TO PRIMARY FINANCIAL CUSTOMERS

Attached please find the Jumbo $100,000 Denomination Certificate of Deposit Disclosure Statement (the "Disclosure Statement"). While the Disclosure Statement is a standard industry form, please note that Primary Financial Company LLC ("PFC") does not make a secondary market in Jumbo Certificates of Deposit.

In addition, see the terms of the Coordinating Custodial Agreement between you and PFC. This Disclosure Statement modifies and supplements the Coordinating Custodial Agreement. If any inconsistency arises between this Disclosure Statement and the Coordinating Custodial Agreement, the two documents shall be interpreted in a manner to give efficacy to both documents completely; however, if any inconsistency arises between the two documents which cannot be reconciled, this Disclosure Statement shall be deemed to modify the Coordinating Custodial Agreement and shall govern. Your acceptance of this Disclosure Statement and completion of the CD investment contemplated shall be deemed a waiver of the provisions of the Coordinating Custodial Agreement which require an effective amendment to the Custodial Agreement to be in writing executed by the parties to the Custodial Agreement.

JUMBO ($100,000) CERTIFICATE OF DEPOSIT

DISCLOSURE STATEMENT

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

The certificates of deposit described below are issued only in $100,000 denominations and are made available through Primary Financial Company ("PFC") to its customers. 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 described below. Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of PFC. CDs may be purchased both upon issuance (the "primary market") and in a secondary market if a secondary market develops.

PFC will advise you of the names of Issuers providing CDs 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, you will be provided with the same financial information concerning the Issuer of a CD you would receive upon request if you established a deposit account directly with the Issuer. PFC does not guarantee in any way the financial condition of any Issuer or the accuracy of any financial information provided by the Issuer.

An 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. PFC or one of its affiliates may from time to time act as a broker or dealer in the sale of permissible financial products to an Issuer.

The CDs of any one Issuer you may purchase will be eligible for FDIC insurance up to $250,000 (including principal and accrued interest). For the $250,000 federal deposit insurance limit, you must aggregate all deposits you maintain with the Issuer in the same insurable capacity, including deposits you hold directly with an Issuer and deposits you hold through PFC and other intermediaries.

The extent of, and limitations on, federal deposit insurance are discussed below in the sections headed "Deposit Insurance" and "Deposit Insurance for CDs Purchased by Retirement Plans and Accounts". A CD may not be resold in denominations of less than $100,000 and may not be held through another broker/dealer.

Terms of CDs

The maturities, rates of interest and interest payment terms of CDs available through PFC will vary. Both interest-bearing and zero-coupon CDs may be available. Review carefully the trade confirmation and any supplement to this Disclosure Statement for a description of the CDs. Also review the investment considerations discussed below in the section headed "Important Investment Considerations."

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 or (with zero-coupon CDs) accrete after maturity. At maturity the CD balances will be remitted by the Issuer to PFC and credited to your account. If the maturity date is not a business day, the CD balances will be paid on the next succeeding business day. A "business day" shall be a day on which PFC and banks in both the Issuer's domicile and New York are open for business.

Interest-Bearing CDs. Interest-bearing CDs pay interest at either a fixed rate or at a variable rate. A fixed rate CD will pay the same interest rate throughout the life of the CD. The interest rate on variable rate CDs may increase or decrease from the initial rate at predetermined time periods ("step rates”) or may be reset 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 reset, and a description of the basis on which the rate will be reset, will be set forth on the trade confirmation or a supplement to this Disclosure Statement.

Some interest-bearing 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 all principal and interest accrued up to, but not including, the call date. The dates on which the CD may be called will be specified on the trade confirmation or a supplement to this Disclosure Statement. Interest-bearing CDs are offered in a wide range of maturities, but are provided only in denominations of $100,000.

Unless otherwise specified in the trade confirmation or any supplement to this Disclosure Statement, interest earned on interest-bearing CDs with original maturities of one year or less will be paid at the maturity of such CDs. Interest earned on interest-bearing CDs with original maturities of more than one year will be paid monthly, quarterly, semiannually or annually and at maturity as specified on your trade confirmation or any supplement to this Disclosure Statement. The interest rate on variable rate CDs will be reset periodically and interest will be paid monthly, quarterly, semiannually or annually and at maturity as specified on your trade confirmation or any supplement to this Disclosure Statement.

Interest payments on interest-bearing CDs are automatically credited to your account with PFC. 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 PFC.

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 purchased in a secondary market may be based on other interest rate calculations. Please contact PFC with questions concerning the interest rate calculation on a secondary market CD.

Zero-Coupon CDs. Zero-coupon CDs do not bear interest, but are issued at a substantial discount from the face or par amount, the minimum amount of which is $100,000. Interest on the CD will “accrete” at an established rate and the holder will be paid the par amount at maturity.

Evidence of the CDs

You will not receive a passbook, certificate or other evidence of ownership of the CD from the Issuer. The CDs are evidenced by one or more master certificates issued by the Issuer, each representing several individual CDs. These master certificates are held by a broker/dealer, which, as custodian, keeps records of the ownership of each CD and will provide to PFC, which will provide to you, a written confirmation of your purchase. Information about the custodian is available upon request. You will also be provided with a periodic account statement from PFC which will reflect your CD ownership. Retain the trade confirmation and the account statement(s) for your records. The purchase of a CD through PFC is not recommended if you wish to take actual possession of a certificate. Your account statement from PFC may provide an estimate of the price you might receive on some or all of your CDs if you could sell them prior to maturity. Any prices on your statement are estimates and are not based on actual market prices. Ask PFC 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 with a zero-coupon CD, not the estimated price. See the sections headed “Deposit Insurance” and “Secondary Market.”

Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of PFC. Your CD will be established on the Settlement Date. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Issuer.

If you remove PFC as your agent regarding your CD, you may have the ownership of your CD evidenced directly on the books of the Issuer. Because the custodian is holding the master certificate, you may not transfer your CD to another broker/dealer. Evidence of your ownership of the CD on the Issuer's books will be subject to applicable law and the Issuer's terms and conditions, including those related to the manner of evidencing CD ownership. If you remove PFC as your agent, PFC will have no further responsibility for payments made regarding your CD. If you establish your CD directly on the books of the Issuer you can enforce your rights in the CD directly against the Issuer.

Important Investment Considerations

CDs are most suitable for purchasing and holding to maturity and you should be prepared to hold them to maturity. At your request, PFC, though not obligated to do so, may attempt to access a secondary market in the CDs after their Settlement Date. If you can sell your CD in such a secondary market, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for your CD. If you wish to dispose of your CD prior to maturity, read with special care the sections headed "Additions or Withdrawals" and "Secondary Market." CDs are issued in denominations of $100,000 and may not be resold in smaller increments. Be aware that large denomination CDs may be less liquid than smaller denomination CDs.

Compare the rates of return and other features of the CDs to other available investments before deciding to purchase a CD. The rates paid regarding the CDs may be higher or lower than the rates on deposits or other instruments available directly from the Issuer or through PFC. Variable rate CDs present different 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. If the CD is subject to call by the Issuer, you may not receive the benefits of any anticipated increase in rates paid on a variable rate CD. Carefully review any supplement to this Disclosure Statement that describes the step rate or the basis for resetting a floating rate and, if the CD is subject to call by the Issuer, the time periods at which the Issuer may call the CD.

If the Issuer approaches insolvency or becomes insolvent, the Issuer may be placed in regulatory conservatorship or receivership with the FDIC typically appointed the conservator or receiver. The FDIC may thereafter pay off the CDs prior to maturity or transfer the CDs to another depository institution. If the CDs are transferred to another institution, the new institution may offer you a choice of retaining the CD at a lower interest rate or having the CD paid off. See the sections headed "Deposit Insurance" and "Payments Under Adverse Circumstances."

If your CD is paid off prior to maturity because 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. PFC is not responsible to you for any losses you may incur because of a lower interest rate on an investment replacing your CD.

The Securities and Exchange Commission periodically publishes tips for investors in various financial products, including CDs, on its website. You can access these investor tips at www.sec.gov.

Deposit Insurance: General

Your CDs are insured by the FDIC, an independent agency of the United States Government, up to $250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity at any one Issuer. Any accounts or deposits you may maintain directly with a particular Issuer, or through any other intermediary in the same insurable capacity in which the CDs are maintained, would be aggregated with the CDs for purposes of the $250,000 federal deposit insurance limit. If an Issuer fails, interest-bearing CDs are insured, up to $250,000, for principal and interest accrued to the date the Issuer is closed. Zero-coupon CDs are insured up to $250,000 and only 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 Issuer. Interest is determined for insurance purposes in accordance with federal law and regulations. The original offering price of a zero-coupon CD plus accreted interest is called the "accreted value" in the remainder of this Disclosure Statement.

You are responsible for monitoring the total amount of deposits that you hold with any one Issuer, directly or through an intermediary, in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including the CDs. PFC 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 PFC THAT YOUR DEPOSITS WITH THE ISSUER, INCLUDING THE CD, WHEN AGGREGATED IN ACCORDANCE WITH FDIC REGULATIONS, ARE WITHIN THE $250,000 FEDERAL DEPOSIT INSURANCE LIMIT.

If your CDs or other deposits at the Issuer are assumed by another depository institution under a merger or consolidation, such CDs or deposits will continue to be separately insured from the deposits you might have established with the acquirer until (i) the maturity date of the CDs or other time deposits assumed, or (ii) regarding deposits that are not time deposits, the expiration of a six-month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same insurable capacity for the purpose of federal deposit insurance. Any deposit opened at the Issuer after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

If you purchase a CD in a secondary market at a premium over the par amount (or over the 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. If deposit insurance payments become necessary for the Issuer, you can lose the premium paid for your CD, and you will not receive any premium shown on your account statement. See the section headed "Secondary Market."

Questions about FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, please contact PFC. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by e-mail using the FDIC's On-line Customer Assistance Form available on its 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 time limit by which the FDIC must provide insurance payments. You should be prepared for the possibility of an indeterminate delay in obtaining insurance payments.

The $250,000 federal deposit insurance limit applies to the principal and accrued interest on all CDs and other deposit accounts maintained by you at the Issuer in the same insurable capacity. The records maintained by the Issuer and PFC regarding ownership of CDs would establish your eligibility for federal deposit insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to PFC before insurance payments are released to you. If deposit insurance payments become necessary for your CDs, the FDIC must pay the original par amount plus accrued interest (or the accreted value with zero-coupon CDs) to the date of the closing of the Issuer, as prescribed by law, and subject to the $250,000 federal deposit insurance limit. No interest or accreted value is earned on deposits from the time an Issuer is closed until insurance payments are received.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on deposit insurance coverage, the healthy institution may assume the CDs under the original terms or offer you a choice between paying the CD off and maintaining the deposit at a different rate. There may be a delay in receiving notification from the healthy institution, and the healthy institution may lower the rate on the CDs prior to providing notice. PFC will advise you of your options if a deposit transfer occurs as information becomes available.

PFC will not be obligated to you for amounts not covered by deposit insurance nor will PFC be obligated to make any payments to you to satisfy a loss you might incur because of (i) a delay in insurance payouts applicable to your CD, (ii) your receipt of a decreased interest rate on an investment replacing your CD because of the payment of the principal and accrued interest or the accreted value of a CD prior to its scheduled maturity or (iii) payment in cash of the principal and accrued interest or the accreted value of your CDs prior to maturity in connection with the liquidation of an Issuer or the assumption of all or a portion of its deposit liabilities. In connection with the latter, the amount of a payment on a CD purchased at a premium in a 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 can lose up to the full premium because of such a payment. Also, PFC will not be obligated to credit your account with funds before it receives payments for you from the FDIC.

Additions or Withdrawals

No additions may be made to any CD. When you purchase a CD, you agree with the Issuer to keep your funds on deposit for the term of the CD. Except as set forth below, no early withdrawals of interest-bearing CDs will be available. The early withdrawal provisions, if any, applicable to your CD may be more or less advantageous than the provisions applicable to other deposits available from the Issuer.

If a customer wishes to make an early withdrawal, and such withdrawal is permitted, PFC endeavors to obtain funds for the customer as soon as possible. However, PFC will not advance funds in connection with early withdrawals and can give no assurances that payment pursuant to early withdrawals will be made by a specified date.

Secondary Market

At your request, PFC, though not obligated to do so, may attempt to access a secondary market in the CDs maintained by another broker-dealer after their Settlement Date if such a secondary market develops. PFC cannot provide assurance you can sell your CDs in a secondary market prior to their maturity. In addition, any secondary market for the CDs may be discontinued at any time without notice. Therefore, you should not rely on any such ability 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. Your CD may not be resold in denominations less than $100,000. Be aware that large denomination CDs may be less liquid than smaller denomination CDs.

If a buyer is available in a secondary market when you attempt to sell your CD prior to its maturity, the price at which your CD is sold may cause 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 several factors such as the denomination of the CD, interest rate movements, time remaining until maturity and other market conditions. Also, the price you may pay for any CD purchased in a secondary market will include a mark-up established by PFC. Similarly, the price at which a CD may be sold if a secondary market is available will reflect a mark-down retained by PFC.

If you sell a CD in a secondary market, you may receive less in sale proceeds than the original principal (par) amount of the CD.

PFC does not offer secondary market purchases but if it did offer such services and if a CD were to be purchased in a secondary market at a premium over the par amount (or accreted value with a zero-coupon CD), then the premium would not be insured. Therefore, if deposit insurance payments become necessary for the Issuer, the owner of a CD purchased in a secondary market can incur a loss of up to the premium paid for the CD. (Also see the section headed “Deposit Insurance.”)

The uninsured premium being paid for an interest-bearing CD can be determined from the price on your trade confirmation. Price on CDs is expressed in relation to par (100.00). Any amount over 100.00 represents the premium. If your trade confirmation states that the price for a CD purchased in a secondary market is 100.25, there is a premium that will not be insured by the FDIC. A price of 99.75 would not include a premium. 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 $250,000 federal deposit insurance limit. With a zero-coupon CD purchased in a secondary market, the uninsured premium can initially be calculated by subtracting the accreted value from the “Gross 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 PFC.

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

Fees

PFC and the broker-dealer arranging for the CD to be offered will receive a placement fee from the Issuer for your purchase of a CD. In addition, other service providers may receive fees from the broker-dealer arranging for the CD to be offered, PFC, or the Issuer in connection with your purchase of a CD. Except for the mark-up or markdown discussed above in connection with secondary market transactions and a handling fee, if any, disclosed on your trade confirmation, you will be charged no commissions in connection with your purchase of a CD.

FOR RETAIL AND OTHER NON-CREDIT UNION ACCOUNTS ONLY

The application of the $250,000 federal deposit insurance limit is illustrated by several common factual situations discussed below. Please review the section headed “Deposit Insurance for CDs Purchased by Retirement Plans and Accounts” for the application of the $250,000 federal deposit insurance limit to retirement plans and accounts.

Individual Customer Accounts. Deposits of any one Issuer held by an individual in an account in the name of an agent or nominee of such individual (such as the CDs held in a PFC account) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same 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 PFC account records.

Corporate, Partnership and Unincorporated Association Accounts. Deposits of any one Issuer 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.

Joint Accounts. An individual’s interest in deposits of any one Issuer 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 only if each of the co-owners is an individual person, has signed an account agreement with PFC and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. Deposits of any one Issuer held in a “revocable trust” are generally insured up to $250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC. **Informal revocable trusts** include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a “Totten trust” account, “payable upon death” account or “transfer on death” account. Each beneficiary must be included in the Firm’s account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as “living” or “family” trusts. The beneficiaries of a formal revocable trust do not need to be included in the Firm’s account records.

Under FDIC rules, FDIC coverage will be $250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than $1,250,000 in deposits at the Issuer and more than five beneficiaries, the funds will be insured for the greater of $1,250,000 or the aggregate amount of all beneficiaries’ proportional interests, limited to $250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Issuer will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

Irrevocable Trust Accounts. Deposits of any one Issuer held 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). According to the FDIC, Coverdell Education Savings Accounts will be treated 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 an Issuer 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.

<u>Deposit Insurance: Retirement Plans and Accounts</u>

Retirement Plans and Accounts – Generally. The amount of deposit insurance for which CDs of any one Issuer held through one or more retirement plans or accounts will be eligible, including whether CDs held by each plan or account will be considered separately from or aggregated with deposits held by other plans or accounts, will vary depending on the type of plan or account. It is therefore important to understand the type of plan or account holding the CDs. The following sections generally discuss the rules that apply to deposits held by retirement plans and accounts.

Individual Retirement Accounts ("IRAs"). Deposits of any one Issuer held in an IRA will be insured up to $250,000 in the aggregate. However, as described below, the deposits of any one Issuer held by an IRA will be aggregated with the deposits of the same Issuer held by certain employee benefit plans in which the owner of the IRA has an interest. Thus, the owner of an IRA will only be eligible for insurance of $250,000 for deposits at any one Issuer held in plans and accounts that are subject to aggregation. See the section below headed "Aggregation of Retirement Plan and Account Deposits."

Pass-Through Deposit Insurance for Employee Benefit Plan Deposits. Subject to the limitations discussed below, under FDIC regulations a participant's non-contingent interests in the deposits of any one Issuer held by many types of employee benefit plans are eligible for insurance up to $250,000 on a "pass-through" basis. This means that instead of the deposits of one Issuer held by an employee benefit plan being eligible for only $250,000 of insurance in total, each employee benefit plan participant is eligible for insurance of his or her non-contingent interest in the employee benefit plan up to $250,000, subject to the aggregation of the participant's interests in different plans, as discussed below under "Aggregation of Retirement Plan and Account Deposits." The pass-through insurance provided to an employee benefit plan participant is separate from the $250,000 federal deposit insurance limit allowed on deposits held by the individual in different insurable capacities at the same Issuer (e.g., individual accounts, joint accounts, etc.).

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 of 1974 ("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, as amended (the "Code"). 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.

Defined Benefit Plans. The value of an employee's non-contingent interest in a defined benefit plan will be equal to the present value of the employee's interest in the plan, evaluated in accordance with the calculation ordinarily used under such plan. Deposits of any one Issuer held by a defined benefit plan that is eligible for pass-through treatment are <u>not</u> insured for an amount equal to the number of plan participants multiplied by $250,000. For example, a plan has on deposit $500,000 of CDs of any one Issuer. The employee benefit plan has two participants, one with a non-contingent interest of $425,000 and one with a non-contingent interest of $75,000. In this case, the employee benefit plan's deposits would be insured only up to $325,000; the plan would be eligible for up to $250,000 for the participant with the non-contingent $425,000 interest and up to $75,000 for the participant with the $75,000 non-contingent interest.

Overfunded amounts, which are any portion of a plan's deposits not attributable to the interests of beneficiaries under the plan, are insured, in the aggregate, up to $250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or a plan participant.

Defined Contribution Plans. The value of an employee's non-contingent interest in deposits of any one Issuer held through a defined contribution plan will be equal to the amount of funds on deposit attributable to the employee's account with the plan, regardless of whether the funds on deposit resulted from contributions made by the employee, the employer, or both.

Portions of deposits of any one Issuer held by an employee benefit plan that are attributable to the contingent interests of employees in the plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan are interests that are not capable of evaluation in accordance with FDIC rules, and are insured up to $250,000 per plan.

Aggregation of Retirement Plan and Account Deposits. Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) that are holding deposits of the same Issuer will be insured for up to $250,000 in the aggregate. In addition, under FDIC regulations, an individual's interest in the deposits of one Issuer held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax-exempt organizations (i.e., Section 457 Plans), (iii) self-directed "Keogh Plans" of owner-employees described in Section 401(d) of the Code, and (iv) self-directed defined contribution plans will be insured for up to $250,000 in the aggregate whether or not maintained by the same employer or employee organization.

Additions or Withdrawals

In the event of death or the adjudication of incompetence of the owner of a CD, early withdrawal of the entire CD will generally be permitted without penalty. Withdrawal of a portion of the owner's interest will not be permitted. Written verification acceptable to the Issuer will generally be required to permit early withdrawal under these circumstances. Pursuant to the Code, the beneficiary of an IRA (but not a Roth IRA) must begin making withdrawals from the IRA after age 70½. 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."

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.