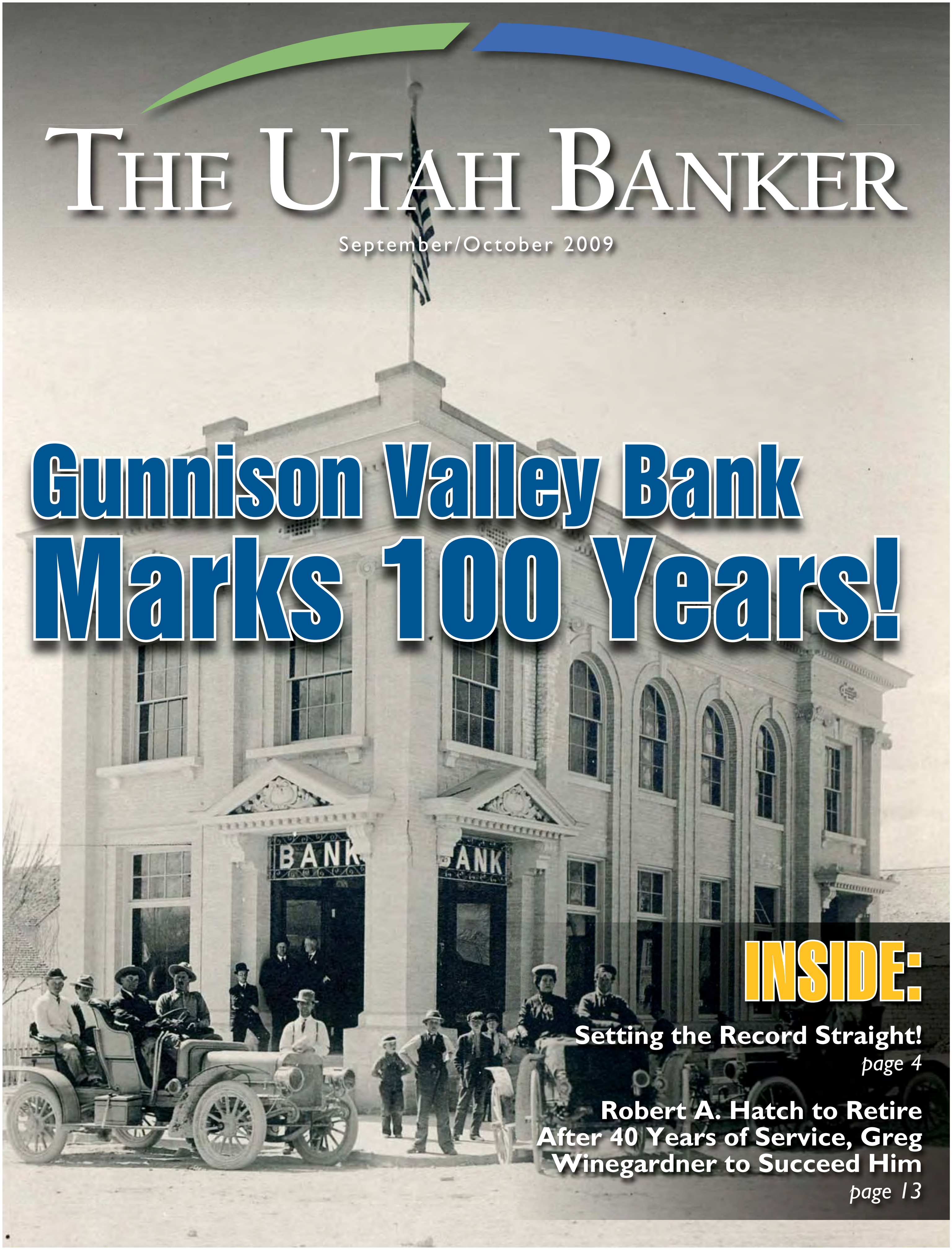
The Utah Banker

September/October 2009



Gunnison Valley Bank Marks 100 Years!

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UTAH BANKERS ASSOCIATION

A Century Of Service

The Official Publication of the Utah Bankers Association

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Setting the Record Straight!

THE BOTTOM LINE

By Howard Headlee, UBA President

Public perception is a lot like cement. It starts out fluid, but once it settles it is very hard to reshape. Over the past 12 months, the word "bank" has been continually misused and the banking industry has been repeatedly smeared.

Defending our reputation has not been at the top of our "to do" list. Bankers have been working long hours to limit the financial damage of the crisis and keep our local economies and communities moving forward. But public perception is quickly settling and it is time for us to get busy setting the record straight.

First and foremost, Utah's FDIC insured banks did not make irresponsible or "toxic" loans. The fact is, real, FDIC insured banks have spoken out for years against unregulated lenders making exotic and risky loans. More than 95% of the toxic mortgages were made by unregulated, non-bank lenders. In fact, I can vividly remember not so long ago when banks were being criticized for being too conservative when it came to mortgage and real estate lending.

Second, Utah banks, "real FDIC-insured banks" did not take "bailouts!" The word "bailout" is the product of a lazy and misinformed media. The money received by real banks under the TARP's Capital Purchase Program (CPP) must be (and is being) paid back with interest! This CPP money came with very expensive terms and the US Treasury is making profits in excess of 20% on its investment in healthy banks. The fact that it was only invested in healthy banks is even more proof that it was not a bailout. This investment, popular or not, did prevent a significant decline in lending at a time when a further drop in lending would have been disastrous.

So why is this important? Banks are at the heart of our economy and our communities. When banks are successful, everyone is successful. When banks struggle, everyone struggles. You can't attack banks and not damage the strength of the whole economy. I have no doubt that much of the attack on our banking system is being driven by those who would like to see the US take a less "free market" direction. By pointing at the wrong cause and the wrong culprits, some policy makers are free to prescribe the wrong medicine: more regulation, more federal control, centralized regulators, and fewer, larger banks.

Others have promoted the misinformation to gain a competitive advantage. I have been extremely disappointed to

Our Bottom Line is You

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Trying Times

CHAIRMAN'S MESSAGE

By Sheldon Woods, UBA Chairman

The headlines in recent media articles make it very clear—this is a tough time for the banking industry. You, like me, have no doubt read with great interest. One recent article reported the following regarding the FDIC's release of its Quarterly Banking Profile:

"In the second quarter the industry lost $3.7 billion, credit quality dropped to all-time lows, the troubled-bank list reached a 15-year high and federal reserves backing deposits fell to their lowest level since the savings and loan crisis.

In a year that has already seen 81 failures—more than three times the level for all of 2008—the report made it clear more are on their way.

The conventional wisdom is that the FDIC will now have to charge another special assessment this year - and may even charge two. Under a rule finalized in May, the FDIC may charge an assessment of up to 5 basis points of a bank's assets minus its Tier 1 capital in a single quarter."

This is clearly one of those historic events we will point to down the road as a time we all had to reevaluate our individual, household and business plans and priorities. Rest assured that the UBA Staff, under the direction of the Executive Committee, is likewise taking inventory of every resources and expenditure.

We understand that surviving banks will no doubt be called upon once again to replenish the Deposit Insurance Fund through additional special assessments.

As a result of declining membership (mostly due to several institutions relocating their main offices outside of Utah) we are projecting the Association's revenues will decline year-over-year by at least ten percent. However, we are committed to holding the line on dues so as not to impose any additional burden on member banks.

At the same time, we have resolved to maintain the Association reserves for critical initiatives that will ensure a positive return to the association and Utah's banking industry. As a result, UBA leadership has been working over the summer to refine its strategic priorities within the scope of its mission to:

➔ **Promote** a favorable image and understanding of the banking industry to the general public and maintain the public confidence in the strength and security of Utah's financial service industry.

➔ **Protect** the industry against legislation or regulation which could

Chairman's Message - continued on page 7

Loud and Clear

WASHINGTON UPDATE

By Edward L. Yingling, President and CEO, American Bankers Association

There's one very big lesson that we can take from our ongoing battle over financial regulatory reform and the creation of a Consumer Financial Protection Agency (CFPA): When bankers speak up—loudly, clearly and in unison—lawmakers do pay attention.

Your state association and ABA have asked bankers to get engaged in the regulatory restructuring debate, and bankers have not disappointed.

As you read this, the number of letters you and your banking colleagues have sent to their lawmakers on the consumer agency will be well north of 100,000. Keep up the good work because this battle is far from over. And if you haven't sent letters yet—or encouraged your board members and employees to do so—go to www.aba.com/Industry+Issues/RegulatoryRestructuring.htm.

ABA testified before Congress three times in July on this issue. We were the only financial services industry witness in the House, and again in the Senate, on the proposed new agency.

Our testimony and your grassroots efforts on the proposed consumer agency have had a real impact. Members of the House and Senate have raised questions about whether the agency should be allowed to mandate the offering of products, about the conflicts that would occur between separate consumer and safety and soundness regulators, and about how the new agency would be funded.

In July, the state bankers associations and ABA brought banking leaders together in Washington, and they went to Capitol Hill to talk about the proposed agency.

As House Financial Institutions Committee Chairman Barney Frank (D-Mass.) told the Washington Post following meetings with state bankers' association delegations, "The most effective kind of lobbying is grassroots. And [community banks] are in everybody's district." On July 31, the *Wall Street Journal* had a lengthy article on the impact community bankers were having on the debate, citing the July banker meetings.

From day one, ABA and bankers like you have taken a strong stand on this proposal. We need to continue to hammer our message: The CFPA, as proposed, would create a powerful new agency that would greatly increase your regulatory costs and conflict with the oversight by your prudential regulator. It would have vast powers to regulate product design, require unworkable disclosures, regulate compensation plans, and even mandate that you offer products it designs.

Charter choice is another key issue. The administration has sent up legislative language that would eliminate the thrift charter and the savings and loan holding company. It would also eliminate the mutual holding company, which could force conversion or re-mutualization of mutuals.

We have developed a number of online resources (see the earlier Web address) to help you communicate with your members of Congress and your customers, including a sample speech, newspaper op-ed and talking points on these critically important issues. We've even developed a sample memo about the proposal and its impact for your employees.

It's important, too, that we educate consumers about this issue. With the CFPA proposal, it's very easy for consumers to ask themselves, "What's not to like?" when they hear or read about it. Our communications tools are designed to help you explain the proposal's many downsides.

A number of bankers have already personalized our sample opinion piece on the CFPA and had them published in such newspapers as the *Houston Chronicle* and the *St. Louis Post-Dispatch*. It's important to get our industry's perspective out before the public on this issue.

Don't forget our e-mail address for you to send us your feedback on CFPA and the other reform proposals. That address is regreform@aba.com. Tell us about the impact these proposals would have on your bank, your customers, and your community, and what you're hearing from your customers.

The regulatory reform debate is the most important legislation issue of your professional life. It will determine the very future of your bank. Have you joined in the effort? Have you done your share? Have you worked with your state association? Have all of your employees who are willing written letters? Has your board engaged? Have you met with your members of Congress? Join the effort today.

Reach Ed Yingling by e-mail at ed.yingling@aba.com

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hear individuals in the credit union industry try to exploit the inaccurate reporting about banks. The fact is, credit unions, especially the large, bank-like ones had large exposures to toxic mortgage debt just like the banking industry. Toxic debt recently brought down the two largest corporate credit unions (credit unions that serve credit unions), necessitating a congressional rescue of the credit union deposit insurance fund and causing the NCUA to borrow from the Treasury to pay for the corporate credit union failures. This will impact every credit union in the country but was virtually unreported in the mainstream media. Suffice it to say, it has been a difficult year for everyone.

> Suffice it to say, it has been a difficult year for everyone.

The US financial system, comprised of over 9,000 banks of different shapes, sizes, and charters, is a strong and vibrant engine for the greatest economy in the world. Adjustments are always in order, but a complete overhaul is reckless. Special interests are crawling out of the woodwork trying to attach every bad idea that has failed over the past 20 years to an omnibus overhaul bill. But Congress should think twice before making wholesale changes to an economic system that will need to generate enough growth to pay for all the deficits Congress has built over the last 12 months.

Understanding the past is the key to avoiding mistakes in the future. Every banker, every business owner, and every citizen that hopes to save or borrow as they pursue the American dream has an interest in making sure we have an accurate understanding of what just happened to our economy. It's time for bankers to step forward and set the record straight in hopes of protecting our communities and our economy from misguided economic remedies that could significantly diminish America's economic power.

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result in undue or burdensome oversight or competitive disadvantage.

➔ **Provide** (i) membership with assistance and resources designed to improve operational efficiency and profitability and (ii) a forum for open communication between providers of financial services in Utah.

Our top priority will be to continue our work to protect our members from far-reaching and misguided regulatory overhaul proposals in Washington, D.C. In a recent call for grassroots action, Utah bankers sent more letters to Washington D.C. than every other state except Texas, Oklahoma and Missouri! We stand at the ready to fight for the right solutions to our nation's economic problems.

We are also gearing up for our largest push ever to get bank employees out to their neighborhood caucus meetings next spring. This is the most effective way for us to make sure our views are heard on state and federal legislation. It's also the right thing to do for our employees and our communities.

We have already begun a campaign to "Set the Record Straight" when it comes to all the misinformation about banks and the recent financial crisis (see Howard's Bottom Line message.) We plan to aggressively promote the image of the banking industry and highlight everything banks are doing to help our economy recover and our local communities thrive. Once again, our employees are our greatest ambassadors. They deserve to know the truth and we hope they will spread it.

Finally, we will continue to provide world class training, education and networking opportunities for our member banks and their employees.

Now, more than ever, we need to come together as an industry and fight for the future of our charter. We will need the support of every bank in Utah if we are to succeed. So as you re-evaluate your plans and priorities for the upcoming year, I hope you will join with us. We have spent a great amount of time refining our plan, and are confident it is worthy of your support.

Gunnison Valley Bank **Marks 100 Years**

The Gunnison Valley Bank has been an integral part of the community for 100 years, and has been a source of stability and growth for the past century. Residents of Gunnison Valley obtained a charter for a bank to be known as the Gunnison Valley Bank. It opened it doors to customers on Saturday, October 23, 1909.

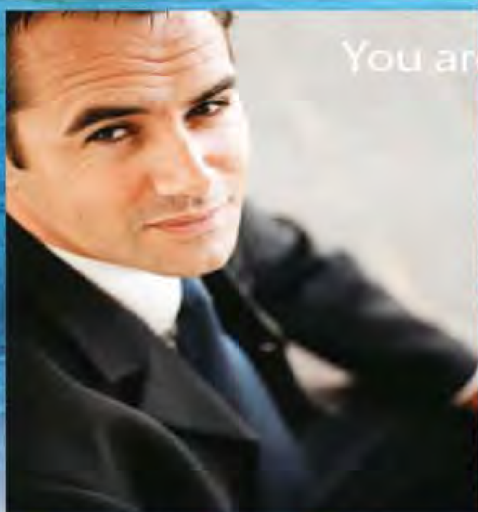
In 1923 the Gunnison City National Bank, located just down the block merged with the Gunnison Valley Bank and then in 1926 the Centerfield Bank merged. By 1977 it was obvious that the Bank required additional space to properly and adequately service it customers. Plans formulated for extensive remodeling of the addition to the south to match the building constructed in 1909. The results are outstanding. In February 1979 Gunnison Valley Bank was presented an award of merit from the Utah Heritage Foundation for preserving some of Utah's Heritage.

The Gunnison Valley Bank, in its 100 years of existence, has experienced one robbery. On January 3, 1929 the robbers came through the front doors during the night and even though they drilled the "bullet" safe a number of times, they could not blow it. They did succeed in blasting the vault door and obtained a small amount of money, but they were apprehended a short time later by the Gunnison posse and all of the loot was recovered.

After President Franklin D. Roosevelt declared a national "bank holiday" in the spring of 1933, the Gunnison Valley Bank was one of the first to reopen its doors for business. The Nation's Digest, published in New York, praised the Gunnison Valley Bank for its fine condition after passing through one of the nation's worst financial periods.

President and CEO of the Gunnison Valley Bank, Paul Andersen, whose father and grandfather worked at the bank, understands the kind of commitment it takes to run a business for 100 years where the customer base is smaller. Many customers have banked here for a long time and most are on a first name basis with bank employees. "The reason we're in business is because of the customers we have," he says. "And as we build loyalty with them, they are loyal to us."

Do you want to see productivity and company morale soar...?
Then take that well deserved Vacation!



You are Brilliant, Successful and *Exhausted.*

Study after study supports the importance of a revitalizing, well deserved getaway to improve productivity, company morale and your health. So, ***snap out of it!*** Drop the cell phone, grab your flip-flops and get out of town.

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Process Improvements Can

Boost Your Bank's Profitability

While financial institutions across the country continue to deal with the current challenges of a struggling economy, it is imperative for bank leadership to keep on eye on what it will take to maintain long-term viability in an increasingly competitive environment.

Conducting a process improvement study can help you find and benefit from hidden value in your bank. A careful analysis of your organizational structure, workflow, human resources, income and expenses, can reveal new ways to streamline processes, improve employee performance, enhance and build on customer relationships, and even save time and effort. During the process, bank leadership and key employees should ask hard questions such as, what are we trying to achieve and how can we develop more efficient processes and procedures to help us reach our goals?

Following are just a few of the critical areas that should be evaluated during your process improvement study:

Organizational structure: Start with your organizational chart, if you have one. What departments do you have? Is there a reporting structure at the department head level? Do you have the proper "Span of Control?"

Senior management should be involved in determining departmental functionality, noting any personnel and staffing issues. Of course, departmental needs and budgets should also be analyzed as you look for ways to improve the organization's efficiency.

Department workflow: This phase of the study will help determine how the workload is distributed among your staff. Is there too much or too little work for current employees? Re-examination of all departments will help you to eliminate work duplication and possibly find cost savings.

Be sure to review all reports. *What is their purpose? How are they prepared? Who will receive them and why? How are they stored and secured?* You may find that not all of your existing reports are necessary and that some can be replaced with more effective documents.

Branch profitability: If your bank has branch locations, it is important to determine the cost of each facility, markets served, and branding and loyalty observations. In your review, be sure to consider any technologies that could be applied to improve the efficiency and profitability of the branch. Or, as you implement new technology, will you still need all of your existing facilities?

Products and services: Determine whether or not existing products and services are meeting your customers' needs. While you should be cautious about trying to "be all things to all people," you have to identify the things that will keep existing customers and attract new business. Make sure that your processes and technology resources can support both existing and potential new products and services.

Likewise, it is important to determine if you are getting the most value from the vendors who provide you with the products and services you use everyday. When was the last time you took a serious look at how much you are paying each month for your service contracts? A review of your contract costs and terms could result in substantial savings and better service for your bank.

Other useful re-engineering studies: There are many other components of a process improvement study that can provide practical recommendations for your bank, including: staffing and salary administration reports and comparisons; incentive program reviews; operational enhancements for consolidations and mergers; best practices program suggestions and revenue-potential planning programs, such as overdraft privilege.

In addition, as you complete the process, you may determine that you need additional tools to help you reach your goals and identify how your bank compares with other institutions in your market area.

The Bottom Line

A process improvement study will help you reach optimal operational effectiveness by providing you with an objective view of how your bank runs and an in-depth understanding of where its performance can be optimized.

If your institution does not have the internal infrastructure to handle these types of assessments or manage the restructuring and implementation process, consider using a third-party consulting firm that specializes in servicing the needs of banks. The process will help you find ways to improve your core systems, strengthen customer service and enhance your profitability for the long-term.

About JMFA:
John M. Floyd & Associates (JMFA), an associate member of the Utah Bankers Association, is a profitability and performance improvement consulting firm serving more than 2,000 financial institutions in all 50 states and Central America. JMFA is also recognized for training, executive placement, fraud protection solutions and earnings enhancement programs, as well as product, service, pricing and technology improvement consulting. As a direct result of our programs, JMFA has helped thousands of clients dramatically improve their performance and their bottom line. To learn more about JMFA, please contact Jared Cahill, JMFA regional sales director, at Jared.Cahill@jmfa.com or call him at (877) 510-5603.

Robert A. Hatch

to Retire After 40 Years of Service,

Greg Winegardner

to Succeed Him as President for Utah

Robert A. Hatch, president and CEO for Wells Fargo Utah, has announced he will retire November 30, following more than 40 years of service. Greg Winegardner, a 36-year veteran of financial services, has been named to succeed Hatch as regional president for Wells Fargo in Utah effective September 1.

During the next few months, Hatch, Winegardner and Wells Fargo's outstanding team of local professionals, across its diversified business groups, will be working together to ensure a seamless transition.

Hatch began his financial services career 40 years ago as a trust administrator for Wells Fargo predecessor First Security. He was elected vice president in 1979, senior vice president in 1987 and named manager for the company's newly created Trust Group. He was promoted to executive vice president in 1988, named manager of the Community Banking Group in 1993 and named president for Community Banking in 1996. Following the Wells Fargo merger, Hatch was named regional president for Utah.

Hatch is president of Wells Fargo Bank Northwest, N.A. and is a board member for the Salt Lake City branch of the Federal Reserve Bank of San Francisco. He was vice chair of the board of directors for the Regence Group and was chairman of the board of directors for Regence BlueCross BlueShield of Utah, where he sits on its community board. He is on the board of the Economic Development Corporation of Utah and its Executive Committee, serves on the board of the Utah Bankers Association and is secretary for the Emma Eccles Jones Private Foundation.

Hatch is an honor graduate of the Pacific Coast School of Banking and is a Certified Trust and Financial Advisor, a professional designation conferred by the Institute of Certified Banks to individuals who have demonstrated excellence in their field of specialization within the financial services industry. Hatch graduated from the University of Utah, cum laude, and earned a bachelor's degree in political science and a minor in economics.

Winegardner joins the Utah team from Albuquerque, N.M., where he was the regional president for Wells Fargo in New Mexico. Before that, he was Community Banking regional president for Western Colorado. He also has been Community Banking president for Wells Fargo in Durango, Colo., Flagstaff, Ariz., and Victoria, Texas. He joined the company in 1982 as a commercial lender in Colorado Springs, Colo.

Winegardner, who is a native of Ohio, attended Ohio State University. In New Mexico, he served on the boards of the United Way, Greater Albuquerque Chamber of Commerce, Albuquerque Economic Development and Economic Forum, and was chair of the Kirtland Partnership Committee, New Mexico Bankers Association and Leadership New Mexico.

The Utility and Flexibility of Forbearance Agreements

Brian D. Cunningham and Nicole W. Skorupka, Snell & Wilmer LLP

Current economic and credit conditions continue to negatively affect borrower cash flows and property values, resulting in fewer opportunities to refinance existing debt and more loan defaults.

Banks are facing an unprecedented wave of defaulted loans and often are forced to evaluate whether to pursue remedies granted under the loan documents or to delay enforcement of its rights; or, perhaps, even waive the default and restructure the loan to avoid future defaults of a similar nature, in an attempt to maximize recovery on the loan. In a stagnant economy or declining real estate market, restructuring the loan may not be practical or effective, yet the bank may be hesitant to foreclose on its collateral before considering other workout strategies. In the interim, the bank should consider utilizing a forbearance agreement to formally recognize the underperforming loan and establish the rules by which the bank and borrower will operate after such recognition.

Forbearance agreements vary in complexity but function to conditionally delay a bank's exercise of its remedies after a borrower default. By employing a well-crafted forbearance agreement, a bank can improve its position and the outcome of the bank/borrower relationship by correcting document or collateral deficiencies while granting the borrower time to cure, refinance or restructure. Forbearance agreements can be drafted to fit any circumstance; however, forbearance agreements normally contain the following customary provisions:

Reaffirmation of Loan and Acknowledgment of Defaults and Debt: The borrower reaffirms its obligations under the loan documents and acknowledges the existing defaults and existing debt. Such acknowledgments recognize that the bank is not forgiving the debt owed and negate borrower's ability to later dispute the existence and enforceability of such obligations, defaults and debt.

Terms of Forbearance: The agreement must set forth the forbearance period, conditions to continued forbearance and triggering events for early termination of the forbearance period. The agreement may set forth an extension of the forbearance period upon satisfaction of certain conditions such as the bank's receipt of an executed commitment letter to refinance the loan. The conditions to continued forbearance should be clearly stated in the agreement, including, without limitation, whether additional disbursements of the loan will be made, whether interest will continue to accrue and whether the borrower will continue to pay principal and/or interest payments. Regardless of the specified forbearance period, forbearance will terminate upon the happening of certain events such as failure to comply with the terms and conditions of the forbearance agreement, bankruptcy filing by the borrower or any guarantor and additional defaults under the loan documents.

Preservation of Rights and Waiver of Claims and Defenses: The agreement provides that the bank agrees to forbear action against the borrower (rather than waive action) and that the bank preserves its rights and remedies under the loan documents. The foregoing statements will ensure the bank's ability to exercise its remedies with respect to the existing defaults upon the expiration or earlier termination of forbearance. The borrower and each guarantor should agree to a general release of all claims and defenses against the bank. The release provides consideration for the bank to forbear, a necessary element to the enforceability of any contract, and protects the bank from future claims by the borrower and guarantors.

Consent and Reaffirmation of Guarantors: Each guarantor should consent to the terms and conditions of the forbearance agreement and reaffirm its obligations under the guaranty agreement and, to the extent applicable, the other loan documents.

Payment of Expenses: The borrower normally agrees to pay for all of the bank's costs and expenses incurred in connection with the forbearance agreement, including appraisal, inspection and legal fees.

In addition to the foregoing provisions, banks may utilize the flexible attributes of a forbearance agreement to include one or more of the following conditions:

Forbearance Fee: The bank may want to collect a forbearance fee to serve as additional consideration to forbear; however, the bank may need to be sensitive to the borrower's declining financial position and impose a reasonable fee. The forbearance agreement should expressly state that any fee is earned and nonrefundable as of the date of the agreement. This will negate borrower's ability to claim it is entitled to repayment of the fee in the event of expiration or earlier termination of the forbearance.

Modify Interest Rate, Principal Payments and Other Terms and Conditions: Although a bank will generally require continued payment of accruing interest during the forbearance period, the bank may want to increase or decrease the applicable interest rate and increase, decrease or suspend any required principal payments. Similar to imposing a fee, the bank needs to understand the borrower's financial situation if increasing rates or payments. The bank may also choose to modify other terms and conditions in the loan documents to, for example, enhance its remedies, increase reporting requirements and/or adjust financial covenants.

Third-Party Consultants: If the borrower's operations are sluggish or continually declining, the bank may require that the borrower hire a third-party consultant, approved by the bank, to help evaluate and improve the borrower's operations or to advise on the sale of property or other key business issues.

Additional Collateral or Guarantors: The bank may request that the borrower pledge additional collateral security for the loan or add additional guarantors. Under certain bankruptcy laws, however, the bank may lose the benefit of the collateral if the pledge occurred within 90 days of a bankruptcy filing by the borrower. Therefore, if additional collateral is obtained, the forbearance period should generally be a minimum of 90 days to give the borrower time before, or alternatives to, filing bankruptcy.

Bankruptcy Protection: Although bankruptcy laws generally prevent enforcement of an agreement by a borrower or guarantor to not file bankruptcy, some courts may enforce a waiver of the automatic stay if included in a forbearance agreement. Issued automatically upon a bankruptcy filing, the automatic stay prohibits the bank from pursuing certain actions against the borrower, including foreclosure of collateral, without bankruptcy court approval. Enforcement of a waiver is within the bankruptcy court's discretion and will be determined after evaluating certain factors, including sophistication of the parties, consideration for the waiver, effect of the waiver on other creditors and whether the borrower's plan of reorganization is feasible.

Due to the utility and flexibility offered by forbearance agreements, banks should take care in negotiating and crafting the agreement.

Due to the utility and flexibility offered by forbearance agreements, banks should take care in negotiating and crafting the agreement. Banks should limit informal communications with the borrower unless a pre-negotiation agreement is in place to prevent unintentional disputes regarding the terms and conditions of forbearance. Additionally, since forbearance agreements are subject to the covenant of good faith and fair dealing applied to all contracts, banks should act reasonably to avoid any bank liability claims. After careful consultation with counsel and borrowers, forbearance agreements can be an effective tool to encourage borrower cooperation while permitting banks to improve their position and evaluate workout strategies.

About the Authors:

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BANK KUDOS

Bank of American Fork Raises Money for Nine Utah Non-Profits

In support of nine various local non-profits, Bank of American Fork will donate $50 for every new MyRate Checking account opened between Sept. 1 and Dec. 31, 2009 when a promotional mailer is redeemed.

The various non-profits being donated to include the following:

- **Alpine Community Theater's Alpine Cultural Arts Center** to help fund the new center
- **Draper Historic Day Family Barn** to help fund the relocation of the Day family barn to a historic site
- **Murray Boys and Girls Club** to help fund programs for the youth club
- **Orem Rotary Club** to help fund community projects, including the third-grade dictionary project, Shoe Fairy, YouthLinc, UVU athletics and Utah Hemophiliac Society
- **Pleasant Grove Fire Department** to help fund a thermal imager for the new 110-ft. tiller ladder truck
- **Riverton C. R. Hamilton Sports Park** to help fund the development of a new sports park
- **Sandy Senior Center** – A Neighborhood Center for Experienced Adults to help support the facility
- **Saratoga Springs Police Department** to help fund a new K-9 Unit
- **Spanish Fork Parks and Recreation Services** to help fund several park projects

"All the projects were specifically chosen by associates at each branch as important community initiatives in their own towns," said Rick Beard, president and CEO of Bank of American Fork. "It's our way of fulfilling our promise of Big City Banking – Small Town Service."

Central Bank Honors Payson City Band

Central Bank was honored to recently recognize the Payson City Band for being "Good Citizens" in the Payson Community. Quarterly Central Bank gives a special thanks to someone for their efforts of serving within the community. This quarter Central Bank awarded the Payson City Band, a band that marks 107 years this year of playing in the Payson City Park.

Central Bank presented a plaque of recognition to the director of the band during their Customer Appreciation Day Friday, August 14, and awarded the entire band individually at their Sunday night concert with a cash donation.

State Bank of Southern Utah—Friends of Scouting

State Bank of Southern Utah officers participate annually with the Friends of Scouting Drive in their communities helping to raise thousands of dollars for the Boy Scouts of America in the Cedar Breaks District. In this photo Tyler Brown and Ron Heaton appeared at the Cedar City Rotary Club to ask for their support for the more than 2400 boys in the District. These young men came to Rotary to do the flag ceremony, the Pledge of Allegiance, and the Scout Oath. The Cedar City Rotary gave $500.00 for Boy Scouts in the Cedar Breaks District. Scouts do thousands of dollars of service for their schools and communities. One of the Eagle Projects in the District in 2009 was to build cabinets for the new Cedar City/Iron County Care and Share food pantry. The value of the work and material donated was over $10,000.00. That is just one example of the good turns done by the Boy Scouts of America. Tyler Brown, State Bank Marketing Officer says "We can't think of a better non-profit group to support than the Boy Scouts of America. They save the lives of young men and prepare them to be contributors to our communities and country.

Kay Hall, Zions Bank Recognized Among "2009 CFO of the Year" Award Recipients

Kay Hall, executive vice president and chief financial officer of Zions Bank, was recently honored among *Utah Business* magazine's "2009 CFO of the Year" award recipients in its June issue. On June 18, Hall was recognized at a luncheon, which celebrated the achievements of 16 CFOs who are "working side-by-side their CEOs to ensure their company's short-term and long-term success," according to the magazine.

BANKERS ON THE MOVE

Bob Carter, Manager of the Highland Branch of Bank of American Fork will be retiring from banking after 36 years in the industry and 16 years with Bank of American Fork.

Scott Colton, Zions Bank's Director of Credit for it's Southern Utah Region has announced his retirement.

Grant Jex, Barnes Banking Company, has been named Manager of the bank's mortgage lending department. He will from the Layton branch in his new assignment.

Dixie Quinn, Barnes Banking Company, has been promoted to Branch Manager for the bank's South Ogden Branch.

Scott Whetsel, JPMorgan Chase, is now the dedicated *Chase at Work* National Accounts Manager in Utah. The *Chase at Work* program offers retail banking products to employees of Chase business customers.


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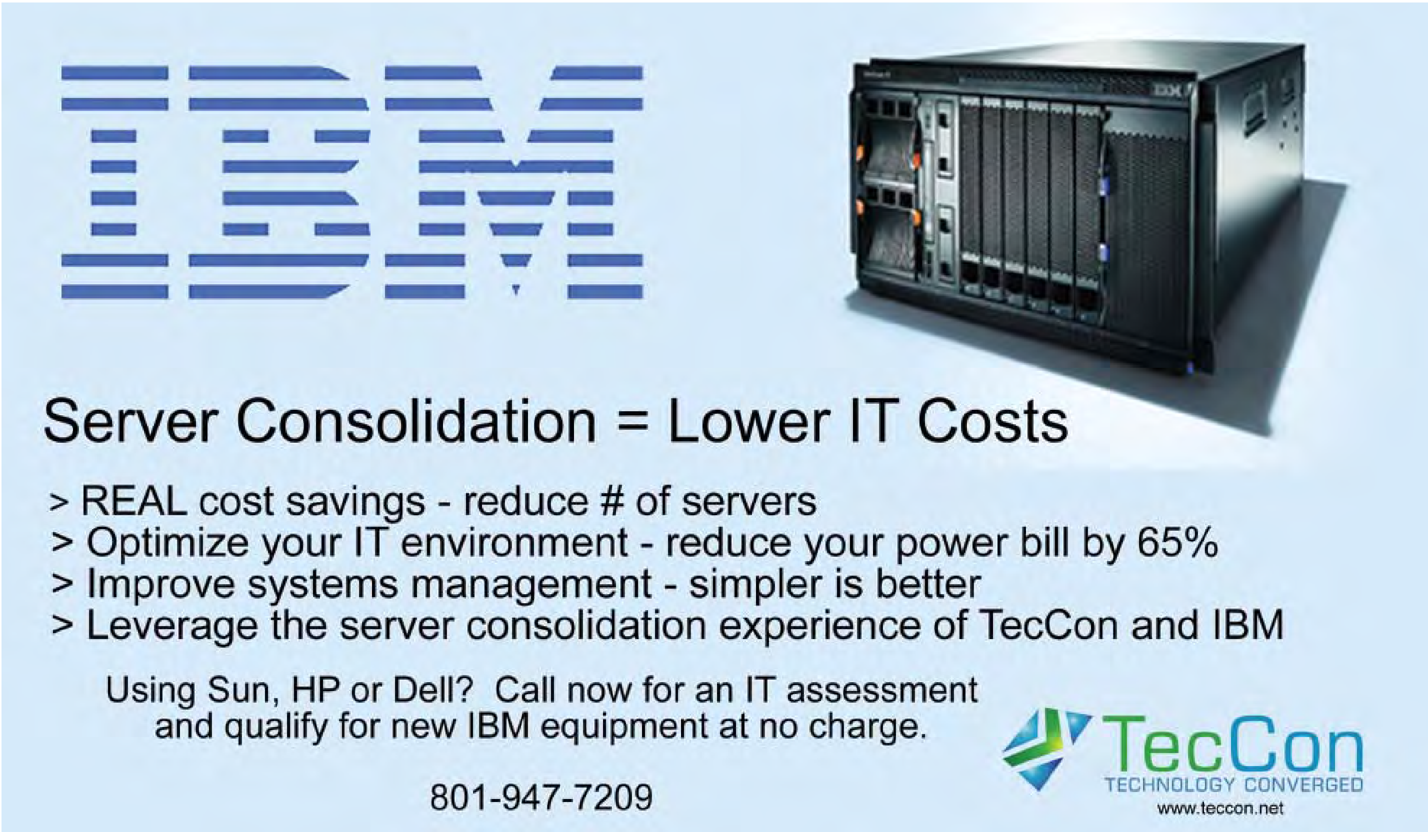
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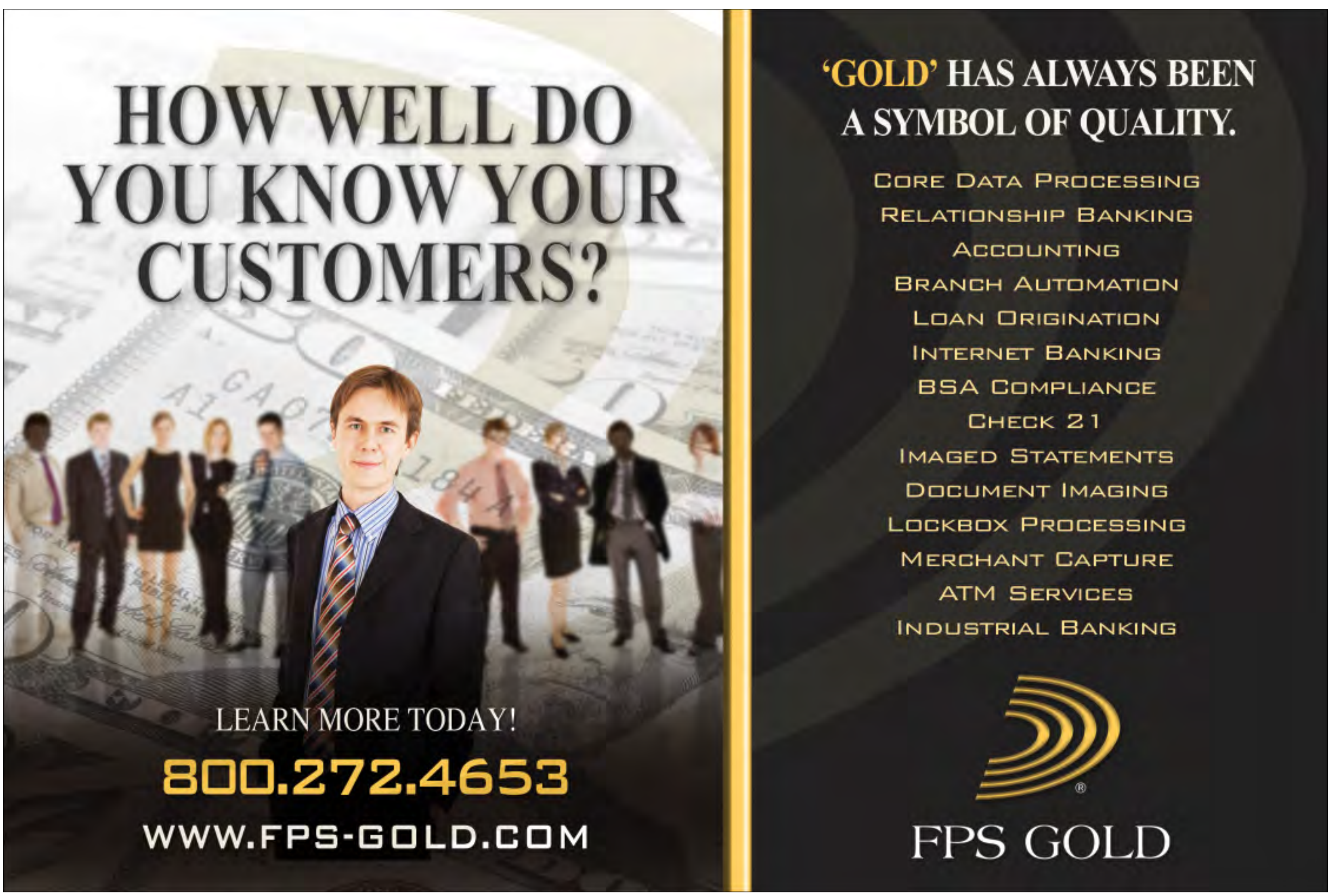
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Whether you are looking to supplement your current education plan or trying to save expenses, what better way to obtain high quality education and save money. We encourage you to explore all the training options available to you by visiting the UBA website at www.uba.org. Below is just a sample of the training opportunities available.

Tele-Web Seminars (Webinars) offer the opportunity to participate in Live Presentations and have Real-Time interaction with the seminar speaker(s). Handout materials are available in digital format. You will be provided with a Telephone Number and PIN assigned specifically to them to access the call and track participation. See some of the following webinars coming up in October:

- Basic Consumer Lending (2-part webinar series) – Oct 5 & 26
- Accounting for the Allowance of Loan & Lease Losses (ALLL) – Oct 8
- A New Day in Washington: Sweeping Changes for Employers – Oct 9
- Lending Basics for Support Personnel – Oct 14
- RESPA: Implementing the New Rules – Oct 15

On-Demand Seminars are live Tele-Web Seminars that have been recorded and then put into a format to watch at your convenience. Based on hectic schedules and having adequate coverage at the bank at all times, this method of delivery for Continuing Education had become very popular for many reasons. The program can be viewed at any time with 24 hour availability. You can watch a portion of the program and come back and pick up where you left off! You also have the advantage of being able to review the program at will in case you need a refresher. Anyone at your branch can access the program from a computer using the login and password.

Downloadable Audio (Podcast): Take advantage of downloading your education to your computer and MP3 player. You can listen to your seminar and follow along with the PowerPoint presentation in note-taking format. You can pre-register for any downloadable seminar before the event occurs.

There are several On-Demand and Podcast seminars available in each subject area below:

- Asset Management
- Audit
- Bank Counsel Topics
- Branch Manager
- Commercial Real Estate Lending
- Commercial Real Estate Loan Administration
- Compliance
- Customer Service Representative
- Ethics
- Executives
- Fiduciary & Trust Administration
- Financial Crisis
- Financial Planning
- Frontline
- Human Resources
- Investments
- Lending
- Marketing
- Operations
- Real Estate Lending
- Security
- Senior Management
- Tax Law & Tax Planning
- Technology
- Tellers

Webcast is a live streaming video that can be accessed from your work, at the convenience of your own home, or on the road traveling. The virtual delivery method allows multiple attendees to participate from one location for one fee, as well as having access to the replay for 90 days. Several Webcasts are available in the following areas.

- Audit
- Compliance
- Operations
- Security

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