



BANKNOTES

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Are You Receiving Our Marketing Emails?

Often, customers may not receive emails from CNB Marketing because the messages are filtered into their Spam folder. To ensure you are not missing out on important information, including event invitations and bank closing notices, please be sure to add cnbmarketing@firstmerchants.com to your address book and "Safe Sender List" through your email client.

Questions or comments about *BankNotes*?

Contact Brittany Lang at 614-583-2040.

JENN'S CORNER

Is Talent Development at the Center of Your Corporate Strategy?

by Jennifer Griffith, Regional President



Successful talent development will yield an unlimited rate of return. If you are a shareholder, you will be pleased with the expense saving metrics of low turnover and the opportunity to multiply the efficiency of the existing human capital investment made in your business. If you are a customer, you will be pleased with the quality of service you are receiving and grateful for the value proposition you are buying. Your loyalty will grow as your service representatives continue to hone their skills. You most likely will buy more products, refer more business, and be less likely to shop the competition. If you are fortunate enough to be an employee of a company that invests in talent development, then you are certain to connect with the positive imprint left behind when an employer invests in you. Employees, customers, and owners collectively benefit when talent development is at the center of corporate strategy.

Visionary owners see that talent development is not only a design strategy to maintain a leading edge over the competition, but more importantly a requirement to meeting the demands of all stakeholders. Having **great** people on your team is **not** optional! If you agree that great businesses employ great people, then you have most likely already made talent development part of the fabric of your business.

If you are still procrastinating on getting started, let me ask you a few simple questions.

- Are you concerned with short term results?
- How confident are you in your long term strategy?
- Are your teammates central to success? Do they know that?
- How do you feel about the journey?

Please understand that capable and ambitious employees want training, mentors, and coaches. They are hungry for additives in their lives which includes skill building. They are always on a journey and they will find like minded employers.

Getting started does not need to be elaborate. It begins with focused conversations and a genuine interest in the success of your teammates. One-on-one development plans will always be the most important element of design. From there, you may consider adding tuition reimbursement plans, outside leadership courses, calibration exercises or maybe your own branded curriculum. Employees and managers will appreciate the guidance a talent development plan will provide.

Ultimately, the effectiveness will be seen in the growth of your employees, the appeal to customers, and the return to shareholders will have an unlimited equation for success.

CONTACT INFO

You may call 614-583-2200 and ask to be transferred to the appropriate individual.

Our Customer Service Center at 888-716-1514 is available extended hours:
Monday–Friday 7:00am–7:00pm
Saturday 9:00am–1:00pm

Fax
614-583-2201

ACH
Business Online Banking
Remote Deposit
Business Solutions Group,
866-833-0050

Account Inquiries & Research
ATM & Debit Card
Personal Online Banking
Customer Service Center,
888-716-1514

Courier Pickup
614-583-2150

Credit Cards
Alicia Murphy

Customer Suggestions
Cathy Dieckman

**Deposits, Loan Payments,
Inquiries, Stop Payments**
Logan Boone
Jan Patton
Patty Davis

Loan Payoff Requests
Lynn Luciano
Becky Gonda

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Security Concerns
David Benjamin

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614-583-2155

Wires
Mindy Beck

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614-583-2157

SECURITY & TECHNOLOGY

The Hack of the Month Club

by Clyde Hague, CISM, CISSP, Information Security Officer, First Merchants Bank

It seems every time you look at the news, another company has been breached and consumer data has been stolen. CNN estimates in a May 28, 2014 article (*"Half of American Adults Hacked This Year"* by Jose Pagliery) that between May, 2013 and May, 2014, 110 million U.S. citizens have had their personal information exposed. The number of accounts that were breached rose to 432 million. Think about the businesses that have been in the news since last November for being breached or compromised. How many can you name? And these are just the ones we know about. Target, Michaels, AOL, Home Depot...the list goes on. The obvious conclusion is more than likely your information is in the hands of criminals, whether you know it or not.



There are two dangers to this. One is obvious. **Your information is in the hands of bad guys who want to use it for their gain.** The second is not so obvious. **People are starting to tune out the breaches.** Once you see the headline about a breach enough times, you start tuning it out. Many don't think there is anything that can be done so why pay attention? However, there are some basic steps you need to take in this environment to protect yourself and your family.

Do not be part of the problem. Quit clicking on those unexpected e-mails, even if you know the sender. Tom's Guide (*"Aliens Discovered on Mars? Nope, Just a Phishing Scam"* by Jill Scharr) reports that e-mails with a .ZIP attachment allegedly containing a report of the alien discovery is going around, but actually contains a modified known Trojan call Darkmoon. This malware allows the bad guys

access to whatever computer it is on. So, yes, it would be interesting to find out about alien life, but the email must be deleted. Many of your friends will have compromised e-mail accounts and the bad guys send their e-mails from those accounts so it looks legitimate. If you are not expecting the e-mail, just delete it. **Do not give out your information over the phone without verifying first.** This is a ruse that the criminals use against our elderly and increasingly to anyone with a landline or mobile device. **A physical letter in the mail may not be legitimate.** If the letter is requesting your confidential information and you are interested in the offer, check out the company, look up their phone number (don't use the letter as the phone number source), and call them to verify it is real.

Make sure to monitor your accounts. This is an old rule, but an applicable one. Whether online or on paper, keep track of those statements from your bank, credit cards, and other accounts and review them for suspicious activity. Do not put it off, do it when they come in, and report it promptly.

Also, monitor your credit. You are allowed by federal law one free credit report per year from each of the three major credit reporting agencies, Equifax, Experian, and TransUnion. Check your credit to make sure that the accounts and loans shown on the report are the ones you are aware of. Follow the steps to report any inaccuracies. Don't forget to have your spouse and other family members (take care of your elderly parents!) run their reports. Just because your credit report is fine, does not mean theirs is.

Bad guys are going mobile too; primarily because you are. Only go to official app stores like iTunes or Google Play. Do not jailbreak your phone, do not be the first to try apps, and do not keep apps that you do not use. Also, read the reviews on apps before using. You can find interesting information sometimes regarding the security of an app.

This article just scratches the surface, but do not tune out the news, use common sense, and take care of yourself and your family. Hopefully we will all be better off for it. 

CONSUMER CORNER

Did you know that Commerce National Bank offers Health Savings Accounts? As a member of a high deductible health care plan, you can take control of your medical spending with a Health Savings Account with convenient account access and money saving with countless benefits.

Call us today at 614-583-2200 to find out about our Health Savings Accounts. 

Health Savings (HSA)

MAKE HEALTHCARE MORE AFFORDABLE
WITH A HEALTH SAVINGS ACCOUNT



As a member of a high deductible health care plan, you can take control of your medical spending with a First Merchants Health Savings Account.

Enjoy Convenient Account Access and Save Money with Countless Benefits

- FREE Uniquely branded HSA Debit Card to Avoid Confusion with Other Debit or Credit Cards
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- Reduce Taxable Income*
- Money Always Available When Needed
- Unused Money Has Potential To Earn Interest

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Interest: Rates are tiered based on account balance and may vary - ask for current rates. Interest is compounded daily and credited monthly.

Minimum Opening Deposit: \$0 - No minimum opening deposit!

Monthly Service Fee: • With eStatements - \$0 • Without eStatements - \$5



*Not to be construed as tax advice. Please consult your attorney or tax adviser.

HSA-SHEET-HealthSavings-0614



Understanding Our Slow Economic Growth

by Michael J. Hicks, PhD, Director, Center for Business and Economic Research, Ball State University



As autumn turns to winter, the condition of the U.S. economy remains masked by continuing contradictory data points. The stock market, despite some wobbles, continues to see high prices, while wages remain stagnated or falling for most workers. Inflation began its inevitable ascent in summer and has tamed even though job creation improved slowly, but steadily across the nation. While the U.S. economy seemed to be slowly improving, the European Union has slipped into the third recession in seven years. Altogether it is enough to make an economist reach for that cheap bottle of scotch. However, there is useful information in all these contradictory pieces of data. Let me explain.

Suppose you were to be driving along a road at a good speed and encountered a turn. As you slowly adjust the steering wheel you feel an unmistakable force pulling you away from the direction of the turn. As you get back on that straight stretch of road – which is not too hard to imagine here in Ohio and Indiana – you get only an occasional bump pushing you left or right.



In other words, when you quickly change course there are lots of clear signals that you are doing so. When you are driving straight there are lots of small, unclear signals about your direction of change. This metaphor offers an apt description of economic indicators in our economy today.

Many economic models have U.S. growth pegged at a paltry two percent or so for 2014. My 2014 forecast was right at two percent national growth. A few models say growth will be more robust, perhaps as much as three percent. Preliminary data tells us our economy grew at maybe one percent over the first half of the year. To meet the three percent forecast we are going to have to grow at four percent over the remainder of the year. That growth rate is possible of course, but recall our metaphor.

If the U.S. economy were to turn sharply towards much faster growth, then we should at this point be feeling all the signs that it is happening. We should see employment increase abruptly, with job creation running nearly three times the rate of the first six months of the year. We should see rising wages as a result of tightening labor markets and we should see prices increase for all types of assets, not just stocks. In short, there should be no ambiguity as to the direction of growth.

On the other hand, if the U.S. economy remains in a tepid pattern of growth, at say two percent or less, then the ambiguous and puzzling data we have seen over the past year or so make perfect sense. Only modest employment growth, slight increases in consumer spending and no real wage growth would signal that we are on a straight path, with no evidence of the economy turning. Sadly, I think that is where we are right now.

So, as the year nears completion I think my two percent GDP growth forecast looks pretty accurate. Moreover, a number of economists are beginning to talk about a slower period of growth that could last for a lengthy period of time. The discussion of this among academic economists follows two different routes.

The possibility that the economy could experience either fast or very slow growth with the same set of conditions is known as a *multiple equilibria model*. This is a fancy way of saying that the rising importance of individual expectations about the future of the economy could be self-fulfilling. If a large share of the

population of both businesses and households anticipate fast growth, it will materialize. The reverse is also true. This type of modeling has attracted a great deal of very technical research, but is frequently criticized because it has not been especially successful in explaining why or how expectations of businesses and households change. But, the inference is that the economy could remain in the doldrums until some new shock comes along to change our beliefs about the future.

An alternative path of research suggests that growth is less a constant process than one exhibiting both slow and fast growth over long periods. Economists who study technological adoption have been influential in this theory. Arguing from their understanding of the data, these analysts find that really fast growth tends to be accompanied by periods of explosive adoption of new technologies. This kind of research necessarily has to look backwards over the long sweep of history. So, things like railroads, electricity and the computer all figure prominently in our nation's recent growth history.

The problem now is that both the multiple equilibria models and the technology based models would suggest that we are in a relatively stagnant period of economic growth. As my little driving metaphor suggests, economic data is telling us the same thing.

Dr. Hicks' views do not necessarily reflect the opinion of Commerce National Bank or First Merchants Corporation.

SAVE THE DATE



Holiday Open House

Please join us on Thursday, December 4th from 4:00 – 7:00 PM at 3650 Olentangy River Road, Columbus, Ohio 43214.

We look forward to celebrating the holiday season and a successful year with good friends, good food and refreshments.

COMMUNITY CORNER

First Annual Kyle Miller Memorial 5K

The first annual Get Wild for Wildlife 5K Run/Walk Memorial Race was held on Sunday, August 24 at Hilliard Municipal Park in honor of Kyle Miller, son of CNB employee Pam Miller. Kyle lost his life on March 15, 2014 while kayaking with a friend. His kayak capsized when he attempted to rescue his dog that had fallen into the water. Kyle loved the outdoors, fishing and kayaking and was enjoying his classes at Otterbein University. He volunteered at the Ohio Wildlife Center as much as he could.

Over 400 people attended the Wild for Wildlife race including 64 CNB employees and 29 FMB employees who came to Columbus by bus that morning! A total of \$41,500 was raised to create an endowed scholarship in Kyle's name at Otterbein University for a junior or senior in the Zoo and Conservation Science program which was Kyle's field of study.



(From Left: Jennifer Werhrly, Pam Miller, and Evelyn Goode)

Pam Miller said, "Words can not express how much it meant to me and my family to have the support we had on race day and throughout the months since Kyle's accident from all of you! Your prayers, cards, kind words and hugs have given me strength. Raising over \$40,000 in our first year will allow us to give scholarship money to students who knew Kyle which is special to us. Kyle's passion for wildlife and his legacy will continue on."

You can still contribute to the scholarship fund by going to their website at www.kylemillermemorialfund.com.

PELOTONIA 14

ONE GOAL

Pelotonia is a grass roots bike ride that runs across Central Ohio with One Goal -> End Cancer. The ride took place the weekend of August 8th. Pelotonia raises millions of dollars each year for cancer research at the Ohio State University Comprehensive Cancer Center – James Cancer Hospital and Solove Research Institute. Even more powerful about this non-profit is 100% of the funds raised go to cancer research because all expenses for hosting this event are covered by numerous Funding Partners.



(From Left: Dave Bucy, Cathy Dieckman, and Lynn Luciano)

A variety of route lengths are available, each with a minimum fundraising requirement. The routes offer a challenge to riders of any skill level and our Commerce Peloton came ready to ride! Our CNB Peloton riders included Lynn Luciano (Employee), Cathy Dieckman (Employee), David Bucy, Tom McAuliffe (Advisory Director), Ian McAuliffe, Luke McAuliffe, Mark Ryan (Advisory Director), Sarah Ryan and Eric Kristofic. In addition we had two Virtual Riders, Jennifer Griffith (Employee) and John Skelton (Employee) and a volunteer, Zo Sellers (Employee). To date, our CNB Peloton has raised over \$18,500 to contribute to the over \$12.2 million raised so far for Pelotonia 14.

Cathy Dieckman said, "As captain of our Peloton, I am so proud of each rider's physical and financial commitment and humbled by the generosity and support of our co-workers, family and friends that contributed to help us achieve our One Goal."

CONGRATULATIONS

We Are Proud of the Company We Keep

We would like to congratulate the following clients on a job well done this past quarter. Keep up the great work!

- MKSK – PSMJ 2014 Circle of Excellence Firm
- Larry King – 2014 American Lighting Association Industry Leadership Award
- Leading EDJE – Fast 50

What Do You Want?

by Martin Brady, Regional Chief Sales Officer



I was recently reading a book on leadership and I found this statement to be particularly powerful. **"What do you want?"**

When I first read the question I thought of the negative tone it could have. I understand the question has several different meanings. If said in the tone I was thinking, it could be taken to mean you are bothering me or I feel put out by talking or seeing you.

The description in the book is obviously a

positive one that can be used to influence the way you think about your life, your situation, and your relationships. Leadership requires followers and to have followers you must know what you want. Leaders need to have a clear idea of where they want to go as an individual and what they want for their organization. Again, we come back to knowing what you want.

Think for a minute – our best comes when we have a clear idea of what we want or what we need to achieve. Nothing slows us down when we have a clear vision for our future.

The vision must be exciting for you and then in turn for your team. Not only must you know

what your vision is, you have to be able to communicate it to your team. Good leaders possess the skill of making their team members feel valued and appreciated while working toward a common goal. Everyone wants to feel valued and appreciated. When you make the people around you feel as if they matter, they will in turn follow you. Communicate your vision and make others feel important.

How much better will you and your team be if they can describe the what and why of what they are doing every day? No more going through the motions. So I ask you: **What do you want as a leader?**

INCREASE YOUR AWARENESS

Employment Practices Liability

by Mark Lehan, Account Executive, Corporate Administration



If you think your chances of being sued by any of your employees are one in a million ... think again. The number of employment related lawsuits has steadily increased. In

2012 alone, the Equal Employment Opportunity Commission (EEOC) received over 93,000 charges, the second highest level ever. Add to that the hundreds of thousands of employment claims filed with state and local agencies and the numbers are staggering.

In the event of employment litigation, Employment Practices Liability insurance provides critical coverage, protecting your company from the potentially catastrophic costs of mounting a defense.

Why do you need protection? Even an organization with good human resources policies and procedures in place can be sued, and the cost of defending a claim can be enormous. It is not uncommon for legal fees

associated with winning an employment lawsuit to exceed \$250,000. When you've spent that much on legal fees, it's hard to feel like you've won. Moreover, the national jury-award median for employment practice liability cases was \$326,000 in 2012. That is up 60 percent from 2011.

Here are some different claim scenarios:

National origin discrimination — \$250,000

An employee sued a company for national origin discrimination in violation of Title VII, which prohibits employment discrimination based on race, color, religion, sex and national origin. The employee alleged that he was wrongfully terminated when he complained to his supervisors that co-workers had made disparaging remarks relating to his ethnic background. The plaintiff was awarded \$250,000 in damages

Third party sexual harassment — \$100,000

Two employees of the company made inappropriate comments about the physical appearance of a female freelance contractor

working on the premises. The contractor filed a claim against the company for third party sexual harassment; the suit was settled for \$100,000.

Discrimination and retaliation — \$317,500

A plaintiff alleged that the insured discriminated against him on the basis of his age and disability. The plaintiff further alleged that he was terminated in retaliation for filing a workers compensation claim and for complaining about discrimination. The defendant contended that the plaintiff was not able to perform the essential functions of the job and that he was discharged for legitimate, non-discriminatory and non-retaliatory reasons.

Be prepared and protect your company now with this critical coverage. Let Commerce National Bank/First Merchants Insurance get you an indication proposal. Contact me at 800-786-7044 or mlehan@firstmerchants.com.

TRUSTS ARE HELPFUL TOOLS

A Problem Solver

by Jim Keene, Vice President, Personal Trust Officer



Ask most people about a "trust" and they're likely to tell you that it's something only the wealthy need to have, or, they lack flexibility and control. Those people are simply unaware of the real story. Trusts are actually very flexible financial and estate planning tools. What's more, trusts can be very useful for many individuals who are far from wealthy.

Exactly what is a trust? A trust is an arrangement in which you transfer money or other assets to a trustee. The trustee (who can be an individual or an organization such as ours) manages the trust property for the benefit of another person, according to the terms and conditions that the trust agreement specifies. You can set up a trust during your life or under the terms of your will.

Trusts can be used for many situations, such as:

- Manage investments
- Avoid guardianship proceedings related to incompetence

- Minimize probate costs
- Conserve property for family members or others by protecting them from their own mismanagement
- Save taxes

A major goal of many estate plans is to avoid the costs and publicity of probate. Trusts that are activated during lifetime — so-called "living" trusts — are often used with this goal in mind. A "revocable" living trust is one that you can change or cancel at any time.

You can transfer assets to a revocable living trust and act as your own trustee, if you want. You can also appoint another person or an institution to serve as your trustee or co-trustee with you. (Appointing a co-trustee may be a wise safeguard if you should become incapacitated in the future.) The assets you place in the trust are managed as any other investment would be. The advantage is that on your death the assets are redistributed to your beneficiaries without passing through probate. A revocable living trust like this doesn't save estate taxes because you continue to control the trust assets while you live.

Other living trusts are "irrevocable." They cannot be changed. Assets you transfer to an irrevocable trust during your lifetime are considered gifts. Generally, such transfers do remove the assets — and any future appreciation on the assets — from your gross estate for estate-tax purposes.

To illustrate: You transfer 50 acres of land worth \$250,000 to an irrevocable trust for the benefit of your daughter, Lucy. The transfer to the trust is a taxable gift of the \$250,000 value of the land. When you die, the land is worth \$950,000. Lucy gets the land, and neither the original \$250,000 value nor the \$700,000 appreciation will be included in your gross estate.

Many other types of trusts exist that can be fitted to specific financial and estate-planning needs. We can provide you with the professional advice you need to choose and create a trust for your goals.

Please feel free to contact Jim Keene at 765-962-7696 with any questions about choosing and creating a trust for your needs. ☺

FOURTH YEAR IN A ROW

CNB Best Employer Celebration

Commerce National Bank was named as one of the 2014 Best Employers in Ohio for the 4th year in a row!

The annual list of the Best Employers in Ohio was created by the Ohio SHRM State Council and Best Companies Group. This statewide survey and awards program is designed to identify, recognize and honor the best places of employment in Ohio, benefitting the states economy, workforce and businesses. The 2014 Best Employers in Ohio list is made up of 40 companies.

CNB celebrated our award as a team on Thursday, September 25 with an employee party after work in the parking lot. Catering was

provided by Mojo Tago and there was a lot of eating, laughing, cornhole, frisbee and a game of kickball! The event started at 4:30pm and went until 6:30pm. We had a raffle of small prizes and movie gift cards. Everyone had a great time celebrating. We are best employer because of the dedication and drive of our employees! 🏆





Commerce National Bank

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MEMBER FDIC

MORTGAGE INSIGHT

When Is It Time To Refinance?

by Greg Valentino, Mortgage Sales Manager, NMLS UI#743164



Your home may be your most valuable financial asset so you want to be careful when choosing a lender or broker and specific mortgage terms. Remember that, along with the potential benefits of refinancing, there are also costs.

When you refinance, you pay off your existing mortgage and create a new one. You may even decide to combine both a primary mortgage and a second mortgage into a new loan. Refinancing may remind you of what you went through in obtaining your original mortgage, since you may encounter many of the same procedures, and the same types of costs, the second time around. Here are some reasons to refinance.

Refinancing will reduce your interest rate. If rates have dropped since the last time you refinanced or since you purchased a home, it

is a good idea to have a mortgage loan officer do cost analysis to see if it makes sense to refinance.

Refinancing will shorten your term. If you are currently on a 30-year fixed term, it is always a great idea to look at options to shorten your term. Shortening your term will not only have your house paid off faster, but will save you thousands of dollars in interest over the life of your loan.

Consolidate your first and second mortgage. If you have two mortgages on your house it is a good idea to consolidate your second into your first. This is because most second mortgages are adjustable and controlled by our nation's prime rate. Most economists are predicting the prime rate will be going up in the near future. It is not a bad idea to consolidate now before rates go up.

Go from an adjustable rate mortgage to a fixed rate mortgage. The reason why you would want to put your mortgage on a fixed rate

is similar to the reason why you would want to consolidate your second mortgage into your first. Now is the time to put yourself on a low fixed mortgage. Rates are very low right now. We don't know how they will be adjusting in the future. You do not want to be stuck with a rate you cannot afford.

Decent equity will reward cash. If you have a decent amount of equity in your house you can always leverage the equity to consolidate unsecured debt, pay for home improvements, or pay for college tuition. If you have a lot of equity in your house, you can actually do whatever you want with it. It is a great idea to use the equity in your house as a tool to help improve your quality of life. The interest accumulated on your mortgage is tax deductible. If you are paying a rate of 4% on your mortgage, it is actually closer to 3% after your deductions.

If you are thinking of buying or selling a home in the next 12 months please contact myself or Kyle Dynes NMLS# 223558 at 614-583-2200.

