

Mercedes-Benz Financial Services USA LLC

First Class Demand Notes Series 2

Private Placement Memorandum

August 11, 2025

**Mercedes-Benz Financial Services USA LLC**  
**\$3,000,000,000**  
**First Class Demand Notes Series 2 Variable**  
**Denomination Floating Rate Demand Notes**

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First Class Demand Notes Series 2 (the “Notes” or “First Class Demand Notes”) are designed to provide you with a convenient means of investing funds directly with Mercedes-Benz Financial Services USA LLC (“MBFS”). Please read this private placement memorandum and our financial statements carefully and in their entirety and retain for future reference. For additional information regarding the First Class Demand Notes, please access our landing website at [www.firstclassdemandnotes.com](http://www.firstclassdemandnotes.com).

**An investment in the Notes involves risks. You should carefully consider the risk factors beginning on page 5 of this private placement memorandum, as well as the other information contained in this private placement memorandum and our financial statements and in other materials that we provide to you in connection with the First Class Demand Notes. You should consult your financial and legal advisers as to the risks involved in an investment in the Notes and whether an investment is suitable for you.**

- The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or other securities laws. Accordingly, the Notes are being offered and sold only to “accredited investors” (as defined in Regulation D under the Securities Act) in transactions that are exempt from the registration requirements of the Securities Act. Notes or any interest or participation therein may not be re-offered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of except where required by law or court order.
- The Notes are not a deposit or other bank account and are not insured by the Federal Deposit Insurance Corporation or any governmental or non-governmental entity.
- The Notes are not a brokerage account with MBFS or any broker/dealer and are not protected by the Securities Investor Protection Corporation under the Securities Investor Protection Act of 1970, as amended.
- The Notes are not a money market mutual fund and are not subject to the requirements of the Investment Company Act of 1940, as amended (including diversification and quality of investments), or the Employee Retirement Income Security Act of 1974, as amended.
- The rate of interest paid on the Notes will be set solely by MBFS and will not necessarily bear any relation to the risks associated with, or changes in the creditworthiness, credit rating, or financial condition of, either MBFS or any of its affiliates.
- The Notes are senior, unsecured obligations of MBFS and only the assets of MBFS that have not been pledged to secure other indebtedness of MBFS or that have not been securitized will be available to pay the principal of and interest on the Notes. The Notes will rank equally with all other unsecured and unsubordinated debt of MBFS.
- The Notes are not obligations of or guaranteed by Mercedes-Benz Group AG, any of its subsidiaries (other than MBFS), any subsidiaries of MBFS, the processing agent or any other entity. It is possible to lose principal and interest on the Notes if MBFS is unable to pay its debts, becomes bankrupt or seeks creditor protection.
- The Notes are not rated by any rating agency, and MBFS does not intend to seek a rating for the Notes.
- The Notes are not listed on any securities exchange and there will be no secondary market for the Notes. As a result, there is no independent market valuation for the Notes.
- MBFS reserves the right to modify, withdraw, or cancel the offer made by this private placement memorandum at any time. MBFS has the sole right to accept or reject offers to purchase Notes and may reject any proposed purchase in whole or in part.

**Neither the Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this private placement memorandum. Any representation to the contrary is a criminal offense. We are offering and selling the Notes on a continuous basis directly to eligible purchasers.**

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## SUMMARY

Issuer .....	Mercedes-Benz Financial Services USA LLC (“MBFS”, the “Company”, “we,” “our” or “us”), is a Delaware limited liability company and an indirect, wholly-owned subsidiary of Mercedes-Benz Group AG. MBFS is a financial services organization that principally provides automotive financing to Mercedes-Benz dealers (entities involved in the sale or lease of new or used vehicles manufactured or distributed by Mercedes-Benz Group AG and its subsidiaries) and their customers, including loans, retail installment sale contracts and lease financing for cars and vans, dealer inventory, and other financing needs.
Executive Offices of MBFS. .	35555 W. Twelve Mile Road, Suite 100, Farmington Hills, MI 48331-3139
Title .....	First Class Demand Notes Series 2  This is the second series of Demand Notes issued by MBFS. This program became effective on March 1, 2017.
Amount .....	Up to \$3,000,000,000 aggregate principal amount. The aggregate amount of Notes outstanding from time to time may exceed this amount, but the Company will supplement this Private Placement Memorandum if it intends to materially increase the principal amount of the Notes offered hereby. Sales of the Notes commenced on March 1, 2017.
Processing Agent .....	The Bank of New York Mellon, a New York state chartered bank, serves as the Processing Agent pursuant to the Amended and Restated MBFS Demand Notes Program Services Agreement (“Agreement”). The Processing Agent’s obligations are limited to those set forth in, and the Processing Agent’s liability is limited to the extent set forth in, the Agreement. The Notes are not obligations of, or guaranteed by, The Bank of New York Mellon.
Status .....	The Notes are senior, unsecured obligations of MBFS and rank equally with all other unsecured and unsubordinated indebtedness of MBFS. For additional information regarding our outstanding indebtedness, please see our financial statements which are available at <a href="http://www.firstclassdemandnotes.com">www.firstclassdemandnotes.com</a> . The Notes are not obligations of or guaranteed by Mercedes-Benz Group AG, any of its subsidiaries (other than MBFS), any subsidiaries of MBFS, the Processing Agent or any other entity.
Pricing .....	The Notes pay a floating rate of interest set by the MBFS First Class Demand Notes Committee on a weekly basis. Interest rates may vary by an investor’s principal amount of Notes, investor entity type and other factors as determined by MBFS. The interest rate applicable to the Notes will be available at <a href="http://www.firstclassdemandnotes.com">www.firstclassdemandnotes.com</a> and <a href="http://www.eaccountservices.com/mbfs">www.eaccountservices.com/mbfs</a> .

Minimum Initial Investment.	\$10,000
Principal . . . . .	The principal amount of your Note is equal to the total amount of your investments plus accrued and reinvested interest, less fees, if any, and your redemptions.
Fees . . . . .	MBFS may assess certain fees from time to time as determined by MBFS in its sole discretion, including, without limitation, for redemptions by wire transfer, if your principal balance is below the fee-free minimum of \$10,000, and for other services. We will disclose any new fees or changes at least 30 days before they become effective at <a href="http://www.firstclassdemandnotes.com">www.firstclassdemandnotes.com</a> .
Redemption. . . . .	The Notes have no stated maturity and are redeemable in whole or in part at any time at the option of the holder. The Notes also are redeemable by MBFS at any time at the sole discretion of MBFS.
Form of Notes . . . . .	The Notes are issued as one or more global securities held by Wilmington Trust, National Association. Book-entry records for each investor are maintained by the Processing Agent.
Private Placement; Qualified Participation . . . . .	<p>The Notes are offered in a private placement only to “accredited investors,” as such term is defined in Regulation D under the Securities Act. The accredited investor definition is included in Appendix A to this private placement memorandum. Each prospective investor is required to verify his/her/its accredited investor status prior to enrollment as well as periodically while investing in First Class Demand Notes. If an existing investor fails to re-verify his/her/its accredited investor status when required under the program, the investor may continue to earn and reinvest interest on his/her/its existing Demand Notes, but will not be able to invest new funds. The verification process is described in Appendix B to this private placement memorandum. The Notes are offered only by this private placement memorandum.</p> <p>Only US citizens, and Trusts, estates, partnerships, and corporations established in or under the laws of the US may participate. Notes will only be sold to investors who provide either a U.S. social security number or a U.S. taxpayer identification number. Monetary transactions may only be conducted with financial institutions within the United States.</p>
Taxation . . . . .	Interest earned on the Notes is subject to taxation regardless of whether such interest is reinvested. Backup withholding and information reporting may apply to certain persons.

## RISK FACTORS

Investing in the Notes involves risks. You should carefully consider the risk factors below, as well as the other information contained in this private placement memorandum and our financial statements. You should consult your financial and legal advisers as to the risks involved in an investment in the Notes and whether an investment is suitable for you. Notes are not an appropriate investment for you if you do not understand the terms of the Notes or are unable to evaluate our financial position or financial matters generally. You should not purchase Notes unless you understand, and know you can bear, all of the investment risks involving the Notes.

### Risks Related to Our Business

**The profitability and financial condition of our operations are heavily dependent upon the performance, operations and prospects of Mercedes-Benz Group AG in the United States.** Our customer base is composed primarily of Mercedes-Benz Group AG dealers and their retail customers in the United States. A significant adverse change in Mercedes-Benz Group AG's business, including the production or sale of Mercedes-Benz Group AG vehicles, the quality or resale value of Mercedes-Benz Group AG vehicles, the use of Mercedes-Benz Group AG marketing incentives, Mercedes-Benz Group AG's relationships with its key suppliers, employees or other third parties, changes in emissions and safety regulations and product defects and recalls could have a material adverse effect on our profitability and financial condition.

In addition, the imposition of new tariffs, quotas, duties, or other restrictions or limitations, including the tariffs announced by the U.S. government beginning in the first quarter of 2025 on imported vehicles and parts, could increase prices for vehicles and/or parts imported into the United States, limit the availability of such vehicles and/or parts, and adversely impact affordability and demand for such vehicles and/or parts, which in turn could adversely affect our financial condition. The ultimate impact of any tariffs is uncertain and will depend on various factors, including whether the tariffs are maintained and/or implemented, the duration of the tariffs and the timing of their implementation, the amount, scope, and nature of the tariffs, and the related responses from other countries, manufacturers, and/or consumers.

**Decline in industry sales volume due to financial crisis, recession, geopolitical events, or other factors would have a material effect on us.** Any of these events or factors could put significant pressure on the automotive industry generally and could reduce automotive industry sales volume in the United States. Downturns may result from geopolitical events, such as wars or acts of terrorism, or other factors beyond our control. There is no assurance that the U.S. automotive market or Mercedes-Benz Group AG's share of that market will not suffer downturns in the future, and any negative impact could in turn have a material adverse effect on our business, results of operations and financial condition.

**General business and economic conditions may significantly and adversely affect our revenues, profitability and financial condition.** Our business and earnings are sensitive to general business and economic conditions in the United States. A downturn in economic conditions resulting in increased short and long term interest rates, inflation, fluctuations in the debt capital markets, unemployment rates, consumer and commercial bankruptcy filings, or a decline in the strength of national and local economies and other factors that negatively affect household incomes could decrease demand for our financing products and increase financing delinquency and losses on our customer and dealer financing operations. Further, a significant and sustained increase in fuel prices could lead to diminished new and used vehicle purchases and negatively affect our business.

If the rate of inflation were to increase, or if the debt capital markets or the economy of the United States were to weaken, or if vehicle purchases experience declines, we could be significantly and adversely affected, and it could become more expensive for us to conduct our business. For example, business and economic conditions that negatively affect household incomes, housing prices, and consumer behavior related to our businesses could decrease

(1) the demand for vehicle financing and (2) the value of the collateral underlying our portfolio of held-for-investment assets and vehicle loans and interests that continue to be held by us, further increasing the number of consumers who become delinquent or default on their loans. In addition, the rate of delinquencies, repossessions, and losses on our loans could be higher during more severe economic slowdowns.

Any sustained period of increased delinquencies, repossessions, or losses could harm our revenues, profitability and financial condition. Continued adverse business and economic conditions could affect demand for vehicles and other related factors that could harm the revenues and profitability of our business.

**Price competition resulting from industry excess capacity, currency fluctuations, or other factors could adversely affect us.** The global automotive industry is intensely competitive, with manufacturing capacity historically far exceeding current demand. Industry overcapacity has resulted in many manufacturers offering marketing incentives on vehicles in an attempt to maintain and grow market share. These incentives historically have included a combination of subsidized financing or leasing programs, price rebates and other incentives. As a result, Mercedes-Benz Group AG is not necessarily able to set its prices to offset higher costs of marketing incentives, commodity or other cost increases, or the impact of adverse currency fluctuations. Continuation of or increased excess capacity could have an adverse effect on Mercedes-Benz Group AG's financial condition and results of operations which, in turn, could adversely affect MBFS.

**Higher-than-expected credit losses, lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles could adversely affect our financial condition and results of operations.** Credit risk is the possibility of loss from a customer's or dealer's failure to make payments according to contract terms. Credit risk (which is heavily dependent upon economic factors including unemployment, consumer debt service burden, personal income growth, dealer profitability and used car prices) has a significant impact on our business. The level of credit losses we may experience could exceed our expectations and our allowance for loan losses and adversely affect our financial condition and results of operations. There can be no assurance that our monitoring of our credit risk as it affects the value of our assets and our efforts to mitigate credit risk through our risk-based pricing, appropriate underwriting policies, and loss-mitigation strategies are, or will be, sufficient to prevent an adverse effect on our financial condition or results of operations.

In addition, we project expected residual values and return volumes for the vehicles we lease. Actual proceeds realized by us upon the sale of returned leased vehicles at lease termination may be lower than the amount projected, which would reduce the profitability of the lease transaction. Among the factors that can affect the value of returned leased vehicles are the volume of vehicles returned, economic conditions and quality or perceived quality, safety, fuel efficiency or reliability of the vehicles. Actual return volumes may be higher than expected and can be influenced by contractual lease-end values relative to auction values, marketing programs for new vehicles and general economic conditions. Each of these factors, alone or in combination, has the potential to adversely affect our profitability if actual results were to differ significantly from our projections.

**Our business requires substantial capital and liquidity, and disruption in our funding sources and access to the capital markets would have a material adverse effect on our liquidity, financial condition and results of operations.** Our liquidity and results of operations depend on many factors, including our ability to successfully secure appropriate financing. We borrow money from an affiliated entity. The capital markets continue to be volatile, and Mercedes-Benz's access to the securitization markets may be significantly reduced during periods of market stress. Any weakness in market conditions and a tightening of credit availability could have a negative effect on our ability to obtain financing from our affiliate. There can be no assurance that these sources of liquidity will remain available to us.



**Increased competition from banks or other financial institutions seeking to increase their share of financing Mercedes-Benz Group AG vehicles could adversely affect our business.** No single company is a dominant force in the automotive finance industry. Most of our bank competitors in the United States use credit aggregation systems that permit dealers to send, through standardized systems, retail credit applications to multiple finance sources to evaluate financing options offered by these sources. This process has resulted in greater competition based on financing rates. In addition, we may face increased competition on wholesale financing for Mercedes-Benz Group AG dealers. Competition from such institutions with lower borrowing costs may increase, which could substantially adversely affect our profitability and volume of business.

**Mercedes-Benz Group AG and/or its subsidiaries are subject to legal risks relating to pending legal proceedings, claims as well as governmental investigations and orders.** Mercedes-Benz Group AG and its subsidiaries ("Mercedes-Benz"), which include MBFS, are confronted with various legal proceedings, claims, as well as government investigations and orders, on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights (especially patent infringement lawsuits), warranty claims, environmental matters, antitrust matters (including actions for damages) as well as investor litigation.

The automotive industry is subject to extensive governmental regulations worldwide. Laws in various jurisdictions govern, among other things, occupant safety and the environmental impact of vehicles, including emissions levels, fuel economy and noise, as well as the emissions of the plants where vehicles or parts thereof are produced. Furthermore, regulation, particularly in the European Union, governs the communication regarding sustainability topics (environmental, social or governance topics), whereby the complexity of such regulation is continuously increasing. The introduction of certain new regulations may be associated with uncertainties relating to their interpretation. In the event that regulations applicable in the different regions are not complied with, this can result in significant penalties, damages claims, reputational harm and/or the exclusion from tenders or, in the case of regulations applicable to vehicles, the inability to certify vehicles in the relevant markets. The cost of compliance with these regulations is considerable, and in this context, Mercedes-Benz continues to expect a significant level of costs.

The advancing regulation may, also as an outcome of global developments, evolve differently and even inversely depending on the region, potentially resulting in negative effects on the profitability, cash flows and financial position. Also, the risk of non-compliance with such regulations may rise, especially if regulations in different regions contradict one another.

Product-related litigation involves, among other things, claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to Mercedes-Benz or such proceedings are settled, Mercedes-Benz may encounter substantial financial burdens, e.g. from damages payments or service actions, recall campaigns, monetary penalties or other costly actions. Some of these proceedings and related settlements may also have an impact on Mercedes-Benz' reputation and/or lead to the exclusion from tenders.

Mercedes-Benz is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to various laws and regulations in connection with diesel exhaust emissions.

The activities of various authorities worldwide in connection with diesel exhaust emissions of Mercedes-Benz vehicles are partly ongoing, as described below. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or the interactions of Mercedes-Benz with the relevant authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, consumer protection and antitrust laws.

In the United States, Mercedes-Benz Group AG and Mercedes-Benz USA, LLC (“MBUSA”) reached agreements in 2020 with various authorities to settle civil environmental claims regarding the emission control systems of certain diesel vehicles. These agreements have become final and effective. The failure to meet certain of these agreements’ obligations may trigger stipulated penalties.

In 2016, the U.S. Department of Justice (“DOJ”) requested that Mercedes-Benz conduct an internal investigation. Mercedes-Benz conducted such an internal investigation in cooperation with the DOJ’s investigation. In March 2024, the DOJ informed Mercedes-Benz that based on the information available to it, it had closed its investigation; thus, the DOJ will not bring any criminal charges against Mercedes-Benz. In addition, further US state authorities have opened investigations pursuant to both local environmental and consumer protection laws and have requested documents and information.

In Canada, the environmental regulator Environment and Climate Change Canada (“ECCC”) is conducting an investigation in connection with diesel exhaust emissions based on the suspicion of potential violations of, amongst others, the Canadian Environmental Protection Act as well as potential undisclosed auxiliary emission control devices and defeat devices. Mercedes-Benz is cooperating with the investigating authorities.

In Germany between 2018 and 2024, the Federal Motor Transport Authority (“KBA”) issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and ordered mandatory recalls, different technical remedial actions as well as, in some cases, stops of the first registration. In each of those cases, it held that certain calibrations of specified functionalities are to be qualified as impermissible defeat devices. Mercedes-Benz has a contrary legal opinion on this question and has filed timely objections against the KBA’s administrative orders and determinations mentioned above. Insofar as the KBA has not remedied the objections, Mercedes-Benz has filed lawsuits with the competent administrative court. Irrespective of such objections and the lawsuits that are now pending, Mercedes-Benz continues to cooperate fully with the KBA. The remedial actions requested by the KBA were developed by Mercedes-Benz and assessed and approved by the KBA. The necessary recalls were initiated. Insofar as remedial actions relate to cooperation engines, Mercedes-Benz has commissioned the development of the remedial actions. It cannot be ruled out that under certain circumstances, software updates may have to be reworked, or further delivery and registration stops may be ordered or resolved by Mercedes-Benz as a precautionary measure, also with regard to the used car, leasing and financing businesses. In the course of its regular market supervision, the KBA routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about technical elements of the vehicles. In addition, Mercedes-Benz continues to be in a dialogue with the responsible authorities to conclude the analysis of the diesel-related emissions matter and to further the update of affected customer vehicles.

In addition to the aforementioned authorities, authorities of various foreign states, particularly the South Korean Ministry of Environment and the South Korean competition authority (Korea Fair Trade Commission) are conducting various investigations and/or procedures in connection with diesel exhaust emissions. In this context, these South Korean authorities have made determinations and imposed sanctions against Mercedes-Benz, which Mercedes-Benz has appealed. In the same context, national antitrust authorities of various countries are also conducting investigations, including the Brazilian antitrust authority, which opened an antitrust proceeding against Mercedes-Benz and some other car manufacturers in July 2024.

Mercedes-Benz continues to fully cooperate with the authorities and institutions. However, regarding the proceedings and processes still in progress, Mercedes-Benz cannot at this time make any statement as to their outcome.

Irrespective of such cooperation and in light of the past developments as well as ongoing court proceedings it cannot be ruled out that one or more authorities worldwide will take further investigative and enforcement actions and measures relating to Mercedes-Benz and/or its employees. Also they could reach the conclusion that other passenger

cars and/or vans with the brand name Mercedes-Benz or other brand names of Mercedes-Benz did not comply with certain regulatory requirements and particularly were equipped with impermissible defeat devices. Likewise, authorities could take the view that certain functionalities and/or calibrations were not proper and/or were not properly disclosed. It cannot be ruled out that Mercedes-Benz will become subject to significant additional fines and other sanctions, measures and actions. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – and also plaintiffs – could also adopt such allegations or findings. Thus, a negative allegation or finding in one proceeding carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.

In addition, the ability of Mercedes-Benz to defend itself in proceedings could be impaired by concluded proceedings and their underlying allegations as well as by unfavourable results or developments in any of the information requests, inquiries, investigations, orders, legal actions and/or proceedings discussed above.

In particular, any remediation requirements, recalls or delivery and registration stops of Mercedes-Benz diesel vehicles, or reputational harm to the Mercedes-Benz brand, could adversely affect the sales prices of used Mercedes-Benz passenger cars and sport utility vehicles, including the values of the financed vehicles, and the residual values of Mercedes-Benz passenger cars and sport utility vehicles that are leased.

Notwithstanding the foregoing, MBFS does not believe that the outcome of any of the inquiries and investigations pertaining to Mercedes-Benz will have a material adverse effect on the financial condition of MBFS.

**Adverse effects resulting from economic, geopolitical or other events could adversely affect our business.**

With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis, act of terrorism, pandemics or other significant event in one area of the world can have an impact on markets around the world. Such developments could cause financial and capital markets to constrict, thereby negatively impacting our ability to finance our business, and also could cause a substantial drop in consumer confidence and spending that could negatively impact sales of vehicles. Political tensions and the associated danger of geopolitical conflicts continue to be high and are associated with far-reaching risks for the business development of the Mercedes-Benz Group. A further escalation of tensions between China and the United States and between China and the EU, the possible further escalation of the war between Russia and Ukraine and, above all, the conflict in the Middle East, the flare-up of further regional conflicts and a possible military or non-military escalation in the entire South China Sea could lead to renewed tensions in supply chains, even higher energy prices, renewed pressure on inflation rates and a further deterioration in the growth outlook. A possible bottleneck in energy supply in the EU could also lead to potential production losses at the Mercedes-Benz Cars and Mercedes-Benz Vans plants. Any one of these factors could have a substantial adverse effect on our financial condition and results of operations.

**Supply chains, bottlenecks for semiconductors and other important industrial components also constitute uncertainties.** Interruptions in global supply chains, bottlenecks in the supply of intermediate goods, and production stoppages or underutilization of suppliers' production capacities can have a negative impact on business activities in the automotive divisions. Possible interruptions in global supply chains, especially those caused by bottlenecks for electronic components and other important intermediate goods, can cause bottlenecks at Mercedes-Benz Cars and Mercedes-Benz Vans plants. Lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause costs that result in negative effects on profitability. As a globally operating company with an international production and sales network, the Mercedes-Benz Group is dependent on functioning and efficient logistics processes. In particular, capacity restrictions or surcharges for the transportation of vehicles can disrupt

logistics processes, increase their costs and have a negative impact on the Mercedes-Benz Group's results, which could negatively affect our financial condition and results of operations.

**Our indebtedness and other obligations are significant and could materially and adversely affect our business.**

We have a significant amount of indebtedness. If our debt service obligations increase, whether due to the increased cost of existing indebtedness or the incurrence of additional indebtedness, we may be required to dedicate a significant portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, which would reduce the funds available for other purposes. Our indebtedness also could limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions.

**New or increased credit, consumer or data protection or other regulations may result in higher costs and/or additional financing restrictions.** As a finance company, we are regulated by the Consumer Financial Protection Bureau and other governmental authorities in the United States, which can impose significant additional costs and/or restrictions on our business. For example, our operations are subject to regulation, supervision and licensing under various federal, state and local laws and regulations, including the federal Truth-in-Lending Act, Equal Credit Opportunity Act and Fair Credit Reporting Act. New laws, rules and regulations could impose additional costs on us and adversely affect our ability to conduct our business.

**The MBFS financial statements are unaudited and are prepared in accordance with international accounting standards.** The MBFS financial statements and other financial information provided to investors are unaudited and, except as otherwise described therein, are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ from United States generally accepted accounting standards.

## **Risks Related to the Notes**

**The Notes are the sole obligation of MBFS.** The Notes are senior, unsecured obligations of MBFS and only assets of MBFS that have not been pledged to secure other indebtedness or securitized are available to pay the principal and interest on the Notes. The Notes will be structurally subordinate to any indebtedness of MBFS that is secured to the extent of the assets pledged to secure such indebtedness. For the latest information on MBFS' outstanding debt, please review the financial statements. The Notes are not obligations of or guaranteed by Mercedes-Benz Group AG, any of its subsidiaries (other than MBFS), any subsidiary of MBFS, the Processing Agent or any other entity.

**The Notes are not a diversified investment.** The Notes are not an investment in a money market mutual fund holding diversified investments in short term debt securities of many companies. The Notes represent a loan by the Note holder to MBFS. Only the assets of MBFS that have not been sold, pledged or securitized are available to pay the principal of and interest on the Notes. Because the Notes are unsecured debt securities issued by a single issuer and are unrated, you will not have the benefits of diversification and quality of investments offered by money market mutual funds or other investment companies. For this reason, investors also will not have the protections provided to mutual fund investors under the Investment Company Act of 1940, as amended.

**MBFS is not a bank, and investments in the Notes are not insured by the Federal Deposit Insurance Corporation or any other governmental or non-governmental entity.** Only MBFS is obligated to pay the principal of and interest on the Notes, and only its assets are available for this purpose. If our assets are insufficient to pay the principal of and interest on the Notes and our other indebtedness, you could lose some or all of your investment, including principal and accrued but unpaid interest. No private or government entity guarantees return of your investment in the event of a failure of MBFS to repay your investment. In addition, no banking relationship exists between investors in the Notes and the Processing Agent.

**MBFS is not a broker or dealer.** The Notes are not a brokerage account with MBFS or any other broker/dealer and are not protected by the Securities Investor Protection Corporation under the Securities Investor Protection Act of 1970, as amended.

**The Processing Agent is not a Trustee.** The Bank of New York Mellon will perform certain administrative functions with respect to the Notes, as described in this private placement memorandum and in the Agreement. The Processing Agent is not a trustee and the Company will not appoint any other trustee for the Notes and will not qualify an indenture for the Notes under the Trust Indenture Act of 1939, as amended. Therefore, the Processing Agent will have no fiduciary responsibilities to holders with respect to the Notes nor will it coordinate any collective legal actions against MBFS by the holders of the Notes with respect to MBFS's obligations under the Notes. Each holder of a Note will be required to enforce the obligations of MBFS under the Notes.

**The interest rate paid on the Notes may not bear any relation to the investment risk.** The interest rate on the Notes will be set solely by MBFS's First Class Demand Notes Committee in its sole discretion and will not necessarily bear any relation to the risks associated with, or change in, the credit worthiness, credit rating or financial condition of MBFS and may not adequately compensate you for the risks of investing in the Notes.

**The Notes are not rated.** The Notes are not currently rated by any rating agency, and MBFS does not intend to seek a rating for the Notes.

**The Notes are not transferable.** You may redeem your investment in the Notes at any time in whole or in part as described in this private placement memorandum. However, except in very limited circumstances, you may not transfer your investment in the Notes to someone else. The Notes will not be listed on any securities exchange, and no secondary market for the Notes currently exists or will develop, and, consequently, there is no public market valuation of the Notes to assist investors in evaluating the Notes or their yield relative to other investments.

#### **ABOUT THIS MEMORANDUM**

You should read this private placement memorandum and our financial statements carefully and entirely before you decide to invest. You should rely only on the information provided in this private placement memorandum and our financial statements and the other materials we provide you in connection with the Notes. These sources are only accurate as of their respective dates, and subsequent information from these sources will automatically update and supersede information contained in earlier documents. We have authorized no one to provide you with different information.

#### **ABOUT THIS OFFER**

The Notes may be offered separately or together in any combination and as separate series. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. We reserve the right to withdraw, cancel or modify the offer to sell these Notes at any time without notice. We have the sole right to accept offers to purchase Notes and may reject, at our sole discretion, any proposed purchase of a Note in whole or in part.

#### **THE COMPANY**

Mercedes-Benz Financial Services USA LLC ("MBFS" or the "Company") is a single member LLC organized under the laws of the State of Delaware with Mercedes-Benz Group AG as the ultimate parent. MBFS is a leading captive financial services organization that principally provides automotive financing to Mercedes-Benz dealers (entities involved in the sale or lease of new or used vehicles manufactured or distributed by Mercedes-Benz Group AG and its subsidiaries) and their customers. MBFS is affiliated with the Mercedes-Benz Mobility group of companies ("MBM"), which operates in 35 countries as the global financial services arm of Mercedes-Benz Group AG.

## **Financing Products**

MBFS' financing products consist of retail installment sales contracts, leases, wholesale financing and capital/real estate loans to dealers. The Company discontinued providing loans to lessees to allow them to purchase leased Mercedes-Benz vehicles at the close of business on May 23, 2025. The Company provides a variety of lease and retail installment sales contract solutions for customers to finance both new and pre-owned vehicles and services all of these leases and retail installment sales contracts. Dealer products consist primarily of vehicle inventory financing (wholesale), as well as capital, equipment and construction/real estate loans.

## **Other Products**

In addition to the financing solutions we offer, MBFS also takes pride in offering services that fit our customers' needs and lifestyles. Our First Class Protection products are marketed by Mercedes-Benz Insurance Agency LLC, a subsidiary of MBFS. They can be financed as part of a vehicle purchase or lease, making them an easy and cost effective way to handle commonly experienced interior and exterior vehicle damage such as dents, flat tires and cracked windshields.

## **Our Customers**

MBFS's customer base consists primarily of individuals who seek financing options for Mercedes-Benz automobiles. Dealers are also key MBFS customers for wholesale inventory financing, capital loans and other products.

## **Portfolio**

As of March 31, 2025, MBFS had a portfolio of approximately \$42.1 billion. From the perspective of underlying assets, MBFS's portfolio is comprised of approximately 93.7 percent passenger car assets, 5.7 percent van assets, and 0.6 percent commercial vehicle assets. From a product perspective, MBFS's portfolio is comprised of approximately 42.6 percent operating leases, 28.4 percent installment sales contracts/loans, and 29 percent wholesale products.

## **Competition**

Our main competition comes from banking institutions and credit unions that finance passenger cars and vans. MBFS competes based on its superior customer service and support, strong brand partner relationships, industry expertise and product knowledge, state-of-the-art technology, and operational effectiveness.

## **Core Values**

MBFS is committed to excellent financial and mobility services that create value for our brands, dealers and customers; contribute to the financial success of Mercedes-Benz Group AG; and offer rewarding opportunities to our employees and communities where we live and work. Our core values of integrity; openness and respect; financial and social responsibility; sustainability; inspired, empowered and diverse people; customer focus; and commitment to excellence reflect these goals.

## **Workplace of Choice**

MBFS is committed to being a strong corporate ally in the communities in which we live and work and providing opportunities for our employees to create benefits for the common good through engagement in volunteerism and Corporate Responsibility activities. We are also heavily involved in social and cultural initiatives as an integral part of our corporate culture. Voluntary participation-based employee organizations known as Business Resource Groups, with the support of our leadership team, are open to all employees and organize many of our cultural activities. Our leadership team participates in frequent employee touchpoints with different levels of their teams.

## **Our Locations**

MBFS only operates in the United States and had 793 employees as of April 1, 2025. Our headquarters is located in Farmington Hills, Michigan, and also serves as the regional headquarters for MBM's Americas operations, which

includes the United States, Canada and Mexico. The Company's Business Center Operations office is in Fort Worth, Texas. Some employees work from other locations. On May 22, 2025, the Company announced that the Farmington Hills headquarters would close in 2026. The Fort Worth office will become the Company's headquarters sometime in 2026.

### **Executive Management**

MBFS is directed by a Leadership Team comprised of executives who oversee our key functional areas. The CEO and CFO of MBFS are described below.

#### Peter Henn, President and CEO, Mercedes-Benz Financial Services, Head of Mercedes-Benz Mobility Americas Region:

Peter Henn became President and CEO of Mercedes-Benz Financial Services USA and Head of Mercedes-Benz Mobility North America (then Daimler Mobility AG Americas Region) on June 1, 2019. In this role he has responsibility for leading business strategy and operations in the United States, Canada, and Mexico. He is also a member of the global Mercedes-Benz Mobility AG Executive Committee.

Henn joined the Daimler Group in 2007 as Head of Corporate Audit and Corporate Governance. In 2010, he was named Chief Audit Executive of Daimler AG. Before his tenure at Daimler, he worked for Deloitte & Touche LLP in New York, among other companies. He earned a degree in law from the University of Heidelberg, Germany, and began his career in the field of audit and risk management.

#### Christian Rottenkolber, Vice President and Chief Financial Officer:

Christian Rottenkolber is the Vice President and Chief Financial Officer for MBFS and is responsible for directing all finance and controlling activities for North America, leading a team of approximately 100 employees. Rottenkolber is also a member of the company's North American executive leadership team. He assumed this position in the fourth quarter of 2023.

Rottenkolber joined the Mercedes-Benz Group in 1991 and has held several leadership roles in finance and controlling since then. He has been a crucial contributor to the company's global strategy, and, with his team, Rottenkolber was essential in steering the data-driven and customer-centric approaches of Mercedes-Benz Mobility (MBM) in his time at MBM headquarter in Stuttgart. Most recently, Rottenkolber acted as CFO and member of the board of the Athlon Group, a full operating lease business of MBM, which is headquartered in the Netherlands.

Rottenkolber holds an MBA from the University of Passau.

### **Financial Information**

For additional information regarding our financial condition and results of operations, please see our financial statements which are available at [www.firstclassdemandnotes.com](http://www.firstclassdemandnotes.com), and which are incorporated herein by this reference.

### **About Mercedes-Benz Group AG**

Mercedes-Benz Group AG is one of the world's most successful automotive companies. With Mercedes-Benz AG, the Group is one of the leading global suppliers of high-end passenger cars and premium vans. Mercedes-Benz Mobility AG offers financing, leasing, car subscription and car rental, fleet management, digital services for charging and payment, insurance brokerage, as well as innovative mobility services. The company founders, Gottlieb Daimler and Carl Benz, made history by inventing the automobile in 1886. As a pioneer of automotive engineering, Mercedes-Benz sees shaping the future of mobility in a safe and sustainable way as both a motivation and obligation. The company's focus therefore remains on innovative and green technologies as well as on safe and superior vehicles that both captivate and inspire. Mercedes-Benz continues to invest systematically in the development of efficient powertrains and sets the

course for an all-electric future. Mercedes-Benz is consistently implementing its strategy to transform itself toward a fully electric and software-driven future. The company's efforts are also focused on the intelligent connectivity of its vehicles, autonomous driving and new mobility concepts as Mercedes-Benz regards it as its aspiration and obligation to live up to its responsibility to society and the environment. Mercedes-Benz sells its vehicles and services in nearly every country of the world and has production facilities on several continents.

## **USE OF PROCEEDS**

The net proceeds from the sale of the Notes will be added to the general funds of MBFS and will be available for financing our operations which may include loans to affiliated Mercedes-Benz entities or for any other purpose. MBFS anticipates using the funds to finance a mix of short-term and long-term assets.

## **ABOUT FIRST CLASS DEMAND NOTES**

### **General**

All funds invested in First Class Demand Notes, together with accrued interest, redemptions and fees, if any, are recorded on a register maintained by the Processing Agent. The Notes are issued as one or more global securities held by Wilmington Trust, National Association, the form of which is available at [www.firstclassdemandnotes.com](http://www.firstclassdemandnotes.com). No certificate or other instrument evidencing MBFS's indebtedness is issued to an investor. The First Class Demand Notes register also includes the name(s), address(es), tax identification or social security number(s) and, in the case of natural persons, date(s) of birth of the owner(s) of the Notes. In addition, investors will be required to provide certain financial information to verify their status as an "accredited investor" as described in Appendices A & B and may be required to provide certain other information as required by applicable law. We will not accept facsimile signatures on any checks, forms, change requests or any other document that affects a redemption or change in ownership of a Note. Subject to applicable law, First Class Demand Notes may be owned individually, jointly, in a trust or custodial capacity or in the name of a corporation, business, partnership, LLC or association.

The Company will not appoint a trustee and will not qualify an indenture under the Trust Indenture Act of 1939, as amended, with respect to the Notes. Therefore, the Processing Agent will have no fiduciary responsibilities to holders with respect to the Notes nor will it coordinate any collective legal actions against MBFS by the holders of the Notes with respect to MBFS's obligations under the Notes. Each holder of a Note will be required to enforce the obligations of MBFS under the Notes.

The Notes contain no covenants that would limit the amount of indebtedness that MBFS may incur or the amount of dividends that MBFS may pay.

Investors will be provided with monthly statements showing a summary of all investments and redemptions, the amount of accrued and reinvested interest, the principal amount of the investor's First Class Demand Note at the end of the period, and fees, if any. With your consent, such statements may be provided to you electronically. An investor may obtain its current First Class Demand Notes balance at any time by calling 1-866-242-0120 or accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs).

The First Class Demand Notes have no stated maturity and may be redeemed, in whole or in part, at the option of the investor at any time; provided, however, that redemptions are subject to certain minimum redemption amounts. (See "How to Redeem"—below). The First Class Demand Notes are not subject to any sinking fund.

The following will be "Events of Default" with respect to the Notes: (a) default in the payment of any interest or principal on any Note when due and payable, and continuance of such default for a period of 30 days which is not due



to administrative error (an administrative error shall not be considered an event of default unless such error shall have continued uncorrected for a period of 30 days after written notice from a Demand Note holder to the Processing Agent with a copy to the Company); (b) default in the performance of any other covenant with respect to the Notes, and continuance of such default for a period of 60 days after written notice to MBFS from the holders of at least 25% of the principal amount of Demand Notes then outstanding; and (c) certain events in bankruptcy, insolvency or reorganization of MBFS. In case an Event of Default shall have occurred and be continuing, the principal of and interest on all outstanding Notes shall become immediately due and payable upon written notice from the holders of at least 25% of the principal amount of Demand Notes then outstanding.

Unless you agree otherwise, MBFS has no right of set-off against any Note indebtedness not related to such Note. MBFS shall have the right to deduct from the principal amount of a Note any amounts invested by us in error in such Note. In addition, we may, in our sole discretion, put a block on your First Class Demand Notes in connection with an Internal Revenue Service notice, court order or pursuant to any other legal or governmental action or requirement.

### **Administration**

The First Class Demand Notes Committee generally has full power and authority to amend the First Class Demand Notes program, to interpret its provisions, to waive requirements, to adopt rules and regulations, and to set and adjust the rate of interest to be paid, including, at the discretion of the First Class Demand Notes Committee, establishing tiered rates of interest with respect to Notes with aggregate principal amounts falling within different ranges as of an established periodic reference date. The members of the First Class Demand Notes Committee are appointed by the MBFS management team. They do not receive any compensation for their services as such, but are officers, directors or employees of MBFS or its affiliated entities.

We have appointed The Bank of New York Mellon as the Processing Agent to handle the day-to-day administration of the First Class Demand Notes program.

### **Basic and tiered interest rates**

The First Class Demand Notes bear interest at a floating rate as determined by the First Class Demand Notes Committee. In deciding on the interest rate, the First Class Demand Notes Committee examines, among other things, the level of interest rates generally and the changes in such interest rates that occur from time to time. The First Class Demand Notes Committee may provide for differing interest rates based on, among other criteria, the size of individual Notes and the investor entity type (individually, "Other Criterion" and collectively, "Other Criteria"). You will be notified by e-mail in the event that the First Class Demand Notes Committee determines to change from a uniform interest rate to multiple interest rates, from multiple interest rates, if applicable in the future, to a uniform interest rate or to use an Other Criterion. The First Class Demand Notes Committee is not obligated to provide multiple interest rates or to use Other Criteria.

If for an applicable interest period the First Class Demand Notes Committee decides to use multiple interest rates based on one or more Other Criterion, the First Class Demand Notes Committee will determine the interest rates applicable to Notes based on each Other Criteria within specified ranges (each a "Range"). Although we expect that similar Ranges will be used for consecutive interest periods, we reserve the right to modify the specified Ranges without notice, provided that Ranges shall not be modified other than on a Friday of each week to be effective the following Monday. The specified Ranges for each interest period, together with the interest rate applicable to each such Range, will be posted on the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs). The Range within which a Note falls will be determined based on the applicable Other Criteria and the aggregate principal amount of such Note, as identified by its assigned Note number. The principal amount of Notes with distinct assigned Note numbers will not be aggregated, regardless of beneficial ownership or any other consideration. The applicable Range for each Note will be determined based on the aggregate principal amount of a Note on a daily basis, in accordance with the Processing Agent's applicable procedures. The

rate of interest that the Notes bear for any period is not an indication or representation of future rates of interest for the Notes.

The current interest rate is posted on the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs).

The interest rate on the Notes is subject to change weekly, with any change being effective the following Business Day. For purposes of the First Class Demand Note program, a “Business Day” is any day other than a Saturday, Sunday or other day on which banks are authorized by federal law or required by Pennsylvania or New York law to close. The rate of interest paid for any period on the Notes is not an indication or representation of future rates. Interest on the Notes is compounded daily, at the rate in effect each day, based on a 365-day year.

During a leap year, the interest on the Note is compounded daily, at the rate in effect each day, based on a 366-day year. Interest payable on the Notes accrues daily and will be credited to your Notes and automatically reinvested (unless you select the automatic monthly interest redemption option) on the last Business Day of each calendar month unless you elect to redeem Notes, in which case interest is credited to the Notes to be redeemed on the day immediately prior to the redemption date.

### **Fees**

Investors will be charged a \$15 fee for outgoing wire transfers. You also may be charged a fee by your commercial bank or financial institution if you make an investment or receive a redemption amount by Automated Clearing House (“ACH”) or wire transfer. Investors will also be charged a \$5 fee per month for an open Note balance below the \$10,000 fee free minimum. We may assess certain fees from time to time for services as determined by the First Class Demand Note Committee in its sole discretion. Any fees will be directly debited from your Note principal. Written notice of any fee changes will be given at least 30 days before they become effective.

### **Obligation to review investment activity and maintain accurate information on file with us**

You are responsible for promptly examining each monthly statement to determine the accuracy of all redemption and investment activity made that month. If your statement shows activity that you did not authorize, notify us at once. If you fail to promptly report an unauthorized redemption, you may not be able to recover any losses resulting from the redemption. In addition, you must promptly provide the Processing Agent with notice of any change in your address. If your registered address is not kept up to date and mail is returned to us or the Processing Agent by the United States Post Office and we cannot locate you, we may be required after a specified time period to remit your Note as abandoned property as required by applicable state unclaimed property law. You may update your address on-line or in writing. Address change requests sent to us in writing must include your Note number and be signed by all owners of the Note.

### **Minimum investment**

If your total investment falls below \$250, we have the right to redeem all of your Notes. Please see “Optional Redemption or Suspension by MBFS” below.

### **PRIVATE PLACEMENT; QUALIFIED PARTICIPATION**

The Notes have not been registered under the U.S. Securities Act of 1933, as amended. Accordingly, the Notes are being offered and sold only to “Accredited Investors” in transactions that are exempt from the registration requirements of the Securities Act and state securities laws. The current definition of an “accredited investor” may be found in Appendix A to this private placement memorandum. The definition is also included on the First Class Demand Notes Online Enrollment Form and in the FAQs section of the program website. Each prospective investor is required to verify his/her/its accredited investor status prior to enrollment as well as periodically while investing in First Class Demand

Notes. If an existing investor fails to re-verify his/her/its accredited investor status when required under the program, he/she/it may continue to earn and reinvest interest on their existing Demand Notes, but will not be able to invest new funds. The verification process can be found in Appendix B to this private placement memorandum.

Only US citizens, and Trusts, estates, partnerships, and corporations established in or under the laws of the US may participate. MBFS reserves the right to reject an enrollment in First Class Demand Notes in its sole discretion for any reason.

## HOW TO INVEST

The minimum initial investment is \$10,000. To make an initial investment in a Note, you must complete the First Class Demand Notes Online Enrollment Form, complete the “accredited investor” verification process described in Appendix B and link a bank account from which your initial investment will be funded electronically. Following your initial investment, you may invest in First Class Demand Notes at any time if you continue to qualify as an “accredited investor”, without charge, by check, by wire transfer, by charge to your bank account through the ACH network or by any other means permitted by the program. You will be required to maintain a minimum \$250 investment balance in your First Class Demand Note (see “Optional Redemption or Suspension by MBFS” below). A \$5 fee per month will be assessed for any Note that maintains an average balance of less than \$10,000. All of your investments are required to be in U.S. dollars and investments by check must be drawn on a financial institution organized under the laws of the United States. We will reject all checks drawn on a foreign bank or a United States branch of a foreign bank.

### Investments by Check

All investments by check should be made payable to “Mercedes-Benz Financial Services” and mailed to: First Class Demand Notes, P.O. Box 535406, Pittsburgh, PA 15253. Check investments must include your 14-digit First Class Demand Note number assigned to you by the Processing Agent. Investments by check that are received and processed by the Processing Agent before 10 a.m. Eastern Time are invested in your First Class Demand Note on the same Business Day your check is received. Investments by check that are received and processed by the Processing Agent after 10 a.m. Eastern Time are invested in First Class Demand Notes on the next Business Day after the date of the check’s receipt. Interest begins to accrue on the day your check is invested. Neither the Processing Agent nor MBFS is responsible for delays in the receipt of checks mailed. **Your investment made by check is available for redemption on the sixth Business Day after the Processing Agent processes the investment of your check.**

You can confirm the date your investment was made by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs), by contacting the Processing Agent directly or by using the available automated phone system at 1-866-242-0120.

### Investments by Wire Transfer

Once you have made your initial First Class Demand Notes investment, you may make subsequent investments by transferring funds via bank wire. MBFS does not assess a fee for receipt of wire transfer investments to your Note. You will be assessed a \$15 fee for any wire transfer to redeem an investment in your First Class Demand Note in addition to any fees that your bank may charge you. To do so, an investor must comply with the instructions provided in the applicable form(s). The bank wire must include the designation “First Class Demand Notes,” your name (as registered on your First Class Demand Notes), address, and your 14-digit First Class Demand Note number. An investment by wire transfer of funds to the Processing Agent is invested in your First Class Demand Note on the Business Day the funds are received by the Processing Agent in proper form and begins to accrue interest on that day provided the funds have been received by the Processing Agent by 2:00 p.m. Eastern Time. Funds received after 2:00 p.m. Eastern Time are invested and begin to accrue interest on the next Business Day. Neither the Processing Agent nor MBFS is responsible for delays in the transfer and wiring of funds. **Your investment made by wire transfer is available for redemption on the same Business Day the Processing Agent processes the investment of your wire transfer into your First Class Demand Note.** You can confirm the date your investment was made by accessing the First Class Demand Notes

note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs), or by utilizing the available automated phone system at 1-866-242-0120.

**Investments by automatic monthly, periodic or ad-hoc electronic transfer (ACH) from a Bank Account** You may elect to authorize the Processing Agent to make an automatic monthly or periodic charge or an ad-hoc charge from up to two of your personal banking account(s). Upon receipt of proper authorization, the Processing Agent will prepare an ad-hoc electronic transfer or, in the case of monthly or periodic transfers, an automatic electronic transfer using up to two transfer dates each month, in each case drawn against your bank account(s) for the amount authorized and on the Business Day you have requested. The proceeds from the electronic transfer are invested in your First Class Demand Note and begin to accrue interest on the same Business Day that the Processing Agent receives the electronic transfer. If the transfer day falls on a weekend, the transfer will be initiated on the next Business Day; provided, however, if an ACH automatic investment is set for the last day of a month, the investment will be made on the last Business Day of that month. You may elect up to two transfer dates using up to two different bank accounts. **Your investments made by electronic transfer are available for redemption on the second Business Day after the Processing Agent processes the investment of your electronic transfer.** You can confirm the date your investment was made by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs), or by using the available automated phone system at 1-866-242-0120. An investor with banking instructions on file may make an ad-hoc investment by accessing the First Class Demand Notes website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs) or by calling the Processing Agent during the Processing Agent's regular business hours at 1-866-242-0120. To establish the automatic monthly or periodic charge to your banking account(s), you must elect this option on the program website, or obtain the necessary authorization form directly from the Processing Agent. You may change the amount(s) or day of transfer of your automatic monthly investment or terminate your automatic or periodic investment entirely at any time online or by providing written notice to the Processing Agent. Your notice is effective as soon as practicable after it is received by the Processing Agent. There is a 10 Business Day set-up period each time you add, change or terminate the banking instruction(s) for either of the above investment options.

**Investments by direct investment of full or partial paycheck, pension or Social Security check**

After your initial Demand Note investment, you may elect to invest in First Class Demand Notes by instructing your place of employment, other issuer of regularly recurring payments, or, in the case of social security checks, the Social Security Administration, to invest all or a portion of your net paycheck, annuity or pension checks, social security checks or other recurring payments directly into your First Class Demand Note and authorizing the Processing Agent to receive such investments. Investments by direct investment may be made by electronic transfer or by check. The proceeds from direct investments made by electronic transfer of funds are invested in your First Class Demand Note and begin to accrue interest on the same Business Day that the Processing Agent receives the electronic transfer. If the transfer day falls on a weekend, the transfer will be initiated on the next Business Day. Your investments made by electronic transfer are available for redemption on the second Business Day after the Processing Agent processes the investment of your electronic transfer. You can confirm the date your direct investment was made by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs) or by using the available automated phone system at 1-866-242-0120. Direct investments made by checks mailed to the Processing Agent that are received and processed by the Processing Agent before 10 a.m. Eastern Time will be invested in your Demand Note on the same Business Day the check is received. Direct investments made by checks mailed to the Processing Agent that are received and processed by the Processing Agent after 10 a.m. Eastern Time will be invested in your Demand Note on the next Business Day after the check is received. Interest will begin to accrue on the day the check is invested. Your direct investment made by check is available for redemption on the sixth Business Day after the Processing Agent processes the investment of the check. For a direct investment made by check, the check must be in U.S. dollars and drawn on a financial institution organized under the laws of the United States. To terminate your direct investments, you must notify the issuer(s) of such check(s) or other payment(s).

## HOW TO REDEEM

You may redeem all or part of your First Class Demand Note by following the procedures described below. **If the amount to be redeemed includes any portion of an investment made by check, or by electronic transfer from your bank account, the redemption instructions will not be honored if the instructions are received within five Business Days from the receipt of such investment check or within three Business Days of receipt of an electronic transfer.** While the Notes will always remain redeemable at the option of holders at any time, we reserve the right at any time to modify, suspend or terminate any of the redemption methods described below. All redemption proceeds will be paid via check or electronic transfer (ACH or wire transfer). Interest on a redeemed investment accrues to, but does not include, the date of redemption. Any request for a change to your method of redemption or notice regarding your First Class Demand Note must be made on the applicable form.

### Automatic monthly or quarterly ACH redemption or monthly interest ACH redemption

If you select this option on the enrollment form, you authorize the Processing Agent to automatically redeem (a) on a monthly or quarterly basis a specified part of your First Class Demand Notes (minimum \$500) or (b) on a monthly basis, the interest accrued and posted to your First Class Demand Notes. These options are available only if there are designated bank account instructions for redemption by ACH on file with the Processing Agent. You can also select this option by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs). If you select either the automatic monthly or quarterly redemption option, the Processing Agent will establish the third Business Day prior to the end of the relevant month or quarter, as the case may be, as the redemption date. If you select the monthly interest redemption option, the Processing Agent will establish the last calendar day of such month as the redemption date. On the established redemption date, the Processing Agent will redeem a portion of your Note by an amount equal to the redemption amount that you have specified or, if you have elected Monthly Interest ACH Redemption, the interest amount that would have been credited to your Note for that month. The Processing Agent will send, via ACH transfer, the funds to your designated bank account. The funds will be credited to your bank account on the second Business Day following the established redemption date. This option will only be available if you have designated bank account instructions on file with the Processing Agent. If on the established redemption date for any Automatic Monthly or Quarterly ACH Redemption or Monthly Interest ACH Redemption, your First Class Demand Note does not have a principal amount of \$750 or more, the Processing Agent will not honor the redemption. You may terminate the Automatic Monthly or Quarterly ACH Redemption Option or Monthly Interest ACH Redemption Option online or by providing written notice to the Processing Agent. Such notice is effective as soon as practicable after receipt by the Processing Agent. You may also request the Automatic Monthly or Quarterly ACH Redemption or Monthly Interest ACH Redemption Option after you have submitted the enrollment form by providing the Processing Agent with a written request to add the desired automatic redemption option to the Note and by providing a set of bank account instructions. Your written request requires the signatures of all registered owners (including joint owners) of the First Class Demand Note exactly as the name(s) appear on the enrollment or last updated change form.

### Ad-hoc ACH redemption

If you select this option on the applicable form, you authorize the Processing Agent to act on telephonic, electronic, or written redemption instructions from any person representing himself or herself to be a registered owner of the First Class Demand Note. You may authorize, either through the automated phone system at 1-866-242-0120, through a customer service representative, by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs), or by written instruction to the Processing Agent to redeem your First Class Demand Note by an amount of \$500 or more upon request. If the ACH redemption request is received by 1:45pm Eastern Time on any Business Day, then the funds will settle on the next Business Day following such request. If the request is received by the Processing Agent after 1:45p.m. Eastern Time on any Business Day, then the funds will settle on the second Business Day following the date of such request. The Processing Agent's record of your instructions is binding.

You may also request the Ad-hoc ACH Redemption Option subsequent to opening your Note by providing the Processing Agent with a written request to add the option to the Note and by providing a set of bank account instructions. Your written request requires the signatures of all registered owners (including joint owners) of the Note exactly as the name(s) appear on record for your Note.

### **Redemption by Wire**

If you select this option during enrollment, you may redeem your Note, in part, during the Processing Agent's regular business hours, prior to 2:00 p.m. Eastern Time for same day receipt, by having redemption proceeds of \$1,000 or more wired to a pre-designated bank account. You will be assessed a \$15 fee for any wire transfer redemption in addition to any fees that your bank may charge you. By use of this option, you authorize the Processing Agent to act on telephone or written redemption instructions from any person representing himself or herself to be a registered owner of the Note. The Processing Agent's record of any such instructions is binding. To select the Redemption by Wire option, you must designate during enrollment an account at a bank in the United States to receive the redemption proceeds. Once established, you may use this option by accessing the First Class Demand Notes note holder website at [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs) or by calling the Processing Agent during regular business hours through the automated phone system at 1-866-242-0120. Upon receipt of wire redemption instructions, the Processing Agent will redeem a portion of your Note sufficient to cover the amount specified in your wire redemption instructions. If the redemption instructions are received by 2:00 p.m. Eastern Time on any Business Day, the Processing Agent will wire the redemption proceeds to the pre-designated bank account or Note on the same Business Day. If the redemption instructions are received after 2:00 p.m. Eastern Time on any Business Day, the Processing Agent will wire the redemption proceeds to the pre-designated bank account or Note on the next Business Day. You may add or change the Redemption by Wire instructions only upon written request to the Processing Agent accompanied by a signature of each registered owner (including joint owners) of the First Class Demand Note. Neither the Processing Agent nor MBFS is responsible for delays in the wiring of funds through the banking system or for the authenticity of redemption instructions.

### **Full redemption/note closure**

You may redeem your Note in full by providing telephone or written instructions to the Processing Agent to effect a full redemption. Written instructions must state your intention to redeem your Note in full and must be mailed to the Processing Agent. Upon receiving your instructions, the Processing Agent will redeem in full your Note, including accrued and unpaid interest to, but excluding, the date of redemption. The Processing Agent will mail a bank check to the registered address or process an ACH redemption.

### **OPTIONAL REDEMPTION OR SUSPENSION BY MBFS**

MBFS may redeem, at any time in its discretion, all or any part of the First Class Demand Notes. MBFS reserves the right to redeem immediately any Note of an investor who we believe, in our sole discretion, is abusing or misusing the redemption provisions of the Notes. MBFS may redeem, in our sole discretion, any particular Note that maintains a month end balance amount of less than \$250 for a period consisting of the two consecutive months immediately following the month in which the month end balance of the Note falls below \$250. Any redemption initiated by MBFS would be paid via check or ACH redemption to the former investor. If a redemption check is not cashed within 90 days, MBFS will send the funds to the former investor via ACH or check. MBFS or the Processing Agent may also suspend ACH transaction or wire transfer privileges or suspend compliance with an investor's instructions with respect to the Note, at any time at its sole discretion in order to comply with applicable law, to prevent fraud, or for any other business reason. Neither MBFS nor the Processing Agent is responsible for any losses that result due to a suspension or a redemption described in this paragraph.

### **MODIFICATION, SUSPENSION OR TERMINATION OF PROGRAM**

MBFS intends the First Class Demand Notes program to be a permanent method for investment but reserves the right at any time to terminate, to suspend or from time to time to modify the program in part or in its entirety, or in respect of



categories of investors, including but not limited to, investors located in one or more jurisdictions. MBFS may, in its discretion, temporarily suspend the acceptance of new investment in Notes without such suspension constituting a suspension or termination of the program. No termination, modification or suspension will affect your right to redeem your Notes, diminish the net aggregate principal amount of your Notes as of the effective date thereof or decrease the interest rate payable on the Notes for any period prior to the date on which the change in such interest rate is announced. If MBFS were to terminate the program, termination would be carried out by sending close-out checks or ACH redemptions to former investors.

## **GOVERNING LAW**

The Notes are governed by, and construed in accordance with, the laws of the State of New York.

## **PROCESSING AGENT**

MBFS has appointed The Bank of New York Mellon to act as the Processing Agent for the First Class Demand Notes. The Bank of New York Mellon is performing its duties under the Agreement solely as the processing agent of MBFS and service provider to MBFS and does not assume any obligation or relationship of agency or trust, for or with you or on your behalf. MBFS will issue the Notes offered hereby under the Agreement between the Company and The Bank of New York Mellon. The Company will not appoint a trustee and will not qualify an indenture under the Trust Indenture Act of 1939, as amended, with respect to the Notes. Services performed by the Processing Agent on behalf of MBFS include:

- investment and redemption processing and accounting;
- preparation of statements and other correspondence;
- investor servicing;
- monthly reporting of the principal amount of Notes, accrual of interest income and payment and reinvestment of interest accrued; and
- required tax reporting and filings with the federal government.

## **NOTICES AND LIMITATION OF LIABILITY**

You must promptly provide the Processing Agent with notice of any change in your address. Such notice must be in writing and must include your taxpayer identification number or social security number, the First Class Demand Note number assigned by the Processing Agent and the signatures of all registered owner(s) (including joint owners) on the First Class Demand Notes and must be signed exactly as the name(s) appear(s) on record for your Note. The notice must be mailed to the Processing Agent. Alternatively, an investor may provide notice of a change of address by visiting [www.eaccaccountservices.com/mbfs](http://www.eaccaccountservices.com/mbfs). The notice will be effective as soon as practicable after receipt thereof by the Processing Agent.

All notices, statements and communications provided to you by us or the Processing Agent pursuant to the provisions of the program will be deemed to have been duly given when electronically mailed, mailed by first-class mail, postage prepaid to the registered address of the registered owner(s) and all notices sent to your current address or current email address on record with the Processing Agent shall be deemed given to you personally, whether or not actually received. Statements can also be emailed at the customer's request via online preferences. You must exercise reasonable promptness in examining each monthly First Class Demand Notes statement mailed to you to determine the accuracy of all redemptions and investments made that month to your First Class Demand Note. Failure to promptly report to the Processing Agent an unauthorized payment will result in your being liable for any losses resulting from the payment. In no event shall MBFS or the Processing Agent be liable to you for any special, incidental, punitive, exemplary, indirect or consequential damages as a result of any redemption or attempted redemption by you or your failure to promptly report to the Processing Agent any other error on your monthly statement. All notices or communications from you to us and/or the Processing Agent must include your name and address, your tax identification or social security number and the First Class Demand Notes number assigned by the Processing Agent and must be signed by all registered owner(s) (including joint owners) of the First Class Demand Notes and must be signed exactly as the name(s) appear(s)

on record for your Note. Such notices or communications to us must be sent to: First Class Demand Notes, P.O. Box 535406, Pittsburgh, PA 15253. Neither we nor the Processing Agent shall be liable for any loss or expense to you caused directly or indirectly by a government restriction (including the suspension of banking or settlement), war, terrorism, a strike, a blackout, a pandemic or any other condition beyond our or the Processing Agent's control. In addition, neither the Company nor the Processing Agent will have any obligation to contest any legal proceeding brought against a Note by any third party nor be liable for any payment of redemption proceeds from a Note to anyone other than the registered owner as a result of a legal proceeding or governmental action.

In addition, under the Agreement, the Processing Agent is indemnified by MBFS and shall not be liable to you for losses arising as a result of the Processing Agent's performance of the services.

## **TAXES**

Payments of interest on the Notes are expected to be taxable in the year in which such interest is accrued or received (in accordance with the holder's method of tax accounting), regardless of whether such interest is reinvested. **Note holders that are not corporations or otherwise exempt will be issued a Form 1099 each year that states the full amount reported to the Internal Revenue Service as taxable income.** No part of such interest is excludible from taxable income, although it may not be subject to U.S. federal income tax in the hands of certain tax exempt holders. Backup withholding and information reporting requirements may apply to certain non-corporate U.S. holders. The interest income also may be subject to taxation by some state and local governments. The U.S. Federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their own independent tax advisors with respect to the tax consequences to them of the ownership and disposition of the Notes, including but not limited to the tax consequences under state, local, foreign and other tax laws, the effects of net investment income at certain income thresholds, characterization of the Notes as reset bonds or contingent payment debt instruments, and the possible effects of future changes in federal or other tax laws.

## **PLAN OF DISTRIBUTION**

The Notes are offered on a continuous basis by MBFS directly on its own behalf and no commissions will be paid. We may also from time to time designate agents through whom Notes may be offered. Only US citizens that are accredited investors, and Trusts, estates, partnerships, and corporations established in or under the laws of the US that are accredited investors, may participate in the program. We have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part.

## **LEGAL OPINION**

The legality of the Notes offered hereby were passed upon by Mayer Brown LLP, Chicago, Illinois.

## **DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

This private placement memorandum may contain various forward-looking statements that are based upon our current expectations and assumptions concerning future events that are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. The words "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of these words or similar expressions is intended to identify forward-looking statements. All statements contained in this private placement memorandum, other than statements of historical fact, including without limitation statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and actual results may differ materially due to numerous important factors. Many of these risks, uncertainties and assumptions are beyond our



control, and may cause actual results and performance to differ materially from our expectations. Accordingly, you should not place undue reliance on the forward-looking statements contained in this private placement memorandum. Such forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other such factors that affect the subject of these statements, except where expressly required by law. References in this private placement memorandum to “MBFS”, “we”, “us” and “our” are to Mercedes-Benz Financial Services USA LLC, a Delaware limited liability company. Unless the context otherwise requires, references to “Mercedes-Benz,” the “Mercedes-Benz Group” or the “Group” refer to Mercedes-Benz Group AG and its consolidated subsidiaries, or any one or more of them.

#### **RATIO OF EARNINGS TO FIXED CHARGES**

The ratio of earnings to fixed charges for the last two calendar years and the most recent interim period for which financial statements are available for Mercedes-Benz Financial Services USA LLC are available at [www.firstclassdemandnotes.com](http://www.firstclassdemandnotes.com) and [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs). Please visit the “Forms” or the “Documents” section of one of the aforementioned websites to download the current financial statements and to view the most up-to-date ratio of earnings to fixed charges included therein.

#### **FINANCIAL STATEMENTS**

The most recent financial statements prepared by Mercedes-Benz Financial Services USA LLC are available at [www.firstclassdemandnotes.com](http://www.firstclassdemandnotes.com) and [www.eaccountservices.com/mbfs](http://www.eaccountservices.com/mbfs). Please visit the “Forms” or the “Documents” section of one of the aforementioned websites to download the current financial statements. MBFS prepares financial statements for consolidation into Mercedes-Benz Group AG and intermediary parent financial statements. The special purpose consolidated financial statements of MBFS are presented in U.S. dollars (\$) and prepared using accounting principles consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ from standards with respect to United States generally accepted accounting principles (GAAP). The financial statements are unaudited. For specific questions regarding Mercedes-Benz Financial Services USA LLC please contact us in writing at the address below:

Mercedes-Benz Financial Services USA LLC  
First Class Demand Notes  
35555 W. Twelve Mile Rd., Suite 100  
Farmington Hills, MI 48331  
866-242-0120

## APPENDIX A – ACCREDITED INVESTOR DEFINITION

In order to be eligible to invest in the First Class Demand Notes program, a prospective investor must be an “accredited investor” as defined in Regulation D under the Securities Act. Under Regulation D as in effect on the date of this private placement memorandum, an investor is an “accredited investor” if he/she/it is either:

- 1) A natural person who has an individual net worth\*, or joint net worth with the person’s spouse, or spousal equivalent, that exceeds **\$1 million** at the time of the purchase;
- 2) A **natural person** individual income exceeding \$200,000 in each of the two most recent years or **joint income** with that person’s spouse, or spousal equivalent, exceeding **\$300,000** for each of those years and a reasonable expectation of reaching the same income level in the current year;;
- 3) A **tax exempt charitable organization, corporation, business trust or partnership** not formed for the specific purpose of enrolling in First Class Demand Notes with **total assets exceeding \$5 million**;
- 4) A **bank, savings and loan association, insurance company, SEC registered investment company, business development company, or licensed small business investment company**;
- 5) An **employee benefit plan**, within the meaning of the Employee Retirement Income Security Act, **if a bank, savings and loan association, insurance company, or SEC registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million**;
- 6) Any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status. The professional certifications or designations or credentials currently recognized by the SEC as satisfying this criteria are posted on the SEC’s website;
- 7) A **director or executive officer** of Mercedes-Benz Financial Services USA LLC;
- 8) Any **family office** with assets under management in excess of \$5 million that is not formed for the specific purpose of investing in Demand Notes and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment, or a **family client** of such a family office whose prospective investment in the Demand Notes is directed by such family office;
- 9) An **entity** in which **all the equity owners are accredited investors**; or
- 10) A **trust** with **assets in excess of \$5 million**, not formed to enroll in First Class Demand Notes, whose purchases are directed by a sophisticated person with such knowledge and experience in financial and business matters that is capable of evaluating the merits and risks of an investment in the Notes.

\*Note: In calculating net worth, 1) do not include your primary residence as an asset, and 2) do not include debt on your primary residence as a liability with two exceptions: a) include debt secured by the primary residence to the extent that the amount of debt is greater than the fair market value of the primary residence, and b) include any increase in the amount of debt secured by the primary residence in the last 60 days. All other assets or liabilities (e.g., secondary residences) are included to their full extent at fair market value.

## **APPENDIX B – INVESTOR VERIFICATION PROCESS**

Verifying the accredited investor status of all of our investors is an SEC requirement of our program. MBFS First Class Demand Notes will be using a third party (InvestReady) to complete accredited investor verifications on our behalf. We work closely with InvestReady to ensure this process is as simple and user-friendly as possible. The basic process requires each investor to upload some documentation to the vendor's website that proves the individual is an accredited investor. Based on how the investor qualifies as accredited (for example, income vs. net worth), a different set of documentation will be required. Please see the information below for a more thorough description of the process for each verification type.

### **Income**

Individuals are given the option to upload W2's, 1099's, and other official tax statements that document their income. This upload method generally has a turnaround time of 24-48 hours.

### **Net Worth**

Individuals will be asked to verify their net worth (excluding the value of their primary residence) through a user friendly online form and upload supporting asset statements with proof of ownership, an evaluation date, and the value of the asset. As noted above, the value of your primary residence is not considered an asset, but if you owe more on your mortgage than the value of your primary residence, that difference will count as a liability. InvestReady will obtain a copy of an individual's credit report from one of the three major credit bureaus in order to accurately verify an individual's liabilities. Obtaining the credit report will not affect the individual's credit score. All asset verifications require a credit report to be reviewed in order to comply with SEC regulations. The turnaround time for asset verifications can range from one to five business days.

### **Third Party**

This method allows the investor the option to upload a third party letter, or to give InvestReady permission to request a letter from the investor's service provider on the investor's behalf. In the first option, "Upload", the user can upload an existing letter of accredited status from a qualified third party, as specified by in the SEC regulations. This is common when the investor has already gone through the verification process elsewhere. The second option, "Request," allows the investor to enter the email address of their certified public accountant, attorney, registered investment advisor, or broker/dealer to furnish the verification. Once submitted, an automatic email and unique URL is triggered and sent to the verifier. The email contains instructions to follow the link and complete the verification for their client. The third party verifier has the option to use our "Letter Builder" which asks for specific information and autocompletes a compliant third party letter or to upload a letter of their own. For convenience, InvestReady provides sample letters for these verifiers. Finally, InvestReady also provides a free credit report to the third party verifier when they are making an asset verification. Third Party verifications take anywhere from one to five business days.

### **Trust/Corporate or other Entity**

This method of verification is for individuals who make their investments through a trust or an entity. There are several different ways a trust or entity can be considered accredited. Since trusts/entities are typically set up by an attorney or certified public accountant, InvestReady tries to streamline the third party verification method for this verification by asking the investor to simply submit an email address of a third party verifier. Since this is not always an option for the investor, InvestReady also provides verifications that rely on the \$5,000,000 in assets requirement (upon seeing proof of those assets, which can be securely uploaded for review) or by determining that all owners of the trust or entity are themselves accredited by having them all individually verified by one of the other three methods. This method typically has a similar turnaround time as a Third Party verification.