

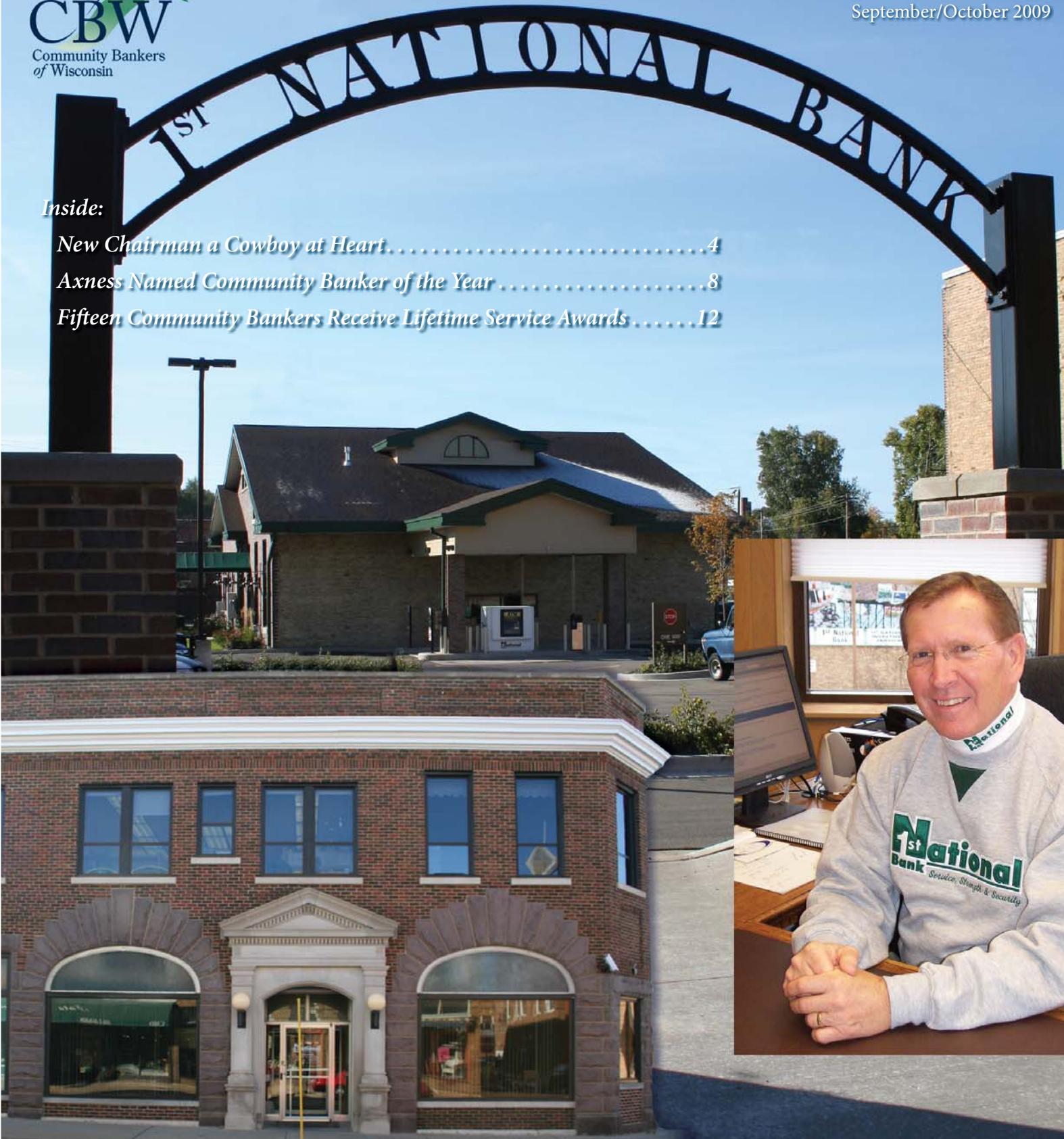
WISCONSIN COMMUNITY BANKING *News*



Volume 12, No. 5
September/October 2009

Inside:

- New Chairman a Cowboy at Heart.....4*
Axness Named Community Banker of the Year8
Fifteen Community Bankers Receive Lifetime Service Awards12





Everything you wish for
in *one* PIN debit network

Rethink debit. Think PULSE.

pulse[®]

A Discover Financial Services Company

©2009 PULSE

pulsennetwork.com

Inside...

- 4 New Chairman a Cowboy at Heart
- 8 Axness Named Community Banker of the Year
- 12 Community Bankers Receive Lifetime Service Awards

On our cover... Founded in 1876, the First National Bank of Berlin is one of the oldest national banks in Wisconsin. The business banking center is located in the renovated Historic Depot Building overlooking the Fox River. The red-brick headquarters is around the corner on Huron Street (also known as Main Street). Photo credit: Rick Santovec.

WISCONSIN COMMUNITY BANKING News

Published by Community Bankers of Wisconsin
through Client Communications

Editor and Publisher: Doris Green
Contributor: Mary Lou Santovec

Art Director: Lisa Imhoff, Grey Horse Studio

Editorial or subscriptions: e-mail [Doris Green](mailto:Doris.Green@merr.com) at
green@merr.com or fax (608) 583-2084

Advertising: Penny Heberlein, CBW vice president,
membership services, at (608)833-4229 or contact Doris Green

COMMUNITY BANKERS OF WISCONSIN BOARD OF DIRECTORS

2009-2010 CHAIRMAN: Russ Kuehn, The First National Bank of Berlin
CHAIRMAN ELECT: Steven Bell, Community State Bank, Union Grove

VICE CHAIRMAN: James Tubbs, State Bank of Cross Plains

PAST CHAIRMAN: Stephen Eager, Union Bank & Trust, Evansville

SECRETARY/TREASURER: Mary Jo Ceniti,
Farmers Savings Bank, Mineral Point

ICBA DIRECTOR: Rick Busch, Royal Bank, Gays Mills

ICBA DIRECTOR: Butch Pomeroy, International Bank of Amherst

Jon Mentink, First Bank of Baldwin

Thomas Reed, Headwaters State Bank, Land O'Lakes

Steve Zeman, Union State Bank, West Salem

Jeffrey Mueller, Collins State Bank, Collins
Stan Leedle, Choice Bank, Oshkosh

Steve Swanson, McFarland State Bank

Gregory Kolton, Foundations Bank, Pewaukee

Craig O'Leary, Farmers & Merchants Bank, Orfordville

Sigurd Bringe, Bank of Deerfield

Paul Hoffman, Monona State Bank

Randolph Malueg, Heritage Bank, Spencer

CBW STAFF

President and CEO: Daryl Lund

Executive Vice President: Rick McGuigan

Senior Vice President (CBW Financial Services): Kevin Christians

Senior Vice President (CBW Financial Services): Phil Hoover

Vice President (Membership Services): Penny Heberlein

Program Administrator: Sandra Gruber

Account Manager and Legislative Assistant: Shannon Schlueter

Account Manager: Jami Erickson



Community Bankers of Wisconsin
455 County Road M, Ste. 101
Madison, WI 53719

Ph: (608) 833-4229 Fax: (608) 833-8114

E-mail: info@communitybankers.org

Wisconsin Community Banking News is provided at no cost to CBW members. Additional copies may be purchased at the following rates: Member banks, \$25 each. Nonmember banks may also purchase subscriptions; cost: \$75. To order, e-mail Doris Green, green@merr.com.

Community Banking: It's Always about Relationships

Russ Kuehn, CBW Chairman and Chairman of the Board, First National Bank of Berlin

When I think back to CBW's Management Conference and Expo in September, I recall new ideas learned, friendships reinforced, and, above all, a sense of pride in being part of the community banking profession. Pride was especially evident during our banquet when our association presented Lifetime Service Awards to individuals who have committed their careers to their community banks and to their communities (See story on page 12).



I am honored to serve as your chairman this year. I owe a debt of gratitude to Steve Eager, who so successfully advocated for us last year, and to all CBW directors, other volunteers, and staff who do such outstanding work, often behind the scenes.

My sincere hope and desire is that this year your association can help you:

- Preserve your pride as a Wisconsin community banker.
- Serve as a reminder of the significant impact you have on our customers and our country during these unprecedented times.
- Challenge you and reward you for standing up for your profession and declaring "We are Main Street, not Wall Street."

- Increase awareness among the people of Wisconsin of the tremendous benefits they receive by banking with their community banker.

Our association's role as an advocate for community banking is similar to our role as community bankers. We are all about relationship banking and working one-on-one with people.

Working through the CBW, we are also about relationship advocacy. When we sit down with local media professionals or visit our elected representatives, we help them understand how community banking can make a difference and provide opportunities for people in our communities.

We are far and away the majority of good banks. Working together through the CBW and ICBA, we can have a major impact on this nation's future.

I encourage you to keep doing what you do so well in your local communities and to communicate your priorities to the CBW, so that together we can build awareness and advocate for community banking at all levels.



CBW Chairman Russ Kuehn, right, participated in a discussion about the future of Wisconsin banking in a WisconsinEye interview on September 25. Others pictured, from left: Steve Walters, interviewer; Jim Podewils, president and COO, Westbury Bank, West Bend; Kurt Bauer, WBA; and Gary Schaefer, Associated Bank regional director.

New Chairman a Cowboy at Heart

Mary Lou Santovac

In movies of a certain vintage, ambitious young cowboys are exhorted to "Go West, young man" to find fame and fortune. Russel Kuehn appears to have broken with tradition since he decided to find his fortune by heading east.

Kuehn (pronounced "coon") grew up in South Dakota, graduating from South Dakota State University with a degree in business. He started his banking career in 1970 at the Duel County National Bank in Clear Lake, S.D. In search of additional challenges, he joined the National Bank of Canby (Minnesota) and finally ended up in Wisconsin in 1985 where he took a position with the First National Bank in St. Croix Falls and fell in love with the outdoors and the people.

Kuehn continued his trek east, next heading to Mid-Wisconsin Bank in Medford, and in 2000, settling in Green Lake county as president and CEO of First National Bank of Berlin. "This opportunity came along where the president of the bank was retiring," he said of his decision to take the helm of the Berlin bank. "The bank is very community minded and customer oriented."



4 Wisconsin Community Banking News September–October 2009

Wisconsin may be Kuehn's adopted home state, but you'd never know it. The new chairman of the Community Bankers of Wisconsin talks about Wisconsin with obvious pleasure. "I love Wisconsin and I love this area."

Kuehn was born and raised in Esteline, S.D., located in the east-central part of the state, an area known for pheasant hunting. "It's one of those towns that you hear people say who visit there what a great town and wonderful people it is." Those years in Esteline set the stage for Kuehn's desire to work with people.

Banking called to Kuehn as a career path because of its emphasis on people. And he's remained in it because of the relationships. "I am all about relationship banking, people banking with people, and the rewards that go with that. Banking offered me the opportunity to work one-on-one with people." And community banking, with its focus on knowing your customers, allowed him to make a difference in whatever community he was based in. "I was able to provide a better standard of life or an opportunity for someone."

Founded in 1876, the First National Bank of Berlin is one of the oldest national banks in Wisconsin. Chartered to serve a growing community, the bank, like all community banks, has done its best to keep the community of Berlin alive. From humble beginnings, the bank

now boasts \$240 million in assets, \$215 million in deposits, and 80 employees. And much of that growth has come under Kuehn's watchful eye. "When I started [in Berlin], the bank had one main location and two branches," he said. "Now we have eight branches."

All of the growth has been from within. None of the additional branches were the result of a merger or acquisition.

In his humble manner, Kuehn stressed that the bank's growth and success wasn't due to him. "It really wasn't me, it was the people I was so blessed with at the bank," he said. "We really got it done."

And unlike the too-big-to-fail banks that provoked the recent economic train wreck, the First Bank of Berlin

"It's one of those towns that you hear people say who visit there what a great town ... it is."

succeeds by sticking to what it knows best, the community. "We're very community minded. We concentrate our loans

and deposits strictly on our locations."

Married to Sue, the Kuehns have five children, one daughter and four sons. They're also doting grandparents of nine grandchildren, five girls and four boys. All of the children live either in Wisconsin or Minnesota, close enough for frequent applications of affection. While none of the children have followed their father or their mother into banking, Kuehn's son-in-law is a banker in Cornell.

Sue, who retired from banking 10 years ago, runs a Web site business out of their home. A site she created for the Boys and Girls Club of Berlin won a national award, competing against Web sites of Boys and Girls Clubs from around the country.

Living on seven acres located on the Fox River, downtime for the Kuehns means time spent pontooning on the river. "Many evenings [we have] our dinner while floating on the river," he said. Kuehn, who considers himself a cowboy at heart, also enjoys hunting and fishing.

continued on page 6

Proud to be the Design/Build contractor for Community Bankers of Wisconsin for over 50 years



www.msigeneral.com
262.367.3661

ARCHITECTS • CONTRACTORS • ENGINEERS • MANAGERS

CBW Supports 'Return to Fairness' in FDIC Premium Assessments

When the FDIC established its premium assessment formula in 1934, all banks were local banks. There were no banks with a national presence with a big edge over community banks. A bill introduced in the U.S. House of Representatives by Rep. Luis Gutierrez (D-IL) in June promises a return to the initial parity of the FDIC premium assessment formula.

H.R. 2897, the Bank Accountability and Risk Assessment Act, would amend the Federal Deposit Insurance Act to return a sense of fairness and accountability to the deposit insurance premium assessment process. Thanks to Rep. Gutierrez and co-sponsors including Wisconsin Representatives Tammy Baldwin and Gwen Moore, community bankers may eventually see increased fairness in their FDIC premium assessments.

The bill would level the playing field between community banks and big banks. It would also provide the FDIC with much needed, additional resources to protect depositors and taxpayers.

Community banks currently pay 30 percent of total FDIC premiums while holding only 20 percent of U.S. banking assets. H.R. 2897 would require banks that pose a risk to the banking system to pay a systemic risk premium in addition to their regular FDIC premium, as compensation for the increased risk of insuring them.

H.R. 2897 would broaden the assessment base used by the FDIC to determine a bank's premium. Under the bill, the FDIC would use total assets minus tangible equity for the assessment base — rather than the current assessment base of domestic deposits. There are many more assets than domestic deposits in the U.S. banking system, and this broader base would mean that larger banks would pay a fairer share of the

assessments, proportional to their size and risk.

Assets are a better measure of an institution's risk to the FDIC than deposits. While community bank deposits represent 85 to 95 percent of their funding, big banks (over \$10 billion) use deposits for only 52 percent of their funding. Big banks get the same benefits for almost half the cost paid by community banks.

Bad assets, not deposits, cause bank failures, and this fact should be reflected in the assessments. H.R. 2897 would require big banks to pay the same level of assessment that community

banks already are paying.

CBW recently signed on to a joint letter with ICBA and 29 state community banking associations in support of H.R. 2897.

ICBA has calculated what H.R. 2897

Darryl Lund, CAE,
CBW President
and CEO



would mean for every bank in the country. Over 99 percent of banks with less than \$1 billion in assets would pay lower premiums under the new assessment base, and 95 percent would save more than 20 percent of their premiums.

The current economic challenges have provided an opportunity to level the playing field between big banks and community banks. I urge you to contact your representatives to support H.R. 2897 on behalf of your bank, your shareholders, and your customers. A more equitable banking system will benefit our local banks and communities across Wisconsin, as well as the nation.



Customers Enjoy Expanded Surcharge-Free Network AND Easy Ways to Locate Participating ATMs

CBW's ATM Access network has partnered with the In Balance® Alliance offered by the Independent Community Bankers of Minnesota, to expand surcharge-free access. Cardholders traveling across the Wisconsin-Minnesota border can now freely withdraw money at more than 800 ATMs.

Cardholders driving anywhere in the two states can find the closest surcharge-free ATMs by connecting to the Internet via their BlackBerry® or other mobile device. Cardholders can also visit the CBW website (www.communitybankers.org) to search for participating ATMs by city or participating community bank.

To learn more, call CBW at
608-833-4229.

The 62-year-old attempted to hang up his spurs, retiring from full-time active work at the bank about two years ago, but retains his title as chairman of the board. The switch in duties freed up some time to take on the role of chairman of the Community Bankers of Wisconsin. "I've been very blessed with a career in banking and it's time to give something back," he explained. "The career afforded me to retire at age 60 and keep my position in the bank. It seems fitting that in the twilight of my banking career to give something back to community banks and community bankers."

Although Kuehn has retired from day-to-day banking, his mission and goals for community banks have ignited. In fact, his mission has strengthened and his objective for his year as chairman is simple. "I want to make sure that community banks and community bankers are viewed as they should be viewed. This is a time we need to be recognized as Main Street, not Wall Street."

Retirement is busy and Kuehn admits to "loving every busy moment of it." The empty nesters began filling their days by doing things on their home that they had wanted to do earlier but had no time.

That soon segued into a new career for both of them. As the result of a foreclosure, the bank got back an assisted living property with significant deferred main-

"This is a time we need to be recognized as Main Street, not Wall Street."

tenance issues. The Kuehns, applying a little elbow grease and a lot of energy, soon got the property back into shape. From that first property, the couple has created a property management business responsible for 30 properties within a 50-mile radius of Berlin.

And the rewards go beyond the paycheck. "I get neighbors who come over with a cold beer and a pie," he said. "This has made me the most popular guy in the state of Wisconsin."

Vacations involve the pontoon boat

and the Mississippi River. Winters are spent in Florida. But most of the traveling involves trips to where the kids live.

Kuehn admits he comes to the chairmanship of CBW during "trying times." "We have really got to keep our grassroots mission as to who we are and what we are. I don't want to see that lost."

He added that community bankers must stand up and let people know who they are. "We are far [and away] the majority of good banks." Additional regulations will only prevent community banks from exercising their proud and definite mission in their communities.

FDIC Advisory Committee on Community Banking Discusses Impact of Financial Crisis

At its first meeting in October, the FDIC's Advisory Committee on Community Banking discussed the impact of the financial crisis on community banks. Other issues addressed were regulatory reform proposals under consideration by Congress and their effect on community banks, the impact of FDIC supervisory proposals on these banks, and community banks' perspectives on funding the FDIC's Deposit Insurance Fund.

"I was extremely pleased with the robust discussion among our committee members on issues that are so critical to both the FDIC and our nation's community banks," said FDIC Chairman Sheila C. Bair. "The committee members voiced a number of interesting ideas that

they will pursue."

The Advisory Committee was formed to provide the FDIC with advice and recommendations on a broad range of policy issues with particular impact on small community banks throughout the nation, and the local communities they serve. The committee is comprised of 14 community bankers from across the country, and one representative from academia.

The members' opinion on the FDIC's proposed rulemaking to prepay three years of deposit insurance assessments will be included in the public comment file.

For more information on the Advisory Committee on Community Banking, visit www.fdic.gov/communitybanking/index.html.

**Building
Better
Bankers**



NORTH CENTRAL STATES



414.332.6468
www.cftnscs.org

Congratulations DIPLOMA AND CERTIFICATE EARNERS!

The Center for Financial Training is proud to announce that the following Community Bankers have earned a diploma and/or certificate during the 2008-2009 educational year. We commend their dedication to continuing to become better bankers by earning these designations.

AIB Bank Operations Diploma....Jennifer Stein / First Banking Centre

AIB General Banking Diploma....Tara Posthuma / National Exchange Bank & Trust Co.

AIB Sales Manager Certificate....Dawn Jurgensen / The Equitable Bank

AIB Customer Service Representative Certificate....

Janine Derderian / Johnson Bank

Amber Dorband / Citizens Bank of Mukwonago

Rhonda Orlando / Johnson Bank

CFT Fundamentals of Financial Services Certificate....

Patricia Schlitt / Citizens Bank of Mukwonago

CFT Lending Basics Certificate....Patricia Schlitt / Citizens Bank of Mukwonago



“Our electronic payments are too important to trust to someone who could be our competitor.”

Steve Handke
President & CEO
Union State Bank
Everest, Kansas



Our Difference is You

“Just like in community banking, it’s the ownership that determines the nature of a company. It’s the same way with your EFT network. SHAZAM is member-owned and member-driven. And like my community bank, SHAZAM is fiercely independent. Electronic payments are vital to the future of my bank. Why would I trust that to someone who is also a competitor? I need a business partner who is independently member-owned and -controlled. That’s why I chose SHAZAM.”

For more information about SHAZAM, visit us at www.shazam.net or call (800) 537-5427.

Kuehn Elected Chairman



Back row, left to right: Mary Jo Ceniti, Farmers Savings Bank, Mineral Point; Dirk Benzer, Shell Lake State Bank; Daryll Lund, Community Bankers of Wisconsin; H.B. (Butch) Pomeroy, International Bank of Amherst; Sigurd Bringe, Bank of Deerfield; Jon Mentink, First Bank of Baldwin; Jeffrey Mueller, Collins State Bank; Steve Zeman, Union State Bank of West Salem; Randolph Malueg, Heritage Bank, Spencer; James Tubbs, State Bank of Cross Plains; Craig O'Leary, Farmers & Merchants Bank, Orfordville; Steve Swanson, McFarland State Bank; Richard Busch, Bank of Gays Mills. First row, seated: Steven Bell, Community State Bank, Union Grove; Russel Kuehn, The First National Bank of Berlin; 2008-2009 CBW Chairman Stephen Eager, Union Bank & Trust Company, Evansville; Stan Leedle, Choice Bank, Oshkosh; Scott Kopp, Bank of Galesville.

Absent from picture: Gregory Kolton, Foundations Bank, Pewaukee; Paul Hoffman, Monona State Bank; and Robert Fait, Bank of Mauston.

Russel Kuehn, chairman of the board of The First National Bank of Berlin, was elected chairman of Community Bankers of Wisconsin for 2009-2010 at the association's annual meeting in Madison.

Chairman elect is Steven Bell, Community State Bank, Union Grove. New vice chairman is James Tubbs, State Bank of Cross Plains. Elected secretary/treasurer is Mary Jo Ceniti, Farmers Savings

Bank, Mineral Point.

New members of the board are: Jon Mentink, First Bank of Baldwin; Steve Zeman, Union State Bank, West Salem; Stan Leedle, Choice Bank, Oshkosh; Greg Kolton, Foundations Bank, Pewaukee. At-large directors are Paul Hoffman, Monona State Bank; Sigurd Bringe, Bank of Deerfield; and Randolph Malueg, Heritage Bank, Spencer.



Melaine Brandt, Jo Ann Cotter, and Richard Dean (right), Wipfli LLP, sponsors of the Banker of the Year Award present the plaque to Carl Axness, Union Bank of Blair.

Axness Named Community Banker of the Year

Carl M. Axness, chairman of the Union Bank of Blair, was named Community Banker of the Year at CBW's annual meeting in September. Axness began his career at the bank in 1973 as assistant cashier. In 1996, former president, Howard R. Turk and his wife sold the bank to Axness and a partner, Dennis Stephenson.

Since then, the bank has grown from \$27.47 million to \$63 million in assets. Axness' commitment to success is evident as the bank has consistently outperformed its peers in return on assets and return on equity while maintaining the personal touch of a small town bank.

Axness has provided support to many local organizations, such as the area industrial development committee and various county and local business committees. He has encouraged employees to participate in civic activities and has been recognized for his contributions to a long list of organizations. Axness has received the Melvin Jones Award from the Lions Club's and was named Citizen of the Year by the City of Blair.

Axness has served as the past chairman of the Community Bankers of Wisconsin board. He's also been a member of the Agriculture and Regulatory committees of the Independent Community Bankers of America and past secretary of the 7th district of the Minneapolis Ag Credit Company.

FIERCELY FOCUSED >

I NEED A PARTNER WITH ADVICE FOR TODAY AND SOLUTIONS FOR TOMORROW. As the financial landscape changes, it has never been more important to have a trusted advisor who understands your business. Wipfli takes your success personally, working to find customized solutions that align with your goals and needs. Let their power of focus become an asset for you.

WIPFLI
CPAs and Consultants
www.wipfli.com

© 2009 Wipfli LLP All Rights Reserved



Sometimes the Silver Lining comes with no clouds attached.

You buy insurance for protection when things go wrong. But what about when things go right? At West Bend, we reward those customers who don't have a claim on their Home and Highway® policy all year. With the Claim Free Award, you'll get 5% of your entire annual premium returned to you – in cash. In fact, last year, we returned almost \$7 million to our customers.

And because you're a member of the CBW, you'll receive an additional 10% discount on your annual premium. Sometimes the Silver Lining comes with no clouds attached.

To find out more, call an independent insurance agency in your area that represents West Bend. Visit thesilverlining.com for the name of the agency nearest you.



Building Better Bankers

Our trainers are seasoned, dynamic professionals with years of real-world banking experience and expertise.
Upcoming Online Courses

Course Title	Start Date
Analyzing Financial Statements	11/9/09 or 12/7/09
Business Communications	12/7/09
Business Math	11/16/09
Commercial Lending	11/30/09
Consumer Lending	11/30/09
Economics for Bankers	11/9/09 or 12/7/09
Financial Accounting	11/9/09 or 12/7/09
General Accounting	11/16/09 or 12/14/09
Human Relations	11/16/09
Introduction to Mortgage Lending	11/2/09
Law & Banking: Applications	11/30/09
Law & Banking: Principles	12/7/09
Managing Interest Rate Risk	11/16/09
Marketing Financial Services	11/9/09
Money & Banking	11/16/09
Principles of Banking	11/9/09, 11/30/09 or 12/14/09
Principles of Banking – Accelerated	11/16/09
Problem Loan Workouts	12/14/09
Real Estate Appraisal	11/13/09
Supervision Certificate	11/16/09
Today's Teller	12/7/09
Understanding Your Construction Borrower	12/7/09

Offering today's most popular distance learning via...

Online / Independent Study / Webinars



Contact CFT to Register or Learn More...
414.332.6468 / www.cftnscs.org

Golf Outing Kicks Off CBW Conference

The weather was partly cloudy with a gentle breeze as 85 golfers enjoyed golfing the Legends of Bergamont course in Oregon, to open the 2009 CBW conference.

In addition to first-, second-, third-, and fourth-place winning teams, golfers competed for flag events at individual holes.

First place team members with a 64 (pictured left to right): Scott Kopp,



First place team members

Bank of Galesville; John Maciosek, Elite Payment Systems, New Berlin; Penny Heberlein, CBW, Madison; and Sid Sukow, Premier Check Printing, Merrill.

Second, third and fourth place team members were determined by a score-card playoff with a score of 65.

Second place team members with a 65 (pictured left to right): Tim Luger, Shazam, Baraboo; Steve Swanson, McFarland State Bank; Dennis Doyle,



Second place team members



Flag event winners.

Golf Prize Flag Event Winners:

- # 1 Closest to the Pin in 3 Guy Nelson, Farmers & Merchants Bank, Kendall
- # 2 Closest to the Pin in 2 Tim Luger, Shazam, Baraboo
- # 3 Closest to the Pin in 2 (M) David Fritz, Executive Benefits Network, Milwaukee
- # 4 Closest to the Pin in 2 (W) Barb Saeman, State Bank of Cross Plains
- # 5 Long Drive (M)..... Charlie Saeman, State Bank of Cross Plains
- # 6 Longest Putt (W)..... Patty Moilien, Citizens First Bank, Viroqua
- # 7 Closest to Pin (M)..... Kent Musbach, Nexterity Bank, Menomonee Falls
- # 8 Longest Putt (M)..... Steve Poss, Bank of Galesville
- # 9 Closest to the Water Tim Treml, Bank of Luxemburg
- #10 Long Drive (W)..... Kay Marranca, Cattaraugus County Bank, Little Valley NY
- #11 Closest to the Pin in 3 Todd Smith, Godfrey & Kahn, Milwaukee
- #12 Shortest Drive (W) Barb Saeman, State Bank of Cross Plains
- #13 Closest to the Pin in 3 Carl Axness, Union Bank of Blair
- #14 Closest to the Pin in 1 (W) Julie Redfern, Union Bank & Trust Company, Evansville
- #15 Shortest Drive (M) Kevin Hultman, Edge One, Stoughton
- #16 Closest to the Pin in 3 Paul Schaller, Bank of Wisconsin Dells
- #17 Closest to the Pin in 2 (M) Scott Kopp, Bank of Galesville
- #18 Closest to the Rock Wall Ron Moilien, Citizens First Bank, Viroqua



Fourth place (left) and third place (right) team members

Great Midwest Bank, Brookfield; and Michael Marx, ICBA, Appleton.

Third place team members with a score of 65 (pictured starting from right to left): Todd Smith, Godfrey &

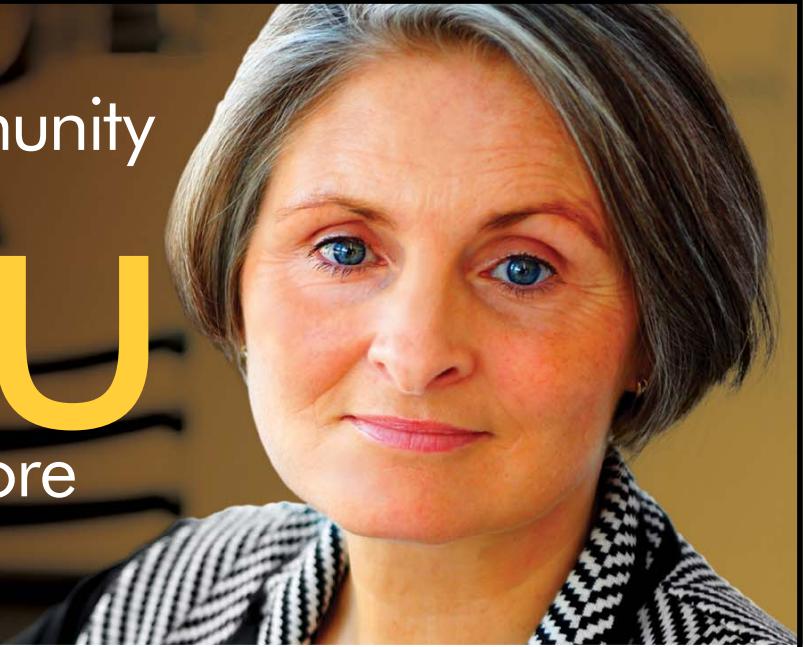
Kahn, Milwaukee; Daryll Lund, CBW, Madison; and Jeff Niesen, Bankers' Bank, Madison. (Stan Leedle, Choice Bank, Oshkosh was absent for the photo.)

Fourth place team members with a score of 65 (pictured starting from left to right): Kent Musbach and Josh Hunt, Next City Bank, Menomonee Falls; Carl Axness, Union Bank of Blair; Randy Bobholz, Farmers & Merchants Union Bank, Columbus.

Golfers who purchased a mulligan golf ball were eligible to win a signed Green Bay Packers football. Pictured



are (left to right): Daryll Lund, CBW, Madison; Rick Allsop (winner), Travelers, Brookfield; and Penny Heberlein, CBW, Madison. 



Your community
needs
you
now more
than ever.

Your customers rely on their debit cards for almost all of their daily transactions. That means you need an effective and reliable debit card strategy. ICBA Bancard, the premier provider of payment services for community banks, can help you leverage depositor relationships while maximizing transaction revenue.

For debit card support solutions, prepaid programs, ATM monitoring and more, turn to ICBA Bancard. Find out how we can help today; call 1-800-242-4770 or visit www.icbabancard.org



Michael Marx, Regional Vice President
920-257-ICBA(4222)
Michael.marx@icba.org

One Mission. Community Banks.sm

Fifteen Community Bankers Receive Lifetime Service Awards

For the first time this year CBW honored at its annual meeting 15 individuals who exemplify the characteristics of the industry. These recipients of the 2009 Lifetime Service Award were selected based on their impact, not only on the bank's bottom line but on their colleagues, their customers, and their community. A positive attitude and a can-do personality were also part of the selection criteria. Those selected had at least 30 years of service; some had over 40 years with their bank.



Kathy Pieper with Gary Weirauch,
Citizens State Bank of Loyal

Kathy Pieper, Citizens State Bank, Loyal

Pieper, vice president and cashier, joined the bank in 1979 as a teller. She rose through the ranks becoming a proof operator, working in the bookkeeping department, and managing the computer department until her promotion to vice president. She is also an active member of the Loyal American Legion Auxiliary and a treasurer of her church.



Mary Lou Treptow and Laurie Frey,
Farmers & Merchants State Bank,
Waterloo-Marshall

Laurie Frey, Farmers & Merchants State Bank of Waterloo-Marshall

Frey, vice president of operations, began working at the bank in 1976

while still in high school. She started her banking career in the bookkeeping department and then progressed to teller, customer service, assistant manager, bookkeeping supervisor, and operations/security officer. This year, Frey received the Waterloo Chamber of Commerce Volunteer of the Year award for 32 years of dedication to numerous community nonprofits including the food pantry, Waterloo Fire and EMS Supporters, and her church.

Mary Lou Treptow, Farmers & Merchants State Bank of Waterloo-Marshall

Treptow, personal banking officer, began working in banking in 1962. She rose through the ranks to become the first woman vice president and cashier. For the past 12 years she's served as personal banking officer at F&M State Bank. Treptow has been active in her community serving on the Lake Mills Zoning Board of Appeals, the Waterloo Chamber of Commerce, Relay for Life as a survivor participant, and day manager of Twice Is Nice Resale Shop in Jefferson, in addition to serving as a Sunday school teacher at her church.



Gary De Master, Oostburg State Bank

Gary De Master, Oostburg State Bank

De Master, president and chairman of the board, joined the bank 36 years ago. His first 23 years were spent making thousands of loans to families and businesses to help them realize their dreams. De Master was key in supporting a bank donation program that has helped hundreds of local groups and organizations. He's an active volunteer in numerous local organizations including the Chamber of

Commerce, Kiwanis Club, the Oostburg School District, Little League, the YMCA, Junior Achievement, and church committees. De Master also served as the 2003 chairman of CBW.



Pat Storck, with Jim Caldwell, president and CEO, First Citizens State Bank, Whitewater, receives her 30-year award from Darryl Lund, CBW, at the bank.

Pat Storck, First Citizens State Bank, Whitewater

Storck, branch manager at the bank's west side location, has served the bank for 32 years. Prior to being named branch manager, Storck was a teller and new accounts/personal banker. In addition to her work with the bank, she's been active in volunteer work with the Whitewater Chamber of Commerce, the Whitewater Tourist Board, and the Whitewater Downtown Revitalization committee, as well as with the American Heart Association.



Arlene White and Charlene DeHaan, Walworth State Bank

Charlene DeHaan, Walworth State Bank

DeHaan, teller, has served the bank and her customers since 1967. She was hired right out of high school and has developed a loyal customer following over the years due to her knowledge

and excellent service. Although she's seen many changes over the past four decades, she still greets each new change with enthusiasm. Her biggest career satisfaction is "meeting all the wonderful people I've helped throughout the years, especially the senior citizens."

Arlene White, Walworth State Bank

White, assistant cashier, has served the bank and her customers for 39 years starting as a teller. One of the bank's employees summarizes White's impact by saying, "Arlene treats employees like customers. Even on days when I knew Arlene was very busy, she would stop everything to help me solve a problem and never complain." She has dedicated her time to the Walworth State Bank Cancer Fund, which raises money for cancer treatment and research.

Kathy Rankin, Tomahawk Community Bank

Rankin, chief operating officer, began her career at the bank in 1977 as a teller. Her career has included stints as head teller, data processing supervisor, lending secretary, and senior loan officer. She is a member of the Tomahawk Regional Chamber of Commerce and on the board of the STAR (Support Tomahawk Area Resources) Foundation. She also volunteers her time with the Fall Ride for MDA and the Birch Trails Girl Scout Council.

Laurie Murphy, First Citizens State Bank, Whitewater

Murphy, controller, has been a dedicated employee for 37 years, joining the bank as a bookkeeper. In her various positions, she's been critical in helping the bank through various software and hardware conversions and the setup of multiple subsidiary companies. She's earned her insurance license and is a notary. Murphy has also been active in the Whitewater Habitat for Humanity and Whitewater Noon Kiwanis Club.

Edie Oldenburg, First Citizens State Bank, Whitewater

Oldenburg, teller, has spent 31 years at First Citizens. She started working at the bank in the bookkeeping department and two years later became a teller. Customers love Oldenburg and know they will always be greeted with a welcoming smile and a hello. "It's an honor that the longtime employees are



Edie Oldenburg, Jim Caldwell, and Laurie Murphy, First citizens State Bank, Whitewater

recognized for their service throughout the years," she said in reaction to receiving the award.

Jim Caldwell, First Citizens State Bank, Whitewater

Caldwell joined the bank in 1974 as executive vice president, becoming president in 1979. Under his leadership, the bank has grown from \$19 million to over \$211 million. Caldwell has dedicated his time, not only to the financial health and prosperity of the bank, but also to the Whitewater community, serving the Whitewater Chamber of Commerce, the Walworth County Economic Development Alliance, the Kiwanis Foundation, and as chairman of the board of Fort Memorial Hospital in Fort Atkinson. He also serves on the boards of Fairhaven Senior Living Campus and the Whitewater Foundation.

Charlie Saeman, State Bank of Cross Plains

Saeman, president, joined the bank in 1972 as assistant vice president. He was appointed president in 2000. Over the years, Saeman has provided support to many local organizations including the Cross Plains Economic Development Committee and

the Cross Plains Business Association. He's a member of the Middleton-Cross Plains School Board and serves on the economic development committee of his church. Saeman has also been active nationally

in promoting community banking. He's served as past chairman of ICBA Bancard, director of the ICBA Services Network and TCM Bank, and a member of the ICBA Strategic Planning and Membership committees. He was CBW chairman in 1998–1999 and voted 2005 CBW Banker of the Year.

Jan Hogan, State Bank of Cross Plains

Hogan, chief operating officer, began his career at the bank in 1979 as a loan officer. He rose to become senior vice president of lending and executive vice president of commercial lending before being promoted to his current position. He's also past president of the Cross Plains Business Association and a member of both the Cross Plains Village Board and the board of his church.

Lee Swanson, State Bank of Cross Plains

Swanson, chairman of the board, began his banking career in 1966. During his 43 years with the bank, he has seen assets increase from \$3.5 million to over \$700 million. Swanson was president of the bank for 15 years and has been chairman for the past nine years. He was a founder and director of Bankers Bank, CBW chairman, and its 1989 Banker of the Year. Nationally, his work includes 10 years as a national director for ICBA and director of the Federal Home Loan Bank



Charlie Saeman, Lee Swanson, and Jan Hogan, State Bank of Cross Plains

of Chicago. Locally, Swanson's service to the community includes bringing the first medical clinic and the first EMT facility to Cross Plains, being a Village Trustee and school board member, and bringing

2009 CBW Conference Prize Winners

CBW PAC Winners

Friday



Massart receives certificate for overnight stay and Packer tickets from Daryll Lund, CBW. On left is John Slatky, Bank of Luxemburg president and CEO.

Overnight stay at the Radisson and two Green Bay Packers vs. Detroit Lions tickets on Sunday, October 18 in Green Bay
Jane Massart, Bank of Luxemburg

Time for Fun—and Prizes—in the Exhibit Hall

Bankers congregated in the exhibit hall on Thursday afternoon for cash prizes donated by the exhibitors. They also had to obtain signatures from different exhibitors in order to win cash and prizes on Friday. In addition, exhibitors gave away many prizes from their booths on Thursday.

Thursday during Exhibitor Open Times

Six bankers won \$25 in cash for visiting the exhibit booths. Winners were drawn from random exhibit booth

companies. Winners were: Guy Nelson, Farmers & Merchants Bank, Kendall; Michael Klassy, Bank of Monticello; Paul Schaller, Bank of Wisconsin Dells; Scott Kopp, Bank of Galesville; Toby Steivang, Walworth State Bank; and Craig O'Leary, Farmers & Merchants Bank, Orfordville.

Three bankers won \$50 in cash drawings: John Slatky, Bank of Luxemburg; Gary De Master, Oostburg State Bank; and Richard Busch, Royal Bank, Gays Mills.

Friday Drawings Cash Drawings



Left to right: Winners of the \$50 and \$100 cash prizes were Scott Kopp, Bank of Galesville; Randy Bobholz, Farmers & Merchants Union Bank, Columbus; and Randy Malueg, Heritage Bank, Spencer.

\$50 Cash

Scott Kopp, Bank of Galesville
Randy Bobholz, Farmers & Merchants Union Bank, Columbus

\$100 Cash

Randy Malueg,
Heritage Bank, Spencer



Bo Ryan, University of Wisconsin head basketball coach (center) presents a basketball to Dennis Doyle, Great Midwest Bank, S.S.B., Brookfield (left) and Sigurd Bringe, Bank of Deerfield (right).

Two basketballs signed by Bo Ryan, University of Wisconsin Head Basketball Coach

Dennis Doyle, Great Midwest Bank, S.S.B., Brookfield
Sigurd Bringe, Bank of Deerfield

Two-night stay at the Sierra Hotel in Green Bay Tom Reil, Waldo State Bank



Russ Kuehn (center) is pictured with Gary De Master, Oostburg State Bank (left), the winner of a one-week stay in Door County, and Doug Martin, Livingston State Bank (right), the winner of a one-week stay in Orlando, FL.

One-week stay in Door County in a 2-bedroom condo plus \$150 cash

Gary De Master, Oostburg State Bank

One-week stay in a 4-bedroom house with pool in Orlando, Florida plus \$500 cash

Doug Martin, Livingston State Bank



Patricia Yanke, Bank of Prairie du Sac

Winner of the free booth for the 2010 Conference & Expo in Green Bay

PMA Financial Network,
Naperville, Illinois



We're here to help grow your capital.

For more than 75 years, RSM McGladrey has been helping Wisconsin financial institutions maximize their growth potential in uncertain markets.

From loan review and strategic consulting to audit and tax planning, we provide innovative solutions to help guide our clients through these turbulent times.

So no matter what the economy may bring, we're here to help you grow and prosper.

To learn more, contact Bill McDonald at
608.829.5420 or bill.mcdonald@rsmi.com.

www.rsmmcgladrey.com

RSM McGladrey
Accounting | Tax | Business Consulting

*RSM McGladrey is a leading professional services firm providing accounting, tax and business consulting. RSM McGladrey has an alternative practice structure with McGladrey & Pullen LLP, a CPA firm that provides audit and attest services. Though separate and independent legal entities, they can work together to serve clients' business needs. Together, the companies rank as the fifth largest U.S. provider of accounting, tax and business consulting services (source: Accounting Today).

Conference Scenes



Stephen Eager presents the past chairman plaque to Rick Busch, as he completes his term on the board.



Sal Marranca, ICBA vice chairman (second from right), and Michael Marx, ICBA, Appleton (left), present a check for \$60,176.63 to Daryll Lund, CBW (right), and Stephen Eager, CBW.



Russ Kuehn presents the immediate past chairman plaque to Stephen Eager.



Daryll Lund presents a plaque to Robert Fait for his years of service on the CBW board of directors.



Charles and Barb Saeman, State Bank of Cross Plains (left), with Kay and Sal Marranca, ICBA.



Jeanette and Howard Turk (1996 Banker of the Year) congratulate Carl Axness, 2009 Banker of the Year.

Welcome Reception: Monona Terrace Rooftop



Wisconsin Gubernatorial Candidates Visit CBW Conference



From left: Russ Kuehn, First National Bank, Berlin; Lt. Governor Barbara Lawton; Daryll Lund, CBW; and Steve Eager, Union Bank & Trust Company, Evansville



From left: CBW Chairman Steve Eager, Union Bank & Trust Company, Evansville; Mark Neumann, Republican candidate for governor; Daryll Lund, CBW; and Russ Kuehn, First National Bank, Berlin



From left: Russ Kuehn, First National Bank, Berlin; Daryll Lund, CBW; Scott Walker, Republican candidate for governor; and Steve Eager, Union Bank & Trust Company, Evansville

Three Wisconsin gubernatorial candidates stopped by the CBW Management Conference and Expo: Lt. Governor Barbara Lawton; Mark Neumann, former Congressman; and Scott Walker, Milwaukee County executive.

Regardless of who else may throw their hat in the ring, the 2010 race is already shaping up to be a major election, following the announcement that current Democratic Governor Jim Doyle will not seek a third term. 

CBW Advocates for Community Banking Perspective

Rick McGuigan, CBW executive vice president, and CBW Chairman Russ Kuehn testified in October at a State Capitol hearing on SB 255 related to mortgage foreclosures.



Benefit from a local Appraisal Management company that stands out in the bunch!

REGIONAL APPRAISAL MANAGEMENT...a *local* Appraisal Management Service you can count on.

- Proudly based in Wisconsin
- Nearly 20 years of experience providing appraisal services
- Continue to use your approved and preferred appraisers
- Quality control process allows you to make sound loan decisions
- Continuous communication of status updates
- Local service means we understand and appreciate local needs
- Easy online ordering
- Easy electronic delivery


**RegionalAppraisal
MANAGEMENT, LLC**
Bringing independence back.
262.878.9844 • www.regionalsms.com

Wisconsin Banconomics Benchmarks

CHANGE FROM PRIOR YEAR	2009 (as of 3/31/09) \$ in 000's	2008 (as of 3/31/08) \$ in 000's	Difference	%Chg	Trend
Wisconsin Banking Indicators	Total (Sum)	Total (Sum)			
Number of Banks	283	293	-10	-3.4%	▼
Number of Employees	30,833	31,358	-525	-1.7%	▼
Total Assets	\$159,510,058	\$156,688,937	\$2,821,121	1.8%	▲
Average Assets	\$159,120,058	\$154,177,987	\$4,942,071	3.2%	▲
Total Deposits	\$113,755,918	\$110,823,773	\$2,932,145	2.6%	▲
Net Loans and Leases	\$118,872,610	\$117,866,726	\$1,005,884	0.9%	▲
Net Income (year-to-date)	\$75,476	\$335,550	-\$260,074	-77.5%	▼
Wisconsin Banking Performance Ratios (YTD)	%	%	Difference	%	
Profitable Banks	89.75	93.52	-3.77	-4.0%	▼
Banks with Earnings Gains	41.70	61.43	-19.73	-32.1%	▼
Net Interest Margin	3.27	3.32	-0.05	-1.5%	▼
Noncurrent Loans to Loans	3.42	1.62	1.80	111.1%	▲
Net Charge-offs to Loans	1.59	0.68	0.91	133.8%	▲
Return on Assets	0.19	0.87	-0.68	-78.2%	▼
Return on Equity	2.03	8.47	-6.44	-76.0%	▼
Equity Capital to Assets	9.44	10.47	-1.03	-9.8%	▼

National Banconomics Benchmarks

CHANGE FROM PRIOR YEAR	2009 (as of 3/31/09) \$ in 000's	2008 (as of 3/31/08) \$ in 000's	Difference	%Chg	Trend
National Banking Indicators	Total (Sum)	Total (Sum)			
Number of Banks	8246	8494	-248	-2.9%	▼
Number of Employees	2,114,527	2,212,503	-97976	-4.4%	▼
Total Assets	\$13,541,630,370	\$13,369,430,023	\$172,200,347	1.3%	▲
Average Assets	\$13,683,732,713	\$13,193,625,794	\$490,106,919	3.7%	▲
Total Deposits	\$8,954,431,916	\$8,565,752,851	\$388,679,065	4.5%	▲
Net Loans and Leases	\$7,540,527,985	\$7,846,791,870	-\$306,263,885	-3.9%	▼
Net Income (year-to-date)	\$7,560,166	\$19,269,863	-\$11,709,697	-60.8%	▼
National Banking Performance Ratios (YTD)	%	%	Difference	%	
Profitable Banks	78.35	85.77	-7.42	-8.7%	▼
Banks with Earnings Gains	40.04	48.54	-8.50	-17.5%	▼
Net Interest Margin	3.39	3.33	0.06	1.8%	▲
Noncurrent Loans to Loans	3.77	1.72	2.05	119.2%	▲
Net Charge-offs to Loans	1.94	0.99	0.95	96.0%	▲
Return on Assets	0.22	0.58	-0.36	-62.1%	▼
Return on Equity	2.26	5.69	-3.43	-60.3%	▼
Equity Capital to Assets	10.15	10.18	-0.03	-0.3%	▼

New CBW Associate Members

Bronze Corporate Member

Rural Mutual Insurance Company, Madison, provides insurance and "undivided attention" exclusively to Wisconsin families, farms, and businesses. Contact Tom Thieding at 608-828-5709.

Regular Associate Members

Bank Compensation Consulting, Inc., Plano, Texas, delivers expertise in executive/director benefit plans, compensation consulting, bank-owned life insurance (BOLI), and provides quality "raving fan" service. Contact Kathy Orr Smith at 972-781-2020.

Benning Group, LLC, Monroe, provides audits, tax services, directors' exams, BSA exams, and internal audit functions. Contact Don Benning at 608-325-5035.

Coulee Region Solutions, La Crosse, provides cost-effective technology solutions, hardware procurement, implementation services, and managed data security services. Contact Hugh Steffens at 608-779-9400.

Federated Investors, Pittsburgh, Penn., (NYSE:FII), has offered world-class investment management since 1955 to millions of investors in the United States and around the globe. Contact Glen Johnson at 412-288-7578.

Fortress Partners, Capital Management, Ltd, Hartland, provides strategic capital advising for community banks, in addition to managing bank investments for institutions and individuals. Contact Jon Bruss at 262-369-1095.

Greenbridge Equity Partners, Brown Deer, markets tax credit investments for supportive housing that serves frail elderly, the deaf, disabled veterans, and the mentally ill. Contact Dick Kinney at 414-365-5600.

Lighthouse Leadership, Wausau, helps leaders uncover the disconnects among employees and customers so that the organization adjusts to seize opportunities. Contact Mike Krutza at 715-892-8282.

Milliman, Inc., Brookfield, established its credit risk group to work with banks, insurers, and investors to provide credit risk analytic services including ABS valuation and loan pricing and stratification. Contact Kyle Mrotek at 262-784-2250.

Sterne Agee, Chicago, Ill., provides community banks with tools to monitor interest rate risk, manage earnings, and protect their balance sheet. Contact Aaron Schmanski at 800-949-2406.

SynerComm, Brookfield, acts as a trusted IT advisor and preferred solutions provider. Its DeliverIT team provides IT network and security infrastructure products and services while its AssureIT team provides information assurance (audit, assessment, and penetration testing) services. Contact Kirk Hanratty at 262-373-7100.

Whyte Hirschboeck, Dudek S.C., Madison, is one of Wisconsin's leading full-service law firms, with 150 professionals based in Milwaukee and Madison. Contact Sverre Roang at 608-255-4440.

Visit www.communitybankers.org for more information on these companies and the complete listing of associate members or contact Penny Heberlein at 608-833-2383.



Young & Associates, Inc.



Strategic Planning

Regulatory Assistance

Stock Valuations

Capital Markets

*Expansion &
De Novo Bank Charters*

Internal Audit

Information Technology

*Recruitment &
Human Resources*

Lending & Loan Review

Compliance

Policy Development

**800.525.9775
younginc.com**

BANKERS WORKING FOR BANKERS

Combined Reporting: Wisconsin Tax Changes Affecting Financial Institutions

Melaine Brandt, Tax Partner,
Wipfli LLP

Combined Reporting was included in the state's Budget Repair Bill (Wisconsin Act 2) passed in February. It is effective for taxable years that begin on or after January 1, 2009, and will affect C corporation banks that are part of a combined group of corporations. Combined Reporting is comparable to consolidated returns which are filed for federal purposes, but get more complicated when trying to measure how much income is reportable to the state if you do business inside and outside the state.



What Does This Mean for Investment Subsidiaries?

All income is included in the combined report and probably none is allocated back to the investment subsidiary because investment receipts are not counted for apportionment or sourcing purposes. (This is different from Illinois, which does allow investment receipts to be apportioned outside the state. It is also different from Minnesota, which apportions investment income based on deposits in each state.) This means that for Wisconsin purposes all the invest-

ment subsidiary's income will likely be allocated to the bank (assuming all its receipts are from investments). State taxes should be accrued for the investment subsidiary's earnings for 2009.

You may want to keep your subsidiary in place for federal TEFRA benefits (while they are still in place). You need to be careful about the timing if you choose to shut down your subsidiary.

If you have a large municipal portfolio, your annual TEFRA benefit may exceed your costs of keeping the subsidiary in place. The IRS has the power to issue guidance, which could take away this benefit prospectively, but they have not done so yet. Until they do, you may want to keep the structure in place. This assumes, of course, that you had a business purpose for the subsidiary at the time it was created.

You need to own the investment subsidiary stock "during the entire taxable year" in order to exclude any dividends paid prior to liquidation. It is possible that these dividends could qualify for the new dividends received deduction related to the earnings for the current year, which are included in the combined return for 2009, but the rules are so new that you may not want to take this chance. For this reason, you should not dissolve the corporation until after the end of the year if you paid dividends

in 2009 prior to the decision to liquidate.

Securities that are sold at a gain or loss by the investment subsidiary will generate capital gain or loss. Securities that are transferred to the bank in a liquidating distribution will not create a gain or loss for federal or state purposes. (Wisconsin follows the federal treatment for liquidation of a subsidiary under Sections 332 and 337.) The bank will acquire a carryover cost basis for the securities.

What Does This Mean for Holding Companies?

Current and future losses directly offset the income of the combined group. This is an advantage of combined reporting, just as it is a federal advantage of a consolidated return.

Net Operating Loss (NOL) carry-forwards from prior years will only be allowed to the extent that combined income of the group is allocated back to the holding company. As mentioned earlier, receipts from investments do not get counted for this purpose. Also, receipts from other members of the combined group are eliminated. Therefore, the holding company would need to generate some Wisconsin-source gross receipts from outside the group in order to have any of the combined income allocated to it that could be sheltered by the NOL carry-forward. This could come from:

Lease receipts from renting Wisconsin property to tenants outside the combined group.

Interest from loans, including participations, are counted as Wisconsin receipts if they are secured by property in Wisconsin or if they are unsecured and the borrower is located in this state.

Wisconsin gross receipts from an LLC or partnership owned by the holding company.

What Does This Mean for Banks?

Because of a definition included in the Budget Repair Bill, every bank holding loans secured by real or tangible personal property located outside Wisconsin is now "doing business" both in and outside Wisconsin. This means



Financial Institution Products & Services Offered by Your Association

- ◆ Financial Institution Bond
- ◆ Directors and Officers Liability
- ◆ Property, Casualty, and Workers' Compensation
- ◆ Forced Placed Property Mortgage Protection
- ◆ CBW Term Life Program for Bank Customers



Kevin Christians Phil Hoover

CBW Financial Services offers a wide variety of products and services for the benefit of you, our members. For additional information on any of our financial institution programs call CBW at (608) 833-4229.

that most community banks that previously considered themselves to be only doing business in Wisconsin will now have an incentive to track the source of their receipts. You may not have a filing requirement in the other state under that state's definition of nexus ("doing business" in the state), but under Wisconsin's definition you are doing business in the other state. This will allow you to report less than 100 percent of your combined income to Wisconsin, while not changing your reporting obligation to the other states (unless the other states adopt the same definition as Wisconsin).

Every bank should get a copy of Rule 2.49 and go through the sourcing rules for the various types of receipts for financial organizations. It will be important that your systems can provide this sourcing information for tax preparation purposes.

Note that this change will also affect S corporations that have significant ownership by out-of-state shareholders. The in-state shareholders will still report income from all their sources of income, but the out-of-state shareholders only need to report income from Wisconsin sources, which should be a smaller number now. It may not affect their overall state taxes if they were getting full credit for their Wisconsin taxes on their home state return, but it could make a difference if they are residents of Florida, Texas, or Nevada with no state income tax.

Budget Bill (Wisconsin Act 28)

The Budget Bill (Wisconsin Act 28) was signed into law on June 29. It contains a number of tax changes and increases that will affect banks and their shareholders and customers.

First, the conformity (non)update will hurt certain banks with FNMA or FHLMC losses. The statute was updated to conform, with exceptions, to the Internal Revenue Code (IRC) as of December 31, 2008. One of the exceptions was the Emergency Economic Stabilization Act (EESA) passed in October 2008. This law included a provision that would allow losses from FNMA or FHLMC preferred stock to be treated as ordinary losses, rather than capital losses. Since Wisconsin did not adopt this federal change, those institutions that have losses on these stocks will need to determine strategies to generate capital gains if they want to be able to claim these losses for state purposes. For the institutions that have these losses, they are material in size. A \$2 million loss will cost you \$104,000 in taxes (net of the federal impact) if you can't deduct it for state purposes.

The top rate for individuals has been increased for 2009. A 1 percent increase (creating a new rate of 7.75 percent) will apply to income over \$300,000 on a joint return, or \$225,000 on a single return. Prior to this change, Wisconsin had a very "flat" rate structure where a 6.75 percent rate applied to all income above \$20,000. This will affect S corpora-

tion banks that pay out tax distributions based on the highest marginal rate.

Capital gains will be taxed at a higher rate regardless of your level of income. Previously, Wisconsin allowed a 60 percent exclusion for net long-term capital gains. Therefore, if your marginal rate was 6.75 percent, your effective rate on net long-term capital gains was 2.7 percent. Starting in 2009 (retroactive to the beginning of the year) the capital gains exclusion will only be 30 percent. This means that for taxpayers in the 6.75 percent marginal rate, their net effective rate on capital gains will be 4.725 percent. And for those in the new 7.75 percent range, the effective rate on capital gains will be 5.425 percent. This is over twice what it was before!

Withholding for nonresident shareholders must now be paid through estimated payments, starting with September 15 for this year. Pass-through entities, such as S corporations, partnerships, LLCs, and trusts have been paying a tax on behalf of their nonresident shareholders, partners, members, or beneficiaries for several years now. It has been done after the end of the year when the actual share of taxable income is calculated and returns are prepared. Now the state will require payments to be made on a quarterly basis as estimated payments.

For more information, please contact your Wipfli relationship executive or Melaine Brandt at 608-270-2955. Or e-mail WipfliFiPractice@wipfli.com.

Paying too much for firewall monitoring?

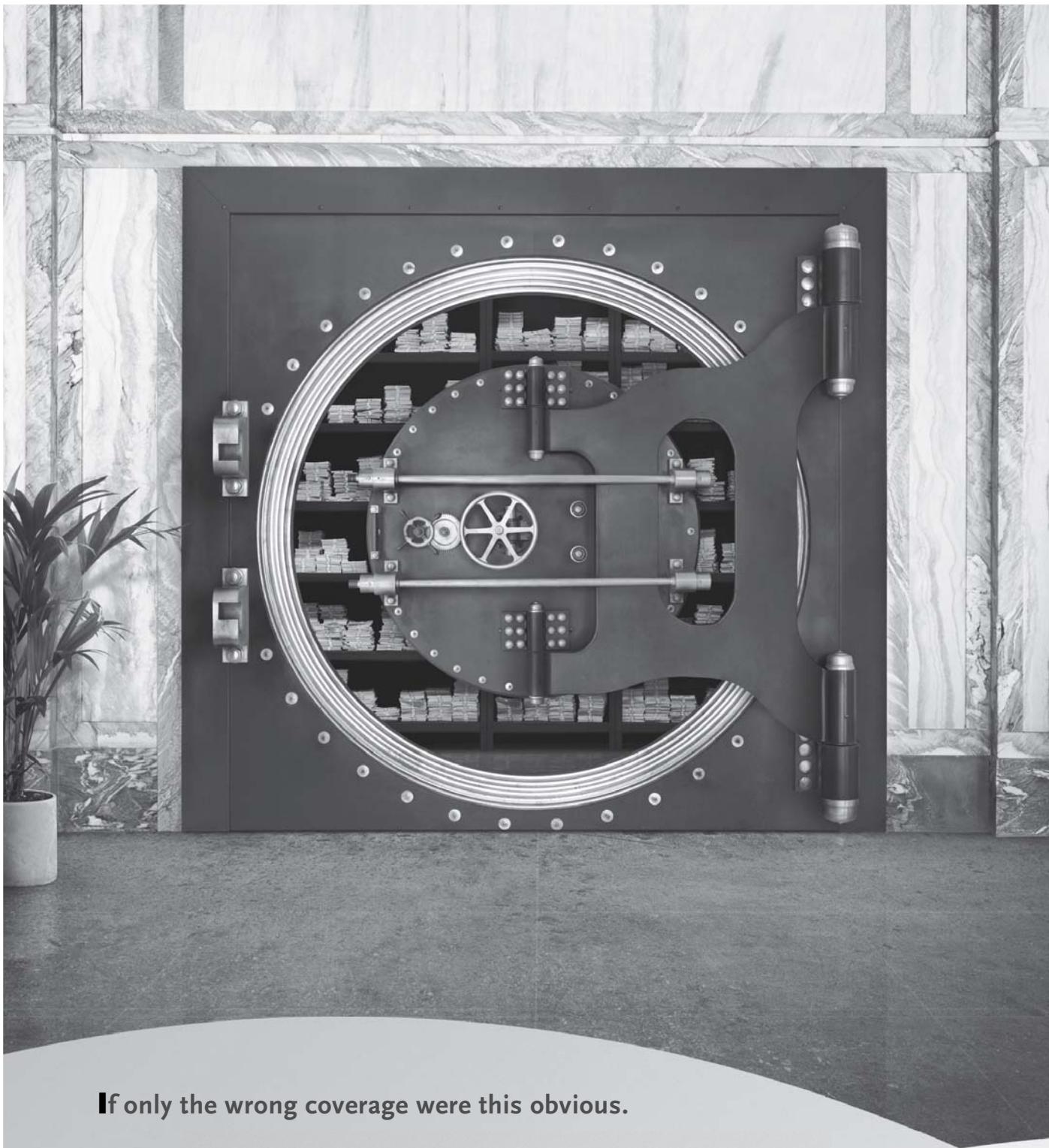
BankOnIT provides a fully staffed 24/7/365 firewall monitoring solution.

Plus, with controls such as annual **SAS70 Type II audits** and **FFIEC regulatory oversight**, you can be sure that BankOnIT is providing you quality service at a fair price.

Learn more at www.betterbankfirewall.com

BankOnIT
Solutions in Financial Technology

1-800-498-8877 • www.bankonitusa.com



If only the wrong coverage were this obvious.

To a Travelers' agent, too much or too little insurance protection is just as obvious. It's an expertise we've gained by providing powerful, customized coverage to the Community Banking industry for over 100 years. And only Travelers SelectOne® offers an unparalleled product mix of property, casualty, and specialty lines of insurance. Because coverage that's not perfectly tailored to your bank is bound to leave you feeling a little, well, exposed. To learn more, contact a Travelers agent.

TRAVELERS 
Insurance. In-synch.SM
travelers.com



Education Calendar

CBW's Telephone/Webcast training sessions bring the latest regulatory information right to the desks of your bank employees.

Tuesday, October 20: Endorsements: Authority and Liability

Thursday, October 22: Analyzing Cash Flow in Commercial Lending

Tuesday, October 27: What Bankers Need to Know about Repossessions

Thursday, October 29: Electronic Debits: Substitute Checks, ACH: Understanding the Difference

Tuesday, November 3: IRA Basics

Wednesday, November 4: Call Report Changes, Errors, Problems: Including Proposed Revisions Effective March 31, 2010

Thursday, November 5: Surviving a FACT Act Red Flags Exam

Tuesday, November 10: Home Mortgage Disclosure Act

(HDMA) Data-Integrity Danger Zones

Thursday, November 12: Frontline Skillworks: Counterfeits and Frauds

Tuesday, November 17: Director Series: The Effective Board

Package

Thursday, November 19: Auditing the Deposit Operations of ATM Cards, Debit Cards, and Prepaid Stored Value Cards

Tuesday, November 24: Year-end Compliance Checklist

FDIC Teleconferences: How to Calculate Deposit Insurance Coverage

The FDIC is hosting a series of teleconference seminars for bank officers and employees that provide comprehensive guidance on how to calculate FDIC deposit insurance coverage for their customers. Each seminar begins with an approximately 100-minute audio presentation linked to a PowerPoint presentation. A question-and-answer period with FDIC deposit insurance coverage subject matter experts follows. These are free to employees and officers of FDIC-insured banks and savings associations. The remaining dates are Oct. 23, Nov. 18 and Dec. 9.

Visit www.fdic.gov/news/news/financial/2009/fil09046.html to learn more and to register.

Most conferences run from 2:00 p.m. to 3:30 p.m. However, the Director's seminar on November 17 begins at 10:00 a.m. For questions on any of these conferences or about the Webcast

itself, please call Sandy Gruber at 608-833-4229 or e-mail sandy@communitybankers.org. Visit CBW's Web site, select the desired workshop, and follow the link to register online.

BUILDING TRUST WITH HIGHLY TRAINED PERSONNEL TO SERVICE YOUR PROFESSIONAL NEEDS



Jim Deprey



Glen Flynn

Protect your bank and customers while maximizing your fee income with Debt Protection, Credit Insurance, and other credit-related products

For complete information, contact your Pekin Life Insurance Company Financial Products Department at 800-322-0160



Pekin Life Insurance Company

2505 Court Street Pekin, Illinois 61558 www.pekininsurance.com

Notice of Appeal Filed in TEFRA Disallowance Case

Bruce E. Toppin, III, Executive Director,
Subchapter S Bank Association

Editor's note: CBW has actively supported the petitioners of this case and its legal counsel, Godfrey & Kahn (Debra Koenig), represents the bank involved.

As you may have heard, on January 15, 2009, Subchapter S banks were dealt a surprising blow when the U.S. Tax Court ruled in favor of the Internal Revenue Service in the TEFRA disallowance case styled *Vainisi v. Commissioner of Internal Revenue*. The case centered on whether a provision in the Internal Revenue Code (IRC) limits the applicability of the 20 percent TEFRA disallowance to only the first three taxable years after a bank elects Subchapter S. It was initially brought before the Court in November 2006.

The TEFRA disallowance refers to a mandatory 20 percent reduction in the amount of a financial institution's deductible interest expense attributable to its investments in qualified tax-exempt obligations (QTEOs). The IRC permits all financial institutions to take annual deductions for their interest expense attributable to holding QTEOs; however, for C corporations these deductions must be reduced by 20 percent each year in which the entity claims any such deductions. This is known as the 20 percent TEFRA disallowance. The *Vainisi* petitioners argued though, that

Section 1363(b)(4) of the IRC provides that the 20 percent TEFRA disallowance applies only for the first three years after an institution elects Subchapter S.

The Tax Court concluded that Section 1363(b)(4) did not, in fact, limit the applicability of the 20 percent TEFRA disallowance to only those first three years; rather, it applied in every year in which the institution claimed a deduction for its interest expense attributable to holding QTEOs. The Court's ruling was based largely on semantics. It reasoned that Section 1363(b)(4) spe-

**...had the
petitioners been
merely a standalone S
corporation bank, the
Court may have [ruled
differently].**

cifically references S corporations—not QSub (qualified Subchapter S subsidiary) banks—and because in the *Vainisi* petitioners' case, the QSub bank, not the parent S corporation holding company, owned the QTEOs, the 20 percent TEFRA disallowance applies in the same manner as it does to C corporations.

Oddly, the Court suggested that had the petitioners' corporate structure been different, so too may have been the result. The judge made a point that "the focus of [the Court's] analysis is on

the statutes and regulations relating to QSub banks" and not those relating to S corporation banks (i.e. stand-alone Subchapter S banks without parent bank holding companies). In other words, had the petitioners been merely a stand-alone S corporation bank, the Court may have found that the 20 percent TEFRA disallowance applied only for the first three years, rather than in every year. Fortunately, *Vainisi* petitioners have an opportunity to appeal.

A notice of appeal in the *Vainisi* case has been filed with the Seventh Circuit Court of Appeals. The appeal likely represents the final opportunity for the Sub S bank community to challenge the IRS position on the 20 percent TEFRA disallowance. Fortunately, it is also our best opportunity to have the Tax Court's opinion reversed, due in part to its seemingly inconsistent ruling.

The Subchapter S Bank Association has established the Subchapter S TEFRA Legal Fund to support this critical appeal. We urge all Sub S banks, whether they are directly impacted by the Tax Court's ruling or not, to consider making a contribution to the Fund. One hundred percent of all proceeds will be contributed to the appeal.

If you would like to make a contribution, or simply obtain more information about the TEFRA appeal, please feel free to contact the Subchapter S Bank Association at 210-228-9961. 



Simplifying Business...Integrating Technology

ATM Solutions



- ATMs ■ Kiosks ■ Supplies
- 1st and 2nd Line Maintenance
- Cash Replenishment
- Transaction Processing
- Complete ATM Management
- Additional Solutions Available

Armored Solutions



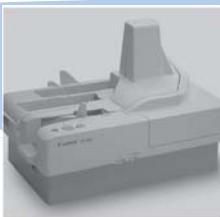
- ATM Cash Replenishment
- ATM 1st Line Maintenance
- Cash-In-Transit Services
- Currency Management
- Coin Processing Services
- Additional Solutions Available

Service Solutions



- ATMs ■ Scanners
- Money Counters ■ Printers
- Customer Service Center
- On-Site ■ Depot
- Contract ■ Time & Materials
- Project Coordination Installation ■ Training
- Additional Solutions Available

Technology Solutions



- Check & Document Imaging
- Remote Deposit
- Microfilm Replacement
- Internet & Telephone Banking
- Fraud Detection
- Additional Solutions Available

PULSE President Discusses 'Debit in the New Age of Frugality'

Doris Green

How popular have CBW's Member Appreciation Days become? Consider that the final 2009 event drew so many community bankers that the venue had to move from the CBW training room in Madison next door to the facilities of the West Side Business Association.

The session again featured CBW updates by Daryll Lund, president and CEO, and Stephen Eager, chairman, as well as a presentation by Michael Marx, ICBA Great Lakes regional director. Next, David Schneider, president of PULSE EFT Association, discussed "Debit in the New Age of Frugality."

Schneider did not shy away from the current challenges. "We participated in the previous era of encouraging consumers to take on more debt, and it had unintended consequences," he said. "Card companies, including PULSE and Discover, were part of it."

To cite an extreme example, "American Express really melted down last fall," Schneider said, after it pushed into the

credit market from a plan that essentially was a debit card, with consumers paying off the balance each month. American Express targeted customers with multiple home mortgages, figuring that individuals who owned second and third homes, would be good prospects. But when the downturn hit, American Express "had exposure to people who were overextended in states like Florida and Nevada," he said. "It was a total disaster."

In an attempt to stem the loss in early 2009, American Express actually offered select customers \$300 to pay off and cancel their card!

Other factors that will impact the growth of debit card use include the following:

- Unemployment, which is expected to reach 10 percent this year
- U.S. household net worth — down \$14 trillion since 2007
- Retail spending, down 3.8 percent year-over-year in June.



Still, debit card use will continue to grow even in the current economy, though it will grow at a slower rate. It remains "a critical tool for building customer loyalty and revenue," Schneider said. "Debit card users have a lower attrition rate than those who use the card infrequently or not at all."

Schneider encouraged community bankers to identify who uses their debit card, how often they use it, and where they use it. Do they use it at the grocery store? At the ATM? For big ticket items?

Once a community bank understands how customers use its card, the bank can develop better strategies for meeting the needs of different market segments. It can provide incentives for customers opening new accounts, for the first time they use the card, or when they've used the card a certain number of times. Schneider noted that community bankers can work with CBW and vendor partners to enhance these efforts. 



CAPVEST VENTURE FUND AN INVESTMENT RESOURCE TO REMEMBER

Your local business customer seeks equity capital for expansion. *What to tell them?*

Partner with the Capvest Venture Fund (CVF) to:

- Provide equity capital to businesses with annual revenues of \$5 million or more in manufacturing, distribution, business services, healthcare, and information technology supporting these industries.
- Help your business customers grow, create jobs, and build the local economy.

Review your business accounts today. Help them reach their goals of expansion, market development, and acquisition.

CapVest Venture Fund: Focused on Wisconsin businesses

www.capvestvc.com.



Contact Daryll Lund or Rick McGuigan at (608) 833-4229.
Or e-mail Daryll at daryll@communitybankers.org
or Rick at rick@communitybankers.org.

Message: Community Banks Matter

Mary Lou Santovac

Salvatore Marranca, president of Cattaraugus County Bank in Little Valley, New York, started his career as an FDIC bank examiner, before switching roles to become a community banker. Marranca, who also serves as vice chairman of ICBA, spoke at the Community Bankers of Wisconsin annual conference held at Monona Terrace in Madison in September.

"We community bankers are facing the greatest threat to the franchise value of community banks," he said. Over 90 banks have failed and FDIC chairwoman Sheila Barr estimates that number could go as high as 200. The next wave of failures, which were once confined to large regional and too-big-to-fail banks are now touching community banks and community bankers across the nation.

While Wisconsin has not seen a bank failure due to this crisis, a few are walking a regulator tightrope, having received cease-and-desist letters.

Community bankers will make the difference going forward. What we do today will change the future for generations of community banks. "The future of banking rests in our hands," Marranca said. "I'm not overstating the case."

And just as community banks have helped Main Street thrive, ICBA has led the fight for Main Street banks during this economic storm.

A Two-Tiered System

Marranca noted that active membership in ICBA acts as franchise-value insurance. The association has fought for community banks at every level from the White House to the regulators and bank examiners. "We fought hard for improvement of the FDIC insurance levels," he said. As the result of the crisis, ICBA is currently fighting a battle for a two-tiered regulatory system. "We're driving home the point that we had nothing to do with this crisis."

ICBA was and continues to be the only trade group calling for broadening of the new FDIC assessment base. Thanks to strategic lobbying on behalf of Cam Fine, ICBA president and CEO, the FDIC premiums will be based on assets, not deposits. It's estimated that

98 percent of all community banks will save money because of ICBA's effort.

Regulatory reform will prioritize ICBA's advocacy efforts. The association supports the dual system of banking charters, multiple regulators, and closing the ILC loophole that preserves the demarcation between banking and commerce.

Also on the horizon is how the United States will deal with the too-big-to-fail banks that caused the train wreck. Administrative proposals include several ICBA suggestions in handling too-big-to-fail. "We want the 10 percent deposit cap to be reduced," Marranca said. The exception would be through emergency acquisitions and then those involved in the deal would pay a special fee. ICBA plans on running an ad campaign about the too-big-to-fail issue.

National Issues of Concern

One of the hot issues currently on Capitol Hill is the Consumer Financial Protection Act (CFPA). While Rep. Barney Frank and consumer groups believe it's necessary, passing it would increase the burdens of community banks without adding more protection for consumers. "The reality is we have to be at that table or we'll be on the menu," said Marranca of ICBA's efforts.

Frank also wants to expand the Community Reinvestment Act to include credit unions, mortgage brokers, and other non-traditional financial institutions, which ICBA supports.

ICBA opposes the consolidation of the federal thrift charter with the national bank charter. Other issues of concern are farm credit and a review of the tax exempt status of credit unions. If credit unions take \$1 of TARP money, the association will act, Marranca warned. According to Fine, "ICBA will swoop down like a chicken hawk on a field mouse."

While ICBA is the community banks' powerful voice in Washington, the association needs the help of community bankers across the nation. Currently, seven out of 10 community banks belong to ICBA, but only about 25 percent of the membership is active and involved. "When is the last time you've written a letter to a legislator or called up a legislator?" Marranca prodded the community bankers in the audience. "Don't let other people carry your water."

Community banks are systematically important to Main Street America. They did not cause the banking train wreck and Marranca said "I'm tired of paying for those who did. Our industry needs to stop paying for the sins of others."

As the economic engines in communities across the nation, we make our customers' dreams come true. He encouraged community bankers to keep fighting the good fight.

At the conclusion of his speech, Marranca presented a check for 2008 state association royalties in the amount of \$60,176.63.

CHANGING SCENE

ICBA Launches Web Site on Too-Big-to-Fail Debate

WASHINGTON, D.C.—The ICBA has initiated mycommunitymybank.org, an advocacy Web site for community banks to inform and engage individuals interested in the too-big-to-fail bank debate. This new site is for community banks, customers, and other consumers, as well as public officials and policymakers.

Click on the My Community Bank link and you will see that the interactive site features links to testimonials, news articles, fact sheets, and quotes from individuals involved in the regulatory

reform process. There are also links to enable people to easily write a letter to their representatives or submit their own testimonial.

Community bankers can help this effort succeed by adding this link to their bank's homepage. Click on www.icba.org/advocacy to find information about adding this link to your webpage.

You can make your opinions heard via this new Web site and encourage your employees and customers to log on and take action. This campaign builds awareness of the importance of community banking and gives community bankers a louder voice in this key national debate.

PyraMax Bank Celebrates Office Reopenings



MILWAUKEE/ SOUTH MILWAUKEE—PyraMax Bank hosted a ribbon cutting ceremony in September to celebrate the grand reopening of its Milwaukee office, 1605 W. Mitchell St.

The 4,242-square-foot facility hosts three drive-thru lanes and an ATM. An Internet café is a focal point, offering clients amenities like accessing their account online or checking other online information with a staff member always on hand to help. The facility also has the convenience of in-lobby news, weather, and stock market television broadcasts and a play area for the children.

PyraMax Bank also held a ribbon cutting ceremony in September to mark the grand reopening of its South Milwaukee office, 1015 Marquette Ave. This 3,942-square-foot facility features similar amenities to the reopened Milwaukee office.

Call for Nominations: ICBA Community Bank Service Awards

WASHINGTON, D.C.—ICBA is seeking nominations for its 2010 National Community Bank Service Awards program. Each year as part of Community Banking Month in April, ICBA recognizes member community banks for their extraordinary works of community service. Repairing homes, serving meals, organizing charity fundraisers, and revitalizing Main Street are just a few of the volunteer activities that have received recognition.

Anyone can nominate a bank community service program or you can nominate your own bank. Four national awards are given out by asset category, as well as an award for financial literacy. Nomination forms and additional information are available at www.icba.org/goto/awards,

which must be postmarked or received electronically by December 4.

New Preferred Partner

CBW Financial Services, Inc. (CBWS) has appointed Secure Banking Solutions, LLC (SBS) as a preferred partner for information security services. SBS is an offshoot of the National Center of Excellence in bank security at Dakota State University.

SBS first developed an automated IT risk assessment tool that provides an automated method for conducting an in-depth IT risk assessment that identifies all assets, vendors, and service providers, and then determines the risks to those assets. The automated tool (TRAC™) then provides a written ISP policy.

Now, SBS has developed an automated third party management module, IT audit module, and BSA risk assessment module to enhance the capabilities of the TRAC™ system. SBS also performs penetration testing, vulnerability assessments, and information security services.

SBS will offer discounted pricing to CBW member banks for TRAC™ and a

new audit bundle that examines three crucial areas of an information security program: people, processes, and technology.

In response to the current emphases of the regulatory agencies, CBW has requested that Nick Podhradsky, Wisconsin's representative for SBS, contact all member banks to explain the details of these services. To learn more, contact Podhradsky at 605-770-3926 or visit www.protectmybank.com. If you have questions, please contact Rick McGuigan, CBW executive vice president, rick@communitybankers.org.

Banks Offer Web Site Services

Take a break to surf the Internet and you may find new or unusual services and products at Wisconsin community banks. To name but two examples, First National Bank (www.firstnationalbanks.biz/index.html) offers a "Switch Kit" to help consumers transfer their accounts to First National, and Badger Bank (www.badgerbank.com) offers an online store where you



**Before you ring in 2010,
we have an important
question to ask...**

Have you met all your ACH/RDC compliance obligations?

If not, contact the professionals at WACHA immediately for assistance in performing the required ACH audit and/or RDC and ACH Risk Assessments.

Mention this ad and receive a \$50 discount! Book both and receive a greater discount! (Not valid with any other offers.)

Contact the WACHA office at (800) 453-1843 or via email at info@wacha.org for pricing and to schedule a visit.

WACHA
The Premier Payments Resource

can purchase bank-branded clothing and accessories.

Amcore Divests Branches

ROCKFORD, Ill.—Because of regulatory scrutiny and continuing losses, Amcore Bank is divesting itself of several of its Wisconsin branches. It has agreed to sell its branches in Monroe and Argyle to Beloit's First National Bank and Trust Co. and its branches in New Glarus and Belleville to Union Bank & Trust Co. of Evansville. Union Bank and Trust will consolidate Amcore's Belleville branch with its own branch in the community.

Amcore also plans to sell the Amcore Bank building in Wauwatosa to UW Credit Union and consolidate the branch employees to a leased facility nearby.

Jack Henry Acquires Goldleaf

MONETT, Mo.—Jack Henry & Associates, Inc. (Nasdaq: JKHY) has acquired Goldleaf Financial Solutions, Inc. (Nasdaq: GFSI), a provider of integrated technology-based solutions primarily for the financial services industry. Goldleaf will be assimilated into ProfitStars®, Jack Henry & Associates' third primary brand, established to encompass the companies acquired to broaden its reach well beyond the company's traditional markets.

Jack Henry provides computer systems and ATM/debit card/ACH transaction processing services primarily for financial services organizations, serving more than 9,800 customers nationwide.

It has three primary brands: Jack Henry Banking offers information processing solutions; Symitar serves credit unions of all sizes; and ProfitStars provides specialized products and services that enable financial institutions to mitigate and control risks, optimize growth opportunities, and contain costs.

Square-Foot Growth

First National Bank-Fox Valley expects to open a 7,600-square-foot

facility at 3111 E. Calumet St., Appleton, in November. The bank will occupy half of the building with the remainder available for tenants.

North Shore Bank recently opened a 2,000-square-foot branch at 10806 N. Port Washington Road in Mequon. It features two remote teller systems, and a service called "inLighten," which shows news headlines, weather, stock prices, and bank news on flat-screen televisions posted around the interior. 

COMMUNITY INVOLVEMENT

Smallest Business Donates to Habitat for Humanity

OSHKOSH—This past summer four local kids started their own business with the help of Choice Bank. What started out as an idea quickly turned into a functioning small business. In only two short months of business they managed to raise over \$580. After Choice Bank's profit match these four kids presented a check for \$1,172.22 to Habitat for Humanity.

The owners, self-proclaimed Team Lemonade, opened the Best Choice Lemonade Stand in July with a small loan from Choice Bank and help from community sponsors. After putting out a call for area kids to help work at the stand, they received 21 applications for employment. They were able to hire each and every applicant to work at least a shift or two.

By the end of the season Team Lem-

onade had learned a lot about what it takes to run and grow a business — from creating a business plan to selling the product. Everyone had learned how to work with money, make lemonade, and taste test the product. "It was a lot of fun to be able to meet so many other people who wanted to help raise money for Habitat too," said one of the young entrepreneurs, age 10.



Team Lemonade members are back in school now but are looking forward to next summer when they will be able to open the stand again. In fact, the lemonade business was such a success that they plan to open a second Oshkosh

Electronic & Physical Security Specialists



Hamilton Safe Products

- Vaults & Vault Doors
- Remote Drive Ups
- Safes
- Cash Dispensers
- Two Way Video
- Safe Deposit Boxes
- Night Depositories

Turnkey Security Provider

- Digital Video Recording
- Security Alarms
- Fire Protection
- Access Control
- Filing & Cash Systems
- Lock & Key Service
- Surveillance Systems
- Fraud Protection

Commercial / Industrial

- Access Control
- CCTV Cameras
- Burglar Alarms
- Fire Alarms
- Wisconsin's #1 Service Provider
- Building & Employee Protection

Integrated Security Solutions, Inc.

PO Box 124 | 219 S. Main Street | Cottage Grove, WI 53527
1-800-778-8565 | Fax 608-839-5942
www.integratedsecuritysolutions.biz

IBS
Integrated Building Solutions, Inc.

- Financial Facilities Expertise
 - New Main Facilities
 - New Branch Facilities
 - Drive Up Remodels
 - Teller Line Remodels
 - In-Store Branches
- Project Scheduling
- Security and Bank Equipment Integration
- Cost Estimating and Budgeting
- Project Management
- Construction Management
- Site Selection
- Master Planning
- Site Development
- Building Code Reviews and Plan Submittals
- Architectural Design Review
- Interior Design Consultation

PO Box 124 • 219 S. Main Street • Cottage Grove, WI 53527
1-866-767-4050 • Fax 608-839-5942
www.IntegratedBuildingSolutions.biz

location in the summer of 2010!

"When we granted Team Lemonade's loan request we were eager to see how their business would come to life," said Stan Leedle, Choice Bank's chief credit officer. "We could never have anticipated the overwhelming effect this small business would generate in the Oshkosh community. I am proud that Choice Bank could be part of this great community experience."

First Bank Financial Centre Gives Back

OCONOMOWOC—First Bank Financial Centre (FBFC) recently donated \$1,000 to the Oconomowoc Public Education Foundation's (OPEF) Haunted



From left: Mike Herro, Haunted High; Mark W. Mohr, president of First Bank Financial Centre; Mac Dorn, bank president emeritus; and Tamara Hauck, Haunted High.

High. This Halloween experience is open to the public, and runs each weekend in October at a vacant school. The event is an annual fundraiser to benefit Oconomowoc Area School District

Seidl Joins Badger Bank

FORT ATKINSON—James (Jim) Seidl has joined Badger Bank as vice president - lending. While his office will be located within the Fort Atkinson location, he will serve commercial and residential loan customers through all bank offices, including Cambridge, Jefferson, and Johnson Creek.



James Seidl

Mantilla Named Legacy President

MILWAUKEE—Jose Mantilla, a former M&I and KeyBank executive, was named president of Legacy Bank. Mantilla, a former colleague of Legacy's co-founder Deloris Sims at Firststar Bank, most recently was national sales director with KeyBank.

Pat Murphy Now with Security Financial Bank

RIVER FALLS—Pat Murphy has joined Security Financial Bank as vice president – residential lending. Murphy has worked in the mortgage business for about 10 years.



Pat Murphy

Glynn Joins Choice Bank

OSHKOSH—Choice Bank welcomes John Glynn who most recently served

as vice president and chief financial officer at First State Bank of New London. Glynn's experience includes financial management, risk management, bank operations and technologies, and acquisition and expansion.

Bank of Prairie du Sac Welcomes Olson

SAUK PRAIRIE—The Bank of Prairie du Sac has named Mike Olson as vice president - lending. Formerly the CFO at Iconica (a planning/design/build firm), Olson has a civil engineering degree and MBA from UW-Milwaukee.



Mike Olson

150th Celebration Continues!

OCONOMOWOC—Last issue, we reported on the 150th anniversary festivities at First Bank Financial Centre, which have continued into the fall. On September 16, the bank hosted the Oconomowoc Chamber's "Business After Hours." Approximately 75 people were in attendance, including County Executive Dan Vrakas, Mayor Maury Sullivan, State Senator Scott Fitzgerald, and County Board Supervisor Dave Falstad. County Executive Vrakas presented FBFC with a proclamation announcing September 16 as "First Bank Financial Centre Day" in Waukesha County.

In addition to the evening reception, each FBFC bank office held a mini

teachers and staff and support innovative and expansive educational opportunities.

Also this fall, First Bank Financial Centre gave \$5,500 to the Girl Scouts of Wisconsin Southeast to support adult leadership enrichment and provide financial literacy "take out" boxes to many Oconomowoc area Girl Scouts in grades K-5.

The "take out" boxes are kits that include games and materials on financial literacy. The girls learn how to increase their income, create a budget, build and manage credit, and save and invest.

PEOPLE

Luedke Joins Peoples State Bank

WAUSAU—Peoples State Bank welcomes Michelle Luedke as vice president of commercial banking. Luedke will focus on business development.

Promotions at Citizens Bank

FLINT, Mich.—Dean Casper was named community bank president of Citizens Bank's Menomonee Falls branch. Besides being responsible for providing services to existing customers, Casper will manage community relationships, events, and contributions in the Milwaukee area.



Darryl Lund present a Community Bankers of Wisconsin plaque to Mark W. Mohr, president of First Bank Financial Centre.

reception for their customers during the day with cake and refreshments to celebrate this milestone.

Crag Mayo was named vice president commercial portfolio underwriter at the Allouez Branch of Citizens Bank in Green Bay.

Changes at First Business

MADISON—Jim Hartlieb has accepted the position of senior vice president at First Business Bank, part of First Business Financial Services, Inc. (NASDAQ:FBIZ). He will be responsible for managing existing middle-market banking client relationships, attracting new relationships, and managing the business development staff.

APPLETON—First Business Bank-Northeast, part of First Business Financial Services, Inc., has hired Terry Tessier as vice president of business development. He comes to First Business with over 35 years of banking experience, most recently with JPMorgan Chase Bank N.A. in Appleton and Neenah.

MADISON—First Business Financial Services, Inc. (NASDAQ:FBIZ) has hired Tammy Sullivan as vice president-client support. She has over 23 years of banking experience and graduated from

Edgewood College with a bachelor of business management degree.

MILWAUKEE—First Business Bank-Milwaukee has hired Dennis Sampson as senior vice president. He has over 21 years of commercial banking experience, focusing on owner-managed businesses in manufacturing, real estate development, and construction.

Dave Borchardt Named CFO of the Year

WEST BEND—Dave Borchardt, CFO at Commerce State Bank, was named CFO of the Year for private companies with sales under \$25 million by The Business Journal, Milwaukee. Borchardt and his partners have grown the bank's assets to nearly \$300 million since its start-up four years ago. Though serving as CFO, Borchardt also manages his own customer loan portfolio.

Borchardt aims to accomplish as much as he can as quickly as he can. Inheriting both an interest in banking and a degenerative eye disease from his father, Borchardt witnessed the disease take his father's sight and force him

from his career. "It pushes you harder," he told The Business Journal's reporter. The bank is currently triple the size the founders had expected it to be at this time. 

ADVERTISER INDEX

Pulse.....	2
MSI General	4
ATM Access Network.....	5
CFT North Central States, Inc.....	6
Shazam	7
Wipfli LLP.....	8
West Bend Mutual Insurance Co.....	9
CFT North Central States, Inc.....	10
ICBA.....	11
RSM McGladrey.....	15
Regional Appraisal Management, LLC ..	17
Young & Associates, Inc.	19
CBW Financial Services.....	20
Bank On It	21
Travelers Insurance.....	22
Pekin Life Insurance Co.....	23
Edge One	24
Capvest Venture Fund.....	25
WACHA	27
Integrated Building Solutions	28
Integrated Security Solutions	28
BCI	31

DIRECTORY OF COMMUNITY BANKING SERVICE PROVIDERS

Superior Safe & Security LLC Electronic & Physical Security Products

- | | |
|-----------------------------|------------------------|
| Access Control | Modular Vaults |
| Alarm Monitoring | Night Depositories |
| Alarms | Point to Point Systems |
| Audio Systems | Safes |
| Close Circuit T.V. | Safe Deposit Boxes |
| Drive Up Systems | Security Systems |
| Fire Safes | Teller Counters |
| Media Safes | Vault Doors |
| Metal Undercounter Cabinets | Walk Up Windows |

Sales, Installation & Service
800-626-0888

Introduce yourself to Wisconsin's community bankers.

To add your organization to this listing of service providers, contact Penny Heberlein, CBW vice president for membership services, (608) 833-4229. Or, call Doris Green, (800) 568-4424.

Each business-card ad runs for six issues—a full year.

BSA AML
SOLUTIONS, Inc.

*Specialists in BSA/AML Testing Reviews,
Director Training, BSA/AML & OFAC Risk
Assessments, Pre-Examination Reviews*

Joseph J. Gunnell, CAMS, AMLP, CFE
(retired FDIC bank examiner)

Sturgeon Bay, WI
920.818.0379

jjgunnell@comcast.net
www.basolutionsinc.com

COMMUNITY bankers, you HAVE A CHOICE.

You can spend your valuable time finding one prime candidate to fill your mid- to upper-level position, or you can call me. I will present you with the right person for the job in less time with less hassle.



Del GARCIA

Office location:
155 E. Capitol Dr., Ste. 5
Hartland, WI 53029
Phone: (262) 369-8109
Fax: (262) 369-8028
email: del9730@aol.com

B\$
RECRUITERS



Jim Kosterman

Vice President Sales
Midwest Region

BCI helps financial institutions grow.

For over 25 years, we have provided STRATEGIC PLANNING, FACILITY DESIGN AND CONSTRUCTION along with the development and implementation of BRANDING STRATEGIES to financial institutions throughout the United States.

Our team includes DEMOGRAPHERS, PLANNERS, DESIGNERS, CONSTRUCTION SPECIALISTS and former FINANCIAL INSTITUTION EXECUTIVES with years of experience.

Whatever it takes for your institution to achieve sustainable growth, **BCI** can help.

We don't just build buildings, we build financial institutions.



PLAN
DESIGN
BUILD
BRAND

1.800.222.1509

www.bcihq.com



Thank You to Sponsors of the 2009 CBW Management Conference and Expo

Event Photography for the Conference Financial Marketing Corporation

Wednesday, September 16

Golf Tournament Continental Breakfast

Federated Investors

Young & Associates, Inc.

Golf Promotional Packages

Dougherty & Company, LLC

Golf Tournament Lunches

Shazam

Golf Tournament Award Prizes

Spectrum Investment Advisors

Golf Tournament Flag Events

Clifton Gunderson LLP

Welcome Reception

Crowe Horwath LLP

Wisconsin Business Development

Thursday, September 17

Breakfast Buffet

Baker Tilly

M & I Capital Markets

Rural Mutual Insurance Co.

Wipfli, LLP

Zurich North America

Center for Financial Training

Chubb Group of Insurance Companies

Fiserv, Inc.

Jefferson Wells

La Macchia Group, LLC

West Bend

ICBA Services Network

Spectrum Investment Advisors

Executive Benefits Network

Associated Bank, Correspondent Division

Federal Home Loan Bank of Chicago

PULSE

RSM McGladrey

Travelers

Wipfli LLP

Community Bankers of Wisconsin

Bankers' Bank

Spectrum Investment Advisors

Banker of the Year Award

Chairman's 10K Emerald Pin

After Dinner Dessert & Coffee

After Dinner Cordials

Friday, September 18

Breakfast Buffet

Godfrey & Kahn, S.C.

Refreshment Break

Central States Health & Life Company of Omaha