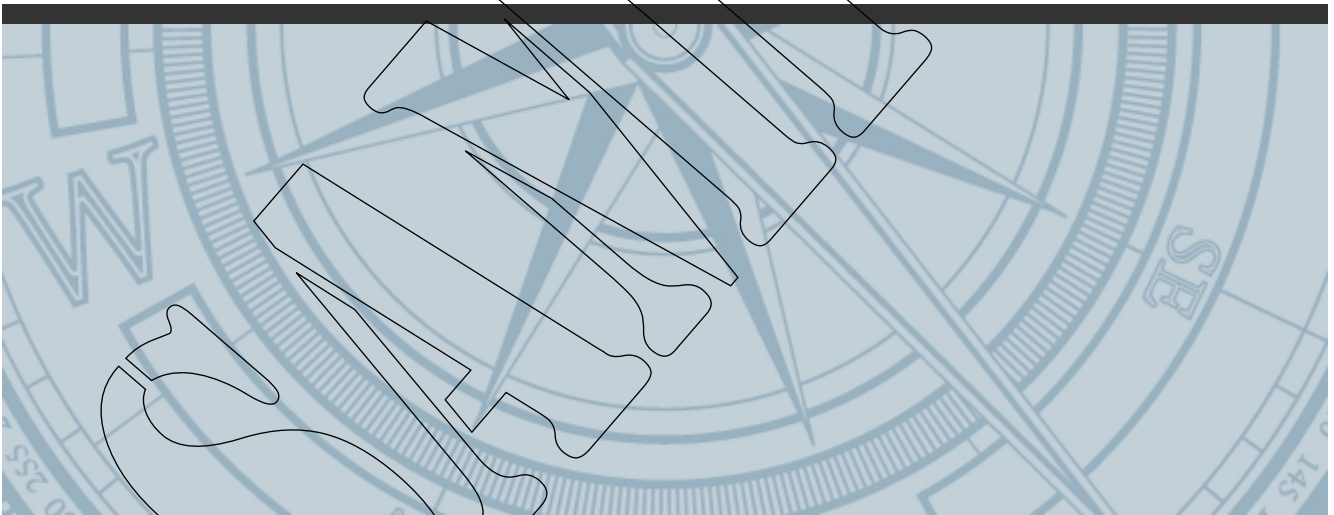




CD Shoppers' Guide



Provided to you by:

Your Name

Your Designations Go Here



CD Shoppers' Guide

Written by Financial Educators

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Disclosure line 2

Disclosure line 3

Where to Obtain Higher Paying CDs

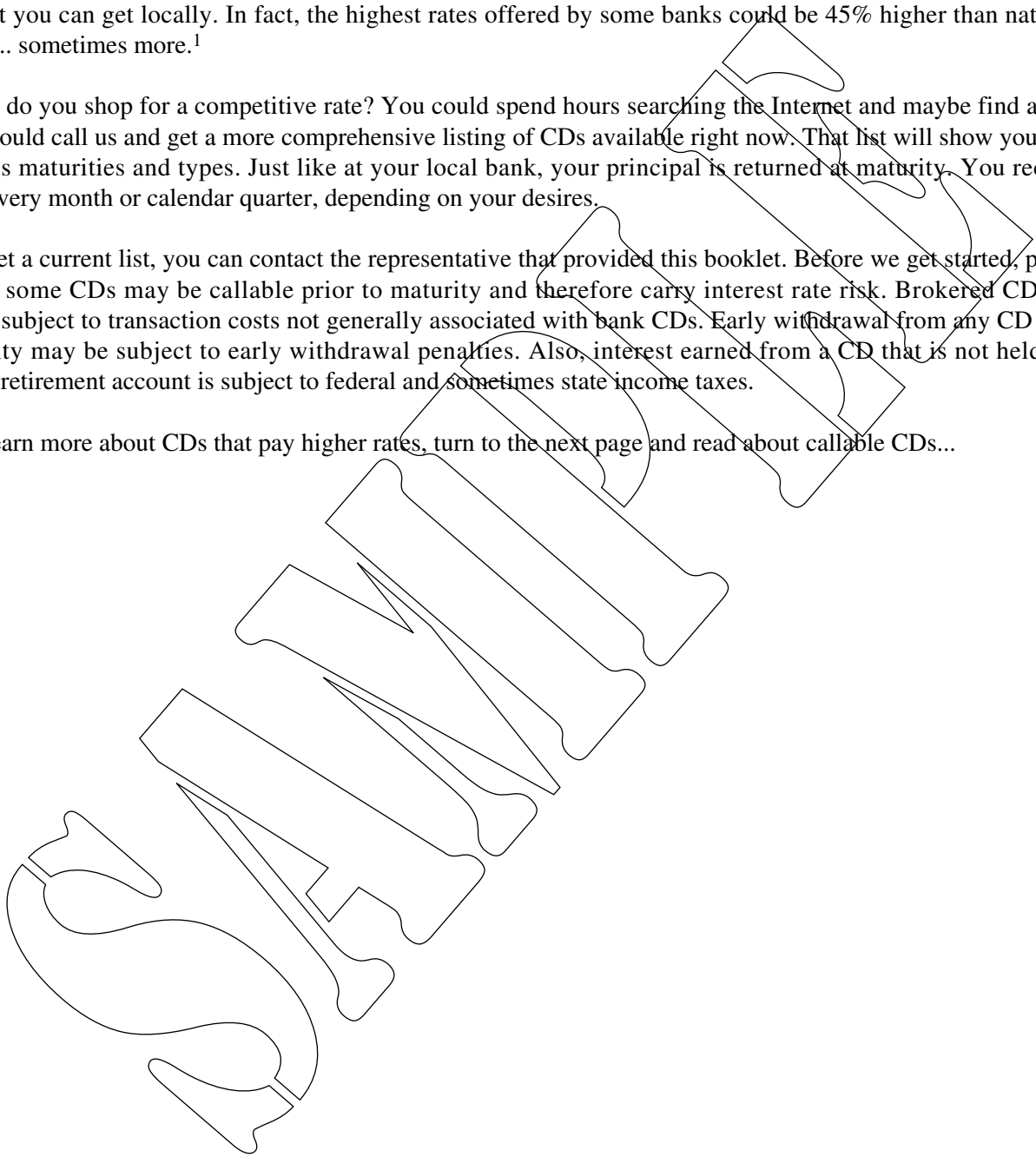
Are you disturbed by the rates on CDs issued at your bank? There's something you can do about it.

Many banks are FDIC insured, just like your local bank. Shop around for the best Certificates of Deposit. Check out other banks and saving institutions in your neighborhood, and in other states. Their rates could be higher than what you can get locally. In fact, the highest rates offered by some banks could be 45% higher than national averages... sometimes more.¹

How do you shop for a competitive rate? You could spend hours searching the Internet and maybe find a few. Or, you could call us and get a more comprehensive listing of CDs available right now. That list will show you CDs of various maturities and types. Just like at your local bank, your principal is returned at maturity. You receive interest every month or calendar quarter, depending on your desires.

To get a current list, you can contact the representative that provided this booklet. Before we get started, please note that some CDs may be callable prior to maturity and therefore carry interest rate risk. Brokered CDs are typically subject to transaction costs not generally associated with bank CDs. Early withdrawal from any CD prior to maturity may be subject to early withdrawal penalties. Also, interest earned from a CD that is not held in a qualified retirement account is subject to federal and sometimes state income taxes.

To learn more about CDs that pay higher rates, turn to the next page and read about callable CDs...



¹ <http://www.bankrate.com> , 1/21/11. Average six month CD=.75%, highest=1.10%.

Callable CDs

"Callable CDs" are a variety of CDs that often pay more than regular (non-callable) CDs. The Federal Deposit Insurance Corporation insurance, full principal repayment at maturity and above-average yields appeal to safety-conscious retirees looking for income.

Although FDIC insured, they have features you must understand. Before you jump at the rate offered by some ad in the Sunday newspaper, here's what you need to know about the features offered:

High Rate:

The higher rate could be temporary. Some callable CDs are callable after a year or two, which means you can get paid off and your high rate stops. Although your principal may still be insured by the FDIC, you may be required to find another place to invest your money which could subject your investment to interest rate risk. Although the bank could have the option to pay you back after one or two years, you do not have the same flexibility.

Banks offer callable CDs to shift interest-rate risk to the depositor. Because the depositor is taking on this interest-rate risk, a callable CD will have a higher yield than the same maturity CD without a call provision. The additional yield is partial compensation for the depositor accepting the interest-rate risk. They may have terms of 10 or 20 years. Therefore, these CDs are typically suitable for someone who does not need liquidity and wants higher returns than a non-callable CD and the safety afforded by the FDIC protection. Consider that earning more on your money could reduce the need for you to tap into your principal investments. If you buy such higher-paying CDs, it might be wise to keep other money for liquidity available in a money market account or bank account. Although money market accounts are typically considered to be safer than many equity investments, money-market shares are redeemable at net asset value, which may be more or less than original cost. An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in such a fund.

These callable CDs are suitable for:

- People who want to protect their "core" principal that they never want to spend
- People who want to leave money for heirs
- People who need to safely maximize income
- People who have adequate liquid resources

Take these precautions:

Someone may tell you that you can sell these CDs at any time. It is true that most banks will buy back the CD from you but it could be at a steep discount. With respect to principal repayment, the bank's obligation is to pay you back at maturity.

You may be told that if you pass away before the CD matures, your heirs can "put" the CD back to the bank and get the principal. This offer however is dependent upon the bank having enough funds in the "put" pool. Your heirs will have priority but could wait to see cash.

Call for a free checklist to use before buying high rate or callable CDs.

Want to hear about a CD that allows you to participate in the movement of the market? Please give us a call.

Index-Linked CDs

These CDs pay interest based upon the overall performance of a stock market index, and your principal deposit is FDIC insured up to current limits. Here's an example of how one of these CDs work. Please note, however, that the various features of these CDs vary from company to company (e.g., maturity, interest rate determination, withdrawal penalties).

Here's a hypothetical example. You make a deposit, say \$10,000. The CD has a 3.75 year maturity, non-callable. At the end of 3.75 years, you would receive your deposit back plus interest based upon the movement of a pre-selected stock market index, such as the S&P 500.² Let's assume that the index increased 3% per calendar quarter over the next 3.75 years. In this hypothetical example, you would receive \$12,271 (interest rates are subject to change and your actual results will vary). Please note that this example is used for illustration purposes and is not a prediction of future market performance.

The attractive feature of such CDs is that you could earn a higher amount of interest. However, you could earn zero if the stock market falls during the term of the CD. Your full deposit is always returned to you at maturity no matter what occurs in the stock market. Index-linked CDs are subject to early withdrawal penalties, and an investor is not guaranteed to receive 100% of his or her principal investment if funds are withdrawn prior to maturity. Also, an investor's right of early withdrawal can be limited to certain dates.

Note that some varieties have a "cap" limiting the gain. For example, a 100% cap would mean that a \$10,000 CD would not provide more than \$20,000 no matter how large the gain in the index. Others may have a call feature allowing the issuing bank to redeem the CD before maturity at pre-stated prices.

Yet others may have a "participation rate" where you partially participate in the index gain. For example, if the stock index rises by 100% and your participation rate is 50%, you enjoy only half of the market gain. All of these features are included in the descriptive materials. So read and understand them carefully before you invest.

If you think that the stock market performs well over the long term, index-linked CDs could interest you. It's an opportunity to participate in potential market gains and to protect your principal from market losses. But some people may still opt for the traditional CD with its fixed payment of 2.2% (Bankrate.com's national average rate for five year CD was 2.27% as of 1/21/11).

If today's CD rates leave you yearning for a higher return with safety, index-linked CDs could be for you. Call the phone number on the last page of this booklet for some valuable information regarding these types of CDs.

² The S&P 500 is an unmanaged group of 500 widely-held securities considered to be representative of the stock market in general. An index cannot be invested in directly.

FDIC Insurance - Do You Really Understand It?

Most people realize that their bank deposits are insured up to \$100,000 per person, per institution, now \$250,000 per institution through December 31, 2013. To ensure that all your accounts are fully insured, you could just spread your money among different banks. However, you can also keep accounts at the same banks and get several hundred thousands of dollars of insurance if your accounts are organized correctly.

One strategy is to use trusts or "pay-on-death" designations. Accounts that have named beneficiaries are insured \$250,000 per named beneficiary. Here's an example of how two parents and one child can insure \$3 million of deposits using the correct designations on accounts:

How a husband, wife and one child may have insured amounts totaling \$3 million

| | |
|--------------------------------|--------------------|
| Individual Account: | |
| Husband | \$250,000 |
| Wife | \$250,000 |
| Child | \$250,000 |
| Joint Accounts: | |
| Husband and Wife | \$250,000 |
| Husband and Child | \$250,000 |
| Wife and Child | \$250,000 |
| Revocable Trusts: | |
| Husband as a Trustee for Wife | \$250,000 |
| Husband as a Trustee for Child | \$250,000 |
| Wife as a Trustee for Husband | \$250,000 |
| Wife as a Trustee for Child | \$250,000 |
| Child as a Trustee for Father | \$250,000 |
| Child as a Trustee for Mother | \$250,000 |
| Total | \$3,000,000 |

To make sure you have the protection you want, the representative providing this booklet will be happy to review your list of CDs and explain how to designate each account.

Are Fixed Deferred Annuities a Good Alternative to CDs?

If you have accounts at banks, you may have been pitched on fixed deferred annuities as an alternative. But you need to understand the differences. Under the right circumstances annuities may in fact be a great way to get higher income, get a tax benefit and reduce or eliminate tax on your Social Security income. Let's explore the differences:

Safety

Bank deposits are FDIC insured and annuities are not. Annuities are guaranteed by the claims-paying ability of the issuing insurance company. Therefore, select annuity companies that are at least "A" rated or higher. You can call for the current rating on any annuity you may now own or when considering such an investment in the future.

Rate

Before investing, you should find out how long the rate will be effective, and what the guaranteed rate is after that. After all, some companies have a guaranteed rate of 0%.

Annuities and CDs often pay comparable rates. On 1/21/11, Everbank was offering a 5-year CD at 2.61% interest (www.bankrate.com). At the same time, at least one highly rated insurance company, American Equity was offering a five-year fixed-rate annuity for 3.15%. (Guarantee 5 SPDA-MYGA MVA).³

Term

Some people think that annuities force you to lock in your money. Annuities in fact come in terms from one year to 20 years and all terms in between. Of course, the term of the annuity or CD will typically affect the interest rate for the product. Even on a long-term annuity, you can cash it at any time. However, surrender charges and fees will apply. The amount of these surrender charges is typically based upon the time you have been invested in the annuity and these charges can last for 10 or more years in some cases.

Some annuities apply surrender charges only to interest earned so you always get your principal returned. A common feature is the free withdrawal of 10% of the balance each year. This provides sufficient access to funds for many policyholders. At the end of the term, you can cash in the entire annuity or exchange it for a new annuity. Note that withdrawals from an annuity prior to age 59½ may be subject to income taxes and a 10% tax penalty on the withdrawn amount.

Taxes

CDs can affect your taxes adversely because you pay tax even if you reinvest the income. Taxes on deferred annuities, however, are not paid until money is withdrawn. There is an additional tax benefit. Because deferred annuity interest is ~~not included~~ on your tax return, you may find that the tax on your Social Security income is reduced or eliminated.⁴ That's because your Social Security income is taxed only if your reportable income exceeds specific amounts.⁵ Call for an article on saving Social Security taxes.

³ Annuities and CDs alike tend to pay higher interest rates for products that are issued for longer maturities. The rates of these products can vary greatly among companies and banks.

⁴ IRS Publication 17, 2010.

⁵ This is not a comprehensive discussion of tax issues and you should consult a tax advisor.

Please also note that ordinary income taxes are paid on withdrawals from an annuity, and withdrawals prior to age 59½ are subject to an additional 10% income tax penalty.

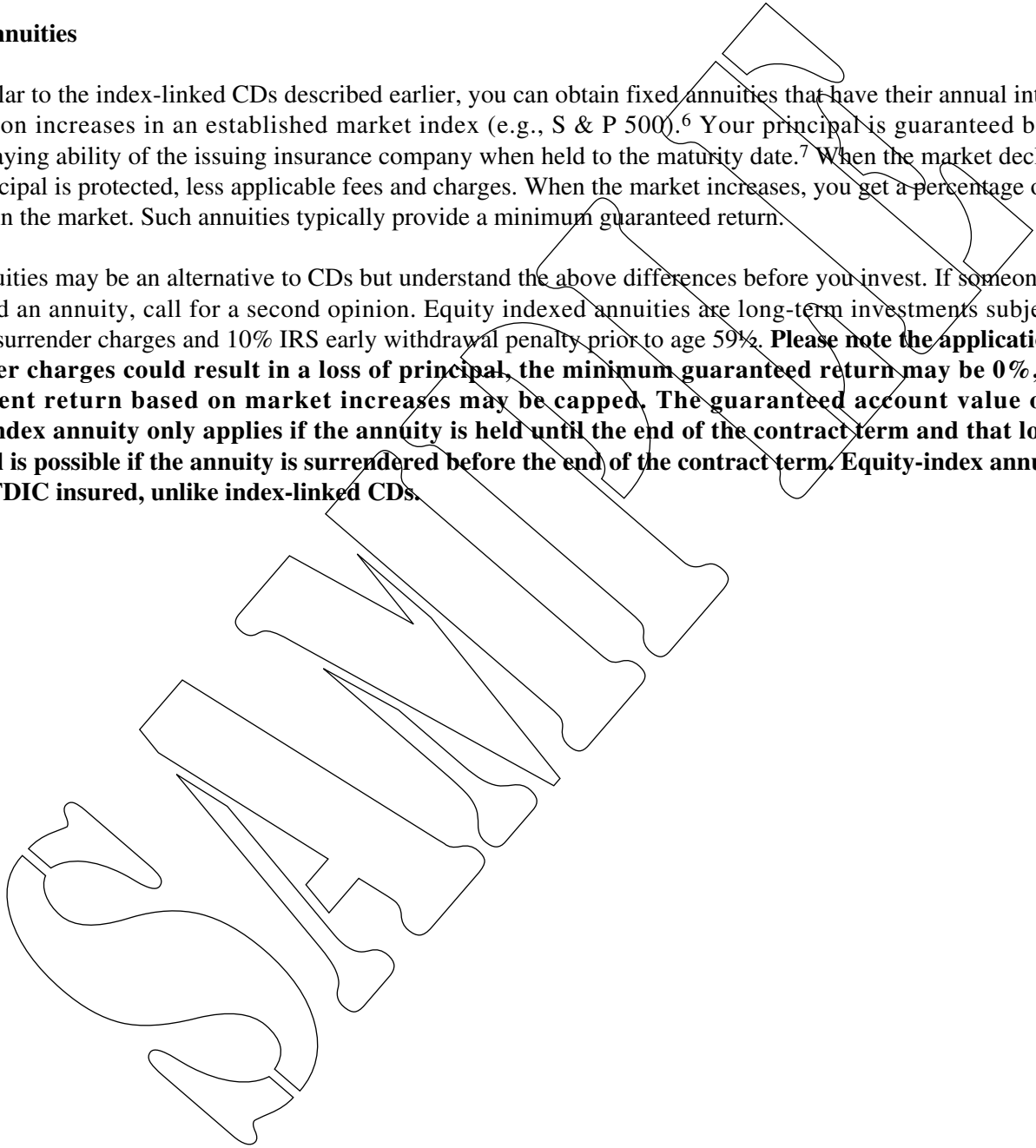
Lifetime Income

Annuities can be "annuitized" or converted for a fixed monthly income that you cannot outlive. You can obtain a monthly income for as long as you live (note that the annuity principal is surrendered in exchange for the lifetime income).

Index Annuities

Similar to the index-linked CDs described earlier, you can obtain fixed annuities that have their annual interest based upon increases in an established market index (e.g., S & P 500).⁶ Your principal is guaranteed by the claims-paying ability of the issuing insurance company when held to the maturity date.⁷ When the market declines, your principal is protected, less applicable fees and charges. When the market increases, you get a percentage of the increase in the market. Such annuities typically provide a minimum guaranteed return.

Annuities may be an alternative to CDs but understand the above differences before you invest. If someone has suggested an annuity, call for a second opinion. Equity indexed annuities are long-term investments subject to possible surrender charges and 10% IRS early withdrawal penalty prior to age 59½. **Please note the application of surrender charges could result in a loss of principal, the minimum guaranteed return may be 0%, and investment return based on market increases may be capped. The guaranteed account value of an equity-index annuity only applies if the annuity is held until the end of the contract term and that loss of principal is possible if the annuity is surrendered before the end of the contract term. Equity-index annuities are not FDIC insured, unlike index-linked CDs.**



⁶ The S&P 500 is an unmanaged group of 500 widely-held securities considered to be representative of the stock market in general.

⁷ Note that withdrawals prior to maturity may not participate in growth of the S&P 500 and may incur surrender charges.

Are Your CDs Titled Correctly?

CDs are a popular investment among retirees because of CD safety. But some people do not give adequate attention to how the CD is titled and this can create problems.

If you register the CD in your own name, it will need to be probated before your heirs can get it. That could be a delay of months. To avoid probate, some seniors register their CD as joint tenants with their children. However, did you know that by including their names as joint tenants, you could expose the CD to claims of your children's creditors?

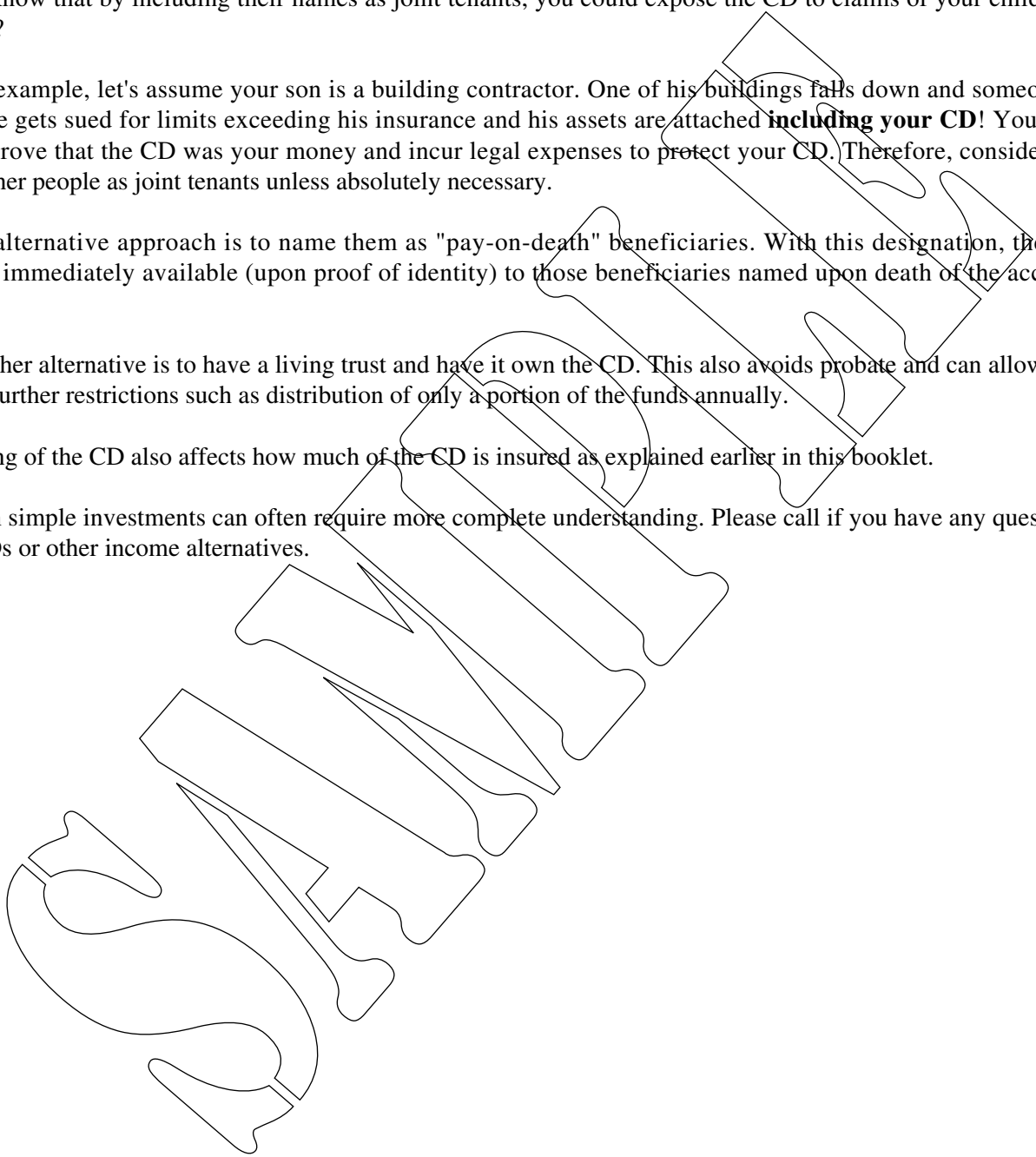
For example, let's assume your son is a building contractor. One of his buildings falls down and someone is killed. He gets sued for limits exceeding his insurance and his assets are attached **including your CD!** You then have to prove that the CD was your money and incur legal expenses to protect your CD. Therefore, consider not listing other people as joint tenants unless absolutely necessary.

An alternative approach is to name them as "pay-on-death" beneficiaries. With this designation, the CD becomes immediately available (upon proof of identity) to those beneficiaries named upon death of the account holder.

Another alternative is to have a living trust and have it own the CD. This also avoids probate and can allow you to place further restrictions such as distribution of only a portion of the funds annually.

Titling of the CD also affects how much of the CD is insured as explained earlier in this booklet.

Even simple investments can often require more complete understanding. Please call if you have any questions about CDs or other income alternatives.

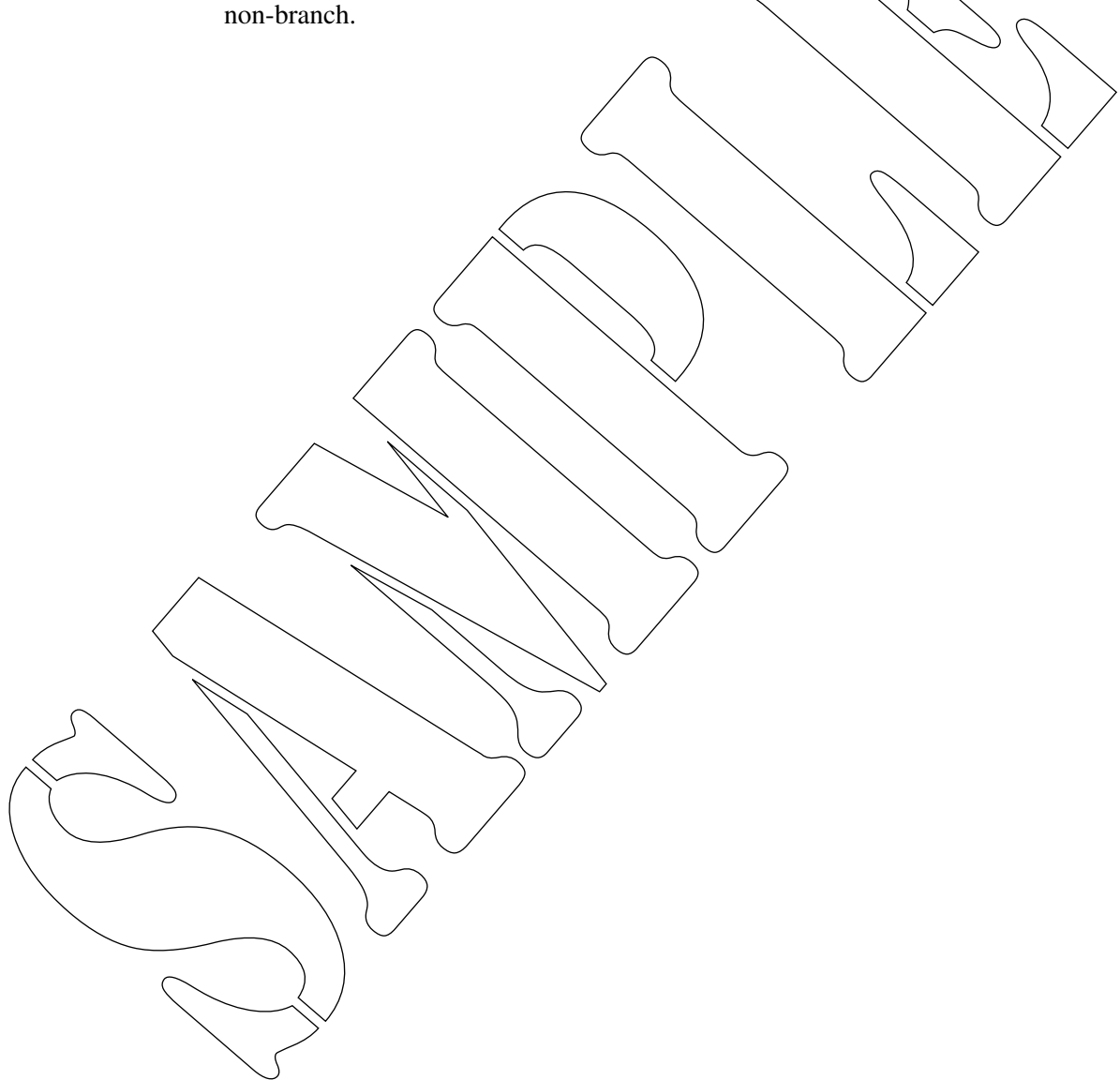


About Your Name



Rep Biography Here

Please note that securities representatives are always required to submit a copy of their personalization along with the booklet to their designated compliance officers for approval prior to use. As such, your personalization should accurately reflect your education, previous employment, and qualifications. Additionally, please note that the use of testimonials are restricted and sometimes forbidden by federal securities law. Please be advised that contact information which provides the street address of a non-branch location must provide the address and telephone number of the registered branch office or Office of Supervisory Jurisdiction directly supervising the non-branch.



About Your Company Name

A Paragraph About Your Company Goes Here: Please be advised that contact information which provides the street address of a non-branch location must provide the address and telephone number of the registered branch office or Office of Supervisory Jurisdiction directly supervising the non-branch.

- **Bullet Point1** - Include your text here, include your text here, include your text here, include your text here, include your text here.
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- **Bullet Point6** - Include your text here, include your text here, include your text here, include your text here, include your text here.

**Phone today with questions or to see if we can help you.
There is no charge for an initial meeting.**

Your Name

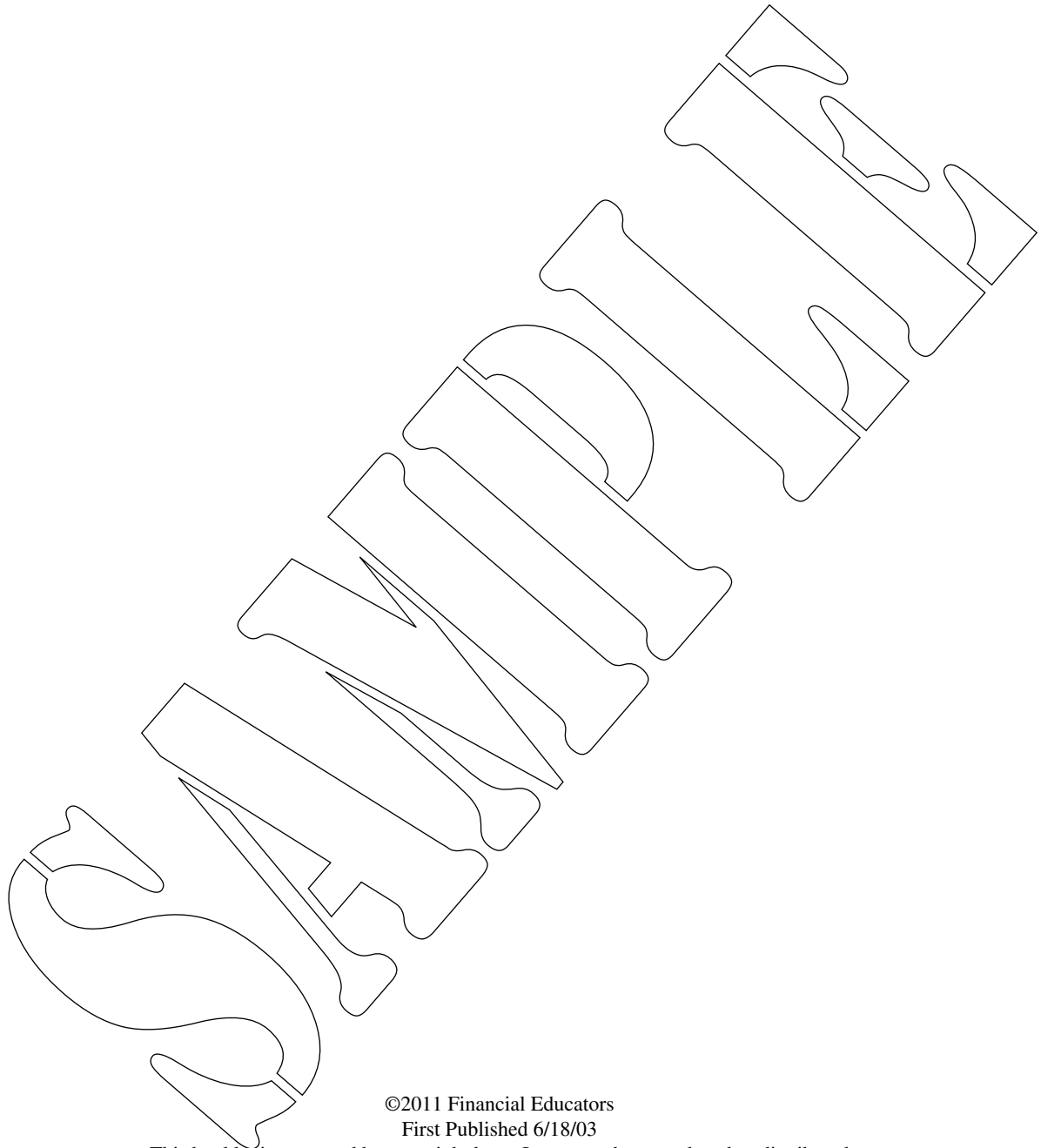
Your Designations Go Here

(800) 555-1111

Your Company Name

Any Street

Your Town, ST 99999



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First Published 6/18/03

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Published by Financial Educators