The information contained herein may not be modified by any oral representation made prior or subsequent to the purchase of your Certificate of Deposit.

CERTIFICATES OF DEPOSIT DISCLOSURE STATEMENT

The Certificates of Deposit ("CDs") described below are made available through your broker. The CDs may be made available pursuant to an arrangement between your broker and another broker-dealer. Each CD is a deposit obligation of a depository institution domiciled in the United States or one of its territories (an “Issuer”), the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation (the "FDIC") within the limits and to the extent described below. Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of your broker. CDs may be purchased both upon issuance (the “primary market”) and in the secondary market.

Your broker will advise you of the names of Issuers currently making CDs available and, if your CD is purchased in the primary market, the date on which your CD will be established with the Issuer (the “Settlement Date”). Upon request to your broker, you will be provided with the financial information concerning the Issuer of a CD that you would receive upon request if you established a deposit account directly with the Issuer. Your broker does not guarantee in any way the financial condition of any Issuer or the accuracy of any financial information provided by the Issuer.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. CDs may be non-investment-grade quality, in which case the risk of insolvency of the Issuer may be considerably higher. Your broker does not guarantee in any way the financial condition of any depository institution.

The Issuer may use proceeds from the sale of the CDs for any purpose permitted by law and its charter, including making loans to eligible borrowers and investing in permissible financial products. Your broker or one of its affiliates may from time to time act as a broker or dealer in the sale of permissible financial products to the Issuer.

Banks and savings associations that issue CDs through your broker have represented to your broker that they are eligible to do so under the applicable provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and the Federal Deposit Insurance Act (the "FDI Act"). Your broker does not guarantee in any way the financial condition of any depository institution.

The CDs of any one issuer that you may purchase will be eligible for FDIC insurance up to $250,000 (including principal and accrued interest) for each insurable capacity (e.g., individual, joint, etc.). CDs of any one issuer held through an IRA, Section 457 Plan, self-directed Keogh plan and certain self-directed defined contribution plans, will be insured up to $250,000 (including principal and accrued interest) in the aggregate. The insurance limit applicable to each insurable capacity will be referred to as the “Standard Maximum Deposit Insurance Amount.” For purposes of the Standard Maximum Deposit Insurance Amount, you must aggregate all deposits that you maintain with the issuer in the same insurable capacity, including deposits you hold directly with an issuer and deposits you hold through your broker and other intermediaries. The Standard Maximum Deposit Insurance Amount applies to CDs purchased in the primary and secondary markets.

The extent of, and limitations on, federal deposit insurance are discussed below in the section headed "Deposit Insurance."

Terms of CDs

Your broker will inform you of the maturities, rates of interest and interest payment terms currently available for CDs. The maturities, rates of interest and interest payment terms of CDs available through the broker will vary. Both interest-bearing CDs and zero-coupon CDs may be available. You should review carefully the trade confirmation and any supplement to this Fact Sheet for a description of the terms of the CD. You also should review the investment considerations discussed below in "Important Investment Considerations."

Interest-bearing CDs. Interest-bearing CDs are made available in minimum denominations and increments of $1,000. Interest-bearing CDs are generally offered in a wide range of maturities and bear interest at a fixed rate or at a floating rate based on a specified index or indices. A fixed-rate CD will pay the same interest rate throughout the life of the CD. The interest on variable rate CDs may increase or decrease from the initial rate at pre-determined time periods (“step-rates”) or may be re-set at specified times based upon the change in a specific index or indices (“floating rates”). The dates on which the rates on step-rate CDs will change or the rates on floating-rate CDs will re-set, as well as a description of the basis on which the rate will be re-set, will be set forth on the trade confirmation. Interest, where applicable, and principal payments on CDs are automatically credited to your brokerage account. Unless otherwise specified in the trade confirmation or any supplement to this Fact Sheet, interest earned on interest-bearing CDs with original maturities of one year or less will be paid at the maturity of such CDs and interest earned on interest-bearing CDs with original maturities of more than one year will be paid monthly, quarterly, or semiannually and at maturity. The rate on floating rate CDs will be set periodically and interest will be paid monthly, quarterly, semiannually, or annually as specified on your trade confirmation. If an interest payment date falls on a day that is not a business day, interest will be paid on the next succeeding business day, but no additional interest will accrue for such interest period after such interest payment date. A "business day" shall be a day on which your broker and the banks in both the depository institution's domicile and New York are open for business. For specific rate information for any interest period, please contact your broker.

Interest on CDs is not compounded. Interest on CDs in the primary market is calculated on the basis of the actual number of days elapsed over a 365-day year. However, the amount of interest on CDs that are purchased in the secondary market may be based on other interest rate calculations. Please contact your broker with questions concerning the interest rate calculation on a secondary market CD.

The CDs will mature on the date indicated on the trade confirmation. The CDs will not be automatically renewed or rolled over and interest on the CDs will not continue to accrue after maturity. At maturity the CD balances will be remitted by the Issuer to your broker and credited to your account with your broker.

Zero-coupon CDs. Zero-coupon CDs do not bear interest, but rather are issued at a discount from the face or par amount, the minimum amount of which is $1000. Interest on the CD will “accrete” at an established rate and the holder will be paid the par amount at maturity.

The CDs will mature on the date indicated on the trade confirmation. The CDs will not be automatically renewed or rolled over and interest on the CDs will not continue to accrete after maturity. At maturity the CD balances will be remitted by the Issuer to your broker and credited to your account with your broker.

Call Feature. Some CDs may be subject to redemption on a specified date or dates at the discretion of the issuer (a “call”). If the CD is called, you will be paid the outstanding principal amount and interest accrued (or accreted, in the case of zero-coupon CDs) up to, but not including the call date, and no interest will be earned or accreted after the call date. The dates on which the CD may be called will be specified in the trade confirmation or a supplement to this Fact Sheet. In general, a call is most likely to be exercised when prevailing interest rates are lower than the interest rate payable on the CD. The Issuer is required to notify your broker of its intent to call the CD prior to exercising the call. Your broker will use reasonable efforts to notify you of the Issuer’s intent to call the CD, but your broker’s failure to notify you will not affect the validity of the call.

Evidence of the CDs

The CDs are evidenced by one or more master certificates issued by the depository institution, each representing a number of individual CDs. These master certificates are held by The Depository Trust Company ("DTC"), a limited purpose trust company that is in the business of performing such custodial services. No evidence of ownership, such as a passbook or a certificate, will be provided to you. Your broker keeps records of the ownership of each CD and will provide you with a written confirmation of your purchase. You also will be provided with an account statement which will reflect your CD ownership. You should retain the confirmation and the account statement(s) for your records. Because you will not be provided with a certificate evidencing your CD, the purchase of a CD is not recommended for persons who wish to take physical possession of a certificate.

Your account statement from your broker may provide an estimate of the price you might receive on some or all of your CDs if you were able to sell them prior to maturity. Any prices on your statement are estimates and are not based on actual market prices. You should ask your broker to explain its statement pricing policies. Your deposit insurance coverage and, if your CD is callable, the amount you would receive if your CD is called will be determined based on the outstanding principal amount of your CD, or the accreted value in the case of a zero-coupon CD, not the estimated price. See the sections named “Deposit Insurance” and “Secondary Market.”

Each CD constitutes a direct obligation of the issuing depository institution and is not, either directly or indirectly, an obligation of your broker. You will have the ability to enforce your rights in a CD directly against the issuing depository institution. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the issuing depository institution.

If you choose to remove your broker as your agent with respect to your CD, you may (i) transfer your CD to another agent, provided that the agent is a member of DTC (most major brokerage firms are members; many bank and savings institutions are not) or (ii) request of your broker that your ownership of the CD be evidenced directly on the books of the depository institution, subject to applicable law and the depository institution's terms and conditions, including those related to the manner of evidencing CD ownership. A CD established directly on the books of the depository institution may lose its negotiability.

Important Investment Considerations

Buy and Hold. CDs are most suitable for purchasing and holding to maturity. If your CD is callable by the Issuer, you should be prepared to hold your CD according to its terms. Though not obligated to do so, your broker may maintain a secondary market in the CDs after their Settlement Date. If you are able to sell your CD, the price you receive will reflect prevailing market conditions and your sale proceeds may be less than the amount you paid for your CD. If you wish to dispose of your CD prior to maturity, you should read with special care the sections headed “Additions or Withdrawals” and “Secondary Market.”

Callable CDs. Callable CDs present different investment considerations than CDs not subject to call by the Issuer. The Issuer decides in its sole discretion whether to call a CD before maturity in accordance with the CD’s terms. The Issuer is not obligated to call a CD. Your broker does not control whether an Issuer decides to exercise a call. You should be aware that the Issuer will call a CD, if at all, when it is most advantageous for the Issuer to do so, without reference to your investment needs. The Issuer will most likely call a CD when interest rates on comparable deposit obligations are lower than the interest rate paid on the CD.

You may face the risk that: (i) the CD may be paid off prior to maturity as a result of a call by the Issuer and your return would be less than the yield that the CD would have earned had it been held to maturity; (ii) if the CD is called, you may be unable to reinvest the funds at the same rate as the original CD and/or (iii) the CD is not called and you may be required to hold the CD until maturity. You should carefully review any supplement to this Fact Sheet or your trade confirmation for the terms of your CD, including time periods when the Issuer may call your CD.

Variable Rate CDs. Variable rate CDs present differing investment considerations than fixed-rate CDs and may not be appropriate for every investor. Depending upon the type of variable rate CD (step-rate or floating rate) and the interest rate environment, the CD may pay substantially more or substantially less interest over the term of the CD than would be paid on a fixed-rate CD of the same maturity. Furthermore, if the CD is subject to call by the Issuer, (i) you may not receive the benefits of any anticipated increase in rates paid on a variable CD if the CD is called or (ii) you may be required to hold the CD at a lower rate than prevailing market interest rates if the CD is not called. You should carefully review any supplement to this Fact Sheet that describes the step-rate or the basis for re-setting a floating rate and, if the CD is subject to call by the Issuer, the time periods when the Issuer may call the CD.

Limited Liquidity. CDs are most suitable for purchasing and holding to maturity. If you wish to dispose of your CD prior to maturity, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for your CD. You should read with special care the sections headed "Additions or Withdrawals" and "Secondary Market."

Insolvency. A CD issuer may become under-capitalized, in which case the risk of insolvency of the issuing depository institution is heightened. See the section headed "Deposit Insurance." If an insured depository institution is placed into a regulatory conservatorship or receivership, then the FDIC is typically appointed as conservator or receiver. In this event, the FDIC would be authorized to negate any contract to which the issuing depository institution is a party, if the FDIC determined the contract to be burdensome and the negation of the contract to be beneficial to the institution. It is likely that for this purpose, deposit obligations, such as the CDs, would be considered "contracts" and that the CDs could be negated by the FDIC. In addition, CDs of institutions could be transferred to another institution without the approval or consent of the beneficial owners of the CDs. The transferee depository institution would have the right either (i) to lower the rate or otherwise change the terms of your CD, or (ii) to pay off your CD prior to maturity. If such institution determines to lower the rate or otherwise change the terms of your CD, you have the option to request instead that your CD be paid off. A payoff of your CD may occur at a time when the rates of interest on other available certificates of deposit are lower than the rate of interest on your CD being paid off. See the section headed "Payments under Adverse Circumstances."

Compare Features. You should compare the rates of return and other features of the CDs to other available investments before deciding to purchase a CD. The rates paid with respect to the CDs may be higher or lower than the rates on deposits or other instruments available directly from the depository institution or through your broker.

Reinvestment Risk. If your CD is paid off prior to maturity as a result of the Issuer's insolvency, exercise by the Issuer of any right to call the CD or a voluntary early withdrawal (see the section headed "Additions or Withdrawals"), you may be unable to reinvest your funds at the same rate as the original CD. Your broker is not responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your CD.

SEC Investor Tips. The Securities and Exchange Commission periodically publishes tips for investors on various financial products, including CDs, on its website. You may access these investor tips at http://www.sec.gov/investor/pubs/certific.htm.

FDIC Information. The Federal Deposit Insurance Corporation has a wealth of information about deposit insurance, financial institutions and related topics on its website at http://www.fdic.gov.

Deposit Insurance

Please note that the discussions of FDIC insurance in this Fact Sheet are subject in their entirety to the rules, regulations and interpretations of the FDIC and to any changes in federal deposit insurance coverage, or the FDIC rules, regulations or interpretations that may become effective during the term of the CDs.

The Standard Maximum Deposit Insurance Amount is set at $250,000.

Your CDs are insured by the FDIC, an independent agency of the United States Government, up to the Standard Maximum Deposit Insurance Amount. Any accounts or deposits you may maintain directly with a particular depository institution or through any other intermediary in the same capacity as you maintain your CDs would be aggregated with the CDs for purposes of the Standard Maximum Deposit Insurance Amount. If your CDs, together with other deposits you maintain at the same depository institution in the same ownership capacity exceed the applicable Standard Maximum Deposit Insurance Amount, you should not rely on the availability of deposit insurance with respect to such excess. Unlimited insurance coverage for noninterest-bearing transaction accounts has expired. Deposits held in noninterest-bearing transaction accounts are now aggregated with any interest-bearing deposits you may hold in the same ownership category up to the legal maximum of $250,000.

In the event an issuing depository institution fails, interest-bearing CDs are insured, up to the applicable Standard Maximum Deposit Insurance Amount, for principal and interest, accrued to the date of the issuing depository institution's closure. Zero-coupon CDs are insured to the extent of the original offering price plus interest at the rate quoted to the depositor on the original offering, accreted to the date of the closing of the depository institution. The original offering price plus the accreted interest is hereafter called "accreted value."

Under certain circumstances, if you become the owner of CDs or other deposits at an Issuer because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the Standard Maximum Deposit Insurance Amount with any other CDs or deposits that you own in the same insurable capacity at the Issuer. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides a six month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

YOU ARE RESPONSIBLE FOR MONITORING THE TOTAL AMOUNT OF ALL YOUR DEPOSITS (INCLUDING CERTIFICATES OF DEPOSITS, SAVINGS ACCOUNTS, MONEY MARKET DEPOSIT ACCOUNTS, CHECKING ACCOUNTS, ETC.) THAT YOU HOLD IN ANY ONE DEPOSITORY INSTITUTION IN ORDER FOR YOU TO DETERMINE THE EXTENT OF INSURANCE COVERAGE AVAILABLE TO YOU ON YOUR DEPOSITS, INCLUDING THE CDS. YOUR BROKER IS NOT RESPONSIBLE FOR ANY INSURED OR UNINSURED PORTION OF THE CDS OR ANY OTHER DEPOSITS.

BY YOUR PURCHASE OF A CD YOU ARE DEEMED TO REPRESENT TO THE ISSUER AND YOUR BROKER THAT YOUR DEPOSITS WITH THE ISSUER (OR IF YOU ARE ACTING AS A CUSTODIAN, THE DEPOSITS OF THE BENEFICIARIES), INCLUDING THE CD, WHEN AGGREGATED IN ACCORDANCE WITH FDIC REGULATIONS, ARE WITHIN THE MAXIMUM APPLICABLE DEPOSIT INSURANCE AMOUNT

Generally, if your CDs at the Issuer are assumed by another depository institution pursuant to a merger or consolidation, such CDs or deposits will continue to be separately insured for six months from the date the assumption takes effect or, in the case of time accounts, the earliest maturity date after the six-month period. In the case of time deposits, which mature within this six-month period, and which are renewed for the same dollar amount (either with or without accrued interest) and for the same terms as the original deposits, the separate insurance will continue for the newest time deposit until the first maturity date after the six-month period. Thereafter, any assumed CDs or assumed deposits will be aggregated with your existing deposits with the acquirer held in the same ownership capacity for purposes of federal deposit insurance. Any deposit opened at the acquired institution after the acquisition will be aggregated with deposits held in the same ownership capacity established with the acquirer for purposes of federal deposit insurance coverage.

In the event that a CD is purchased in the secondary market at a premium over the par amount (or accreted value in the case of a zero-coupon CD), that premium is not insured. Similarly, you are not insured for any premium reflected in the estimated market value of your CD on your account statement. Therefore, if insurance payments become necessary for the depository institution that issued the CD, the CD holder can incur a loss of up to the amount of the premium paid for the CD. See the section headed "Secondary Market."

Examples. The application of the Standard Maximum Deposit Insurance Amount on deposits per depository institution, including CDs, is illustrated by several common situations discussed below.

> **Individual Customer Accounts.** Funds owned by an individual and held in an account in the name of an agent or nominee of such individual (such as the CDs held in your brokerage account) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in an individual capacity (including funds held in a sole proprietorship) and are insured up to $250,000 in the aggregate. Deposits held through a qualified tuition savings program (529 plan) will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on your broker’s account records.
>
> **Custodial Accounts.** Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in an individual capacity and are insured up to $250,000 in the aggregate.

Corporate, Partnership and Unincorporated Association Accounts. Funds in accounts owned by corporations (including subchapter S corporations), partnerships and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership and unincorporated association, respectively, and are insured up to $250,000 in the aggregate, but are insured separately from the personal deposits of the owner(s) or officials of the organization.

Joint Accounts. An individual's interest in funds in all accounts held under any form of joint ownership valid under applicable state law may be insured up to $250,000 in the aggregate, separately and in addition to the $250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to $500,000 ($250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint Accounts will be insured separately from individually owned accounts if each of the co-owners is an individual person, has a signed account agreement with your broker and has a right of withdrawal on the same basis as the other co-owners. In the event of the death of one of two co-owners of a Joint Account, beginning six months after the death of the depositor, all the funds would be treated as individually held by the surviving co-owner and would, therefore, be aggregated with all other individually owned deposits of such survivor for insurance purposes, unless some other action is taken. See the section headed "Deposit Insurance -- Treatment of Accounts Upon Death of Owner."

Revocable Trust Accounts. Funds held in an account in which the owner evidences an intent that at his or her death the funds shall belong to one or more individuals (such informal revocable trusts are frequently referred to as a "totten trust" account, "payable upon death" account or other type of revocable trust account, as determined under applicable state law) will be aggregated with other funds of the owner held in an individual capacity at the depository institution and insured up to a maximum of $250,000, unless certain requirements are met. Revocable trust accounts will be insured for up to $250,000 as to each named beneficiary, separately from another account of the owner or the beneficiary if: (i) the account records, including the title of the account, for the deposit evidence an intention that upon the death of the owner the funds will belong to the owner's spouse, or to one or more parents, siblings, children or grandchildren and (ii) the beneficiaries of the revocable trust are specifically named in the account records for the deposit. However, a revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts." A living trust is a formal revocable trust over which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. Living trusts are subject to special rules, which you should review carefully in order to determine the available deposit insurance coverage.

Irrevocable Trust Accounts. Funds in an account established pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to $250,000 for the interest of each beneficiary, provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The FDIC treats Coverdell education savings accounts as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a depository institution created by the same grantor will be aggregated and insured up to $250,000.

Medical Savings Accounts. Deposits of any one issuer held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee benefit plan. You may wish to consult with your attorney or the FDIC to determine the available deposit insurance coverage.

Treatment of Accounts Upon Death of Owner. Under certain circumstances, if you become the owner of CDs or other deposits at a depository institution because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the Standard Maximum Deposit Insurance

Amount with any other CDs or deposits that you own in the same capacity at the depository institution. Examples of accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

Deposit Insurance: Retirement Plans and Accounts

The Standard Maximum Deposit Insurance Amount is set at $250,000.

Retirement and Employee Benefit Plans and Accounts - Generally. You may have interests in various retirement and employee benefit plans and accounts that are holding the CDs of a depository institution. The amount of deposit insurance you will be entitled to will vary depending on the type of plan or account and on whether CDs held by the plan or account will be treated separately or aggregated with the CDs of the same depository institution held by other plans or accounts. It is therefore important to understand the type of plan or account holding the CD. The following sections entitled "Pass-Through Deposit Insurance for Retirement and Employee Benefit Plan Deposits" and "Aggregation of Retirement and Employee Benefit Plans and Accounts" generally discuss the rules that apply to deposits of retirement and employee benefit plans and accounts. Because these rules determine the Standard Maximum Deposit Insurance Amount available to you and whether your deposits at any one Issuer held through different retirement plans and accounts will be aggregated for purposes of the Standard Maximum Deposit Insurance Amount, you should consult with your tax or legal advisor before investing in the CDs.

Pass-Through Deposit Insurance for Retirement and Employee Benefit Plan Deposits. Subject to the limitations discussed below, under FDIC regulations, an individual's non-contingent interest in the deposits of one depository institution held by certain types of employee benefit plans are eligible for insurance on a "pass-through" basis up to the Standard Maximum Deposit Insurance Amount for that type of plan. This means that, instead of an employee benefit plan's deposits at one depository institution being entitled to only the applicable Standard Maximum Deposit Insurance Amount in total per depository institution, each participant in the employee benefit plan is entitled to insurance of his or her interest in the employee benefit plan's deposits of up to the applicable Standard Maximum Deposit Insurance Amount per institution (subject to the aggregation of the participant's interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is in addition to the deposit insurance allowed on other deposits held by the individual at the issuing institution. However, pass-through insurance is aggregated across certain types of accounts. See “Aggregation of Retirement and Employee Benefit Plans and Accounts.”

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act (ERISA) (including Keogh plans, whether or not they are technically “employee benefit plans” under ERISA) and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986. For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

A deposit held by an employee benefit plan that is eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by the applicable Standard Maximum Deposit Insurance Amount. For example, assume an employee benefit plan that is a Qualified Retirement Account, i.e., a plan that is eligible for deposit insurance coverage up to $250,000 per qualified beneficiary, owns $500,000 in CDs at one institution and the plan has two participants, one with a vested non-contingent interest of $350,000 and one with a vested non-contingent interest of $150,000. In this case, the individual with the $350,000 interest would be insured up to the $250,000 limit, and the individual with the $150,000 interest would be insured up to the full value of such interest.

Moreover, the contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee defined benefit plan are not insured on a pass-through basis. Contingent interests of an employee in an employee benefit plan deposit which are not capable of evaluation in accordance with FDIC rules (i.e., contingent interests) will be aggregated with the contingent interests of other participants and insured up to the applicable Standard Maximum Deposit Insurance Amount. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to the applicable. Standard Maximum Deposit Insurance Amount separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Aggregation of Retirement and Employee Benefit Plans and Accounts

Self-Directed Retirement Accounts. Pursuant to the Rule, the principal amount of deposits held in Qualified Retirement Accounts described above, plus accrued but unpaid interest, if any, are protected by FDIC insurance up to a maximum of $250,000 for all such deposits held by you at the issuing depository institution. As noted above, Qualified Retirement Accounts consist of (i) any IRA, (ii) any eligible deferred compensation plan described in section 457 of the Code, (iii) any individual account plan described in section 3(34) of ERISA, to the extent the participants and beneficiaries under such plans have the right to direct the investment of assets held in the accounts and (iv) any plan described in section 401 (d) of the Code, to the extent the participants and beneficiaries under such plans have the right to direct the investment of assets held in the accounts. The FDIC sometimes generically refers to this group of accounts as "self-directed retirement accounts." Supplementary FDIC materials indicate that Roth IRAs, self-directed Keogh Accounts, Simplified Employee Pension plans, and self-directed defined contribution plans are intended to be included within this group of Qualified Retirement Accounts.

Other Employee Benefit Plans. Any employee benefit plan, as defined in Section 3(3) of ERISA, plan described in Section 401(d) of the Code, or eligible deferred compensation plan under section 457 of the Code, that does not constitute a Qualified Retirement Account - for example, certain employer-sponsored profit sharing plans -- can still satisfy the requirements for pass-through insurance with respect to non-contingent interests of individual plan participants, provided that FDIC requirements for recordkeeping and account titling are met ("Non-Qualifying Benefit Plans"). For Non-Qualifying Benefit Plans, the amount of the Standard Maximum Deposit Insurance Amount is $250,000. Under FDIC regulations, an individual's interests in Non-Qualifying Benefit Plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits at the same institution will be insured up to $250,000 in the aggregate, separate from other accounts held at the same depository institution in other ownership capacities.

Additional Aggregation for the Purposes of the Standard Maximum Deposit Insurance Amount. In addition to the aggregation rules discussed above for retirement plans and accounts eligible for a Standard Maximum Deposit Insurance Amount of $250,000, under FDIC regulation an individual’s interest in plans maintained by the same employer or employee organization (e.g. a union) that are holding deposits of the same issuer will be aggregated for purposes of the Maximum Standard Deposit Insurance Amount. It is therefore important to understand the type of plan or account holding your deposits.

If you have questions about how your CDs will be insured, please contact your Financial Consultant. You also may obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Protection, by letter at 550 17 Street, N.W., Washington, D.C. 20429 or by telephone at 877-275-3342 or 800-925-4618 (TDD) You may also visit the FDIC website at http://www.fdic.gov and e-mail inquiries by completing the On-line Customer Assistance Form on the website.

Payments under Adverse Circumstances

As with all deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make available such insurance payments, although they attempt to do so as soon as practicable. Accordingly, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments. The records maintained by DTC and your broker regarding ownership of CDs would be used to establish your eligibility for federal deposit insurance payments. In addition, you may be required to provide certain documentation to your broker and to the FDIC, such as affidavits and indemnities, before insurance payouts are released to you. For example, if you hold CDs as trustee for the benefit of trust participants, you may be required to furnish an affidavit to that effect. Further, if an issuing depository institution fails, its insured deposits may be transferred, subject to applicable insurance verification and limitations on federal deposit insurance, to another depository institution, redeemed without penalty prior to maturity, or have their rates reduced.

In the event that insurance payments become necessary for your CDs, the FDIC is required to pay the original par amount plus accrued interest (or the accreted value in the case of zero-coupon CDs) to the date of the closing of the relevant depository institution, as prescribed by law, and subject to the applicable Standard Maximum Deposit Insurance Amount. No interest or accreted value is earned on deposits from the time a depository institution is closed until insurance payments are received.

As explained above, the applicable Standard Maximum Deposit Insurance Amount applies to the aggregate of the principal and interest for CDs maintained at the issuing depository institution together with, except as set forth below, the aggregate of any other deposits you may maintain in the same right and capacity at the issuing depository institution.

Your broker will not be obligated to you for amounts not covered by deposit insurance nor will your broker be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to your CD, (ii) your receipt of a decreased interest rate on the reinvestment of the proceeds received as a result of the payment of the principal and accrued interest or the accreted value on a CD prior to the scheduled maturity in connection with the liquidation of an insured institution or (iii) payment in cash of the principal and accrued interest or the accreted value on your CDs prior to maturity in connection with the liquidation of an insured institution or the assumption of all or a portion of its deposit liabilities, including an assumption at a lower interest rate.

Please note that the amount of a payment on a CD which had been purchased at a premium in the secondary market is based on the original par amount (or, in the case of a zero-coupon CD, its accreted value) and not on any premium amount. Therefore, you will lose up to the full amount of the premium as a result of such a payment. You should factor these possible delays and types of resolutions into your financial planning. Also, your broker will not be obligated to credit your account with funds in advance of the payments to your broker by the FDIC.

Additions or Withdrawals

No additions are permitted to be made to any CD. When you purchase a CD, you agree with the issuing depository institution to keep your funds on deposit for the term of the CD. Accordingly, **no early withdrawals of CDs will be available,** except in the event of death or adjudication of incompetence of the beneficial owner of a CD. If such an event occurs, early withdrawals will be permitted in whole but not in part without penalty. The early withdrawal provisions applicable to your CD may be more or less advantageous than the provisions applicable to other deposits available from the depository institutions.

Pursuant to the Code, the beneficiary of a traditional IRA (but not a Roth IRA) must begin making withdrawals from the IRA after age 70 1/2. CDs held in an IRA are not eligible for early withdrawal simply because the beneficiary must begin making mandatory withdrawals from the IRA. IRA beneficiaries should purchase CDs with maturities that correspond to the mandatory withdrawal requirements or look to the secondary market for liquidity. See the section headed "Secondary Market."

The early withdrawal provisions applicable to your CDs may be more or less advantageous than the provisions applicable to other deposits available from the Issuer. In the event that a customer wishes to make an early withdrawal under the above limited circumstances, your broker endeavors to obtain funds for the customer as soon as possible. However, your broker will not advance funds in connection with early withdrawals and can give no assurances that payment will be made by a specified date.

Secondary Market

Your broker, though not obligated to do so, may maintain a secondary market in the CDs after their settlement date. Your broker cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, a secondary market for the CDs may be discontinued at any time without notice. If you wish to sell your CD prior to maturity and your broker does not maintain a secondary market, your broker may attempt to sell your CD in a secondary market maintained by another broker-dealer. You should not rely on being able to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to maturity, or having access to proceeds prior to maturity. Regarding index CDs, because the rate of return on the CD is tied to the performance of an index, the secondary market for the index CD may not be as liquid as the secondary market for a CD with a fixed rate of return.

In the event that a buyer is available at a time you attempt to sell your CD prior to its maturity, the price at which your CD is sold may result in a return to you which may differ from the yield which the CD would have earned had it been held to maturity, since the selling price for a CD in such circumstances will likely be based on a number of factors such as interest rate movements, time remaining until maturity, the issuer's creditworthiness and other market conditions. Also, the price you may pay for any such CD in the secondary market might include a mark-up established by your broker. Similarly, the price at which a CD may be sold if a secondary market is available will reflect a mark-down retained by your broker. **In the event you choose to sell a CD in the secondary market, you may receive less in sale proceeds than the original par amount of the CD.**

You may purchase a CD in the secondary market where the price paid may be less than the original purchase price. This will be particularly true if interest rates have risen since the time of the original transaction. Conversely, you may purchase a CD in the secondary market where the price may be more than the original price of the CD. In the event that a CD is purchased in the secondary market at a premium over the principal amount (or accreted value in the case of a zero-coupon CD), the premium is not insured. Therefore, if deposit insurance payments become necessary for the depository institution that issued the CD, the owner of a CD will incur a loss of up to the amount of the premium paid for the CD. (Also see section headed "Deposit Insurance.")

The uninsured premium being paid for an interest-bearing CD can be determined by subtracting the par amount of the CD from the amount paid. For example, if the amount paid is $1025.00 and the quantity purchased is $1000, then the uninsured premium is $25.00 (i.e., $1025 - $1000 = $25). The trade confirmation will also inform you if the CD has accrued interest, which will be insured as long as the par amount of CDs held by you in one insurable capacity at the Issuer plus the accrued interest does not exceed the Standard Maximum Deposits Insurance Amount.

In the case of a zero-coupon CD purchased in the secondary market, the uninsured premium can initially be calculated by subtracting the accreted value from the amount paid. This uninsured premium does, however, decline over time. The accreted value of a zero-coupon CD, which is based upon the original issue yield and price, can be obtained at the time of purchase from your Financial Consultant.

If you purchase a callable CD in the secondary market at a premium, you will receive only the par amount if the CD is called.

Fees

Under arrangements established by your broker with the issuing depository institutions, your broker may receive a placement fee from the issuing depository institution in connection with your purchase of a CD. Also, a CD sold in the secondary market may have been purchased from the issuing depository institution by your broker upon issuance and held by your broker until the secondary market sale. Except for a mark-up or mark-down in connection with secondary market transactions and a handling fee, if any, disclosed on your confirmation, you will not be charged any commissions in connection with your purchase of a CD.

Federal Income Tax Consequences

The federal income tax consequences of owning CDs will vary depending upon the terms of your CD and the type of account in which you hold your CD. In addition, there may be tax consequences upon the sale, early withdrawal or other disposition of your CD. These tax consequences may differ for non-U.S. persons. You should consult your own tax advisor to determine the federal, state, local and other income and estate tax consequences of your CD purchase.