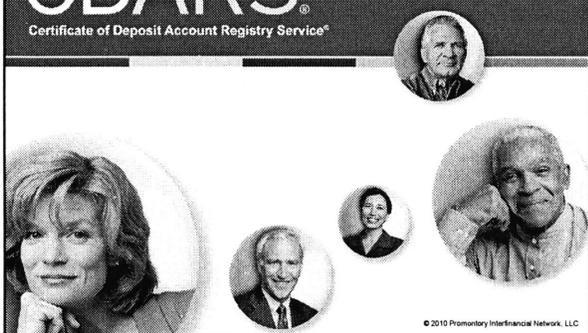


# CDARS

Certificate of Deposit Account Registry Service®



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## About CDARS

Now Available in Indiana



You have multiple options for placement of public funds in Indiana. CDARS is now one of those options.

An amendment confirming the authority of local governments in Indiana to access multi-million-dollar FDIC insurance through CDARS® became effective on July 1, 2010.

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## Why CDARS?

It's Everything in One Place

CDARS is a smart, secure, and convenient way for public fund managers to invest in large-dollar FDIC-insured CDs.

Why is that? With the CDARS service, your organization can have it all:

- CD-level returns.
- Access to multi-million-dollar FDIC insurance.<sup>1</sup>
- Time savings due to significantly less paperwork.
- The ability to support local communities.<sup>2</sup>

<sup>1</sup>Limits apply.

<sup>2</sup>This benefit applies to some, but not all types of CDARS transactions. Let your CDARS Network bank know if this benefit is important to you, so that it can explain the relevant terms and conditions in more detail.

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## Why CDARS?

CD-Level Returns  
Peace of Mind

**CD-level returns**

Earn rates that may compare favorably with other investment alternatives, including U.S. Treasuries and money market funds.



**Peace of mind**

Enjoy the security associated with access to multi-million-dollar FDIC insurance on CD investments.

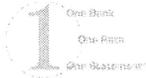


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# Why CDARS?

**Time-Saving Conveniences**



**Capitalize on the ease:**

- Work directly with just one bank – any local bank that's a member of the CDARS Network – to access multi-million-dollar FDIC insurance.
- Earn one interest rate per maturity.
- Receive just one regular statement.

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# Why CDARS?

**Time-Saving Conveniences**

**Forego the hassle of:**

- Having uninsured investments to footnote in financial statements.
- GASB 40 issues.<sup>3</sup>
- Manually consolidating account statements.
- Calculating blended rates and manually consolidating interest disbursements on a recurring basis.

<sup>3</sup>CDs issued to governments through CDARS should not be regarded as being exposed to custodial credit risk or requiring an adverse disclosure on the government's financial reports.

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# Why CDARS?

**Community Investment**



Feel good knowing that **the full amount** of your organization's invested funds can **stay local** to support lending opportunities that build a stronger community, when you invest in CDs through CDARS, you can also be investing in your own backyard.<sup>4</sup>

<sup>4</sup>Placement through a CDARS® Reciprocal™ transaction ensures that the total dollar amount is maintained by your bank.

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# What MATURITIES are available?

**Investing is Flexible to Match Your Needs**

**Choose from seven convenient terms:**

- 4 weeks
- 13 weeks
- 26 weeks
- 52 weeks
- 2 years (104 weeks)
- 3 years (156 weeks)
- 5 years (260 weeks)

If desired, your organization can also ladder its CDs or combine maturities to create the equivalent of a customized term.

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## How does CDARS work?

**We Make It Easy**

Banks that offer CDARS are members of a special network.

When your organization places a large deposit with a CDARS Network member, that institution places those funds into CDs issued by other banks in the CDARS Network – in increments below the standard FDIC insurance maximum – so that both principal and interest are eligible for FDIC protection. As a result, your organization can receive coverage through many banks while working directly with just one institution.

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## How does CDARS work?

**Investing Is Simple**

1	Your organization signs a CDARS Deposit Placement Agreement and deposits money with a CDARS bank.
2	Funds are placed using the CDARS service.
3	Your organization's CDs are issued by banks in the CDARS Network.
4	Your organization receives confirmation of its CDs.
5	Your organization receives consolidated interest payments and statements from its local CDARS bank.

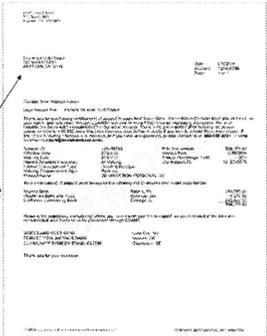
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## How does CDARS work?

**Reporting Is Straightforward**

**Sample New Account Notice**



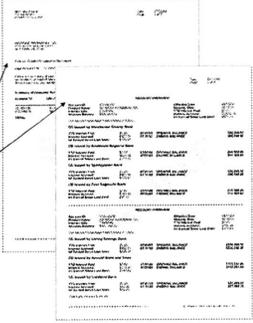
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## How does CDARS work?

**Reporting Is Straightforward**

**Sample Monthly Statement**



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**What else  
DO YOU NEED  
to know?**

**Confidential Information  
Remains Protected**

Your organization's confidential information remains protected. Client information is not shared with other Network members other than Promontory's service provider.

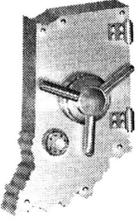
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**Learn  
MORE**

We are here to answer any questions you have.

Contact: Richard Beck, Jr. at  
(260) 467-5545 or  
richard.beck@starfinancial.com



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**Additional Information**

**Disclosures**

The CDARS service has been designed to satisfy the FDIC's requirements for pass-through deposit insurance coverage.

If you are subject to restrictions with respect to the placement of funds in depository institutions, it is your responsibility to determine whether the placement of your funds through CDARS satisfies those restrictions.

Public fund deposits must be placed through a CDARS® Reciprocal™ transaction to ensure that the total dollar amount is maintained by the financial institution that offers CDARS.

When funds are exchanged on a dollar-for-dollar basis with other banks in the Network, the originating bank can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals/mandates. Alternatively, with your organization's consent, that bank may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending.

Funds may be submitted for placement only after entering into a CDARS Deposit Placement Agreement. Limits apply. This agreement contains important information and conditions regarding the placement of funds.

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