

The COIN Program furnishes the following announcement solely for use by insurance companies, in accordance with California law, to provide notice of this investment. In no event should this announcement or the information set forth herein be considered an offer of securities. Each organization should conduct its own investigation of the information referenced below to obtain information essential to making an independently informed investment decision.

CALIFORNIA CDFI TAX CREDIT PROGRAM

\$10 Million

The COIN Program invites proposals for safe, sound and solvent investments that offer an acceptable financial return and that also provide tangible social benefits for California's underserved markets, as well as investments that yield environmental benefits.

TYPE OF INVESTMENT - (Reportable in NAIC Schedule D or BA)

The CDFI Tax Credit Program attracts and leverages private capital to fund investments that yield social benefits for California's underserved markets, as well as investments that yield environmental benefits. Established in 1997, the CDFI Tax Credit Program is administered by COIN for the purpose of increasing the amount of private capital available to CDFIs for community development. COIN allocates a state tax credit of 20% on qualified investments of \$50,000 or more. Every \$1 of tax credit yields \$5 of private investment, with the total tax credit allocation of \$2 million generating up to \$10 million of private investment in COIN-Certified CDFIs.

A "Qualified Investment" means:

- 1) A deposit or loan that does not earn interest;
- 2) An equity investment; or
- 3) An equity-like debt instrument.

GEOGRAPHIC FOCUS

California State

SOCIAL BENEFIT OF INVESTMENT

CDFIs are mission-driven community organizations, separate from government control, dedicated to providing financial products and services to low-income communities underserved by traditional financial markets. By increasing access to capital and financial services, CDFIs provide funds that might not otherwise be available for job creation, energy efficiency, affordable housing and other programs that may stimulate economic recovery.

ADDITIONAL INFORMATION

Applications will be received and evaluated throughout the year, in semi-annual cycles, in order to enable both required and continuous processing and prioritization.

- Applications are due by the last day of the first quarter of each semi-annual cycle.
- For the 2012 calendar year applications for the first semi-annual cycle are due by May 15th and by September 30th for the second semi-annual cycle.
- Subsequent calendar years applications are due by March 31st for the first semi-annual cycle and by September 30th for the second semi-annual cycle.
- COIN will notify applicants of their certification status in the last month of each semi-annual cycle (either June or December of the six month cycle).
- Applications that meet the minimum qualifications, but were not certified for a tax credit, may reapply. Reapplications within a calendar year are required to submit only that information which has changed since prior application was submitted.

EARLY WITHDRAWAL PROVISION

If a Qualified Investment is withdrawn before the end of the 60th month and not re-deposited or reinvested in another CDFI within 60 days, there shall be added to the "net tax" or "tax" (as defined in Revenue and Tax Code Section 17039, Section 23036, or Section 28 of Article XIII of the California Constitution) for the taxable or income year in which the withdrawal occurs, the entire amount of any credit previously allowed under Revenue and Tax Code Sections 17053.57 or 23657, and Section 12209. Additionally, under Section 17053.57 and 23657, the CDFI is required to notify COIN and the Franchise Tax Board; and under, 12209, the CDFI is required to notify COIN and the Board of Equalization.

If a Qualified Investment is reduced before the end of the 60th month, but not below fifty thousand dollars (\$50,000), there shall be added to the "net tax" as defined in Revenue and Tax Code Section 17039, Section 23036, or in Section 28 of Article XIII of the California Constitution, for the taxable or income year in which the reduction occurs, an amount equal to 20 percent of the total reduction for the taxable or income year. Sections 17053.57 and 23657 require the CDFI to notify COIN and the Franchise Tax Board of the reduction; and Section 12209 requires the CDFI to notify COIN and the Board of Equalization.

Primary COIN Contact for This Investment

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