

7/8/08 call with Regie Aquino

[John Keating]

Key - no Risk

Mr. [REDACTED]

Proposal for matured CD's - approximate value \$2,000,000

CD option does not offer attractive rates or FDIC insurance beyond \$200,000

Step up Agency Bonds offer much more attractive current rates plus a guarantee that those yields will increase over time.

Step up Agency Bonds also offer a guarantee of the full faith and credit of the US government (AAA) on the entire balance. FDIC is the equivalent of AAA.

Current offerings give a yield of 4.97% on the principal with a guarantee to increase that yield by 1/2% in 11/08, 1/2% in 11/10, 1% in 11/12 and 1% in 11/14. This particular bond would be callable from 11/08 on and if called, client would receive entire principal from US government.