

Truth In Lending

To the customers of Colonial Securities, Inc.,

When you buy securities on margin, or enter into short sales or short options, you are borrowing for part of your securities transaction. This document is provided to you pursuant to Truth In Lending Rule (SEC Rule 10b-16) by Colonial and its clearing firm (Hilltop Securities, Inc.) regarding charges for any credit that either firm may extend to you in connection with your brokerage accounts.

1. Cash Account Only:

If you have cash accounts only, Hilltop charges you interest on proceeds of sales, which are paid to you prior to the settlement date at the rates listed below in the Interest Rate Table. Interest will also be charged on any late payments of purchases made in your account. These rates are subject to change without notice in accordance with any change in the broker call loan rate.

2. Margin and Other Account Types:

If you have account types other than cash accounts, you will be charged interest on any credit extended to or maintained for you for the purpose of purchasing, carrying or trading in any security. Interest will also be charged on any late payments of purchases made in your account. The rate of interest will be based on the size and net debit balance during the interest period. The rates are subject to revision without notice in accordance with any changes in the broker call loan rate as published in the Wall Street Journal. When your interest rate is to be increased for any other reason, written notice will be given to you at least 30 days prior to such increase taking effect.

INTEREST RATE TABLE

<u>Average Debit Balance</u>	<u>Interest Rate</u>
\$100,000 and above	3.50% above broker call loan rate
\$50,000 - \$99,999	4.00% above broker call loan rate
\$25,000 - \$49,999	4.25% above broker call loan rate
\$15,000 - \$24,999	4.50% above broker call loan rate
Below \$15,000	4.75% above broker call loan rate

The method of computing interest will be as follows: Interest is computed on a daily basis on the net debit balance during the interest period. In general, the interest period runs from the 1st to the 31st of the current month. To compute your interest for such period it will be necessary to use the current month end statement as follows: take the debit balance on the 1st day of the month, each day add to it any debits appearing on your statement and subtract any credits to determine the day's debit balance; multiply each day's debit balance by the interest rate and by the fraction 1/360. The interest charged during the interest period is the total of the daily charges so computed. Your monthly statements will show the opening and closing debit balances.

If, during any interest period, the movement of call money rates requires a change in interest rates, separate charges will be shown for each change utilizing the different rates. Any adjustment of interest charged in the prior period will be posted as a regular entry on your account statement

with a notation "Int. Adjustment Prior Period" and a description of the amount and the dates during the period that were affected.

Any credit balances generated by short sales (including shorts vs. the box) will not reduce your debit balance for the purpose of computing margin or debit interest.

All positions that have been sold short will be marked to the market. If the value of these short positions decreases in value, any margin debit will be reduced accordingly. If the value of these short positions increases in value, any margin debit will be increased accordingly. Marking to the market is done weekly or more frequently as needed.

If there is a debit in the cash account and there is a margin account, interest will be calculated on the debit balances in the cash account and charged to the margin account.

Free credit balances in all account types (except short accounts) which you may have with us, will be set off against debit balances.

In addition to interest on debit balances, interest at the foregoing rates will be charged on the proceeds of sales paid to you prior to the settlement date and on late payments, including those in cash accounts.

All securities in all of your accounts are collateral for any debit balances, i.e., for any balances owed by you. A lien is created by those debits to secure the amount of money owed by you. This means that securities in your accounts can be sold to reduce or liquidate entirely any debit balances in your account, as is authorized in the Margin Agreement covering margin accounts.

In connection with margin accounts, if there is a decline in the market value of your securities, which are collateral for your debits, you may be required to post additional margin. Ordinarily, a request for additional margin will be made when the equity in the margin account falls below our or our clearing firm's margin maintenance requirements, which may change from time to time without notice. We retain the right to require additional margin anytime we deem it desirable, and these margin calls can be met by delivery of cash or additional securities.

If you desire any further information concerning the foregoing, please contact your account representative.