**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.

# DISCLOSURE STATEMENT FOR CREDIT UNION SHARE CERTIFICATES

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 Share Certificates pay dividends calculated at a specified rate and payable at specified times. Unlike the Federal Deposit Insurance Corporation, which insures accrued interest on bank deposits within applicable limits, the NCUSIF is not required to insure accrued dividends unless they have been posted to a share account. **You should assume that such accrued dividends will not be insured by the NCUSIF.** Please refer to the section headed "Share Certificate Insurance" for the extent of, and limitations on, federal insurance of Share Certificates.

**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.**

[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).

**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 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 payments on the Share Certificates. Please review this section carefully.**

Terms of Share Certificates

The maturities, dividend rate and dividend 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 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 Dividends" 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 dividends 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.

Share Certificates pay dividends at either a fixed-rate or at a variable rate. A fixed-rate Share Certificate will pay the same dividend rate throughout the life of the Share Certificate. The dividend rate on variable rate Share Certificates may increase or decrease from the initial rate at pre-determined time periods ("step-rates") or may be re-set at specified times based upon the change in a specific index or indices ("floating rates"). The dates on which the rates on step-rate Share Certificates will change or the rates on floating rate Share Certificates will re-set, as well as a description of the basis on which the rate will be re-set, will be set forth on the trade confirmation or a supplement to this Disclosure Statement.

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 dividends accrued up to, but not including, the call date. No dividends 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 dividend rates are lower than the dividends 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.

Dividends earned on Share Certificates will be paid either (i) on a periodic basis (i.e., monthly, quarterly, semiannually or annually) or (ii) at maturity, as specified on the trade confirmation or a supplement to this Disclosure Statement. Dividends on variable rate Share Certificates will be re-set periodically and dividends earned will be paid on a periodic basis (i.e., monthly, quarterly, semiannually or annually), as specified on the trade confirmation or a supplement to this Disclosure Statement.

Dividend payments on Share Certificates are automatically credited to your account with the Firm. Dividends will accrue up to, but not including, the dividend payment date, the maturity date or any call

date. If a dividend payment date falls on a day that is not a business day, dividends will be paid on the first business day following the dividend payment date. For specific rate information for any dividend period, please contact the Firm.

Dividends on Share Certificates are not compounded. Dividends on Share Certificates in the primary market are calculated on the basis of the actual number of days elapsed over a 365-day year. However, the amount of dividends on Share Certificates that are purchased in the secondary market may be based on other dividend rate calculations. Please contact the Firm with questions concerning the dividend 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. The principal amount of your Share Certificates and accrued dividends on your Share Certificates that have been posted to your share account 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." The NCUSIF is not required to insure accrued dividends on your Share Certificates unless they have been posted to your share account as described in the section headed "Share Certificate Insurance."

Restrictions on Dividends. A federally-insured credit union may pay dividends 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 dividends as long as that payment of dividends 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 dividend amount, plus dividends 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.

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

Insolvency of the Issuer. In the event the Issuer approaches insolvency or becomes insolvent, the Issuer may be 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 dividend 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 accrued dividends posted to your share account) 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 accrued dividends posted to your share account to the date the Issuer is closed. Dividends are determined for insurance purposes in accordance with federal law and regulations.

**The NCUSIF is not required to insure accrued dividends on your Share Certificates unless they have been posted to your share account. You should assume that such accrued dividends will not be insured by the NCUSIF.**

**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 dividends posted to your share account 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 dividends posted to your share account to the date of the closing of the relevant Issuer, as prescribed by law, and subject to the $250,000 limitation. No dividends are earned on Share Certificates or posted to share accounts 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, including accrued dividends not posted to your share account, 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, (ii) your receipt of a decreased dividend rate on an investment replacing your Share Certificate as a result of the payment of the principal and accrued dividends of a Share Certificate posted to your share account prior to its scheduled maturity, or (iii) payment in cash of the principal and accrued dividends of your Share Certificates posted to your share account 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. Accordingly, no early withdrawals of Share Certificates will be available.

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 dividend 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 dividends, which only the accrued dividends posted to your share account 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 dividends posted to your share account 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 30 basis points (.30%) 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

The following is a summary of the principal United States federal income tax consequences of the ownership of a Share Certificate. The discussion below does not purport to deal with all of the federal income tax consequences applicable to all potential Share Certificate owners and does not deal with owners of Share Certificates other than original purchasers. Persons considering the purchase of the Share Certificates 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. 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.

The Firm and its tax advisors hereby inform you that: (i) any tax advice 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 advice was written to support the promotion or marketing of the Share Certificates described in this Disclosure Statement; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

As used herein, the term "United States Holder" means a beneficial owner of a Share Certificate 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 Share Certificate.

United States Holders

*Fixed Rate Share Certificates*

Dividends paid on a fixed rate Share Certificate are generally taxable each year as interest 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 Share Certificate equal to the difference between (i) the amount received by the holder on the disposition of the Share Certificate and (ii) the amount the holder paid to acquire the Share Certificate. For this purpose, the amount received does not include any amount attributable to accrued and unpaid dividends on the Share Certificate, which amount is treated as interest income. Gain or loss generally will be long-term capital gain or loss if the Share Certificate was held for more than one year.

*Variable Rate Share Certificates*

Variable rate Share Certificates may be treated as issued with original issue discount ("OID"). Accordingly, a holder of a variable rate Share Certificate may be required to include OID on the Share Certificate as interest income during each taxable year that the holder owns the Share Certificate, regardless of whether the holder uses the cash or accrual method of accounting and whether the current receipt of cash from the Share Certificate equals the OID included in income for such year. Prospective holders of variable rate Share Certificates will be provided with a supplemental disclosure statement describing the tax rules that apply to such Share Certificates.

*Backup Withholding*

Certain non-corporate holders of the Share Certificates may be subject to backup withholding or information reporting requirements on payments of principal and interest on, and the proceeds of disposition of, the Share Certificates. 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.