



College Savings Bank InvestorSure[®] CD

Product Disclosure

Dated as of June 1, 2010



College
Savings Bank[®]
Member FDIC

Because losing principal in the market is a risk...

The InvestorSure CD offers the upside of the S&P 500 without the risk of principal loss when held to maturity.

Offered exclusively from College Savings Bank, the InvestorSure CD is a variable rate certificate of deposit indexed to the Standard & Poor's® 500 Composite Stock Index (S&P 500®). Unlike many investments, the InvestorSure CD does not risk principal when held to maturity.

Should the value of the S&P 500 decline over the investment period, you will receive your full investment back at maturity. Funds held to maturity will also receive 85 percent of the average increase in the S&P 500 based upon a formula*.

The InvestorSure CD is...

- **FDIC insured up to \$250,000 per depositor through December 31, 2013**, so your principal is protected.
- **affordable with multiple deposit options.** You can make deposits of as little as \$500, or sign up for a direct deposit program. Direct deposits from your bank or brokerage account are as low as \$250 a month. Payroll direct deposits are as little as \$100 per pay period. Investors must contribute at least \$1,000 to purchase an InvestorSure CD.
- **free of enrollment fees or other management charges that may erode your investment.**
- **designed for families that value hard earned money.** The InvestorSure CD protects your child's college investment and therefore safeguards their future. Losing principal in the stock market is a real risk, but not with the InvestorSure CD.
- **a 5-year time deposit.** At maturity, you can use the funds to pay qualified higher education expenses, re-invest in another InvestorSure CD, or move the funds to another college savings product until your child is ready to pay for school. Early withdrawals are permitted once a year, but a 10% principal penalty will apply in addition to penalties imposed by federal and state income tax law or regulation.
- **historically profitable.** Had the InvestorSure CD been available and you purchased each CD issued over the past 20 years, starting August 1, 1985, the average annual return on all matured CDs offered (ending May 2, 2010) would have been 4.68%.

How does the InvestorSure CD work?

InvestorSure CDs will pay, based on a formula, 85 percent of the increase in the S&P 500 at maturity; featuring a calculated average of 20 quarterly measurement points throughout the term of the CD. The averaging further protects your investment from wide swings in the S&P 500 as your investment approaches maturity.

<i>The InvestorSure CD: 20-Year, 10-Year and 5-Year Historical Rates of Return **</i>				
Issue Date Range	Maturity Date Range	Number of CDs Issued	Average APY @ 85%	
			Average APY of Every Matured CD Over Date Range	Taxable Equivalent Earnings ¹
Aug 85 - May 05	Aug 90 - May 10	80	4.68%	6.50%
Aug 95 - May 05	Aug 00 - May 10	40	3.44%	4.78%
Aug 00 - May 05	Aug 05 - May 10	20	2.06%	2.86%

¹ Taxable equivalent analysis assumes the investor is within the 28% federal income tax bracket.

Safe, affordable and offering the potential growth of the stock market, the InvestorSure CD from College Savings Bank.

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I. ABOUT YOUR INVESTMENT

A. InvestorSure Certificate of Deposit Terms and Conditions

The Bank issues InvestorSure CDs, which are certificates of deposit tied to the performance of the S&P 500 Index to help investors fund future college costs. The InvestorSure CD requires a minimum deposit of \$1,000 before a certificate will be issued. Certificates are issued four times a year on specific Issue Dates (see issue dates below). For account owners who do not intend to contribute \$1,000 at one time, the Bank accepts smaller amounts. All deposits are held in accounts at the Bank called "Accumulator" accounts until the balance reaches \$1,000 and until the next Issue Date. Once the funds in the Accumulator Account total at least \$1,000 and upon an Issue Date, the funds are used to purchase an InvestorSure CD for the benefit of the account owner's designated beneficiary.

All funds will initially be placed in an Accumulator account. Funds must be received by the Bank five business days prior to a CD Issue Date to be considered for that specific issue. Funds received less than five business days prior to a CD Issue Date will be held in an Accumulator account until the next issue date.

If you use direct deposit from a financial institution, you may contribute \$250 or more monthly. You may use direct deposit from payroll if your employer offers this service. This plan allows you to have \$100 or more deducted from each paycheck and deposited each pay period.

Each InvestorSure CD is governed by the statutes, rules and regulations of the State of New Jersey and the FDIC, the Bank's certificate of incorporation and by-laws, the regulations, rules and practices adopted by the Bank and general savings bank practices.

InvestorSure CD Guarantee. At maturity, you will receive a sum of money at least equal to the principal amount of the certificate of deposit.

FDIC Insurance. The principal amount of each certificate of deposit is insured by the FDIC up to \$250,000 per depositor through December 31, 2013. The Upside Payment of an InvestorSure CD is not earned until maturity. The FDIC has taken the position that payments similar to Upside Payments are not subject to FDIC insurance until the CD matures. Refer to Section D "Applicability of FDIC Insurance" for more information.

Issue Date. The InvestorSure CD is issued four times a year on the first Exchange Business Day of the following months: February, May, August and November. An "Exchange Business Day" is a trading day of the New York Stock Exchange.

Certificate Term. The term for a certificate is five years (60 months) from the Issue Date. The Maturity Date of a certificate is the first Exchange Business Day of the month that is five years from the Issue Date. For example, if a certificate is issued on February 1, 2010, the certificate will mature on February 1, 2015 with final valuation date of January 28, 2015, three Exchange Business Days prior to maturity.

Options at Maturity. The Bank will provide written notification to investors at least 60 days before the Maturity Date. The Account Owner must provide the Bank with written instructions at least 30 days prior to the Maturity Date if they desire the proceeds upon Maturity to be invested other than in accordance with the default actions described as follows:

If the Bank does not receive such instructions 30 days prior to maturity, the Bank will take one of the following Default Actions:

- if the beneficiary's date of entry into college is five years or more after the Maturity Date, the Bank will transfer the matured funds to a new InvestorSure CD issued under the then current terms and conditions for issuing InvestorSure CDs;
- if the beneficiary's date of entry into college is more than one year and less than five years after the Maturity Date and the Bank is still offering the CD under the Program, the Bank will transfer the matured funds to a CollegeSure CD with a maturity date of July 31 preceding the expected year of matriculation under the then current terms and conditions applicable to CollegeSure CDs; or
- if the beneficiary's date of entry into college is one year or less after the Maturity Date (or neither of the two preceding options applies), the Bank will hold the matured funds in a Savings Account until the funds are required for qualified higher education expenses at an eligible educational institution, or until the Account Owner is permitted to and does provide other permitted investment instructions.

At Maturity, the matured funds will be applied using one of the Default Actions, unless the account owner chooses one of the following written instructions:

- Transfer the matured funds to a CollegeSure CD
- Re-invest the matured funds in another InvestorSure CD under the then current terms and conditions;
- Roll over the matured funds to another 529 plan investment;
- Hold the matured funds in the Savings Account; or
- Withdraw the funds

Once-in-a Calendar Year Rule. Section 529 of the Internal Revenue Code requires a qualified tuition program to prohibit contributors and designated beneficiaries from directly or indirectly directing the investment of contributions to the qualified tuition program. Under IRS interpretations of this provision, a contributor is not prohibited from making initial selections to the investment of a contribution (for example, applying it to the InvestorSure 529 Plan as opposed to one of the other plans offered under the Program). The IRS permits account owners to change the investment strategy selected for a qualified tuition program account once per calendar year ("the once-in-a-calendar-year rule") and upon a change in the designated beneficiary of the account.

If the account owner directs that upon maturity the proceeds of an InvestorSure CD be invested other than in accordance with the default actions described in the InvestorSure CD terms and conditions, the account owner could be considered as making its once in a calendar year change in investment strategy. If the account owner made another change within the calendar year in any Program account for the same designated beneficiary, a change in investment direction upon the maturity of the InvestorSure CD could result in a deemed distribution.

The prohibition on investment direction limits can, but does not totally restrict, the ability of an account owner to move the Program account from an investment in an InvestorSure CD to another instrument or plan offered under the Program or another 529 plan.

Market Measure. The Market Measure for the InvestorSure CD is the S&P 500 Index. This Index is published by Standard and Poor's ("S&P"), a division of The McGraw-Hill Companies, Inc. It is a widely used index to indicate the movement in common stock prices. The stocks that comprise the Index account for approximately 75% of the United States equities market, based on market capitalization.

The Index is the quotient of the total float adjusted market capitalization of the Index's constituent stocks and its divisor. The divisor is adjusted periodically by S&P to account for changes in the constituent stocks' share capital, including share buybacks and spin-offs. The level of the Index is relative to the aggregate average value of similar stocks during a base period in the 1940s.

The constituent stocks in the Index meet certain criteria, including U.S. domicile, a minimum market capitalization and representation of the various industry sectors to the extent such sectors are represented in the larger common stock population. As of March 31, 2010, the following sectors are represented in the Index (with the percentage weight in parentheses):

Information Technology (18.9%)	Industrials (10.5%)
Financials (16.5%)	Consumer Discretionary (10.1%)
Health Care (12.1%)	Materials (3.5%)
Consumer Staples (11.3%)	Utilities (3.4%)
Energy (10.9%)	Telecommunication Services (2.8%)

S&P may from time to time, in its sole discretion, add companies to the Index or delete companies from the Index if certain constituent companies substantially violate the criteria for inclusion. However, S&P strives to minimize unnecessary turnover in index membership.

The InvestorSure CD (the "Product") is not sponsored, endorsed, sold, or promoted by Standard & Poor's. S&P makes no representation or warranty, express or implied, to the owners of this Product or any member of the public regarding the advisability of investing in this Product, or the ability of the S&P 500 Index to track general stock market performance. S&P's only relationship to the Bank is the licensing of certain trademarks and trade names of S&P and of the S&P 500 Index which is determined, composed and calculated by S&P without regard to the Bank or this Product. S&P has no obligation to take the needs of the Bank or the owners of this Product into consideration in determining, composing or calculating the S&P 500 Index. S&P is not responsible for and has not participated in the determination of the prices and amount of this Product or in the determination or calculation of the equation by which this Product is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of this Product.

S&P does not guarantee the accuracy and/or the completeness of the S&P 500 Index or any data included therein and S&P shall have no liability for any errors, omissions, or interruptions therein. S&P makes no warranty, express or implied, as to results to be obtained by the Bank, owners of the product, or any other person or entity from the use of the S&P 500 Index or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P 500 Index or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

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Investment Return. The Investment Return for the InvestorSure CD is not predetermined at a set rate as of the Issue Date, but rather is the Market Rate as determined by the Market Measure. The Investment Return is computed as the difference between the Closing Market Value ("CMV") and the Starting Market Value ("SMV") divided by the Starting Market Value ("SMV") and then multiplied by the Market Participation Factor ("MPF"). The Investment Return is represented by the following equation:

$$\text{MPF} * (\text{CMV} - \text{SMV}) / \text{SMV}$$

The MPF will be 85%. The Bank, in its sole discretion, may establish an MPF higher than 85% up to 100%. However, your decision to invest in the InvestorSure CD should be based on the assumption that the MPF will be 85%. An 85% MPF will result in a lower investment return compared to a 100% MPF.

The above formula for calculating investment return assumes that the investor holds the deposit until maturity, and is not applicable for early withdrawals. Please refer to "Early Redemption" for additional details.

Annual Percentage Yield (APY). The APY is the annualized investment return over the life of the InvestorSure CD. It assumes that the investor holds the deposit until maturity. As the Investment return can be zero, the Bank does not guarantee any positive APY. Early redemption will reduce or diminish earnings.

The Starting Market Value. The SMV is the closing value of the S&P 500 Index three (3) Exchange Business Days prior to the Issue Date. For example, a CD issued on February 1, 2010 has a SMV equal to the closing value of the S&P 500 Index on January 27, 2010.

The Closing Market Value. The CMV is the arithmetic average of the closing value of the S&P index on the Valuation Dates. The Valuation Dates are the Exchange Business Days coinciding with 20 quarterly observations between Issue Date and Maturity Date. For example, if the day of the month of the SMV is January 27, 2010, the Valuation Dates will include each April 27, July 27, October 27, and January 27 between the SMV Date and the Maturity Date. If the exact day of the month is not an Exchange Business Day, the Valuation Date that month is the first preceding Exchange Business Day.

Table 1 on page 3 indicates how the investment return would be calculated by using historical data and assuming that a five-year InvestorSure CD was issued on November 1, 2004 and matured on November 1, 2009.

Impact of Averaging. You are advised that the CMV is not determined by calculating the closing value of the S&P 500 Index on any particular day (such as the Maturity Date or the Valuation Date immediately preceding the Maturity Date ["Last Valuation Date"]). Averaging the closing value of the Index over the 20 quarterly observations between SMV and the CMV of the InvestorSure CD moderates fluctuations in the value of the Index.

Thus, the Investment Return is different than the Investment Return that would be obtained if the CMV were the value of the Index on a single day. If the value of the Index on the Last Valuation Date is lower than the previous 19 Valuation Dates, then the Investment Return is higher by using averaging compared to an Investment Return using only the Index value on the Last Valuation Date. Conversely, if the value of the Index on the Last Valuation Date is higher than the previous 19 Valuation Dates, then the Investment

Return may be lower by using averaging compared to an Investment Return using only the Index value on the Last Valuation Date.

Upside Payment. At maturity, the Upside Payment on the certificate will be the Investment Return multiplied by the principal amount of the certificate. Because the CMV is determined by any number of market factors affecting the S&P 500 Index, the Investment Return of the InvestorSure CD may be more or less than a fixed rate of interest earned from other standard CDs. If there is no change, or if there is a decrease, in the Market Measure from SMV to the CMV, you will not be paid an upside payment. The Bank does not guarantee an APY, and offers no warranties, either express or implied, that the InvestorSure CD will result in any upside payment. The Bank disclaims any liability for damages incurred by you as a result of the purchase of an InvestorSure CD, including compensatory, punitive, indirect or consequential damages (including lost profits).

This product may not be suitable for some investors. You should not invest your money in this product if you do not have the intent or ability to maintain your investment for the full 5-year term.

While your principal is protected pursuant to FDIC regulations, you should not invest your money in this product if you are unable or unwilling to accept the risk that you might receive little or no return on your invested principal.

You should not invest your money in this product if you want an investment that fluctuates directly with the equity market.

Past performance is no guarantee of future performance.

Early Redemption. Depositors may redeem a certificate, in whole or in part only on the anniversary date of the certificate's Issue Date. The Depositor must provide the Bank written notice at least 30 days prior to the date of withdrawal. Early withdrawals will be assessed a penalty of 10% of the principal. This is in addition to any state or tax consequences for which you may be liable.

Therefore, the redemption amount will be less than the original amount of principal, notwithstanding increases in the value of the Market Measure since the Issue Date. Holders of certificates that are redeemed prior to the Maturity Date are not guaranteed a return of 100% of the principal amount of the certificate but will receive 90% of the principal amount of the CD without any Upside Payment.

The Bank retains the right to terminate an InvestorSure CD if the withdrawals of principal from the CD would result in the amount remaining in the account being less than \$1,000.

Section Notes:

- See InvestorSure Accumulator Terms and Conditions - page 4
- See Applicability of FDIC Insurance - page 4
- See Early Withdrawal - Plan Disclosure
- See Once-In-A-Calendar-Year Rule - Plan Disclosure

Table 1		
An example of how the investment return will be calculated by using sample historical data. The first InvestorSure CD was actually issued by College Savings Bank on February 1, 2008.		
SMV	10/27/04	1,125.40
1st Valuation Date	1/27/05	1,174.55
2nd Valuation Date	4/27/05	1,156.38
3rd Valuation Date	7/27/05	1,236.79
4th Valuation Date	10/27/05	1,178.90
5th Valuation Date	1/27/06	1,283.72
6th Valuation Date	4/27/06	1,309.72
7th Valuation Date	7/27/06	1,263.20
8th Valuation Date	10/27/06	1,377.34
9th Valuation Date	1/26/07	1,422.18
10th Valuation Date	4/27/07	1,494.07
11th Valuation Date	7/27/07	1,458.95
12th Valuation Date	10/26/07	1,535.28
13th Valuation Date	1/25/08	1,330.61
14th Valuation Date	4/25/08	1,397.84
15th Valuation Date	7/25/08	1,257.76
16th Valuation Date	10/27/08	848.92
17th Valuation Date	1/27/09	845.71
18th Valuation Date	4/27/09	857.51
19th Valuation Date	7/27/09	982.18
20th Valuation Date	10/27/09	1,063.41
Total		24,475.02
Divided by		20
CMV		1,223.75
Investment Return = $85\% \text{ (MPF)} * (1,223.75 \text{ (CMV)} - 1,125.40 \text{ (SMV)}) / 1,125.40 = 7.43\%$ $\text{APY} = (1 + 7.43\%)^{1/5} - 1 = 1.44\%$		

B. Accumulator Terms and Conditions

Accumulator Terms and Conditions. The Bank offers the Accumulator Account as a special service to direct deposit participants. This savings account provides a convenient way to reach the minimum required for a CD. When the minimum is reached, a CD is automatically purchased.

Deposits held in an Accumulator Account are governed by the statutes, rules and regulations of the United States (including the FDIC), and the State of New Jersey, the Bank's certificate of incorporation and by-laws, the regulations, rules and practices adopted by the Bank, and general savings bank practices.

Each depositor's principal and earned interest held in the same right and capacity are insured by the FDIC up to \$250,000 per depositor through December 31, 2013 (Refer to Section D "Applicability of FDIC Insurance").

The Accumulator Account earns a variable interest rate equal to the Federal Funds Target Rate, the target interest rate set by the Federal Reserve Open Market Committee at which a depository Institution lends its immediately available funds to another depository institution overnight. Interest begins to accrue on deposit date, which is the same business day if the proceeds are received before 2:00 p.m. EST or the next business day if proceeds are received after 2:00 p.m. EST. Your interest rate and annual percentage yield may change without notice, however the Bank will send account owners a notice at least 30 days prior to a change in the terms that govern this account, including a change in the index (currently Federal Funds Target Rate), or a change in the manner in which this account yields interest.

Interest is credited and compounded quarterly on January 31, April 30 and July 31, October 31. Interest is calculated using the daily-balance method which applies a daily periodic rate to the principal in the account each day.

C. Savings Account Terms and Conditions

The Bank offers a savings account as a special service to hold matured certificate of deposit (CD) funds greater than \$250 when the expected withdrawal to pay qualified higher education expenses is sooner than one year after the maturity date of the CD.

Deposits held in this savings account are governed by the statutes, rules and regulations of the United States (including the FDIC), and the State of New Jersey, the Bank's certificate of incorporation and by-laws, the regulations, rules and practices adopted by the Bank, and general savings bank practices.

Each depositor's principal and earned interest held in the same right and capacity are insured by the FDIC up to \$250,000 through December 31, 2013 (refer to Section D "Applicability of FDIC Insurance").

The Savings Account earns a variable interest rate equal to the Federal Funds Target Rate. Interest begins to accrue on deposit date, which is same business day if the proceeds are received before 2:00 p.m. EST or the next business day if proceeds are received after 2:00 p.m. EST. Your interest rate and annual percentage yield may change without notice, however the Bank will send account owners a notice at least 30 days prior to a change in the terms that govern this account, including a change in the index (currently Federal Funds Target Rate), or a change in the manner in which this account yields interest.

Interest is credited and compounded quarterly on January 31, April 30 and July 31, October 31. Interest is calculated using the daily-balance method which applies a daily periodic rate to the principal in the account each day.

D. Applicability of FDIC Insurance

Deposits with College Savings Bank are insured to the full extent provided by law by the Federal Deposit Insurance Corporation (FDIC), an agency of the United States Government. Currently deposits with the Bank are insured by the FDIC up to \$250,000 per depositor. The \$250,000 limit is permanent for certain retirement accounts (includes IRAs) and is temporary for all other deposit accounts through December 31, 2013. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all deposit accounts except for certain retirement accounts, which will remain at \$250,000 per depositor.

The Bank has obtained two letters from the FDIC, which state that Bank CDs; including revocable trust accounts and other accounts are insured by FDIC. A copy of the letters may be obtained at www.collegesavings.com. Additionally, the FDIC has adopted a final rule, which clarifies that the fund structure adopted by our state sponsored 529 plans subsequent to the issuance of these letters will not affect the applicability of FDIC insurance. A copy of the final rule may also be obtained at www.collegesavings.com. The FDIC has taken the position that a payment similar to the Upside Payment in the account is not insured by the FDIC until maturity.

The FDIC generally insures, with respect to each FDIC-insured institution, deposit accounts (including accrued and unpaid interest) that are held in the same right and capacity up to \$250,000 per depositor through December 31, 2013. (See 12 C.F.R. §330.3(a)). For example, a depositor may have \$250,000 of FDIC insurance on a deposit held in his or her own name and an additional \$250,000 of FDIC insurance for deposits held in other capacities such as the settlor of a revocable trust. (See 12 C.F.R. §330.6(a), §330.7(b) and §330.10(a)).

529 Plan Accounts established at the Bank are generally treated as revocable trust accounts, established by the owner for the benefit of the designated beneficiary.

The balance of deposit accounts, including accrued but unpaid interest, established by each individual in favor of each separately-named beneficiary will be insured up to \$250,000 for each beneficiary. (See 12 C.F.R. §330.10). Under the FDIC regulations, only accounts that have the same owner and the same designated beneficiary will be combined for purposes of the \$250,000 limitation.

Accounts with beneficiaries established through the Bank will be separately insured from any other accounts (other than additional revocable trust accounts established by the same person for the same beneficiary) held by the account owner in the Bank and, of course, separately from any bank accounts held in any other insured financial institution. (See 12 C.F.R. §330.3(b)). Thus, for example, an account owner may also establish an account in his or her own name, and one account in the name of the child under Uniform Transfers to Minors Act (UTMA) and each account would be insured up to \$250,000.

The UTMA account is aggregated for insurance coverage with all other accounts held by the minor in the same institution.

Under the FDIC's regulations, if an account is jointly owned by spouses and held for the benefit of a beneficiary, the respective interest of each spouse (assuming the interest is equal) is separately insured up to \$250,000. Therefore, if two parents set up a joint account with their child as a designated beneficiary, that account could be insured up to \$500,000.

In the event account owners, such as parents or grandparents, open a joint account for a designated beneficiary and one of the joint account owners dies, the other account owner will become the sole account owner and the child will remain the beneficiary. Deposit insurance on the account will then be limited to \$250,000. In the event the account in question exceeds the \$250,000 deposit insurance limit available for single-ownership revocable trust account, following the death of one joint revocable trust account owner, the surviving account owner will have six months from the date of the death of his or her joint owner to restructure the account in such a way as to provide, if possible, additional deposit insurance. (See 12 C.F.R. §330.3(j).)

Accounts may be established in the name of a child or grandchild under an UTMA or similar statute. Under UTMA, the money in the account belongs to the child outright when the child reaches the age of majority. FDIC separately insures accounts held under UTMA from all other accounts held by the custodian and from accounts held in revocable trusts for the same child, but the UTMA account is aggregated with all other accounts in the same institution held by the minor. (See 12 C.F.R. §330.7(a) and (b)).

In certain cases, if a parent or grandparent who owns an account dies before the funds are used for the designated beneficiary's education, the child (i.e., the designated beneficiary) becomes the account owner if the child has reached the age of majority. If, however, the child is under the age of majority, the account will be legally owned by the legal guardian as custodian. In either event, the FDIC insurance on the funds will be based on the beneficiary and be added to all other funds held by the beneficiary in his or her own name or under an UTMA statute and insured up to \$250,000 in the aggregate.

The preceding summary includes:

- a discussion of revocable trust accounts that is based upon an emergency proposed regulation which went into effect immediately on September 26, 2008 and may be subject to change.
- an FDIC ruling to temporarily increased deposit insurance from \$100,000 to \$250,000 per depositor through December 31, 2013.

For information on additional changes consult the FDIC website at www.fdic.gov.

For more information on FDIC insurance and how it relates to our accounts, please refer to the FDIC's booklet on deposit insurance, which can be found at www.fdic.gov/deposit/deposits/insured/index.html.

Section Notes:

- See FDIC Insurance - Plan Disclosure
- See InvestorSure Terms and Conditions - page 1

II. PRODUCT RISK FACTORS

A. Uncertainty of an Investment Return

Because the CMV is determined by any number of market factors affecting the S&P 500 Index, the Investment Return of the InvestorSure CD may be more or less than a fixed rate of interest earned from other standard CDs. **If there is no change, or if there is a decrease in the Market Measure from SMV to the CMV, you will not be paid an Upside Payment. The Bank does not guarantee any specific rate of interest, and offers no warranties, either expressed or implied, that the InvestorSure CD will result in any Upside Payment. The Bank disclaims any liability for damages incurred by you as a result of the purchase of an InvestorSure CD, including compensatory, punitive, indirect or consequential damages (including lost profits).**

B. Different Investment Return Compared to an S&P 500 Index Mutual Fund

The InvestorSure CD is different from an investment in a mutual fund that consists of component stocks included in the S&P 500 Index. A return on an investment in such a mutual fund includes dividends paid on the component stocks and reflects direct changes in the prices of such stocks. Returns from an InvestorSure CD do not include dividends. Further, the return on an InvestorSure CD could be lower than the return on an S&P 500 mutual fund because the InvestorSure CD moderates its return by averaging the index value used to compute the Investment Return and reduces the Investment Return by applying a Market Percentage Factor of less than 100%.

C. Lack of Immediate Liquidity

An investment in an account is not the equivalent of a demand deposit in a checking account. An account owner may seek to withdraw funds annually from an Account. However, a Bank check for the amount withdrawn (after reduction for early withdrawal penalty, if applicable) may be issued 30 days after the Bank receives written notice of the request for the withdrawal. Bank penalties for early redemption may apply. **YOU SHOULD NOT INVEST YOUR MONEY IN THIS PRODUCT IF YOU DO NOT HAVE THE INTENT OR ABILITY TO MAINTAIN YOUR INVESTMENT FOR THE FULL FIVE-YEAR TERM.**

Section Notes:

- See Early Withdrawal - Plan Disclosure

D. Uncertainty of Nonqualified Distributions Earnings

It is not clear how an InvestorSure CD must be valued for purposes of determining the earnings ratio for nonqualified distributions from other accounts with the same account owner and same designated beneficiary. Absent formal or informal guidance from the IRS, the Bank expects to value InvestorSure CDs at the face amount.

III. ABOUT COLLEGE SAVINGS BANK

College Savings Bank, which began operations in Sept. 1987, has been helping families fund education for more than 20 years. Our mission is simple:

“To be a partner to parents who are preparing their children for higher education. We are in the financial business, but as a partner, we treat all of our beneficiaries like family members - and in as such, deliver products and services to the market that we would want as parents ourselves.”

The Bank originates and markets the CollegeSure CD and the InvestorSure CD, as well as a series of Fixed Rate CDs. Each is an innovative, unique saving-for-college investment featuring FDIC insurance up to \$250,000 per depositor through December 31, 2013 and principal protection.

At College Savings Bank we believe our first priority is to preserve investor assets, therefore protect a child’s future. The Bank’s CDs guarantee principal at maturity. And market conditions cannot affect the pledge we make to our families.

The Bank’s success to date can be measured in part by its nationwide customer base, its distribution arrangements with nationally recognized broker/dealers, financial planners, employee benefit programs of national companies. Further, the Bank is the program manager for several tax-advantaged, section 529 programs.

The Bank invests primarily in high-grade, adjustable-rate mortgage-backed securities, the majority of which are guaranteed by the U.S. government or its agencies as well as student loans through the Federal Student Loan Program. The Bank designs its investment portfolio and updates that portfolio periodically to match the interest rate sensitivities of its assets and liabilities.

A measure of the quality of the Bank’s investment portfolio can be highlighted in the Bank’s capital ratios:

- On March 31, 2010 the Bank’s Tier 1 capital-to-average asset ratio was 5.92%, as compared to the statutory minimum requirement of 4.00%.
- On March 31, 2010 the Bank’s Tier 1 capital-to-risk weighted assets was 23.38%, as compared to the statutory minimum requirement of 8.00%.

College Savings Bank is a member of the Federal Deposit Insurance Corporation, which means that the Bank’s deposits are insured by the Bank Insurance Fund of the FDIC up to \$250,000 per depositor through December 31, 2013.

The combination of FDIC insurance, the Bank’s high Tier 1 capital-to-total-asset and risk-based capital ratios as well as the Bank’s conservative investment policy ensures the safety of your deposits. We believe no other financial institution offers its customers a more complete college funding solution.

IV. COLLEGE SAVINGS BANK PRIVACY POLICY

- We do not sell information about you.
- We do not share your information with anyone else for marketing purposes.
- We use your personal information only to help transact the business you have with us.

Privacy Notice to Our Customers

As our customer, you trust us to help you achieve financial success and security. We provide this notice because you have a right to know how we protect the privacy of the personal information you share with us. Your knowledge of our privacy principles and practices will confirm the trust you have placed in us.

What Personal Information Do We Collect?

The type of information that we collect depends on the type of product or service you request. This includes:

- Information you provide on an application or other form (for example, name, address, social security number, or income).
- Information about your business and history with us, our affiliates, or others.

Most of the personal information we collect is obtained from you. We collect personal information needed only to service and administer your business with us.

How Do We Use and Disclose Your Information?

The main use of your information is to confirm your identity in the course of business that we perform at your request. We also use your information to service your accounts with us.

Information may be disclosed to other entities that provide business services to us related to our transactions with you. This includes, but is not limited to, audit, accounting and legal services. Further and with regard to our loan customers, we may disclose nonpublic personal information about you to third parties to assist us in processing your student loan application or servicing your student loan account with us, to governmental agencies in response to subpoenas, and to credit bureaus. We may also share information within our corporate family to service your business. These entities must keep the information private.

If necessary, we disclose information when it is required by law. For example, we may have to share information regarding large cash transactions. We may also disclose certain information to other entities to help us report or prevent fraud. Examples are reports to a regulatory or law enforcement agency.

With regard to 529 Plan customers, we may provide information about you and about contributions and distributions to comply with our duties as Program Manager for the various state programs, and to service these accounts. This information may be shared with the following entities when required by law or contract. It is used by them for their official government functions:

- Trustees to the respective 529 plan, such as State Boards of Regents of Higher Education and Commissions for Postsecondary Education
- State Departments of Revenue
- Internal Revenue Service

How Do We Protect the Security of Your Information?

We have policies to maintain physical, electronic, and procedural safeguards to protect the confidentiality of your personal information. Access to personal information is available only to those people who need to know it in order to service your business.

Should your relationship with us end, we will continue to follow the privacy policies described in this notice to the extent that we retain information about you. If we no longer need to retain that information, we will dispose of it in a secure manner.

Do You Need to Do Anything?

It is not necessary for you to take any action. This is because we do not share your information except to service the business you have requested from us. You do not need to “opt-out” or “opt-in” as you may have done with other financial companies.

How Can You See and Correct Your Information?

Generally, you have the right to review the personal information we have about you. You must request this in writing. We will not disclose information we have collected in connection with a claim or lawsuit. If you believe that any of the information we have is in error, you may write to us and request a correction. Where justified, corrections will be made.

Please direct inquiries about accessing or correcting your information to the address below:

College Savings Bank
PO Box 3769
Princeton, NJ 08543

College Savings Bank will send you a copy of our Privacy Notice annually.

Questions?

If you have questions about the College Savings Bank Privacy Notice, please call us toll-free at **800-888-2723**.

Effective date 6/10

V. 10-YEAR HISTORY OF THE INVESTORSURE CD

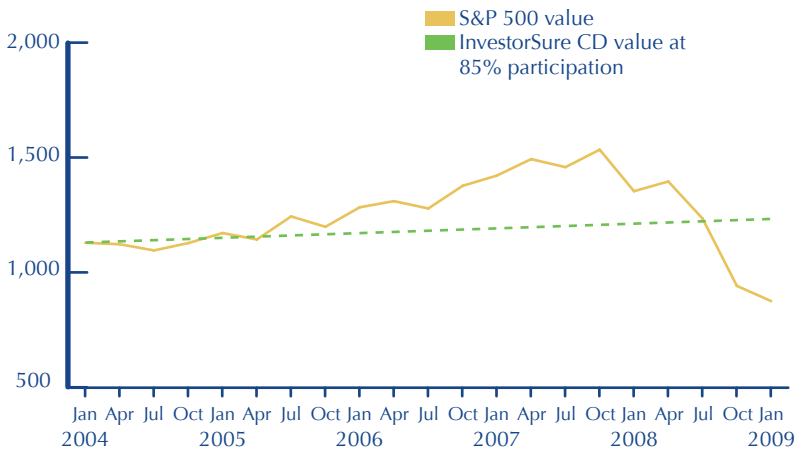
While historical rates of return are never a guarantee of future performance — if the InvestorSure CD were available, the previous 40 maturing CDs (ending May 2010) are represented in the chart below. The InvestorSure CD was first offered on February 1, 2008 and therefore the chart below is hypothetical.

InvestorSure CD			
Issue Date	Maturity Date	85% Upside Payment	APY
May 2, 2005	May 3, 2010	4.77%	0.94%
Feb 1, 2005	Feb 1, 2010	3.28%	0.65%
Nov 1, 2004	Nov 2, 2009	7.43%	1.44%
Aug 2, 2004	Aug 3, 2009	10.75%	2.06%
May 3, 2004	May 4, 2009	8.89%	1.72%
Feb 2, 2004	Feb 2, 2009	9.39%	1.81%
Nov 3, 2003	Nov 3, 2008	17.80%	3.33%
Aug 1, 2003	Aug 1, 2008	24.42%	4.47%
May 1, 2003	May 1, 2008	32.00%	5.71%
Feb 3, 2003	Feb 4, 2008	36.56%	6.43%
Nov 1, 2002	Nov 1, 2007	31.71%	5.66%
Aug 1, 2002	Aug 1, 2007	26.69%	4.85%
May 1, 2002	May 1, 2007	5.53%	1.08%
Feb 1, 2002	Feb 1, 2007	2.18%	0.43%
Nov 1, 2001	Nov 1, 2006	2.72%	0.54%
Aug 1, 2001	Aug 1, 2006	0.00%	0.00%
May 1, 2001	May 1, 2006	0.00%	0.00%
Feb 1, 2001	Feb 1, 2006	0.00%	0.00%
Nov 1, 2000	Nov 1, 2005	0.00%	0.00%
Aug 1, 2000	Aug 1, 2005	0.00%	0.00%
May 1, 2000	May 2, 2005	0.00%	0.00%
Feb 1, 2000	Feb 1, 2005	0.00%	0.00%
Nov 1, 1999	Nov 1, 2004	0.00%	0.00%
Aug 2, 1999	Aug 2, 2004	0.00%	0.00%
May 3, 1999	May 3, 2004	0.00%	0.00%
Feb 1, 1999	Feb 2, 2004	0.00%	0.00%
Nov 2, 1998	Nov 3, 2003	9.00%	1.74%
Aug 3, 1998	Aug 4, 2003	4.31%	0.85%
May 1, 1998	May 1, 2003	8.13%	1.58%
Feb 2, 1998	Feb 3, 2003	19.13%	3.56%
Nov 3, 1997	Nov 4, 2002	26.33%	4.79%
Aug 1, 1997	Aug 1, 2002	23.77%	4.36%
May 1, 1997	May 1, 2002	47.97%	8.15%
Feb 3, 1997	Feb 4, 2002	46.42%	7.92%
Nov 1, 1996	Nov 1, 2001	57.73%	9.54%
Aug 1, 1996	Aug 1, 2001	71.16%	11.35%
May 1, 1996	May 1, 2001	61.63%	10.08%
Feb 1, 1996	Feb 1, 2001	64.84%	10.51%
Nov 1, 1995	Nov 1, 2000	70.31%	11.24%
Aug 1, 1995	Aug 1, 2000	68.28%	10.97%

College Savings Bank helps families everywhere save for higher education.

The InvestorSure CD offers Advantages Over Other CD Products

Why bother with the risk of fluctuation when your deposits can remain secure with the InvestorSure CD? The InvestorSure CD is designed to offer investors the upside potential of the S&P 500 index without the risk of principal loss. The following charts demonstrate the S&P 500 and InvestorSure CD value in both a positive market and a negative market.

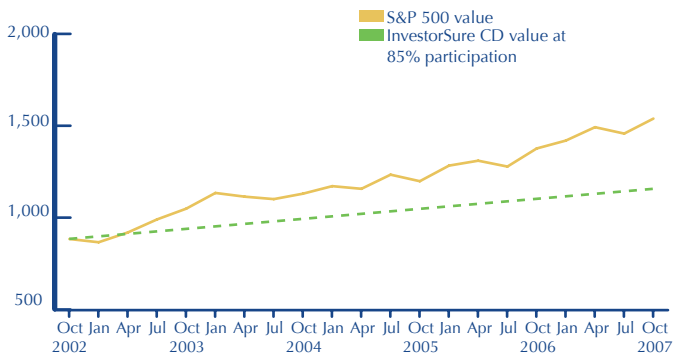


Example:

Down Market #1

(Issue Date: 2/2/2004 Maturity Date: 2/2/2009)

Due to quarterly averaging, in extreme market volatility such as we experienced in 2008 and 2009, the InvestorSure CD can yield a positive return even when the S&P 500 declines. In the example charted the S&P 500 lost over 20% of its value from the issue date (1128.48) to maturity of the CD (874.09). The corresponding InvestorSure CD yielded a 9.39% Investment Return with a 1.81% APY. The taxable equivalent APY within a 529 plan, at maturity, would have been 2.51% for investors in the 28% tax bracket.

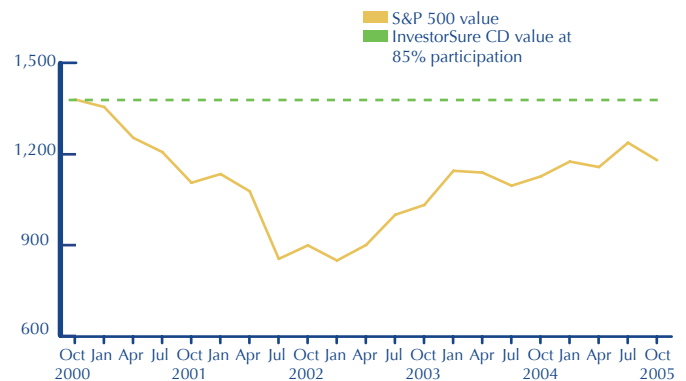


Example:

Up Market

(Issue Date: 11/1/2002 Maturity Date: 11/1/2007)

For the InvestorSure CD issued on 11/1/2002 and matured on 11/1/2007 the S&P 500 grew from 882.15 to 1540.98. The InvestorSure CD would have yielded a 31.71% Investment Return with an APY of 5.66% at 85% participation. The taxable equivalent APY within a 529 plan, at maturity, would have been as high as 7.86% for investors in the 28% tax bracket.



Example:

Down Market #2

(Issue Date: 11/1/2000 Maturity Date: 11/1/2005)

For the InvestorSure CD issued on 11/1/2000 and matured on 11/1/2005, the S&P 500 declined from 1,379.58 to 1,178.90. The Investment Return was zero, however in a down market where the S&P 500 Index is lower on maturity date than issue date, investor's principal is at least fully protected and returned.

Getting Started Is Easy. Enroll Today!

- Read the Disclosure Statement carefully before you invest or send money.
- Complete the enrollment form.
- Enclose your deposit check of \$500 or more. If you enroll in a direct deposit program, the initial deposit minimum will be waived. You may also enroll online using a credit card, debit card or electronic check.
- For more information or to enroll online, log onto **www.collegesavings.com**.

College Savings Bank
PO Box 3769 • Princeton • NJ • 08543

phone: 800-888-2723
fax: 609-987-3760

E-mail: info@collegesavings.com
Web site: www.collegesavings.com

(or return to an authorized representative)



College
Savings Bank®

Member FDIC

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Information is accurate as of May 2010. Prices and yields may change. Recent and historical rates of return may not be indicative of future rates of return and cannot be used to predict rates of return for future investment periods. Substantial penalty for early withdrawal. Read the Disclosure Statement carefully before you invest or send money.

The Market Participation Factor will be 85%. The Bank, in its sole discretion, may establish an MPF higher than 85% up to 100%. **However, your decision to invest in the InvestorSure CD should be based on the assumption that the MPF will be 85%. An 85% MPF will result in a lower investment return compared to a 100% MPF.**

BECAUSE THE CLOSING MARKET VALUE IS DETERMINED BY ANY NUMBER OF MARKET FACTORS AFFECTING THE S&P 500 INDEX, THE INVESTMENT RETURN OF THE INVESTORSURE CD MAY BE MORE OR LESS THAN A FIXED RATE OF INTEREST EARNED FROM OTHER STANDARD CDS. IF THERE IS NO CHANGE OR A DECREASE IN THE MARKET MEASURE OF THE S&P 500 INDEX FROM STARTING MARKET VALUE (ISSUE DATE) TO THE CLOSING MARKET VALUE (MATURITY DATE), YOU WILL NOT RECEIVE AN UPSIDE PAYMENT. THE BANK DOES NOT GUARANTEE ANY SPECIFIC RATE OF INTEREST, AND OFFERS NO WARRANTIES, EITHER EXPRESS OR IMPLIED, THAT THE INVESTORSURE CD WILL RESULT IN ANY UPSIDE PAYMENT. THE BANK DISCLAIMS ANY LIABILITY FOR DAMAGES INCURRED BY YOU AS A RESULT OF THE PURCHASE OF AN INVESTORSURE CD, INCLUDING COMPENSATORY, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS).

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*The Formula used to determine the upside payment of each InvestorSure CD is explained in the Terms and Conditions within this Disclosure Statement.

** The InvestorSure CD was introduced to the market on February 1, 2008. Historical analysis is purely hypothetical and applies the current product upside payment formula to a period of time in which the product was not available.