund, Institutional Shares (VTSNX)**

An investment in the Fund could lose money over short or long periods of time. You should expect the Fund’s share price and total return to fluctuate within a wide range, like the fluctuations of
the overall stock market. The Fund is subject to the following risks, which could affect the Fund’s performance:

- **Stock market risk**: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. The Fund’s investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks tend to be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the Fund’s target index may, at times, become focused in stocks of a particular sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

- **Country/regional risk**: The chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the Fund may invest a large portion of its assets in securities of companies located in any one country or region, its performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.

- **Currency risk**, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

- **Investment style risk**: The chance that returns from non-U.S. small- and mid-capitalization stocks will trail returns from global stock markets. Historically, these stocks have been more volatile in price than the large-cap stocks that dominate the global markets, and they often perform quite differently.

- **Emerging markets risk**: The chance that stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the FDIC or any other government agency.

65. **Other Risks to Consider**. Since the Vanguard Funds include various stocks, bonds and other investments, there are other factors that may impose additional risks. An investment in a particular mutual fund could lose money over short periods of time. It is possible that certain funds’ share price and total return will fluctuate over time. Some general risks to consider are described in Sections 66-72.

66. **International Risks**. Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. The specific risk profile of an international fund varies with its investment style, geographic focus, and whether it invests in developed markets, emerging markets, or both. Funds investing in a single country or limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development, differing regulatory environments, trading days, accounting standards, and higher transaction costs of non-U.S. markets. Investments outside the United States could be subject to governmental actions such as capital or currency controls, nationalization of a company or industry, expropriation of assets, or imposition of high taxes. International funds are also subject to currency risk. This refers to a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency. The overall impact on a fund’s holdings can be significant and long-lasting depending on the currencies represented in the portfolio, how each one appreciates or depreciates in relation to the U.S. dollar, and whether currency positions are hedged. Further, exchange rate movements are unpredictable, and it is not possible to effectively hedge the currency risks of many developing countries.

67. **Growth Investing**. Growth stocks can be volatile for several reasons. Since these companies usually invest a high portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion stock prices in a falling market. Also, earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth.

68. **Value Investing**. Investors seek to invest in companies whose stock prices are low in relation to their real worth or future prospects. By identifying companies whose stocks are currently out of favor or misunderstood, value investors hope to realize significant appreciation as other investors recognize the stock’s intrinsic value and the price rises accordingly. The value approach carries the risk that the market will not recognize a security’s intrinsic value for a long time or that a stock judged to be undervalued may actually be priced appropriately.

69. **Money Market Fund Risk**. An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.
70. **Interest Rate and Credit Risk.** Bond prices may decline in response to a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities, resulting in a lesser rate of return. In the event that a bond’s credit rating is downgraded or a bond issuer defaults (fails to make timely payments of interest or principal), the fund’s income level and share price could decline dramatically.

71. **High-Yield Investing Risks.** Investing in high-yield corporate bonds, often called “junk bonds,” could have greater price declines than funds that invest primarily in high-quality bonds. Companies issuing high-yield bonds are not as strong financially as those with higher credit ratings, so the bonds are usually considered speculative investments. These companies are more vulnerable to financial setbacks and recession than more creditworthy companies, which may impair their ability to make interest and principal payments. In addition, the entire junk bond market can experience sudden and sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, a high-profile default, or a change in the market’s psychology.

72. **Extension Risk.** In the event that a rise in interest rates accompanied by a drop in mortgage prepayments causes a fund’s average maturity to lengthen unexpectedly, that fund’s sensitivity to rising rates and its potential for price declines could be dramatically increased.

**IN Voluntary Termination of a START K12 Account, With Penalty**

73. LATTA may terminate the Participation Agreement if it determines that the Account Owner provided false or misleading information. All earnings on principal Deposits shall be withheld and forfeited, with only principal being refunded.

74. Obtaining program benefits by providing false or misleading information may subject the Account Owner to criminal prosecution.

**LIMITATIONS**

75. There is no guarantee by the state, BOR, LOSFA, LATTA or any eligible educational institution that a Beneficiary of a START K12 Account will be admitted to any eligible educational institution, or, upon admission, will be permitted to continue to attend or will receive his high school diploma, or any other affirmation of program completion of high school.

76. There is no guarantee that any Beneficiary’s Qualified Education Expenses will be covered in full by the proceeds of a START K12 Account.

77. LATTA does not guarantee any moneys in a START K12 Account.

**LOUISIANA EDUCATION TUITION AND SAVINGS FUND (FUND)**

78. Deposits made pursuant to the Participation Agreement are initially invested in the “Fund,” which is a special statutory account in the State Treasury. A subaccount within this account consists of Deposits for purchase of mutual funds that are being held prior to investment by the START K12 Program in mutual funds managed by The Vanguard Group or being held prior to Disbursement or Refund.

79. Any claim for Disbursement or Refund shall be solely against the assets of the Fund. No person shall have any claim against the state general fund or other funds or revenue sources of the State or against the funds of any Eligible Educational Institution as a result of Deposits made pursuant to this Agreement or otherwise.

80. Once invested in mutual funds managed by The Vanguard Group, funds are no longer assets of the Fund and claims for Disbursement or Refund shall be solely against the Current Value of such START K12 Account on the business day after the business day of receipt of the Disbursement or Refund order. Such claims are not against the Fund.

81. If at any time the Fund is insufficient to meet the payment demands made upon the Fund, which represent obligations of the START K12 Program, LSA-R.S. 17:3100.8 requires the Louisiana Legislature to appropriate funds necessary to meet these payment obligations in full.

82. All Disbursements from the Fund for the START K12 Program are made by the State Treasurer on order of LATTA.

**MANAGEMENT OF THE FUND**

83. Under the Act, the Fund is invested by the Louisiana State Treasurer, a statewide elected official, and administered by LATTA. The composition of LATTA and the powers and duties of LATTA are set forth in LSA-R.S. 17:3093. A list of the current members of LATTA and a copy of its bylaws may be obtained by contacting LOSFA at 602 North Fifth Street, Baton Rouge, Louisiana 70802 or by accessing the Information Center on the START K12 Program’s Web site: [http://www.startsaving.la.gov](http://www.startsaving.la.gov).

**REFUNDS**

84. All moneys in a START K12 Account that are Disbursed but are not used to pay Qualified Education...
Expenses or are rolled over to a new Beneficiary who is not a Member of the Beneficiary’s family or rolled over to another qualified IRC Section 529 Qualified Tuition Program are considered to be Refunds (Non-Qualified Distributions) and will result in state and federal tax Penalties. The Account Owner should consult with a qualified tax advisor prior to requesting a Refund.

85. Except for Category V START K12 Accounts, Refunds may be requested by Account Owners who are Natural Persons. (See the START K12 ACCOUNT Categories section above more information.) In such cases, the Refund will be equal to the Current Value of an account. Refunds may result in state and federal tax liability. The Account Owner should consult with a qualified tax advisor prior to requesting a Refund.

86. Only the Account Owner or the Beneficiary may be designated to receive Refunds from the START K12 Account owned by an Account Owner who is a Natural Person. A START K12 Account classified in Category VI is not eligible for a Refund even if the Account Owner is a Natural Person.

87. In the event a START K12 Account is terminated, the Account Owner or, in the event of the death of the Account Owner, the Successor Owner designated by the Account Owner in the Participation Agreement, shall receive a Refund if there is a balance in the START K12 Account. Any earnings associated with such Refund may be subject to a Federal Additional Tax of ten percent (10%) in accordance with IRC Section 529.

88. Upon termination of a START K12 Account, Refunds from Variable Earnings investments shall be assigned a Trade Date of one (1) business day after the business day of receipt of a complete request.

89. Payment of Refunds shall be made no later than thirty (30) days following the date the START K12 Account was terminated.

90. A partial Refund of a START K12 Account may occur only under the following circumstances:

- the Beneficiary is the recipient of a scholarship, waiver of Tuition or similar subvention, and
- the Beneficiary furnishes LATTA with such information about the scholarship, waiver or similar subvention, and
- LATTA determines that the scholarship, waiver of Tuition, or similar subvention cannot be converted into money. The Refund Recipient should consult with a qualified tax professional to determine the taxability of such a Refund.

92. Requests for a Partial Refund from a START K12 Account, other than as set forth in Sections 90 and 91, will be treated as a request to terminate the START K12 Account.

93. A Refund of earnings from the START K12 Account to the Refund Recipient will be reported to the Internal Revenue Service and the Louisiana Department of Revenue for federal and state tax purposes.

94. Earnings included in a Refund may be assessed a Federal Additional Tax of ten percent (10%).

95. Exceptions to the Federal Additional Tax. There is an exception to the ten percent (10%) Federal Additional Tax imposed for any Refund on account of:

- the death of the Beneficiary if paid to the Beneficiary’s estate;
- the disability of the Beneficiary within the meaning of IRC section 72(m)(7);
- the receipt of a scholarship by the Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship;

96. Death of Beneficiary – In the event of the death of the designated Beneficiary, the Account Owner may exercise one or more of the following options. The Account Owner may request payment of the Redemption Value of the START K12 Account to the designated Beneficiary’s estate, in which case the earnings portion will be subject to federal income tax and possibly state income tax on the earnings portion of the withdrawal, without imposition of the ten percent (10%) Federal Additional Tax on earnings. Alternatively, the Account Owner can request the return of the START K12 Account balance, the earnings portion of which will be subject to federal income tax and may be subject to a ten percent (10%) Federal Additional Tax. Another option would be to initiate a change of designated Beneficiary. Special rules apply to START K12 Accounts established by UGMA/UTMA custodians.

97. Disability of Beneficiary – If the Beneficiary becomes disabled within the meaning of IRC Section 72(m)(7), the Account Owner may exercise one or more of the following options. The Account Owner may request the return of the Redemption Value of the START K12 Account, in which case the earnings portion will be subject to federal income tax and possibly state income tax on the earnings portion of the Refund, without imposition of the ten percent (10%) Federal Additional Tax. Alternatively, the Account Owner may initiate a change of designated Beneficiary for the START K12 Account. Special rules apply to START K12 Accounts.
98. **Receipt of Scholarship** – If the Beneficiary receives a qualified scholarship, START K12 Account funds up to the amount of the scholarship can be refunded to the Account Owner, subject to federal income tax and possibly state income tax on the earnings portion of the Refund, without imposition of the ten percent (10%) Federal Additional Tax. Special rules apply to START K12 Accounts established by UGMA/UTMA custodians. Under IRS Proposed Regulations, a qualified scholarship includes certain educational assistance allowances under federal law and certain payments for educational expenses or which are attributable to attendance at certain educational institutions that are exempt from federal income tax. You should consult a qualified tax advisor to determine whether a particular payment or benefit constitutes a qualified scholarship.

99. A Legal Entity may open a START K12 Account on behalf of any Beneficiary or as a donation to a Beneficiary who has financial need. Funds in a START K12 Account owned by a Legal Entity cannot be Refunded to the Legal Entity under any circumstances. The funds may be Disbursed for the payment of the tuition expenses of the designated Beneficiary or the Account Owner may substitute a new Beneficiary.

**REPORTS, STATEMENTS AND AUDITS**

100. LATTA maintains a separate START K12 Account for each approved Account Application which shows the Current Value of the START K12 Account. Each START K12 Account may have only one Account Owner and one Beneficiary; however, an Account Owner may have multiple START K12 Accounts, each with a different Beneficiary. The same individual may be the Beneficiary of multiple START K12 Accounts.

101. LATTA shall provide each Account Owner an annual START K12 Account statement by March 31st of each year reflecting all activities and balances of the previous calendar year and which sets forth:

- The amount deposited, the current number of units in the investment fund(s) purchased, the current value per unit, the amounts disbursed or refunded pursuant to this Agreement and the Current Value of the START K12 Account.
- An Account Owner must report errors on the annual START K12 Account statement to LATTA within sixty (60) days from the date on the START K12 Account statement or the statement will be deemed correct.

102. Upon request of the Account Owner, LATTA will provide a statement showing the Current Value of a START K12 Account. This information is also available on the Web site at [http://www.startsaving.la.gov](http://www.startsaving.la.gov). The Account Owner may request a statement at any time, subject to any fees that LATTA may impose for requests in excess of one (1) per year.

103. The START K12 Program will report all Disbursements and Refunds from a START K12 Account to the IRS, the Louisiana Department of Revenue, the Account Owner, the Refund Recipient and any other required persons, if any, to the extent required by federal, state or local law. Under federal law, LATTA will report to the IRS on IRS Form 1099-Q gross Disbursements and Refunds from a START K12 Account during the calendar year along with information regarding the earnings and basis (i.e., contributions/Deposits) portions of the amount distributed. By January 31 of the year following the distribution, the Account Owner will receive a copy of such Form 1099-Q or an acceptable substitute statement. Account Owners should check with their tax advisors about the tax impact to them of any Disbursements and Refunds from a START K12 Account and about what, if any, information must be reported on a tax return.

104. LATTA is audited as required by state law. Copies of the audit reports and program financials are provided to the Governor, the President of the Senate and the Speaker of the House of Representatives. Copies of the audited financial reports are available at [http://www.startsaving.la.gov](http://www.startsaving.la.gov).

**RESPONSIBILITIES AND POWERS OF LATTA AND STATE TREASURER**

105. Upon receipt of a START K12 Program Account Application and determination that it meets the criteria for participation, LATTA will accept the Participation Agreement, establish a START K12 Account with the investment fund(s) designated by the Account Owner and send the Account Owner a letter of notification approving the START K12 Account.

106. LATTA may delay or waive enforcement of any of its rights under this Agreement without losing the right to enforce them at a later time. To the extent allowed by applicable law, LATTA may take other action not described in the Participation Agreement and, by so doing, will not lose its rights under the Participation Agreement.

107. Under the Act, LATTA or its authorized agent is authorized to contract with the Account Owner for the
establishment of a START K12 Account for the benefit of a named Beneficiary. The amount deposited into a START K12 Account is completely within the discretion of the Account Owner, up to the Maximum Allowable Account Balance. Payroll deductions, automatic bank debits and direct payments (including lump sums) are acceptable methods for making Deposits into a START K12 Account.

108. The moneys received from an Account Owner will be initially deposited into the Fund and withdrawn and invested in a mutual fund managed by The Vanguard Group on the Trade Date.

109. The Louisiana State Treasurer periodically submits a Fund investment policy to LATTA, a copy of which will be provided to an Account Owner upon request.

110. The investment policy for the Fund proposes conservative investments consistent with safety of principal. As the Fund grows over time, the investment policy will be reevaluated from time to time in order to assure continued safety of principal and a reasonable earnings rate. The Fund assets may be subject to market factors and fluctuations affecting its value. The State Treasurer may pool the assets of the Fund for investment purposes with any other investments of the State of Louisiana that are eligible for asset pooling. The Treasurer has investment managers within the Treasurer’s office to assist with the investment of Fund assets.

111. In addition to the Fund, the Louisiana State Treasurer is responsible for the investment of the public funds of the State of Louisiana and manages more than 350 separate special funds and the state’s general fund.

112. The Louisiana State Treasurer has selected the mutual funds provided by The Vanguard Group.

113. The Louisiana State Treasurer provides oversight of The Vanguard Group, in accordance with the investment contract with The Vanguard Group. LATTA is responsible for the administration of the START K12 Program.

**ROLOVER DEPOSITS**

114. You can make Deposits to a START K12 Account by transferring funds from another state’s 529 Qualified Tuition Program. This transaction is known as a “Rollover.” Not more than once every twelve (12) months, you may rollover assets from an account in another state’s IRC 529 Qualified Tuition Program to a START K12 Account in the START K12 Program for the same Beneficiary, without penalty or federal income tax consequences. You may also rollover funds from an account in another state’s IRC 529 Qualified Tuition Program to a START K12 Account in the START K12 Program at any time without penalty or federal income tax consequences when you change Beneficiaries, provided that the new Beneficiary is a Member of the Family of the old Beneficiary. The transfer of funds from another state’s IRC 529 Qualified Tuition Program to a START K12 Account that does not meet these criteria may not qualify as a Rollover under IRC Section 529, and may be subject to federal income tax, a Federal Additional Tax of ten percent (10%) of earnings, and possibly state tax. Please consult your tax or investment adviser for more information.

115. Incoming Rollovers can be direct or indirect. Direct Rollovers involve the transfer of money from one 529 Qualified Tuition Program directly to another. Indirect Rollovers involve the transfer of money from an account in another state’s 529 Qualified Tuition Program to the Account Owner, who then contributes the money to a START K12 Account. To avoid penalties and federal income tax consequences, money received by an Account Owner from an indirect Rollover must be Deposited in a 529 Qualified Tuition Program account within sixty (60) days of the Refund. You should be aware that not all states permit direct Rollovers of funds from 529 Qualified Tuition Programs. Additionally, there may be state income tax consequences (and in some cases state-imposed penalties or fees) resulting from a rollover out of another state’s 529 Qualified Tuition Program.

116. You MAY NOT rollover funds from a START Saving Program Account to a START K12 Program Account; however, you may rollover any funds remaining in a START K12 Program Account when the designated beneficiary completes high school to a START Saving Program Account to be used for the designated beneficiary’s qualified higher education expenses.

117. You may also contribute to a START K12 Account with proceeds from the sale of assets held in a Coverdell Education Savings Account (formerly known as an Education IRA) or a Qualified U.S. Savings Bond.

118. The custodian of an UGMA/UTMA custodial account may in his or her custodial capacity establish an UGMA/UTMA START K12 Account by executing and submitting the appropriate Participation Agreement. Deposits may be made to any UGMA/UTMA START K12 Account by the Account Owner or another contributor subject to any applicable UGMA or UTMA requirements and the terms and conditions of the START K12 Program relating to Deposits. An Account Owner may also establish a separate START K12 Account for any new Deposits for the benefit of the same Beneficiary of the UGMA/UTMA START K12 Account subject to the terms and conditions of the START K12 Program relating to multiple START K12 Accounts for the same Beneficiary.

119. IRC Section 529 and LATTA’s rules require that all Deposits to a START K12 Account be made in U.S. currency; therefore, non-cash assets in an existing
UGMA/UTMA custodial account must be liquidated in order for the Account Owner, as custodian, to contribute cash proceeds in an UGMA/UTMA START K12 Account. The disposition of such non-cash assets in the UGMA/UTMA custodial account may be a taxable transaction. Any initial and subsequent Deposits by the Account Owner or another contributor to, or any Disbursements from, the UGMA/UTMA START K12 Account are subject to the terms and conditions of the UGMA/UTMA custodial account and the state law that governs that custodial account. The Account Owner is responsible for complying with the law governing and any relevant terms and conditions of the UGMA/UTMA custodial account. The START K12 Program is not responsible for determining whether or not any transaction related to an UGMA/UTMA START K12 Account complies with applicable state law or the terms and conditions of the custodial account.

120. Ownership of the UGMA/UTMA START K12 Account transfers to the Beneficiary at the age designated under the law governing or the applicable terms and conditions of the UGMA/UTMA custodial account. The custodian, as the Account Owner, has the responsibility to notify the START K12 Program of the change, and the Beneficiary must complete and submit a Participation Agreement, and any other required forms or documentation, at that time in order to document the change in ownership. Thereafter, the START K12 Account will no longer be an UGMA/UTMA START K12 Account, and the custodian, who was the original Account Owner, will no longer have any control over the assets in the START K12 Account. If a custodian of an UGMA/UTMA custodial account has questions about establishing an UGMA/UTMA START K12 Account, the custodian should consult an attorney or tax advisor. The Louisiana State Treasurer, LATTA and LOSFA will not be liable for any consequences related to a custodian’s improper use, transfer, or characterization of custodial funds. Discussion of any aspect of a START K12 Account is beyond the scope of this Disclosure Booklet.

Rollovers to Another 529 Qualified Tuition Program

121. Other than a START K12 Account classified in Category VI, START K12 Accounts owned by Natural Persons may be closed and the Current Value may be transferred to another state’s 529 Qualified Tuition Program. This transaction is known as a Rollover. Not more than once every twelve (12) months, you may rollover assets from a START K12 Account to another state’s 529 Qualified Tuition Program for the same Beneficiary, without penalty or federal income tax consequences. You may also rollover funds from a START K12 Account to another state’s 529 Qualified Tuition Program at any time without penalty or federal income tax consequences when you change Beneficiaries, provided that the new Beneficiary is a Member of the Family of the old Beneficiary. The transfer of funds from a START K12 Account to another state’s 529 Qualified Tuition Program that does not meet these criteria may not qualify as a Rollover under IRC Section 529 and may be subject to federal income tax, a federal tax penalty of ten percent (10%) of earnings, and possibly state tax. Please consult your tax or investment adviser for more information.

Successor Account Owners

122. Account Owners who are Natural Persons, other than a Natural Person whose START K12 Account is classified in Category V, may designate some other person to be the successor Account Owner in the event of the Account Owner’s death. Account owners should name at least one (1) alternate successor owner.

123. In the event of the death of a Natural Person, other than a Natural Person whose START K12 Account is classified in Category V, the person designated as the successor Account Owner in the Participation Agreement will become the Account Owner. If no successor Account Owner is named or if the successor Account Owner predeceases the Account Owner, the START K12 Account shall be terminated and the moneys in the START K12 Account shall be refunded to the Beneficiary, if designated to receive the Refund by the Account Owner, or the Account Owner’s estate. Based on their state of residence and the relationship between the successor Account Owner and Beneficiary at the time of the original Account Owner’s death, the START K12 Account will be assigned to one of the five (5) START K12 Account categories.

124. In the event of the dissolution of a Legal Entity whose START K12 Account is classified in Category III or V, the Beneficiary shall become the successor Account Owner. If the Beneficiary of such a START K12 Account has died and there is no substitute Beneficiary named, the Refund shall be made to the Beneficiary’s estate.

125. In the event of the death or dissolution of an Account Owner who is an Other Person (whether a Natural Person or Legal Entity) whose START K12 Account is classified in Category V, the Beneficiary shall become the successor Account Owner, provided that all the rights and restrictions provided in law and these rules applicable to START K12 Accounts classified in Category V, including, but not limited to, use of the funds, Refunds, terminations, designation of Beneficiary, etc. shall be applicable to the Beneficiary who becomes the owner of said START K12 Account. Upon the death of an Account Owner who is a Natural Person or the dissolution of an Account Owner that is a Legal Entity whose START K12 Accounts are classified in Category V and their respective Beneficiary has died or failed to graduate high school by age 21, and no substitute Beneficiary was designated by the Account Owners, the LATTA shall designate a new Beneficiary who must meet the requirements of §709.A.3.
126. If the Account Owner and Beneficiary of a START K12 Account both die and there is no evidence to verify that one died before the other, any appointed Account Owner’s successor shall become the Account Owner of the START K12 Account. If no Account Owner’s successor has been appointed, the fiduciary responsible for the disposition of the Beneficiary’s estate shall designate the new Account Owner. If no executor or fiduciary has been appointed, one must be appointed by a valid court order for this purpose.

**Tax and Other Considerations**

**Disclaimer**

127. The START K12 Program, LOSFA, LATTA and their employees do not provide financial, investment, legal or tax advice. The Account Owner agrees to hold the START K12 Program, BOR, LOSFA, LATTA and their employees harmless from any liability incurred, which arises from decisions made by the Account Owner in connection with his participation in the START K12 Program or under the terms of the Participation Agreement. Account Owners and Beneficiaries should consult with qualified financial, legal or tax assistance professionals to determine tax liabilities in individual circumstances.

**Federal Tax Considerations**

128. This section takes a closer look at some of the federal tax considerations you should be aware of when investing in the START K12 Program. However, the discussion is by no means exhaustive and is not meant as tax advice. [Please keep in mind that the IRS has issued only proposed regulations under IRC Section 529; final regulations could affect the tax considerations mentioned in this section or require the terms of the START K12 Program to change.] In addition, the START K12 Program has not requested a private letter ruling from the IRS with regard to the status of the START K12 Program under IRC Section 529. LATTA may, in its sole discretion, apply for such a ruling from the IRS.

129. The federal tax consequences associated with an investment in the START K12 Program can be complex. In addition, some states may impose penalties and/or taxes on investments in, or Disbursements or Refunds from, a Qualified Tuition Program offered by other states. Louisiana does impose penalties and taxes for Refunds. These penalties and taxes may, in certain cases, result in an effective reduction or loss of some or all of the federal tax benefits discussed below. (See the “State Tax Considerations” section below for additional information.) You should consult a tax adviser regarding the application of federal tax laws to your particular circumstances.

**Federal Tax Treatment of Earnings**

130. Any earnings on Deposits are tax-deferred, which means your START K12 Account assets grow free of current federal income tax and will not be included in taxable income when withdrawn for payment of Qualified Education Expenses. (See the Distributions section below.)

**Federal Gift/Estate Tax**

131. Deposits to the START K12 Program are considered completed gifts for federal tax purposes and, therefore, are potentially subject to federal gift tax; however, there are annual exclusions, which are periodically adjusted for inflation. For 2018 and until adjusted, if the amounts contributed by you on behalf of the Beneficiary together with any other gifts to that person (over and above those made to your START K12 Account) do not exceed $15,000 per year ($30,000 for married couples making a proper election), no gift tax will be imposed for that year. Gifts of up to $75,000 can be made in a single year ($150,000 for married couples making a proper election) for a Beneficiary and averaged out over five years for the gift tax exclusion. This allows you to move assets into tax-deferred investments and out of your estate more quickly.

132. Generally, assets in a START K12 Account are not included in your estate, unless you elect the five-year averaging and die before the end of the fifth (5th) year. In general, if you die with assets still remaining in your START K12 Account, the START K12 Account’s value will not be included in your estate for federal estate tax purposes. If your Beneficiary dies, the value of the START K12 Account may be included in the Beneficiary’s estate for federal tax purposes. Further rules regarding gifts and the generation-skipping transfer tax may apply in the case of Disbursements and Refunds, changes of Beneficiaries, and other situations. You should consult with a tax adviser when considering a change of Beneficiary or transfers to another START K12 Account or the specific effect of the gift tax and generation-skipping transfer tax on your situation.

**Transfers and Rollovers**

133. Certain transfers can be made without incurring income tax consequences or a Federal Additional Tax. A Rollover Deposit must be placed in another START K12 ACCOUNT or an account of another Qualified Tuition Program within sixty (60) days. If the new Beneficiary is a member of a generation lower than the prior Beneficiary, the transfer may be subject to the gift tax or generation-skipping transfer tax. Changes in your Beneficiary could potentially cause gift and/or generation-skipping transfer tax consequences to the Beneficiary and/or Account Owner. Because gift and generation-skipping transfer tax issues are complex, you should consult with your tax adviser.
Coverdell Education Savings Accounts

134. Generally, Deposits may be made to both a Coverdell Education Savings Account (defined in IRC Section 530) and a Qualified Tuition Program in the same year on behalf of the same Beneficiary. However, the same educational expenses cannot be claimed for a tax-exempt Disbursement or Refund from both the Coverdell Education Savings Account and the Qualified Tuition Program.

135. Unless further action is taken by Congress, after December 31, 2010, a 6% excise tax would apply to contributions made to a Coverdell Education Savings Account in the same year as a contribution to an IRC Section 529 Qualified Tuition Program for the same designated Beneficiary. An Account Owner should consult a tax advisor regarding the availability of Education Tax Credits and the coordination of rules applicable to Coverdell Education Savings Accounts and IRC Section 529 Qualified Tuition Programs and the Education Tax Credits.

Disbursements from a START K12 Account

136. Disbursements have two components: (1) principal, which is not taxable when distributed, and (2) earnings, if any, which may be subject to federal income taxation. The earnings portion is determined at calendar year-end based on IRS rules, and earnings are reported to the IRS and the taxable party on Form 1099-Q (or other applicable form). However, the Form 1099-Q does not report whether a payment out of a START K12 Account is a Disbursement (Qualified Distribution) or a Refund (Non-Qualified Distribution). You are responsible for preparing and filing the appropriate forms when completing your federal income tax return and for paying any applicable tax directly to the IRS.

136. Disbursement Timing: Disbursements must be requested during the calendar year Qualified Education Expenses are incurred or within one (1) academic term before or after the calendar year they are incurred.

Qualified Education Expense Disbursements

137. When money is withdrawn from your START K12 Account to pay for Qualified Education Expenses, all of the START K12 Account’s investment gains are distributed federally income tax-free.

Refunds (Non-Qualified Distributions) and the Federal Additional Tax

138. General – A Refund (Non-Qualified Distribution) is any distribution from a START K12 Account other than a Disbursement (Qualified Distribution) or a qualifying Rollover. The earnings portion of a Refund is subject to federal and applicable state income tax and, in most cases, a 10% Federal Additional Tax on earnings.

139. Exceptions to the Additional Tax – There is an exception to the ten percent (10%) Federal Additional Tax imposed for any Refund (Non-Qualified Distribution) on account of:

- the death of the Beneficiary if paid to the Beneficiary’s estate;
- the disability of the Beneficiary within the meaning of IRC Section 72(m)(7);
- the receipt of a scholarship by the Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship;

Aggregation of START K12 Accounts

140. For purposes of calculating the breakdown between the principal and earnings portion of any Disbursement or Refund, the IRS requires that all START K12 Accounts in the START K12 Program with the same Account Owner and Beneficiary be treated as one START K12 Account. Therefore, the Form 1099-Q may report an amount of earnings that is greater or lesser than the actual earnings on any particular START K12 Account.

Determination of Taxable Earnings

141. The principal and earnings portion of Disbursements and Refunds for federal tax purposes are determined by a formula reflecting the proportion of Deposits to the overall market value of your START K12 Accounts in the START K12 Program for the same Beneficiary. If a Refund is subject to a Federal Additional Tax, the Federal Additional Tax is applied to the earnings portion. The taxpayer is responsible for calculating and reporting any Federal Additional Tax to the IRS. Due to the IRS rules regarding aggregation of START K12 Accounts, the taxable earnings may be more or less than the actual earnings on any particular START K12 Account or START K12 Accounts.

Potential Future Changes in Federal Tax Law

142. The federal tax incentives for IRC Section 529 Qualified Tuition Programs were made permanent by the Pension Protection Act of 2006. However, the federal laws are subject to change through legislative process.

Notice of Proposed Rulemaking

143. On January 17, 2008, the IRS and the Treasury released an Advanced Notice of Proposed Rulemaking putting the public on notice of the Treasury’s intention to publish a notice of proposed rulemaking. IRC Section 529 authorizes the IRS and the Treasury to promulgate
regulations as needed to protect against certain types of abuse in the context of Qualified Tuition Programs. The notice of proposed rulemaking will provide a general anti-abuse rule that will apply when accounts are established or used for purposes of avoiding or evading the federal income, estate, gift, and generation-skipping transfer tax or for other purposes inconsistent with IRC Section 529. In addition, the notice of proposed rulemaking will include rules relating to the federal tax treatment of Account Owner’s and their contributions (Deposits) to Qualified Tuition Programs, including rules addressing the inconsistency between IRC Section 529 and the generally applicable income tax and the federal estate, gift and generation-skipping transfer tax provisions of the Code. The notice of proposed rulemaking also will include rules that may relate to the function and operation of the Program and Accounts.

144. With some exceptions, the Regulations relating to Qualified Tuition Programs will be reproposed in the notice of proposed rulemaking. The guidance published after these Regulations in certain notices, instructions and publications also will be included in the forthcoming notice of proposed rulemaking. Taxpayers and Qualified Tuition Programs may continue to rely on the information provided in existing published guidance. The IRS and the Treasury anticipate that the forthcoming notice of proposed rulemaking also will address additional comments that have been received with regard to certain administrative, federal, income tax, and other issues that affect Qualified Tuition Programs and accounts.

145. The IRS and the Treasury anticipate that the new rules to be provided in the notice of proposed rulemaking will generally apply prospectively to the Qualified Tuition Programs and accounts. Transition rules will be provided if necessary; however, certain anti-abuse rules may be applied on a retroactive basis.

146. The IRS and the Treasury also anticipate that the notice of proposed rulemaking may require some states (or agencies or instrumentalities thereof), including LATTAs that have established and maintained Qualified Tuition Programs to make changes to the terms and operating provisions in order to ensure that Qualified Tuition Programs remain qualified under IRC Section 529. The forthcoming notice of proposed rulemaking will provide a grace period of no less than fifteen (15) months to implement most changes.

State Tax Considerations

147. Disbursements of earnings from a START K12 Account to pay Qualified Education Expenses under the terms of the Participation Agreement are nontaxable for Louisiana state income tax purposes.

State Gift Tax

148. For tax years beginning on January 1, 2005, Louisiana provides the same gift tax option provided under federal law and described in the Federal Gift/Estate Tax subsection under the Federal Tax Considerations section, above.

Medicaid and Other Federal and State Issues

Non-Educational Benefits

149. The effect of the value of a START K12 Account on an Account Owner’s eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that assets held in a START K12 Account will be viewed as a “countable resource” in determining an Account Owner’s financial eligibility for Medicaid. Disbursements from a START K12 Account during certain periods may also have the effect of delaying the issuance of Medicaid payments. An applicant for a START K12 Account should consult a tax advisor to determine how assets held in a START K12 Account may affect eligibility for Medicaid or other state and federal non-educational benefits.

Bankruptcy and Related Matters

150. Bankruptcy legislation that became effective for bankruptcy cases commenced by individuals under Title 11 of the United States Code on or after October 17, 2005, expressly excludes from such individual’s bankruptcy estate (and, therefore, will not be available for Disbursement or Refund to such individual’s creditors), certain funds Deposited by such individual to an IRC Section 529 Qualified Tuition Program. The bankruptcy protection for IRC Section 529 Qualified Tuition Programs is limited. To be protected, the Beneficiary of the Qualified Tuition Program must be a child, stepchild, grandchild, or step-grandchild of the Account owner during the year of the Deposit and the funds must have been deposited at least 365 days prior to a bankruptcy filing. The bankruptcy exclusion imposes a cap on the amount that may be excluded from such individual’s bankruptcy estate based on when the Deposit was made. During the period between 365 and 720 days prior to the bankruptcy filing, the maximum amount that can be excluded is $5,850. Deposits made more than 720 days prior to the bankruptcy filing are not to be part of the bankruptcy estate provided that the aggregate amount contributed by such individual to the Qualified Tuition Program does not exceed the Maximum Allowable Account Balance. Account Owners should consult with their tax or investment advisor for more information concerning their individual circumstances.

Refunds - Tax Consequences

151. With the exception of START K12 Accounts
classified in Category V, the Account Owner who is a Natural Person may name a substitute Beneficiary who is not a Member of the Family of the former Beneficiary. (See the START K12 ACCOUNT Categories section above for more information.) In this instance, the START K12 Account will be terminated, the moneys Deposited and the interest earned thereon will be refunded, and a new START K12 Account will be opened in the name of the new Beneficiary. Earnings that are transferred may be subject to a ten percent (10%) Federal Additional Tax. The Account Owner should consult with a qualified tax professional to determine the proper treatment of the transferred funds for state and federal tax purposes.

152. The Account Owner of a START K12 Account classified in Category V may also name a substitute Beneficiary who is not a Member of the Family of the former Beneficiary. In this instance, the START K12 Account will be terminated and the moneys deposited and the interest earned thereon will be transferred to a new START K12 Account in the name of the new Beneficiary. The naming of a substitute Beneficiary who is not a Member of the Family of the original Beneficiary may be treated as a Refund under federal and state tax laws, in which case the Account Owner will be subject to any associated tax consequences. The Account Owner should consult with a qualified tax professional to determine the proper treatment of the transferred funds for state and federal tax purposes.

**Securities Considerations**

153. LATTA has not heretofore requested a “no-action” letter from the U.S. Securities and Exchange Commission, nor has it sought a ruling or advisory opinion from the Louisiana Securities Commission as to whether the START K12 Program Participation Agreement constitute securities. However, it has requested such an opinion with respect to the START Saving Program. As all provisions of law and administrative rule that would determine whether the START K12 Program Participation Agreements are securities are the same as those for the START Saving Program, the ruling regarding the START Saving Program will apply.

The Louisiana Securities Commission has stated that the START Saving Program Agreements appear to be an investment contract and, as such, constitute “securities” as that term is defined in the Securities Act of 1933 (the “Securities Act”). LATTA has sought the opinion of and has been advised by independent counsel that START Saving Program Participation Agreements, if considered “securities” within the meaning of the Securities Act, is, in their opinion, exempt from the registration provisions of the Securities Act under the exemption afforded by Section 3 (a) (2) of the Securities Act. A similar exemption exists with respect to these agreements under the Louisiana Securities Act pursuant to Louisiana Revised Statutes 51:708. Other states’ Qualified Tuition Programs have received no-action letters and have been exempt from registration requirements.

**TERMINATION OF START K12 ACCOUNTS**

154. The Participation Agreement may be terminated at any time by Account Owners who are Natural Persons and whose START K12 Accounts are classified in Categories I, II, III, or IV. (See the START K12 Account Categories section above for more information.) The current value of the START K12 Account will be refunded.

155. START K12 Accounts classified in Category V and START K12 Accounts whose owners are Legal Entities MAY NOT be terminated by the Account Owner, but the Account Owner can name a substitute Beneficiary in accordance with the terms of the Participation Agreement.

156. If an Account Owner who is a Legal Entity names a substitute Beneficiary who is not a Member of the Family of the Beneficiary, the transfer of funds may be considered a Refund under federal tax statutes and that portion of the transfer which is considered earnings may be subject to a Federal Additional Tax of ten percent (10%) and a state income tax liability. Please contact your tax or investment advisor for more information.

157. Funds invested in Variable Earnings investment funds are not guaranteed and the Refund will be the Current Value of the START K12 Account on the next business day after the business day the request for termination is received. Refunds from START K12 Accounts may be less than the total of the original Deposits, less any Disbursements. Earnings that are refunded may be subject to state and federal income tax penalties. As an alternative to terminating a START K12 Account, the Account Owner may substitute a Member of the Family of the Beneficiary as a new Beneficiary in accordance with the terms of the Participation Agreement, in which case there would be no tax penalties.

**TRADE DATE**

158. Each transaction (including Deposits, Disbursements, changes in investments, and Refunds) executed on START K12 Accounts shall be assigned a Trade Date. Investments made by check or automatic bank debit are assigned a Trade Date that provides sufficient time for the check to be negotiated or the automatic bank debit to clear and funds made available for investment.

159. For the purposes of the Participation Agreement, the Trade Date is:

- The date that a Deposit is assigned a value in units.
- The date a Disbursement or Refund is assigned a value.
- The date a change in an investment fund is assigned a value.

160. Deposits will be assigned a Trade Date based on the
method of Deposit and the date of receipt. (Deposits received on weekends and holidays will be considered received on the next business day."

- Deposits by check and ACH Network (automatic bank debit) will be assigned a Trade Date three (3) business days after the business day during which they were received.
- Deposits made by all other means of electronic funds transfer will be assigned a Trade Date of one (1) business day after the business day during which they were received.

161. Disbursements will be assigned a Trade Date of one (1) business day after the business day of receipt of the request.

162. Refunds will be assigned a Trade Date of one (1) business day after the business day of receipt of the request.

163. For assets currently in a START K12 Account, requests for a change from one investment fund to a different investment fund will be assigned a Trade Date of one (1) business day after the business day of receipt of the request.

**TRANSFER OF START K12 ACCOUNTS**

164. A START K12 Account is generally nontransferable by Account Owners. With the exception of donations to a START K12 Account classified in Category V, Refunds may be made to an Account Owner who is a Natural Person because of the death or Disability of the Beneficiary (See the Refunds and Successor Account Owner sections for more information.)

**THE VANGUARD GROUP**

165. The Vanguard Group (Vanguard) is under contract to LATTA and the Louisiana State Treasurer to provide investment products for use by the START K12 Program. The Louisiana State Treasurer determined the funds that are being offered by the START K12 Program. Account Administrators select an investment fund and invest in the START K12 Program, which in turn invests the assets of the START K12 Program in investment products from among those offered by Vanguard. The investment funds and the underlying investment products may change from time to time, in which case LATTA will notify Account Owners prior to such changes. LATTA reserves the right to change investment managers upon its determination such change would be in the best interests of participants in the START K12 Program.

166. Vanguard serves as the investment manager of the Vanguard money market and mutual funds that make up the START K12 Program investment options. Vanguard, headquartered in Valley Forge, Pennsylvania, is one of the world’s largest investment management companies.
APPENDIX A: PARTICIPATION AGREEMENTS

PARTICIPATION AGREEMENT FOR AN EDUCATION SAVINGS ACCOUNT
OWNED BY AN INDIVIDUAL

In return for a START K12 Account, I agree, represent and warrant to the Louisiana Tuition Trust Authority (LATTA) as set forth below. Each capitalized term used but not defined in this Participation Agreement has the meaning that term has in the Disclosure Booklet.

A. General:
1. I understand and agree that this Participation Agreement is subject to and incorporates by reference the Disclosure Booklet, the START K12 Program statute and LATTA rules implementing the statute, as modified from time to time.
2. I understand that the Louisiana Office of Student Financial Assistance (LOSFA), a program of the Board of Regents (BOR) manages the program on a day-to-day basis under the direction of LATTA.
3. I have received, read and understand the START K12 Program Disclosure Booklet. I understand that this Participation Agreement shall become effective upon the opening of my START K12 Account on the records of LOSFA.
4. I certify that I am opening my START K12 Account to provide funds for the Qualified Education Expenses of the Beneficiary of the START K12 Account.
5. I understand that pursuant to federal and Louisiana law, any Deposit, or portion of a Deposit, made by me for a Beneficiary will be rejected and returned to the extent that the amount of the Deposit would cause the total START K12 Account balance for all START K12 Accounts under the program for that Beneficiary to exceed the Maximum Allowable Account Balance.
6. I recognize that the investment of Deposits and of investment returns in my START K12 Account involves certain risks and I have taken into consideration and understand the risk factors related to these investments.
7. I understand that neither I nor my Beneficiary is, or will be, permitted to exercise any investment direction over my START K12 Account other than my allocation of the moneys to a fund or funds selected by the State Treasurer, as provided in the Disclosure Booklet.
8. I understand and acknowledge that neither Deposits nor investment returns allocated to my START K12 Account are guaranteed or insured by any person or entity, including but not limited to, the State of Louisiana, LATTA, BOR, LOSFA, the Louisiana State Treasurer, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors, or investment managers selected or approved by LATTA or any agents, representatives or successors of the foregoing.
9. I understand and acknowledge that with respect to each investment fund there is no guarantee or commitment whatsoever from the State of Louisiana, LATTA, BOR, LOSFA, the Louisiana State Treasurer or any other person or entity that:
   a. the Beneficiary of my START K12 Account will be admitted to any Eligible Educational Institution;
   b. upon admission to an Eligible Educational Institution, my Beneficiary will be permitted to continue to attend;
   c. upon admission to an Eligible Educational Institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for my Beneficiary;
   d. my Beneficiary will graduate or receive a high school diploma from any educational institution; or
   e. the Deposits and investment returns in my START K12 Account will be sufficient to cover the Qualified Education Expenses of my Beneficiary.
10. I understand that the Louisiana State Treasurer may change the Investment Funds offered by the START K12 Program from time to time.
11. (The following sentence is applicable to individuals executing this Participation Agreement in a representative capacity.) I have full power and authority to enter into and perform this Participation Agreement on behalf of the individual named above as Account Owner.
12. I understand and acknowledge that I have not been advised by the State of Louisiana, LATTA, BOR, LOSFA or any other person or entity to invest, or to refrain from investing, in a particular fund.
13. I understand that I may cancel this Participation Agreement at any time. I understand that this may be accomplished by:
   a. requesting a Disbursement of all the funds in the START K12 Account, if the amount requested does not exceed the maximum amount of Qualified Education Expenses for that year; or
b. submitting a written request for termination of the START K12 Account and a Refund (Non-Qualified Distribution), in which case the penalties referenced in paragraph B of this Participation Agreement may apply.

B. Penalties and Fees. I understand and agree that a Refund from my START K12 Account will be subject to:

1. the Federal Additional Tax of ten percent (10%) of the earnings portion of a Non-Qualified Distribution that is payable through the Account Owner’s federal income tax return to the United States Treasury, unless the Refund was made on account of: a) the death of the Beneficiary if paid to the Beneficiary’s estate; b) the disability of the Beneficiary within the meaning of IRC Section 72(m)(7); or c) the receipt of a scholarship by the Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship;
2. federal income tax on earnings;
3. Louisiana income tax on earnings; and
4. loss of interest earned, if my START K12 Account is terminated within one (1) year of the date it was opened.

C. I acknowledge that the rate of the Federal Additional Tax and the State tax consequences for Refunds may change.

D. I acknowledge and agree that my START K12 Account may be subject to other fees, charges or penalties in the future, if imposed by LATTA.

E. Necessity of Qualification. I understand that the START K12 Program is intended to be a Qualified Tuition Program under IRC Section 529 and to achieve favorable State tax treatment under Louisiana law. I agree that LATTA may make changes to the START K12 Program and this Participation Agreement at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by IRC Section 529 or the favorable State tax treatment provided by Louisiana law, or any similar successor legislation.

F. Rules and Regulations. My START K12 Account and this Participation Agreement are subject to future changes to the Disclosure Booklet and to such rules and regulations as LATTA may promulgate in accordance with State law.

G. Indemnity. I understand that the establishment of my START K12 Account will be based upon my agreements, representations and warranties set forth in this Participation Agreement. I agree to indemnify and hold harmless the State of Louisiana, LATTA BOR, LOSFA, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by LATTA, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney’s fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me on the Account Application or otherwise with respect to my START K12 Account, and any breach by me of any of the agreements, representations or warranties contained in this Participation Agreement. All of my agreements, representations and warranties shall survive the termination of this Participation Agreement.

H. Binding Nature; Third-Party Beneficiaries. This Participation Agreement shall survive my death and shall be binding upon my successor Account Owner, my personal representatives, heirs, successors and assigns. The Program Managers are third-party beneficiaries of my agreements, representations and warranties in this Participation Agreement.

I. Amendment and Termination. At any time, and from time to time, LATTA may amend this Participation Agreement or the Disclosure Booklet, or the Fund may be suspended or terminated, but except as permissible under applicable law, my START K12 Account may not thereby be diverted from the exclusive benefit of my Beneficiary or from my control.

J. Governing Law and Venue for Disputes. This Participation Agreement is governed by Louisiana law and any action arising under this Agreement shall be brought in the Parish of East Baton Rouge, State of Louisiana.
PARTICIPATION AGREEMENT FOR A LEGAL ENTITY START K12 ACCOUNT

This Agreement applies to all START K12 Accounts opened on behalf of all Legal Entities. These START K12 Accounts are classified in START K12 Account Category V.

When opening a START K12 Account in the START K12 Program or conducting a transaction for that START K12 Account for a Legal Entity, the Account Owner must provide documentary substantiation of the following: (1) the legal status of the Legal Entity; (2) authorization by the Legal Entity to open the START K12 Account or to conduct the transaction; and (3) authorization by the Legal Entity for the signer of the form to do so and to open the START K12 Account and to conduct the transaction on behalf of the Legal Entity. The same document may provide substantiation of all of the three elements above.

The documents set forth at the end of this Participation Agreement, which must be dated no more than sixty (60) days prior to receipt by the Louisiana Tuition Trust Authority (LATTA), have been approved by LATTA to meet substantiation requirements.

I, on behalf of the Account Owner, a Legal Entity named in the Account Application, to open a START K12 Account in the START K12 Program agree, represent and warrant to LATTA, as set forth below. Each capitalized term used but not defined in this Participation Agreement has the meaning that term has in the Disclosure Booklet.

A. General – On behalf of and for benefit of the Account Owner:

1. I understand and agree that this Participation Agreement is subject to and incorporates by reference the Disclosure Booklet, the START K12 Program statute and LATTA rules implementing the statute, as modified from time to time.

2. I understand that the Louisiana Office of Student Financial Assistance (LOSFA), a program of the Board of Regents (BOR), manages the program on a day-to-day basis under the direction of LATTA.

3. I have received, read and understand the START K12 Program Disclosure Booklet. I understand that this Participation Agreement shall become effective upon the opening of this START K12 Account on the records of LOSFA.

4. I certify that I am authorized by the Account Owner to open this START K12 Account, including execution of this Participation Agreement, to provide funds for the Qualified Education Expenses of the Beneficiary.

5. I understand that pursuant to federal and Louisiana law, any Deposits, or portion of a Deposit, made to this START K12 Account for the Beneficiary will be rejected and returned to the extent that the amount of the Deposits would cause the total START K12 Account balance for all START K12 Accounts under the program for that Beneficiary to exceed the Maximum Allowable Account Balance.

6. I recognize that the investment of Deposits and of investment returns in this START K12 Account involves certain risks and I have taken into consideration and understand the risk factors related to these investments.

7. I understand that neither the Account Owner nor the Beneficiary is, or will be, permitted to exercise any investment direction over the START K12 Account other than allocation of the moneys to a fund or funds selected by the State Treasurer, as provided in the Disclosure Booklet.

8. I understand and acknowledge that neither Deposits nor investment returns allocated to this START K12 Account are guaranteed or insured by any person or entity, including but not limited to, the State of Louisiana, LATTA, BOR, LOSFA, the Louisiana State Treasurer, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors, or investment managers selected or approved by LATTA or any agents, representatives or successors of the foregoing.

9. I understand and acknowledge that with respect to each Investment Fund there is no guarantee or commitment whatsoever from the State of Louisiana, LATTA, BOR, LOSFA, the Louisiana State Treasurer or any other person or entity that:
   a. the Beneficiary of this START K12 Account will be admitted to any Eligible Educational Institution;
   b. upon admission to an Eligible Educational Institution, the Beneficiary will be permitted to continue to attend;
   c. upon admission to an Eligible Educational Institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for the Beneficiary;
   d. the Beneficiary will graduate or receive a high school diploma from any educational institution; or
   e. the Deposits and investment returns in my START K12 Account will be sufficient to cover the Qualified Education Expenses of the Beneficiary.

10. I understand that the Louisiana State Treasurer may change the Investment Funds offered by the START K12 Program and the START K12 Program investments from time to time.

11. I understand and acknowledge that I have not been advised by the State of Louisiana, LATTA BOR, LOSFA or any other person or entity to invest, or to refrain from investing, in a particular fund.

12. I understand that I may not cancel this Participation Agreement unless all funds in the
account have been Disbursed. I understand that I may request a Disbursement of all the funds in the START K12 Account, if the amount requested does not exceed the maximum amount of Qualified Education Expenses for that year.

B. Penalties and Fees. I understand and agree that a Refund/Non-Qualified Distribution from this START K12 Account will be subject to:
1. the Federal Additional Tax of ten percent (10%) of the earnings portion of a Non-Qualified Distribution that is payable through the Account Owner’s federal income tax return to the United States Treasury, unless the Refund was made on account of: a) the death of the Beneficiary if paid to the Beneficiary’s estate; b) the disability of the Beneficiary within the meaning of IRC Section 72(m)(7); or c) the receipt of a scholarship by the Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship.
2. federal income tax on earnings;
3. Louisiana income tax on earnings; and
4. loss of interest earned, if my START K12 Account is terminated within one (1) year of the date it was opened.

C. I acknowledge that the rate of the federal additional tax and the state tax consequences for Refunds may change.

D. Necessity of Qualification. I understand that the START K12 Program is intended to be a “Qualified Tuition Program” under IRC Section 529, and to achieve favorable state tax treatment under Louisiana law. I agree that LATTA may make changes to the START K12 Program and this Participation Agreement at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by IRC Section 529 or the favorable state tax treatment provided by Louisiana law, or any similar successor legislation.

E. Rules and Regulations. The START K12 Account and this Participation Agreement are subject to future changes to the Disclosure Booklet and to such rules and regulations as LATTA may promulgate in accordance with State law.

F. Indemnity. I understand that the establishment of this START K12 Account will be based upon my agreements, representations and warranties on behalf of the Account Owner set forth in this Participation Agreement. The Account Owner, or if it is determined I am not an authorized agent of the Account Owner and the Account Owner does not ratify my actions, I agree to indemnify and hold harmless the State of Louisiana, LATTA, BOR, LOSFA, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by LATTA, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney’s fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me on the Account Application or otherwise with respect to this START K12 Account, and any breach by me of any of the agreements, representations or warranties contained in this Participation Agreement. All of my agreements, representations and warranties shall survive the termination of the Participation Agreement.

G. Binding nature; Third-Party Beneficiaries. This Participation Agreement shall survive the dissolution of the Account Owner and shall be binding upon the Beneficiary and the Account Owner, its successor Account Owner, its personal representatives, heirs, successors and assigns. The Program Managers are third-party beneficiaries of my agreements, representations and warranties in this Participation Agreement.

H. Amendment and Termination. At any time, and from time to time, LATTA may amend this Participation Agreement or the Disclosure Booklet, or the Fund may be terminated, but except as permissible under applicable law, this START K12 Account may not thereby be diverted from the exclusive benefit of the Beneficiary.

I. Governing Law and Venue for Disputes. This Participation Agreement is governed by Louisiana law and any action arising under the Participation Agreement shall be brought in the Parish of East Baton Rouge, State of Louisiana.

J. I have submitted with the Account Application documentation authorizing me to open a START K12 Account on behalf of the Account Owner, which is a Legal Entity, and to conduct all transactions with respect to the START K12 Account.

List of Approved Documents for Substantiation of Authorization to Act on Behalf of a Legal Entity

1. a corporate by-law extract or corporate resolution certified by an officer of the corporation (other than an individual authorized thereby to act as signer for the corporation’s START K12 Account) with raised seal if in use by the corporation;
2. a certificate signed by the owner of a sole proprietorship;
3. a certificate signed by a general partner of a partnership (other than an individual authorized by the certificate to act as signer for the partnership’s START K12 Account);
4. a certificate signed by either an officer of a limited liability company, other company or association (other than an individual authorized by the certificate to act as signer for the account of the limited liability company, other
5. a certificate signed by the chief executive officer or a person designated by the chief executive officer in writing of
a state or local government agency;
6. a certified copy of a court order establishing an estate and naming a legal representative of the estate that is authorized
to act as signer for the account of the estate;
7. a certificate signed by the trustee of a trust, a court order, or a certified copy of the portions of a trust instrument that
confirms the creation of the trust and the identity of the trustee, and provides authorization for the trustee to act as a
signer for the START K12 Account of the trust;
8. a letter or memorandum from the Internal Revenue Service indicating that the entity is an organization described in
IRC Section 501C(3);
9. an original memorandum exhibiting the appropriate letterhead and containing the holographic signature of (a) the
chief executive officer of a corporation or limited liability company; (b) the general partner of a partnership; (c) the
owner of a sole proprietorship; or (d) the chief executive officer of a state or local government agency;
10. if the Legal Entity Account Owner is unable to provide substantiation in any of the foregoing forms, the entity
Account Owner may propose an alternate form of substantiation to LOSFA for consideration. LOSFA will review
the alternate form of substantiation for authenticity and completeness. LOSFA will either accept or reject the
documentation. LOSFA’s decision is final.
PARTICIPATION AGREEMENT FOR A CUSTODIAL START K12 ACCOUNT

This Agreement applies to START K12 Accounts opened for minors by custodians appointed by a court of competent jurisdiction to administer the estate of a minor child and to custodians appointed in accordance with the Uniform Transfers to Minors Act. These START K12 Accounts are opened on behalf of the minor child and are classified in START K12 Account Category III.

I agree, represent and warrant to the Louisiana Tuition Trust Authority (LATTA) as set forth below. Each capitalized term used but not defined in this Participation Agreement has the meaning that term has in the Disclosure Booklet.

A. General – On behalf of and for benefit of the Account Owner/Beneficiary:
   1. I understand and agree that this Participation Agreement is subject to and incorporates by reference the Disclosure Booklet, the START K12 Program statute and LATTA rules implementing the statute, as modified from time to time.
   2. I understand the Louisiana Office of Student Financial Assistance (LOSFA), a program of the Board of Regents (BOR), manages the program on a day-to-day basis under the direction of LATTA.
   3. I have received, read and understand the START K12 Program Disclosure Booklet. I understand that this Participation Agreement shall become effective upon the opening of the START K12 Account on behalf of the Beneficiary on the records of LOSFA.
   4. I certify that I am opening this START K12 Account as custodian of Beneficiary’s property to provide funds for the Qualified Education Expenses of the Beneficiary of the START K12 Account.
   5. I understand that this START K12 Account is classified in Category III.
   6. I understand that full custody and control of this START K12 Account shall be automatically transferred to the Beneficiary at the age designated under the law governing or the applicable terms and conditions of the UGMA/UTMA custodial account and at that time the Account Owner/Beneficiary will be bound by the provisions of this Participation Agreement as are in effect at that time.
   7. I understand that pursuant to federal and Louisiana law, any Deposit, or portion of a Deposit, made by me for a Beneficiary will be rejected and returned to the extent that the amount of the Deposit would cause the total START K12 Account balance for all START K12 Accounts under the program for that Beneficiary to exceed the Maximum Allowable Account Balance.
   8. I recognize that the investment of Deposits and investment returns in this START K12 Account involves certain risks and I have taken into consideration and understand the risk factors related to these investments.
   9. I understand that neither I, nor the Beneficiary, is or will be permitted to exercise any investment direction over the START K12 Account other than allocation of the moneys to a fund or funds selected by the State Treasurer, as provided in the Disclosure Booklet.
   10. I understand and acknowledge that neither Deposits nor investment returns allocated to the START K12 Account are guaranteed or insured by any person or entity, including but not limited to, the State of Louisiana, LATTA, BOR, LOSFA, the Louisiana State Treasurer, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors, or investment managers selected or approved by LATTA or any agents, representatives or successors of the foregoing.
   11. I understand and acknowledge that with respect to each Investment Fund there is no guarantee or commitment whatsoever from the State of Louisiana, LOSFA, BOR, LATTA, the Louisiana State Treasurer or any other person or entity that:
      a. the Beneficiary of the START K12 Account will be admitted to any Eligible Educational Institution;
      b. upon admission to an Eligible Educational Institution, my Beneficiary will be permitted to continue to attend;
      c. upon admission to an Eligible Educational Institution, state residency will be created for tuition, tax, financial aid eligibility, or any other purpose for my Beneficiary;
      d. my Beneficiary will graduate or receive a high school diploma from any educational institution; or
      e. the Deposits and investment returns in the START K12 Account will be sufficient to cover the Qualified Education Expenses of my Beneficiary.
   12. I understand that the Louisiana State Treasurer may change the Investment Fund offered by the START K12 Program from time to time.
   13. I have full power and authority to enter into and perform this Participation Agreement on behalf of the individual named above as Account Owner.
   14. I understand and acknowledge that I have not been advised by the State of Louisiana, LATTA, BOR, LOSFA or any other person or entity to invest, or to refrain from investing, in a particular fund.
   15. I understand that I may cancel this Participation Agreement at any time. I understand that this may be accomplished by:
      a. requesting a Disbursement of all the funds in the START K12 Account, if the amount requested does not exceed the maximum amount of Qualified Education Expenses for that year; or
      b. submitting a written request for termination of the START K12 Account and a Refund (Non-Qualified Distribution), in which case the penalties referenced in paragraph B of this Participation Agreement may apply.

B. Penalties and Fees. I understand and agree that a Refund/Non-Qualified Distribution from this START
K12 Account will be subject to:
1. the Federal Additional Tax of ten percent (10%) of the earnings portion of a Non-Qualified Distribution that is payable through the Account Owner’s federal income tax return to the United States Treasury, unless the Refund was made on account of: a) the death of the Beneficiary if paid to the Beneficiary’s estate; b) the disability of the Beneficiary within the meaning of IRC Section 72(m)(7); and c) the receipt of a scholarship by the Beneficiary to the extent the amount withdrawn does not exceed the amount of such scholarship.
2. federal income tax on earnings;
3. Louisiana income tax on earnings; and
4. loss of interest earned, if my START K12 Account is terminated within one year of the date it was opened.

C. I acknowledge that the rate of the Federal Additional Tax and the State tax consequences for Refunds may change.

D. Necessity of Qualification. I understand that the START K12 Program is intended to be a “qualified tuition program” under IRC Section 529 and to achieve favorable state tax treatment under Louisiana law. I agree that LATTA may make changes to the START K12 Program and this Participation Agreement at any time if it is determined that such changes are necessary for the continuation of the federal income tax treatment provided by IRC Section 529 or the favorable state tax treatment provided by Louisiana law, or any similar successor legislation.

E. Rules and Regulations. The START K12 Program and this Participation Agreement are subject to future changes to the Disclosure Booklet and to such rules and regulations as LATTA may promulgate in accordance with State law.

F. Indemnity. I understand that the establishment of this START K12 Account will be based upon my agreements, representations and warranties on behalf of the Account Owner set forth in this Participation Agreement. The Account Owner, or if it is determined I am not court appointed custodian or a trustee appointed in accordance with the Uniform Transfers to Minors Act for the Account Owner, I agree to indemnify and hold harmless the State of Louisiana, LATTA, BOR, LOSFA, The Vanguard Group and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by LATTA, and any agents, representatives, or successors of any of the foregoing, from and against any and all loss, damage, liability or expense, including reasonable attorney’s fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation made by me on the Account Application or otherwise with respect to this START K12 Account, and any breach by me of any of the agreements, representations or warranties contained in this Participation Agreement. All of my agreements, representations and warranties shall survive the termination of the Participation Agreement.

G. Binding Nature; Third-Party Beneficiaries. This Participation Agreement shall survive my death and shall be binding upon the Beneficiary and the Account Owner, its successor Account Owner, its personal representatives, heirs, successors and assigns. The Program Managers are third-party beneficiaries of my agreements, representations and warranties in this Participation Agreement.

H. Amendment and Termination. At any time, and from time to time, LATTA may amend this Participation Agreement or the Disclosure Booklet, or the Fund may be terminated, but except as permissible under applicable law, this START K12 Account may not thereby be diverted from the Account Owner’s/Beneficiary’s exclusive benefit.

I. Governing Law and Venue for Disputes. This Participation Agreement is governed by Louisiana law and any action arising under the Participation Agreement shall be brought in the Parish of East Baton Rouge, Louisiana.
**APPENDIX B: GLOSSARY**

**Account Application and Participation Agreement** or **Participation Agreement** is the agreement for program participation that the Account Owner completes and signs. It incorporates, by reference, LSA-R.S. 17:3091, et seq., and the rules promulgated by LATTA to implement this statutory provision, any other state or federal laws applicable to the agreement and all of the terms and conditions of this START K12 Program Disclosure Booklet.

**Account Owner** or **you** refers to the person(s), organization or group that completes the START K12 Program Account Application on behalf of a Beneficiary and is the Account Owner of record of all funds credited to the account.

**Act** is the Louisiana Student Tuition Assistance and Revenue Trust Kindergarten Through Twelfth Program (START K12 Program) in LSA-R.S. 17:3100.1 et seq.

**Additional Federal Tax** is a federal surtax required by the Code that is equal to ten percent (10%) of the earnings portion of a Refund, unless an exception applies (See definition of Refund, below).

**Beneficiary** is the person designated by the Account Owner in the START K12 Account Application (or the person named by LATTA when authorized to make such a designation by the owner of a START K12 Account that is classified under LSA-R.S. 17:3100.6.A(1)(e)), as the individual entitled to apply the START K12 Account balance, or portions thereof, toward payment of his/her Qualified Education Expenses.

**Code** or **IRC**: Internal Revenue Code of 1986, as amended. There are references to various Sections of the Code throughout this Disclosure Booklet, including IRC Section 529 as it currently exists and as it may subsequently be amended, and regulations adopted under it.

**Current Value** means the value of a START K12 Account at a given point in time. The Current Value of a START K12 Account includes the number of units in the investment fund purchased multiplied by the current value of each unit. This value may be more or less than the amount originally Deposited.

**Deposit** refers to a contribution of U.S. currency to a START K12 Account.

**Disabled** or **Disability** refers to an individual who is considered to be disabled because he/she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered Disabled unless he furnishes proof of the existence thereof in such form and manner as LATTA may require.

**Disbursement** refers to a distribution from an IRC Section 529 Qualified Tuition Program used to pay the Qualified Education Expenses of a designated Beneficiary.

**Educational Term** is a semester, quarter, term, summer session, inter-session, or an equivalent unit.

**Eligible Educational Institution** is a public or approved nonpublic elementary or secondary school in Louisiana that contains any of the grades kindergarten through twelve.

**False or Misleading Information** is a statement or response made by a person, which is knowingly false or misleading, and made for the purpose of establishing a program account and/or receiving benefits to which the person would not otherwise be entitled.

**Legal Entity** is a juridical person including, but not limited to, groups, trusts, estates, associations, organizations, partnerships, and corporations that are incorporated, organized, established or authorized to conduct business in accordance with the laws of one or more states or territories of the United States. A Natural Person is not a Legal Entity.

**Louisiana Education Tuition and Savings Fund (the Fund)** is a special permanent fund maintained by the Louisiana State Treasurer for the purpose of the START Saving Program and the START K12 Program and is the account into which all initial Deposits made to START K12 Accounts are deposited.

**Louisiana Tuition Trust Authority (LATTA)** is the statutory body responsible for administration of the START K12 Program.

**Louisiana Office of Student Financial Assistance (LOSFA)** is a program of the Board of Regents, an agency of state government responsible for the day-to-day administration of the START K12 Program under the direction of LATTA.

**Louisiana Resident** is any person who resided in the State of Louisiana on the date of the application and who has manifested intent to remain in the state by establishing Louisiana as legal domicile, as demonstrated by compliance with all of the following:

- If registered to vote, is registered to vote in Louisiana;
- If licensed to drive a motor vehicle, is in possession of a Louisiana driver’s license;
- If owning a motor vehicle located within Louisiana, is in possession of a Louisiana registration for that vehicle;
- If earning an income, has complied with state income tax laws and regulations.

A member of the Armed Forces stationed outside of
Louisiana, who claims Louisiana on his/her official DD Form 2058 as his/her “legal residence” for tax purposes, and is in compliance with state income tax laws and regulations shall be considered eligible for program participation. A member of the Armed Forces stationed in Louisiana under permanent change of station orders shall be considered eligible for program participation.

Persons less than twenty-one (21) years of age are considered Louisiana Residents if they reside with and are dependent upon one or more persons who meet the above requirements.

A Legal Entity is considered to be a Louisiana Resident if it is incorporated, organized, established or authorized to conduct business in accordance with the laws of Louisiana or registered with the Louisiana Secretary of State to conduct business in Louisiana and has a physical place of business in Louisiana.

Maximum Allowable Account Balance is $180,000.00. Once the Current Value of a START K12 Account equals or exceeds the Maximum Allowable Account Balance, principal Deposits will no longer be accepted for the START K12 Account.

Member of the Family is, with respect to the designated Beneficiary:

1. The spouse of such Beneficiary; or
2. An individual who bears one of the following relationships to such Beneficiary:
   a) A son or daughter of the Beneficiary, or a descendant of either;
   b) A stepson or stepdaughter of the Beneficiary;
   c) A brother, sister, stepbrother, or stepsister of the Beneficiary;
   d) The father or mother of the Beneficiary or an ancestor of either;
   e) A stepfather or stepmother of the Beneficiary;
   f) A son or daughter of a brother or sister of the Beneficiary;
   g) A brother or sister of the father or mother of the Beneficiary;
   i) Any first cousin of a Beneficiary; and
3. The spouse of an individual listed in items 2.a through i.

Mutual Fund or Funds refer to the mutual funds of The Vanguard Group. (See the Investments section, above, for more detailed descriptions.)

Natural Person means a human being.

Non-Qualified Distribution refers to any distribution that is not a Qualified Distribution and is in most cases considered taxable. A Non-Qualified Distribution is also referred to as a Refund. See the definition of Refund, below.

Other Person, with respect to any designated Beneficiary, is any person, other than the Beneficiary, whether natural or juridical, who is not a Member of the Family, including but not limited to individuals, groups, trusts, estates, associations, organizations, partnerships, corporations, and custodians under the Uniform Transfers to Minors Act (UTMA).

Partial Refund refers to a refund of less than all the funds in a START K12 Account. A Partial Refund of a START K12 Account may occur only if:

a) the Beneficiary is the recipient of a scholarship, waiver of Tuition or similar subvention,

b) the Account Owner furnishes LATTA with such information about the scholarship, waiver or similar subvention, and

c) LATTA determines that the scholarship, waiver of Tuition or similar subvention cannot be converted into money.

Person is a human being or a juridical entity.

Qualified Distribution is a distribution that is used to pay Qualified Education Expenses. A Qualified Distribution is also referred to in this Disclosure Booklet as a Disbursement.

Qualified Education Expenses are expenses for tuition in connection with enrollment or attendance at an elementary or secondary school in grades kindergarten through twelve.

Qualified Tuition Program is a college savings program that meets the requirements of Section 529 of the Internal Revenue Code and is frequently referred to as a 529 Plan.

Refund refers to any distribution from a START K12 Account that is not a Qualified Distribution.

Refund Recipient is the person designated by the Account Owner in the START K12 Program Account Application or by operation of law to receive refunds from the START K12 Account. The Refund Recipient can only be the Account Owner or the Beneficiary.

Rollover refers to any transfer of funds that involves a change in Beneficiary and is (i) between START K12 Accounts, (ii) from an account established in another state’s Qualified Tuition Program to a START K12 Account, (iii) from a START K12 Account to a START Saving Program Account; or (iv) from a START K12 Account to an account in another state’s Qualified Tuition Program; provided that, in the case of a Rollover involving an account in another state’s Qualified Tuition Program, as described in (ii) and (vi) above, the Rollover need not involve a change in Beneficiary, as long as
the Rollover does not occur within twelve (12) months from the date of a previous Rollover from any Qualified Tuition Program to any other Qualified Tuition Program for the same Beneficiary regardless of whether or not the Account Owner for all the accounts involved is the same person. If the Rollover involves a change in Beneficiary, the new Beneficiary must be a Member of the Family of the replaced Beneficiary.

**Special Needs Services [and Special Needs Beneficiary]** are services provided to a Beneficiary because the student has one or more disabilities.

**START K12 Account** is a savings account established by a Natural Person, a Legal Entity or an Other Person to pay Qualified Education Expenses of the designated Beneficiary.

**Trade Date** is the date that a Deposit is assigned a value in units or the date a Disbursement or Refund is assigned a value or the date a change in an investment fund is assigned a value, whichever is applicable.

**Tuition** is the mandatory educational charge required as a condition of enrollment.

**Variable Earnings** refers to that portion of funds in a START K12 Account invested in equities, bonds, short-term fixed income investments or a combination of any of the three.

**Variable Earnings Transaction Fund** is the subaccount established within the Louisiana Education Tuition and Savings Fund to receive funds as directed by rule.
APPENDIX C: CONTACT US

If you have any questions concerning the START K12 Program or this Disclosure Booklet, or to obtain a START K12 Program Account Application, please contact the START K12 Program at one of the following:

The START K12 Program

Web site:  http://www.startsaving.la.gov

Telephone:  800-259-5626

E-mail:  START@osfa.la.gov

U. S. Mail:  START K12 Program
Louisiana Office of Student Financial Assistance
Post Office Box 91271
Baton Rouge, LA 70821-9271

Overnight Mail:  START K12 Program
Louisiana Office of Student Financial Assistance
602 North Fifth Street
Baton Rouge, LA 70802

The Vanguard Group

To obtain a prospectus for the underlying investments in a Variable Earnings investment fund, contact The Vanguard Group.

DO NOT SEND ANY DOCUMENTS OR DEPOSITS TO THE VANGUARD GROUP.

Web site:  www.vanguard.com

U. S. Mail:  The Vanguard Group
Post Office Box 1110
Valley Forge, PA 19482-1110
APPENDIX D: PROGRAM FEE DISCLOSURE

(As of October 24, 2018 - Fees/costs are subject to change at any time.)

**TABLE 1 - FEES**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Ticker Symbol</th>
<th>Investment Distribution</th>
<th>Underlying Fund Expenses</th>
<th>Program Manager Fee</th>
<th>State Fee</th>
<th>Misc. Fees</th>
<th>Annual Distribution Fee</th>
<th>Total Annual Asset-Based Fees</th>
<th>Maximum Initial Sales Charge</th>
<th>Annual Account Maintenance Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Federal Money Market Fund, Investor Shares</td>
<td>VMFXX</td>
<td>100%</td>
<td>0.11% (12/22/17)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.11%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Vanguard Intermediate-Term Bond Index Fund, Admiral Shares</td>
<td>VBILX</td>
<td>100%</td>
<td>0.07% (4/26/18)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.07%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund, Admiral Shares</td>
<td>VBIRX</td>
<td>100%</td>
<td>0.07% (4/26/18)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.07%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund, Institutional Shares</td>
<td>VTSNX</td>
<td>100%</td>
<td>0.09% (2/22/18)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.09%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Vanguard Total Stock Market Index Fund, Institutional Plus Shares</td>
<td>VITPX</td>
<td>100%</td>
<td>0.02% (4/26/18)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0.02%</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

1 The “Underlying Fund Expenses" are not charged directly to START K12 Accounts; however, the fee is deducted from the total funds invested in this equity investment and reduces the value of the START K12 Program units owned by the Account Owner.

**Approximate Cost of $10,000 Investment:**

The START K12 Program does not charge an Account Owner any fees for opening or maintaining an Account. The State of Louisiana and LOSFA, through funds appropriated by the Louisiana Legislature, pay most of the costs of the START K12 Program; however, the investment management fees charged by The Vanguard Group for the program's investments in Vanguard mutual funds are deducted from the total funds invested in a specific mutual fund thereby reducing the total funds invested in that mutual fund and reducing the value of the START K12 Program units owned by the Account Owner.

Table 2, below, compares the approximate cost of investment management fees to the START K12 Program over different periods of time. The actual cost may be higher or lower. The table is based on the following assumptions:

- A $10,000 investment for the time periods shown.
- A 5% annually compounded rate of return on the amount invested throughout the period.
- The investment management fee is prorated by 365 days and deducted on a daily basis based on the value of the total amount invested in the fund. (Example: The investment management fee for the Vanguard Total Stock Market Index Fund Institutional Plus Shares is 0.02% that is prorated by 365 days to be 0.00005479452% per day).
- All units are disbursed at the end of the period shown for payment of Qualified Education Expenses. (The table does not consider the impact of any potential state or federal taxes on a partial or total redemption of the amount invested.)
- Total annual asset-based fees remain the same as those shown in Table 1.
- There is no annual maintenance fee for START K12 Accounts.
### TABLE 2 – INVESTMENT COSTS

<table>
<thead>
<tr>
<th>Investment Funds</th>
<th>Ticker Symbol</th>
<th>Investment Distribution</th>
<th>One Time Purchase Fee</th>
<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Ten Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Federal Money Market Fund, Investor Shares</td>
<td>VMFXX</td>
<td>100%</td>
<td>$0</td>
<td>$11.28</td>
<td>$35.60</td>
<td>$62.48</td>
<td>$142.71</td>
</tr>
<tr>
<td>Vanguard Intermediate-Term Bond Index Fund, Admiral Shares</td>
<td>VBILX</td>
<td>100%</td>
<td>$0</td>
<td>$7.18</td>
<td>$22.66</td>
<td>$39.76</td>
<td>$90.81</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund, Admiral Shares</td>
<td>VBIRX</td>
<td>100%</td>
<td>$0</td>
<td>$7.18</td>
<td>$22.66</td>
<td>$39.76</td>
<td>$90.81</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund, Institutional Shares</td>
<td>VTSNX</td>
<td>100%</td>
<td>$0</td>
<td>$9.23</td>
<td>$29.13</td>
<td>$51.12</td>
<td>$116.76</td>
</tr>
<tr>
<td>Vanguard Total Stock Market Index Fund, Institutional Plus Shares</td>
<td>VITPX</td>
<td>100%</td>
<td>$0</td>
<td>$2.05</td>
<td>$6.47</td>
<td>$11.36</td>
<td>$25.95</td>
</tr>
</tbody>
</table>

### TABLE 3 - SALES CHARGES:

<table>
<thead>
<tr>
<th>START Savings Program Amount Invested</th>
<th>Up-Front Sales Charge Percent</th>
<th>B Units sold within Year</th>
<th>Deferred Sales Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Amount</td>
<td>0%</td>
<td>Any Number</td>
<td>0%</td>
</tr>
</tbody>
</table>

There are no deferred sales charges on START K12 Accounts.

### TABLE 4 - POSSIBLE ADDITIONAL FEES:

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>Cancellation Fee</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>Change in Beneficiary</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>Change in Investments</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>Other Charges</td>
<td>0%</td>
<td>$0</td>
</tr>
</tbody>
</table>

There are no additional fees or expenses deducted from START K12 Accounts or paid directly by the investor.
APPENDIX E: PERFORMANCE CHARTS

TABLE 5 - DEPOSITS AND START K12 ACCOUNTS OUTSTANDING AT YEAR-END

(2018 – As of October 24, 2018)

<table>
<thead>
<tr>
<th></th>
<th>Cumulative Deposits</th>
<th>Active ESA's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits in Millions</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The START K12 Program was authorized and implemented in calendar year 2018 with initial deposits accepted beginning in December 2018.

TABLE 6 - PARTICIPATION BY INVESTMENT

As of October 24, 2018

<table>
<thead>
<tr>
<th>Funds</th>
<th>Ticker Symbol</th>
<th>Amount Invested (Market)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Federal Money Market Fund, Investor Shares</td>
<td>VMFXX</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Vanguard Intermediate-Term Bond Index Fund, Admiral Shares</td>
<td>VBILX</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund, Admiral Shares</td>
<td>VBIRX</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund, Institutional Shares</td>
<td>VTSNX</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Vanguard Total Stock Market Index Fund, Institutional Plus Shares</td>
<td>VITPX</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL START K-12 INVESTMENTS</td>
<td>$0</td>
<td></td>
<td>0%</td>
</tr>
</tbody>
</table>

The START K12 Program was authorized and implemented in calendar year 2018 with initial deposits accepted in December 2018.
<table>
<thead>
<tr>
<th>Vanguard Funds</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
<th>Since Inception (Inception Date)</th>
<th>Annual Total Return 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Federal Money Market Fund, Investor Shares (VMFXX)</td>
<td>1.50%</td>
<td>0.79%</td>
<td>0.48%</td>
<td>0.34%</td>
<td>4.20% (7-13-1981)</td>
<td>0.81%</td>
</tr>
<tr>
<td>Vanguard Intermediate-Term Bond Index Fund, Admiral Shares (VBILX)</td>
<td>-2.03%</td>
<td>1.17%</td>
<td>2.40%</td>
<td>4.95%</td>
<td>4.73% (11-12-2001)</td>
<td>3.85%</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund, Admiral Shares (VBIRX)</td>
<td>-0.43%</td>
<td>0.64%</td>
<td>0.98%</td>
<td>2.21%</td>
<td>2.77% (11-12-2001)</td>
<td>1.18%</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index Fund, Institutional Shares (VTSNX)</td>
<td>1.63%</td>
<td>9.97%</td>
<td>4.49%</td>
<td>N/A</td>
<td>5.15% (11-29-2010)</td>
<td>27.55%</td>
</tr>
<tr>
<td>Vanguard Total Stock Market Index Fund, Institutional Plus Shares (VITPX)</td>
<td>17.65%</td>
<td>17.12%</td>
<td>13.50%</td>
<td>12.15%</td>
<td>7.76% (5-31-2001)</td>
<td>21.13%</td>
</tr>
</tbody>
</table>

1 Updated performance information is available online at [www.startsaving.la.gov](http://www.startsaving.la.gov) (go to “About START K12” tab and click on “Investment Performance Report”).

2 The performance data shown represents past performance. Past performance is not a guarantee of future results. Investment returns and principal value will fluctuate, so that investors' units (shares), when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data.