



*The following document is a revised Primary Financial Co LLC and SimpliCD Disclosure statement which went into effect on Dec. 14, 2004. The statement features the Privacy Policy, Early Maturity Policy, Merger Disclosure for Credit Unions and Disclosure Regarding Nonfederal Insurance Merger Disclosure for Credit Unions. Primary is the custodian for SimpliCD and is owned by corporate credit unions, including CenCorp.*

**Privacy Policy** - Primary Financial Company Co LLC ("Primary Financial") is one of the nation's largest providers of certificate of deposit services and it is committed to providing competitive and innovative products and services for the success of credit unions. In fulfilling its mission, Primary Financial has access to nonpublic personal information about its customers. Primary Financial values the protection of personal information and its use in a confidential manner, consistent with the requirements of its customers. Primary Financial takes every reasonable precaution to protect the accuracy and integrity of nonpublic information. Primary Financial restricts access to nonpublic information to employees with a specific business purpose for use of the information. Primary Financial has established security procedures and security levels controlling employee access, as well as physical and electronic safeguards, which comply with existing regulations and which conform with standard industry practices to safeguard information. Information is the cornerstone of Primary Financial's ability to provide superior service and its most important asset is its customers' trust. Keeping customer information secure, and using it only as the law will permit, is a top priority for Primary Financial. Primary Financial's policy is to satisfy all laws and regulations concerning the use and disclosure of nonpublic personal information about its corporate customers and their customers, and its corporate co-agents and their customer credit unions and their members, including the Securities and Exchange Commission Privacy Regulation, 17 C.F.R. Part 248 (the "SEC Privacy Regulation"). Under the SEC Privacy Regulation and other similar regulations, Primary Financial is limited in the manner it may use or disclose the nonpublic personal information it receives about the customers of its corporate customers and members of its customer credit unions. Primary pledges to abide by these limitations. Primary Financial collects nonpublic personal information about its natural person customers from the following sources: information received on application forms or other forms; and information about the customer's transactions with Primary Financial, its affiliates, or others. Primary Financial does not disclose any nonpublic personal information about customers and former customers to anyone, except as permitted by law. Primary Financial may disclose all of the information it collects as described above to companies that perform marketing services on its behalf or to other financial institutions with whom it has joint marketing agreements. Primary Financial restricts access to nonpublic personal information about its natural person customers to those employees who need to know that information to provide products or services.

Primary Financial maintains physical, electronic, and procedural safeguards that comply with federal regulations to guard the nonpublic personal information of its natural person customers.

**Early Maturity Policy** - Primary Financial is a custodian of non-transferable certificates of deposit. Primary Financial does not make or facilitate a secondary market for certificates of deposit and we place these certificates for a customer with the expectation that it will hold the certificates to maturity. Primary Financial recognizes, however, that circumstances may arise which makes it necessary for a customer to request the redemption of a certificate before its scheduled maturity. Upon receiving from a customer a request for early maturity, Primary Financial will contact the issuing financial institution to obtain early maturity instructions and penalty amounts. The customer is responsible for paying all penalties plus a processing fee of \$50.00. These amounts will be deducted from the redemption proceeds delivered to the customer. In the normal course of business, Primary Financial will not transfer ownership of certificates of deposit. All exceptions to this policy must be approved in writing by the Managing Agent. The number of exceptions is expected to be low, and a likely occurrence would be where a customer notifies us shortly after a purchase that their principal amount of deposits at an issuing financial institution exceeds \$100,000.

**Merger Disclosure for Credit Unions** - Primary Financial has on occasion placed certificates of deposit ("CDs") with customers that merge together. Such mergers pose significant questions with respect to the continuation of deposit insurance. A credit union that is contemplating a merger with another credit union needs to consider the effect the merger will have on deposit insurance on the combined jumbo CD investments. If the surviving credit union and the merged credit union both hold \$100,000 in a jumbo CD at the same federally insured financial institution, under applicable regulations only \$100,000 will be insured after the merger takes place. There is no "grandfather clause" regarding insured jumbo CDs for investors. When analyzing a potential merger, the participating credit unions should review their jumbo CD investments and consider the costs of early withdrawing the uninsured principal versus the risk of having uninsured principal. If your credit union has merged or is considering a merger, please contact your placement agent or Primary Financial. A representative will help you determine if a merger has or would cause deposits to be uninsured and to determine if early withdrawal penalties would apply. Primary Financial is not liable for any loss of uninsured principal or interest caused by a merger between credit unions. When a merger occurs, please forward a copy of the state or NCUA documents approving the merger. If the surviving credit union is not a SimpliCD customer, Primary Financial requires a letter, signed by an authorized signer of the credit union being merged that describes all name, tax ID number, contact and settlement account changes and any other changes. If the surviving credit union and the merged credit union both hold certificates through the SimpliCD program, Primary Financial will move the assets of the merged credit union into the surviving credit unions account. Therefore we will be working off the surviving credit unions custodial agreement, unless we receive specific instructions not to do this. The surviving credit union has the responsibility to make sure the custodial is up to date. If any changes are to be made, Primary Financial would need a new custodial agreement.

**Disclosure Regarding Nonfederal Insurance** - Primary Financial has occasion to place certificates of deposit (“CDs”) in federally insured institutions that thereafter could switch to nonfederal insurance. Such a change in deposit insurance poses significant concerns for Primary Financial’s customers which are described in this disclosure. The purpose of this disclosure is to help Primary Financial’s customers understand the risk customers bear concerning a switch in deposit insurance. Primary Financial is committed to executing purchases and redemptions of CDs only in federally-insured institutions. Primary Financial’s Coordinating Custodial Agreement, which is executed by every customer, states that it will "execute purchases and redemptions of CDs in federally insured institutions on behalf of customer." Primary Financial does not place CDs in financial institutions that do not offer federal deposit insurance. All banks, s&ls, and federally-chartered credit unions must offer federal deposit insurance through the FDIC or NCUSIF. State-chartered credit unions, however, could be insured by the NCUSIF or by nonfederal share insurance. It is possible that a credit union CD issuer could switch from federal deposit insurance to nonfederal deposit insurance after Primary Financial opens a CD for a customer. In the event an NCUSIF-insured credit union switches to nonfederal share insurance and if Primary Financial becomes aware of the switch, Primary Financial will use every reasonable effort to notify its affected customers of the switch in deposit insurance. Primary Financial also will seek, with consent of the issuing credit union, to early withdraw these CDs if its customer requests Primary Financial to do so. Customers must realize that there may be an early withdraw penalty and that it will be the customer’s responsibility. Accordingly, Primary Financial will not be responsible to reimburse customers for early maturity penalties, if any, and Primary will not be liable for any loss associated with the failure of a financial institution that is only insured through nonfederal insurance if a customer decides to maintain the CD investment after the switch from federal deposit insurance.