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MEMORANDUM

June 28, 2010

To Our Clients and Friends

Re: Payment of Interest on Demand Deposits

Section 627 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which is about to be considered by the House and Senate, repeals the current prohibition against the payment of interest on demand deposits, effective one year after date of enactment. Accordingly, if the Conference Report is approved by the House and Senate, at this time next year banks and savings associations will be permitted to pay interest on demand deposits accounts maintained by depositors, including corporations.

A copy of the Dodd-Frank Act can be found on our web site at <http://www.schwartzandballen.com/news.html>.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.