

# CollegeSure® Investor

WINTER 2008

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A newsletter for the informed college saver.

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## Arizona Offers New Income Tax Deduction for College Savings Plans

### Saving for College is no longer a taxing experience in Arizona.

On January 1, 2008 Arizona became the most recent state to offer a state tax deduction to residents saving for the future college education of their child, through a 529 plan. Arizona's residents, parents and grandparents alike, can now plan for the future with the potential to lower their state income taxes. The state tax deductions can be applied with contributions of up to \$750 for a single tax payer and up to \$1,500 for married couples filing jointly. The new benefit starts with investments made as of January 1, 2008.

Existing College Savings Bank customers and Arizona residents simply need to contribute this year to be eligible for this new benefit.

For Arizona families considering enrolling in a 529 plan, the potential tax benefit is open to contributions to any qualified 529 plan, not just those sponsored by the State of Arizona. This unique trait can benefit Arizona residents and allow them the freedom to choose a 529 plan that fits them, and still have the ability to receive the deduction from the State. The CollegeSure 529 Plan from College Savings Bank is, however, part of the Arizona Family College Savings Program (AFCSP).

While enjoying the benefits of this tax deduction, customers will still be able to withdraw tax-free, if the money is used for qualified higher education expenses. There are no eligibility limits, so all income levels can use a 529 plan. Also, when applying for financial aid, your 529 plan may not be considered. 529 distributions that are not included in

## College Savings Bank Launches InvestorSure CD for Montana Family Education Savings Program

Another safe way to save for your child's future has been introduced by College Savings Bank. The InvestorSure CD is a new, equity linked certificate of deposit that unlike many other investments, does not put your initial investment at risk if held to maturity. It provides a safe and affordable way to participate in the rewards of the Standard & Poor's 500 Composite Stock Index (S&P 500) while saving for your child's education.

**InvestorSure CD™**  
for college

The first InvestorSure CD was issued on February 1, 2008 and total deposits exceeded \$1 million. College Savings Bank hopes to continue to see more and more customers explore this new method of saving and participate in a plan that has a rate of return based upon the S&P 500 index. But remember, with the InvestorSure CD, your principal is protected when held to maturity and you have the ability to see gains, without the risk of loss that usually accompanies other investments. Early withdrawals from the InvestorSure CD are permitted, however they are limited to once per year, and include a 10% principal penalty, as well as any applicable tax penalties.

College Savings Bank, for 21 years, has been helping parents save for higher education. The CollegeSure CD has stood the test of time and continues to be a safe, affordable and flexible method of saving for education. New customers, as well as current CollegeSure CD

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## College Savings Bank Launches InvestorSure CD for Montana Family Education Savings Program

(cont'd from front cover)

customers, have the option to allocate their investments between the CollegeSure CD and the InvestorSure CD. Additionally, current CollegeSure CD customers may be able to move a percentage of their investment into InvestorSure CDs without penalty based upon matching funds. This is a way to diversify your portfolio, while not risking principal in the process.

The CollegeSure CD will continue to offer an annual 2 percent floor rate, while the InvestorSure CD is sold with a 0 percent floor rate. While both products are generally labeled conservative the InvestorSure CD may carry more risk—and potentially offer more reward.

“The InvestorSure CD allows college savers the ability to see the upside of the stock market, without the accompanying market risk,” said Linda Green, AVP and College Savings Adviser. “Customers may want to utilize both products from College Savings Bank to see the potential advantages of each.”

While historical rates of return are never a guarantee of future performance — if the InvestorSure CD was available, the previous 80 maturing CDs (ending October 2007) would have produced an average annual percentage yield (APY) of at least 5.32%. With the InvestorSure CD, there's no guessing; your principal stays safe and grows in relation to the market.

The InvestorSure CD is available through the Montana Family Education Savings Program (MFESP)—Montana's State Sponsored 529 Plan, and provides much of the same benefits as the CollegeSure CD. It is offered without fees or management charges and is FDIC insured to at least \$100,000 per depositor, so your principal is protected. Investors in the InvestorSure CD will receive at least 85% of the average increase in the performance of the S&P 500 from issue date through maturity. The time to maturity will be 5 years with the option of rolling the money, into another InvestorSure CD, CollegeSure CD, Accumulator Account or another 529 plan.

College Savings Bank will issue the InvestorSure CD 4-times a year and accept funds everyday for the investment. Contributions will be held in an InvestorSure Accumulator account, with an (APY) of 2.02%, until the issue date. InvestorSure Accumulator Accounts with a balance of \$1,000 or more will automatically purchase an InvestorSure CD on the next issue date.

The InvestorSure CD may also be state income tax-deductible for Montana residents. Montana residents may be able to deduct the amount of their contributions from Montana taxable income up to \$3,000 per taxpayer (\$6,000 for married couples filing jointly).

Contributors outside of Montana can still enjoy earnings that grow tax-free and when the time comes to use the money for college, your earnings are distributed income tax free as well, to pay for qualified higher education expenses.

Several deposit options are available with the InvestorSure CD. You can mail in 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. It is another way that College Savings Bank has made saving for your child's future convenient and smart.

The InvestorSure CD is designed for families who value hard earned money. College Savings Bank acknowledges that there are different types of investors; but each may find value in the InvestorSure CD. Conservative savers will want to invest in a way that protects principal. More liberal savers are likely to take risks in order to increase return on investment. College Savings Bank has made it possible to please both types of investors with the InvestorSure CD, because it incorporates both conservative and more risky investing strategies.

“The best part about this new product is that it offers a second, conservative investment option in our 529 plan. Your principal will be safe and guaranteed, and you could see considerable returns from the InvestorSure CD when the market is performing well. It takes the worry out of your investment,” said Linda Green.

The InvestorSure CD protects your child's college savings and therefore safeguards their future education. Unlike other investments, the InvestorSure CD from College Savings Bank offers a principal guarantee if held to maturity, so should S&P 500 lose value after issue, deposits will not suffer principal loss. Losing principal in the stock market is a real risk, but not with the InvestorSure CD.

“The InvestorSure CD is perfect for those who are familiar with the advantages of the stock market, as well as those who are not quite sure about investing their money in the stock market. The InvestorSure CD allows your money to be protected if there is a decline in S&P 500, and also allows your money to grow with the stock market. It's perfect for people who want to invest their money wisely and safely,” said Linda Green.

You can join the other 15,000 customers today taking advantage of the two products from College Savings Bank. College and university costs are not likely to decrease in the future, so it is important to think ahead and invest your money wisely. With the InvestorSure CD and the CollegeSure CD, it's easy to plan ahead for the higher education of your child.

For more information, please call a College Savings Bank Adviser at 1-800-888-2723 or visit our web site, [www.collegesavings.com](http://www.collegesavings.com). College Savings Bank customers are always encouraged to visit our web site for more information, news, and feedback.



## Conservative is King

At College Savings Bank, we are in the business of providing conservative college savings products — and business is good.

In December, 2007, Jane Kim of the Wallstreet Journal wrote, “529 plans are expanding their investment choices beyond offering just mutual funds, to include more conservative options to lure parents and grandparents unwilling to play the stock market with their youngsters' college funds.”

When it comes to saving money for college, parents tend to save conservatively. College Savings Bank allows you to do this by investing your money wisely and efficiently. Over the past 20 years, 25,000 families have saved for higher education using College Savings Bank. The Bank held \$240 million in deposits as of December 31, 2007.

The decision by parents to save more conservatively no doubt has impact from the recent turmoil in the equity market. Many families choose low risk investments from the beginning because they don't want to deal with the complexity and stress that accompanies higher-risk investments. The volatility in the stock market just in January 2008 has caused concerns. The Federal Reserve held an emergency meeting on January 21, 2008 and cut the Federal Funds Rate by  $\frac{3}{4}$  percentage points to protect economic growth. This was the largest single day rate cut by the Federal Reserve since 1982.

Some college investments can lose value and leave your child's education under funded because they can swing widely with the stock market or are not insured by the FDIC. However, with College Savings Bank, your child's funds will be protected and principal is FDIC insured.

According to a study done by Alliance Bernstein Investments, many parents have children that are reaching college age and are becoming more risk adverse with their funds. Parents believe that when saving for college, it's best to use only low-risk investments because that money has to be there when the time comes for college. They have the date of the first tuition bill planned in their minds and are worried about being ready when that time comes. This may explain why 31% of parents with specific accounts dedicated to saving for college say they prefer to take little or no risk with savings.

Even under ideal circumstances in the market, parents should still save conservatively for their child's higher education. At College Savings Bank, we respect the hard earned money made by our families and we know the importance of keeping that money safe and protected. Because a college investment has a finite withdrawal date, an investor facing a loss from equity-based returns, may not have time to recuperate.

By investing conservatively, a parent will always know the amount of funds available when it is time to use the money.

Investing in a savings plan for your child can help you and your child financially; however, the true return of these investments is measured in education and the advantages that a college education can bring your child. Risking those advantages to chase an equity based return is not worth the potential loss in many parents' eyes.



“We believe parents tend to feel more comfortable with a conservative method of saving, where no risk is involved,” said Linda Green, AVP and College Savings Adviser at College Savings Bank. “Our families realize that the true return on this investment is not measured in wealth, but instead by a diploma. And that is what many are not willing to risk.”

According to a U.S. Census Bureau study in 1992, the average yearly income of a college graduate was upwards of \$24,000 in comparison with a high school graduate. Over the time of a 40-year career, the difference in earnings between a high school graduate and a college graduate can be as much as \$1 million (in 2006 dollars\*) and even more if an advanced degree is acquired. In addition, by 2007 over 1 in 4 adults, ages 25 and older completed at least a Bachelor's degree. This number continues to grow. As more and more people complete higher education, careers will become more competitive.

At College Savings Bank, there are two ways to conservatively save for your child's education and protect the funds that you put into it. The CollegeSure CD has been used over the past 20 years by families saving for college and is only available through College Savings Bank. It is the only CD designed to meet the future cost of college. Principal and interest are FDIC-insured -- backed by the full faith and credit of the U.S. government -- to at least \$100,000 per depositor. The CollegeSure CD has also been awarded Standard & Poor's highest credit rating.

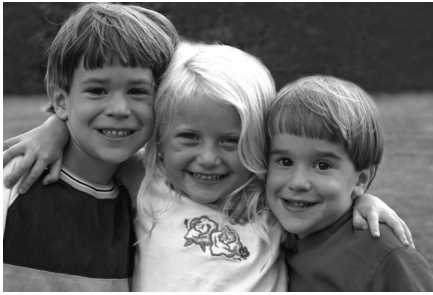
In addition to the CollegeSure CD, College Savings Bank now offers the InvestorSure CD. The InvestorSure CD is indexed to the performance of the S&P 500 and gives you the ability to invest in the equity market without the risk that other stock investments may have. Both the CollegeSure CD and the InvestorSure CD are offered without fees and unlike other investments, the InvestorSure CD from College Savings Bank will offer a principal guarantee if held to maturity, so should the market decline, or the S&P 500 lose value, deposits will not suffer principal loss. With these two products offered by College Savings Bank, you can save for the higher education of your child wisely and efficiently.

It is important for parents to save conservatively for the higher education of their child. To learn more about these products and College Savings Bank, log onto our website, [www.collegesavings.com](http://www.collegesavings.com) or call a College Savings Bank Adviser at 1-800-888-2723.

\*1992 values adjusted for inflation



*With Nearly \$240 Million in College Savings Deposits, College Savings Bank's Greatest Assets are Always our Customers*



On July 31, 2007 College Savings Bank conducted its first customer satisfaction survey in 20-years of business. The results supported the Bank's effort to be one of the nation's leading provider of college funding products.

"We have always maintained strong relationships with our customers," said Dan Davenport, Chief Marketing Officer of College Savings Bank. "But anytime you actually ask for a report card, you do so with a few butterflies in your stomach."

The Bank's survey results were good, receiving high marks for customer satisfaction and product relevance.

Of those customers that responded, the following opinions were expressed:

- 92% believe the CollegeSure CD is an easy way to save for college.
- 98% believe the CollegeSure CD is a safe way to save for college.
- 96% are attracted to the income tax benefits of our 529 plans
- 86% are satisfied with the service level at College Savings Bank
- 85% believe the CollegeSure CD is an affordable investment with many deposit options

Respondents also expressed interest in College Savings Bank bringing new products and service to market. Those products expressed most clearly were an equity linked CD and student lending.

"It is great to receive feedback from customers," continued Dan Davenport, "and the value of this information is realized through the opportunity it presents."

Based on this feedback, College Savings Bank launched the InvestorSure CD in December, which can be used along side of or as an alternative investment to the CollegeSure CD. The rate of return on this CD is based upon the performance of the S&P 500 from issue to maturity, yet has trademark safety of a College Savings Bank product. The principal you invest in the InvestorSure CD is FDIC insured to at least \$100,000 per depositor and just as the CollegeSure CD is offered with no fees, the InvestorSure CD offers this same benefit. It is a great opportunity for investors looking to save for college and also for those who want to expand and diversify their existing portfolio.

As well as introducing the InvestorSure CD as a new product, College Savings Bank is currently evaluating digital processing software. This new software will allow more

methods of funding than before. The Bank has always accepted credit card and signature debit card deposits for new customers; however, existing customers could only use reoccurring direct deposit from their paycheck or financial institution or mail in checks to make additional deposits. In the near future, the Bank expects to offer the flexibility of paperless checks that can be accepted on the phone, or online, as well as more credit card options.

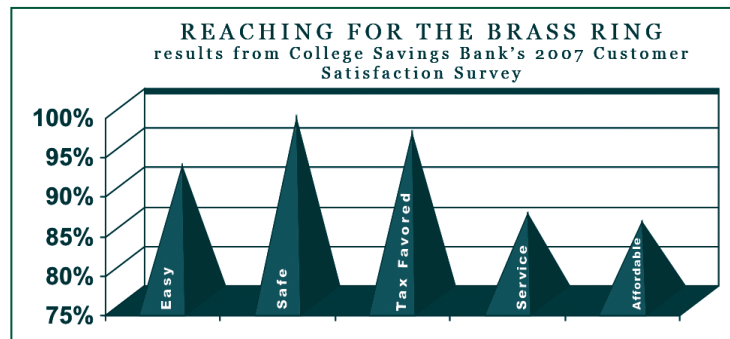
To prepare for this change, College Savings Bank is in the process of re-launching their family of Web sites including collegesavings.com, Arizona.collegesavings.com and Montana.collegesavings.com. The revamped websites will offer the convenience of online deposits and managing your account, online enrollment, and the ability to chat live with a College Savings Bank Adviser.

Currently the sites are primarily informative to prospective customers. The new sites are striving to provide a blend of information and resources for existing customers as we work toward our goal of adding fully functional electronic banking. Since the Montana site was completed in November 2007, online enrollment has increased by over 320%.

In addition, The Bank has used information from the survey to provide a better customer experience moving forward. Already, the Bank has staffed a dedicated customer service department working directly with our existing customers. With our new websites, communication between the Bank and customers will be even more efficient. Managing an account online is ideal for many people and customers who have questions about our product or the investment options through the Bank can use live chat. The service department is designed to help account holders maximize the value that College Savings Bank can provide and the Bank is proud to offer our customers a new and convenient way to stay informed and save wisely.

"The college savings market is at least a \$100 billion dollar industry," added Davenport. "Yet College Savings Bank is one of only a few – if not the only company that is exclusively providing products and services for families preparing to fund a future college education. We believe our expertise in this area is second-to-none, and our customers seem to support this notion."

The Bank will be issuing a second customer satisfaction survey in July of 2008 and expects their efforts from 2007 will improve results.



## *College Savings Bank Products Available at D.A. Davidson & Co. Locations:*

### **Financial Professionals at your fingertips.**

College Savings Bank has a new plan in mind—selling our state sponsored 529 plans at a location closer to the customer. College Savings Bank has started selling both the CollegeSure CD and the InvestorSure CD through the offices of D.A. Davidson & Co., where their Financial Consultants are available to assist new customers. With additional outlets, College Savings Bank has made it convenient for new customers to participate in the both the CollegeSure 529 Plan and the InvestorSure 529 Plan.

D.A. Davidson & Co. offers integrated brokerage, capital markets, money management, trust and wealth management services. They are headquartered in Montana and have a reach across 16 states.

College Savings Bank customers can continue to contact the Bank directly by phone or on our website and will still be able to work with their existing financial adviser. Without sacrificing normal customer service, College Savings Bank has added another way for new customers to receive the CollegeSure CD, InvestorSure CD and advice for planning for the future.

“It is so important to plan ahead for the future of your child. By providing a retail location for our products, our customers can enjoy more convenience when it comes to saving,” said Dan Davenport, Chief Marketing Officer of College Savings Bank.

The CollegeSure CD, as well as the InvestorSure CD, do not have any fees and they are designed to help families save for college, safely, with FDIC insurance to at least \$100,000 per depositor. Customers who enroll in either the CollegeSure 529 Plan or InvestorSure 529 Plan through D.A. Davidson & Co. will not be charged additional fees.

College Savings Bank doesn't intend to stop there. Plans for agreements with Montana Bankers Association and Montana Education Association-Montana Federation of Teachers (MEA MFT) are in the works for the upcoming year. By selling our products through Montana's investment and education professionals, College Savings Bank will continue to provide the utmost convenience and reliability for our customers.

Visit our website for a full list of organizations licensed to sell College Savings Bank products, including D.A. Davidson & Co. You can visit our website by logging on to <http://montana.collegesavings.com> or call a College Savings Adviser at 1-800-888-2723 at your convenience for any information regarding MFESP.

## *Devastation of a Small City and Help from One Man*

In August of 2007, the small fishing village of Majahual, located in the South of Mexico, faced a devastating hurricane. Hurricane Dean passed through Mexico, reaching a Category 5, the highest rating on the Saffir-Simpson Hurricane Scale. Such storms are capable of causing catastrophic damage. Dean was the first hurricane to make landfall in the Atlantic at a Category 5 in 15 years; the last storm to do so was Hurricane Andrew in 1992. Dean only strengthened to a Category 5 in less populated areas and so the devastation that towns like Majahual, with a population of about 200 people, are not paid much attention. Storm surge, flooding and strong wind gusts were reported at over 200 MPH. Reportedly flattened the town of Majahual, taking away not only their homes but their food, fresh water and means of sanitation.

Gilbert Johnson, CEO of College Savings Bank, always wanted to own beach property somewhere in the world. While on vacation, a cab driver gave him a tip about land in the south of Mexico, in Majahual.

“The lots were reasonable, the beaches were beautiful and the people were friendly,” Johnson said.

In 2006 Johnson purchased two properties in Majahual with the help from a real estate agent who was familiar with the lots in the small city. In August, Johnson heard that the eye of Hurricane Dean was heading straight for Majahual and some of the people that he has become friends with from the area. After seeing the tragedy of the Tsunami in 2004, Johnson felt an urge to help and his spark for wanting to help only intensified after hearing about Dean. He wasn't worried about his two properties in Majahual because they were not yet built on, but he knew he wanted to go down there and make a difference to the locals that he had become friends with.

The entire area of Majahual had been evacuated for the storm and when Johnson arrived in Cancun, the local tourist spot closest to Majahual, he was advised not to attempt to travel down to Majahual. Film crews from CNN that he spoke with were not even going closer than 200 miles of the village because of the land being too dangerous and too small to cover.

Johnson's real estate agent who had evacuated north to Merida directed him to a woman in California who had the same idea and motivation to help. Together they rented a car and stocked up on food, water, tools and construction supplies while they were in Cancun and went on their way towards Majahual.

After persuading the local military that they were there to help, Johnson and the woman were allowed into the town. Looking around a devastated area, Johnson was hoping to find some type of relief, Red Cross organization, church volunteers, something. But there was nothing. Many Red Cross volunteers had been sent to areas of Jamaica which were affected by Dean, but not so severely; which further motivated Johnson to help.

Johnson spent the next 3 weeks in the small area helping to restore the lives of the people in Majahual. The village, which runs with no electricity and uses solar panels for power, was stripped of its resources.

“Places were leveled, there was no water, no solar panels left and no types of bathrooms,” Johnson said.

The shacks that the locals had constructed were torn down to merely the four corner posts and cement houses lost roofs and second floors while first floors were filled with 3-feet of sand that the waves had brought.

Most of Johnson's nights were spent sleeping in his rental car or on a hammock nailed between two trees. But one night, a local that he had known

## *Upcoming 529 Regulations Proposed In IRS Notice*

New proposed regulations on 529 plans are in the works, including proposed new rules relating to gift and estate tax implications of withdrawals from accounts and changes in designated beneficiaries. The regulations will seek to stop abusive transactions that may otherwise be able to be undertaken under a literal reading of section 529. The Internal Revenue Service and Treasury will make changes in the treatment of these tax-free transactions to avoid aggressive strategies using 529 plans for purposes other than college savings.

Estate planning is high on the list of unintended uses for 529 plans. Because these accounts operate like tax-free mutual funds, investors have the potential to use the funds for reasons other than college savings.

“The message is unequivocal: do not attempt to skirt the gift and estate tax system by manipulating 529 account ownership,” said Joe Hurley, founder of [www.savingforcollege.com](http://www.savingforcollege.com).

An example of this abuse would be a wealthy individual who establishes 529 accounts for every child in the neighborhood, and then changes the account owner to his own child who will withdraw all of the 529 assets without giving rise to a taxable gift. The IRS plans to crack down retroactively on possibilities like this one and keep 529 plans available for their intended use.

In order to prevent potential abuses in 529 plans, a provision in the 2006 Pension Protection Act mandated that regulations be developed. The IRS is doing this to focus on the “potential” for abuse and caution that if they find these types of transactions actually occurring, more restrictions on all 529 plans will be made.

As part of its plan to prevent abuse, the IRS is considering taxing non-qualified distributions to the account owner except to the extent that the account owner can show that she is withdrawing her own contributions to the account. This change could discourage grandparents and other third parties from making contributions directly into someone else’s 529 account unless the contributor fully expects the funds to be used for the designated beneficiary’s qualified higher education expenses.

Less controversial proposals being made in the notice pertain to issues such as clarifying whether the account balance is includable in the estate of the beneficiary after the beneficiary’s death and change in the “deemed gift” rules when the beneficiary is changed to a lower-generation beneficiary: the gift will be from the account owner and not from the former beneficiary.

The notice about the proposed regulations indicates that amounts withdrawn in any year to pay qualified higher education expenses must be expended by March 31st of the following year to be treated as spent for qualified higher education expenses.

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## *Arizona Offers New Income Tax Deduction for College Savings Plans* (*cont’d. from front cover*)

income are not treated as student or parent income for purposes of federal financial aid calculations, allowing financial aid money to stay at the same availability. An account owner should check the applicable rules for financial aid programs and scholarship programs before withdrawing funds to pay qualified higher education expenses.

By enrolling in a 529 plan, such as those offered by College Savings Bank, you are providing a plan for your child’s future. 529 plans are ventures between states and investment firms meant to aid in the financing of a child’s higher education. With College Savings Bank, you can safely and wisely save for your child’s educational expenses. And for qualified Arizona residents, you may now enjoy an income tax deduction by planning ahead for your child future.

For additional information, contact a College Savings Adviser at 1-800-888-2723, or visit us at our website, <http://arizona.collegesavings.com>.

## *Devastation of a Small City and Help from One Man* (*cont’d from page 5*)

from his past trips, offered him one of the 8 rooms in his small hotel-like building. The floors were saturated with 6 inches of water. Johnson tried to mop the floors clean, but even after doing so, the mosquitoes kept him from a good nights sleep.

On his way back to Cancun during his last night in Mexico, Johnson stayed in a resort hotel in Playa del Carmen and realized the little things that we take for granted, like fresh water are what you miss most.

“Showering (in Majahual) was basically getting in the ocean,” Johnson said. “I would wear flip flops in the ocean because the bottom was filled with glass and debris from the storm. It was amazing to take a shower after the 3 weeks of being in Majahual.”

This was just one of the small things that Johnson began to notice take a toll on a person when it’s missing. Johnson walked from home to home distributing diapers, feminine products and other things that we don’t realize are so important in a time when you’ve lost everything.

“We would hand out toys and crayons; the kids didn’t understand, they just thought Santa came. But the mothers were so appreciative,” Johnson said.

People slowly began coming back into the town, many just to find a piece of land which used to be their home. On top of the devastation the locals faced, the busy cruise port in Majahual was destroyed.

“The port provided much of their livelihood; selling blankets was a lot of their business and with no cruise port, there’s no selling,” Johnson said. The port was reported to be closed for repair and rebuilding for at least 6 to 8 months, if not a year.

To restore normalcy to the town, Johnson began to organize the locals to clean the roads and rebuild what had been destroyed. The entrance to the city was a sand road covered in rocks and coral that had been washed up by the storm. 2 days of cleaning finally cleared the road. Shoveling sand out of one house took Johnson 3 days. The pipes that were used to collect rainwater for fresh water were all filled with sand and salt water which needed to be cleared and cleaned. Johnson and the people in town all waited for arrivals of fresh water to be brought to the town, but during the three weeks that

*cont’d. on back cover*

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 College Savings Bank  
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Please contact your financial adviser or tax adviser for specific information about how this material affects you and your particular financial situation.

Both the CollegeSure CD and InvestorSure CD are unique investment products offered exclusively by College Savings Bank. Substantial penalty for early withdrawal. The Montana and Arizona Programs are not insured by the state of Montana or Arizona and neither the principal invested nor the investment return is guaranteed by the state of Montana or Arizona. Please read the Account Terms and Conditions and/or state program disclosure statements carefully before you invest or send money.

For residents of states other than Montana and Arizona, their state may offer state income tax benefits not available through the Montana or Arizona 529 plans, respectively.

Information is accurate as of February 2008. 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 periods.

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February 2008

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## *The Retirement of Your Dreams, Make it a Reality*

When it comes to saving for the future, how ready do you think you are? If you're reading this newsletter, than you've hopefully given college savings some thought; but what about your retirement plan? A recent survey suggests that most baby boomers are saving too little to have a financially secure retirement plan for their golden years.

A whopping 92% of respondents agreed that America's baby boomers are not prepared for their retirement, mainly because they are saving too little. This survey by CPA2biz.com, (partners with the American Institute of Certified Public Accountants: AICPA), emphasizes the importance of saving and how it can drastically change your future.

Key advice given by respondents summed up to one idea: save more. The survey recommended saving from 10% to 25% of income annually so that by the time retirement age rolls around, there should be a considerable amount of funds. Other suggestions such as maximizing your contributions to 401(k)s and IRAs and minimizing debt were mentioned. And perhaps a tip that is often overlooked, don't count solely on Social Security. 99% of respondents agreed that Social Security cannot be calculated into your retirement fund objective. Many people mistakenly believe that Social Security will pay for all or most of their retirement needs, when in reality Social Security has provided a minimum in funds for those in retirement.

Another suggestion, invest wisely and consider all options. Investing can take the money you already have and make it grow, but over-risking your principal can also generate a deficit that is difficult to overcome. Consider your present age, expected retirement date, and propensity for risk. If you're unsure where to begin, financial advisers are available to guide you.

Plans for retirement may be pushed aside due to the need to shell out for more immediate costs. Families often realize they don't have enough to pay for college and the savings they have acquired may be too little. Turning to retirement funds, or debt, such as home equity or loans to help pay for college costs is a solution that will impact your retirement savings plan in the long run.

It is important to be consistent with your savings; college, retirement, and any other investment strategies. Your personal savings is the thing you have the most control over and can have the biggest impact on your life after retirement. As the cost of living goes up and as many of us live longer lives—spending 15 years or more in retirement—it's important to take saving as a responsibility to yourself. By making this a habit and setting goals for yourself, saving money can be made easier.

The key to a successful savings plan, college or retirement, is to start as early as possible. The sooner you start saving, the more time your money has to compound and grow. Whether you see yourself traveling after retirement or gardening in your own backyard, make sure you have a savings plan that will allow you those luxuries. And if you feel like it's too late, better late than never. It could be a big difference in how bright your golden years look.

College Savings Bank offers the CollegeSure CD through both a traditional IRA or Roth IRA. These funds can be used for higher education, or for your retirement.

## *College: The Best Days of Their Lives*

So what does the average college student enjoy doing when they take a break from the books? Party—*duh!* According to The Princeton Review's survey of 120,000 college students for the Best 366 Colleges: 2008 Edition, tail-gating, Greek houses and bars on campus make college life for students a bit more interesting.

The list of top ten party schools includes West Virginia University as number one, followed by the University of Mississippi, University of Texas at Austin, University of Florida, University of Georgia, Penn State University, University of New Hampshire, Indiana University at Bloomington, Ohio University-Athens and University of California.

The Princeton Review is known for its annually updated guide to the country's best institutions of -*ahem*- higher education. Students describe the presence of Greek life, sororities and fraternities, for example as an opportunity to be "among the most involved and active people on campus." Football games, sporting events and other school traditions are marked as fun events for students too. Students who are of the drinking age also take advantage of bars in the vicinity of their college campus. Universities like Penn State and Ohio University Athens enjoy a college town with numerous diverse bars with live entertainment.

When you jam pack thousands of 19-to-21-year-olds students in one, usually small area, you can imagine that parties are going to happen. Commonly said throughout the survey by students: the hard work gets done during the weekdays so that they can party hard on the weekends. Simply put by one student, "Life is all about going to class in sweats and getting dressed up to party."

## *The Potential to Leap College Inflation In a Single Bound*



### *Introducing the InvestorSure CD*

New to the Montana 529 Plan, the InvestorSure CD from College Savings Bank can help parents save for the rising cost of college expenses. The InvestorSure CD is a variable rate certificate of deposit linked to the Standard and Poors' 500 Composite Stock Price Index (S&P 500). Unlike equity based funds, however, the InvestorSure

CD does not risk principal when held to maturity. Investors will receive at least 85 percent of the average increase in the performance of the S&P 500 from issue to maturity, making the cost of college inflation manageable. The InvestorSure CD is sold without fees, and features FDIC insurance to at least \$100,000.

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### *Devastation of a Small City and Help from One Man (cont'd from page 6)*

Johnson spent in Majahual, not one truck arrived.

“Many people from Cancun began dropping off supplies. Shovels, gloves, tools, chainsaws; they had been through hurricanes and understood the needs,” Johnson said.

Having one of the only cars in the area, Johnson traveled around distributing the goods and packing meals of rice and beans in small baggies. Often the locals would cook for him with the little means that they had.

“One woman asked me to bring her a washing machine she found in the jungle. She gutted it and used it for a stove,” Johnson said.

Becoming accustomed to making the best out of nothing is something Johnson became familiar with. Using tools like chainsaws and machetes was all new to him. Taking malaria pills during the duration of the trip and visiting a local doctor when he needed his foot bandaged, were all new experiences to say the least.

“To see something like that, you focus on what is important in life. All the little things that don't go right in the U.S. that we get so annoyed by, and then to see people that have lost everything, and I mean everything; it was a real eye-opener,” Johnson said.

Johnson's two pieces of property remained in good condition; although some other property owners from the U.S. weren't as lucky. When they came to visit after the storm had passed, they found their house was completely gone and Johnson just watched them cry. It is worse for the locals who had also lost their homes, because they didn't have some of the things which U.S. citizens had, like bank accounts for example. That is the difference which makes all of their possessions simply lost.

“When I left the village, the people hugged me, they cried and thanked me. It really makes you focus on life a lot more,” Johnson said. The experience of helping the people in Majahual was indeed a more personal experience for Johnson since he owned property and visited a few times previously. But nothing makes a story more personal than when you take away the statistics and the numbers and put a face on a town.

The faces of Majahual will always thank Johnson for his efforts in helping them to continue back to their normal lives. Majahual is slowly recovering from August and Johnson plans to return to the city within the next 3 months.

Images for Mr. Johnson's trip are available at <http://www.collegesavings.com/mexico.html>