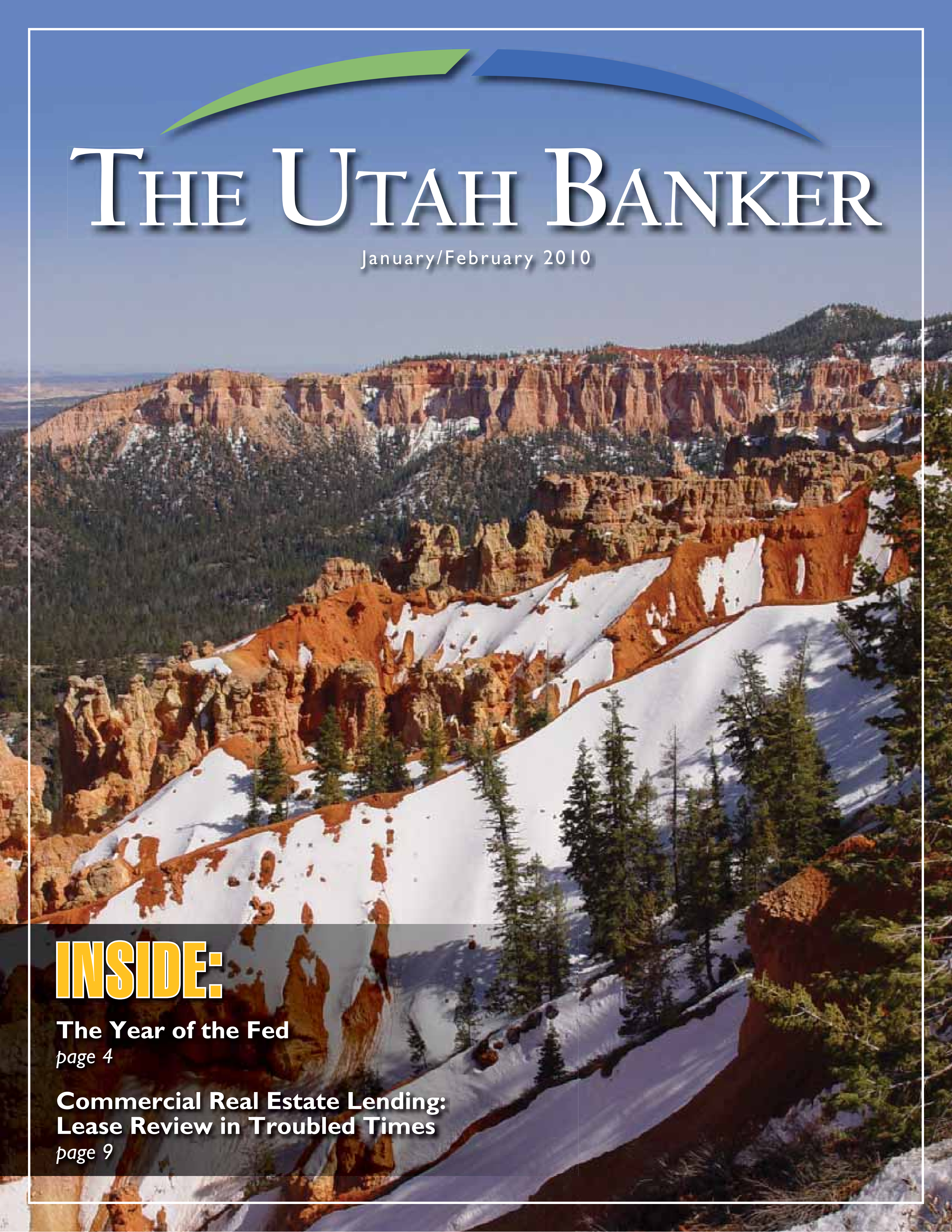

The Utah Banker

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UTAH BANKERS ASSOCIATION

A Century Of Service

The Official Publication of the Utah Bankers Association

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THE BOTTOM LINE

By Howard Headlee, UBA President

The Year of the Fed

The other night, I was driving home as a light snow fell from the sky. The roads were snow packed, as the plows had not yet had a chance to clear them. As I climbed a hill near my home, I was startled to see a dog running the wrong way down the middle of the road toward me. He was oblivious to the impending disaster.

I swerved to avoid killing him, and as I tried to move back into my lane of traffic, I did not have control over the direction of my car. Now, just like the dog, I was going the wrong way toward oncoming traffic. Luckily, my winter driving skills (honed in my youth in Michigan) kicked in, and I was able to return to my lane and avoid a collision. The dog wasn't as fortunate.

I share this story to illustrate the classic scenario where the over-reaction to a threat is potentially worse than the original threat. Something to keep in mind as we begin "The Year of the Fed" and begin to unwind the numerous programs that were implemented in response to the financial crisis.

Never before has the Fed and Congress employed so many devices to protect our economy from the natural consequences of our collective behavior over the past 10 years. Some purists have argued from the beginning that government intervention was inappropriate, and that we should have let nature take its course. However, the only way to prove them wrong would have been to allow our standard of living to fall to levels most people would find intolerable.

I am convinced that without some intervention, the basic ability to transact business, transport goods and services, and take care of our basic needs would have been threatened. Unemployment would have been far worse. The amount of pain throughout our community would have been enormous. Luckily, we may never know, but as one who has a front row seat, I can tell you that my generation has never known or even imagined the type of pain we just avoided.

Nonetheless, the debate surrounding the implementation of these government programs will pale in comparison to the debate surrounding the way we

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Our Bottom Line is You

Reflections and Perspective

CHAIRMAN'S MESSAGE

By Sheldon Woods, UBA Chairman

We are now embarking on a new decade… and I'm still trying to figure out what to appropriately call it? As I reflect on the past decade, called the 2000s, which began with unprecedented growth and prosperity, but ended in a dismal economic downturn, I am reminded of my grandfather, who experienced the great depression.

I specifically remember as a youngster helping him to build a deck for a family much less fortunate than ours. I was amazed and frustrated with the amount of time we spent straightening old rusty nails for the project. I wondered why we didn't just buy a box of shiny new nails. But I learned from him that as a result of his experiences during the depression, he assumed the motto of "wear it out, use it up, do without."

My grandfather built his home in Pleasant Grove, Utah. What is now the laundry room of the home (which my grandmother still lives in) began as a chicken coop. It was initially enclosed to become the original kitchen. As resources were available, grandpa added one room at a time… while he and grandma raised seven children.

Clearly, grandpa's experiences during the great depression shaped his lifestyle and financial behavior. It makes me wonder how our generation will respond to the experiences of what is now being called the "great recession." Will society, in general, adjust financial behavior, or simply wait out this storm and return to the unsustainable purchase and consumption of shiny things—starter mansions, luxury vehicles, etc.—financed with exotic (or creative) financing schemes?

It is my hope that houses will once again become homes that people actually intend to live in and pay for, that personal wealth will not be defined by how much we spend in relation to our income, that "save now and spend later" will be viewed as smart rather than old fashioned.

I am fortunate, either by dumb luck or a variety of extenuating circumstances, that my individual situation has not been completely devastated by the recent economic events. Luckily, I have no need to use the old nails that remain

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unwind them. One of the most controversial factors will be timing. During the crisis, the answer to the question of "when" was always clear—immediately! But now the question of "when" will have as many answers as there are opinions, from Wall Street to Congress. A year from now, some will undoubtedly say the Fed acted too soon; others too late. Some will say the Fed did too much; others too little.

The fact is, there is no way to painlessly unwind all this stimulus. Even if the Fed were to get it perfectly right, there is no way to accomplish what needs to be accomplished without some pain. We can argue that one exit strategy or its timing would have been less painful than another; nonetheless, some level of pain is in the forecast. Our only resort is to anticipate, plan, and prepare.

In the end, will the pain associated with unwinding the stimulative solutions to the crisis be less than the pain we were trying to avoid? (This brings me back to my story about the dog in the road.) All I can say is, I sure hope so.

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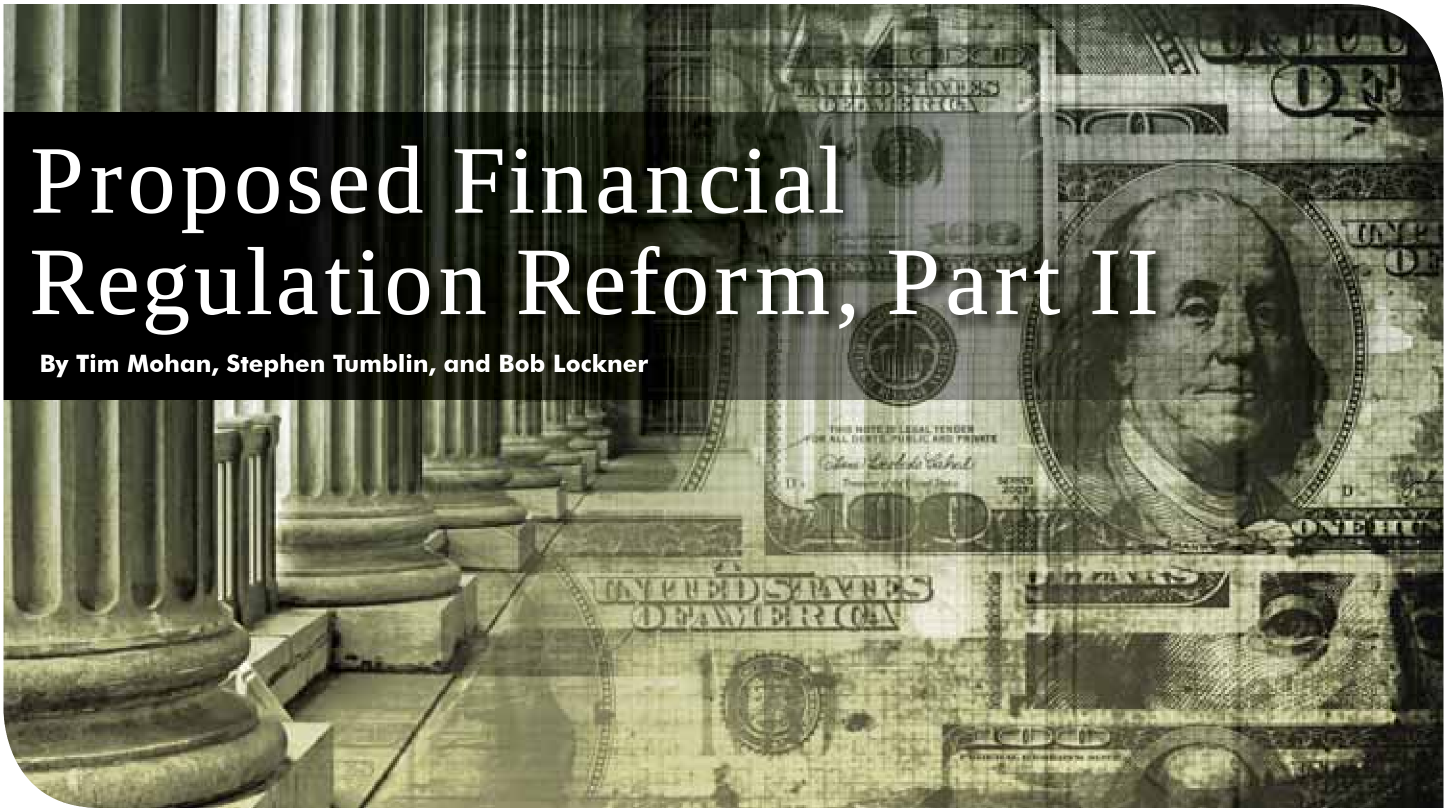
securely stored in my grandpa's shop for my next construction project. However, I am committed to the notion that my children, and young people just like them, should have access to the right tools to build their financial stability.

Like my grandpa before me, I will not forget the important lessons of the *"Great Recession of the 2000s."* It has already reshaped the way that we do business and will surely have some impact on nearly all the decisions I make going forward.

Likewise, Congress and our regulators will have a significant impact on the way our industry moves beyond the decade of the 2000s. By participating in the upcoming caucus meetings and supporting candidates that truly represent our beliefs and our communities, I believe that we can help to shape that recovery. I long for the day when the only remaining impact of the "great recession" will be the lessons we have learned that will serve us well in to the 21st Century.



Proposed Financial Regulation Reform, Part II

By Tim Mohan, Stephen Tumblin, and Bob Lockner

In the November/December issue of the Utah Banker, attorneys from Chapman and Cutler detailed the first six titles of the proposed financial regulation reform. Following is a continuance of that article focusing on the remaining seven titles.

Title VII—Regulation of Derivatives

Title VII would dramatically alter the "over-the-counter derivatives" market by giving the CFTC and SEC authority to determine what is a standardized derivative (which would be required to be traded and cleared through a regulated facility) and what margin, capital, and other requirements would apply to non-standardized derivatives and the parties (other than banks) that deal in them. Banking regulators would be directed to apply the same types of standards to banks. Non-standardized derivatives transactions would have to be reported to regulators to permit monitoring of positions.

Title VIII—Regulation of Financial Market Utilities

Title VIII would give the Federal Reserve new powers to designate and then regulate any "financial market utility" (such as a payment, settlement, or clearing system) that is "systemically important."

Title IX—Additional Improvements

Title IX is divided into 5 "subtitles."

Subtitle A—Expansion of Customer Duties

Subtitle A would authorize the SEC to apply the same customer duties (most notably "fiduciary" rather than merely "suitability" standards) to broker-dealers as investment advisers and to require delivery of sales materials or other information before rather than after sales. It would also make permanent the SEC's "investor advisory committee" and authorize consumer testing.

Subtitle B—SEC Authority to Restrict Ability of Broker Dealers to Require Arbitration

Subtitle B would give the SEC broader enforcement authority and allow it to restrict the ability of a broker or dealer to require arbitration with its customers.

Subtitle C—SEC Rating Agency Oversight

Subtitle C would give the SEC greater authority over rating agencies and would require certain protections against conflicts of interest at rating agencies.

Subtitle D—Executive Pay

Subtitle D would require public companies to include in proxy statements a non-binding shareholder vote on executive pay and would establish rules for the compensation committee and executive pay consultants of listed companies.

Subtitle E—Securitization Reforms

Subtitle E would require the SEC and federal banking regulators to establish rules requiring "securitizers" (issuers or underwriters) to retain at least 5% of the credit risk of securitization transactions that meet the eligibility requirements of SEC Rule AB. At least as proposed, therefore, this requirement would not apply to the many types of private transactions (such as most ABCP conduit securitizations) that would not be eligible for Regulation AB treatment. The rules (however they may be adopted by the SEC and banking regulators) would apply to eligible transactions even if not sold in a public offering permitted by Regulation AB. Subtitle E would also require increased loan level and rating agency disclosures for public securitization transactions.

Title X—Consumer Financial Protection Agency

Title X is perhaps the most controversial proposal. It would establish a Consumer Financial Protection Agency (CFPA) that would take over federal consumer protection authorities currently held by federal banking regulators. The CFPA would, like the SEC and CFTC, have 5 members appointed by the President, with the difference that the new Director of the National Bank Supervisor would be a member. The CFPA would have broad discretion to issue and supervise rules to ensure "consumers have and understand information to make decisions about consumer financial products", that consumers are "protected from abuse" and that "all consumers have access to financial services." The Federal Reserve and other bank regulators have argued they should retain the consumer protection powers they have under existing law in order to integrate that authority with their overall authority over banks.

Title X would also overturn existing federal preemptions of state consumer protection and other rules for national bank and other federal institutions. The days of different products for different jurisdictions would likely return.

Title XI—FTC and CFPA Consultation

Title XI provides for consultation between the Federal Trade Commission and the new CFPA.

Title XII—Resolution of "Systemically Important" Companies

Title XII is the Treasury Department's attempt to deal with the widespread complaint that in 2008 federal regulators did not have sufficient authority to "resolve" Bear Stearns, Lehman Brothers, AIG and other troubled "systemically important" companies. Under Title XII, any Tier 1 FHC and any bank holding company (even if not a Tier 1 FHC) could be subject to bank style "resolution." The model would be the FDIC's broad authorities in "resolving" banks, including authorities much broader than those in the Bankruptcy Code to avoid contracts, security interests, and other claims and to transfer "qualified financial contracts" such as derivatives or repos.

Critically, the Treasury Department would have the discretion to use these special rules but would not be required to do so even for the largest and most active Tier 1 FHCs. The Treasury Secretary, in consultation with the Federal Reserve Board and the FDIC or the SEC (if the largest subsidiary by assets is a broker or dealer) and only with the recommendation of 2/3ds of the members of the boards (for the Federal Reserve and FDIC) or commission (for the SEC) , would decide whether "resolving" that company and its non-regulated subsidiaries under the Bankruptcy Code would have "serious adverse effects" on financial stability or economic conditions in the US. If so, the Treasury Department could invoke the special resolution rules (to be administered by the FDIC or SEC) to resolve the holding company and any of its subsidiaries other than a regulated bank, broker-dealer, or insurance company. Those regulated companies would continue to be subject to the special federal or state rules that apply to their insolvencies.

Title XIII—Treasury Approval of Federal Reserve Emergency Lending Authority

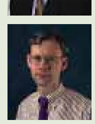
Title XIII would require that the Treasury Secretary approve the Federal Reserve's use of its "emergency lending" authority. While the Federal Reserve's 2008 use of that authority was supported by then Treasury Secretary Paulson, this is considered by some an important "check" on Federal Reserve authority and, by others, as undercutting its independence.

Legislative Developments

The Federal Reserve Bank of Saint Louis maintains on its website a useful page (http://www.stlouisfed.org/regtimeline/pdf/Timeline.pdf) that tracks the progress of the various financial reform proposals and provides links to hearings and other materials. We will issue further updates describing in more detail specific parts of the legislation currently proposed and will follow further developments.

This document has been prepared by Chapman and Cutler LLP attorneys for informational purposes only. It is general in nature and based on authorities that are subject to change. It is not intended as legal advice. Accordingly, readers should consult with, and seek the advice of, their own counsel with respect to any individual situation that involves the material contained in this document, the application of such material to their specific circumstances, or any questions relating to their own affairs that may be raised by such material.





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Commercial Real Estate Lending: Lease Review in Troubled Times

Every banker is keenly aware of the effects of the economic downturn of 2009 on the access to credit for commercial real estate developers and projects. Economists predict that the new year will not usher in significantly different times.

In considering loans secured by multi-tenant income-producing property, such as an office building or shopping center, lenders have become more sensitive to the quality of the borrower's lease agreements with its tenants.

When underwriting a loan for commercial property, a thorough review of all leases affecting the property is critical, since the income streams generated by the leases will be the primary source of funds for debt service. Additionally, bankers realize that today's real property collateral may easily become tomorrow's REO asset, so a thorough review is required to understand potential future responsibilities in the event that the bank acquires title to the property. Although the specific type of lease and project generally dictate areas of concern, the following guidelines should uniformly be considered during any lease review.

Know the Basics

Prior to reviewing the substantive provisions of any lease, the banker should first become familiar with the basics of the lease and the project.

First, understand the project. By confirming the location of the project, type of project (e.g., office, retail, industrial), and number and mix of tenants, the bank can streamline its review by identifying critical issues specific to the particular project.

Second, obtain all documents. The banker should verify that the lease is fully executed and contains all exhibits, riders, and schedules, and should obtain complete copies of all amendments and any ancillary documents, such as guaranty agreements or commencement date agreements.

Third, confirm the parties. The banker should confirm that the legal names of landlord, tenant and guarantor, if applicable, are used in the lease, that the parties are in existence and in good standing in their state of formation, and, to the extent formed in a state other than where the property is located, that the parties are authorized to do business in such state.

Review the Lease as Part of the Collateral

To understand the reliability of the income stream presented from the leases, banks need to examine, at a minimum, the following components of the lease:

The Tenant and its Financial Capacity. The bank must evaluate the creditworthiness of the tenant. As part of this analysis, the banker should confirm (a) the type of tenant (e.g., individual, single purpose entity, parent or other party related to the borrower) and (b) whether the lease has been guaranteed and if there are other credit enhancements such as letters of credit, security deposits, or prepaid rents or CAM charges. If the lease has been guaranteed, the banker should also con-

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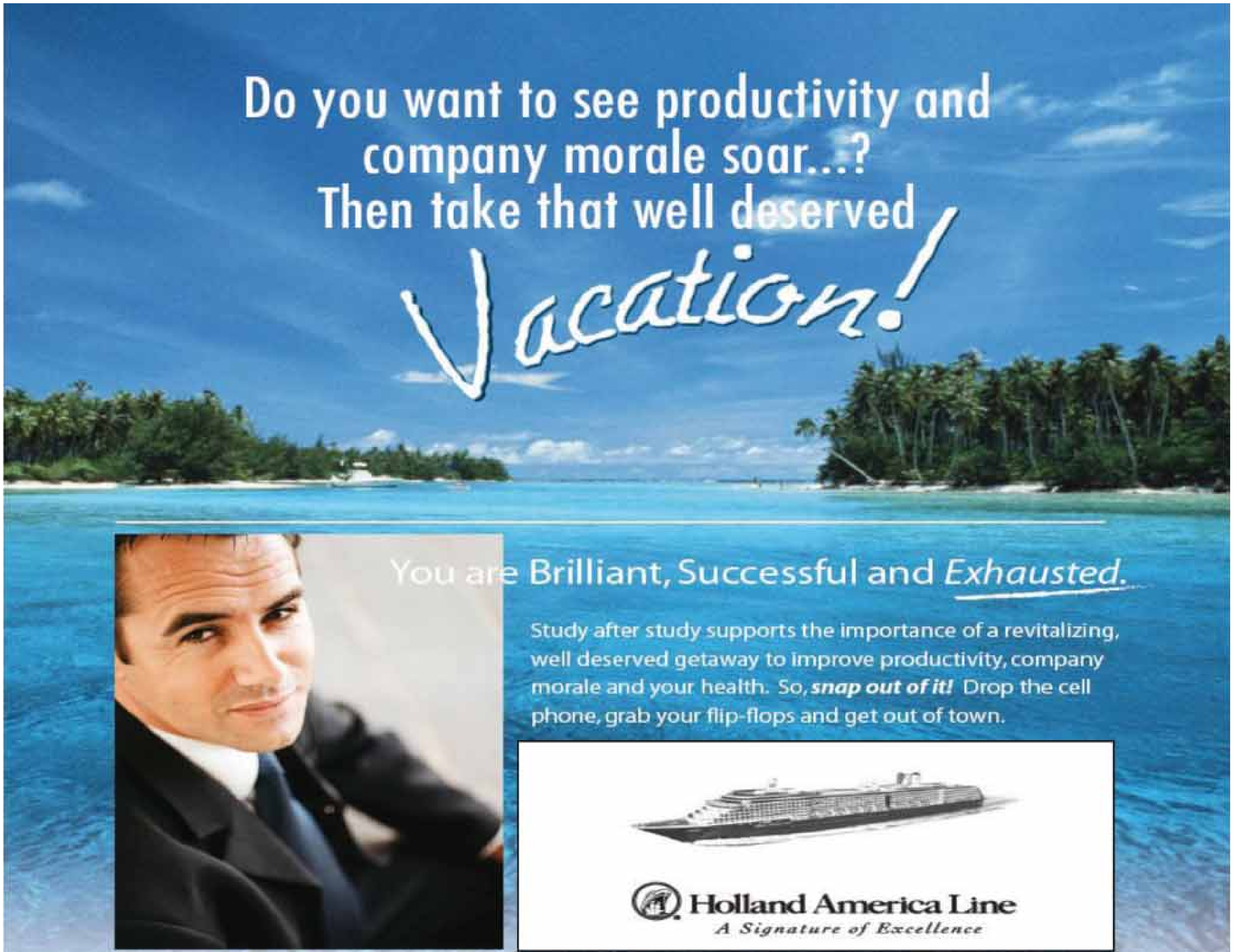

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firm (i) the type of guarantor (e.g. individual, parent or other party related to the borrower), (ii) whether the guarantee is full or limited, and (iii) whether the guarantor can be released from the guarantee prior to the end of the lease term.

Right to Assign and Sublet. Once the bank understands the creditworthiness of the tenant, the banker must consider the tenant's ability to exit the lease by assigning its rights under the lease or subletting the premises. In the event the lease permits the tenant to assign and/or sublet, the banker should confirm whether the lease limits these rights based upon the financial viability, reputation, and type of business of the proposed assignee or sublessee, and whether the tenant remains liable on the lease after the transfer to the proposed assignee or sublessee.

The Term and Tenant's Rights to Extend, Terminate and Purchase. The term of the lease and the tenant's ability to extend and/or terminate the term heavily influence the income stream. The value of a lease increases as the length of the initial term increases. Extension options should be considered, but not given much weight, since a tenant is generally not obligated to extend. Extension options should be reviewed, however, to determine the rent terms for the renewal period. Ideally, rent for any extension period will be the fair market rental rate versus a predetermined rate that may not account for inflation. Termination rights should also be examined. Tenant termination rights often arise upon condemnation or destruction of the project, failure of landlord to complete a construction obligation or reimburse tenant for a monetary obligation within the time frame set forth in the lease, failure of landlord to provide essential services such as utilities for a specified time period, and/or loss of an anchor tenant. The banker should also view any option to purchase as an effective termination right since the term of the lease will end if the option is exercised. Additionally, if the bank has notice of a tenant's option to purchase and the lease granting such option is prior and not subordinate to the deed of trust, the property may be acquired free of the liens securing the bank's loan.

The Rent and Tenant's Rights to Abate and Offset. Rent is generally the most important provision in the lease. The banker must confirm the effective rent rates for the term of the lease by examining free rent periods, tenant improvement allowances, services provided by landlord without charge, and any other inducements to the tenant that would affect rent. Secondly, the banker should evaluate the consistency of the rent stream by taking note of all lease provisions that permit the tenant to abate or offset rent (e.g., upon default by landlord, loss of one or more anchor tenants, exercise of tenant's self-help rights).

Review the Lease as Part of the REO Asset

In addition to reviewing a lease for its value as loan collateral and project net operating income, banks should place equal importance on reviewing the lease as part of a potential REO asset in the event the bank acquires title to the property. This review requires the bank to identify the liabilities and obligations for which they may be responsible if they take title to the project and the affect of such liabilities and obligations on the future marketability of the project. The banker should carefully consider, at a minimum, the following components of the lease, each of which may result in open-ended monetary obligations or unquantifiable risks for the bank which would need to be addressed and resolved in an estoppel certificate and subordination, non-disturbance and attornment agreement with the tenant:

Construction Obligations. The landlord's construction obligations should be reviewed along with tenant's rights and remedies upon the landlord's failure to complete these obligations. Most banks are reticent to obligate themselves to complete construction of the project since they are not well equipped to manage even smaller building projects. There is also the risk of patent or latent defects in construction of the project. In addition, most leases include provisions regarding the construction of tenant improvements. Often, the tenant is required to complete the work, but will be reimbursed by landlord with a tenant improvement allowance upon satisfying certain conditions. On occasion, however, the landlord is required to complete the work at its sole cost. To understand the bank's potential liability once it acquires the project, the banker must know the party obligated to completing the work and by what date, the cost of the work, who is paying for the work, and who is liable for any post-construction improvements and maintenance.

Environmental Liabilities. The banker must review the environmental provisions in the lease and the responsibilities of each party in the event an environmental issue arises. Most importantly, the banker should evaluate the sufficiency of provisions requiring tenant to indemnify landlord for tenant's failure to comply with laws regarding the storage, use, and disposal of hazardous substances, and whether such provisions survive expiration or earlier termination of the lease.

Landlord Liability. The banker should verify that the lease includes a provision limiting the liability of the landlord to its equity interest in the project and solely to those issues arising during its period of ownership.

This article is not a comprehensive outline of all lease-related issues affecting commercial real estate loans, and in particular, does not address the unique issues that arise with ground leases and the related leasehold estates. However, many key components are addressed that should be given additional time and consideration when reviewing a lease in the current economic climate.

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Federal Reserve Risk Oversight Includes Guidance on Sound Incentive Compensation Policies

By Eleanor Bloxham, CEO, The Value Alliance

No matter how the rest of the legislative and regulatory landscape shakes out, it appears clear that the Federal Reserve (FRB) is stepping up its oversight of bank risk practices.

Placing banks in two categories, Large Complex Banking Organizations (LCBO) and others, the FRB is laying out the framework for short term and longer range changes to its oversight of compensation and risk practices and policies. The expectations outlined by the FRB apply to all those the FRB supervises including, "US bank holding companies, state member banks, Edge and Agreement corporations, and US operations of foreign banks with a branch, agency, or commercial lending company subsidiary in the United States."

In outlining its guidance on sound compensation policies, the FRB has said that reviews of bank practices with respect to compensation will impact both ratings and enforcement.

Regarding ratings, the FRB findings will be incorporated into the bank's ratings related to risk management, internal controls and corporate governance.

Relating to enforcement, the FRB has stated that it may take enforcement action if it deems that a bank's "compensation arrangement or related risk management, control, or governance processes poses a risk to the safety and soundness of the organization." (Federal Reserve Proposed Guidelines, October 22, 2009)

There are several key areas of guidance that impact the design of compensation programs and bank operations.

1 *Performance metrics are key.* According to the guidelines, "The performance measures used in an incentive compensation arrangement have an important effect on the incentives provided employees."

2 *Incentive compensation should consider risk and reward, and different payments should be made for different levels of risk.*

According to the guidelines, "An incentive compensation arrangement is balanced when the amounts paid to an employee appropriately take into account the risks, as well as the financial benefits, from the employee's activities and the impact of those activities on the organization's safety and soundness." [Employee refers to executives and non-executives whose activities impact the risk in the business.] "Under a balanced incentive compensation arrangement, two employees who generate the same amount of short-term revenue or profit for an organization should not receive the same amount of incentive compensation if the risks taken by the employees in generating that revenue or profit differ materially." According to the guidelines, programs "should be implemented so that actual payments vary based on risks or risk outcomes."

3 *All risks should be considered.* According to the guidelines, banks "should consider the full range of current and potential risks associated with the activities of employees, including the cost and amount of capital and liquidity needed to support those risks" ... "including credit, market, liquidity, operational, legal, compliance, and reputational risks" ... "as well as the time horizon over which those risks may be realized."

4 *New incentive compensation program features should be implemented, as needed, and existing program features should be reviewed and revised.*

Suggested program features for consideration in the new incentive compensation programs include the use of risk adjustment of awards, deferral of payment, longer performance periods, and reduced sensitivity to short-term performance. Existing program features such as "Golden parachutes," and the vesting arrangements for deferred compensation, should be reviewed for their impact on "risk-taking behavior."

5 *Communications to employees are important to ensuring the incentive compensation program's success.*

Communications regarding the relationship between risk and payment should be a high priority.

6 *Supporting the incentive program design should be appropriate risk management practices and board involvement and oversight.*

Integrity in the risk measures must be ensured. There should be regular reviews and oversight of the compensation programs, including the input of relevant parties related to risks. The guidance states, "The board of directors of an organization is ultimately responsible for ensuring that the organization's incentive compensation arrangements are appropriately balanced and do not jeopardize the safety and soundness of the organization." The board should receive regular reports that review compensation programs and awards relative to risk outcomes. "While the retention and use of outside parties may be helpful, the board retains ultimate responsibility for ensuring that the organization's incentive compensation arrangements are consistent with safety and soundness."

7 *A systematic approach, particularly for large organizations, is recommended.*

The systematic approach includes: identifying employees who may expose the organization to material risks, either singly or as a group; identifying the types and time horizons of risks impacted; identifying and including performance measures and other mechanisms to address risk taking; communicating with employees about the plan; and monitoring, oversight, and modification of the programs over time.

Next Steps to Take

For some banks, compliance with the guidance will take more effort than for others. Banks who have engaged in some risk quantification efforts in the past will find that the requirements outlined by the FRB represent an extension of those efforts into the management system of the bank i.e. planning, budgeting, metrics, and rewards.

We had the experience of being the first to develop programs of this kind here in Ohio beginning in the late 1990s. While the process may seem foreign to some banks, the type of program design being articulated in this guidance is actually workable, and if properly implemented, will add value to the firm's strategy processes and risk management structures overall.

The first step to doing this well, while seemingly easy to state, is the challenge of clearing the mental hurdle of wanting to make the change. To some extent, the FRB, by setting out the guidance, creates that will. However, even with the stated objective, each bank will need to work on laying the groundwork: mental readiness.

Next, based on our experience, the steps outlined by the FRB as a systematic approach make sense.

Determining the groups to be covered, such as relationship managers and executives, helps to set the parameters for the risk and metrics quantification. Risk quantification should then come next. (If the bank is new to this, this is one of the most time consuming elements of the process.)

Developing the performance metrics comes next, and should include a careful review of the consequences, intended or not, of any metric designed. For example, many banks are familiar with RAROC (risk adjusted return on capital) measures. These measures serve a purpose but are not suitable for incentive design due to the unintended consequences they create, such as a tendency to shrink profitable (on a risk adjusted basis) business.

Only after the performance metrics have been properly designed, the focus should turn to the time horizon parameters in the compensation program. These include considerations of the time horizon for payouts and methods for establishing the amounts. The "draft" program, as designed, should then be tested through scenario analysis and revised as needed.

Once it has received all sign-offs, including board acceptance, clear communications materials should be distributed to staff along with meetings to discuss the changes. (In advance of this, the bank may want to conduct metrics training so that the staff is better prepared to absorb the compensation changes when they occur.) The board should ensure the integrity of the process from metrics through design and establish mechanisms to ensure the integrity throughout the reporting cycles.

When implemented properly, the bank will gain benefits in both the short and long term. It may be a bit trying for banks during implementation, but the structure recommended will strengthen our banking system. Before that happens, one outcome that will probably happen quickly: changes in pricing for bank services as more banks revise and update their risk management capabilities and outlooks.

About the Author:

Eleanor Bloxham, CEO of the advisory firm, The Value Alliance (www.thevaluealliance.com), is a former banker who has implemented the programs now required by the FRB guidance. She has authored two books and numerous articles and is frequently consulted by the press for her insights on emerging topics and issues. She welcomes your questions and comments: ebloxham@thevaluealliance.com

Bank Kudos

Bank of American Fork Teddy Bear Project Collects 7500 Bears

Bank of American Fork's 10th annual Project Teddy Bear collected 7,500 teddy bears and other stuffed animals for thousands of Utah's at-risk children. Stuffed animals were donated by customers, employees and community members, and given to the Utah Valley Family Support & Treatment Center and the Salt Lake County Family Support Center.

"The work that is done by these family support centers is crucial in protecting children and strengthening Utah's families," said Richard Beard, Bank of American Fork president and CEO. "As a community bank, Bank of American Fork is committed to being a strong partner with local organizations like the family support centers. We're so pleased to have had another very successful teddy bear drive."

Kid*Smart* Account Teaches Children to Save

Bank of American Fork has rolled out its new Kid*Smart* account, a savings account for kids under 18. The account pays 0.50% interest APY more than the bank's regular savings account on the first $1,000 and has no minimum balance requirement. The account is designed to incentivize and reward children for developing good savings habits at an early age.

"We recognize that today's children are tomorrow's leaders and feel a responsibility to help them learn financial responsibility," said Rick Beard, Bank of American Fork president and CEO. "Kid*Smart* is one way we can teach children about the benefits of saving. I'm excited for this opportunity and hope there are many children that will participate."

Kid*Smart* savings accounts can be opened at any of Bank of American Fork's 12 branches throughout Salt Lake and Utah counties. For more information, visit bankaf.com.

Central Bank's Angel Tree Program Had Another Successful Year

This year Central Bank was able to help 58 families with 175 children total. Many community members throughout Utah County made donations to the program and Central Bank was able to match $5,000.00 to help local families who were in need this holiday season. Along with toys for the children, coats, boots, gloves, hygiene products, clothing, blankets, bedding, furniture and groceries were also bought and donated to these families.

As well as helping families in need throughout Utah County, Central Bank also chose the Division of Child and Family Services (DCFS) to donate to. Central Bank will be spending time at the DCFS in January painting the walls in hopes to create a happier place for the children. Central Bank will also be donating new toys for the children to play with while they are there.

Bishoff Named Citizen of the Year

On Oct. 24, **Ken Bishoff,** a commercial relationship manager for Zions Bank, was named Citizen of the Year by the Chamber of Commerce in Moab. Bishoff is involved in several community organizations, including the Grand County Domestic Violence Coalition, the Grand County Homeless Coalition Group, Grand County's Search and Rescue program, and more.

Ken Bishoff (left) is awarded Citizen of the Year at the Moab Chamber of Commerce Banquet.

Kirk Receives 2009 Pathfinder Award

The Salt Lake Chamber honored **Diana Kirk,** executive vice president and director of Private Services for Zions Bank,

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Diana Kirk is named a recipient of the Salt Lake Chamber's 2009 Pathfinder award.

with a 2009 Pathfinder award. Kirk was one of four women to receive the award on Nov. 10, which is presented annually to community leaders who have a history of support for women and women's issues and who have worked to further the development and recognition of women.

Kirk is an active member of the Executive Board of the Chamber's Board of Governors. She also serves as the Business and Personal Development Chair and as the Chair of the Advisory Board for the Women's Business Center. She has also been Chair of the Diplomats and has been a member of the Presidents Club.

NAGGL Honors Zions Bank for SBA Lending

The National Association of Government Guaranteed Lenders honored Zions Bank with the Distinguished Service Award marking the first time NAGGL has given the award to a financial institution and not to an individual. **Lori Chillingworth,** senior vice president and director of Business Banking, accepted the award on behalf of the bank.

Lori Chillingworth (center) accepts NAGGL's Distinguished Service Award on behalf of Zions Bank on Oct. 28 at the association's 25th anniversary conference. NAGGL chairman of the board Greg Clarkson, **Howard Anderson, Rick Chidester,** Chillingworth, **Cece Mitchell, Cyndi Hatch,** and NAGGL president and CEO Tony Wilkinson attend the awards presentation.

The Distinguished Service Award is presented annually to recognize outstanding contributions to NAGGL and Small Business Administration lending. Zions Bank, which has ranked as the No. 1 SBA lender in Utah for 16 consecutive years and in Idaho for eight consecutive years, was honored for its leadership, for being instrumental with financial support and government relations, and for it's commitment to SBA lending.

NAGGL serves the needs and represent the interests of the small business lending community that utilizes SBA and other government guaranteed loan programs.

BANKERS ON THE MOVE

Michael Miner, Bank of American Fork, was recently promoted to assistant branch operations manager at the American Fork branch.

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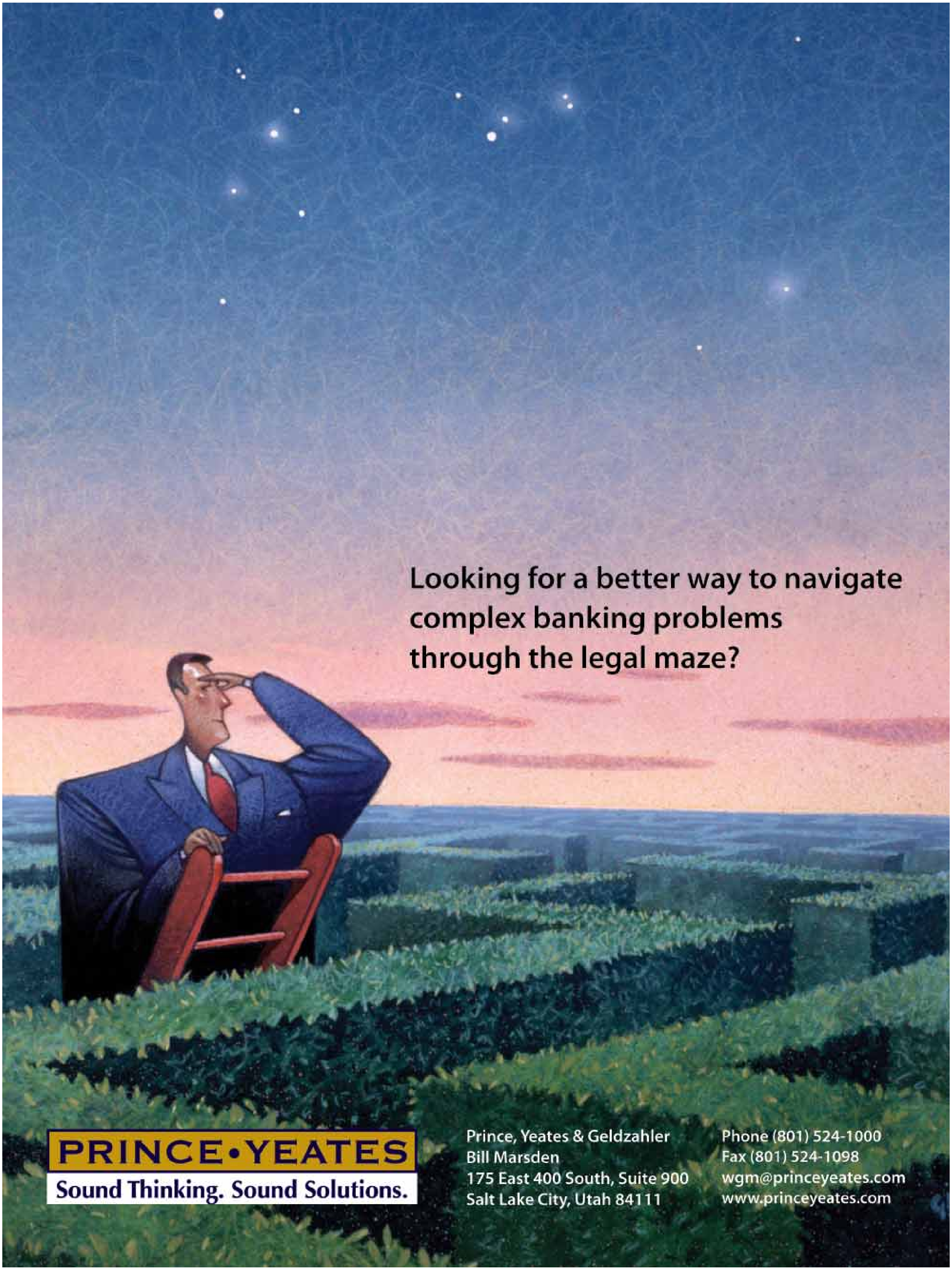

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This magazine is designed and published by Media Communications Group | 1.888.745.4003