# Disclosure Regarding Trading of FDIC-Insured Certificates of Deposit

Trading Certificates of Deposit ("CDs"), even those that are insured by the Federal Deposit Insurance Company ("FDIC"), has certain inherent risk. Please review and be aware of the following risk factors:

1. Generally speaking, brokered CDs, unlike CDs purchased directly from your bank, cannot be redeemed prior to maturity. Accordingly, if you later decide you want to cash in the CD prior to maturity, you will need to sell the CD on the secondary market. IB cannot guarantee that there will continue to be a secondary market for any CDs you purchase. Even if such a secondary market does continue to exist at the time you wish to sell, there may be very little liquidity available for your CD. If you do choose to sell you may incur a substantial loss as a result, in addition to incurring commissions on such transactions.

2. If market interest rates rise between the time you purchased the CD and the time you sell it, the market value of the CD can be expected to have declined, resulting in a loss of principal. Your FDIC insurance coverage will not cover such losses, as the insurance only covers losses resulting from the insolvency of the issuing bank, and not market losses due to changes in the prevailing interest rate or the lack of liquidity.

3. You should carefully read and understand any call features associated with any CD prior to purchasing it. Long-term CDs often include a provision that allows the issuer to call the CD prior to maturity at a specified price. The issuer is most likely to do this in an environment where market interest rates have declined since the CD's issuance.

4. To the extent that you purchase an insured CD for a price in excess of face value, your FDIC insurance will only cover you up to the amount of the face value of the CD, not the full purchase price.