

PROSPECTUS

North Dakota United Dues Credit Trust

The Issuer

The North Dakota United, as trustee of the North Dakota United Dues Credit Trust, is the issuer of these securities. NDU is a nonprofit corporation organized under the laws of the state of North Dakota, operating as a professional representative organization for education employees in the State of North Dakota. Its offices are located at 301 North 4th Street, Bismarck, North Dakota, 58501.

Description of the Plan

NDU offers the following description of the North Dakota United Dues Credit Trust:

1. **PURPOSE:** The purpose of the plan is to allow members of NDU the opportunity to invest a portion of their monthly paychecks into a pooled investment trust, along with other members of the NDU, during each monthly pay period of the school year, whether said members are on eight-, nine- or ten-month contracts.
2. **ADVANTAGES:** Under the plan a member may provide, by participation in the investment trust, for continued income during the summer non-school months when pay checks under a school contract are not available. In addition, it is anticipated that, by reason of the combined assets available for investment, members will be able to realize a greater return on investment than would be available under normal individual investment opportunities.
3. **RISK FACTORS: THERE IS NO GUARANTEE MADE BY NDU THAT ANY LEVEL OF INTEREST RETURN WILL BE REALIZED ON INVESTMENTS BY MEMBERS.** While it is anticipated that favorable interest rates will be available to investors, it is possible that such favorable rates will not be realized. NDU, as trustee of the trust, is neither a professional trustee nor a professional investment manager; however, the trust may employ, as needed, the services of an investment advisor. Additionally, the money which is placed in the trust will not be covered by the normal depository insurance programs, such as FDIC, and therefore, in the event of loss, the savings would not be insured.
4. **ADMINISTRATION:** The North Dakota United, as trustee of the trust, administers the investment trust program. The final decisions regarding the investment program will be made by the North Dakota United, with the provision that NDU may employ the services of an investment advisor to handle investments.
5. **ELIGIBILITY:** Members of the North Dakota United are eligible to participate in the program. By entry into the agreement for participation in the trust arrangement, the member agrees to continue making contributions to the trust during the entire school term and further agrees to make no early withdrawals from the contributed principal except under the structured distribution formula of the agreement and trust, unless extreme hardship is found by the North Dakota United.
6. **EXPENSES:** Aside from the \$10.00 trustee fee payable to the North Dakota United by each member, no other expenses incurred in the administration of the trust are directly payable by the members; however, it is anticipated that an investment advisor will be employed to handle trust investments and the trust will compensate the investment advisor for its services. At the time of distribution, annual NDU and NEA dues will also be deducted from the proceeds payable to the member.
7. **REPORTS:** According to the terms of the declaration of trust, the North Dakota United will make periodic reports of the activity of the investment trust available at its office in Bismarck and will also provide a final report at its office following final distribution of trust assets in August.

Questions? Frequently Asked Questions On Reverse

WHAT IS THE NDU DUES CREDIT TRUST?

It is an investment plan that allows NDU members to earn greater interest on their savings, assure themselves a paycheck 12 months of the year, and pay their Association dues in a very painless manner.

WHY WOULD I WANT TO USE THE DUES CREDIT PLAN?

There are two basic purposes. One is earning interest on your salary that would otherwise have gone to the school district. The second is to allow teachers to "balance" their salary income in 12 equal payments.

WAIT A MINUTE . . . WHAT DO YOU MEAN, -- "BALANCE?"

If you take your teaching salary in eight, nine or ten months, you invest a portion of each paycheck in the Dues Credit Trust. The Trust invests your money for the nine or ten months. During the summer, the trust will make four deposits for those contributing on a 8-month basis, three deposits for those who contribute on a 9-month basis or two deposits for those who contribute on a 10-month basis. Summer electronic deposits are made May 20, June 20, July 20, and August 20 for those investing on a 8-month basis (June 20, July 20, and August 20 for those investing on a 9-month basis; July 20 and August 20 for those on a 10-month basis) If the 20th falls on a weekend, the deposit is made the last business day prior to the 20th.

SO WHEN DO I GET MY MONEY BACK?

The principal is returned as your summer "paychecks." Interest earned will be distributed with your August 20 **payment, dues for the next school year** and the \$10 service fee are deducted, and the balance is sent to the member. Should the interest **be** insufficient **to cover** the dues and the fee, the balance would be deducted from the principal of your final payment.

WHAT IF I'M JUST INVESTING, NOT USING THE SUMMER CHECK PROGRAM?

Another option allows members to invest in the Trust on a August 20 payout only basis. A member can put a minimum of \$75 into the Trust on the first of each month from October to August or make an initial deposit of \$650 with any additional deposits during the year being optional. All money and interest would be paid out on the following August 20 minus state and national dues and the \$10 service fee.

I CAN SEE THE ADVANTAGE TO ME . . . WHAT DOES NDU GET OUT OF IT?

NDU exists to provide services to its members. There are, however, definite advantages to the Association. Through the plan, NDU will receive full dues from members at the beginning of the school year, rather than partial dues over several months. This is a financial advantage to the Association.

CAN I GET MY MONEY OUT ANYTIME?

Members may withdraw their money in an emergency. There is a disadvantage. Monies withdrawn **early yield the lesser passbook savings** interest rate.

OK . . . HOW DO I SIGN UP?

You will find the forms needed at ndunited.org, then Join NDU!, then Forms Central. Or contact NDU at 800-369-6332.

WAIT A MINUTE . . . HOW DO I KNOW HOW MUCH TO INVEST EACH MONTH?

Members need to determine the amount desired in each summer payment. On the 8-month plan, your monthly investment would equal 1/2 of that amount. On the 9-month plan, your monthly investment would equal 1/3 of that amount. On the 10-month plan, your monthly investment would equal 1/5 of the desired summer payment.

HOW MUCH MUST BE INVESTED?

The minimum monthly investment required is \$300 for 8- and 9-month investors or \$200 per month for 10-month investors. Anything above that amount is up to the member.

HOW DOES MY MONEY GET TRANSFERRED TO NDU?

Once the member has determined the amount of their monthly investment, they authorize the trust to issue electronic (ACH automated clearinghouse) transactions against the member's checking account on the first business day of each month (see bank authorization form). In most cases, all withdrawals (investments) are handled through your personal checking account. This is **not** payroll deducted by your school district.

WHAT ABOUT MY DUES FOR THIS YEAR?

Members enrolling for the first time need to pay their state and national membership dues for this year, using the same method they have been using to pay their dues in the past. Members who participated in last year's Dues Credit Program, will have their dues paid automatically August 20 from their earned interest and/or principal.

AND WHAT ABOUT MY DUES NEXT YEAR?

If the interest you earn equals or exceeds state and national dues, the dues are paid. In cases where interest earned is insufficient to cover the dues and the fee, the difference will be deducted from the final payment.

SOUNDS GOOD, ANYTHING ELSE?

Just fill out the enrollment form and bank authorization form and return to NDU along with a voided check. **Enroll before October 1 in order to participate in the summer payment plan.** (Special Investors may enroll at any time.)

For more information, contact NDU headquarters at 800-369-6332.

WELCOME TO THE ND UNITED DUES CREDIT TRUST!