

Certificate of Deposit Disclosure Statement

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT MAY NOT BE MODIFIED BY ANY ORAL REPRESENTATION MADE PRIOR TO OR SUBSEQUENT FROM THE PURCHASE OF YOUR CD.

Edward D. Jones & Co., L.P. ("Edward Jones") is making the certificates of deposit ("CDs") described below available to its clients. The CDs may be made available pursuant to an arrangement between Edward Jones and another broker-dealer. Each CD is a deposit obligation of a depository institution domiciled in the U.S. 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 in the sections headed "Deposit Insurance" and "Deposit Insurance for Retirement Plans and Accounts." Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of Edward Jones. CDs may be purchased both upon issuance (the "primary market") and in the secondary market.

Edward Jones 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, you will be provided with financial information concerning the Issuer of a CD that you would receive upon request if you established a deposit account directly with the Issuer. Edward Jones 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 CDs for any purpose permitted by law and its charter, including making loans to eligible borrowers and investing in permissible financial products. Edward Jones 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 CDs of any one Issuer that you may purchase will be eligible for FDIC deposit insurance up to \$250,000 (including principal and accrued interest) for each insurable capacity as described below. For purposes of the \$250,000 federal deposit insurance limit, 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 Edward Jones and other intermediaries.

The deposit insurance limit for each insurable capacity is \$250,000 and applies to CDs purchased in the primary and secondary markets.

The extent of and limitations on federal deposit insurance are discussed below in the sections headed "Deposit Insurance" and "Deposit Insurance for Retirement Plans and Accounts."

Terms of CDs

The maturities, rates of interest and interest payment terms of CDs available through Edward Jones will vary. Both interest-bearing and zero-coupon CDs may be available. You should review carefully the trade confirmation and any supplement to this Disclosure Statement for a description of the terms of the CD. You also should 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 (in the case of zero-coupon CDs) accrete after maturity. Generally, at maturity the CD balances will be remitted by the Issuer to Edward Jones and credited to your account with Edward Jones. 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 Edward Jones and the banks in both the Issuer's domicile and New York are open for business.

The aggregate amount of CDs and holdings of other bank deposit products of any one Issuer held through Edward Jones or held directly with the Issuer and indirectly through other broker-dealers by an individual purchaser in each insurable capacity (e.g., individual, joint, Individual Retirement Account, etc.) should not exceed \$250,000 in principal and accrued interest. Total deposits which exceed \$250,000 will not be covered under the FDIC deposit insurance program. The par amount of zero-coupon CDs is combined with interest-bearing CDs for the same Issuer held by the same financial institution by an individual purchaser in each insurable capacity in determining the FDIC insurance coverage.

Interest-bearing CDs

Interest-bearing CDs will pay interest at a fixed rate. A fixed rate CD pays the same interest rate throughout the life of the CD. However, actual interest paid may vary based on the number of days in the accrued period for that particular fixed rate CD. Interest-bearing CDs are offered in a wide range of maturities and are made available in minimum denominations and increments of \$1,000.

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 and 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.

Interest payments on interest-bearing CDs are automatically credited to your account with Edward Jones. Interest will accrue up to, but not including, the interest payment date or the maturity 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 Edward Jones.

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 Edward Jones with questions concerning the interest rate calculation on a secondary market CD.

Zero-coupon CDs

Zero-coupon CDs do not bear interest, but rather are issued at a substantial discount from the face or par amount, the minimum amount of which is \$1,000. The original offering price of a zero-coupon CD plus accreted interest is hereinafter called the "accreted value." 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 a number of individual CDs. These master certificates are held by The Depository Trust Company ("DTC"), a sub-custodian that is in the business of performing such custodial services. Edward Jones, as custodian, 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 a periodic account statement from Edward Jones that will reflect your CD ownership. You should retain the trade confirmation and the account statement(s) for your records. The purchase of a CD is not recommended for persons who wish to take actual possession of a certificate.

Your account statement from Edward Jones will 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. CDs will be shown on the account statement at market value, based upon a matrix or model pricing method, which may not be the actual price if sold prior to maturity. If a market value cannot be obtained, no price or value will appear on the statement instead of a dollar value. Your deposit insurance coverage 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 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 Edward Jones. You will have the ability to enforce your rights in a CD against the Issuer. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Issuer.

If you choose to remove Edward Jones 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 banks and savings institutions are not); or (ii) request that your ownership of the CD 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 CD ownership. If you choose to remove Edward Jones as your agent, Edward Jones will have no further responsibility for payments made with respect to your CD. If you establish your CD directly on the books of the Issuer, you will have the ability to enforce your rights in the CD directly against the Issuer.

IMPORTANT INVESTMENT CONSIDERATIONS

Buy and Hold

CDs are generally suitable for purchasing and holding to maturity. Though not obligated to do so, Edward Jones may maintain a secondary market in the CDs after their Settlement Date.

If you are able to sell your CD in the secondary market, the price you receive will reflect prevailing market conditions and your sales proceeds may be less than the amount you paid for the 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."

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 Issuer or through Edward Jones.

Insolvency of the Issuer

In the event 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 CDs at a lower interest rate or having the CDs paid off. In addition, the assuming institution can apply a new interest rate prior to giving you the option to redeem. These details are traditionally outlined in the Purchase & Assumption Agreement, which generally can be found on the FDIC's website. See the sections headed "Deposit Insurance" and "Payments Under Adverse Circumstances."

Reinvestment Risk

If your CD is paid off prior to maturity as a result of the Issuer's insolvency 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. Edward Jones 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.

Deposit Insurance

Your CDs are insured by the FDIC, an independent agency of the U.S. government, up to \$250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity at any one Issuer. Generally, any accounts or deposits that 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. In the event 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 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 deposit insurance purposes in accordance with federal law and regulations.

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 \$250,000 federal deposit insurance limit 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 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. Edward Jones 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 EDWARD JONES 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, DO NOT EXCEED THE \$250,000 FEDERAL DEPOSIT INSURANCE LIMIT. IF, AS A RESULT OF YOUR PURCHASE, YOUR AGGREGATE DEPOSITS WITH THE ISSUER ARE IN EXCESS OF THE \$250,000 FEDERAL DEPOSIT INSURANCE LIMIT, YOU MAKE THIS PURCHASE AT YOUR OWN RISK.

If your CDs or other deposits 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 from the deposits that you might have established with the acquirer until (i) the maturity date of the CDs or other time deposits that were assumed, or (ii) with respect to 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 purposes 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.

In the event that you purchase a CD 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. If deposit insurance payments become necessary for the Issuer, you can

lose the premium paid for your CD and will not receive any premium shown on your account statement. See the section headed “Secondary Market.”

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 Retirement Plans and Accounts” for the application of the \$250,000 federal deposit insurance limit to retirement plans and accounts.

Individual Client 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 an Edward Jones account) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and 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 the Edward Jones’ 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 deposit 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 Edward Jones 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 nonprofit 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 Edward Jones’ 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 Edward Jones’ account records.

Under FDIC rules, FDIC coverage will be up to \$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 deposit 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 noncontingent (i.e., capable of determination without evaluation of contingencies). In contrast, if a beneficiary’s interest in the account is contingent, then the deposits of any one Issuer held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined by applicable law) will be insured up to \$250,000 in the aggregate. A contingent interest means an event or circumstance must occur prior to such beneficiary being entitled to his or her interest (e.g., reach the age of 21, outlive another named beneficiary, graduate from college). 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. However, if a beneficiary has an interest in more than one irrevocable trust account created by the same grantor, the beneficiary’s interest 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 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.

Edward Jones’ Trust Account Policy

FDIC regulations provide for the pass through of deposit insurance to the beneficiaries of revocable and irrevocable trusts, as explained above. As a result, the interests of each of the beneficiaries of a trust may be insured up to \$250,000. However, it is the policy of Edward Jones to limit the purchase of the CDs of any one Issuer in a trust account to a single \$250,000.

Deposit Insurance for Retirement Plans and Accounts - Edward Jones’ Retirement Plan Account Policy

FDIC regulations provide for the pass through of deposit insurance to the employee/participants of retirement plans, as explained below. As a result, the interests of each of the employee/participants of a plan may be insured up to \$250,000. However, it is the policy of Edward Jones to limit the purchase of the CDs of any one Issuer in a retirement plan account to a single \$250,000.

Retirement Plans and Accounts – General

If you have deposits of any one Issuer that are held through one or more retirement plans and accounts, the amount of deposit insurance you will be eligible for, including whether CDs held by the plan or account will be considered separately or aggregated with the CDs of the same Issuer 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 of 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, the CDs of any one Issuer acquired by an IRA will be aggregated with the CDs 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 CDs 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, an individual's non-contingent interests in the deposits of any one Issuer held by many types of plans are eligible for deposit insurance up to \$250,000 on a "pass-through" basis. This means that instead of an employee benefit plan's deposits at one Issuer being entitled to only \$250,000 in total per Issuer, each participant in the employee benefit plan is entitled to insurance of his or her non-contingent interest in the employee benefit plan's deposits of up to \$250,000 per Issuer (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 separate from the \$250,000 federal deposit insurance limit allowed on other deposits held by an individual in different insurable capacities with the Issuer.

Deposit Insurance for Retirement 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 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.

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 \$250,000. For example, an employee benefit plan owns \$500,000 in CDs at one Issuer and the participants are eligible for up to \$250,000 per plan beneficiary. 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 deposit would be insured up to only \$325,000; the individual with the \$425,000 interest would be insured up to the \$250,000 limit and the individual with the \$75,000 interest would be insured up to the full value of such interest.

The contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee benefit plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan deposit are interests that are not capable of evaluation in accordance with FDIC rules and are aggregated and insured up to \$250,000 per Issuer. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to \$250,000 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 Plans and Accounts

Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits of the same Issuer will be insured for \$250,000 in the aggregate. In addition, under FDIC regulations an individual's interest in the CDs of one Issuer held by (i) IRAs, (ii) Section 457 Plans, (iii) self-directed Keogh Plans and (iv) self-directed defined contribution plans that are acquired by these plans and accounts will be insured for \$250,000 in the aggregate whether or not maintained by the same employer or employee organization.

Questions About FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, please contact Edward Jones. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You also may obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, 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 specific time period during which the FDIC 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 \$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 Edward Jones 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 the FDIC and to Edward Jones before insurance payments are released to you. For example, if you hold CDs as trustee for the benefit of trust participants, you also may be required to furnish an affidavit to that effect; you may be required to furnish other affidavits and provide indemnities regarding an insurance payment.

In the event that deposit insurance payments become necessary for your CDs, the FDIC is required to pay the original principal amount plus accrued interest (or the accreted value in the case of zero-coupon CDs) to the date of the closing of the relevant 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 an assuming institution. Subject to insurance verification requirements and the limits on deposit insurance coverage, the assuming 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 assuming institution and the assuming institution may lower the rate on the CDs prior to providing notice. The assuming institution also may have the option to change other terms of the CD such as maturity date and/or callability. These details are traditionally outlined in the Purchase & Assumption Agreement, where applicable. Edward Jones will advise you of your options in the event of a deposit transfer as information becomes available.

Edward Jones will not be obligated to you for amounts not covered by deposit insurance, nor will Edward Jones 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, or (ii) your receipt of a decreased interest rate on an investment replacing your CD as a result 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 that 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 can lose up to the full amount of the premium as a result of such a payment. Also, Edward Jones will not be obligated to

credit your account with funds in advance of payments received from the FDIC.

Additions or Withdrawals

No additions are permitted to 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. Accordingly, 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.

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 Internal Revenue 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."

In the event that a client wishes to make an early withdrawal, and such withdrawal is permitted, Edward Jones endeavors to obtain funds for the client as soon as possible. However, Edward Jones 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

Edward Jones, though not obligated to do so, may maintain a secondary market in the CDs after their Settlement Date. If you wish to sell your CD prior to maturity and Edward Jones does not maintain a secondary market, Edward Jones may attempt to sell your CD in a secondary market maintained by another broker-dealer. Edward Jones cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, the 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.

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 that 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 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 the secondary market may include a markup established by Edward Jones. Conversely, the price you may receive for any CD sold in the secondary market may reflect a mark-down retained by Edward Jones. In the event you choose to sell a CD in the secondary market, you may receive less in sale proceeds than the original principal (par) amount of the CD or the estimated price on your account statement.

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), the premium is not insured. Therefore, if deposit insurance payments become necessary for the Issuer, the owner of a CD purchased in the secondary market can incur a loss of up to the amount of 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 set forth on your trade confirmation. Price on CDs 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 CD purchased in the 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 also will 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.

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 "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 Edward Jones.

Newly Issued CDs: Selling Concession, Commission or Asset-based Fee

When you buy a CD during the initial offering period, Edward Jones may act as either a principal or an agent. The compensation we receive depends on whether we act as a principal or an agent in the transaction and the type of account in which you purchase the CD:

- When we act as principal, we receive a selling concession and it is incorporated into the initial offering price. You will see the selling concession amount displayed on your trade confirmation.
- When we act as agent, you pay a commission for the transaction. You will see the commission amount on your trade confirmation.
- If you buy a CD in a fee-based account, we will act as agent. You will not be charged a commission.
- The non-Edward Jones entity arranging for a CD to be offered may receive a fee from the CD issuer in connection with your CD purchase during the initial offering period.

Federal Income Tax Consequences

The following is a summary of the principal United States federal income tax consequences of the ownership of the CDs. The discussion below does not purport to deal with all of the federal income tax consequences applicable to all potential CD owners and does not deal with owners of CDs other than original purchasers. Persons considering the purchase of the CDs should consult their 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. Edward Jones 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 CDs upon which you will be taxed for the preceding year.

Any tax-related information contained herein is for informational purposes only and should not be considered tax advice. Pursuant to Internal Revenue Service regulations, Edward Jones informs you that: (i) any tax information contained herein is not intended and was not written to be used, and cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer; (ii) any such information was written to support the promotion or marketing of the CDs described in this Disclosure Statement; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

UNITED STATES HOLDERS

As used herein, the term "United States Holder" means a beneficial owner of a CD that is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more United States

persons have the authority to control all substantial decisions of the trust, or (v) a person otherwise subject to United States federal income taxation on a net basis in respect of such holder's ownership of a CD.

Zero-coupon CDs

Zero-coupon CDs will be treated as having been issued with original issue discount ("OID"). A portion of the discount from face value of a zero-coupon CD may be taxable to the holder of the CD each year as ordinary interest income, even though the cash attributable to this discount is not received by the holder until the maturity of the CD.

Zero-coupon CDs with a Maturity of One Year or Less

In general, an individual or other holder that uses the cash method of accounting is not required to accrue OID on a zero-coupon CD with a maturity of one year or less unless the holder elects to do so. If such an election is not made, any gain realized upon the sale, maturity, or other disposition of the zero-coupon CD will be treated as ordinary income to the extent of the holder's share of the OID inherent in such CD, calculated on a straight-line basis (or, if elected, under a constant yield method based on daily compounding). Holders that use the accrual method of accounting are required to accrue OID on a straight-line basis unless an election is made to accrue the OID under a constant yield method based on daily compounding.

Zero-coupon CDs with a Maturity of More Than One Year

A holder of a zero-coupon CD with a maturity of more than one year will be required to include OID on the CD as interest income during each taxable year that the holder owns the CD, regardless of whether the holder uses the cash or accrual method of accounting. A holder will realize gain or loss on the sale, early withdrawal, maturity or other disposition of such CD equal to the difference between (i) the amount received by the holder on the disposition of the CD and (ii) the amount the holder paid to acquire the CD, with such amount paid being increased by the amount of OID previously taxed to the holder with respect to the CD.

Fixed Rate Interest-Bearing CDs

Interest paid on a fixed rate interest-bearing CD is generally taxable each year as ordinary income to the holder in accordance with the holder's method of accounting. A holder will realize gain or loss on the sale, early withdrawal, maturity or other disposition of a CD equal to the difference between (i) the amount received by the holder on the disposition of the CD and (ii) the amount the holder paid to acquire the CD. For this purpose, the amount received does not include any amount attributable to accrued and unpaid interest on the CD, which amount is treated as interest income. Gain or loss generally will be long-term capital gain or loss if the CD were held for more than one year.

IRAs and Keogh Plans

Notwithstanding the general rules set forth above, the tax liability on interest paid or discount accrued, as the case may be, on CDs held by traditional IRAs and Keogh plans generally is postponed until actual distribution of the interest or discount accrued, as the case may be, to beneficiaries of these plans. Interest income generally accumulates in a Roth IRA tax free, and if certain criteria are met, distributions from the Roth IRA will not be taxed.

Backup Withholding

Certain non-corporate holders of the CDs may be subject to backup withholding or information reporting requirements on payments of principal and interest on, and the proceeds of disposition of, the CDs. Backup withholding will apply only if (i) under certain circumstances, the holder fails to certify (on an Internal Revenue Service Form W-9 or substantially similar form), under penalty of perjury, that it has furnished a correct Taxpayer Identification Number ("TIN") and has not been notified by the Internal Revenue Service that it is subject to backup withholding for failure to report dividend or interest payments, (ii) the holder has been notified by the Internal Revenue Service that it has failed to properly report payments of dividends and interest, (iii) the holder fails to furnish its TIN, or (iv) the holder furnishes an incorrect TIN. Any amounts withheld from a payment to a holder under the backup withholding rules will be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund.

NON-UNITED STATES HOLDERS

Interest or discount income, as the case may be, paid on CDs owned by a non-resident alien or foreign corporation may not be subject to any United States federal income or withholding tax, provided that this income is not effectively connected with the conduct by such foreign purchaser of a CD of a trade or business within the United States. Such interest or discount income and payment of the proceeds on the disposition of a CD generally also will be exempt from any United States information reporting or backup withholding requirements if the foreign purchaser provides Edward Jones (either directly or indirectly through a financial institution holding a CD as nominee for the foreign purchaser) with a Form W-8BEN (or a substitute statement in a form substantially similar to the Form W-8BEN) in which the foreign purchaser states his or its name and address and certifies, under penalty of perjury, that he or it is the beneficial owner of the CD and is not an individual citizen or resident of the United States or an entity formed in the United States, as the case may be. Any gain or income realized by a non-resident alien or foreign corporation upon the sale, early withdrawal, maturity or other disposition of a CD will not be subject to U.S. federal income or withholding tax, if (i) such gain or income is not effectively connected with a trade or business of the foreign purchaser in the United States, and (ii) in the case of a foreign purchaser who is a non-resident alien, the non-resident alien is not present in the United States for 183 days or more in the taxable year of the disposition. Special rules apply to CDs owned by foreign partnerships or foreign trusts. Prospective purchasers of the CDs should consult their own tax advisors concerning the tax consequences of ownership of a CD in their particular situations.