

**THE PURCHASE OF SHARE CERTIFICATES IS RESTRICTED TO
THE ELIGIBLE CUSTOMERS DESCRIBED HEREIN**

The information contained in this Disclosure Statement may not be modified by any oral representation made prior or subsequent to the purchase of your share certificates.

SHARE CERTIFICATE
DISCLOSURE STATEMENT

The broker-dealer distributing this Disclosure Statement (the “Firm”) is making share certificates (“Share Certificates”) available to its customers. The Share Certificates may be made available pursuant to an arrangement between the Firm and another broker-dealer. Each Share Certificate is a share account of a credit union domiciled in the U.S. or one of its territories (an “Issuer”), the share accounts of which are insured by the National Credit Union Share Insurance Fund (“NCUSIF”) within the limits described below. Each Share Certificate constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of the Firm. Share Certificates may be purchased both upon issuance (the “primary market”) and in the secondary market. If purchased in the primary market, the Firm will advise you of the date on which your Share Certificate will be established with the Issuer (the “Settlement Date”).

The Firm will advise you of the names of Issuers currently making Share Certificates available. Upon request, you will be provided with financial information concerning the Issuer of a Share Certificate that you would receive upon request if you established a share account directly with the Issuer. The Firm does not guarantee in any way the financial condition of any Issuer or the accuracy of any financial information provided by the Issuer.

The Issuer may use proceeds from the sale of the Share Certificates for any purpose permitted by law and its charter, including making loans to eligible borrowers and investing in permissible financial products. The Firm 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.

The extent of, and limitations on, federal insurance of Share Certificates are discussed below in the sections headed “Share Certificate Insurance.” YOUR SHARE CERTIFICATE WILL BE ELIGIBLE FOR INSURANCE BY THE NCUSIF ONLY IF YOU ARE A NON-MEMBER CREDIT UNION OR OTHER ENTITY THAT IS PERMITTED UNDER NATIONAL CREDIT UNION ADMINISTRATION (“NCUA”) REGULATIONS (12 C.F.R. §745.1) TO MAINTAIN SHARE ACCOUNTS AT THE ISSUER (“ELIGIBLE NON-MEMBER”).¹ It is your obligation to determine if you are an Eligible Non-Member.

Credit unions are subject to limits on the amount of Eligible Non-Member share accounts they can establish. Each Issuer will represent and warrant that the Issuer (i) is permitted

¹ The terms “member” or “members” as used in NCUA Regulations (12 C.F.R. §745.1) mean those persons enumerated in the credit union’s field of membership who have been elected to membership in accordance with the Federal Credit Union Act (the “Act”) or state law in the case of state credit unions. It also includes those non-members permitted under the Act to maintain share accounts in an insured credit union, including non-member credit unions and non-member public units and political subdivisions. NCUA Regulations (12 C.F.R. §745.1).

under applicable laws, rules and regulations and its charter to take deposits from, and issue share certificates to, Eligible Non-Members and (ii) is at the time it issues Share Certificates, and while such Share Certificates are outstanding will be, in compliance with the applicable limits on Eligible Non-Member share accounts. The Firm does not guarantee the accuracy of such representations.

Under circumstances described below under “Important Investment Considerations,” the Issuer may delay dividend (“interest”) payments on the Share Certificates. Please review this section carefully.

Terms of Share Certificates

The maturities, dividend rate (“interest rate”) and dividend payment terms (“interest payment terms”) of Share Certificates available through the Firm will vary. You should review carefully the trade confirmation and any supplement to this Disclosure Statement for a description of the terms of the Share Certificates. You should also review the investment considerations discussed below in “Important Investment Considerations.”

The ability of a federally-insured credit union to pay dividends (“interest”) on the Share Certificates is subject to applicable statutory and regulatory restrictions on the declaration of dividends by the board of the credit union generally. See “Restrictions on Interest” in “Important Investment Considerations” below.

The Share Certificates will mature on the date indicated on the trade confirmation. The Share Certificates will not be automatically renewed or rolled over and interest on the Share Certificates will not continue to accrue after maturity. At maturity the Share Certificate balances will be remitted by the Issuer to the Firm and credited to your account with the Firm. If the maturity date is not a business day, the Share Certificate balances will be paid on the next succeeding business day. A “business day” shall be a day on which the Firm and the credit unions in both the Issuer’s domicile and New York are open for business. Share Certificates are offered in a wide range of maturities and are made available in minimum denominations and increments of \$1,000.

Some Share Certificates may be subject to redemption on a specified date or dates at the discretion of the Issuer (a “call”). If the Share Certificate is called, you will be paid all principal and interest accrued up to, but not including, the call date. No interest will be earned after the call date. The dates on which the Share Certificate may be called will be specified in the trade confirmation or a supplement to this Disclosure Statement. In general, a call is more likely to be exercised when prevailing interest rates are lower than the interest payable on the Share Certificate. The Issuer is required to notify the Firm of its intent to call the Share Certificate prior to exercising the call. The Firm will use reasonable efforts to notify you of the Issuer’s intent to call the Share Certificate, but the Firm’s failure to notify you of the Issuer’s intent to call the Share Certificate will not affect the validity of the call.

Unless otherwise specified in the trade confirmation or any supplement to this Disclosure Statement, interest earned on Share Certificates with original maturities of one year or less will be paid at the maturity of such Share Certificates and interest earned on Share Certificates with original maturities of more than one year will be paid monthly, quarterly, semiannually or annually and at maturity.

Interest payments on Share Certificates are automatically credited to your account with the Firm. Interest will accrue up to, but not including, the interest payment date, the maturity date or any call date. If an interest payment date falls on a day that is not a business day, interest will be paid on the first business day following the interest payment date. For specific rate information for any interest period, please contact the Firm.

Interest on Share Certificates is not compounded. Interest on Share Certificates in the primary market is calculated on the basis of the actual number of days elapsed over a 365-day year. Please contact the Firm with questions concerning the interest rate calculation on a secondary market Share Certificate.

Your Relationship with the Firm and the Issuer

You will not receive a certificate or other evidence of ownership of your Share Certificate from the Issuer. The Share Certificates are evidenced by one or more master certificates issued by the Issuer, each representing a number of individual Share Certificates. These master certificates are held by The Depository Trust Company (“DTC”), a sub-custodian that is regulated by the Securities and Exchange Commission and is in the business of performing such custodial services. The master certificates will be registered on the books and records of the Issuer in the name of DTC as sub-custodian,. The Firm, or a broker with which the Firm has a correspondent relationship (a “Clearing Broker”), as custodian, keeps records of the ownership of each Share Certificate and will provide you with a written confirmation of your purchase. You will also be provided with a periodic account statement from the Firm which will reflect your Share Certificate ownership. You should retain the trade confirmation and the account statement(s) for your records. The purchase of a Share Certificate is not recommended for investors who wish to take actual possession of a certificate.

Your account statement from the Firm may provide an estimate of the price you might receive on some or all of your Share Certificates 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 the Firm to explain its statement pricing policies. Your share certificate insurance coverage and, if your Share Certificate is callable, the amount you would receive if your Share Certificate is called, will be determined based on the outstanding principal amount of your Share Certificate, not the estimated price. See the sections headed “Share Certificate Insurance” and “Secondary Market.”

Each Share Certificate constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of the Firm. No account relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Issuer.

If you choose to remove the Firm as your agent with respect to your Share Certificate, you may (i) transfer your Share Certificate to another agent, provided that the agent is a member of DTC (most major brokerage firms are members; many banks and savings institutions are not); or (ii) request that your ownership of the Share Certificate be evidenced directly on the books of the Issuer, subject to applicable law and the Issuer’s terms and conditions, including those related to the manner of evidencing Share Certificate ownership. If you choose to remove the Firm as your agent, the Firm will have no further responsibility for payments made with respect to your Share Certificate. If you establish your Share Certificate on the books of the Issuer, you will have the ability to enforce your rights in the Share Certificate directly against the Issuer.

Important Investment Considerations

Share Insurance. Your Share Certificates will be eligible for insurance by the NCUSIF only if (i) you are an Eligible Non-Member of the Issuer and (ii) your Share Certificates and other share accounts at the Issuer comply with the limits described in the section headed “Share Certificate Insurance.”

Restrictions on Interest. A federally-insured credit union may pay interest only from undivided earnings, if any, except that the board of directors of a “well capitalized” federally-insured credit union that has depleted the balance of its undivided earnings account may authorize a transfer of funds from

the credit union's regular reserve account to undivided earnings to pay interest as long as that payment of interest will not cause the credit union's net worth classification to fall below "adequately capitalized" or the credit union has received prior written approval from the appropriate Regional Director of the NCUA and, if applicable, the appropriate state regulator. Each Issuer will agree to pay any unpaid interest amount, plus interest on such amount at the stated rate, as soon as possible. You should consider the potential impact of these restrictions before investing in the Share Certificates.

Buy and Hold. Share Certificates are most suitable for purchasing and holding to maturity. If your Share Certificate is callable, you should be prepared to hold your Share Certificate according to its terms. There is no early withdrawal for the Share Certificates. Though not obligated to do so, the Firm may maintain a secondary market in Share Certificates after their Settlement Date. If you are able to sell your Share Certificate, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for your Share Certificate. In addition, the Share Certificates may only be purchased by Eligible Non-Members. This means that there may exist only a limited number of potential purchasers if you attempt to sell your Share Certificate on the secondary market, which may affect the price you may receive for your Share Certificate. If you wish to dispose of your Share Certificate prior to maturity, you should read with special care the sections headed "Additions or Withdrawals" and "Secondary Market."

Compare Features. You should compare the rates of return and other features of the Share Certificates to other available investments before deciding to purchase a Share Certificate. The rates paid with respect to the Share Certificates may be higher or lower than the rates on share certificates, accounts or other instruments available directly from the Issuer or through the Firm.

Callable Share Certificates. Callable Share Certificates present different investment considerations than Share Certificates not subject to call by the Issuer. You may face the risk that: (i) the Share Certificate 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 the Share Certificate would have earned had it been held to maturity; (ii) if the Share Certificate is called, you may be unable to reinvest the funds at the same rate as the original Share Certificate; and/or (iii) the Share Certificate is never called and you may be required to hold the Share Certificate until maturity. You should carefully review any supplement to this Disclosure Statement or your trade confirmation for the terms of your Share Certificate, including the time periods when the Issuer may call your Share Certificate.

Insolvency of the Issuer. In the event the Issuer approaches insolvency or becomes insolvent, the Issuer may liquidated by the Board of the NCUA (the "Board") or an agent appointed by the Board (the "Liquidating Agent"). The Board may thereafter pay off the Share Certificates prior to maturity or transfer the Share Certificates to another federally-insured credit union. See the sections headed "Share Certificate Insurance" and "Payments Under Adverse Circumstances."

Reinvestment Risk. If your Share Certificate is paid off prior to maturity as a result of the Issuer's insolvency or exercise by the Issuer of any right to call the Share Certificate, you may be unable to reinvest your funds at the same rate as the original Share Certificate. The Firm is not responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your Share Certificate.

Notice of Member Meetings

When you purchase a Share Certificate, you may become entitled to vote at meetings of the Issuer's members. However, because the Share Certificate will be registered on the books and records of the Issuer in the name of DTC as sub-custodian, you will not be entitled to vote as a member unless you establish a direct depository relationship with the Issuer as described above in "Your Relationship with the

Firm and the Issuer.” Neither DTC nor the Firm will vote for you or act as your proxy. In purchasing a Share Certificate, you acknowledge that you may not vote as a member of the Issuer unless you establish a direct depository relationship with the Issuer. The Firm will endeavor to provide you with notice of meetings of members of the Issuer as received from the Issuer. Neither the Firm nor DTC will incur any liability to you if notice of any such meeting is not delivered to you or not delivered to you in a timely manner.

Share Certificate Insurance

If you are an Eligible Non-Member, your Share Certificates are insured by the NCUSIF up to \$250,000 (including principal and interest) for all share accounts held in the same insurable capacity per Issuer. Generally, any share certificates or other share accounts that you may maintain directly with a particular Issuer, or through any other intermediary in the same capacity in which the Share Certificates are maintained, would be aggregated with the Share Certificates for purposes of the \$250,000 federal share certificate insurance limit. In the event an Issuer fails, Share Certificates are insured, up to the \$250,000 limit, for principal and interest accrued to the date the Issuer is closed. Interest is determined for insurance purposes in accordance with federal law and regulations.

You are responsible for monitoring the total amount of share accounts that you hold with one Issuer in order for you to determine the extent of share certificate insurance coverage available to you on your share certificates, including the Share Certificates. The Firm is not responsible for any insured or uninsured portion of the Share Certificates or any other share accounts.

BY YOUR PURCHASE OF A SHARE CERTIFICATE YOU ARE DEEMED TO REPRESENT TO THE ISSUER AND THE FIRM THAT YOU ARE AN ELIGIBLE NON-MEMBER AND THAT TO THE BEST OF YOUR KNOWLEDGE YOUR SHARE ACCOUNTS WITH THE ISSUER (OR IF YOU ARE ACTING AS A CUSTODIAN, THE SHARE ACCOUNTS OF THE BENEFICIARIES), INCLUDING THE SHARE CERTIFICATES BOUGHT THROUGH THE FIRM, WHEN AGGREGATED IN ACCORDANCE WITH NCUA REGULATIONS, ARE WITHIN THE APPLICABLE NCUSIF INSURANCE LIMITS.

If your Share Certificates or other accounts at the Issuer are assumed by another credit union pursuant to a merger or consolidation, such Share Certificates or share accounts will continue to be separately insured from the share certificates or other share accounts that you might have established with the acquirer until (i) the maturity date of the Share Certificates, or (ii) with respect to share accounts which are not share certificates, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed Share Certificates or other share accounts will be aggregated with your existing share certificate or other share accounts with the acquirer held in the same capacity for purposes of federal share certificate insurance. Any share certificate or other account opened at the Issuer after the acquisition will be aggregated with share certificates or other accounts established with the acquirer for purposes of federal share certificate insurance.

In the event that you purchase a Share Certificate in the secondary market at a premium over the par amount, that premium is not insured. Similarly, you are not insured for any premium reflected in the estimated market value of your Share Certificate on your account statement. If share certificate insurance payments become necessary for the Issuer, you can lose the premium paid for your Share Certificate and will not receive any premium shown on your account statement. See the section headed “Secondary Market.”

Payments under Adverse Circumstances

If it becomes necessary for federal share certificate insurance payments to be made on the Share Certificates, there is no specific time period during which the NCUSIF must make insurance payments available. Accordingly, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments.

As explained above, the maximum \$250,000 share certificate insurance coverage applies to the principal and accrued interest on all Share Certificates and other accounts maintained by you at the Issuer in the same insurable capacity. The records maintained by the Issuer and the Firm, or the Firm's Clearing Broker, regarding ownership of Share Certificates would be used to establish your eligibility for federal share certificate insurance payments. In addition, you may be required to provide certain documentation to the Board, the Liquidating Agent and to the Firm before insurance payments are released to you.

In the event that share certificate insurance payments become necessary for your Share Certificates, the NCUSIF is required to pay the original par amount plus accrued interest to the date of the closing of the relevant Issuer, as prescribed by law, and subject to the \$250,000 limitation. No interest is earned on deposits from the time an Issuer is closed until insurance payments are received.

As an alternative to a direct share certificate insurance payment from the NCUSIF, the Board may transfer the insured share accounts of an insolvent credit union to a healthy federally insured credit union.

The Firm will not be obligated to you for amounts not covered by share certificate insurance nor will the Firm 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 Share Certificate or (ii) payment in cash of the principal and accrued interest of your Share Certificates prior to maturity in connection with the liquidation of an Issuer or the assumption of all or a portion of its account liabilities. In connection with the latter, the amount of a payment on a Share Certificate that had been purchased at a premium in the secondary market is based on the original par amount and not on any premium amount. Therefore, you can lose up to the full amount of the premium as a result of such a payment. Also, the Firm will not be obligated to credit your account with funds in advance of payments received from the NCUSIF.

Additions or Withdrawals

No additions are permitted to be made to any Share Certificate. When you purchase a Share Certificate, you agree with the Issuer to keep your funds on account for the term of the Share Certificate.

Secondary Market

The Firm, though not obligated to do so, may maintain a secondary market in the Share Certificates after their Settlement Date. If you wish to sell your Share Certificate prior to maturity and the Firm does not maintain a secondary market, the Firm may attempt to sell your Share Certificate in a secondary market maintained by another broker-dealer. The Firm cannot provide assurance that you will be able to sell your Share Certificates prior to their maturity. In addition, a secondary market for the Share Certificates may be discontinued at any time without notice. Therefore, you should not rely on any such ability to sell your Share Certificates 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.

In the event that a buyer is available at a time you attempt to sell your Share Certificate prior to its maturity, the price at which your Share Certificate is sold may result in a return to you which may differ from the yield which the Share Certificate would have earned had it been held to maturity, since

the selling price for a Share Certificate in such circumstances will likely be based on a number of factors such as interest rate movements, time remaining until maturity, availability of potential purchasers, and other market conditions. Also, the price at which a Share Certificate may be sold if a secondary market is available will reflect a mark-down retained by the Firm. Similarly, the price you may pay for any Share Certificate purchased in the secondary market will include a mark-up established by the Firm. In the event you choose to sell a Share Certificate in the secondary market, you may receive less in sale proceeds than the original principal (par) amount of the Share Certificate or the estimated price on your account statement.

In the event that a Share Certificate is purchased in the secondary market at a premium over the par amount, the premium is not insured. Therefore, if share certificate insurance payments become necessary for the Issuer, the owner of a Share Certificate purchased in the secondary market can incur a loss of up to the amount of the premium paid for the Share Certificate. (See also the section headed "Share Certificate Insurance.")

The uninsured premium being paid for a Share Certificate can be determined from the price set forth on your trade confirmation. Price on Share Certificates is expressed in relation to par (100.00). Any amount over 100.00 represents the premium. For example, if your trade confirmation states that the price for a Share Certificate purchased in the secondary market is 100.25, there is a premium that will not be insured by the NCUSIF. A price of 99.75 would not include a premium. The trade confirmation will also inform you if the Share Certificate has accrued interest, which will be insured as long as the par amount of Share Certificates and other share accounts held by you in one insurable capacity at the Issuer plus the accrued interest does not exceed \$250,000.

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

Fees

The Firm and the broker-dealer arranging for the Share Certificates to be offered will receive a placement fee from the Issuer of up to [25] basis points ([.25]%) per annum of the principal amount of Share Certificates purchased by you in the primary market. Except for the mark-up or mark-down discussed above in connection with secondary market transactions and a handling fee, if any, disclosed on your trade confirmation, you will not be charged any commissions in connection with your purchase of a Share Certificate.

Federal Income Tax Consequences

Ownership of a Share Certificate may have United States federal income tax consequences. When considering the purchase of the Share Certificates, you should consult your own tax advisors and federal, state, local and any other income and estate tax laws relevant to their particular situations as well as any other taxing jurisdiction. The Firm will, if applicable, provide you with an annual statement containing certain information relevant to the determination of the amount of interest or discount income with respect to your Share Certificates upon which you will be taxed for the preceding year.