

The information contained in this Disclosure Statement may not be modified by any oral representation

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. At maturity the CD 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 CD balances will be paid on the next succeeding business day. A "business day" shall be a day on which the Firm and the 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 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

\$1,000. Interest on the CD will "accrete" at an established rate and the holder will be paid the par amount at maturity.

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

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 the Firm.

Callable CDs. Callable CDs present different investment considerations than CDs not subject to call by the Issuer. You may face the risk that: (i) the CD may be paid off prior to maturity as a

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. 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 insurance purposes in accordance with federal law and regulations. The original offering price of a zero-coupon CD plus accreted interest is hereinafter called the "accreted value."

Under certain circumstances, if you become the owner of CDs or other deposits at an Issuer because another depositor dies, beginning six months after .8086(e)15.4283()-11.9043(da)-8.38022(t)-7.715384d83(a)-8.3826

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 Firm 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 Firm’s 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 i

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 type will be treated as deposits of the trust and will be aggregated with other Joint Accounts.

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

A deposit held by an employee benefit plan that is eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by \$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,

Pursuant to the Internal Revenue Code of 1986, as amended, the beneficiary of an 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 customer wishes to make an early withdrawal, and such withdrawal is permitted, the Firm endeavors to obtain funds for the customer as soon as possible. However, the Firm 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

The Firm, 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 the Firm does not maintain a secondary market, the Firm may attempt to sell your CD in a secondary market maintained by another broker-dealer. The Firm cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, a secondary market for the CDs may be discontinued at any time without notice. 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 that 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 interest rate movements, time remaining until maturity, and other market conditions. Also, the price at which a CD 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 CD purchased in the secondary market will include a mark-up established by the Firm. 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: General.")

The uninsured premium being paid for an interest bearing CD can be determined from the price set forth in 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 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.

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 the Firm.

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

Fees

The Firm and the broker-dealer arranging for the CD to be offered will receive a placement fee from the Issuer in connection with your purchase of a CD. 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 CD.

Federal Income Tax Consequences

The following is a summary of the principal United Stat

Zero-Coupon CDs with a Maturity of One Year or Less. In general, an

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 is not 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 will also be exempt from any United States information reporting or backup withholding requirements if the foreign purchaser provides the Firm (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 United States 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) or

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