

BANK OF AMERICA CORP /DE/
Form 424B3
November 04, 2016
Table of Contents

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-202354**

Prospectus Addendum

(To Prospectus Dated May 1, 2015 and Prospectus Supplement Dated October 17, 2016)

November 4, 2016

As part of our Bank of America Corporation Medium-Term Notes, Series L, program, we may offer from time to time notes where the proceeds will be used to further our consolidated company's environmental business initiative.

In 2012, our consolidated company announced a new 10-year \$50 billion environmental business initiative to help address climate change, reduce demands on natural resources and advance lower-carbon economic solutions. We have since increased this commitment to \$125 billion in low carbon business by 2025. As part of this initiative, we are focusing on energy efficiency, renewable energy and energy infrastructure, advanced transportation, waste and water, through lending, investing and facilitating capital, providing advice and developing solutions for clients around the world.

We may offer from time to time our Medium-Term Notes, Series L, where we specify that the proceeds from such offering will be used in furtherance of this initiative, in particular to finance renewable energy projects. The specific terms of any notes that we offer in conjunction with our company's environmental business initiative will be determined before each sale and will be described in a separate pricing supplement. The terms of any such notes will not be tied to any specific environmental initiative or the performance or success of any environmental initiative.

We may sell notes to the selling agents as principal for resale at varying or fixed offering prices or through the selling agents as agents using their best efforts on our behalf. We also may sell the notes directly to investors.

We may use this prospectus addendum and the accompanying prospectus and prospectus supplement in the initial sale of any notes. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or any of our other affiliates, may use this prospectus addendum and the accompanying prospectus and prospectus supplement in a market-making transaction in any notes after their initial sale. Unless we or one of our selling agents informs you otherwise in the confirmation of sale, this prospectus addendum and the accompanying prospectus and prospectus supplement are being used in a market-making transaction.

Unless otherwise specified in the applicable pricing supplement, we do not intend to list the notes on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page S-5 of the accompanying prospectus supplement and Risk Factors beginning on page 9 of the accompanying prospectus.

Our notes are unsecured and are not savings accounts, deposits, or other obligations of a bank. Our notes are not guaranteed by Bank of America, N.A. or any other bank, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, and involve investment risks.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus addendum or the accompanying prospectus and prospectus supplement. Any representation to the contrary is a criminal offense.

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Table of Contents

USE OF PROCEEDS

Eligible Green Projects

An amount equal to the net proceeds from any sale of notes in furtherance of our environmental business initiative will be used to fund renewable energy projects (Eligible Green Projects), in whole or in part, as defined by Bank of America internal investment criteria. Renewable energy projects include financing of, or investments in, equipment and systems which facilitate the use of energy from renewable sources, such as solar, wind, and geothermal energy. The specific use of proceeds of any note issuance will be described in the applicable pricing supplement.

Project Evaluation and Selection

The Eligible Green Projects are identified and selected via a process that involves participants from various functional areas including our Global Environmental Group, our Corporate Treasury group and our Global Banking group.

Our Global Environmental Group evaluates and determines project eligibility according to the criteria indicated above. The list of projects compiled by the Global Environmental Group is reviewed and approved by our Corporate Treasury group and our Global Banking group.

Management of Proceeds

An amount equal to the net proceeds from the sale of a specific issue of notes will be allocated by us to the financing of existing and future Eligible Green Projects. So long as that tranche of notes remains outstanding, our internal records will show, at any time, an amount equal to the net proceeds from the issuance of those notes as allocated to the assets that meet our internal investment criteria of Eligible Green Projects. Pending the allocation of the net proceeds of such notes to finance Eligible Green Projects, the net proceeds will be invested in overnight or otherwise short-term financial instruments.

Payment of principal of and interest on the notes will be made from Bank of America's general funds and will not be directly linked to the performance of any Eligible Green Projects.

We will review and update the Eligible Green Projects to which the net proceeds of the notes are allocated on a quarterly basis. Any proceeds allocated to projects that have been sold, prepaid, amortized or otherwise become ineligible shall be reallocated to other Eligible Green Projects.

Reporting

During the term of any tranche or series of notes issued in furtherance of our environmental business initiative, we will provide and keep readily available, on a designated website, information on the allocation of the net proceeds of those notes, to be updated at least annually until full allocation and as necessary thereafter in the event of new developments. This information will include: (i) the allocation of the net proceeds of those notes to Eligible Green Projects, detailing the Eligible Green Projects funded, current funded amounts, initial funding dates and contractual maturity dates, and (ii) assertions by management that the net proceeds of that tranche or series of notes are invested either in qualifying Eligible Green Projects or in overnight or other short-term financial instruments. The updates and assertions will be accompanied by a report from an independent accountant in respect of the independent accountant's examination of management's assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Further Information

The Green Bond Principles 2016 are voluntary process guidelines for the issuance of green bonds developed by a committee of issuers, investors and other participants in the green bond market. The Green Bond Principles 2016 have four core components:

use of proceeds

process for project evaluation and selection

management of proceeds

reporting

We are in alignment with these components, as described above.

Table of Contents

Medium-Term Notes, Series L

We may offer from time to time our Bank of America Corporation Medium-Term Notes, Series L. The specific terms of any notes that we offer will be determined before each sale and will be described in a separate product supplement, index supplement and/or pricing supplement (each, a supplement). Terms may include:

Priority: senior or subordinated

Interest rate: notes may bear interest at fixed or floating rates, or may not bear any interest

Base floating rates of interest:

i funds rate

i LIBOR

i EURIBOR

i prime rate

i treasury rate

i any other rate we specify

Maturity: three months or more

Indexed notes: principal, premium (if any), interest payments, or other amounts payable (if any) linked, either directly or indirectly, to the price or performance of one or more market measures, including securities, currencies or composite currencies, commodities, interest rates, stock or commodity indices, exchange traded funds, currency indices, consumer price indices, inflation indices, or any combination of the above

Payments: U.S. dollars or any other currency that we specify in the applicable supplement

We may sell notes to the selling agents as principal for resale at varying or fixed offering prices or through the selling agents as agents using their best efforts on our behalf. We also may sell the notes directly to investors.

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We may use this prospectus supplement and the accompanying prospectus in the initial sale of any notes. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or any of our other affiliates, may use this prospectus supplement and the accompanying prospectus in a market-making transaction in any notes after their initial sale. Unless we or one of our selling agents informs you otherwise in the confirmation of sale, this prospectus supplement and the accompanying prospectus are being used in a market-making transaction.

Unless otherwise specified in the applicable supplement, we do not intend to list the notes on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page S-5.

Our notes are unsecured and are not savings accounts, deposits, or other obligations of a bank. Our notes are not guaranteed by Bank of America, N.A. or any other bank, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, and involve investment risks.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

BofA Merrill Lynch

Prospectus Supplement to Prospectus dated May 1, 2015

October 17, 2016

Table of Contents**TABLE OF CONTENTS**

	Page
Prospectus Supplement	
<u>About this Prospectus Supplement</u>	S-3
<u>Risk Factors</u>	S-5
<u>Description of the Notes</u>	S-8
<u>General</u>	S-9
<u>Types of Notes</u>	S-9
<u>Payment of Principal, Interest, and Other Amounts Due</u>	S-11
<u>Ranking</u>	S-14
<u>Redemption</u>	S-15
<u>Repayment</u>	S-15
<u>Reopenings</u>	S-15
<u>Extendible/Renewable Notes</u>	S-15
<u>Other Provisions</u>	S-15
<u>Repurchase</u>	S-15
<u>Form, Exchange, Registration, and Transfer of Notes</u>	S-16
<u>U.S. Federal Income Tax Considerations</u>	S-16
<u>Supplemental Plan of Distribution (Conflicts of Interest)</u>	S-16
<u>Selling Restrictions</u>	S-19
<u>Legal Matters</u>	S-28
Prospectus	
<u>About this Prospectus</u>	3
<u>Prospectus Summary</u>	4
<u>Risk Factors</u>	9
<u>Currency Risks</u>	9
<u>Reform of LIBOR and EURIBOR and Proposed Regulation of These and Other Benchmarks</u>	11
<u>Risks Related to our Common Stock and Preferred Stock</u>	13
<u>Other Risks</u>	14
<u>Bank of America Corporation</u>	16
<u>Use of Proceeds</u>	16
<u>Description of Debt Securities</u>	17
<u>General</u>	17
<u>The Indentures</u>	17
<u>Form and Denomination of Debt Securities</u>	18
<u>Different Series of Debt Securities</u>	19
<u>Fixed-Rate Notes</u>	20
<u>Floating-Rate Notes</u>	20
<u>Indexed Notes</u>	28
<u>Floating-Rate/Fixed-Rate/Indexed Notes</u>	29
<u>Original Issue Discount Notes</u>	29
<u>Payment of Principal, Interest, and Other Amounts Due</u>	30
<u>No Sinking Fund</u>	33
<u>Redemption</u>	33
<u>Repayment</u>	34
<u>Repurchase</u>	34
<u>Conversion</u>	34
<u>Exchange, Registration, and Transfer</u>	35
<u>Subordination</u>	35
<u>Sale or Issuance of Capital Stock of Banks</u>	36
<u>Limitation on Mergers and Sales of Assets</u>	37
<u>Waiver of Covenants</u>	37
<u>Modification of the Indentures</u>	37
<u>Meetings and Action by Securityholders</u>	38
<u>Events of Default and Rights of Acceleration</u>	38
<u>Collection of Indebtedness</u>	38
<u>Payment of Additional Amounts</u>	39
<u>Redemption for Tax Reasons</u>	42
<u>Defeasance and Covenant Defeasance</u>	43
<u>Notices</u>	44

<u>Concerning the Trustees</u>	44
<u>Governing Law</u>	44
<u>Description of Warrants</u>	44
<u>General</u>	44
<u>Description of Debt Warrants</u>	44
<u>Description of Universal Warrants</u>	45
<u>Modification</u>	46
<u>Enforceability of Rights of Warrantholders; No Trust Indenture Act Protection</u>	47
	Page
<u>Description of Purchase Contracts</u>	47
<u>General</u>	47
<u>Purchase Contract Property</u>	47
<u>Information in Supplement</u>	48
<u>Prepaid Purchase Contracts; Applicability of Indenture</u>	49
<u>Non-Prepaid Purchase Contracts; No Trust Indenture Act Protection</u>	49
<u>Pledge by Holders to Secure Performance</u>	50
<u>Settlement of Purchase Contracts That Are Part of Units</u>	50
<u>Failure of Holder to Perform Obligations</u>	50
<u>Description of Units</u>	51
<u>General</u>	51
<u>Unit Agreements: Prepaid, Non-Prepaid, and Other</u>	51
<u>Modification</u>	52
<u>Enforceability of Rights of Unitholders; No Trust Indenture Act Protection</u>	52
<u>Description of Preferred Stock</u>	53
<u>General</u>	53
<u>Dividends</u>	54
<u>Voting</u>	54
<u>Liquidation Preference</u>	54
<u>Preemptive Rights</u>	55
<u>Existing Preferred Stock</u>	55
<u>Additional Classes or Series of Stock</u>	85
<u>Description of Depositary Shares</u>	85
<u>General</u>	85
<u>Terms of the Depositary Shares</u>	85
<u>Withdrawal of Preferred Stock</u>	86
<u>Dividends and Other Distributions</u>	86
<u>Redemption of Depositary Shares</u>	86
<u>Voting the Deposited Preferred Stock</u>	87
<u>Amendment and Termination of the Deposit Agreement</u>	87
<u>Charges of Depository</u>	87
<u>Miscellaneous</u>	88
<u>Resignation and Removal of Depository</u>	88
<u>Description of Common Stock</u>	88
<u>General</u>	88
<u>Voting and Other Rights</u>	88
<u>Dividends</u>	89
<u>Certain Anti-Takeover Matters</u>	89
<u>Registration and Settlement</u>	91
<u>Book-Entry Only Issuance</u>	91
<u>Certificated Securities</u>	91
<u>Street Name Owners</u>	92
<u>Legal Holders</u>	92
<u>Special Considerations for Indirect Owners</u>	92
<u>Depositories for Global Securities</u>	93
<u>Special Considerations for Global Securities</u>	97
<u>Registration, Transfer, and Payment of Certificated Securities</u>	98
<u>U.S. Federal Income Tax Considerations</u>	99
<u>Taxation of Debt Securities</u>	100
<u>Taxation of Common Stock, Preferred Stock, and Depositary Shares</u>	115
<u>Taxation of Warrants</u>	121
<u>Taxation of Purchase Contracts</u>	121
<u>Taxation of Units</u>	121
<u>Reportable Transactions</u>	121
<u>Foreign Account Tax Compliance Act</u>	122
<u>EU Directive on the Taxation of Savings Income</u>	123
<u>Plan of Distribution (Conflicts of Interest)</u>	124
<u>Distribution Through Underwriters</u>	124
<u>Distribution Through Dealers</u>	125
<u>Distribution Through Agents</u>	125
<u>Direct Sales</u>	125

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<u>General Information</u>	125
<u>Market-Making Transactions by Affiliates</u>	126
<u>Conflicts of Interest</u>	126
<u>ERISA Considerations</u>	128
<u>Where You Can Find More Information</u>	130
<u>Forward-Looking Statements</u>	131
<u>Legal Matters</u>	132
<u>Experts</u>	132

S-2

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

We have registered the notes on a registration statement on Form S-3 with the Securities and Exchange Commission under Registration No. 333-202354.

From time to time, we intend to use this prospectus supplement, the accompanying prospectus, and a related product supplement, index supplement and/or pricing supplement to offer the notes. We may refer to any pricing supplement as a term sheet. You should read each of these documents before investing in the notes.

This prospectus supplement describes additional terms of the notes and supplements the description of our debt securities contained in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with the prospectus, this prospectus supplement will supersede the information in the prospectus.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy the notes in any jurisdiction in which that offer or solicitation is unlawful. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in some jurisdictions may be restricted by law. If you have received this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes outside of the United States. See Supplemental Plan of Distribution (Conflicts of Interest).

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the relevant Member State, the Prospectus Directive) (each, a Relevant Member State) will be made under an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of any notes which are contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or any of the selling agents to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor the selling agents have authorized, and neither we nor they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or any selling agent to publish or supplement a prospectus for the purposes of the Prospectus Directive in relation to such offer. Neither this prospectus supplement nor the accompanying prospectus constitutes an approved prospectus for the purposes of the Prospective Directive.

For each offering of notes, we will issue a product supplement, index supplement, and/or a pricing supplement which will contain additional terms of the offering and a specific description of the notes being offered. A supplement also may add, update, or change information in this prospectus supplement or the accompanying prospectus, including provisions describing the calculation of the amounts due under the notes and the method of making payments under the terms of a note. We will state in the applicable supplement the interest rate or interest rate basis or formula, issue price, any relevant market measures, the maturity date, interest payment dates, redemption, or repayment provisions, if any, and other relevant terms and conditions for each note

Table of Contents

at the time of issuance. A supplement also may include a discussion of any risk factors or other special additional considerations that apply to a particular type of note. Each applicable supplement can be quite detailed and always should be read carefully.

Any term that is used, but not defined, in this prospectus supplement has the meaning set forth in the accompanying prospectus.

S-4

Table of Contents

RISK FACTORS

Your investment in the notes involves significant risks. Your decision to purchase the notes should be made only after carefully considering the risks of an investment in the notes, including those discussed below, in the accompanying prospectus beginning on page 9, and in the relevant supplement(s) for the specific notes, with your advisors in light of your particular circumstances. The notes are not an appropriate investment for you if you are not knowledgeable about significant elements of the notes or financial matters in general. For information regarding risks and uncertainties that may materially affect our business and results, please refer to the information under the captions Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in the accompanying prospectus, as well as those risks and uncertainties discussed in our subsequent filings that are incorporated by reference in the accompanying prospectus. You should also review the risk factors that will be set forth in other documents that we will file after the date of this prospectus supplement.

A resolution under our preferred single point of entry resolution strategy could adversely affect our liquidity and financial condition and our ability to pay the holders of our debt securities.

We are required annually to submit a plan to our primary regulatory authorities describing our resolution strategy under the U.S. Bankruptcy Code in the event of material financial distress or failure. In our current plan, our preferred resolution strategy is a single point of entry strategy. This strategy provides that only Bank of America is resolved under the U.S. Bankruptcy Code and contemplates providing certain key operating subsidiaries with sufficient capital and liquidity to operate through severe stress and to enable such subsidiaries to continue operating following a Bank of America bankruptcy. We have entered into intercompany arrangements governing the contribution of capital and liquidity with these key subsidiaries. As part of these arrangements, we have transferred certain of our assets (and have agreed to transfer additional assets) to a wholly-owned holding company subsidiary in exchange for a subordinated note. Certain of our remaining assets secure our ongoing obligations under these intercompany arrangements. The wholly-owned holding company subsidiary has also provided a committed line of credit which, in addition to our cash, dividends and interest payments, including interest payments we receive in respect of the subordinated note, may be used to fund our obligations. These intercompany arrangements include provisions to terminate the line of credit, forgive the subordinated note and require us to contribute our remaining financial assets to the wholly-owned holding company subsidiary if our projected liquidity resources deteriorate so severely that resolution becomes imminent, which could materially and adversely affect our liquidity and ability to meet our payment obligations, including under the notes. In addition, our preferred resolution strategy could result in holders of notes being in a worse position and suffering greater losses than would have been the case under bankruptcy or other resolution scenarios or plans.

Our obligations on the notes will be structurally subordinated to liabilities of our subsidiaries.

Because we are a holding company, our right to participate in any distribution of assets of any subsidiary upon such subsidiary's liquidation or reorganization or otherwise is subject to the prior claims of creditors of that subsidiary, except to the extent we may ourselves be recognized as a creditor of that subsidiary. As a result, our obligations under the notes will be structurally subordinated to all existing and future liabilities of our subsidiaries, and claimants should look

Table of Contents

only to our assets for payments. In addition, creditors of subsidiaries recapitalized pursuant to our current resolution plan would generally be entitled to payment of their claims from the assets of the subsidiaries, including our contributed assets.

The ultimate impact of the Federal Reserve Board's recently proposed rules requiring U.S. G-SIBs to maintain minimum amounts of long-term debt meeting specified eligibility requirements is uncertain.

On October 30, 2015, the Federal Reserve Board released for comment proposed rules (the TLAC Rules) that would require the eight U.S. globally systemically important banks (G-SIBs), including Bank of America, among other things, to maintain minimum amounts of long-term debt (LTD) satisfying certain eligibility criteria commencing January 1, 2019. As proposed, the TLAC Rules would disqualify from eligible LTD, among other instruments, debt securities that permit acceleration for reasons other than insolvency or payment default, as well as debt securities defined as structured notes in the TLAC Rules and debt securities not governed by U.S. law. The currently outstanding senior LTD of U.S. G-SIBs, including Bank of America, typically permits acceleration for reasons other than insolvency or payment default and, as a result, neither such outstanding senior LTD nor any subsequently issued senior LTD with similar terms would qualify as eligible LTD under the proposed rules. The U.S. G-SIBs, including Bank of America, may need to take action to comply with the final TLAC Rules depending in substantial part on the ultimate eligibility requirements for senior LTD and any grandfathering provisions.

The market value of the notes may be less than the principal amount of the notes.

The market for, and market value of, the notes may be affected by a number of factors. These factors include:

the method of calculating the principal, premium, if any, interest or other amounts payable, if any, on the notes;

the time remaining to maturity of the notes;

the aggregate amount outstanding of the relevant notes;

any redemption or repayment features of the notes;

the level, direction, and volatility of market interest rates generally;

general economic conditions of the capital markets in the United States;

geopolitical conditions and other financial, political, regulatory, and judicial events that affect the stock markets generally; and

any market-making activities with respect to the notes.

Often, the only way to liquidate your investment in the notes prior to maturity will be to sell the notes. At that time, there may be a very illiquid market for the notes or no market at all. For indexed notes that have specific investment objectives or strategies, the applicable trading market may be more limited, and the price may be more volatile, than for other notes. The market value of indexed notes may be adversely affected by the complexity of the payout formula and volatility of the applicable market measure, including any dividend rates or yields of other securities or financial instruments that relate to the indexed notes. Moreover, the market value of indexed notes could be adversely affected by changes in the amount of outstanding debt, equity, or other securities linked to the applicable market measures, assets or formula applicable to those notes.

Table of Contents

Holders of indexed notes are subject to important risks that are not associated with more conventional debt securities.

If you invest in indexed notes, you will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. These risks include the possibility that the applicable market measures may be subject to fluctuations, and the possibility that you will receive a lower, or no, amount of principal, premium, or interest, and at different times, than expected. In recent years, many securities, currencies, commodities, interest rates, indices, and other market measures have experienced volatility, and this volatility may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future. We have no control over a number of matters, including economic, financial, and political events, that are important in determining the existence, magnitude, and longevity of market volatility and other risks and their impact on the value of, or payments made on, the indexed notes. Further, you should assume that there is no statutory, judicial, or administrative authority that addresses directly the characterization of some types of indexed notes or similar instruments for U.S. federal or other income tax purposes. As a result, the income tax consequences of an investment in indexed notes are not certain. In considering whether to purchase indexed notes, you should be aware that the calculation of amounts payable on indexed notes may involve reference to a market measure determined by one of our affiliates or prices or values that are published solely by third parties or entities which are not regulated by the laws of the United States. Additional risks that you should consider in connection with an investment in indexed notes are set forth in the applicable supplement(s) for the notes.

Our obligations under subordinated notes will be subordinated.

Holders of our subordinated notes should recognize that contractual provisions in the Subordinated Indenture may prohibit us from making payments on the subordinated notes. The subordinated notes are unsecured and subordinate and junior in right of payment to all of our senior indebtedness (as defined in the Subordinated Indenture), to the extent and in the manner provided in the Subordinated Indenture. In addition, the subordinated notes may be fully subordinated to interests held by the U.S. government in the event we enter into a receivership, insolvency, liquidation or similar proceedings, including a proceeding under the orderly liquidation authority provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. For additional information regarding the subordination provisions applicable to the subordinated notes, see [Description of Debt Securities](#) [Subordination](#) in the accompanying prospectus.

Our subordinated notes are subject to limited rights of acceleration.

Payment of our subordinated notes may be accelerated only in the event of our voluntary or involuntary bankruptcy under federal bankruptcy laws (and, in the case of our involuntary bankruptcy, continuing for a period of 60 days). If you purchase any subordinated notes, you will have no right to accelerate the payment of the subordinated notes if we fail to pay interest on such notes or if we fail in the performance of any of our other obligations under such notes.

Floating-rate notes bear additional risks.

If your notes bear interest at a floating rate, there will be additional significant risks not associated with a conventional fixed-rate debt security. These risks include fluctuation of the interest rates and the possibility that you will receive an amount of interest that is lower than expected. We have no control over a number of matters, including economic, financial, and political events, that are important in determining the existence, magnitude, and longevity of market volatility and other risks and their impact on the value of, or payments made on, your floating-rate

Table of Contents

notes. In recent years, interest rates have been volatile, and that volatility may be expected in the future.

Our hedging activities may affect your return at maturity and the market value of the notes.

At any time, we or our affiliates may engage in hedging activities relating to the notes. This hedging activity, in turn, may increase or decrease the market value of the notes. In addition, we or our affiliates may acquire a long or short position in the notes from time to time. All or a portion of these positions may be liquidated at or about the time of maturity of the notes. The aggregate amount and the composition of these positions are likely to vary over time. We have no reason to believe that any of our hedging activities will have a material effect on the notes, either directly or indirectly, by impacting the value of the notes. However, we cannot assure you that our activities or affiliates' activities will not affect these values.

Our hedging and trading activities may create conflicts of interest with you.