



Providing Solutions for Public Depositors Since 2003

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"We have and continue to enjoy the relationship with Finistar. It has helped the City gain better returns during a low interest rate environment and efficiently provides business for local banks."

-Bernita W. Demery, CPA, MBA, Director of Financial Services, City of Greenville

Dodd-Frank Retracts Unlimited FDIC Insurance for NOW Accounts

Section 343 of the Dodd-Frank Act amends the Federal Deposit Insurance Act to provide unlimited deposit insurance for the net amount held in a noninterest-bearing transaction account. However, as of 12/31/10 unlike the FDIC TAG program, section 343 does not include within the definition of noninterest bearing transaction accounts low-interest NOW accounts.

For Public Depositors who will be affected by this statutory change ANOVA's Finistar program has been providing Public Depositors excess FDIC Insurance (>\$250,000) and rates of interest above 0.25% FDIC statutory limits on NOW account balances since 2003. Get a good night's sleep knowing your funds are fully FDIC-insured, daily liquid, and earning a higher yield than investment alternatives.

ANOVA's Finistar Program Comparison

See Why Public Depositors Are Using Finistar Over Other Investments

Why Do Local Governments Prefer ANOVA's Finistar Program?

Product Comparison Fiscal Year 2009-2010 NC Public Funds (7/1/09-6/30/10)

	ANOVA/Finistar Public Funds	NCCMT/LGIP ¹	3 0-Day C.D. ²	30-Day Commercial Paper ³	30-Day Treasuries ²	Merrill Lynch Ready Asset Trust ²
Rate ⁴	✓ 0.47- 0.54%	0.17%	0.25%	0.17%	0.09%	0.03%
FDIC Insured or US Government Guaranteed	✓ YES	NO	NO	NO	✓ YES	NO
Liquidity	✓ HIGH	✓ HIGH	LOW	LOW	LOW	✓ HIGH
Principal Risk	✓ NO	YES	YES	YES	✓ NO	YES

1 - North Carolina Capital Management Trust/Local Government Investment Pool

2 - Source: Wall Street Journal

3 - High grade unsecured notes - source: Wall Street Journal

4 - Average rate for the 12 month period fiscal year 2009-2010 (7/1/09-6/30/10)

Benefits of Finistar

ANOVA's Finistar Program Offers the Following Benefits to Public Depositors

Benefits of the Finistar program are:

- **Security** - All deposits are FDIC Insured to \$10 million and are held in North Carolina FDIC Insured banks
- **Liquidity** - Funds may be deposited or withdrawn on a daily basis with no monthly limits on the number of transactions
- **Yield** - Earn a higher ROI (0.51% for 2009-2010 fiscal year) than comparable investments
- **Political** - Funds stay in-state and thus stimulating the NC local economies
- **Reporting** - Finistar will generate all reports required by the State Treasurer's office concerning such deposits
- **Compliance** - The Finistar program meets all of the requirements of the Local Government Budget and Fiscal Control Act NCGS 159
- **No Pledged Collateral Requirements** - since the funds are allocated in FDIC Insured increments no collateral is required to be pledged against these deposits

About Finistar

NC Public Funds Program - Finistar

ANOVA Financial Corporation's public deposit program - Finistar - has been reviewed and approved

for use by local governments by the North Carolina Bank Commissioner, the North Carolina State Treasurer as well as the Local Government Commission (LGC). The Finistar program enables local governments in our state to deposit their cash reserves in a multitude of North Carolina "well capitalized" banks with full FDIC insurance with higher rates of return than they are now receiving. In addition to generating higher returns for the local governments, the Finistar program also provides a way to keep these substantial reserves in North Carolina where they will promote economic development throughout our state - per Joe Ball, an economist with ABC Group, "for every \$1 deposited into Finistar equates to \$8 of economic development aide to our state, a 'win/win' for our local governments, and our citizens!"

Thank you for your time and we hope that you consider us for your bank's needs. You can reach us at 888-266-8293 or by visiting us online at www.finistar.com.

Sincerely,

Finistar Client Services