



Corporate Trust **CONNECTION**

winter 2008

U.S. Bank Provides Reliable Solutions for Bond Proceeds

In this period of economic uncertainty, customers are seeking financial institutions with strong capital positions and the ability to continue to provide financial products and services. U.S. Bank has maintained a strong credit rating throughout this recession.

A Range of Solutions

In cases where entities are seeking a suitable investment vehicle for bond proceeds, or have proceeds in a guaranteed investment contract (GIC) that has been downgraded, there are a number of options to consider. U.S. Bank offers a full range of competitively priced services through its Money Center, a one-stop shop for institutional investment needs. The Money Center is staffed with a knowledgeable team of experienced industry experts who work with U.S. Bank customers across the country.

Product offerings include bank proprietary products, such as commercial paper and repurchase agreements and FDIC-insured certificates of deposit (CDs),* in addition to U.S. Treasuries and more.

One of our unique products offered through the Money Center is the Paydown CD. "This is an attractive alternative for customers who are

considering GICs, or whose existing GICs have been downgraded," says Vicki Kegel, vice president. "A Paydown CD allows the issuer to schedule a stream of payments from the CD, usually over 12 months to three years. This product may be particularly well-suited when the investable proceeds are from a project fund, such as building a school, a road or other infrastructure," she adds. "Scheduled payments are timed to cover the expenses of the project, and we work closely with the customer to create a schedule that meets their needs."

Benefits of the Paydown CD

U.S. Bank Paydown CDs offer a competitive, fixed rate for the term of the CD, based on a weighted average duration of the draw schedule. "We often bid against insurers offering GICs because they also offer a schedule of payments, so the products are similar in that sense," Kegel says. "However, many GICs are not collateralized, and if the credit rating of the GIC issuer is downgraded, the contract with the issuer may be terminated."

Time or savings deposits of certain clients who maintain a trustee relationship with U.S. Bank may be collateralized when consistent with requirements

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Did You Know?

Check Out U.S. Bank in
Leading Financial Publications

You may have already seen our exciting new ads. U.S. Bank continues the rollout of its nationwide multimedia advertising campaign, with full-color ads in *The Wall Street Journal*, *Barron's*, *Fortune*, *Newsweek* and *The Economist*, as well as TV and radio advertising.

Our new ads feature an animated red U.S. Bank paper airplane in the shape of our shield logo and are designed to highlight the core strength and stability of U.S. Bancorp. We're proud to say that, in these challenging economic times, the future looks brighter with us.



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First American Funds Update

The federal government has announced a number of initiatives designed to address volatility in the financial markets. First American Funds released the following details on the U.S. Treasury Temporary Guarantee Program for Money Market Funds.

Fall 2008 has been an unprecedented period in U.S. financial history, setting new all-time records for market volatility, significant liquidity pressures in global credit markets, loss of investor wealth and a deterioration of confidence in global banking systems.

In this environment, it's important to remember that First American Funds has been managing money market funds through a variety of market conditions for many years. We're confident that we will be able to navigate these turbulent markets as well. Additionally, the policy response of the U.S. government and governments throughout the world has been significant. The U.S. Department of the Treasury and Federal Reserve have announced a number of unprecedented measures to stem the damage to U.S. financial institutions and investors, including introduction of the U.S. Treasury Temporary Guarantee Program for Money Market Funds.

On October 28, 2008, First American Funds announced that its application to participate in the U.S. Treasury Temporary Guarantee Program for Money Market

Funds has been officially accepted by the U.S. Department of the Treasury. All five First American Money Market Funds have insurance coverage under the Treasury guarantee program.

Following are the details of this program:

- The guarantee program seeks to protect the net asset value of shares held by a shareholder of record at the close of business on September 19, 2008. The number of shares held by the shareholder in a specific fund may fluctuate – including reaching a zero balance – provided that at all times the investor maintains the account with the same fund family, broker, or other intermediary where the shares were originally held.
- If a shareholder closes his or her account, any future investment in the fund through a new account will not be guaranteed.
- Any shares acquired that exceed the number of shares a shareholder owned in the fund on September 19, 2008, will not be guaranteed.
- Investors will be covered for either the number of shares held as of the close of

business on September 19, 2008, or their current amount, whichever is less.

- The initial program will be in effect until December 18, 2008. The Secretary of the Treasury may extend the program beyond its initial three-month period. If the program is extended, the funds' board will consider whether to continue to participate.

By participating in the government's measure to insure money market funds, First American Funds believes that it is contributing to investor confidence and greater stability for the U.S. money market industry overall. That, combined with the experience and expertise of our investment teams, gives us confidence that we will be able to navigate these turbulent markets.

First American money market funds include the First American Prime Obligations Fund, the First American Treasury Obligations Fund, the First American Government Obligations Fund, the First American U.S. Treasury Money Market Fund and the First American Tax Free Obligations Fund.

Opinions expressed are as October 28, 2008, and are subject to change based on regulatory, market and economic conditions and factors.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other information; call 800.677.FUND or visit firstamericanfunds.com for a copy. Please read it carefully before investing.

Money market funds seek to preserve the value of your investment at \$1 per share; however, it's possible to lose money by investing in them. As of September 30, 2008, investments are not insured or guaranteed by the FDIC or any other entity.

Quasar Distributors, LLC, distributor.

Reliable Solutions *continued from front*

of federal or state laws and regulations. The collateral is for the amount of the deposit that is in excess of FDIC coverage limits.

We Have the Tools to Meet Your Needs

Whether a Paydown CD, conventional CD, money market deposit account or Treasury issue, U.S. Bank can provide the product you need to invest your bond proceeds.

As a Corporate Trust Services customer, we can refer you to other areas of the bank that can help you with business and personal banking, investments and more. If you have questions about any of the products and services that U.S. Bank Corporate Trust Services can provide, please contact your account manager.

* The FDIC announced on October 3, 2008, that FDIC deposit insurance would temporarily increase from \$100,000 to \$250,000 per depositor, through December 31, 2009. The basic insurance limit will return to the \$100,000 per depositor after December 31, 2009. On October 14, 2008, the FDIC announced that non-interest-bearing deposit accounts at participating financial institutions would be fully insured for the entire amount of the non-interest-bearing deposit until December 31, 2009.

Note: Trustee may receive a financial benefit from the sale of this product.

INVESTMENT PRODUCTS:

NOT A DEPOSIT	NOT FDIC INSURED	NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
MAY LOSE VALUE		NOT GUARANTEED BY THE BANK

Spotlight on Corporate Trust Support Services (CTSS)

To many of you, the face of U.S. Bank Corporate Trust Services is your account manager. But behind the scenes, a group of dedicated and knowledgeable support services professionals is working hard to make sure you receive the service you expect and deserve.

Six distinct groups comprise the support services division, and though each group has its own purpose and mission, the overall goal is the same: providing exceptional service.

“We focus on five areas that help us achieve our goal,” says Gregory Hanson, senior vice president, Corporate Trust Support Services. These include:

- **Quality of service** – encompassing service levels and risk management as well as regulatory and procedural compliance.
- **Improved productivity** – leveraging the skills, strengths and resources of each group along with technology to better and more efficiently serve our customers.
- **Staff development** – continuous training and employee engagement, at every level, to ensure that we are providing our customers with the highest of service levels.
- **Expense management** – maintaining our reputation as one of the most efficient



Here are some of the many support services employees who stand ready to provide high-quality service to U.S. Bank Corporate Trust Services customers.

banks in the country to help ensure that we can offer our customers competitive pricing as well as high-quality service.

- **Growing relationships** – by providing high-quality products and services to our customers, we contribute to the growth of their businesses. They, in turn, give us more of their business.

Hanson emphasizes that, although certain functions have logically been consolidated to increase efficiencies, the bank’s focus on local customer service is maintained. “For

example, both Trust Financial Management (TFM) and Document Custody Services (DCS) have 10 locations from coast to coast. Our customers appreciate working with people who know their areas, and U.S. Bank is sensitive to that fact.

“Where we truly stand out, however, is that our employees take ownership of our goals at every level,” Hanson says. “Their commitment is obvious in every interaction with our customers.”

Who Does What in Support Services

Application Support Group: Ensures the applications used for the administration and management of corporate trust accounts are secure and service is uninterrupted, both of which are key components in providing quality service to our customers.

CTSS Compliance and Quality Assurance:

Works to ensure the bank is in compliance with all regulatory obligations and bank policies and to ensure customer-specific requirements are met to the customer’s satisfaction. The group also offers training to ensure employees have knowledge of, and adhere to, the most current regulations to better serve our customers.

Document Custody Services: Certifies, tracks, reports on and holds non-liquid collateral for securities issuers, trustees, lenders and investors. The group functions as custodian, and in some cases bailee, for these customers and keeps their collateral documents safe in vaults across the country.

Support Services: Performs agent services for client issuances to facilitate prompt and accurate issuances, transfers and payments to the holders of client securities, as well as responding to written and phone inquiries from over 722,000 of those security holders.

Training, Marketing & Project Management:

Provides current product information, key service updates and communications of interest to customers through the account management and sales teams. Additional focus is on internal projects driven by customer feedback and staff training to ensure our professionals remain among the most knowledgeable and professional in the industry.

Trust Finance Management: Protects customer assets by performing all cash activities for trust accounts relating to debt service payments, investments, bond redemptions, construction and escrow releases and the valuation of required collateral pursuant to underlying governing legal documents.

U.S. Bancorp Tops Women in Banking Team Third Year in a Row

For the third consecutive year, U.S. Bancorp was named No. 1 Banking Team by *U.S. Banker*, a publication of Source Media, in its annual ranking of the most powerful women in banking. The U.S. Bank Team is the only banking team to top the list all three years that the designation has existed.

Among the top U.S. Bank banking team are two of Corporate Trust Services' own, Teresa Caspary, senior vice president, Corporate/Municipal Group, West Region Manager; and Eve Kaplan, senior vice president of Structured Finance.

U.S. Banker ranks the teams on the basis of financial performance of the company, percentage of women officers and executives, performance of women-led business units and functional areas, and feedback from analysts. The experience, expertise and professionalism of these women and the many other talented women of U.S. Bank helped us reach the top.

In addition, Diane Thormodsgard, vice chairman of Wealth Management and Securities Services, which includes Corporate Trust Services among other business lines, achieved individual recognition, named among "The 25 Most Powerful Women in Banking" for the second year in a row.

Congratulations, Teresa, Eve and Diane, and the entire U.S. Bancorp team.



Teresa Caspary, senior vice president, Corporate/Municipal Group, West Region Manager



Eve Kaplan, senior vice president, Structured Finance



Diane Thormodsgard, vice chairman, Wealth Management and Securities Services

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Comments and suggestions for the newsletter are welcome and should be forwarded to Jessica Johnson, *Corporate Trust Connection*, U.S. Bank Corporate Trust Services, (651) 495-3928 (phone) or marketing.corporatetrust@usbank.com (e-mail). For more information, visit our Web site at usbank.com/corporatetrust.

Current Events

Power Banking Ups the Voltage in Selected Cities

Power Banking is an exciting new consumer banking initiative piloted by U.S. Bank two years ago in the St. Louis metro area, and soon thereafter in Portland, Ore., Colorado, Minnesota and Washington. The PowerBank concept was recently introduced in Greater Cincinnati and Northern Kentucky. Our focus: better and more convenient services for our retail customers.

- Added resources, such as state-of-the-art ATMs, at U.S. Bank branches.
- Additional staff.
- Extended hours.
- Special promotions.

Making the Circuit

Plans are underway to add Milwaukee and Boise, Idaho, to the PowerBank grid soon. Check US out if you're in one of our PowerBank markets.

60 Livingston Avenue
EP-MN-WS3W
St. Paul, MN 55107

