

## **Timely Notice to Baird Margin Account Holders Regarding Changes to Calculation of Interest Rates**

As a Baird client with a margin account, you are aware that the rate of interest you are charged on your Baird loan (i.e., your “net debit balance”) is equal to a “Base Rate” plus or minus a “Specified Percentage,” which will vary based on the highest net debit balance in any margin account among your Baird household accounts and the aggregate value of your Baird household accounts. More detailed information about interest rates on margin accounts is available at [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates).

The purpose of this communication is to inform you of changes being made to the Base Rate and Specified Percentage table. These changes will become effective on February 1, 2009. The effect of these changes will be an increase in the interest rate currently charged on your net debit balance.

### **Base Rate Change**

With this change, the Base Rate will no longer be equal to the prime rate of interest. Instead, the Base Rate will be determined by Baird by reference to a number of factors, which may include commercially recognized interest rates (such as the broker call rate, the prime rate, the Federal funds rate and/or LIBOR), Baird’s cost of capital, industry conditions relating to extension of margin credit, and general market and competitive considerations.

Baird may change the Base Rate at any time without specific notice to you. A change in the Base Rate will generally be reflected in the daily interest that is charged to your account beginning on the first business day following the change and will be disclosed on your Baird client statement.

The initial Base Rate to be in effect following the date of this change, as well as the Base Rate then in effect from time to time thereafter, will be available on Baird's website at [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates) or from your Baird Financial Advisor.

### Change to Specified Percentage Table

As mentioned above and as you are aware, the interest rate applicable to a particular margin account is equal to the Base Rate as adjusted by a Specified Percentage. The Specified Percentage is determined monthly by reference to the aggregate net debit balance and value of your Baird household accounts as of the end of the previous month, as shown on a table available at [www.rwbaird.com/loanrates](http://www.rwbaird.com/loanrates) or

from your Baird Financial Advisor. The table used to determine the Specified Percentage applicable to your aggregate net debit balance will change beginning on February 1, 2009.

As revised, the table below shows the Specified Percentages.

Your account statement will indicate the interest rate applied to your net debit balance, your average daily net debit balance, the number of days during which a net debit balance was outstanding, and the actual interest charged for the period. If the Base Rate changes during the period covered by your statement, your statement will separately itemize information with respect to each rate of interest that was applied to your account during the period.

If you have any questions regarding this upcoming change to our margin rates, please contact your Baird Financial Advisor for more information.

Thank you for your continued relationship with Baird.

### Specified Percentage Above/Below Base Rate

Net Debit Balance	Household Account Value			
	\$0– \$249,999	\$250,000– \$999,999	\$1,000,000– \$1,999,999	\$2,000,000 & above
\$0–\$19,999	2.750%	2.125%	1.375%	0.750%
\$20,000–\$49,999	2.250%	1.625%	1.000%	0.625%
\$50,000–\$99,999	1.625%	1.125%	0.625%	0.250%
\$100,000–\$249,999	1.000%	0.625%	0.250%	0.125%
\$250,000–\$499,999	N/A	0.375%	0.125%	-0.125%
\$500,000–\$999,999	N/A	0.125%	-0.125%	-0.375%
\$1,000,000–\$1,999,999	N/A	N/A	-0.375%	-0.625%
\$2,000,000 and above	N/A	N/A	N/A	-0.750%