

PROSPECTUS
September 15, 2008

COOPERATIVE CAPITAL FUND OF NEW ENGLAND, INC.



\$ 1,500,000
Social Capital Notes
&
\$ 500,000
First Loss Money Notes

Note Type	Two separate series: \$1,500,000 Social Capital Notes \$ 500,000 First Loss Money Notes
Maturity	Variable
Minimum Investment	\$ 1,000 (see suggested minimums in <i>How do I Invest</i>)
Rate	0.00 to 5.00% (Investor's choice)
Status	Both series are Non-recourse Debt Social Capital Notes: Senior Notes First Loss Money Notes: Junior Notes subject to first loss

The Cooperative Capital Fund of New England, Inc. (CCF) is a socially responsible investment fund that will invest in cooperative businesses in the form of "patient capital", or equity-like financing. CCF seeks to assist the New England cooperative industry to grow and flourish by providing capital that acts like equity without requiring cooperative businesses to give up control over their own management and destiny.

P.O. Box 3413, Amherst, MA 01004 910.395.6008 or 1.800.818.7833
Fax: 910.397.2857 Email: info@coopcapital.coop

CCF is offering Social Capital Notes and First Loss Money Notes, which are referred to in this prospectus collectively as the "Notes." CCF will offer the Notes for sale directly and without any agent. No third party has been authorized to sell or promote the Notes, or to be paid any commission. The entire proceeds of this offering will be used to make investments in cooperative businesses as described herein. This prospectus will be updated approximately every two months with the current status of the fund and this offering and may be accessed on CCF's website, www.coopcapital.coop. You should read this prospectus carefully before investing. Each purchaser of the First Loss Money Notes offered hereby must be an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended. The termination date of this offering is December 13, 2009, if not terminated sooner under provisions of the terms of escrow or by CCF.

NO SECONDARY MARKET CURRENTLY EXISTS FOR THE NOTES, NOR WILL ONE EXIST AFTER THIS OFFERING. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. INVESTMENT IN THE NOTES IS NOT TAX DEDUCTIBLE; NOR IS IT TREATED AS A DONATION.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER NOR THE SOLICITATION OF AN OFFER TO SELL TO ANY PERSON IN ANY STATE OR ANY OTHER POLITICAL JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION MAY NOT LAWFULLY BE MADE. FEDERAL AND STATE SECURITIES LAWS MAY AFFECT OUR ABILITY TO CONTINUE TO SELL NOTES IN CERTAIN STATES.

IN MAKING AN INVESTMENT DECISION, YOU SHOULD RELY ON YOUR OWN EXAMINATION OF THE NOTES AND THEIR TERMS AND OF US, INCLUDING THE MERITS AND RISKS INVOLVED.

NONE OF THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, STATE BANKING COMMISSION OR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THE NOTES OR PASSED ON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES ARE BEING OFFERED UNDER AN EXEMPTION FROM FEDERAL REGISTRATION PURSUANT TO SECTION 3(A)(4) OF THE SECURITIES ACT AND SECTION 3(C)(10) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED; HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE NOTES ARE EXEMPT FROM REGISTRATION.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

THESE SECURITIES WILL BE OFFERED AND SOLD ONLY IN JURISDICTIONS IN WHICH A REGISTRATION STATEMENT IS IN EFFECT OR IN WHICH THE OFFERING IS EXEMPT FROM REGISTRATION.

THESE SECURITIES ARE BEING OFFERED AND SOLD ONLY TO ENTITIES WITH THEIR PRINCIPAL PLACES OF BUSINESS IN, AND TO RESIDENTS RESIDING IN, THE FOLLOWING STATES: ALASKA, CONNECTICUT, DELAWARE, HAWAII, ILLINOIS, IOWA, KANSAS, MAINE, MASSACHUSETTS, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, OREGON, RHODE ISLAND, SOUTH DAKOTA, TEXAS, UTAH, VERMONT, VIRGINIA, WEST VIRGINIA, WYOMING.

THIS PROSPECTUS IS NEITHER A SOLICITATION TO BUY NOR AN OFFER TO SELL TO PERSONS IN THE FOLLOWING JURISDICTIONS, ALABAMA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, IDAHO, INDIANA, KENTUCKY, LOUISIANA, MARYLAND, MICHIGAN, MINNESOTA, MISSOURI, MONTANA, NEVADA, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, PENNSYLVANIA, PUERTO RICO, SOUTH CAROLINA, TENNESSEE, WASHINGTON, WISCONSIN AND NO PURCHASE OF THESE SECURITIES BY PERSONS IN THESE JURISDICTIONS IS AUTHORIZED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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COOPERATIVE CAPITAL FUND OF NEW ENGLAND, INC

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OFFERING SUMMARY

Overview

The Cooperative Capital Fund of New England, Inc. is conducting this offering and is referred to throughout this prospectus as “CCF” or “we” or “us.” We are offering Social Capital Notes and First Loss Money Notes. The Social Capital Notes will be senior to the First Loss Money Notes. The principal of and accrued, but unpaid, interest, if any, on the Social Capital Notes will be repaid in full before any payment of interest on the First Loss Money Notes is made. The Social Capital Notes and First Loss Money Notes, which we refer to collectively as the “Notes,” are unsecured, nonrecourse obligations of CCF. Proceeds raised from the sale of Social Capital Notes will be held in escrow until proceeds received from the sale of First Loss Money Notes total at least 15% of the Social Capital Notes proceeds. Together the proceeds received from the sale of the Social Capital Notes and the First Loss Money Notes constitute the Investment Fund (the “Fund”). The Fund will be invested in eligible cooperative organizations as described elsewhere in this prospectus, and the cash flow from those investments will be used to repay the Notes.

CCF aims to raise \$1,000,000 through the sale of Social Capital Notes to a maximum of \$1,500,000, and a minimum of \$60,000 through the sale of First Loss Money Notes to a maximum of \$500,000. In the aggregate between the two classes, the minimum to be raised is \$460,000. First Loss Money Notes must equal or exceed 15% of the principal sum of Social Capital Notes. As the Fund is repaid, those proceeds will be used to repay the Social Capital Notes first and then First Loss Money Notes. It is anticipated that the Social Capital Notes will be repaid within eleven years, with half of the repayment occurring within 7.5 years. The Social Capital Notes and First Loss Money Notes can earn interest at a rate of 0 to 5% annually, which rate will be chosen by the investor at the time of subscription. Interest on the Social Capital Notes will be paid in April of the spring of the following year based on the weighted average balance outstanding of all Notes. At this writing the first loss money collected totals \$170,000.

All funds raised will be held in escrow until we raise the \$460,000 aggregate minimum in Social Capital Notes and First Loss Money Notes, including at least \$60,000 in First Loss Money Notes. No interest will be paid on the First Loss Money Notes until all Social Capital Notes are repaid with interest. The offering will continue for up to 24 months (at CCF’s discretion) from the launch date, and must during that time reach its minimum funding level of Social Capital Notes and First Loss Money Notes. If the minimum funding levels are not reached by December 13, 2009, the offering will be terminated, and the principal sum of the Notes will be refunded to the investors along with pro-rata interest earned on the escrow account. Earnings on the escrow account may be more or less than the pre-selected interest rate of the Notes. First Loss Money Notes will be repaid only after all Social Capital Notes are repaid with interest, and will bear any losses CCF experiences that cannot be covered through a loan loss reserve, which is estimated at 18% of invested assets over the life of the Fund. The loan loss reserve is built through the spread between CCF’s investments income (estimated at 11%) and CCF’s costs of funds (estimated at 3%), and CCF’s direct costs to operate which will vary depending upon the size of the Fund and subsidization by the Cooperative Fund of New England. Once all Notes have been repaid with interest, the surplus, if any, from investments made with proceed from the Notes will be used to fund subsequent, separate funds for capitalizing cooperative organizations. The Notes are non-recourse obligations of CCF that constitute a participation in the Fund, and that will be repaid based on the performance of the investments made with the Fund. CCF may have multiple funds in the future. Each fund will be independent, funded by separate notes and be invested in separate assets.

Use of Proceeds

We are a socially responsible investment fund that will invest in cooperative businesses in the form of "patient capital", or equity-like financing. Our goal is to assist the New England cooperative industry to grow and flourish by providing capital that acts like equity without requiring cooperative organizations to give-up control over their own management or pay high fees, as traditional venture capital might. The proceeds of this offering will constitute the Fund and will begin to be invested once released from escrow. Funds awaiting investment will be held in one or more interest bearing accounts with federally insured banks or public money market mutual funds. Funds that are not invested within 2 years from close of escrow may be repaid to investors in the same manner as cash flows from the Fund, at the option of CCF.

An organization is considered by CCF to operate on a "cooperative" basis only if it exhibits most of the following characteristics:

- * Its purpose is supportive of the common good;
- * Its membership is open to persons who will use its services and accept its responsibilities;
- * Its membership policies are not applied to discriminate in any arbitrary or prohibited manner;
- * Its activities are broadly participatory by its members
- * Its governance is democratic or based on consensus;
- * Its monetary return on invested capital is strictly limited;
- * Its earnings are either equitably used with within the organization or distributed on the basis of patronage

Cooperatives can take many forms, including agricultural, worker, retail, housing, utility, financial, transportation and educational.

The definition of cooperative used for investing purposes follows:

Definition of cooperative:

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self- responsibility, democracy, equality, equity, and solidarity.

CCF's investments will be limited geographically to the Cooperative Fund of New England's ("CFNE")'s lending area, which is currently the six New England states, and parts of New York (Hudson River Valley north of I-84). CFNE's lending area is subject to change in the future. Our relationship to CFNE is described in this prospectus under the caption "Related Party Transactions."

CCF may issue another series of notes to fund separate funds. If formed, each fund would be separate and have its own results. Each fund will be independent, funded by separate notes and be invested in separate assets.

Risk Factors and Forward-Looking Statements

An investment in the Notes involves certain risks, including risks that are described in more detail in the Section of this prospectus titled “RISK FACTORS.”

This prospectus contains forward-looking statements, including statements regarding, among other items, (i) anticipated investments and (ii) general economic and market conditions. Forward-looking statements are typically identified by the words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “will” and similar expressions. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond CCF’s control. Accordingly, actual results could differ materially from those contemplated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF THE ORGANIZATION

History

CCF is a development stage organization and was incorporated as a Massachusetts nonprofit corporation on May 1, 2007. The incorporator and parent of CCF is The Cooperative Fund of New England, Inc. (“CFNE”), which is a 32-year-old U.S Treasury certified community development financial institution (CDFI). CFNE acts as a bridge between socially responsible investors and cooperatives, community oriented nonprofits, and worker-owned businesses in New England. It is recognized by the Internal Revenue Service as a public charity under Section 501(c)3 of the Internal Revenue Code of 1986, as amended, and is exempt from taxation. CCF has requested that the IRS recognize it as a subsidiary of CFNE and be accorded the same rights; however the IRS has not yet replied to this request. CFNE and CCF are regulated as a public charity by the Commonwealth of Massachusetts. In 2006, CFNE was awarded a grant from the US Treasury CDFI program to be used for the development of an equity-like product. In 2007, CFNE was awarded a secondary grant including both technical assistance monies, as well as matching funds. CFNE has pledged a total of \$200,000 from its own assets and proceeds from CDFI matching funds and other grants, toward CCF. \$150,000 of this will be First Loss Money Notes and the remaining \$ 50,000 will be Social Capital Notes.

CFNE formed CCF specifically for the purpose of making equity-like investments, including preferred stock, subordinated notes, secured notes or similar instruments, in cooperatives and democratically owned and governed businesses. These types of equity-like investments carry greater risk than the promissory notes offered by CFNE. CFNE believes that the two funds have different risk profiles for their social investors, and therefore could not be legally combined, but that each will compliment each other and be able to share in existing personnel, procedures and systems towards a common mission. CCF will make its first investments with the proceeds of this offering. CCF to this date it has had no financial activity, its only activities have been organizational.

Organization and Operations

CCF, although a separate corporation, will share office space as well as an Executive Director, outreach consultants, staff, volunteers and general operations with CFNE. This is meant to leverage the existing infrastructure of CFNE, as well as the shared goals of the two organizations. It is anticipated that loan applications to CFNE will at times result in CCF investment in tandem with CFNE collateralized lending, although both can and will invest independently.

CCF's main office is that of its Executive Director, Rebecca Dunn at 5533 Peden Point Road Wilmington, NC 28409. CCF's mailing address is P.O. Box 3413, Amherst, MA 01004-3413. The office can also be contacted at (910) 395-6008 or (800) 818-7833, Email: info@coopcapital.coop. The website for CCF is www.coopcapital.coop. The information on the website does not constitute part of this prospectus.

RISK FACTORS

Unsecured, Non-Recourse Notes

The Notes are unsecured, non-recourse obligations of CCF. To the extent that the Fund has losses in excess of net interest income and other loan loss reserves, these losses will be first charged against the First Loss Money Notes and then against Social Capital Notes. The Notes are not deposits or obligations of, or guaranteed or endorsed by, any corporation, bank, or insurance company and are not insured by any federal or state agency. Principal payments and interest payments on the Notes will be dependent solely upon the cashflows of the Fund. Additionally, no sinking fund has or will be established by CCF to provide for the repayment of the Notes. Investors in First Loss Money Notes will bear, dollar for dollar, any investment losses past accumulated loan loss reserves, if any. There is a significant chance of loss of interest and principal, particularly for First Loss Money investors. While CCF has planned to accumulate loan loss reserves and issue First Loss Money Notes, there is no guaranty that those will be adequate to protect the Social Capital Noteholders from the loss of their investment and any promised return.

Non-transferable and Illiquid Notes

The Notes are generally non-transferable except due to legal process, such as merger, bankruptcy, or probate proceedings. No secondary market will be established. Investors should be prepared to hold the Notes until paid in full, which payment will come from the repayment of CCF's investments, the timing of which cannot be planned nor depended upon.

Uncertain Repayment Date

The Notes may be repaid in whole or in part at any time based upon the repayment of the underlying investments made with the proceeds. Investors in the Notes cannot plan on a specific maturity date or any regiment of regular cashflows. Investors will receive a financial return, at best, that is less than they can earn through more secure and more liquid investments.

No Operating History

CCF has no operating history and no past financial results from which to make future assumptions. There is no known precedent for the fund. The investments will be made by CCF after the Fund is established and investors will have no direct input and no means of review into the investments of the fund. The fund may have limited success in finding investments that suit its social and financial goals. The investments of CCF may perform better or worse than anticipated and this may impact your investment.

Reliance on, and control by, CFNE

CCF was formed by CFNE to further its mission of supporting cooperative enterprises. CCF will share personnel, systems, and processes with CFNE, and will rely upon CFNE for its day-to-day operations. CCF has estimated that it will require an annual subsidy of up to \$13,000 during the life of the Fund, which has been authorized by the CFNE Board of Trustees. Any material change in the finances of CFNE, its operations or personnel could have an adverse and material impact upon CCF.

CCF will largely rely on CFNE grant monies, including a United States Treasury CDFI matching grant, for its funding of First Loss Money Notes.

CFNE, by virtue of its by-laws, will nominate a majority of CCF's Board of Trustees, will share its Executive Director, and therefore will have the power to control its operations.

It is anticipated that many of CCF's investments will be made concurrently with CFNE with separate conventional financing through CFNE, where CFNE will have superior collateral and position. It is possible for CCF to take losses when CFNE does not.

Rates of Return

The interest rate offered on the Notes may be less than equivalent investments available in the marketplace. No mechanism for reinvestment of the Notes currently exists. The Notes are not guaranteed by any federal or state agency, CCF or CFNE. The principal and interest pledged on the Notes is directly tied to the performance of the investments made by CCF with the proceeds from the Notes. Poor performance of the investments could result in little or no return.

Escrow Conditions

All proceeds from the sale of the Notes will remain in an interest bearing escrow account until certain minimum levels of funding are achieved, or until October 1, 2009. You will not have access to your funds during this time. If your funds are returned from escrow and not invested by CCF, you will receive the actual interest from the escrow account instead of the pre-selected interest rate of the Note, which earnings might be more or less than the pre-selected interest rate of each Note. Interest rates will vary based upon market conditions.

Types of Borrowers or Investment Entities

CCF anticipates making strategic "equity-like" investments in start-up and existing cooperative enterprises in New England in the form of preferred stock, subordinated notes, or similar instruments as described in this prospectus under the caption "Use of Proceeds." These investments will have little or no collateral, liberal terms, including interest only, deferred interest and/or principal payments and stepped payments, and may be made to entities that have no financial history, or adverse financial histories. The types of entities often cannot find financing through other channels and may have very limited resources. Due to limitations on the investments, such as geography (New England), business type (cooperatives), and number of businesses (from 6-20 businesses based upon size of fund and availability of investments), the Fund should not be considered a diversified investment. No investments have yet been chosen by CCF; nor has CCF taken any applications for potential investments.

Limited Capitalization, Financing and Operations

Due to the methodology of the Fund as a closed end investment fund, CCF's financing will be through the one-time sale of the Notes, and its only operations will be the investment of proceeds. CCF will have limited or no ability to raise other funds should the need arise.

Risks Related to Financial Projections and Information Concerning CCF

The financial projections and information presented in this prospectus are based on a number of assumptions and estimates that, while considered reasonable by CCF when taken as a whole, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of CCF, CFNE or CCF's management. These projections and information were not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, any regulatory agency or professional body or generally accepted accounting principles. Moreover, no independent expert has reviewed these projections and information, and projections are, by definition, speculative in nature. It can be expected that some or all of the underlying assumptions and estimates will not materialize or will vary significantly from actual results. No

representation or warranty of any kind is made by CCF, CFNE or its management or any other person with respect to the financial projections or the underlying assumptions described in this prospectus. Prospective investors are urged to consult their own advisors with respect to the financial projections and the assumptions on which they are based.

DESCRIPTION OF THE NOTES

What is a Social Capital Note?

Social Capital Notes are debt securities designed to support the growth of cooperative based organizations in New England. Social Capital Notes provide a fixed rate of interest, determined at the time the investment is made, for the term of the Note. Every dollar invested is applied toward strategic investments in new or evolving cooperative businesses.

Social Capital Notes are senior, non-recourse, debt securities that are repaid as the underlying investments are repaid. If any or all of the underlying investments are not paid back, the losses after net interest income will be first borne by holders of the First Loss Money Notes and then by holders of the Social Capital Notes.

What is a First Loss Money Note?

First Loss Money Notes are aggressive debt securities designed to support the growth of cooperative based organizations in New England. First Loss Money Notes are only paid back after the principal and interest of the Social Capital Notes have been paid in full and are meant to insulate holders of Social Capital Notes from loss. First Loss Money Notes will be offered only to selected investors who are “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. They are not for all investors; it is anticipated that First Loss Money Note investors will be foundations, charities and larger cooperative businesses. First Loss Money Notes have a stated, fixed rate of interest, determined at the time the investment is made, for the term of the Note. Every dollar invested will be applied toward strategic investments in new or evolving cooperative businesses.

First Loss Money Notes are junior, non-recourse, debt securities. If investment losses in the Fund exceed the interest rate spread (estimated at 18% of the funds invested during the life of the fund), built through the spread between CCF’s investments income (estimated at 11%) and its costs of funds (estimated at 3%), and its direct costs to operate which will vary depending upon the size of the Fund and subsidization by CFNE, this may result in losses to First Loss Money Note investors. It is anticipated that CFNE be the largest First Loss Money Note investor, using grants from CDFI and others to purchase First Loss Money Notes.

Can I make a contribution in lieu of investing?

Yes. For information on making a contribution to CFNE, please call Executive Director, Rebecca Dunn at (800) 818-7833.

Is there any security?

The Notes are not formally secured, but will represent an indirect ownership in CCF’s investment pool formed with the proceeds. The Notes are non-recourse to CCF and its affiliates. CCF estimates that it can, even with minimum offering proceeds, support up to an 18% loss rate on the Fund without affecting First Loss Money investors. Investors in Social Notes are also somewhat insulated from loss by the First Money

Notes, which will be a minimum of 15% of the Fund. At this writing \$170,000 in first loss funds have been received.

What is the term of the Notes?

The terms of the Notes are not fixed, but will depend upon the repayment of the Fund, similar to a mortgage-backed security. It is anticipated that the Social Capital Notes will be repaid within 11 years, with half of the repayment occurring within 7.5 years. The actual rate of repayment cannot be calculated by CCF and may in some cases extend further.

Who can invest?

The Notes can be purchased ONLY by individuals, cooperatives, nonprofits, religious societies and commercial concerns with their principal residences or place of business in one of the following states: **ALASKA, CONNECTICUT, DELAWARE, HAWAII, ILLINOIS, IOWA, KANSAS, MAINE, MASSACHUSETTS, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, OREGON, RHODE ISLAND, SOUTH DAKOTA, TEXAS, UTAH, VERMONT, VIRGINIA, WEST VIRGINIA, WYOMING.** They are marketed by mail and direct contact. Notes are not available for purchase by individuals or entities with their principal residences or places of business in any other states or jurisdictions. The First Loss Money Notes will be offered only to selected investors who are “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

How do I invest?

The Notes may be purchased in amounts of at least \$1,000. There are recommended amounts (below) by Investor type. Investors in the First Loss Money Notes must be “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. Interest rates are chosen and fixed by the investor at the outset of the investment from 0-5% and will be paid as simple interest, paid out each April on the Social Capital Notes. Principal repayments on the Social Capital Notes will be paid at least once annually, each April, although CCF may make interim distributions at its discretion. To invest, complete the attached subscription form and include your check or money order. No interest or principal will be paid on the First Loss Money Notes until all Social Capital Notes are repaid in full with interest.

Suggested minimum investment:

<u>Category</u>	<u>Minimum Investment</u>
Co-op member	\$ 1,000
Co-op Business:	
Small (<\$2 million sales)	1,000
Medium (\$2-6 million)	3,000
Large (\$6-12 million)	5,000
Extra Large (\$ >12 million)	10,000
Community supporter	2,500

What are the conditions of escrow?

All proceeds from the sale of the Notes will be held in escrow until a minimum of \$460,000 of Social Capital Notes and First Money Loss Notes, in the aggregate, are sold including a minimum of \$60,000 of First Money Loss Notes. The offering will continue for up to 24 months from the launch date, December 14, 2009. During this period, the minimum amounts of Social Capital Notes and First Loss Money Notes described above must be sold. If the minimum amounts of the Notes are not sold during this period, we will terminate the offering on or before December 24, 2009, and the principal amounts of the Notes will be refunded to the investors along with pro-rata interest earned on such amounts in escrow. Earnings on the escrow account may be more or less than the pre-selected rate of interest of the Notes.

What is the form of delivery?

After the minimum amounts of Social Capital Notes and First Money Loss Notes are sold and the proceeds are released from escrow, the Notes will be delivered in hardcopy form. The Notes will not generally be transferable, and no trading market will exist. The Notes will not be DTC eligible or be assigned a CUSIP number.

Can investments be renewed?

The Notes are not subject to renewal or rollover with CCF due to the nature of their cash flows. However, investors can contact CFNE's Executive Director, Rebecca Dunn (at P.O. Box 3413, Amherst, MA 01004-3413, 1.800.818.7833 Email: info@coopcapital.coop if they wish to make other provisions for rollover with CFNE.

Are early redemption and partial withdrawals possible?

Early redemption and partial withdrawals of the Notes will not be allowed.

Are there any Events of Default?

There are no events of default; the Notes are non-recourse to CCF.

Can I open a Transfer on Death Account?

Transfer on Death (TOD), or Payable on Death (POD) accounts are not offered for the Notes.

Will there be a secondary market?

The Notes are generally non-transferable so no secondary market will exist.

What about Interest Payments and Tax Reporting?

Interest will be paid once a year (April, for the prior year) on the Social Capital Notes and at the time of repayment for First Loss Money Notes. Principal repayments on the Social Capital Notes will be paid at least once annually based on available funds, each April, although CCF may make interim distributions at its discretion.

If you are a cash-basis taxpayer, you are required to report interest on your tax return only after the interest has been paid to you. CCF will mail you a Form 1099 in January of each year indicating the interest earned on your investment in the prior year. **These investments are not tax deductible.** Federal and state tax is due on the interest earned on the Notes. Consult your tax advisor if you have any questions regarding the tax consequences of the Notes.

Who is offering the Notes?

CCF is offering the Notes. The Notes will NOT be sold through registered agents or broker-dealers. No commission will be paid on sales of the Notes.

You can purchase Social Capital Notes and First Loss Money Notes directly from CCF via the forms included at the end of this prospectus. For more information contact Executive Director, Rebecca Dunn at P.O. Box 3413, Amherst, MA 01004-3413, Phone: 910.395.6008 or 1.800.818.7833 Fax: 910.397.2857, Email: info@coopcapital.coop

INVESTMENT POLICY

The Fund will be controlled by a separate CCF Investment Committee, which will make investment decisions on a case-by-case basis. At the present time, the CFNE Board of Trustees is functioning as the Investment Committee, although we anticipate that the Investment Committee will be reorganized to include four to five yet unnamed members at a later date. The investments in cooperative businesses may take the forms of notes, preferred stock, and subordinated debt.

CCF will provide capital in various forms, ranging from high-risk equity investments to unsecured loans. Cooperative businesses must apply to CCF for funding and must provide financial statements, business plans, resumes of governing members, and governance information. If a business currently exists, it will be visited by one or more members of the Investment Committee or outreach consultants. The Investment Committee will evaluate each applicant separately, taking into account its structure as a cooperative, its current business status, future plans, the reputation of its governing individuals, the purpose and use of the funds requested, and other information as available. CCF will not use any formalized scoring or other fixed process in its underwriting. The process of application to approval is anticipated to take from 30-45 days, although it depends upon the quality of the application and the plans of the applicant.

Our goal is to generate the maximum impact from our limited resources, and enable us to continue raising investment funds for future projects.

CCF will consider investment in both ongoing and start-up cooperatives. We expect these investments will range in amount from \$10,000 to \$ 150,000 per cooperative business. The investment may be made in the form of preferred stock, subordinated notes, secured or unsecured notes or similar instruments. To meet the needs of the applicant's organizational structure, capitalization needs, and business status, CCF will be flexible in structuring the investment. For example, an investment could be structured as preferred stock with redemption rights under certain conditions that would satisfy the equity characteristics required by lenders and others, yet also provide a likely exit strategy for CCF. The investments will be of intermediate term, 5 to 8 years. They may bear fixed or variable interest rates averaging prime rate plus 200 to 300 basis points, varying with risk profile. Payment plans will be flexible, including interest only, partially deferred interest and step-rate plans. A prepayment penalty may be charged on loans with deferred interest or fees

to ensure agreed- to returns to the Fund. While it is anticipated that these investments will often be associated with, or as an outcome of, CFNE activities, they may be made independent of CFNE involvement.

All CCF investments will carry covenants that protect its investment and support the cooperative structure. These may include some or all of the following, depending upon the circumstance:

- financial penalties if the borrower converts from cooperative to private ownership, is sold or receives significant external investment which alters the entity's overall capital structure or priority;
- restrictions on payments of dividends or bonuses to members as a distribution of profits or paid in capital;
- restrictions on hiring and salary levels;
- restrictions on new debt, expansions, undisclosed or unplanned capital expenditures;
- mandated technical assistance, and/or management skill sets being acquired;
- monthly completion of financial statements, including management discussion and variances from plan/budget; and/or
- mandated levels of cash, profitability, and operational or balance sheet ratios.

All of the above terms will be negotiated with each applicant, with the intention of adequately meeting the needs of both CCF and the applicant.

Cooperatives can take many forms, including agricultural, worker, retail, housing, utility, financial, transportation and educational. While CCF expects, based upon current conditions, that many of its investments will be in new and existing retail food cooperatives, it cannot foresee what mix of investments might be available to it. Investments might be made in new, expanding or struggling cooperatives of various sizes, purposes, industries, or methods of governance. Geographically, CCF expects that investments will be limited to the geographic lending area of CFNE, which is currently the six New England states, and portions of New York (Hudson River Valley north of I-84).

Due Diligence

Due diligence will be completed prior to review by the Investment Committee. All applicants are expected to provide historical and pro forma financial information, and organizational, management and program information. In addition, due diligence will include a review of the track record of management, capital structure of the organization, status of the Fund and compatibility with CCF's social goals.

Capitalization and Financial Highlights

CCF is a development stage enterprise and has no assets or liabilities or results of operations. Expenses incurred in CCF's formation have been borne by CFNE. All ongoing operational expenses of CCF will also be borne by CFNE.

CFNE has pledged a total of \$200,000 from its own assets and proceeds from CDFI matching funds and other grants, toward investments in CCF. \$150,000 of this will be First Loss Money Notes and the remaining \$ 50,000 will be Social Capital Notes.

CCF has prepared pro forma statements of potential cashflows based upon numerous assumptions. Among these is a projected 18% loan loss during the term of the Fund. We have projected that if CCF is able to raise \$1.15 million, operations will be self-sufficient. In these projections, net interest income is sufficient to cover the losses and both the Social Capital Notes and First Loss Money Notes are repaid in full. However, CCF believes that it will need a subsidization of its operating costs from CFNE if the amount raised in this offering is in the lower end of the offer range. The Trustees of CFNE have authorized a subsidy of up to \$13,000 per year, which is the maximum overhead deficit projected by CCF during the life of the Fund. The Fund's operations may vary from these projections, and there can be no assurance it will be successful, or that loan losses or operational expenses will not be worse than expected.

Officers and Board of Trustees:

CCF has no paid staff, currently or under consideration. CCF will share the time of CFNE staff and consultants.

CCF has a 9-person Board of Trustees responsible for overall policy and direction. A separate Investment Committee (which may include both trustees and non-trustees) will be responsible for due diligence and investment decision-making. Board members may be reimbursed for out-of-pocket expenses related to Board activities, and in some cases may be compensated for separate consulting activities, but are not compensated for their Board service. The initial officers and Board of Trustees are as follows:

BRUCE BOARDMAN, Brattleboro, Vermont. Bruce is the CFO of the Brattleboro Food Co-op and spends time consulting to other neighboring food cooperatives. He is a graduate of Bentley College and was employed for several years as a CPA with the national CPA firm of Ernst & Ernst (now Ernst & Young). He has been Treasurer of the Bristol Yacht Company, and served as president of the Kenyon Division and later as a group vice-president for the Outdoor Recreational Products Division of the Brown Group in St. Louis, a company most known for their shoe divisions (Naturalize, Buster Brown, etc.). In Vermont, he is the town auditor in his town of Jamaica, VT and has served as Chairman of the tax assessors for that town.

JON CRYSTAL, Burlington, Vermont. Jon is the Executive Director and a founding Board member of the Vermont Employee Ownership Center. He has worked for the Industrial Cooperative Association (ICA) as a loan officer with the ICA Revolving Loan Fund and as a consultant to the Marianist Sharing Fund, a faith based lender which has supported worker-owned businesses. Jon's work experience also includes worker-ownership at GardenWay, Inc. as the assistant to the chief financial officer, assistant vice president of the University of Vermont (UVM) and Budget Director of Castleton State College. He has consulted small businesses and nonprofit organizations in organizational planning and finance and has taught as adjunct management faculty since 1987 at the graduate level at St. Michael's College, as well as at UVM. Jon has a BA from Wesleyan University and an MBA from MIT's Sloan School of Management.

ANDREW DANFORTH, Board Secretary, Foxborough, Massachusetts. Andy is an independent consultant to the international residential finance community. He has a quarter century of executive, accounting, technological, entrepreneurial and operational experience in banking and finance, and has held executive officer positions for two public companies. His clients have included 7 of the 20 largest banks in the United States, as well as numerous multinational banks, major software developers, several federal and state agencies. Possessing a particular passion for affordable housing issues, Andy has worked with several progressive nonprofits and Native American nations, and also is a founder of a for-profit fund that invests in affordable and sustainable housing, and as an alternative to sub-prime financing. He is currently an advisor to the Mexican government on its continuing evolution of a competitive, formalized secondary mortgage market, and to a UN/NGO on the practical application of Shari'ah (Islamic law) to micro lending programmes in Southeast Asia. He is a CPA and serves as Secretary of CFNE and on the CFNE Loan Committee.

REBECCA DUNN, Executive Director & Treasurer, Wilmington, North Carolina. Rebecca is the Executive Director of the Cooperative Fund of New England and will serve as Executive Director for the Cooperative Capital Fund. She manages the Fund from her home office (which moved in April, 1994 to North Carolina) and commutes to New England on an as needed basis and to facilitate tertiary Board and Executive Committee meetings. She has extensive experience as a business consultant and as a commercial loan officer for Barclays American. She was formerly a bank examiner for the State of Connecticut. Rebecca has also worked as a consensus process trainer and nonprofit advisor to a number of groups. These include her local food co-op, an urban grocery store project, a symphony orchestra, an artists collective, Dance New England and the Wilmington Community Coalition, a diverse organization for low-income city neighborhoods. She has served on the Board of the Opportunity Finance Network, Temple of Israel, the Wilmington YWCA, New Hanover County Human Relations Commission, and Tidal Creek Food Co-op. She has a BA in economics from Trinity College and an MBA in finance.

CORY GREENBERG, President, Shutesbury, Massachusetts. Cory is a financial and management consultant to small businesses and serves as part-time CFO to one of those businesses. He is Treasurer of a

movie theater management and investment company in the New York metropolitan area, and is active in various socially responsible and other investments. Cory is a CFNE Board member and chair of the Loan Committee, as well as Treasurer and board member of Ten Directions, Inc. He has been CFO at a publicly traded company, as well as a financial manager of a worker cooperative, and is a graduate of Hampshire College.

MARY O'HARA, Boston, Massachusetts. Mary is a member of the consulting cooperative, Burlington Associates in Community Development, LLC. She provides organizational development, strategic planning, and market analysis services to CDFI's, community land trusts, and national nonprofit intermediaries. Mary has served as the Director of Lending at the Institute of Community Economics and was a founding board member of the Boston Community Loan Fund. Mary has served as a guest lecturer at the Graduate Program in Community Economic Development at New Hampshire College and as an Instructor at National Community Capital Association's and the National Community Land Trust annual conferences. The Cooperative Fund of New England has been a retainer client of Mary's for the last 3 years; Mary acts as Outreach Coordinator for CFNE assisting the Executive Director with visiting current and potential borrowers, providing technical assistance, administration of the loan portfolio, and marketing CFNE in Eastern Massachusetts, Connecticut, and Rhode Island. She has a BA in Government and Human Services from Cornell and is a member of Harvest Food Co-op and Direct Federal Credit Union.

BRENDA PFAHNL, Goffstown, New Hampshire. Brenda's background is in cooperatives, community lending and affordable housing development. She holds a master's degree in Community Economic Development, as well as an MBA with a concentration in finance. She has worked with CFNE as an Outreach Coordinator as well serving on the Board. She has also worked as Finance Director for an affordable housing development company and with manufactured housing park cooperatives while working for the New Hampshire Community Loan Fund. In a volunteer capacity, she has served as Treasurer on the Board of Directors of the Concord Food Cooperative and as the Secretary on the Board of Nesenkeag Farm. Brenda currently serves as CFNE's Vice-President and on the Loan Review Committee.

L.J. TAYLOR, Somerville, Massachusetts. L.J. is a worker-owner and senior sales representative at Equal Exchange, in West Bridgewater, MA, a worker-owned co-operative marketing fairly traded coffee, tea and chocolate from small farmer co-ops. He has worked in Bulk Foods at Weaver Street Co-op in Chapel Hill, NC. He has volunteered for the post of Mentor/Buddy coordinator at Equal Exchange to help push the continuing education needed to help cooperatives survive. L.J. helped in the formation of the Independents Coffee Cooperative in Philadelphia, which consists of café owners who support Fair Trade. He has a BA in mathematics from the University of Virginia where he specialized in business development and raised funds through the UVA Development Office.

ADAM TROTT, Florence, Massachusetts. Adam Trott is in his third year as a worker/owner of Collective Copies in Massachusetts. Along with CFNE, Adam sits on the board of the Eastern Conference for Workplace Democracy. He cherishes his participation in the Valley Alliance of Worker Cooperatives, as well as the 4 years he spent at the Fourth Street Food Co-op in Manhattan, with 2 years on their Finance Committee. Adam graduated from the University of Massachusetts, Amherst with a BA in Theater and a BA in Social Thought and Political Economy.

Related Party Transactions

CCF is a development stage enterprise and has no financial history. CFNE has paid all of the expenses of CCF's establishment.

When CCF is operating, there will be a substantial amount of dependency upon CFNE fiscally and operationally. The entities will share employees, contractors, vendors and board members. CFNE and CCF may, in many cases, have loans or investments to the same entities. CCF may be considered to be controlled by CFNE.

There may be other series of notes issued that would fund a separate investment fund. If formed, each fund would be separate and have its own results. CCF will not commingle funds or pledge any assets in the Fund.

Legal Matters

We are not aware of any actual, pending or threatened legal proceedings involving CCF or CFNE, nor any of its trustees or officers in their corporate capacity.

Investor Suitability Standards

The Social Capital Notes will be offered only to selected investors who are sophisticated investors. The First Loss Money Notes will be offered only to selected investors who are "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, which will be available to CCF in reliance upon the investors' representations.

The Notes can be purchased ONLY by individuals, cooperatives, nonprofits, religious societies and commercial concerns with their principal residences or place of business in one of the following states: **ALASKA, CONNECTICUT, DELAWARE, HAWAII, ILLINOIS, IOWA, KANSAS, MAINE, MASSACHUSETTS, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, OREGON, RHODE ISLAND, SOUTH DAKOTA, TEXAS, UTAH, VERMONT, VIRGINIA, WEST VIRGINIA, WYOMING.** Individuals or entities with their principal residences or places of business in any other states or jurisdictions cannot purchase the Notes.

Each investor will be required to execute a Subscription Agreement in which such investor will represent, among other things, that it has reviewed this prospectus and that it has had an opportunity to ask questions of and receive answers from the representatives of CCF with respect to the offering made hereby. Each investor must also represent that it is acquiring the Notes only for its own account for investment and not with a view toward resale or distribution within the meaning of the Securities Act.

Social Capital Notes:

Each investor in Social Capital Notes will be required further to represent that it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment in the CCF and incurring a complete loss of investment.

First Loss Money Notes:

Each investor in First Loss Money Notes will be required further to represent that it is an accredited investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment in CCF and incurring a complete loss of investment.

Notice About News Stories Regarding the Fund.

Due to CCF's unique business model and mission, there have been and will continue to be stories and information about CCF appearing in print and electronic media. Some of these stories may include interviews with representatives of CCF. The information appearing in the media is intended to be general public information and should not be considered or relied upon in making a decision to invest in CCF. Information appearing in the media may not be subject to the ultimate control of CCF, and has not been subjected to the rigorous review to which information intended for investors is subject. Potential investors should rely only on the information presented in this prospectus and other written information explicitly intended to be relied upon by investors.

Additional Information

The information supplied to prospective investors in this prospectus has been obtained from CCF, CFNE and other sources, which are deemed reliable. However, no representation or warranty is made as to the accuracy or completeness of the information. CCF will make available to prospective investors such additional information necessary to verify the accuracy of any of the information concerning the terms and conditions of the offering or any of the transactions referred to herein as is reasonably required by a prospective investor and which CCF possesses or can acquire without unreasonable effort or expense. Further, CCF will make its officers available to prospective investors to answer questions concerning CCF, CFNE and the terms and conditions of the offering. All requests for information or documents should be made to Executive Director, Rebecca Dunn at 5533 Peden Point Road Wilmington, NC 28409 (910) 395-6008 or (800) 818-7833, Email: info@coopcapital.coop.

The Cooperative Capital Fund of New England, Inc.

910.395.6008 or 1.800.818.7833

Fax: 910.397.2857

Email: info@coopcapital.coop**Please return all 6 pages of this subscription document.**

The undersigned subscriber or subscribers (the “Subscriber”), intending to be legally bound, hereby subscribes for and agrees to purchase Social Capital Notes and First Loss Money Notes as set forth below pursuant to the Prospectus dated September 15, 2008 (the “Prospectus”).

Pursuant to your Prospectus dated September 15, 2008, please accept my subscription for:

Series	Rate	Amount
Social Capital Notes	%	\$
First Loss Money Notes	%	\$

1. **Non-Recourse Debt Securities** Buyer understands that Social Capital Notes and First Loss Money Notes are repaid from proceeds of CCF’s investments in cooperative ventures and are non-recourse to Cooperative Capital Fund of New England, Inc and to Cooperative Fund of New England, Inc in any event. The Social Capital Notes and the First Loss Money Notes are not deposits or obligations of, or guaranteed or endorsed by, any corporation, bank, or insurance company and are not insured by any federal or state agency. Principal payments and interest payments on the Social Capital Notes and the First Loss Money Notes will be dependent solely upon the cash flows of the Fund. First Loss Money Notes are junior securities; First Loss Money Notes are meant to insulate Social Capital Note holders from loss and are only paid back after the principal and interest on the Social Capital Notes has been paid in full.
2. **Only Accredited Investors May Purchase First Loss Money Notes.** Each Subscriber of First Loss Money Notes must be an accredited investor.
3. **All Investors Must be Sophisticated or Have a Purchaser Representative.** Each Subscriber of Social Capital Notes who is not an accredited investor also will be required to deliver a signed and completed Prospective Purchaser Questionnaire for Non-Accredited Investors and, if applicable, a completed Purchaser Representative Questionnaire and a Purchaser Representative Letter.

4. Receipt and Review of Memorandum. The Subscriber acknowledges that it has been furnished, and the Subscriber or its authorized representative has carefully read, the Prospectus. The Subscriber further acknowledges that it is aware that there are substantial risks incident to investing in the Social Capital Notes and the First Loss Money Notes including, but not limited to, those risks summarized under the caption “Risk Factors” in the Prospectus.
5. Independent Advice. The Subscriber acknowledges that it has been advised by CCF to consult with the Subscriber’s own legal, financial and tax advisors concerning this investment. The Subscriber acknowledges that it has reviewed the risks and merits of an investment in the Notes with tax, legal and investment advisors to the extent deemed advisable by the Subscriber.
6. Representations of the Subscriber. The Subscriber acknowledges, represents and warrants to CCF as follows:
 - (a) If the Subscriber is an individual: (i) the Subscriber is at least 21 years of age, (ii) the Purchase Price for the Notes does not exceed 25% of Subscriber’s net worth or joint net worth with the Subscriber’s spouse (exclusive of homes, furnishings and personal automobiles), (iii) the Subscriber is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth as the Subscriber’s legal residence below the Subscriber’s signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction and (iv) the Subscriber has adequate means to provide for the Subscriber’s current needs and personal contingencies and has the financial ability to bear the economic risk, with no need for liquidity, with respect to the Subscriber’s investment in the Notes.
 - (b) If the Subscriber is a partnership, corporation, trust or other entity, (i) it was organized or incorporated under the laws of the jurisdiction set forth as the state of organization or incorporation below its signature on the signature page hereof and has no present intention of altering the jurisdiction of its organization or incorporation, (ii) its principal place of business is located in the state set forth below its signature on the signature page hereof and it has no present intention of altering the state of the location of its principal place of business, (iii) it is authorized and qualified and has full right and power to purchase and hold the Notes, (iv) the person signing this Subscription Agreement and any other instrument executed and delivered herewith on behalf of such entity has been duly authorized by such entity and has full power and authority to do so, and (v) it hereby agrees to supply any additional information as may be reasonably requested by CCF to confirm the foregoing representations.
 - (c) The Subscriber understands that no federal or state agency has passed upon the accuracy of the Prospectus nor made any finding or determination as to the merits or fairness of this investment and that the offering and sale of the Notes is intended to be exempt from registration both under the Securities Act by virtue of the exemption contained in Section 3(a)(4) of the Securities Act and the securities laws of certain states.

(d) The Subscriber (i) will acquire and hold the Notes solely for its own account, as principal, for investment purposes only, and not with a view to, or for resale, distribution or fractionalization of all or any part of such Notes, and (ii) has no present intention, agreement or arrangement to divide its participation with others or to resell, assign, transfer or otherwise dispose of all or any part of the Notes subscribed for.

(e) In making its decision to purchase the Notes herein subscribed for, the Subscriber has evaluated the risk of investing in the Notes and is acquiring the Notes based only upon its independent examination and judgment as to the prospects of CCF as determined from information obtained directly by the Subscriber from CCF or affiliates thereof. The Subscriber acknowledges receipt of all information requested of CCF.

(f) The Subscriber has been given the opportunity: (i) to ask questions of, and receive answers from, CCF concerning the terms and conditions of the offering and other matters pertaining to this investment and all such questions have been answered to the satisfaction of the Subscriber; and (ii) to obtain such additional information necessary to verify the accuracy of the information contained in the Prospectus or other provided materials, except such information which CCF has indicated it either does not possess and cannot acquire without unreasonable effort or expense or which is proprietary and confidential.

(g) The Subscriber has relied solely on the Prospectus dated 2/15/08 and on its own investigation of the investment in making its decision on investing in the Notes.

(i) Any information which the Subscriber has furnished to CCF with respect to the Subscriber's financial position, including the information set forth in the Accredited Investor Representations in Section 8 below, is correct and complete as of the date of this Subscription Agreement.

7. Investment Experience. The Subscriber acknowledges, represents and warrants to CCF that the Subscriber, alone or together with the Subscriber's advisors, has such knowledge and experience in financial and business matters as to be capable of making an informed decision regarding the merits and risks of an investment in the Notes and that the Subscriber, alone or together with the Subscriber's advisors, is capable of reviewing, understanding and making an independent judgment with respect to an investment in the Notes.

8. Accredited Investor Representation. The Subscriber represents and warrants to CCF that either: *(check one portion of (A) or (B), below)*

(A) the Subscriber is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, in the category indicated below by the initials of Subscriber or its authorized representative:

- _____ (1) A bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity.
- _____ (2) A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.
- _____ (3) An insurance company as defined in Section 2(13) of the Securities Act.
- _____ (4) An investment company registered under the Investment Company Act of 1940.
- _____ (5) A business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940 (a closed-end company, operated for the purpose of investing in securities described in Section 55(a)(1)-(3) of such Act and makes available “significant managerial assistance” with respect to the issuers of such securities and has elected to be regulated pursuant to Section 55-65 of such Act as a business development company).
- _____ (6) A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- _____ (7) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees having total assets in excess of \$5,000,000.
- _____ (8) An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”), (a) if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or (b) if the employee benefit plan has total assets in excess of \$5,000,000, or (c) if the employee benefit plan is self-directed, with investment decisions made solely by persons that are accredited investors.
- _____ (9) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (a company which is a business development company but which need not be closed-end and need not elect to be subject to regulation under Sections 55-65 of the Investment Company Act of 1940).
- _____ (10) An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

_____ (11) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000.

(For purposes of calculating net worth, any assets may be considered including the fair market value of one's principal residence and automobiles. The principal residence owned by an individual should be valued either at (A) cost, including the cost of improvements, net of current encumbrances upon the property, or (B) the appraised value of the property as determined upon a written appraisal used by an institutional lender making a loan secured by the property, including the cost of subsequent improvements, net of current encumbrances upon the property.)

_____ (12) A natural person who had an individual income (not including income of spouse) in excess of \$200,000 in each of the two most recent years or joint income with such person's spouse of \$300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year.

("Income" may include amounts normally excluded from "adjusted gross income" such as long-term capital gain deductions, depletion deductions, interest exclusions and losses allocated to a limited partner. However, "income" is not necessarily synonymous with "revenue"; for example, a self-employed person should deduct operating expenses to give an accurate indication of income.)

_____ (13) A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act.

_____ (14) An entity in which all of the equity owners are accredited investors. (If this item is checked, please provide in writing the basis for each equity owner's accredited investor status).

OR

_____ (B) the Subscriber does not satisfy any of the foregoing and is not an "accredited investor" within the meaning of Regulation D under the Securities Act, as indicated by the initials of the Subscriber.

IN WITNESS WHEREOF, the undersigned Subscriber(s) has (have) completed this Subscription Agreement to evidence its (their) subscription to CCF this _____ day of _____, 200__.

Subscriber 1 (Print or Type Name)

Subscriber 2 (Print or Type Name Exactly)

Signature

Signature

Social Security or Taxpayer I.D.
Number

Social Security or Taxpayer I.D.
Number

State of Residence, Incorporation or
Organization

State of Residence, Incorporation or
Organization

State of Principal Place of Business

State of Principal Place of Business

Mailing Address

Mailing Address

Please return all 6 pages of this subscription document to:
Cooperative Capital Fund
administrative office
5533 Peden Point Rd.
Wilmington, NC 28409.