

THE TENNESSEE BANKER

Volume 103 • Number 4 • July/August 2015



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Citizens National Bank, Sevierville

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Published bimonthly by the Tennessee Bankers Association

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Volume CIII / Number 4 / July/August 2015

CONTENTS

THIS MONTH

Washington Conference Recap	8
Q&A with Randy Boyd, Commissioner, Department of Economic and Community Development	16
Election of TBA Officers	22
125th Annual Meeting Recap	24
TBA's Dianne Martin Retires After 34 Years of Dedication to Tennessee Banking	39
Leadership Conference Recap	45
TBA Young Bankers Present Annual PEP Awards	53
Retail Sales & Bank Marketing Conference Slated for September	61
Welcome New Associate Members	62
Membership Meetings	64
Book that 2% Margin Loan— <i>Chris Nichols, CenterState Bank</i>	66
Strategic Technology Conference—Photo Recap	68
The Southeastern School of Consumer Credit Graduates 45 Bankers	70

DEPARTMENTS

FROM THE EXECUTIVE OFFICE— <i>Colin Barrett</i> 125th Annual Meeting Celebrates History as Washington Efforts Focus on Future	6
ON THE HILL— <i>Tim Amos</i> Tennessee Bankers Storm Washington	8
MEMBER FEATURE— <i>David Verble: Priorities on Education and GR</i>	18
ABA WASHINGTON UPDATE— <i>Frank Keating</i> Dodd-Frank at Five: It's No 'Happy' Birthday	38
TBA ENDORSED PARTNER— <i>Darla Fogarty, Compliance Alliance</i> Consumer Compliance Applies to Commercial Credit?	40
ROUNDTABLE DISCUSSION—TBA Young Bankers Board of Directors	42
TBA ENDORSED PARTNER— <i>Ken Derks and David Shoemaker, Equias Alliance</i> Report on the Market: BOLI Assets Continue to Have Strong Growth	58
ICBA COLUMN— <i>Chris Lorence</i> Marketing Today	60
Bank Notes / Promotions / Community Corner	75
Employment Opportunities	86
TBA Professional Development Calendar	87



ON THE COVER

David Verble was installed as 2015-2016 TBA Chairman during the 125th Annual Meeting. Get to know the new chairman on page 18. Complete Annual Meeting recap begins on page 24.

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The Tennessee Banker (ISSN 0040-3199) is published monthly by the Tennessee Bankers Association, 211 Athens Way, Ste 100, Nashville, TN 37228-1381; telephone 615-244-4871. Advertising rates available upon request. Subscriptions: \$40.00 per year for TBA members; \$55.00 for nonmembers; single copies, \$6. Tennessee residents add 9.25% sales tax. Periodical postage paid at Nashville, Tennessee. POSTMASTER: send address changes to The Tennessee Banker, 211 Athens Way, Ste 100, Nashville, TN 37228-1381.

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125th Annual Meeting Celebrates History as Washington Efforts Focus on Future

By Colin Barrett, President, Tennessee Bankers Association

The Tennessee Bankers Association has a long-standing tradition of providing our outgoing chairman a gift. During the closing banquet of the 125th *TBA Annual Meeting*, incoming chairman David Verble thanked outgoing chairman Bill Marsh for his outstanding leadership over the past year and presented him with a gift that touched everyone in the audience. Bill had requested that a contribution be made in honor of Harper Bagley, granddaughter of David and Cyndi Bagley, to St Jude's in Memphis. Harper had undergone successful treatment there to remove a tumor when she was just a few days old.

For those of you that know Bill Marsh and his wife, Carol, this will come as no surprise. David Bagley, a director at First National Bank of Pulaski, is also Bill's first cousin. And there is nothing more important to the Marshes than family. As Bill reflected during his convention remarks, "I am truly blessed with such a wonderful family and so many banking friends." Everyone at the TBA has been honored to be a part of the Marsh family over the past year.

And with Bill at the helm, the 125th *Annual Meeting* felt like a family reunion. At over 600 attendees, our turnout was the strongest in 10 years. From educational business sessions to great networking opportunities, there was something for everyone at The Greenbrier.

In surveying our members fol-



lowing the convention, the general sessions were highlighted as one of the strengths of the program. And taking a look back, I understand why:

- Christopher Olsen, managing partner at Olsen Palmer, led an in-depth presentation on the state of M&A activity in Tennessee, a popular topic among our attendees. Terry Turner, president and CEO of Pinnacle Bank, and Rick Hart, Tennessee president of Renasant Bank, provided insight into their personal experiences in the ever-changing Tennessee banking landscape.

- Both ABA President and CEO Frank Keating and Immediate Past ICBA Chairman John Buhrmaster provided looks into Washington and discussed

Three suggestions for this month:

- ✓ Learn more about TBA's latest compliance solution, Compliance Alliance. As we lobby for regulatory relief, we also must provide the tools necessary to address the compliance challenges you currently face. We are confident that Compliance Alliance will be a turnkey solution for many banks throughout Tennessee. For more information, contact Stacey Langford at slangford@tnbankers.org.
- ✓ Join us for a *Membership Meeting* near you. From August 10 through 20, TBA Chairman David Verble and the TBA staff will be traveling around the state for our annual membership meetings. This is always a great opportunity to network with colleagues and keep up to date with the association and industry. See dates and locations on page 64.
- ✓ Make plans to join us a little further from home. This year's *Executive Management Conference* will be held September 13-15 at the Omni Mount Washington in Bretton Woods, NH. We have a strong program and great opportunities to network with your peers. And I cannot think of a better place to be in September than New England. For more information, contact Penny Powlas at ppowlas@tnbankers.org.

the importance of the industry-friendly Tennessee Congressional delegation as we work towards regulatory relief.

- David Kemp, well known to bankers throughout the country, looked at risk management challenges and how Tennessee banks can prepare themselves for the future.

- Stephen Hayes of the *Weekly Standard* and Fox News discussed Washington politics and gave us a preview of the 2016 Presidential elections. Among his more interesting comments was his suggestion that

Bernie Sanders (I-VT) should not be ruled out of the Democratic primary and his belief that Marco Rubio (R-FL) would take the Republican nomination.

- Finally, Bill Courtney, subject of the Oscar-winning documentary *Undeclared*, challenged the audience not to live in a vacuum, to build a meaningful legacy, and not to be a “turkey person.” To learn more, check out Bill’s book *Against the Grain*, which is now in its fifth printing. You will most certainly be inspired.

When you add this to a 125th anniversary fireworks celebration, Lee Trevino attending our closing reception, and Nick Faldo giving spontaneous golf lessons, the *125th Annual Meeting* lived up to its billing as a special occasion celebrating our industry. Yet, as your association executive, the most exciting part for me was having over 100 attendees join us for the first time for convention. A strong network of bankers is essential to achieve success in Washington and Nashville, and I appreciate everyone who was able to take time away from their schedule to join us.

As we work together to make real progress on the government relations front—to effect positive change in the regulatory landscape and other areas that hamper our ability to serve our customers and support economic development—the engagement of the entire industry is essential.

There is no better place to get charged up for the kind of engagement we need than at our annual meeting. And it is never too early for me to urge you to make plans to join us for the 2016 *Annual Meeting* that will be held June 5-7 at the Belmond Charleston Place in Charleston, SC.

Washington Conference

Speaking of government relations, Tim Amos provides an excellent recap in the following pages of recent developments on the Washington front, and I highly recommend you take a look.

Along with our *Annual Meeting*, one of the highlights of the year is our *Washington Conference*, and I want to thank the 80 bankers who took a few days away from their banks and family to join us this spring. There is an interest in Washington to provide regulatory relief to the banking industry, and we were lucky to be on Capitol Hill as Chairman Shelby released his regulatory relief bill. While the bill passed the Senate Banking committee a few weeks later, unfortunately it was a party-line vote with all Democrats voting against the bill.

We have a short window between now and Labor Day to pass a version of the Shelby bill that at least *some* of the Democrats can support so we can get it through the Senate and signed by the President.

As Senator Corker told our group, “Everyone wants to do something to help community banking. You are the most powerful lobby in Washington.”

While we have the support of the Tennessee delegation, we are hard at work with our fellow state associations to deliver the votes necessary to provide relief. We will keep you updated in the coming weeks.

The Year Ahead

While celebrating the 125th anniversary of the association has been special over the past several months, we continue to work hard at building the association to serve the industry for another 125 years. Chairman David Verble has his focus on the future, and so does the TBA staff. In addition to the Shelby bill, we are pushing back against CFPB data collection, lobbying on behalf of our members and their customers to address the retailers’ lack of accountability regarding cyber security, and creating a level playing field with the Farm Credit System and the credit union industry.

I look forward to working with each of you as we continue to address these challenges and opportunities as we strengthen Tennessee banking. ■

My Favorite Convention Quotes:

“We are not necessarily out of the failure business yet. But we’re not so concerned about failures that we want to de-risk the industry to prevent it. That would create an economic disaster.”—TDFI Commissioner Greg Gonzales during “Coffee with the Commissioner.”

“So I got to thinking: What if I bought the stock and then I was in bankruptcy and then I said ‘I’m just kidding, I don’t want to be in bankruptcy?’”—The Greenbrier owner Jim Justice about acquiring the property after being told it was too late to do anything.

“Banks didn’t get in trouble because of their loan policy, they got in trouble because they were undisciplined.”—David Kemp in discussing challenges the industry faced during the Great Recession.

“Bill, thanks for the introduction, but you forgot to mention my time in Vietnam dodging bullets and in Afghanistan running from the Taliban. Yes, the news media has taken some hits lately and rightfully so.”—Stephen Hayes, *The Weekly Standard*

“We are only as strong as our weakest link, and right now our weakest link is the retailers.”—Immediate Past ICBA Chairman John Buhrmaster discussing the need for cyber security legislation.

“Nothing profound will happen in your life if you surround yourself with mimics of you.”—Bill Courtney, subject of the Oscar winning documentary, *Undeclared*, during Tuesday’s business session. Courtney, a successful lumber executive, spent six years coaching at Manassas High School in inner-city Memphis.



Tennessee Bankers Storm Washington

By Tim Amos, Executive Vice President/General Counsel, Tennessee Bankers Association

In furtherance of this year's window of opportunity to effect legislative change from Congress, Tennessee bankers stormed Washington for the TBA's annual *Washington Conference*, May 11-13. This was the third group of Tennessee bankers within a two-month period to visit Washington and push for regulatory relief. The other events were meetings hosted by the ABA and ICBA as part of their annual government relations efforts.

Heading to Washington, TBA bankers were armed with a short list of key priorities including mortgage relief, exam fairness, and data security. Each of these broad areas was accompanied by a much longer detailed list of specific proposals. The bankers' focus was to continue the push to gain cosponsors in the House of Representatives to build a consensus of support to address each of these areas. The key unknown, however, was the lack of any clear direction or movement from the Senate.

Once in Washington, the focus quickly shifted to Senate Banking Committee Chairman Richard Shelby. Just before our bankers departed for Washington, Chairman Shelby released a draft of a broad reform bill of the Dodd Frank Act and scheduled a quick markup for the following week.

Reaction to Chairman Shelby's draft was quick and somewhat predictable. Banking groups, including the ABA and ICBA, expressed support for the proposal and committed to continued engagement to improve the bill. Consumer groups uniformly disliked the legislation. Senate Republicans generally supported the draft, while Senate Democrats expressed concern and offered a limp alternative. Several of the



Senator Bob Corker goes over the Shelby bill with the group.

committee members on both sides of the aisle expressed surprise and some disappointment that Chairman Shelby released a broad-sweeping bill without more consultation and discussion with committee members.

However, at the subsequent committee hearing on the legislation, Senator Shelby noted that he had worked extensively with the ranking minority member, Senator Sherrod Brown (D-OH), and his staff and included many provisions that had already received bipartisan support in the House. Senator Shelby acknowledged that his draft was an initial effort and that discussions would be needed to craft final legislation.

During hearing and bill markup, the committee showed its partisan split when Republicans rejected the Democratic alternative and approved Senator Shelby's bill on a party-line vote.

Moving the bill out of committee set the stage for further discussions, but moving the bill to the floor without some Democratic support would be impossible.

Senator Corker, while speaking to the Tennessee bankers, acknowledged that Shelby's quick release and lack of consultation was a problem but predicted passage of legislation at upwards of 80 percent. This was certainly heartening news for the bankers.

Though Chairman Shelby's legislation became a focal point of discussion, Tennessee bankers also concentrated on other key issues and meetings with other trade associations and regulators. These included a roundtable discussion with Tennessee Commissioner Greg Gonzales; briefings by the ICBA, ABA, and CSBS; as well as meetings with the FDIC,



Washington Conference participants in the Federal Reserve Board Room

Federal Reserve, OCC, and, yes, even the CFPB. Bankers also met with Tennessee's congressional delegation or their staff.

Federal Reserve

In all of the meetings with the various organizations, the regulators, and Tennessee's congressional delegation, and as exhibited in both Chairman Shelby's bill and the Democratic alternative, it was apparent the message that community banks need regulatory relief is certainly beginning to resonate. Fed Vice Chairman Stanley Fischer, who addressed the group, acknowledged that community banks operating under more traditional business models should not be subject to the same regulatory burden and requirements as banks operating under more sophisticated models.

He described this as a relationship business model based primarily on

deposit taking and lending. Supervision should follow this traditional model with minimum capital standards and prudent underwriting. Applying more sophisticated analyses such as the Volcker Rule should not be required. Fischer expressed the opinion that banks following a more traditional model should not even have to go through the elaborate analysis just to determine that the Volcker Rule is not applicable. He also acknowledged that sophisticated tools such as the stress test should not be needed for medium-sized or regional banks. Fischer indicated that the Fed's analysis of the 500 banks that failed in the past crisis showed they generally were doing something outside of a traditional business model, including nonlocal deposits and lending outside both their geographic areas and levels of expertise.

He also highlighted other current concerns on the mind of the Fed di-

rectors, including deterioration in underwriting standards, interest-rate risk, shifts in depositor behavior, and, over the long-term, cyber security.

FDIC

Vice Chairman Thomas Hoenig discussed his thoughts and recommendations on regulatory relief for community banks. His proposal would apply measured regulatory relief, much like Fed Vice Chairman Fischer, based upon a business model approach. Hoenig's thought is that "regulatory relief would seem to be appropriate for banks engaged in traditional, noncomplex, banking activities, regardless of the size of these institutions."

The banks eligible for this revised approach are those with: 1) zero trading assets or liabilities; 2) no derivative positions other than inter-

continued on next page

On the Hill/Washington Conference continued



ICBA's Joe Schneider, Terry Jorde, and David Moore accept TBA's BankPac contribution from Bill Marsh and Colin Barrett.



TBA presented its BankPac contribution to the ABA during the morning briefing. Pictured are Paul Katz, Tim Amos, Mark Hayes, Mott Ford, Frank Keating, Colin Barrett, and James Ballentine.

est-rate swaps and foreign exchange derivatives; and 3) total derivative exposure of less than \$3 billion. He noted that of the more than 6,500 commercial banks, only about 400 do not meet these three criteria. His presentation outlined the relief to be provided. Banks that meet the three criteria and have at least an equity to assets ratio of 10 percent or higher would be provided relief that would include:

- Exemption from all BASEL capital standards and associated capital amount calculations and risk-weighted asset calculations;
- Exemption from several entire schedules on the call report, including schedules related to trading assets and liabilities, regulatory capital requirement calculations, and derivatives;
- Elimination of requirements to refer "possible fair lending violations to justice" if judged to be de minimus or inadvertent;
- Establish criteria that would exempt traditional banks from present requirements;
- Exempt traditional banks, if applicable, from stress testing requirements under the Dodd Frank Act; and
- Require an 18-month examination cycle as opposed to a 12-month cycle.

While Hoenig's proposal is only the work of one of the FDIC's five directors, it is a meaningful and

significant recognition that traditional banks are under stress and suffering from unnecessary regulatory burden and overreach. Though the total proposal may never be enacted, it does provide a significant starting point for bankers to advocate for legislative and regulatory changes.

OCC

In their meeting with the TBA group, Comptroller of the Currency Thomas Curry and other senior staff followed a discussion format rather than making a presentation. At the outset, Curry highlighted the OCC's ongoing concern with cyber security. This is one of bankers' important issues both from a current risk standpoint and on the legislative front. He highlighted the importance of bankers taking proactive steps to protect their bank and their customers. The OCC has developed a self-assessment tool and other resources to help banks be prepared. He reminded bankers that it should also be part of their contingency planning process. Curry emphasized that cyber security is not simply a regulatory burden but is important in protecting the safety and soundness of banks.

On Chairman Shelby's draft bill, Curry suggested that the community bank relief provisions would be welcome. The OCC has already supported extending the exam cycle to 18 months

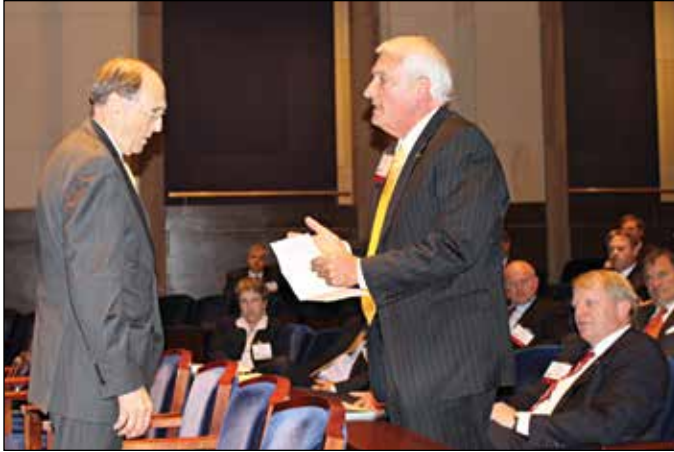
and adjusting their regulatory approach based upon activity risk and not simply based upon size. He also supported the small-bank exemption from the Volcker Rule, echoing comments from the Fed that it is a costly expense just to determine that the rule does not apply.

One of the points for discussion in Shelby's bill is a revised approach to supervision. The goal of the extended exam cycle is spending less time in the bank. Regulators need good data if not in the bank, and the revisions and streamlining of the call report in Chairman Shelby's bill are of some concern. At the same time, FFIEC is beginning to look at the call report and what is actually needed. Banks are making a good case for reducing the volume of the report and are likely to see some improvements in this area.

CFPB

The last agency visit and meeting of the conference was with the CFPB. Jennifer Stockett, senior advisor, and Jeff Swartz, business and trade liaison, both with the CFPB's Office of Financial Institutions and Business Liaison met with the TBA group. In the three years that the group has met with the CFPB, it was certainly the most open dialogue with the CFPB staff.

The discussion and focus of bank-



Members of Congress met with the TBA group. Clockwise from top left: Congressman Phil Roe and banker Bill Dudney; Senator Lamar Alexander; Congressman Diane Black and banker Ron DeBerry; and Congressman Marsha Blackburn.

ers' advocacy is the much-needed relief from the CFPB's mortgage rules, including the QM standard and encouragement of support for the legislative efforts to permit all portfolio loans to meet the QM standard. This provision of the Shelby bill is one of the key points of dissention between Republicans and Democrats, with Democrats willing to provide some relief for banks under \$10 billion in assets but not provide relief to all banks. Bankers highlighted the problems with fitting consumers into the narrow standards to meet the QM mortgage safe harbor and their inability to make loans to self-employed individuals and those with irregular incomes. The CFPB staff was attentive but seemed unmoved, as in the past, to bankers' concerns.

The second key issue was the

looming burden of compliance with the new TILA/RESPA consolidated disclosure forms. Bankers encouraged the CFPB to delay the effective date from August 1 of this year to as late as January 1, 2016, and to provide some regulatory guidance in the form of a grace period for enforcement even if the actual implementation date is not delayed. The ABA, ICBA, and TBA had sent numerous letters to the CFPB regarding this issue, and they received a congressional letter with more than 250 congressmen supporting the delay.

In this one area, lobbying efforts were successful. In June, the CFPB announced they would propose a delay of the effective date of the "know before you owe" rule until October 3, 2015. The announcement also included some recognition that enforcement after the October 3 date would be measured

based upon the good faith efforts to comply with the regulation.

Conclusion

The introduction of Chairman Shelby's legislation in the Senate was a positive step toward reaching some legislative reform before the end of 2015. While it formed the backdrop of the trip and became the focus for much of the discussion, there is a long way to go before its final passage.

As noted, without some Democratic support, it has virtually no chance. However, there is intense effort to adjust the legislation to accommodate some of the moderate Democrats. Basics of mortgage relief, exam fairness, and privacy notices are certainly doable. Expanding the legislation to raise thresholds for supervisory trig-

continued on next page

On the Hill/Washington Conference continued

gers and systemically risky institutions may be more difficult to achieve.

TBA and other banking trade associations will continue to work with Chairman Shelby and Tennessee's congressional delegation to push for enactment of the legislation this year. As a follow-up, TBA will take a small group of bankers to Washington in

September to continue those advocacy efforts.

The annual *Washington Conference* continues to provide an important opportunity for bankers to gain a better understanding of the legislative and regulatory process in Washington and to show their support and advocacy for the much-needed legislative and regulatory

changes. Tennessee's group—78 bankers and TBA staff this year—is one of the largest state association groups to storm Washington each year. Certainly in the minds of both legislators and regulators, numbers count. Each year TBA encourages banker participation, and in future years we would like to grow those numbers even more. ■



ABA briefing



Ted Williams and Jerry Smith



Mott Ford, Lee Stewart, Commissioner Greg Gonzales, and Steve Eisen



Paul Willson and ABA's James Ballentine



TBA Officers Gordon Majors, Bill Marsh, David Verble, and Jeff Agee



Comptroller of the Currency, Tom Curry, addresses participants of the OCC briefing.



ABA President Frank Keating with Tim Amos and Emily Gray



Paul Willson, Jack Allen, and Mott Ford



Philip Renfroe and Cam Fine, ICBA president and CEO



David Verble and John Muse



Mike Kramer, Scott Coconaugher, and Philip Calahan



Steve Eisen and Michael Hagan

continued on next page

On the Hill/Washington Conference *continued*



David Verble speaks at the TDFI roundtable discussion.



ICBA's Paul Merski



TBA Government Relations Committee Chairman Mott Ford



Jennifer Stockett, senior advisor with the CFPB



FDIC Vice Chairman Tom Hoenig and TDFI Commissioner Greg Gonzales



TBA Young Bankers Division scholarship recipient Justin Nipper and Trace Blankenship of scholarship sponsor Bone McAllester Norton PLLC



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WASHINGTON AGENCIES VISITED

Thomas J. Curry, Comptroller of the Currency
 Governor Stanley Fischer, Vice Chairman, Federal Reserve
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 Protection Bureau

Q&A



Randy Boyd, Commissioner, Tennessee Department of Economic and Community Development

In January 2015, Randy Boyd took over as commissioner of the Tennessee Department of Economic and Community Development. A successful entrepreneur, Boyd served as a full-time, unpaid special advisor to the governor for higher education in 2013, focusing on the “Drive to 55” initiative to bring the percentage of Tennesseans with college degrees or certificates from 32 percent up to 55 percent by the year 2025. Boyd’s work resulted in the Tennessee Promise. Boyd is chairman of Radio Systems Corporation, which he started in 1991. Radio Systems is headquartered in Knoxville and has more than 650 associates worldwide with offices in seven countries.

Tennessee has several economic hot spots, specifically in the larger metro areas. What approaches or initiatives can be taken to help some of the smaller, more rural communities grow economically?

Specifically, we need businesses to volunteer to be mentors to support students participating in the Tennessee Promise. It’s not an access program; it is a success program. It’s not enough to get our youth into college, we must get them out.

Mentoring is critical to insuring that they not only graduate, but that they study areas that will get them the skills employers need.

Further, once we have the workforce ready, we need more high-quality sites for prospective businesses to locate. While there is often plenty of land, the rural communities don’t have the financial resources to develop them into shovel-ready sites. We need to step up to help.

I see this as a great opportunity to partner with rural community banks throughout the state. TNECD can provide incentives for growing businesses or help with companies looking to export their products. I hope bankers will reach out so we can be of assistance.

What do you see as Tennessee’s greatest strength when it comes to economic growth?

Our people! Tennessee workers take great pride in making some of the best brands in the world. From Jack Daniels to Nissan, from FedEx to M&Ms, from Clayton Homes to Klondike Bars, our great brands are made by our outstanding workforce.

Better yet, it is getting better still! We are the only state in the country with the Tennessee Promise, which provides each high school graduate with a scholarship to go to a community college or technical college for free and with the help of a mentor. Over 7,200 Tennesseans volunteered to be mentors this past year, many of them from banks across the state. Now, with Tennessee Reconnect, any adult can go to a technical college for workforce-needed skills such as robotics or welding, also free of charge.

The most important driver in business recruitment and in economic growth is an educated workforce. Our focus on building Tennessee’s talent pipeline guarantees us continued momentum in our economic growth.

What are the biggest challenges?

Rural development and education equality. While our state is booming, not everyone is benefiting equally. Our rural communities, similar to so many across our country, are struggling to

keep up. We have to double down on our efforts to support them. We will work on increased investment in site development, broadband access, rural entrepreneurship, and education.

Education inequality is both a rural and an urban issue. Communities without an educated workforce with high post-secondary attainment will struggle to attract the jobs they need. This isn’t someone else’s job. It’s everyone’s job, and we at TNECD will do all we can to help.

Tennessee banks are the economic engine of our state. How can Tennessee banks help ECD accomplish its goals?

Tennessee’s banks are essential in supporting the growth of our businesses across the state, especially our community banks. Tennessee banks have the advantage of knowing our communities and really being full relationship partners with our businesses. By better understanding both the community and business needs, they are perfectly positioned to provide the financial resources needed to fuel our economic growth.

By any measurement, you have had a successful career. Talk about the role that banks have played in helping you grow your business.

My company, Radio Systems Corp, has had many great banking relationships. I still remember in the early ’90s when we were coming off a really bad year—and our last bad one I am happy to say, and I had a meeting with Claire Tucker at what was then First American. Purely by the numbers, we may

not have been the best customer at that point. But Claire and First American believed in our business case and in our management and stood by us.

Banks that take the time to really understand your business can be great partners. Fifth Third has been our lead bank for over 15 years, but we have had many other relationships with partners such as Clayton Bank, Pinnacle, First Tennessee, and Bank of America, who led our last bond deal.

If you could draw up your crowning accomplishment as ECD commissioner, what would it be?

To develop sustainable processes and an enduring culture that leads to decades of successful economic growth for our state. Yes, we want the short-term wins. We want to facilitate creating 100,000 new job commitments over the next four years—25,000 will be a record this year, and we will expect to do at least that the remaining three years.

We will set out on a path to develop over 100 new high-quality sites over the next 10 years. We *will* locate businesses in the Memphis Regional Megasite and provide a lasting catalyst for growth in that region. The gap in unemployment between our most and least successful counties will shrink dramatically. And, most importantly, we will set our department on a path that intersects with the governor's Drive to 55.

By the year 2025, when our education partners—the supply side of the equation—deliver a workforce in which 55 percent have a post-secondary degree, simultaneously the demand side of the equation—economic development—will deliver high-quality, high-paying jobs to match that 55 percent.

However, if we just do these things, and the success is not sustainable after we leave, we will have failed. In addition, we want to build a legacy of processes and a culture within TNECD that is of the highest integrity, is transparent, collaborative, and demands excellence for decades to come. We are excited about the challenges and the opportunities ahead! ■



TBA President Colin Barrett sat down with TNECD Commissioner Randy Boyd to discuss how the banking industry can contribute to the state's economic development efforts.

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TBA Chairman David Verble Sets Priorities on Education and Government Relations

David Verble works hard and plays hard – whether it is in his vegetable garden, road-tripping to see his beloved Tennessee Volunteers play football, dove hunting in Argentina or keeping a steady hand on the helm of Sevierville-based Citizens National Bank. And that approach is exactly what TBA members can expect to see from their new chairman, who kicked off his term at The Greenbrier in June.

“David’s tenure will be fun and focused, just like he is,” said Athens banker Paul Willson, a former TBA chairman and longtime friend. “He really knows how to get things done.”

Willson and other TBA members who know Verble well admire his skills as a banker and also his deep commitment to the association, for which he has served in a number of leadership roles over the years.

But if not for his lack of enthusiasm for a chemistry class, Verble might have ended up being a veterinarian.

Growing up in the small town of Sparta in rural White County just south of Cookeville, Verble loved animals of all kinds – dogs, cats, horses, cows. He was active in the local 4-H and took pride in showing beef cattle in 4-H competitions. In high school, he wanted to become a vet.

“I took my first chemistry class, and I decided that was not going to be possible,” Verble said with a laugh.

Chemistry aside, there is no doubt Verble would have made a good veterinarian. There is also no doubt that the animal-care industry’s loss was the banking industry’s gain.

Verble’s second love was finance, and he approached his business administration degree at the University

of Tennessee with enthusiasm, graduating with honors in the spring of 1976 and then working a short stint at the Sutton Shirt Corporation in Sparta as credit director – “actually, I was the collections guy” – while waiting on his application for a job to be approved with the regional office of the Comptroller of the Currency. It was approved in October, and Verble became a bank examiner based out of the OCC’s Knoxville field office.

Being a bank examiner was not only a job that Verble liked, it paved the way for his ascent to becoming one of the most respected bankers in the state – joining Citizens National Bank in Sevierville as a vice president for loans in 1979 and rising to president and chief executive officer by 2005. In that time, Citizens National grew from a two-branch \$17 million asset bank to one with more than \$880 million and locations in Sevier, Knox, and Jefferson counties.

Willson, the chairman of Citizens National Bank of Athens whose father was instrumental in encouraging Verble to try the banking business, said his friend is an “outstanding banker” who will be a strong TBA chairman.

“He is a brilliant stand-up speaker and runs a meeting as well as anyone I have ever known. The TBA has been blessed with a great leadership, both from the staff and the membership side. We have had a long line of strong chairmen, and David will continue that tradition.”

Willson also praised Verble’s leadership at Citizens National in the wake of the 2008-2009 economic collapse.

“David really knows how to keep things in the middle of the road, and he just has this way about him in terms of doing business and dealing with people that I admire greatly. It’s not easy run-



David Verble addresses the 125th Annual Meeting attendees as the new TBA Chairman.

ning a bank these days, but David does an outstanding job. That was especially true during the years following the recession when many other banks were getting in trouble. David did an outstanding job of avoiding those problems.”

John Jordan, area president of The Community Bank of East Tennessee in Clinton, echoes that observation. “David operates a phenomenally successful bank in a market that is extremely cyclical, but his bank stays very steady through the ups and downs of the economy. I teach one of the LSU banking schools, and I have used David’s bank a number of times as a case study on how to manage through a crisis.”

Jordan adds that the skills Verble has honed over the years will make him an excellent chairman. “He gets



David Verble with David Kemp and Paul Willson at the 125th Annual Meeting



David Verble visits with attendees of the 2015 Washington Conference.

along with people so well and he really knows how to build consensus and get everyone on the same page. And that's what a good chairman does."

'A Pretty Good Gig'

David Verble grew up in Sparta with a love of the rural lifestyle, including the hard work that goes into it. He worked on his grandfather's farm, hauling hay and cutting tobacco, and he enjoyed the satisfaction of working in the family garden. He was also active in the Boy Scouts – his father was his scout master – and he

earned his Eagle Scout badge.

His mother was a school teacher and his father worked for the state health department, with duties that ranged from inspecting dairy barns and school cafeterias to packing the heads of suspected rabid animals in dry ice and shipping them to Nashville on a Greyhound bus.

At White County High School, Verble was on the football team – "I was certainly not a star" – where he played the game that he had loved since he was young.

"I grew up listening to every UT football game on the radio, with John

Ward doing the play-by-play, but I had never been to a game," Verble said. "When it came time to go to college, my dad wanted me to go to Tennessee Tech. That's where he and my mother went, and it is where my brother went. He wanted me to go to Tech because it would be cheaper, since it was nearby and I could live at home.

"He asked me why I wanted to go to UT, and I told him I wanted to watch football games."

Verble went to UT and not only was a good student who majored in finance, he also went to every home football game. In fact, Verble says that he has only missed three games in Knoxville since 1972, has attended most of the bowl games UT played in, and usually tries to make one or two road-game trips each year.

His love of UT football also helped influence his career path.

"We banked with First National Bank in Sparta and Bill Johnson, who was a star at UT back in the 50s and one of my early heroes. He was very influential, and he started me thinking about banking as a career," Verble said.

At UT, Verble enjoyed the finance and real estate classes and at one time was thinking about getting into the development business. It is an interest he says has helped him substantially in the banking world.

It was his first job as an OCC examiner, however, that really shaped Verble's understanding of the banking world. "It was a fast education," he said. "It helped me significantly because I learned so much about different banks. I learned what the good banks do well, and what the bad banks do badly."

The job also introduced him to a wide network of Tennessee bankers, one of whom was Hugh Willson at Citizens National Bank in Athens.

"One day he said, 'Verble' – he always called me Verble – 'you ought to consider getting in to the banking business. It's a pretty good gig and you

continued on next page

TBA Chairman David Verble *continued*

get to go to a lot of nice places for conventions and meetings.’ It was something that I had thought about when I first went to work for the OCC, but Hugh and others, like Jack Reynolds in LaFollete, really convinced me to make the move.”

In 1979, Verble went to work at Citizens National Bank in Sevierville as a vice president, working with loans, collections, and preparing the call report. Three years later, the 28-year-old Verble was a senior vice president and a member of the board of directors, and in 1992 he was promoted to executive vice president and chief lending officer. Verble became president in 1999 and the CEO title was added in 2005.

Early in his banking career, Verble became active in the TBA, and he credits his involvement with helping him tremendously along the way.

“My first involvement was to attend various education classes, which were very helpful, and then I ran for director of the Young Bankers Division. I was on the board and took several trips and had the opportunity to meet a lot of people my age that I didn’t know before. I graduated from the LSU School of Banking in 1983 and attended many seminars and programs in addition to the membership meetings and the annual convention.

“I also got involved on the government relations side. I have always been politically motivated, and I believe very strongly that bankers must be involved in the government relations side of the association. I chaired the TBA’s government relations committee and also served on the board of the ABA’s government relations council. Then I got on the board, and now I’m chairman. It’s a great honor.

“But the education programs have really been a big part of my involve-



In 1985, David Verble (center) was elected as a director of the Young Bankers Division. Left to right are officers Jim England, Steve Smith, Radford West, and Jock Weaver.

ment with TBA, and I cannot encourage our members enough – especially young bankers – to take advantage of all the opportunities.”

Priorities for the Year

Verble’s passion for bank education and government relations will be seen in his priorities for his term as chairman. Both areas, he says, are essential for bankers as the industry adapts to the changing marketplace and political realities.

“First of all, we need to make sure our education programs are providing the training and information that our members need,” Verble said. “The TBA has done a great job with providing topnotch education programs, but it is challenging because of ongoing changes in the regulatory environment and technology. I want to reach out to the membership and see if there is anything that we are not providing that

would be helpful. The TBA has been very responsive to member needs in the past, and it is something we need to continue to do. There’s always room for improvement.”

Verble points to the increase in webinars and having classes in different parts of the state to make them more accessible and convenient for more people as ways the TBA education department has been effective in meeting the changing needs of its members. “We need to be as flexible as we can, and adapt to the new ways people are learning.”

The new chairman also wants to be out front in encouraging young bankers to get involved in the association, from participating in membership meetings and the annual convention to taking part in the Day on the Hill in Nashville and the yearly Washington Visit.

“It’s really important that we get

our younger bankers excited about being active in the TBA, and taking advantage of all the opportunities the TBA provides,” Verble said, especially in areas of leadership and technology skills. That involvement, he says, should also include government relations.

“We have maintained a lot of unity over the years, and one of the most important areas is with BankPac,” Verble said. “We have to have a seat and a voice at the table if we are going to have any influence on things that will affect us down the road, and whether we like it or not that starts with political contributions. We need all of our bankers to be involved, and we need all of our banks to contribute to BankPac. Most of them do, but we all need to be giving our fair share. A lot of people are not thrilled with the political process, but that is what we have to work with.”

Verble says one of his goals as chairman is to continue looking for ways to improve the image of banking, which took a hit from the Wall Street banks’ contribution to the economic crisis. “All of that tarnished our image, and it did so unfairly. It’s improving, but we need to do what we can to continue restoring our image.” That will help not only in maintaining the confidence of customers, he says, but also in recruiting talent and encouraging young people to consider banking as a career.

Verble is looking forward to his year as chairman, especially, he says, because the TBA is already in such good shape. “Financially, we are very strong, we have one of the lowest dues structure in the nation, and we have a great staff and great leadership.”

For David Verble, the tasks of chairing the TBA will be a labor of love and will allow him to make perhaps his biggest contribution to an association that he says has contributed so much to his career success. ■

Five Questions

What do you like to do in your spare time?

I live on Douglas Lake and have a boat, so boating is something I enjoy in the summer time. I love to go trout fishing, do some hunting, and I enjoy traveling, especially to other countries. But I really love gardening. I got that from my dad; he had a real passion for it. I raise way too much stuff, so, I bring in the excess to the bank. I will send out an email, and it’s usually all gone in not much time.

What’s in your garden?

Tomatoes, eggplants, peppers, yellow squash, zucchini, watermelons, cantaloupes, butternut squash, spaghetti squash, green beans, okra, sweet corn... and I grow pumpkins, not for food, just for fun.

What is your perfect buddy trip?

About three years, we went to Argentina to go dove hunting. Doves down there are pests, and there are lots of them, so there was lots of shooting. I’m hoping to go back next year with a group of friends.

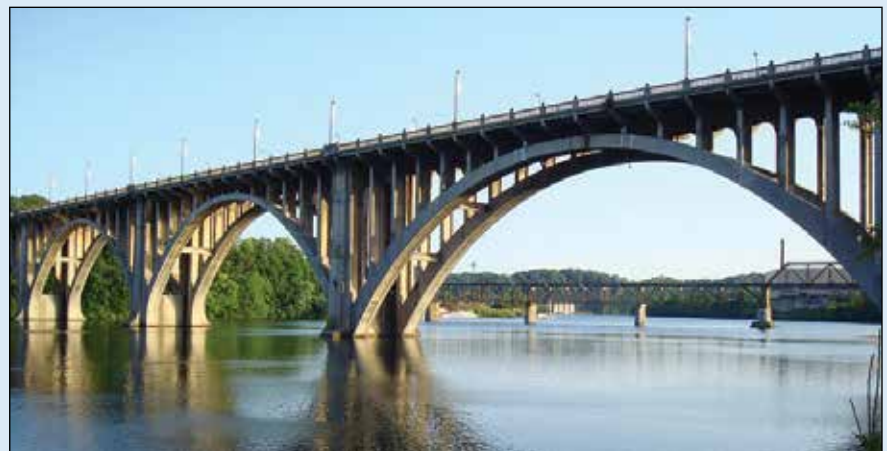
Another trip that I’ve done with a group of friends about six times is taking wave runners all the way down the Tennessee River system. We put in right by Neyland Stadium in Knoxville where the Tennessee River starts and take it all the way down through all the lakes and locks – Fort Loudoun, Watts Bar, Chickamauga, Nickajack, then through Alabama to Guntersville, Wheeler and Wilson, Pickwick, then up to Kentucky Lake. We get out near Waverly. It’s kind of a difficult trip; it’s about 600 miles. I told these guys that if we don’t do it again pretty soon I’m going to be too old for it.

What’s on your music playlist for a long trip in the car?

I’m a fan of a lot of different kinds of music, but country music is my favorite. Garth Brooks, Luke Bryan, Jason Aldean, Reba. But I have to say that Dolly Parton is tops on my list. I do like her music, but I just admire her so much for everything she has done for Sevier County, and really, for the entire state with her Imagination Library and partnership with the Governor’s Books from Birth program.

What is something that might surprise people about you?

I think most people would be surprised that I do as much gardening as I do. Also, I think some people are surprised that I’m a little brighter than I appear to be sometimes – I have a pretty heavy accent, so I have an image for some people of not being very bright. I’m a little smarter than most people think I am, but probably not as smart as I think I am. ■





EVENT RECAP

This year, the Tennessee Bankers Association celebrated an historic milestone—the 125th *Annual Meeting* of the association. For this momentous occasion, over 600 members and guests traveled to The Greenbrier resort, nestled in the Allegheny Mountains of White Sulphur Springs, WV. This annual meeting marked 10 years since TBA last visited The Greenbrier, and convention goers fully embraced the activities, history, and scenic vistas that the *Forbes* four-star and AAA *Five Diamond Award*-winning resort has to offer.

In addition to a strong business program presided over by TBA Chairman Bill Marsh, this special anniversary meeting included several new and commemorative features. The new Sunday morning devotional was led by **Jon Goodson**, the West Tennessee sales representative with Financial Products and Services, Inc. Before the Monday morning business session, bankers had the opportunity to engage Greg Gonzales, commissioner of the Tennessee Department of Financial Institutions, in an informal question and answer session.

The 125th anniversary theme spread throughout the *Annual Meeting*, beginning with an original, commemorative Hatch Show Prints poster distributed at registration and culminating with a fireworks display set to music by Tennessee songwriters. The event's agenda also featured a reception celebrating 2014-2015 Chairman Bill Marsh and his wife, Carol, in The Bunker. An emergency Cold War fallout shelter and once a top secret U.S. government relocation facility for Congress, The Bunker has become synonymous with The Greenbrier resort as a must-see attraction. ■

David Verble Installed as 2015-2016 TBA Chairman



David Verble accepted the chairman's gavel from Bill Marsh, outgoing chairman.

David C. Verble, president and chief executive officer of Citizens National Bank in Sevierville, was installed as chairman of the Tennessee Bankers Association during ceremonies at the closing banquet of the association's *Annual Meeting*, held June 7-9 at The Greenbrier in White Sulphur Springs, WV. Just over 600 members of the state's banking industry, associate members, and guests attended the convention, which was a celebration of the association's 125th anniversary.

Verble accepted the chairman's gavel from William "Bill" Marsh, chairman and CEO of First Commerce Bank, Lewisburg, who served

as the 2014-2015 chairman. Delegates to the meeting elected the new officers and directors during the Tuesday morning business session. The bankers joined existing board members to guide the association in 2015-2016. Executive officers elected for 2015-2016 are:

Chairman – David C. Verble, president and CEO, Citizens National Bank, Sevierville, TN

Chairman-elect – Gordon Majors, president and CEO, The Hardin County Bank, Savannah, TN

Vice Chairman – Lee M. Moss, president, Franklin Synergy Bank, Murfreesboro, TN

Immediate Past Chairman – William B. Marsh, chairman and CEO, First Commerce Bank, Lewisburg, TN

In addition to the executive officers, delegates to the convention also elected one new director from each of the three grand divisions of the state to serve three-year terms on the TBA board. New directors are:

East Tennessee – Michael Kramer, president and CEO, FSGBank, NA, Chattanooga

Middle Tennessee – Betty Sue Hibdon, president and CEO, Citizens Bank, Hartsville

West Tennessee – D. Bryan Jordan, chairman, president, and CEO, First Horizon Corporation, Memphis

With the election of the new directors, four directors rotated off of the board. Completing their terms of service were:

Allen McClary, president and CEO, UBank, Jellico

Tim Pettus, president, First Farmers and Merchants Bank, Columbia

Hunt Campbell, chairman, president, and CEO, First Alliance Bank, Cordova

Ron DeBerry, president and CEO, Commerce Union Bank, Springfield

Continuing their terms on the board are:

J. Lee Stewart, president and CEO, Southern Heritage Bank, Cleveland

M. Terry Turner, president and CEO, Pinnacle Bank, Nashville

H. McCall Wilson, Jr., president and CEO, The Bank of Fayette County, Piperton

R. Lynn Shipley, Jr., president and CEO, TriSummit Bank, Kingsport

Phillip L. Crawford, president and CEO, First Farmers and Commercial Bank, Pikeville

Michael E. Cary, president and CEO, Carroll Bank and Trust, Huntingdon

As TBA's governing body, members of the board are always available for members to share questions, thoughts, or suggestions concerning the TBA and the banking industry. Visit the TBA website, www.tnbankers.org/about, for a list of the entire TBA board. ■



Members of the 2015-2016 TBA executive committee are (L-R) Vice Chairman Lee M. Moss, Chairman-elect Gordon Majors, Immediate Past Chairman Bill Marsh, and Chairman David C. Verble.



David Verble received his chairman's pin from Donna Kidd.



New directors elected by delegates are Michael Kramer, Betty Sue Hibdon, and D. Bryan Jordan (not pictured).

Annual Meeting Business Sessions

Keeping with tradition, the 125th *Annual Meeting* featured two morning business sessions, presided over by TBA Chairman Bill Marsh, chairman and CEO of First Commerce Bank in Lewisburg. After welcoming remarks by the chairman on Monday morning, delegates were further welcomed by **James C. Justice, II**, chairman and owner of The Greenbrier. Justice, an accomplished businessman and adept storyteller, entertained and inspired attendees with his story of the buyout and turnaround of the resort.

Following Justice on the convention program was **Christopher Olsen**, managing partner with Olsen Palmer, an investment banking firm headquartered in Washington, DC. His topic, *The Tennessee Banking Landscape: The State of the State*, discussed the trends in merger and acquisition activity in the state and featured a panel discussion with Tennessee bankers Terry Turner, Pinnacle Bank, Nashville, and Rick Hart, Renasant Bank, Nashville.

Next on the program was **Frank Keating**, president and CEO of the American Bankers Association, also headquartered in Washington, DC, delivering an *ABA Update*, focusing on recent activity in Washington and the expectation of bankers for regulatory relief in the coming months.

David Kemp, president of Bankers Management, Inc, McDonough, GA, and a frequent instructor at TBA programs closed out the business session with his presentation on *Risk Management in This Economic and Regulatory Environment*.

Business sessions resumed early Tuesday with the first speaker, **Stephen Hayes**, a journalist with *The Weekly Standard*, author, and media personality. In his presentation, *A View from Washington: The Obama*



James C. Justice, II, chairman and owner of The Greenbrier, entertained and inspired attendees with his story of the buyout and turnaround of the resort.

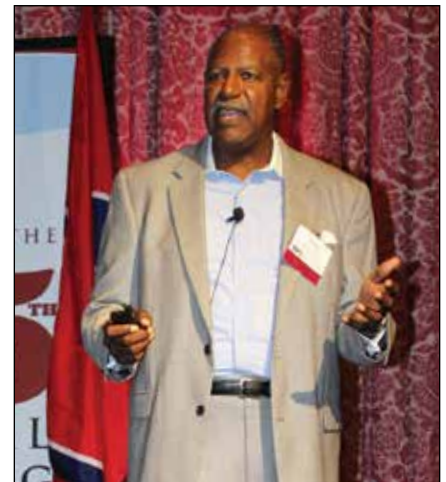


Frank Keating, president and CEO of the American Bankers Association, delivered his ABA Update.

Presidency, the New Congress, and 2016, Hayes reviewed the slate of declared and expected-to-declare presidential candidates, giving insight of his impression of each individual's potential to win their party's nomination.



Christopher Olsen, managing partner with Olsen Palmer, conducts a panel discussion with Tennessee bankers Terry Turner, Pinnacle Bank, Nashville, and Rick Hart, Renasant Bank, Nashville.



David Kemp, president of Bankers Management, Inc, McDonough, GA, presented on Risk Management.

Tuesday's session also featured **John Buhrmaster**, immediate past chairman of the Independent Community Bankers of America and president/CEO of 1st National Bank, Scotia, NY, who delivered the *ICBA Update*.

The business portion of the 125th Annual Meeting concluded with a standing ovation for special guest speaker, **Bill Courtney**, star of the Academy Award-winning documentary “*Undeclared*,” a look inside the 2009 season of the perennial underdog Manassas High School football team in Memphis. Courtney, president and CEO of Classic American Hardwoods, Memphis, discussed *Leadership: How to Go against the Grain to Attain It*. Courtney’s motivational presentation encouraged and challenged attendees to find true leadership by stepping outside of their comfort zone, ensuring they are doing things for the right reason, and creating a legacy that is more than accumulated things. ■



Stephen Hayes, a journalist with *The Weekly Standard*, reviewed the slate of declared and expected-to-declare presidential candidates.



John Buhrmaster, immediate past chairman of the Independent Community Bankers of America and president/CEO of 1st National Bank, Scotia, NY, delivered the ICBA Update.



Bill Courtney, president and CEO of Classic American Hardwoods, and subject of Academy Award winning documentary *Undeclared*, encouraged and challenged attendees to find true leadership by stepping outside of your comfort zone.

Golfers Take to the Meadows Course for Monday Afternoon Tournament

The Greenbrier and golf have long gone hand-in-hand and the relationship between the two was on full display this June, as many Annual Meeting participants had the chance to meet and mingle with golfing greats, such as Bubba Watson, Lee Trevino, and Nick Faldo, throughout the resort. Bankers and associate members competed in the golf tournament, played on The Meadows course. Sponsored by Pathway Lending, the four-person scramble featured prizes for the first- and second-place team in three flights plus three skill-shot prizes. Congratulations to the winners! ■

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Golf Tournament Results

First Flight

Winner

Jeff Agee, First Citizens National Bank, Dyersburg, TN

Wynne Baker, KraftCPAs PLLC, Nashville, TN

Wynne Baker, Jr., KraftCPAs PLLC, Nashville, TN

Susan Baker, KraftCPAs PLLC, Nashville, TN

Runner-Up

Don Vick, Fiserv, Inc, Franklin, TN

Robby Moore, Bank of Lewis County, Hohenwald, TN

Brett Roberts, Bank of Perry County, Lobelville, TN

Christopher Olsen, Olsen Palmer, Washington, DC

Second Flight

Winner

Chuck Newell, Farmers and Merchants Bank, Trezevant, TN

George Atwood, Farmers and Merchants Bank, Trezevant, TN

Elmer Stout, FTN Financial, Memphis, TN

Will Heaslet, Tennessee Bankers Association, Nashville, TN

Runner-Up

Allen McClary, UBank, Jellico, TN

David Reynolds, Peoples Bank of the South, La Follette, TN

Brandon Hull, Greeneville Federal Bank, FSB, Greeneville, TN

Robert Thompson, Greeneville Federal Bank, FSB, Greeneville, TN

Third Flight

Winner

Scooter Reagan, Citizens National Bank, Sevierville, TN

Kyle Swaggerty, Citizens National Bank, Sevierville, TN

Mark Henders, Citizens National Bank, Sevierville, TN

Nancy Swaggerty, Citizens National Bank, Sevierville, TN

Runner-Up

Mike Shamblin, Pershing Yoakley and Associates, PC, Knoxville, TN

Matt Neilson, Pershing Yoakley and Associates, PC, Knoxville, TN

Jim Vaughn, Mauldin & Jenkins CPA, LLC, Chattanooga, TN

Van Duong, CRS Data, Knoxville, TN

Longest Drive

Wynne Baker, KraftCPAs PLLC, Nashville, TN

Closest to Pin

Wynne Baker, KraftCPAs PLLC, Nashville, TN

Straightest Drive

Jim Rieniets, InsBank, Nashville, TN





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Olsen Palmer, Washington, DC – *Chairman's Reception*
Pathway Lending, Nashville, TN
– *Golf Tournament, Private Reception, and Note Pads*

GOLD

Crowe Horwath LLP, Brentwood, TN – *Guest Room Keys*
Federal Home Loan Bank of Cincinnati, Cincinnati, OH – *Closing Banquet Reception*
First Commerce Bank, Lewisburg, TN
– *Food and Beverage in Exhibit Hall at Registration*
ICBA Bancard & TCM Bank, Washington, DC
– *Continental Breakfasts in Exhibit Hall*
Raymond James & Associates, Memphis, TN
– *Tuesday Lunch in Exhibit Hall*

SILVER

Alexander Thompson Arnold, PLLC, Milan, TN – *Agenda-at-a-Glance*
Banc Compliance Group, Inc, Franklin, TN – *Mobile App*
Bankers Healthcare Group, Syracuse, NY – *Tuesday Coffee Bar*
Crowell & Crowell, PLLC, Franklin, TN – *Brochure Printing*
Earl R. Whaley and Company, Alcoa, TN – *Professional Photographs*
First National Banker's Bank/FNBB Capital Markets,
Birmingham, AL – *Pens and Grand Prize Giveaway*
Helms Briscoe, Atlanta, GA – *TBA Board Dinner*
KraftCPAs PLLC, Nashville, TN – *Banquet Table Centerpieces*
Mauldin & Jenkins CPAs, LLC, Chattanooga, TN – *Monday Coffee Bar*
PNC Capital Markets, LLC, Pittsburgh, PA – *General Sponsor*

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– *Printed Registration Lists*
Travelers, Charlotte, NC – *Golfers' Boxed Lunches*



Annual Meeting Exhibit Hall

2015 Exhibitors

AmTrust North America, Cleveland, OH
ATM Solutions, Inc, Cincinnati, OH
BancVue, Austin, TX
Bank Financial Services Group, Inc,
Nashville, TN
Bankers Healthcare Group, Syracuse, NY
Business Credit Reports, Gallatin, TN
Crescent Mortgage Company, Atlanta, GA
Crowell & Crowell, PLLC, Franklin, TN
Eclipse Brand Builders, Alpharetta, GA
Federal Home Loan Bank of Cincinnati,
Cincinnati, OH
Financial Products and Services, Inc,
Nashville, TN
First Community Mortgage, Inc,
Murfreesboro, TN
Harland Clarke, San Antonio, TX
High Cotton, Birmingham, AL
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Investment Professionals, Inc, San Antonio, TX
Investors Title Insurance Company,
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Works24, Edmond, OK



Hunter Simmons, First South Bank, Jackson, was the winner of the exhibit hall grand prize drawing sponsored by First National Banker's Bank and FNBB Capital Markets. He is joined by FNBB representatives Reaves Crabtree, Charles Kown, and Charles Morris.





2015 Annual Meeting Photo Recap



TBA new executive committee (L-R) Lee and Susan Moss; Gordon and Jeanie Majors; Carol and Bill Marsh; and Donna Kidd and David Verble

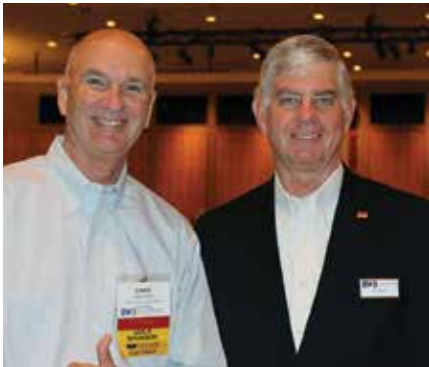


Newly elected TBA directors (L-R) Michael and Meg Kramer; and Betty Sue and Donnie Hibdon.





2015 Annual Meeting Photo Recap continued







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Add it up!

2015 Annual Meeting Photo Recap continued





Dodd-Frank at Five: It's No 'Happy' Birthday

By Frank Keating, President and CEO, American Bankers Association

July 21 is the fifth anniversary of the Dodd-Frank Act. The legislation was hailed by its proponents as critical to ensuring a safer, more stable financial system. But in reality, in replacing flexible bank supervision with a rigid regulatory structure, Dodd-Frank's authors have put many banks—particularly small community banks, in harm's way.

In failing to anticipate the effect that Dodd-Frank would have on different sectors of the banking industry, lawmakers left community banks struggling to keep up with outsized regulatory demands and the excessive cost of complying with thousands of pages of new regulation. This flood of new rules has hamstrung larger banks as well, though they have been able to bring greater resources to the table.

ABA anticipated the law's effects, which is why we adamantly opposed the legislation. We knew the CFPB was invested with way too much power and not enough oversight. We knew the bill—which reached beyond crisis issues to impose unrelated restrictions, such as government price controls on banks' interchange services—would unfairly impact traditional banks, which were more victim than villain in the crisis.

We fought consistently throughout the legislative process to eliminate or temper such provisions, warning that they would result in fewer consumer choices and restricted credit. By working together with state bankers associations and grassroots bankers, we improved the Dodd-Frank bill as much as the politically charged atmosphere at the time would allow. And since enactment, we have focused on making the required rules more workable, emphasizing the need for regulation to be tailored to the differ-

ent risk profiles and business models of our diverse industry.

While that has helped—for instance, we won a safe harbor for QM loans and scored big improvements to the Volcker Rule, particularly after we sued the regulators over it—Dodd-Frank has still dramatically impacted community banks. Fearful of running afoul of new regulations, many have opted to forgo new product lines and even traditional ones, most notably residential mortgages.

Faced with increased risk and diminishing returns, many small banks have chosen to merge with other institutions or simply close their doors. In fact, since the height of the crisis in September 2008, the banking industry has lost more than one bank per business day—1,965 to be exact. Dodd-Frank may not be the only cause for that, but there is no question the law is reshaping the U.S. financial system—with small banks emerging as the biggest losers.

Taken together these figures illustrate the darker side of Dodd-Frank, and the effect that tens of thousands of pages of prescriptive regulations have had on the banking industry. It also raises the question: Has Dodd-Frank, however well intended, done more to harm banks than to make the industry safer?

The best way to mark Dodd-Frank's anniversary is to candidly address the legislation's accomplishments as well as its shortcomings. Even former Rep. Barney Frank, for whom the law is named, has admitted that fixes need to be made. No bill that large and complex gets every provision right.

Sen. Richard Shelby's regulatory relief bill, which is currently pending in the Senate, attempts to right some of what Dodd-Frank got wrong. It also includes common-sense changes to non-Dodd-Frank rules, such as the requirement that banks mail privacy notices every year even when their policies haven't changed. The enactment of such legislation may be the best way to recognize Dodd-Frank at five. It would help ensure the law does what was intended—ensure a more stable financial system that supports the health of banks and their communities. ■



TBA's Dianne Martin Retires after 34 Years of Dedication to Tennessee Banking

The *Tennessee Banker* is one of a kind. And that is because Dy Martin is one of a kind. Over her 34 year career she made your magazine an award winning leader of the industry. As Dy enjoys her well deserved retirement, please join us in thanking Dy for her service to the association and Tennessee banking industry. ■





Consumer Compliance Applies to Commercial Credit?

By Darlia Fogarty, Director of Compliance, Compliance Alliance



**COMPLIANCE
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When your compliance officer informs you that loan officers who only work with the bank's commercial portfolio should be trained on consumer compliance, it is not a joke. We hear complaints from loan officers on a daily basis about the compliance officer insisting they attend consumer compliance trainings. Whether it is webinars or online training, we agree.

Let's talk about the reasoning behind this recommendation. While the group of the regulations, consumer compliance or consumer protections and even the name of the new government agency, Consumer Financial Protection Bureau, understandably would lead a reasonable person to believe these regulations would only apply to consumers, there are a group of these regulations that extend their protection to commercial customers. Thus making it imperative for the commercial loan officers not only to know the regulations exist, but also to understand how the regulations apply to the commercial customers.

That being said, which regulations extend protection to commercial products and services? The best place to start is always at the beginning.

In the beginning, banks determine the credit needs of their communities. The Community Reinvestment Act (CRA/Regulation BB) requires that the determination be strategically planned and executed. CRA requires large banks to collect

and report their CRA small business and small farm lending activities. While this leaves the smaller banks breathing a sigh of relief, they may want to familiarize or train the bank's staff with the reporting requirements, especially in this time of mergers and acquisitions, because it is within the realm of possibility that the bank could go from the small, intermediate-sized bank, for CRA purposes, to a large bank rather quickly.

Next, we will move on to a regulation that will affect the bank, no matter what the asset size is. The first one that comes to mind is Equal Credit Opportunity Act (ECOA/Regulation B). This regulation prohibits the bank from discriminating on a prohibited basis in any aspect of a credit transaction (loan). Those prohibited bases include race, color, religion, national origin, sex, marital status or age. These protections apply to all consumers as well as commercial transactions. A part of ECOA is also the notice of action taken, commonly referred to as adverse action notice. This requirement is a little different for commercial customers vs consumers, but it still applies. The record retention for commercial customers, under the ECOA requirements, is a little different from the consumer customer requirement. Commercial credit is to be retained 12 months after the customer is made aware of the action taken; credit for consumer customers is 25 months. The difference between commercial vs consumer are reasons to require your commercial officers to have training for ECOA.

About the Author

Darlia Fogarty, Director of Compliance, brings a wealth of knowledge and practical experience to our banks as well as our staff. After 12 years as a commissioned national bank examiner with the OCC, Darlia developed an expertise in compliance while administering examinations in banks of all sizes. She contributed as a member of the Retail Credit Team, with a Compliance Designation. Darlia also holds 10 years of experience as a compliance officer/auditor and 4 years as a compliance/audit consultant.

Darlia has spoken at a number of conventions, meetings and schools throughout the years. Her articles can be found in State Banking Association magazines, Compliance Alliance newsletters and several other publications. Darlia oversees the creation of tools and resources while also fielding questions from a wide range of regulatory and compliance issues faced by banks of all sizes. ■

Another regulation that applies across business lines is the Flood Disaster Protection (FDPA/Regulation/H). The FDPA mandates that banks cannot make, increase, extend, or renew a loan secured by a building or mobile home located in a special flood hazard area unless

it is covered by flood insurance for the term of the loan. What determines whether flood insurance is required? The type and location of the collateral determines whether flood insurance is required. The purpose of the loan—whether it is consumer or commercial—does not matter at all. Are there nuances in the requirements? Absolutely, there are. Training should be mandatory for all loan staff.

While we are talking about consumer protection regulations that are not typically considered when discussing requirements for commercial lenders' training schedule, the Servicemembers Civil Relief Act (SCRA) includes regulations that provide protection to service members, and in some cases, their spouses, dependents, and other persons subject to the obligations of service members. These protections apply to loans contracted prior to entering military service and do not make a distinction between consumer and commercial credit.

Are there other regulations that make no distinction between consumer and commercial customers? Yes, there are. One of those is the requirements under the Home Mortgage Disclosure Act (HMDA/Regulation C). Even though mortgages are the primary focus for the requirements in this regulation, there are implications for certain commercial loans. HMDA requires reporting of multi-family loans which are typically commercial loans. There are also some nuances that can lead to confusion. For example, a customer takes out a loan for a business purpose secured by the customer's primary residence, the loan would not be HMDA reportable at origination, but if it were refinanced, then it would become reportable. Why? Well, the regulation requires all refinancings of dwelling-secured loans to be reported. Now are you beginning to see the need for training?

Another regulation sometimes overlooked that has implications for

compliance is the Fair Credit Reporting Act (FCRA). While the regulation specifically states it is to regulate the furnishing and collecting consumer credit information, there are instances that commercial credit transactions involve a consumer. For instance, guarantors or co-makers in many instances, are consumers. You also will find adverse action requirements in this regulation as well.

If the above regulations and the implications to commercial credit isn't enough to persuade the commercial

credit side of the house to participate in consumer compliance training, then remind them of the monetary penalties that accompany violations of many of these regulations, and training should be readily accepted. ■

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Roundtable Discussion



For this month's hot topic, on the heels of TBA's annual *Leadership Convention*, we posed two questions to the Young Bankers Division officers and directors. Following are the questions and their responses.



Michelle Bing

Young Banker Vice President
Reelfoot Bank, Union City



Robert Bradley

East Tennessee Director
Bank of Tennessee,
Johnson City



Mark Kline

East Tennessee Director
The First National Bank
of Oneida, Oneida



Josh Lane

East Tennessee Director
TNBANK, Knoxville



Chris Schlueter

Young Banker President-elect
FirstBank, Nashville



Sam Short

Middle Tennessee Director
Southern Bank of Tennessee,
Mount Juliet



Johnathan West

Middle Tennessee Director
Macon Bank and Trust
Company, Lafayette

What trends do you see developing among your customer base and what is the impact on the delivery of services or types of products you need to provide to take care of your customers?

Michelle Bing

I think something that stands out is the demand for more electronic methods of banking. This results in us changing the manner in which we do banking—from the way our customers make deposits, to the loan process, to the way we advertise.

Robert Bradley

One of the things that we're certainly seeing is more of a push for alternative banking channels, and I don't think we're unique in that situation. We're in the process of rolling out online account opening for our customers. We hope to have that out later

this summer. I don't know exactly how that's going to be received. We hear people mentioning it, but we'll see how that is accepted. And it's really for deposits; we're still going to be sticking with doing loans the old-fashioned way. One of the other things that we are seeing some additional requests for, surprisingly, is an ongoing use and push for telephone banking. Which, you would think that's passé, and on the way out, but I think our call volumes are in excess of 30,000 calls a month. And so there are some enhancements we're looking to make to that product for our customers.

Mark Kline

I think the biggest impact that we see developing with our customers is the compression on the spread. We've got customers every day that we're having to re-price loans, and we know we're in an environment where deposit rates seem to go up. So, how are we going to control that spread going forward when everybody is layering in more interest-rate risk? That's been a daily struggle in our bank—pricing risk and trying not to go low *and* long.

On the delivery side, I think it's the timing of Dodd Frank and how long it takes to do a loan. The customer expectation in a rural community is we've always gotten it done and we've always gotten it done quicker than anybody else. So now we're having to extend that out and our customers are struggling with understanding how it takes a month to close a loan. And it is having an impact on us.

Josh Lane

The biggest thing that I've seen with the recent improvement in the economy is the flip in supply and demand. Before, we were over supplied with lower demand, versus now the improvement has caused folks to really be in a scramble to find lots. It's really tough to find residential lots at the moment in my area. Land purchases and new construction are keeping me very busy.

Chris Schlueter

I think the biggest thing we've seen is our clients expecting 24-hour access to their information. They now demand mobile apps, opening new accounts online, taking pictures to deposit checks, etc. Banking has become a 24-hour a day industry and our clients expect the same level of service from a bank that they would get from any other industry. Adjusting our technology and staff to meet those expectations is one of the things we

work hard at every day to make sure our customers are getting everything they need.

Sam Short

One thing we're seeing is a trend of fewer people coming into the actual branch. You can make a loan these days or make a deposit without the customer coming into your branch. From a community banking standpoint, I think this is a negative trend but that is the direction things are going with the ability to scan and email documents along with remote deposit scanners and mobile depositing. New technology has led to less customers walking into the bank which has led to less opportunities to get to know our customers and also sell them on other services. I wish this was a trend we could reverse, but it looks like it's going to get worse before it gets better in that regard.

Taking care of our communities and the people who live within them is at the core of banking. Can you describe a recent memory that stands out to you as a moment you felt especially proud or rewarded that you chose a career in banking?

Michelle Bing

I can't think of just one memory that stands out. I am always proud to be a community banker when I am at different events and see our name and logo. I love that we support our communities both financially and by our employees volunteering. In my opinion, it is our responsibility as community bankers to make our communities better places to live.

Mark Kline

Actually, we're going to close this week on a loan with our local hospital, and it's probably a deal that on paper doesn't make sense. The deal is probably going to get downgraded, but we feel like it is so core to our community. There are 210 jobs at the hospital. If we can't make this loan, how are we going to be perceived? It is our job to support our community, and we believe we can only do as good as our community does. So, I was really proud of our board and everybody at the bank for stepping up

and making a tough decision to help our community.

Josh Lane

As a lender at a community bank, I can offer a lot of different types of loans. Whether it's a commercial loan that will in turn create jobs or assisting people to build their dream home with construction lending, many aspects are rewarding. The one instance that sticks out most recently is being able to provide a mortgage loan to some hard working folks from Russia who didn't fit in the Fannie Mae/Freddie Mac box, but were able to qualify with us in-house. They had always wanted to own their own home and to see the excitement on their face and their children's faces at closing was priceless. Purchasing this home was an important piece of their "American dream" and I feel blessed to have played a role in making that happen.

continued on next page

Young Bankers Division Roundtable *continued*

Chris Schlueter

Working for Jim Ayers, the owner of FirstBank, in general is rewarding. Seeing all the things he does to give back, whether it's Vanderbilt Children's Hospital, Jackson Children's Hospital, Hospital Hospitality House, Lipscomb University, Belmont University, or the Ayers' scholarships for students, his dedication is respectable. We all work very hard here to make the bank a success and seeing Mr. Ayers give back to the communities we serve really makes me proud to work for the bank.

Johnathan West

First of all, I think as a banker it's our job to help serve our communities and also make money while doing that. The community service part is something that's growing even more important in our community bank rural area. Recently, I was able to help a couple that had sought refuge in Tennessee after Hurricane Katrina, and they had been renting since the hurricane came through. They'd been renting in Tennessee, and they finally had gotten their finances in order to purchase their permanent home, and I was able to help them achieve that goal to get into a home. Just being able to walk them through that whole process, go to the closing table, to see how happy they were to finally have a home that they could call theirs and raise their family in; it was rewarding. As much paperwork and stress as we're put under, rewarding times are few and far between. So that really had a big effect on me. I really felt good about myself, not that I did anything other than my job, but it was just a rewarding time for me as a banker. ■

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Young Bankers Division Elects New Leadership



During the Tuesday morning business session at the Young Bankers Division's *Leadership Convention*, held at The Peabody Memphis in April, members of the division elected new officers and directors to lead the division during 2015-2016. Division President Emily Gray, The Hardin County Bank, presided over the business activities of the convention.

New Officers

Delegates elected the following bankers to serve as executive officers for 2015-2016:

- **President – Bo Blanken**, assistant vice president, Citizens Bank and Trust Company of Grainger County, Rutledge
- **President-elect – Chris Schlueter**, vice president, FirstBank, Nashville
- **Vice President – Michelle Bing**, senior vice president, Reelfoot Bank, Union City
- **Immediate Past President – Emily Gray**, senior vice president/senior credit officer, The Hardin County Bank, Savannah

As president of the division, Blanken will serve as an ex-officio member of the Tennessee Bankers Association board of directors.

Directors

In addition to the four executive officers, the Young Bankers Division



Executive officers for 2015-2016 are President Bo Blanken, Immediate Past President Emily Gray, Vice President Michelle Bing, and President-elect Chris Schlueter.

is governed by a nine-member board of directors composed of three directors from each of the three grand divisions of the state—East, Middle, and West. Directors serve a three-year term, with one director from each of the grand divisions rotating off each year to be replaced by a newly elected banker from the same division.

Directors elected to the board during this year's convention were:

- **East Tennessee – Robert Bradley**, executive vice president/chief risk officer, Bank of Tennessee, Johnson City
- **Middle Tennessee – Johnathan West**, assistant vice president/mortgage originator, Macon Bank and Trust Company, Lafayette
- **West Tennessee – Melanie Luckey**, assistant vice president & controller, First South Bank, Jackson

Directors who will continue their terms on the board are:

- **East Tennessee – Mark Kline**, president/CEO, The First National Bank of Oneida, Oneida, and **Josh Lane**, senior vice president, TNBANK, Knoxville

- **Middle Tennessee – Luke Buckley**, senior vice president, First Commerce Bank, Lewisburg, and **Samuel L. Short**, vice president, Southern Bank of Tennessee, Mount Juliet

- **West Tennessee – Andy Collins**, chief credit officer, Security Bank & Trust, Paris, and **Danielle Williams**, financial center president, First Citizens National Bank, Newbern

The following three bankers completed their three-year terms and rotated off of the board:

- **East Tennessee – John Hunter**, commercial relationship manager, People's Community Bank, a Division of First Community Bank, Johnson City

continued on page 47



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Young Bankers Elections *continued*



L-R: Members of the 2015-2016 board of directors are Danielle Williams, Mark Kline, Melanie Luckey, Josh Lane, Emily Gray, Robert Bradley, Bo Blanken, Johnathan West, Michelle Bing, Luke Buckley, Chris Schlueter, and Andy Collins.



Rotating off the board were John Hunter, Robby Moore, Michael Griffith, and John Killen.

- **Middle Tennessee – Michael D. Griffith**, vice president, business banking and development, Security Federal Savings Bank of McMinnville, McMinnville

- **West Tennessee – John Killen**, city president, Carroll Bank and Trust, Camden

Each of these three received plaques in recognition of their service to the Young Bankers Division.

Mission of the Young Bankers Division

The Young Banker's Division was established in 1960 and is devoted to preparing Tennessee's young bank officers to become the industry's next generation of leaders.

The members of the division represent financial institutions across the state of Tennessee. They serve as trustees for *The Southeastern School of Bankingsm* (TSSB), a two-year general banking school conducted annually by the TBA.

The division oversees the TBA's Personal Economics Program (PEP), a financial literacy effort by bankers to educate consumers about such topics as banking, personal money management, the wise use of credit, the importance of saving, and identity theft and other types of fraud.

Another activity in which division members participate is the *Young Bankers Day on the Hill*. This program reinforces the importance of involvement in the TBA's government relations activities. During this annual event, bankers spend a day at the Capitol in Nashville learning about how the General Assembly functions, meeting with government leaders and their own representatives, and attending committee meetings and hearings. ■

Young Bankers Division Holds Successful Convention in Memphis

This April, 140 bankers, associate members, and guests from around the state gathered at The Peabody Memphis for the annual Young Bankers Division *Leadership Convention*. The 2015 *Leadership Convention* featured an expanded business session with highlights including moderated roundtable discussions on hot topics in Tennessee banking, a session on understanding body language and making great first impressions, transforming social media into social capital, and an economic update focusing on the current state of the economy being the “new normal.”

The convention continued the emphasis on peer networking for the next generation of industry leaders through an opening reception at Stax American Music Museum, a PEP financial literacy awards luncheon, and a closing reception on the iconic Peabody rooftop.

To kick-off the start of the *Leadership Convention*, members of the Young Bankers board of directors participated in its first charity activity in the convention’s host city

by preparing and serving lunch for the families at Ronald McDonald House of Memphis.

One of the convention highlights was Division President Emily Gray serving as honorary duckmaster in the Peabody duck’s daily march to and from the lobby fountain. Gray is senior vice president/chief credit officer with The Hardin County Bank in Savannah.

In a time where the next generation of banking talent ranks as a primary focus for the industry, the TBA Young Bankers Division is as vital and vibrant as it’s been since its inception in 1960. Now is the time to identify the young bank leaders on your team and encourage them to engage in the association and the industry through the Young Bankers Division. Regional Leadership Luncheons will be held around the state this fall, and the 2016 *Leadership Convention* will be held in Knoxville, April 24–26, at the Hilton Knoxville.

For more information about becoming involved in the Young Bankers Division, please contact Stacey Langford, slangford@tnbankers.org. ■

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2014-2015 Young Bankers President, Emily Gray, was the Honorary Duckmaster at The Peabody for an evening, and helped escort the ducks to their rooftop home.



Photo Recap



TBA staff members Monique Jenkins, Stacey Langford, and T'Lanie Luu



Sarah Paxton, Angie Mullins, and Whitney McCullar



Young Bankers President Bo Blanken and Chandra Blanken



Andy Collins, Kyle Baggett, Tommy Gurley, Kurt Baggett, and Michael Griffith



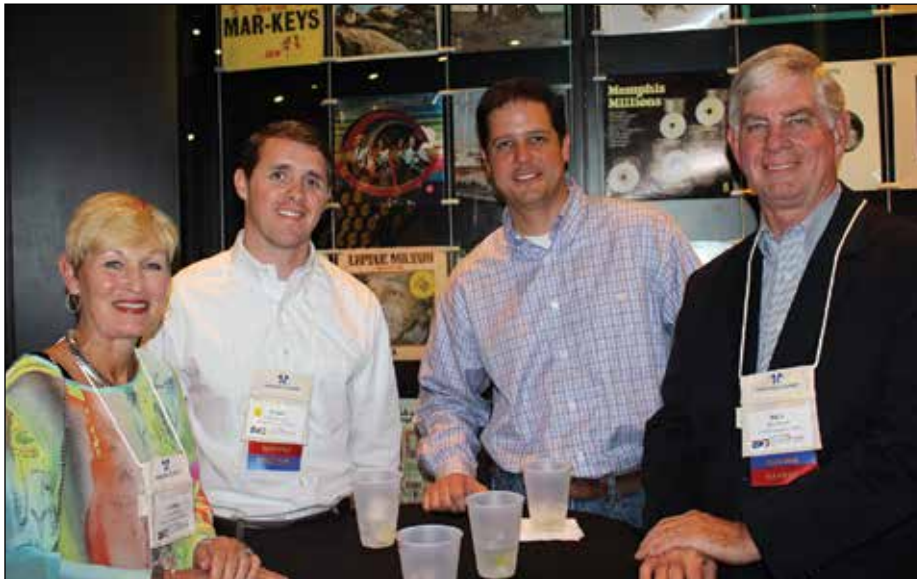
Michael Griffith, Mark Kline, and Ryan Swift



Earl R. Whaley and Company sponsored the transportation to and from the Stax Museum.



Chris Schlueter, Josh Lane, Leslie Lane, and Michael Harmon.



Carol Marsh, Luke Buckley, Todd Norman, and TBA Chairman Bill Marsh



Katerina Moore and Robby Moore



Attendees enjoying the opening reception at the Stax Museum



2014-2015 Young Bankers President
Emily Gray



Jay Morelock of FTN Financial



Chris Finnegan from the FDIC



The 2015 *Leadership Convention* introduced roundtable discussions, which were a top rated feature of the convention.



Luke Buckley and Johnathan West



Robert Bradley and Greyson Tuck



Patrick Wredling and Ron Allen Powell



Young bankers came to the PEP Awards Luncheon to support their peers.



Donna Van Natten talked about the importance of body language in the work place.



Emily Gray is treated to Honorary Duckmaster duties at The Peabody.



Attendees were entertained and informed during business sessions.



Van Natten had participants practice shaking hands during her session.



Blake Swafford, Elizabeth Swafford, and Chris Schlueter



Jon Goodson, Andrew Barrett, and Brian Mobley



The rooftop reception had entertainment from Memphis great, Blind Mississippi Morris



Attendees enjoyed the rooftop reception sponsored by Financial Products and Services, Inc.



Penny Tucker won the grand prize drawing sponsored by Crowell & Crowell, PLLC. Pictured are sponsor representatives Joey Croom, Chris Loyd, and Jason Price.



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Personal Economics Program Awards

Banks and Bankers Honored for Consumer Education Efforts

The Tennessee Bankers Association (TBA) Young Bankers Division recently honored outstanding banks and bankers for excellence in educating the public about personal finance, banking, and economics through the Personal Economics Program (PEP). More than 90 awards and certificates were announced during a special ceremony at the TBA's 2015 *Leadership Convention* held in Memphis, TN.

Increasing financial literacy and fiscal responsibility is a mission that bankers take seriously. The Young Bankers Division has been involved in these efforts in Tennessee since 1962 when they first launched an aggressive campaign to assist teachers in broadening the public understanding of banking. From June 1, 2014, the beginning of the "PEP year," through March 6, 2015, bankers in Tennessee contacted more than 60,000 persons through more than 1,500 presentations to students from kindergarten through college, civic and business organizations, seniors groups, and other consumers to help them understand personal money management, the wise use of credit, identity theft, predatory lending, and other such issues. The PEP awards are one way of bringing public recognition and awareness of the contributions these bankers make to their communities.

Outstanding PEP Banker Award

Tennessee's 2014-2015 *Outstanding PEP Banker Award* was presented to **Judi Molla, Citizens National Bank, Sevierville, TN**. This recognition is awarded to a Tennessee banker for superior educational contributions to the local community.

Molla attended the *Leadership*



Outstanding PEP Banker Judi Molla, Citizens National Bank, Sevierville, with Charles Kown and Charles Morris of ceremony sponsor, First National Banker's Bank.

Convention and accepted her award. She received a plaque and complimentary registration for the convention.

Molla has handled Citizens National Bank's financial literacy program since 2008, and in that time she has touched the lives of thousands of students and educators. Through February of the 2014-2015 school year, Molla coordinated six Junior Achievement units and participated as a resource in the GPS Middle School workshop at MTSU, a program designed to assist middle school teachers with resources and approaches to teaching financial education. For the past three years, she has managed a booth at the annual Jump\$tart Conference to provide information and resources to high school teachers from across the state, and this year she also was a panelist in a workshop session discussing how banks can serve as an asset for personal finance teachers.

Thank You to Our Sponsors

Awards Presented by



Ceremony Sponsored by



Financial Literacy Teacher of the Year Award

The *Financial Literacy Teacher of the Year Award* is presented to a Tennessee teacher, at any level, for outstanding contributions to economic education. This year's winner was **Amanda Thompson** who

continued on next page



Top PEP Banker for Middle Tennessee, Wonda Turnbo, Wayne County Bank, Waynesboro, and Top PEP Banker for West Tennessee, Judy McAlpin, BancorpSouth Bank, Dresden. They are pictured with Charles Kown and Charles Morris of ceremony sponsor First National Banker's Bank, and Bo Blanken, Young Bankers Division president.



Justin Nipper accepted the Teach Children to Save Award on behalf of The Farmers Bank, Portland.

teaches both *Business* and *Virtual Enterprise* at Pigeon Forge High School in Pigeon Forge, TN. She was nominated by Citizens National Bank, Sevierville, and has been actively engaged with the bank's financial literacy efforts in the school for five years.

Through the *Virtual Enterprise* course, students set up businesses, operate a website, and participate

each year in a Virtual Enterprise Trade Show, where they compete by selling their products and services virtually. Thompson guides the students through the process. She sets high standards and goals for the students and impresses upon them the importance of good work ethics. Thompson works with the bankers at Citizens National to tie their classroom presentations to the curriculum.

According to the awards nomination form submitted by Citizens National, "Thompson has helped to instill the notion that knowledge of personal finance is not just a class or graduation requirement, it is the only way you can be successful."

Thompson received a plaque, accommodations at the *Leadership Convention* hotel, and \$200—\$100 in cash from the TBA and a \$100 gift card from Office Depot—to help with her teaching expenses.

Top PEP Banker/ Grand Division Awards

The *Grand Division Awards* are presented to the banker in each division of the state who makes the most presentations concerning financial literacy during the PEP year. The 2014-2015 Grand Division Awards went to:

- Top PEP Banker for East Tennessee – Diane Riggs, Community National Bank, Dayton
- Top PEP Banker for Middle Tennessee – Wonda Turnbo, Wayne County Bank, Waynesboro
- Top PEP Banker for West Tennessee – Judi McAlpin, BancorpSouth Bank, Dresden.

Each of these winners received a plaque and complimentary registration to the *Leadership Convention*.

Teach Children to Save Award

Teach Children to Save is a nationwide consumer education initiative established by the American Bankers Association Education Foundation. Save Day, held in the month of April of each year, focuses primarily on younger students, instilling in them the need and desire to save by helping them differentiate between "wants" and "needs." TBA presents an award to the bank making the most presentations in April in conjunction with Teach Children to Save Day.

This year's *Teach Children to Save Award* went to **The Farmers Bank of Portland, TN**. The bank received a plaque in recognition of their outstanding efforts.

EverFi Banker of the Year and EverFi Teacher of the Year

Michelle Layman, McMinn County High School, and Debbie Reid, Citizens Tri-County Bank, Dunlap, were respectively selected as the 2014-2015 EverFi Teacher of the Year and EverFi Banker of the Year. These awards honor one teacher and one banker in the state who have used the EverFi platform to have an outstanding impact on financial literacy efforts within their community and schools.

Golden PEP Banker Award

The TBA also presented the *Golden PEP Banker Award* to individual bankers who completed 75 or more presentations between June 1, 2014, and March 6, 2015. This year, 11 bankers earned this distinction:

- **Diane Riggs**, Community National Bank, Dayton – 407 presentations, 7,008 contacts
- **Wonda Turnbo**, Wayne County Bank, Waynesboro – 141 presentations, 3,220 contacts
- **Elizabeth Teeftaller**, Wayne County Bank, Waynesboro – 141 presentations, 3,220 contacts
- **Patsy Hill**, Wayne County Bank, Collinwood – 137 presentations, 1,080 contacts
- **Dianne Butler**, Wayne County Bank, Collinwood – 134 presentations, 1,032 contacts
- **Kay Martin**, Wayne County Bank, Collinwood – 134 presentations, 1,032 contacts
- **Linda Turner**, Wayne County Bank, Collinwood – 134 presentations, 1,032 contacts
- **Kathryn Love**, Citizens Bank, New Tazewell – 109 presentations, 1,483 contacts
- **Dorothy Howell**, Wayne County Bank, Waynesboro – 99 presentations, 2,616 contacts
- **Stacey Brewer**, Wayne County Bank, Waynesboro – 95 presentations, 2,471 contacts
- **Holly Floyd**, Wayne County Bank, Collinwood – 79 presentations, 2,024 contacts

continued on next page



Robin Sykes and Ryan Swift of EverFi present the EverFi Teacher of the Year Award to Michelle Layman, McMinn County High School, and EverFi Banker of the Year Award to Debbie Reid, Citizens Tri-County Bank, Dunlap.



Golden PEP Banker Award recipient Wonda Turnbo, Wayne County Bank, Waynesboro



Brooke Regen, First Citizens National Bank, Dyersburg; and Judy McAlpin, BancorpSouth Bank, Dresden, accept the Certificate of Outstanding Bank Participation on behalf of their banks.



Doug Haehl, Citizens Bank of Lafayette, Lafayette; Brenda Enoch, First Citizens National Bank, Dyersburg; Wonda Turnbo, Wayne County Bank, Waynesboro; and Judy McAlpin, BancorpSouth Bank, Dresden, accept their Certificate of Recognition awards.

Other Awards

Other awards presented at the TBA *Leadership Convention* were the *Certificate of Achievement*, *Certificate of Outstanding Bank Participation*, and *Certificate of Recognition*.

To be eligible for the *Certificate of Achievement*, individuals had to complete 12 or more in-school bank activities before March 6. The in-school bank program fosters the savings habit of children by offering a real-life savings program to students within the school environment.

The *Certificate of Outstanding Bank Participation* was presented to each bank with two or more bankers who completed a combined total of 12 or more individual PEP presentations.

The *Certificate of Recognition* was presented to bankers who completed 12 or more PEP presentations of any kind to any age group.

Following is a complete list of individuals and banks that earned these awards—*Certificate of Achievement*, *Certificate of Outstanding Bank Participation*, and *Certificate of Recognition*.

The awards ceremony during the convention was sponsored by the First National Banker's Bank, Birmingham, AL.

The Personal Economics Program, established by the American Bankers Association in 1977, is a volunteer effort of bankers working with educators and other community groups to teach consumers of all ages about personal money management skills, banks, and banking services. The Tennessee Bankers Association's Young Bankers Division began administering PEP in Tennessee in 1980. For more information about TBA's financial literacy efforts contact T'Lanie Luu, tluu@tnbankers.org. ■

Golden PEP Bankers

Awarded to bankers who complete 75 or more presentations

BANKER, BANK, CITY PRESENTATIONS

Diane Riggs, Community National Bank, Dayton.....	407
Wonda Turnbo, Wayne County Bank, Waynesboro	141
Elizabeth Teeftaller, Wayne County Bank, Waynesboro.....	141
Patsy Hill, Wayne County Bank, Collinwood.....	137
Dianne Butler, Wayne County Bank, Collinwood.....	134
Kay Martin, Wayne County Bank, Collinwood.....	134
Linda Turner, Wayne County Bank, Collinwood.....	134
Kathryn Love, Citizens Bank, New Tazewell.....	109
Dorothy Howell, Wayne County Bank, Waynesboro.....	99
Stacey Brewer, Wayne County Bank, Waynesboro.....	95
Holly Floyd, Wayne County Bank, Collinwood	79

Certificate of Outstanding Bank Participation

Awarded to banks with two or more staff who complete a combined total of 12 or more individual presentations

BANK, CITY PRESENTATIONS

BancorpSouth Bank, Dresden.....	57
Citizens Bank, New Tazewell	114
Citizens National Bank, Sevierville.....	16
Commercial Bank & Trust Co, Paris.....	35
Community First Bank & Trust, Columbia	52
First Citizens National Bank, Dyersburg	41
First State Bank, Martin	15
The Hardin County Bank, Savannah.....	22
Wayne County Bank, Clifton	36
Wayne County Bank, Collinwood	176
Wilson Bank & Trust, Gordonsville.....	20
Wilson Bank & Trust, Hermitage.....	19
Wilson Bank & Trust, Lebanon	189
Wilson Bank & Trust, Mount Juliet.....	29
Wilson Bank & Trust, Murfreesboro	30
Wilson Bank & Trust, Nashville	17
Wilson Bank & Trust, Smithville.....	15
Wilson Bank & Trust, Smyrna	18

Certificate of Recognition

Awarded to bankers who complete 12 or more presentations

BANKER, BANK, & CITY PRESENTATIONS CONTACTS

David Baker, Wayne County Bank, Waynesboro	36	1,217
Carma Barksdale, Community First Bank & Trust, Thompsons Station	14	527
Stacey Brewer, Wayne County Bank, Waynesboro.....	95	2,471
Katherine Brison, Wayne County Bank, Collinwood.....	39	205
Andrea Brown, Wilson Bank & Trust, Smyrna	14	435
Dianne Butler, Wayne County Bank, Collinwood.....	134	1,032
Lorri Cooke, Wayne County Bank, Clifton	36	1,217
Ashley Dennis, The Hardin County Bank, Savannah.....	18	629

continued on next page

Certificate of Recognition *continued*

Awarded to bankers who complete 12 or more presentations

BANKER, BANK, & CITY	PRESENTATIONS	CONTACTS
Brenda Enoch, First Citizens National Bank, Dyersburg	35	24
Katie Enoch, Wilson Bank & Trust, Gordonsville	18	317
Holly Floyd, Wayne County Bank, Collinwood	79	2,024
Misty Gann, Wilson Bank & Trust, Murfreesboro	14	435
Sheila Grewing, Wilson Bank & Trust, Lebanon	23	1,470
Doug Haehl, Citizens Bank of Lafayette, Lafayette	29	1,619
Patsy Hill, Wayne County Bank, Collinwood	137	1,080
Dorothy Howell, Wayne County Bank, Waynesboro	99	2,616
Kathryn Love, Citizens Bank, New Tazewell	109	1,483
Kay Martin, Wayne County Bank, Collinwood	134	1,032
Judy McAlpin, BancorpSouth Bank, Dresden	41	1,166
Sonja Moniz, Wilson Bank & Trust, Gallatin	14	202
Pat Moon, BancorpSouth Bank, Dresden	18	837
Diane Riggs, Community National Bank, Dayton	407	7,008
Dianne Scroggins, Community First Bank & Trust, Columbia	52	1,667
Robnetta Sherrill, Wayne County Bank, Collinwood	34	137
Elizabeth Teeftaller, Wayne County Bank, Waynesboro	141	3,220
Dawn Threadgill, Wilson Bank & Trust, Gallatin	16	241
Wonda Turnbo, Wayne County Bank, Waynesboro	141	3,220
Linda Turner, Wayne County Bank, Collinwood	134	1,032
Kathleen Turner, Commercial Bank & Trust Co, Paris	32	623
Jennifer Whitener, Wilson Bank & Trust, Lebanon	13	155
Lisa Williams, BancorpSouth Bank, Dresden	20	518

Certificate of Achievement

Awarded to bankers completing 12 or more activities associated with in-school banks

BANKER, BANK, CITY	NUMBER OF IN-SCHOOL ACTIVITIES
David Baker, Wayne County Bank, Waynesboro	36
Stacey Brewer, Wayne County Bank, Waynesboro	95
Katherine Brison, Wayne County Bank, Collinwood	39
Andrea Brown, Wilson Bank & Trust, Smyrna	14
Dianne Butler, Wayne County Bank, Collinwood	134
Lorri Cooke, Wayne County Bank, Clifton	36
Katie Enoch, Wilson Bank & Trust, Gordonsville	18
Holly Floyd, Wayne County Bank, Collinwood	79
Misty Gann, Wilson Bank & Trust, Murfreesboro	14
Sheila Grewing, Wilson Bank & Trust, Lebanon	23
Patsy Hill, Wayne County Bank, Collinwood	137
Dorothy Howell, Wayne County Bank, Waynesboro	99
Kathryn Love, Citizens Bank, New Tazewell	96
Kay Martin, Wayne County Bank, Collinwood	134
Judy McAlpin, BancorpSouth Bank, Dresden	37
Sonja Moniz, Wilson Bank & Trust, Gallatin	14
Pat Moon, BancorpSouth Bank, Dresden	14
Robnetta Sherrill, Wayne County Bank, Collinwood	34
Elizabeth Teeftaller, Wayne County Bank, Waynesboro	135
Dawn Threadgill, Wilson Bank & Trust, Gallatin	16
Wonda Turnbo, Wayne County Bank, Waynesboro	135
Linda Turner, Wayne County Bank, Collinwood	134
Jennifer Whitener, Wilson Bank & Trust, Lebanon	13



Report on the Market: BOLI Assets Continue to Have Strong Growth

By David Shoemaker and Ken Derks, Equias Alliance



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Bank-owned life insurance (BOLI) experienced another year of steady growth, with \$149.6 billion in total assets in 2014, a 4 percent increase from the year before, according to the latest research from the Equias Alliance/Michael White Bank-Owned Life Insurance (BOLI) Holdings Report. For banks with less than \$10 billion in assets, the growth rate was a robust 7.1 percent.

Of the 6,509 banking institutions in the US operating at the end of last year, 3,803, 58.4 percent, held BOLI assets. BOLI was popular among all types of banks, with more than 50 percent of banks of all charter types holding BOLI assets. Leading the way were savings banks with 76.0 percent of the 367 banks in this category owning BOLI and Federal Reserve-member banks with 67.4 percent of the 858 banks in the category owning BOLI.

One of the reasons that bank-owned life insurance (BOLI) continued to experience significant growth in 2014 is that existing policyholders often chose to make additional BOLI purchases. This is not uncommon and is a testament to the satisfaction that many BOLI clients have with both the short- and long-term performance of their BOLI policies. BOLI remains popular with banks because:

- it provides tax advantaged investment income not available with traditional bank investments, as well as attractive yields compared to alternative investments of a similar risk and duration;

- the growth in the cash value of the BOLI policies generates income for the bank and its shareholders;

- the bank receives the life insurance proceeds tax-free upon the death of an insured employee who elected to participate in the plan; and

- the bank may, at its discretion, enhance the benefits it provides to the insured employees.

Thus, each year, an increasing percentage of US banks hold BOLI assets and use the income to help offset and recover employee benefit expenses such as healthcare and retirement.

With BOLI currently providing a net yield ranging from 2.50 percent to 4.00 percent, depending upon the carrier and product, it is not difficult to understand why BOLI remains so appealing to banks. For a bank in the 38 percent tax bracket, this translates into a tax equivalent yield of 4.03 percent to 6.45 percent.

Hybrid and Variable Separate Account Plans

Hybrid separate account plans have continued to grow rapidly the past several years. The number of banks using hybrid separate account has increased by 47.7 percent from 862 at the end of 2011 to 1,273 at the end of 2014, and the amount of hybrid assets reported has increased by 53.2 percent from \$10.36 billion to \$15.87 billion over the same time period.

Hybrid separate account policies have been attractive to banks because they combine features of both general and separate account insurance products. Hybrid separate account policies

operate like general account policies in that the price risk and default risk of individual securities within the portfolio remain with the carrier. In addition, the carrier guarantees a minimum crediting rate of 1.00 percent to 2.00 percent.

The enhancement that many banks find attractive is that if the carrier ever becomes insolvent, the assets in the separate account are segregated from the general creditors of the carrier. Essentially, the assets in the separate account serve as collateral for the cash value of the policies. Hybrids have only been available in to BOLI marketplace for approximately 13 years compared to 33 years for general account products, so the total asset value is lower, but the growth rate is greater.

The largest portion of BOLI assets continues to be held in variable separate account policies—47.6 percent of total BOLI assets. However, only 1.1 percent of this total was held by banks with less than \$1 billion in assets. Like hybrid separate account products, the assets in a variable separate account are segregated from general creditors in the event of the carrier's insolvency. However, gains and losses of the underlying investment portfolio are passed through directly to the policy holders. While most banks that have purchased variable separate accounts policies utilize "stable value" wrappers to reduce the accounting volatility, the complexity of the product has made it more suitable to larger banks than to smaller banks.

It is also interesting to note that median BOLI assets rose from 7.6 percent to \$3.98 million in 2014 from \$3.70 million in 2013 and that the median ratio of bank BOLI assets to Tier 1 Capital increased from 17.46 percent of capital in 2013 to 17.67 percent of capital in 2014.

New Policies in 2014

In 2015, IBIS Associates, Inc, an independent market research firm, published a report analyzing BOLI purchases last year based on information obtained from carriers that market BOLI products. According to that report:

- Life insurance companies reported placing 1,175 BOLI cases in 2014 representing about \$3.21 billion in premium. The 1,175 cases included banks purchasing BOLI for the first time as well as additional purchases by banks that already owned BOLI.
- Of the \$3.21 billion in new premium, \$2.48 billion, 77.2 percent, was put into general account; \$698.4 million, 21.7 percent, into hybrid separate account; and \$35.6 million, 1.1 percent, into variable separate account.
- Of the 1,175 cases placed, 494, 42.0 percent, were under \$1 million in premium; 341, 29.0 percent, were between \$1 million and \$2 million; 242, 20.6 percent, were between \$2 million and \$5 million; 75, 6.4 percent, were between \$5 million and \$15 million; and 23, 2.0 percent, were over \$15 million.

The Market's Future

The near-term trend in the marketplace is for higher general account and hybrid separate account purchases and relatively few variable separate account purchases. Finally, the amount of BOLI assets held by US banks is expected to increase annually by three to four percent, based on recent results. ■

Equias Alliance offers securities through ProEquities, Inc, member

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David Shoemaker, CPA/PFS, CFP®, is a principal of Equias Alliance, which through consultants has assisted over 800 banks in the design of nonqualified benefit plans, performance-based compensation, and BOLI. To learn more, contact David Shoemaker at 901-754-

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This article was originally published on *BankDirector.com*.

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Putting Data to Work

Knowing your customers' details matters in today's competitive marketplace

By Chris Lorence, Executive Vice President/Chief Marketing Officer,
Independent Community Bankers of America

What are you doing right now? Besides reading this article, what else are you doing?

Listening to music? Keeping your eye on e-mails using one of your three on-line-access devices—tablet, computer, or smartphone? What else is running behind the scenes on your devices? Facebook, the Bass Pro Outfitters website, a CNN broadcast?

Believe it or not, much of everything you do every day is gathered, monitored, and even predicted thanks to the online tracking cookies planted on the electronic devices we've all grown to rely upon. Depending on your viewpoint, you might feel "big brother is watching" or that all the data gathered and used strategically about you helps give you what you want, right when you want it. Regardless of where you fall on that spectrum, data about the behavior of consumers is powerful. Moreover, collecting it does not require a community bank to buy anything new in order to be a lot smarter about what its customers need or want.

For example, have you ever looked at the average amount and frequency of ATM withdrawals by your community bank's customers? What times, days, and locations do most of their withdrawals happen?

A trend analysis done in a simple Excel spreadsheet over time might indicate that your existing customers could be accessing a competitor's ATM in an area you weren't aware was increasing in popularity. Furthermore, you may learn that your best customers are being charged a fee to use that ATM, thus causing them to perhaps question a relationship change to save \$3 per transaction. You might also learn that your best customers are regularly withdrawing funds at or near their daily limit, which could indicate an opportunity to raise their limit to

serve their needs better.

What about reviewing the types of transactions happening within your community bank's Internet banking solution? Are there customers who aren't using an automatic function to transfer to savings each month? A simple phone call or e-mail to those customers letting them know how to set up an auto-transfer each month might just open an opportunity to discuss what their real needs are. For them, it could mean the ability to save for a new car or put money away for college. For your bank, knowing for sure can mean the difference between making a new sale or establishing a new long-term relationship—or not.

When was the last time your community bank reviewed how many new customers signed up for Internet banking and compared those numbers with those who signed up and actually began using the service? Perhaps a large gap indicates more customers may need just a little more hand-holding or education about the service? What percentage of your bank's existing customers is accessing your Internet banking solution? Compare that to the types of transactions that are happening in your branches. Then find out how many of those transactions happening face-to-face or at your drive-thru could be handled online.

You might be surprised to learn there is an opportunity to teach your customers how to make the most of their banking relationship to save them time and money. Remember, "online" relationships aren't taboo and do not necessarily replace quality face-to-face relationships—they are often enhancements to robust, long-term financial partnerships.

Data digging doesn't need to be intrusive nor an employee's full-time job; it simply needs to be looked at and interpreted. Often, trends tracked over months, quarters, and years reveal some of the biggest "aha" discoveries that may help

Questions to Ask Yourself

- Do your community bank-owned ATMs take deposits? If not, find out whether you need that technology by monitoring drive-thru activity and watching people's body language in the lobby. Are they rushed and trying to get somewhere else but had to get this done? What if they could make a deposit on their own terms? What are the average amounts of check versus cash deposits from your customers? Could remote banking be the answer to save time and money for you and them?
- When was the last time you surveyed your customers and asked them if they were satisfied? Do you know what other financial relationships they have and what products you are missing? A survey doesn't need to be expensive. Try asking people who are in the lobby a few short questions or perhaps when someone is signing loan documents on his or her new mortgage.
- How many people visit your bank's website each month versus the number of people who log into your Internet banking solution? What pages are they visiting on the website, and how many people bounce quickly from the page? That information could signal whether the site has what your customers want to find. Are the inquiries local or from another area outside your bank's traditional footprint?

your community bank anticipate what to stop doing and, more important, what to do next. ■

Chris Lorence, chris.lorence@icba.org, a *Forbes* 50 "most influential" chief marketing officer, is ICBA's executive vice president and chief marketing officer.

Retail Sales and Bank Marketing Conference Returns in September

All banks, large or small, have competitive advantages, and the secret is capitalizing on your competitive advantage, expanding your market share, and monetizing your customer base. For this to be most effective, however, there must be alignment between marketing and execution.

The importance of communicating clearly controls both the internal and external perception of your bank, and the age-old topic of cross-selling to our commercial customers never ends. Not only do we have to gain new business, but we also must retain our current business customers to increase revenue and profit margins. Today's banker must fully understand the value of the services they offer while understanding the needs and abilities of their business customers. Part of this is marketing to people different from you, whether that is by gender, age, life-stage, race, ethnicity, or even communication preferences and by using news media to market your bank and products.

The secret to growing your business and standing out from your competitors is to offer a customer experience like no other and to differentiate your bank in the "sea of sameness" by catering to your customers' differences.

Tennessee Bankers Association is offering the *Retail Sales & Bank Marketing Conference* this fall to help bankers learn how to get the "edge" in a business that demands more from you than ever before. Taking place on September 15, 2015, in Nashville, TN, this conference, previously held in January, now has been moved to the 2015 fall Calendar.

This one-day conference held at TBA Barrett Training Center, Nash-

ville, features expert and captivating presenters Anthony Huey, president, Reputation Management Associates; Kelly McDonald, marketing and advertising expert and owner, McDonald Marketing; Sean Payant, PhD, senior executive vice president, Haberfeld Associates; and Michael Winters, owner and founder, National Payments Systems.

The conference is designed to meet the professional development needs of retail banking officers, marketing officers, results-oriented small business relationship managers, and branch administrators and branch managers primed to enhance the customer experience. The program has been qualified for 6.5 hours of continuing professional education (CPE) credit in the area of marketing. The early registration deadline is September 1, and more information is available online at www.TNBankers.org/calendar or by contacting Susan Taylor, staylor@tnbankers.org. ■

Speakers



Huey



McDonald



Payant



Winters

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NATIONAL PAYMENT SYSTEMS



Welcome New Associate Members

The following companies have joined the Tennessee Bankers Association as associate members since the publication of the 2015 *Bankers Directory*. TBA's associate members deliver valuable products and services that help financial institutions serve their customers. In addition, they provide considerable support to TBA efforts and programs. You will find a complete list of TBA associate members on the TBA website at www.tnbankers.org/associates/ or in a special section of the *Bankers Directory*. If you have questions about associate membership, please contact Stacey Langford, slangford@TNBankers.org.

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As the nation's leading provider of retirement plan expertise, Ascensus delivers a full range of comprehensive solutions for organizations seeking to achieve and maintain operational compliance and market share in the IRA, HSA, ESA, and retirement plans industry. Ascensus's core capabilities encompass every component of the retirement infrastructure, including 529 college savings plans, health savings accounts (HSAs), ERISA consulting, compliance support, trust services, multilingual education and services including document translation, training, and documentation and forms. Ascensus solutions are targeted, customizable, and designed to surpass our clients' needs with industry-leading results. Combined with over 35 years of retirement industry experience, it is this distinction that sets Ascensus apart and makes us a premier whole-service retirement solutions provider and partner of choice for many financial institutions, financial advisors, and employers.

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Contact: B. Scott Daugherty – scott@compliancealliance.com

Based on the needs of community bankers, Compliance Alliance provides its members an ever-increasing set of bank compliance tools and services that help them stay up-to-date with consumer and regulatory requirements. Compliance Alliance members enjoy a compliance hotline available from 7:00 am to 5:30 pm CT by phone, e-mail, or live chat. In most cases, our turnaround time is immedi-

ate for phone calls or live chats. In the event a question is more complex and additional research must be done, you'll have an answer from our hotline specialists within two hours. Submit your documents for review by our in-house experts. Our team will conduct a full analysis and return documents with recommendations within three business days—depending on the complexity. Reviews are unlimited. Members have access to the most comprehensive list of tools for download and services including, but not limited to, calculators, cheat sheets, check lists, compliance calendar, flowcharts, forms, handouts, huddles, matrices, policies, procedures, risk assessments, signage, summaries, training tools, webinars, and worksheets.

CONSULTANTS

Atlanta, GA

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Stephens, Inc, is a full-service investment banking firm headquartered in Little Rock, AR. Since its inception in 1933, privately held Stephens, Inc, has served a broad client base which includes corporations, state and local governments, financial institutions, institutional investors, and individual investors throughout the United States and overseas. The firm is a member of the New York Stock Exchange and SIPC. Stephens' services include investment banking, money management, wealth management, securities underwriting, equity research, and general securities brokerage and trading. Today, Stephens, Inc, maintains offices in strategic locations in the United States. For more information, visit www.stephens.com.

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66601-1654 Fax: (785) 228-0079

www.bhhc.com/KBS

Contact: Paul R. Bures – PBures@KBSforBanks.com

KBS (originally Kansas Bankers Surety) was founded in 1909 to meet the insurance needs of community banks. Over 100 years later, KBS began a new chapter by combining its unmatched experience serving community banks with the financial strength of the Berkshire Hathaway Homestate Companies (BHHC) family. A. M. Best recognized this superior financial strength by awarding each member of BHHC with its highest available financial strength rating of A++ (superior). The KBS team remains focused on developing innovative insurance products and dedicated to providing loss-control solutions designed to protect and benefit your bank. Contact the experts at KBS to learn how we can help protect your bottom line.

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Contact: Todd Hardberger – THardberger@GoBaker.com

The Baker Group is a leader in the development of innovative asset/liability and investment portfolio management services for community financial institutions. Baker's products and services include: asset/liability management, investment portfolio accounting, investment portfolio analysis, budget and board reporting, and broker/dealer services plus educational programs concerning regulatory issues, interest rate risk, and portfolio management. Baker is endorsed by five state community banking associations: the Alabama Bankers Association, the Community Bankers Association of Illinois, the Indiana Bankers Association, the North Dakota Bankers

Association, and the Independent Bankers Association of Texas. Baker's main office is located in Oklahoma City with branch offices in Austin, Birmingham, Indianapolis, Springfield, and Salt Lake City. You can reach any office by calling (800) 937-2257 or find us on the web at www.gobaker.com.

Nashville, TN**Nashville Capital Corporation**

2506 Winford Ave Phone: (615) 259-9084

37211-2148 Fax: (615) 259-9085

www.NashCap.com Toll-free: (800) 459-9084

Contact: Larry Catlett – LCatlett@NashCap.com**LEGAL SERVICES****Nashville, TN****Burr & Forman, LLP**

3102 West End Ave, Ste 700 Phone: (615) 724-3200

37203-1397 Fax: (615) 724-3329

www.burr.com

Contact: Garry K. Grooms – ggrooms@burr.com

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Kirkland Financial is an investment firm that focuses on the acquisition of performing, subperforming, and nonperforming residential and commercial loans. Founded in 1992, Kirkland has a strong history of assisting banks and other financial services-related institutions in the disposition and liquidation of balance sheet assets to manage risk better, decrease volatility, and improve profitability. Our professional staff has decades of experience in this specialized industry and has negotiated trades in aggregate of well over \$1 billion. We will present timely and competitive risk-based pricing for every asset and can assist in “mark-to-market” consultation at no cost. Each of our clients is unique, and as a result we will tailor our process to you in order to deliver the best execution for your assets. We want to be a trusted advisor and outlet when the need arises.

continued on next page

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Contact: Alasdair Mangham

– board.portal@azeusconvene.com

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Join TBA Chairman David Verble along with association executives this August for our annual membership meetings. These luncheons offer a valuable opportunity to meet with our staff, visit with friends, discuss current issues facing the Tennessee banking industry, and receive updates on the most recent initiatives undertaken by the TBA. Each meeting begins at 11:30 am and concludes at 1:00 pm, with lunch included.

**2015 MEETINGS
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August 10

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7 Reasons Why You May Want to Book that 2% Margin Loan

By Chris Nichols, Chief Strategy Officer, CenterState Bank



As loan pricing becomes more competitive, the opportunity to book high-quality credits at thin margins presents itself more and more. A two-percent margined loan represents about a nine-percent, risk-adjusted return on equity, depending on your cost structure, which is below most banks' cost of capital. As such, there is every reason to pass on the credit and let another bank book the loan. However, before you do, consider the following points:

EPS is increased

Booking a nine percent loan may hurt your ROE and ROA, but it will help your earnings per share. This is a clear case of being clear on what your goals are. Is it a dividend? Capital efficiency? Or, is your goal another metric? EPS is likely what your shareholders are really concerned about.

While we are big fans of capital productivity, we would argue that under-deployed efficient capital is not as good as fully deployed nonefficient capital. If you have under-leveraged deposits and capital, then that nine percent ROE loan should be considered.

A bank is not the sum of its loans

A bunch of nine percent ROE loans can produce a 20 percent ROE bank. If constructed the right way, a well-engineered balance sheet produces greater excess return than the sum of its parts.

Build a diversified portfolio and the sum of your risk is decreased, thereby increasing the ROE on all loans. In fact, proper construction can

add approximately 20 percent more return, making that group of nine percent loans closer to an 11 percent return.

Further, interest income is just one part of the equation. That loan also represents fee income, referrals, deposits, and other future business that you may or may not be capturing. Additional income may come not only from future cross-sell, but from future growth in the relationship, as those \$50k of balances turn into \$150k in two years. Add these streams in, and your bank can easily take those nine percent loans and turn them into a 20 percent relationship. In fact, while a bank is not the sum of its loans, the sum of its relationship profitability would yield something closer to aggregate ROE.

You are measuring risk wrong

Almost every bank measures risk at its highest point—at inception. The reality is that risk changes over time. Businesses grow, property appreciates, and loan balances get paid down. All things being equal, the risk of a loan peaks somewhere between years two and five of the life of a loan and then trails down.

Of course risk can increase at any time, but the odds are with you that the risks decrease if you pick the right management team. Few risk systems capture the profile of credit exposure over time and so approximate the probability of default at the time of booking. As seasoning occurs, spreads tightened giving that loan more value and increasing the return substantially above that nine percent.

It is also important to realize that, most likely, you are counting your loan reserve as an expense when it is capital. You might include a two percent reserve

now resulting in nine percent return, but the reality is you likely will reduce your loan loss reserve in the future, particularly as credit quality improves.

You are ignoring operating leverage and the time value of money

You might be allocating your capital, funding cost, and direct loan maintenance expenses to the loan, but that says nothing of the fixed investment you have in your infrastructure. Even if you are one of those sophisticated banks that has a state-of-the-art funds transfer methodology, it is doubtful that you take into account the opportunity cost of resource slack.

You may want to hold out for that 20 percent ROE loan, but while you do you have excess capacity and under-deployed resources that could be producing income. Better to use your loan system, branch, risk management system, and other fixed resources with excess capacity to drive dollars to the bottom line today. A dollar today means much more than a dollar tomorrow.

You face a declining cost curve

Processes and technology increasingly are driving down the future cost of operating a bank. Just as remote deposit capture reduces the need for a courier or a branch; new loan processing systems, credit stress test models, channel delivery, management systems, and hundreds of other items will make the bank more efficient in the future. Banks not only base their profitability decisions on loans using the highest expected credit risk, but

they also underwrite loans based on their current cost structure. Wells Fargo, for example, is underwriting loans not on where their cost structure is today, but where it is in the future. If you don't have initiatives to reduce operating cost in the future, you should, and planning for it will ensure it will happen and, thus, should be considered when booking loans today.

You face an inclining fee income curve

The opposite of the above, to survive, your bank also will have to add other products such as international services, insurance, treasury management, payroll, and other products to produce fee income. Adding these future services will increase the overall lifetime value of a large portion of your customers, thus resulting in higher future ROE for many of your customers.

If you don't have the quality busi-

nesses that you need, you may never have enough scale to make these fee-income lines worth the risk.

You have already invested your acquisition cost

Most likely you have already spent half your acquisition cost in putting the bank in a position to issue a term sheet on the loan. While not our best argument, making that loan at nine percent recoups that investment in obtaining that relationship and enhances the banks overall ROE compared to letting that loan go to a competitor.

Speaking of the loans you want to go to a competitor, it is the higher-margined, riskier loans that contain a large credit component that you really want to see go to a competitor. These loans may produce a high ROE now, but if you are going to err, we recommend erring on the side of being able to extract future value from a quality relationship

than having to bet on future credit fundamentals.

Before you turn down that quality loan at a thin margin, consider there is very little correlation between earnings and net interest margin. A bank is faced with a series of investment decisions at any given time, and it has to be sure that before you pass up that nine percent ROE loan, a better loan must come by and come by quickly. If you give up that nine percent this year, because of the time value of money, that means you need to book a loan with a larger ROE next year and a still larger ROE the year after.

If you are already leveraged up, then passing on a low earning loan may be your best move. However, if you have under-deployed capital, funding, and infrastructure, making that two-percent margined loan may be your best tactical move. ■

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Scott Augenbaum, Special Agent, FBI



Trent Flemming, Consultant

The Examiner's Roundtable covered cybersecurity, third-party management, and incident response. Cy Sturdivant and Gina Pruitt (right) moderated the panel made up of (L-R) Linda Finck, Clyde McClaran, Abe Quadir, and Tony DaSilva.





Jackson Hataway, Strategic Arts & Sciences



Dustin Atkins, 2013-2104 Technology Committee Chairman, presents Jeff Cummings with an engraved clock.



Conference Exhibitors

AaSys Group, Inc, Nashville, TN
 Artis Networks, Lafayette, TN
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 National Payment Systems, Greenbrier, TN
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 Safe Systems, Inc, Alpharetta, GA
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 The Nexus Group, Inc, Nashville, TN
 TransFund, Tulsa, OK
 United Data Technologies, Doral, FL



The Southeastern School of Consumer Credit

45 Bankers Graduate

Forty-five bankers recently completed requirements for graduation from the 2015 session of *The Southeastern School of Consumer Credit*SM (TSSCC) held at the TBA Barrett Training Center in Nashville. The program is one of four Southeastern Schools sponsored by the Tennessee Bankers Association (TBA).

The Southeastern School of Consumer Credit is an intensive one-week school that exposes students to the major issues consumer credit managers face on a daily basis. The TBA conducts the school in cooperation with the bankers associations in Georgia, Louisiana, and Mississippi.

In addition to bankers from Tennessee, this year's graduates included a banker from Mississippi and an employee of the FDIC's office in Kansas City, MO.

Students finishing in the top 10 percent of the class are recognized through the school's honors program, and students earning 100 percent on both mid-term and final exams are recognized as top honor graduates.

The Top Honor Graduate for 2015 was:

Adam Davis, First Century Bank, Maynardville

Honor Graduates for 2015 were:

Tara Amalfitano, Macon Bank and Trust Company, Red Boiling Springs

Curtis Collins, Macon Bank and Trust Company, Lafayette

Desiree Folger, Home Federal Bank of Tennessee, Knoxville

Honor students are selected on the basis of scores on the mid-term exam, final exam, and faculty and staff evaluation.

See pages 71 and 72 for a com-

plete list of the 2015 TSSCC graduates, arranged alphabetically by city.

Established in 1987, The Southeastern School of Consumer Credit is designed to increase banker knowledge of consumer lending as a retail banking function and a source of income for the bank. It addresses the managerial aspect of consumer lending operations, especially how the bank's loan portfolio can increase profitability and improve competitive position. In addition, the program emphasizes the development of both administrative and human relations skills to equip students to manage bank assets and meet customers' financial needs.

The school's curriculum incorporates over 30 hours of classroom

instruction in 14 courses arranged into five course clusters—*Trends in Banking; Retail Credit Analysis and Underwriting; Direct Lending, Indirect Lending, and Open-End Credit; The Lending Process; Asset Management; and Managing Changes in Regulatory Compliance.*

For more information about The Southeastern School of Consumer Credit, or any of the other Southeastern Schools conducted by the TBA, please visit the TBA website at www.TNBankers.org/education/southeastern_schools or contact Susan Taylor, CMP, via email to staylor@TNBankers.org or telephone at 615-244-4871 or 800-964-5525. ■

2015 TSSCC Faculty

Ronnie L. Boling, Financial Services Consultant, Brentwood, TN
Loan Policy Administration; Application Generation and Credit Investigation; Loan Pricing, Structuring, and Documentation; Loan Closing and Practical Application of the Lending Process

Michael G. Comer, Executive Vice President/Chief Operating Officer, Citizens National Bank, Sevierville, TN
Relationship Management/Sales and Services

Connie Edwards, CRCM, President, Banc Compliance Group, Inc., Franklin, TN
Regulatory Compliance and Fair Lending

Craig Holland, Williamson County President, First Farmers and Merchants Bank, Franklin, TN
Retail Credit Analysis and Underwriting; Relationship Management/Sales and Services

David L. Kemp, President, Bankers Management, Inc., McDonough, GA
Collection Management and Credit Counseling; Role Play; Consumer Bankruptcy

Thomas H. Payne, PhD, Dean, College of Business, Tennessee Technological University, Cookeville, TN
Evolving Trends in Retail Banking

Developing
Tomorrow's
Lenders
Today



The Southeastern School of Consumer Credit 2015 Graduates

Daniel Elder	People's Bank and Trust Company	Byrdstown
Tammy England	Putnam 1st Mercantile Bank	Cookeville
Dorainda Kee	INSOUTH Bank	Covington
Thomas Fitzhugh	Bank of Ripley	Covington
Mary Maxwell	Decatur County Bank	Decaturville
Joshua Richardson	First National Bank of Pulaski	Fayetteville
Steven Jones	Reliant Bank	Franklin
Michael McCullough	Volunteer State Bank	Gallatin
Kara Nicodemus	First State Bank	Jackson
Shannon Mears	Citizens State Bank	Jasper
Doug Bemiss	Federal Deposit Insurance Corporation	Kansas City, MO
*Desiree Folger	Home Federal Bank of Tennessee	Knoxville
*Curtis Collins	Macon Bank And Trust Company	Lafayette
Ryan Cothron	Macon Bank And Trust Company	Lafayette
Jay Morris	Wilson Bank & Trust	Lebanon
Keenan Dixon	Wilson Bank & Trust	Lebanon
Karrie Spears	First National Bank of Tennessee	Livingston
Jake Calton	Community First Bank & Trust	Lyles
*Adam Davis (Top Honor Graduate)	First Century Bank	Maynardville
Shannon Brooks	FSGBank, National Association	Maynardville
Matthew Richey	Security Federal Savings Bank of McMinnville	Mc Minnville
Cheryl Hurst	Tri-State Bank Of Memphis	Memphis
Angela McGowan	Tri-State Bank Of Memphis	Memphis
Jennifer Wilson	INSOUTH Bank	Millington
Summer Meeks	Citizens Tri-County Bank	Monteagle
Bedford Smith	Community First Bank & Trust	Mount Pleasant
Amanda Consiglio	First Advantage Bank	Nashville
Andrew Bixby	Volunteer State Bank	Portland
Derek Hagan	First National Bank of Pulaski	Pulaski
*Tara Amalfitano	Macon Bank And Trust Company	Red Boiling Springs
Jarrett Burrows	The Bank Of Fayette County	Rossville
Jason Overton	The Bank Of Fayette County	Rossville

* Denotes Honor Graduate

continued on next page

The Southeastern School of Consumer Credit 2015 Graduates

Alicia Chandler	Planters Bank & Trust Company	Ruleville, MS
Hunter DeBerry	The Hardin County Bank	Savannah
Charles Seals	Citizens National Bank	Sevierville
Alex Woodward	Wilson Bank & Trust	Smithville
Cain Rogers	First National Bank of Tennessee	Sparta
Peggy Bayless	Citizens Tri-County Bank	Spencer
Nick Frazier	First Bank of Tennessee	Spring City
Hunter West	Citizens First Bank	Wartburg
Amanda Trout	Citizens First Bank	Wartburg
Brandon Rice	Citizens First Bank	Wartburg
Ashley Davis	Citizens First Bank	Wartburg
William Isbell	Wayne County Bank	Waynesboro
Cindy Pitts	The First National Bank of Manchester	Woodbury



Ronnie Boling



Michael Comer



Connie Edwards



Craig Holland



David Kemp



Thomas Payne

2015 TSSCC Student Profile

General Profile Data

Tennessee Students	43
Out of State Students	2
Illinois	1
Mississippi	1
Female Students	19
Male Students	26

Education (Highest Level Achieved)

High School	6
Some College	7
Associate Degree	5
Bachelors	24
Graduate	2

Years of Bank Experience

Less Than 1 Year	4
1 to 5 Years	15
6 to 10 Years	13
11 to 20 Years	9
20+ Years	3

Consumer Lending Experience

Less Than 1 Year	10
1 to 5 Years	23
6 to 10 Years	7
11 to 20 Years	5
20+ Years	0

Size of Bank's Assets

Under 50 Million	0
51 to 100 Million	2
101 to 500 Million	29
501 Million to 1 Billion	13
Over 1 Billion	0
Other	1

Size of Bank's Loan Portfolio

Under 1 Million	0
1 to 5 Million	5
6 to 10 Million	0
11 to 50 Million	0
51 to 100 Million	8
Over 100 Million	36
Other	1





The Southeastern School of Consumer Credit *continued*

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2015-2016 Board of Trustees



2015-2016 Officers: chairman Gary Whitaker, incoming vice chair Jeff Lewis, outgoing chairman Terry Todd



Terry Todd thanks retiring past chairman Mike Comer.



Terry Todd presents an engraved plaque to retiring trustee Andy Billingsley.



Incoming chairman Gary Whitaker presents an engraved clock to retiring chairman Terry Todd.



Terry Todd presents an engraved plaque to retiring trustee Jeff Lewis

Bank Notes

American Bank & Trust of the Cumberland Opens New Branch in Cookeville



American Bank & Trust of the Cumberland, Livingston, has opened their newest full-service branch office in Cookeville, 123 North Willow Avenue, near the university and the hospital. In attendance at the ribbon-cutting ceremony were Cookeville-Putnam County Chamber of Commerce president/CEO George Halford, Chamber board members, Marty Maynard, ABT president/CEO, Cody Cross, Trevor Dyer, David Howard, and Albert Jenkins, all ABT officials, ABT bank staff and employees, and Putnam County officials. "It's a new, open concept," Marty Maynard said. "It's designed to allow everyone in their offices to have visibility of the lobby and pitch into help when needed." Technology will come into play as soon as customers walk into the building. "We'll have iPads on the lobby tables with information about the bank's services," Maynard continued. "We also have a high-tech training room with videoconferencing capabilities."

Bank of Camden Becomes Apex Bank of Camden

As of June 1, Bank of Camden, Camden, has changed its name to Apex Bank of Camden, unifying its current brands, Bank of Camden, Bank of Bruceton, and Apex Bank under the Apex Bank umbrella as part of its growth strategy. "Becoming Apex Bank of Camden will unify our presence across Tennessee as ONE

bank, ONE family. We welcome this change as an opportunity to expand our reach and offer the same level of customer experience our Bank of Camden customers have enjoyed for the past 84 years," explained Community Banking President Marcus Vine. The Bank of Camden has experienced tremendous growth in the last seven years, doubling the number of locations and increasing total assets from \$157 million to \$354 million as of December 31, 2014. Today, the bank provides beside checking and savings, and other services, including consumer and commercial lending, a wide variety of mortgage programs, and business banking to over 20,000 customers in 10 different locations across Tennessee. Stanley Medlin, chairman of the board of directors for Apex Bank of Camden said, "We are proud of our past and investing in our future as part of our strong commitment to the diverse communities we serve. . . . We have a new look, new and improved products, more locations to serve you, and more ATMs for your convenience. What has not changed is our friendly hometown people, our commitment to customer service, and our dedication to the community that (has) guided us over the last 84 years."

Bank of Bartlett Celebrates 35 Years

Bank of Bartlett, Bartlett, celebrated their 35th anniversary May 16 with a cookout at their main office at 6281 Stage Road. Everyone in the community was invited to enjoy grilled hot dogs and sausages, chips, cola from Memphis' own Monogram Food Solutions, King Cotton Meats, and King Cotton products, along with fun and special celebrity guests.

Bank of Fentress County Holds Grand Opening

The new Bank of Fentress County, Jamestown, was welcomed officially with a ribbon-cutting ceremony in the spring when locally elected officials and Fentress County Chamber of Commerce joined Bank of Putnam County Chairman Jack Ray, his daughter, Vice Chairman Elizabeth Fournet, and members of the bank's board of directors with the bank staff to open their branch. Bank of Putnam County has acquired the former SouthEast Bank branch in Fentress County and has bought property to build a branch facility in Clarkrange. Greg Garrett, community president of Bank of Fentress County and Jon Garrett, branch manager, both expressed their appreciation to all concerned that they were able to retain the staff formerly with SouthEast Bank. On May 2, the bank treated Fentress County residents to a grand opening celebration beginning with a lunch of free hot dogs, chips, and drinks and ending with a free afternoon concert with Grand Ole Opry star, Lorrie Morgan.

Bank of Cleveland Opens Home Loan Center

At the Bank of Cleveland, Cleveland, Scott Taylor, CEO, Tammy Self, senior vice president of mortgage lending, and Traci Hamilton, mortgage lender welcomed homebuyers as they visited the new Home Loan Center, located at the corner of North Ocoee Street and Bobby Taylor Avenue NW, next door to the main office. A large crowd mingled at the grand opening, and visitors, customers, and employees were treated to refreshments and plenty of conversation in the building that formerly housed Merchants Bank and SunTrust facilities.

continued on next page

Bank Notes *continued*

Cadence Bank Launches Two Websites for Small Businesses



Cadence Bank, NA, Memphis, launched two websites during National Small Business Week in May dedicated to help small businesses thrive and to celebrate the many vital contributions of America's small business owners. Where Small Businesses Thrive is a site where small businesses can interact with Cadence Bank and each other, find valuable business advice, useful products and services, and other resources to help run and grow their businesses. Visitors to the site are encouraged to "Tell Us Your Story" and ask questions to which a Cadence business banker will respond. Approved questions and answers are posted to the site so others also may benefit from the tips provided. Gary Wright, small business banking executive at Cadence, said: "When small business owners are ready to meet with a banker, they can explore our banking team's experience and philosophy—even their hobbies and interests—to help build the type of sound relationship that is so essential to business success." Simultaneously, Cadence launched the second new website Cadence Bank Small Business Portal—offering clients access to best-in-class small business services with preferred pricing of services including, marketing assistance, staffing support, and shipping discounts. "For

small businesses with limited staff and resources, identifying an experienced vendor that can offer strategic yet affordable solutions is crucial," Rick Claypoole noted. "We have streamlined that process with a one-stop shop for vetted nationally recognized providers that can directly impact a company's bottom-line." Debbie Innes, retail banking and treasury management executive, added: "We believe relationships are everything. We are constantly asking ourselves, 'How can we bring long-term value to our clients?' These newly launched solutions are intended to help small businesses build continued and sustainable growth."

Cary Named to Board of Directors of Federal Reserve Bank of Saint Louis, Memphis

Michael E. Cary, president/CEO of Carroll Bank and Trust, Huntingdon, was named to a three-year term on the board of directors of the Memphis Branch of the Federal Reserve Bank of Saint Louis. The Huntingdon Town Council recognized Cary's new appointment by honoring him with the *Pinnacle of Excellence* award.

Carroll Named Chairman of Citizens Bank of Blount County

In Maryville, Citizens Bank of Blount County President and CEO Gaynell Lawson has announced the election of Robert L. Carroll as chairman of the CBBC board of directors at the April meeting. Carroll has served on the board since 2007, but he started with the bank in July 1978 and worked throughout his career primarily as a consumer and commercial loan officer until he retired in 2013. Prior to his re-

tirement from CBBC, Carroll served as senior executive vice president and chief commercial lender. Al Grubb, currently serving the bank as senior executive vice president and chief lending officer and a board member since 2007, was elected as treasurer and assistant secretary.

Gammons Retires from Citizens Bank of Lafayette

At Citizens Bank of Lafayette, Lafayette, Janice Gammons, senior vice president, has retired from a banking career of 48 years that included starting and coordinating the bank's IRA department in the 1970s and becoming the local bank's first female loan officer in the late 1980s.

Commercial Bank Opens Rebuilt Maynardville Branch

Commercial Bank, Maynardville, branch office has reopened with a newly constructed and improved facility. The previous branch building at 2600 Maynardville Highway, over 40 years old, was torn down last summer to make way for the new facility. During construction, Commercial Bank operated from a temporary unit at the edge of the property offering full-service banking without interruption.

Accounting Today Ranks Elliot Davis Decosimo 1st in Annual Revenue Growth

Elliott Davis Decosimo, Nashville, was ranked first in annual revenue growth for 2014 by *Accounting Today*. The firm moved up in the rankings from number 51 to number 28 on the magazine's "Top 100 Firms" list.

Scarboro Selected as Regional Executive for Federal Reserve bank of Saint Louis's District 8

Federal Reserve Bank of Saint Louis has selected Doug Scarboro as the new regional executive for its District No 8, Memphis Branch. Scarboro will succeed Martha Perine Beard, who led the branch since 1997. She announced her retirement late last year from the Saint Louis Fed after a 44-year career that spanned multiple fed chairmen and historic periods of economic consequence in the country, including the 2008 Great Recession. Scarboro currently serves as chief learning officer for the city of Memphis and as executive director of the Office of Talent and Human Capital. Before his work with the city, he was director of community engagement at The Leadership Academy, now known as the New Memphis Institute. Saint Louis Fed president Jim Bullard noted about Scarboro's appointment, that he "brings a great deal of experience and energy to this role."

First Citizens National Bank Ranked in Top 15 Percent of Community Banks

First Citizens National Bank, Dyersburg, based on the Seifried & Brew total risk/return composite ranking, has again ranked in the 2014 Top 15th Percentile of Community Banks. For this ranking, the benchmark included institutions with assets between \$10 million and \$10 billion. To earn this distinguished ranking, First Citizens National Bank established a commendable performance of balancing risk and reward. President and CEO Jeff Agee stated "Our teammates are committed to the execution of a well thought-out strategic plan."

First Freedom Bank Ranked Fifth for First Quarter

First Freedom Bank, Lebanon, was ranked number 5 out of 172 banks for the first quarter of 2015, making it the highest-ranked bank in Wilson County and the second highest ranking in Middle Tennessee, as seen in Rank the Banks Report Tennessee. The rankings, compiled by leading investment banking firm Banks Street Partners, LLC, considered factors, that including net interest margin, noninterest income, total overhead, asset quality, and return on average equity. "We are extremely pleased with this report," said John Lancaster, president and CEO of First Freedom Bank. "A multitude of positive items contributed to this performance including our core deposit base, quality loan growth, and prudent management of our expenses and liquidity. We remain focused on our customers as we continue to grow in the community."

First National Bank of McMinnville Changes Name to First National Bank of Middle Tennessee

First National Bank of McMinnville, McMinnville, has changed its name to First National Bank of Middle Tennessee, effective July 1. First National Bank remains a dominant Warren County financial resource for more than 140 years and includes expansion into adjoining Murfreesboro, Shelbyville, and Smyrna markets, driving the decision to change the name. "As it relates to the operations of (First National), there will be no change. The bank's main office will remain in McMinnville. The logo of the bank will stay the same, and it will be a unified brand in all the markets we serve. The change will not even affect the website . . . We hope for it to be a seamless transition. This is a name change only, and it will be business as usual when the name officially changes," board chairman Levoy Knowles said.

USDA Home Loans Named First State Bank 'Top Lender' for 2014

First State Bank, Union City, has achieved "Top Lender" for 2014 in the USDA Rural Development Home Loan Guarantee program. "First State Bank is a valued partner with USDA Rural Development and . . . a consistent top performer in Guaranteed Rural Housing loan production for several years," Housing Program director for Tennessee Don Harris said. Our top 10 lenders accounted for 46 percent of the total dollars obligated in fiscal year 2014." During the spring, the agency's home loan guarantee program reached a record high in Tennessee as private lenders used the program to help 6,700 families and individuals buy a home in rural areas in 2014. The total private/public investment topped \$817 million in Tennessee leading the nation in guaranteed loan production.

First State Bank Opens New Office in Union City

When the doors of Union City's First State Bank's new office 2217 East Lamar Alexander Parkway, Maryville opened with a ribbon-cutting ceremony, public officials, and bank personnel alike applauded, First State Bank president and CEO John C. Clark spoke, and bank employees began doing business during the grand opening celebration.

First Tennessee Bank Breaks Ground on Nolensville Road Location

First Tennessee Bank, NA, Nolensville, has broken ground on a new state-of-the-art financial center located at 7220 Nolensville Road that will replace the existing center located next door. "This region is experiencing incredible growth, and we are

continued on next page

Bank Notes *continued*

dedicated to being part of the future here,” said Joe Walker, Williamson County community president for First Tennessee. Slated for a 2016 opening, the new facility will have over 2,600 square feet with upgraded technology and three drive-through lanes and will continue to house a full staff led by Wendy Duke, a 20-year First Tennessee Bank veteran.

Forbes Ranked First Tennessee Bank No. 27 on its 500 Best Employer List

First Tennessee Bank, NA, Memphis, was ranked No. 27 by *Forbes* on its 2015 list of America’s 500 best employers. As the job market starts to heat up for the first time in nearly a decade, the hunt for top talent is on, and workers have more options now than they have had in a long time. So who’s offering them the best situations? *Forbes* decided to find out by asking America’s employees. In partnership with Statista.com, *Forbes* asked 20,000 American workers from a variety of large US companies, nonprofit institutions, government agencies, hospitals, and US divisions of multinationals a simple question: on a scale 0-10, how likely would you recommend your employer to someone else? How about other employers in your industry? The result: a list of 500 employers, across 25 industries, where the workers like their jobs enough to spread the word. To see the *Forbes* 2015 America’s Best Employers, go to www.forbes.com/best-employers.

Mountain Commerce Bank Opens New Office in Bearden

Mountain Commerce Bank, Erwin, celebrated the opening of their financial center in Bearden at 6101 Kingston Pike at Northshore Drive with a ribbon-cutting ceremony on June 25. The Bearden office design blends stone-façade architectural features with stainless steel to create a comfortable, contemporary atmosphere. Mountain Commerce Bank is a century-old community bank that boasts hometown service combined with smart technology,” said Bill Edwards, president and chief executive officer. Smart technology, online banking, and mobile deposits for individual consumers, gives MCB the necessary functionality of a big bank, and couples it with the hometown service of a community bank. The two-story, 10,000-square-foot facility includes a high-tech conference room with smart boards, a catering kitchen, available to area businesses and community organizations for luncheon meetings and education programs. “Our team can help clients with their financial needs and walk them through the use of our technology-based options to provide an added level of convenience and service,” said Tim Topham, executive vice president and Knoxville area president.

Paragon Bank Celebrates 10th Anniversary with 10-for-10 Campaign

Paragon Bank, Memphis, has launched its 10-for-10 campaign to commemorate a decade in banking with 10 events throughout 2015 to celebrate their tenth anniversary. The bank was founded in 2005 by Robert Shaw and is a full-service community bank with four offices in the Memphis area. It converted to a Tennessee-chartered bank in 2014 and reported a 53 percent increase in

“core earnings “for the year. Paragon employees and board members are looking forward to celebrating the past 10 years and are anticipating the brighter decade ahead.

Temkin Group Ranked Regions Bank in Top 10 Percent in 2015

Regions Bank, for the second year in a row, is ranked among the top 10 percent of companies in the 2015 Temkin Experience Ratings compiled by customer experience research and consulting firm Temkin Group. “We are pleased to once again be recognized by the Temkin Group for providing an outstanding customer experience,” said Bill Askew, senior executive vice president of strategic initiatives and service quality for Regions Bank. “This ranking is a reflection of the commitment and dedication of each of our associates, who are focused on understanding and meeting the financial needs of Regions Bank customers.” Regions Bank ranked third in the bank industry category and tied for 22nd place overall. To create the rankings, Temkin asked 10,000 US consumers to rate their recent interactions with 293 different companies across 20 industries and then evaluated their experiences across three dimensions: success, effort, and emotion. Companies with 100 or more consumer responses were included in the 2015 Temkin Experience Ratings.

Regions Bank Receives 28 Greenwich Excellence Awards

Regions Bank has earned recognition from Greenwich Associates for providing distinguished quality

service to small business and middle market clients. In 2014, the bank received 28 Greenwich *Excellence Awards*, the highest number of awards received by any participating bank across the combined small business banking and middle market banking awards categories. We are pleased that Greenwich Associates and our clients continue to recognize Regions as a bank that provides an exceptional client experience,” said John Turner, head of Regions corporate banking group. “Our relationship managers are committed to providing the right solutions to help our middle-market clients grow and manage their companies.” Greenwich *Excellence Awards* are based on feedback from more than 15,000 small and 13,000 middle-market businesses that rate their bank in a variety of categories.

ServisFirst Bank Earns K2 Rankings from Kroll Bond Rating Agency

ServisFirst Bank, Nashville, a subsidiary of Birmingham-based ServisFirst Bancshares, Inc. has announced that it has earned investment-grade ratings by the Kroll Bond Rating Agency. KBRA assigned a senior unsecured debt rating of BBB+, a subordinated debt rating of BBB, a short-term rating of K2, earning a stable outlook. ServisFirst Bank was assigned a senior deposit rating of A-, a short-term rating of K2, and a stable outlook. The ratings are supported by ServisFirst Bank’s sound financial fundamentals as indicated by the Company’s established market share, experienced management team, exceptional cost culture, as well as positive asset quality, and earnings metrics. Kroll Bond Rating Agency also noted that the stable outlook for the rating reflects the resilience of the bank’s capital and earnings to KBRA’s forward-looking economic stress scenarios. Tom

Broughton, president and CEO, ServisFirst Bank, stated, “We attribute these investment-grade ratings to our efficient business model, financial strength, and stability. We remain committed to building shareholder value and are pleased to provide our customers and investors with continued confidence in our bank.”

Triumph Bank’s Lynda Garrett Wins Patriot Award

In Memphis, Triumph Bank employee, Lynda Garrett, assistant vice president of loan review, has received an accolade from a Department of Defense Office. The Employer Support of the Guard and Reserve gave Garrett the *Patriot Award* for her support of Zach Styer, loan document specialist on Garrett’s team, who served two years in Afghanistan and still is an active U.S. National Guard member. The *Patriot Award* is the highest award is the highest recognition given by the U.S. government to employers for their outstanding support of employees serving in the Guard and Reserve.

Sevier County Bank Plans to Partner with Investment Professionals, Inc

Sevier County Bank, Sevierville, has announced that it plans to partner with Investment Professionals Inc, San Antonio, TX, a leading provider of investment services to community banks, who will provide investment services to SCB customers and its surrounding communities. Now Sevier County Bank will provide a full range of investment products and services, including financial and retirement planning, fixed income, fee-based products, insurance, and annuities in all of their Tennessee locations: Sevierville, Pigeon Forge, Seymour, and Gatlinburg. “This partnership is a significant opportunity for the Sevier County community and one

that allows SCB to go beyond its mission,” said Investment Professionals, Inc. President and CEO Jay McAnelly. “IPI is honored to partner together to equip their long-established customers with additional products and services outside normal banking functions they value and need. We look forward to helping the entire community reach their full financial potential.” SCB president and CEO Matthew A. R. Converse said its partnership with IPI will raise the bank’s stature as one of the leading financial management resources in the community. “Customers are our priority; it’s that simple,” Converse said. “Now, through the experience and reliability of IPI, we’re ensuring our customers have the resources they need.”

United Community Bank and First National Bank Finalized Merger

Officials of United Community Bank and First National Bank, both in Lenoir City, participated in a tree planting at the UCB Tellico Village branch to commemorate the finalization of the merger of the two banks. Participating bank officials were: Rick Shepard, Blount County UCB; Kris Sigmund, Blount County FNB; Jim Pemberton, Bradley County UCB; Matt Jenne, Bradley FNB; Sam Hammett, Knox County UCB; Randy McConnell, Knox County FNB; and Stacie Franks, Loudon County FNB.

Bankers Elected to Board of Directors of Young Leaders Council for 2015

Jordan Waldron, vice president, marketing, and public relations with FirstBank, was elected as chairman

continued on next page

Bank Notes *continued*

of the board of directors of the Young Leaders Council, Nashville. Other board members who are bankers are Tim Bewley, vice president, senior commercial relationship manager with SunTrust Bank; Joshua Livingston, vice president, corporate banking, national healthcare group with Fifth Third Bank; and Santi Tefel, vice president, private banking with Avenue Bank. Since 1985, the Young Leaders Council has trained more than 2,000 men and women to participate effectively on the boards of nonprofit agencies.

U.S. Bank Named One of 2015's World's Most Ethical Companies

U.S. Bank, NA, nationwide, was named as one of the 2015 World's Most Ethical Companies® by Ethisphere Institute. U.S. Bank is listed as a super-regional bank and a first-time honoree. The World's Most Ethical-Companies® designation recognizes companies that go beyond making statements about doing business "ethically" and translating those words into action. Honorees not only promote ethical business standards and practices internally, they exceed legal compliance minimums and shape future industry standards by introducing best practices today. In 2015, 132 honorees were named spanning 21 countries and five continents and representing over 50 industries. In its ninth year, the list includes 15 nine-time honorees and 11 first-time honorees. ■

Promotions

Bank of Cleveland, Cleveland, has welcomed **Joe Collins**, a mortgage lender with nine years' experience in the finance and insurance business, to the bank's mortgage lending team.

BankTennessee, Collierville, has promoted **William Norris** to assistant branch manager of the downtown Memphis office and **Traci Stewart** to assistant branch manager of the East Memphis office, 5540 Poplar Avenue. In addition, the bank has named **Jessica Campbell** as mortgage specialist, **Charlene Looney** as loan processor, and **Coleen Sumner** has joined BankTennessee in the loan operations department.

BankTennessee, Lebanon, has named **Stephen Key** as branch manager for the office in Lebanon. Most recently, Key was a banking officer and personal banker at Franklin Synergy Bank and MidSouth Bank, Murfreesboro.

Cadence Bank, NA, Memphis, has appointed **Tom Clark** as executive vice president and chief information officer. Clark, who brings almost 20 years' industry experience, has assumed oversight for Cadence Bank's technology and banking operations. Prior to joining Cadence, Clark most recently served as information security executive at USAA for 10 years holding a variety of management and leadership roles. His background also included roles as senior vice president, consumer bank technology at Bank of America.



Clark

CapStar Bank, Nashville, has announced that **Mark Mattson**, who joined the bank in 2007 as a founding member of CapStar's management team, now will lead the bank's healthcare banking group. Before coming to CapStar, Mattson spent 11 years with SunTrust Bank as managing director in the healthcare corporate and investment banking practice of SunTrust Robinson Humphrey, where he had direct responsibility for new business development from healthcare companies in Middle Tennessee and throughout the US.

Civic Bank & Trust, Nashville, **Pam Theis**, was named vice president of retail/small business banking, bringing more than 20 years of banking experience to her new position. **Brian Belt** has joined as a relationship manager, coming previously from Fifth Third Bank.

Diversified Trust, Memphis, has named **Brook Lester** as a principal. Lester, formerly the southeast region leader for Deloitte Tax LLP, focused on estate, gift, trust, and charitable planning services for high net worth families and closely held businesses. Before Deloitte, Lester practiced estate and tax law with a regional firm and worked with another international public accounting firm.

F&M Bank, Clarksville, has promoted **Karen McMahon** to assistant vice president and manager of 802 Memorial Boulevard branch, Murfreesboro. The bank has welcomed veteran banker **Stacy Vincent** as a vice president and commercial lender who is bringing 20 years' financial services experience and banking knowledge

of the Rutherford County market to the Memorial Boulevard branch. In addition, the bank has named **Mary Beth Russell** assistant vice president, manager, and lender of its Saint Bethlehem banking office at 2601 Wilma Rudolph Boulevard. Russell has eight years of banking and investment services experience with F& M Bank.



Vincent

Fifth Third Bank, Nashville, has named **Steve Martin** vice president and wealth management adviser of Fifth Third private bank's banking team. Previously, Martin served as senior wealth planning strategist at Wells Fargo private bank. In addition, the bank has named four personal bankers: **Devin Amar**; **Brandon Epperson**, **Robert Hanlin**, and **Nival Macid**.



Martin

FirstBank, Memphis, has named **Barry G. Smith** as senior vice president to focus on commercial relationship management, business development, and commercial real estate.

FirstBank, Nashville, has promoted **Paul Craig** to director of corporate development and named **Andrew Keuter** as centralized credit underwriter and assistant vice president.

At the annual meeting of the board of directors for First Citizens Bancshares, Inc, parent company of **First Citizens National Bank, Dyersburg**, **Jeff Agee** was named chairman of the board of First Citizens Bancshares, Inc and First Citizens National Bank. **Katie Winchester**, who has served the

company as chairman since 2005, was named chairman emeritus. In addition, **Judy D. Long** was named president and chief operating officer, and **Joe Emery** was promoted to senior vice president and senior trust officer and manager. The bank also awarded promotions to these employees: **David Hopkins** to Middle Tennessee market regional president; **Greg Benjamin** to community bank president of South Tipton County; **Jerry Cantrell** to senior vice president and senior information technology officer; **Karen Freeman** to vice president and branch manager of Jackson; **Chris Hamm** to vice president and fraud manager; **Glandia Brasfield** to assistant vice president, CSR, and loan assistant at Martin Financial Center; and **Kristol Sentell** to assistant vice president and public relations officer. In addition, **Christopher (Chris) D. Wilson** was added to the FCNB staff as senior vice president and commercial loan officer.



Agee



Winchester



Long



Emery

First Community Bank of East Tennessee, Rogersville, has named **Jamie Ward** as customer service representative at the Church Hill branch. With more than 10 years' banking experience, Ward previously was employed as a client service specialist at SunTrust Bank in Mount Carmel.

First Farmers and Merchants Corporation, the holding company for **First Farmers and Merchants Bank, Columbia**, has announced that it has

named **Robert E. Krimmel, CPA**, as chief financial officer and treasurer of the bank. Krimmel joined First Farmers from Heritage Financial Group, Inc, Albany, GA, where he served as chief accounting officer for four years. Prior to joining Heritage Bank, Krimmel was controller at GreenBank, Greeneville.



Krimmel

First Farmers and Merchants Bank, Columbia, has named **Chuck McDonald**, as senior trust executive to lead the bank's trust department overseeing \$4 billion in client assets. McDonald, a certified financial planner, previously worked at Regions Bank's private wealth group where he served nearly 15 years as a trust officer and senior vice president. Before joining Regions, McDonald served as regional manager for the trust and investments department of Union Planters Bank, Middle Tennessee; and he also worked for Bank of America's private wealth group. McDonald began his law career in Atlanta with Fortson & White before joining the Chattanooga offices of Miller & Martin, PLLC, and Baker, Donelson, Bearman, Caldwell & Berkowitz, PC.



McDonald

In addition, **Elise Gworek** has joined the bank as a business banker at the Cool Springs office, Franklin. Most recently, Gworek, a commercial loan agent at Bridgehouse Title also has 15 years' commercial banking experience managing loan portfolios for Tennessee Commerce Bank, National City Bank, Pittsburgh, and KeyBank, Cleveland. FFM Bank also has named **Tyler Blalock** as a mortgage loan originator based at the bank's McEwen

continued on next page

Promotions continued

Drive office, Franklin; **Jim Gardner** as senior commercial relationship manager at the new Green Hills office, Nashville; and **Amy Vandygriff** as a commercial loan administrator also at the Green Hills office in Nashville.

First Freedom Bank, Lebanon, has promoted two employees to officer-level positions: **Debbie Marsh** was promoted to mortgage administration officer and **Christen Rabe** was promoted to mortgage origination officer. With 20 years' experience in the mortgage industry, Marsh has worked for such companies as Guaranty Trust and Vision Mortgage. With five years' experience in mortgage real estate closing transactions, Rabe joined FFB in 2014 after working for Tressler & Associates, PLLC. In addition, **Sarah Poss** joined as a customer service representative at the bank's Lebanon office.

First State Bank, Union City, has named **Blake Mansfield** as community executive in Blount County at the 710 South Foothills Plaza Drive office in Maryville. Mansfield, an FSB employee of seven years, most recently served as a commercial loan officer/vice president for First State in Jackson.

First Tennessee Bank, NA, Columbia, has promoted and reassigned **Scott Walker** to serve private banking clients in Marshall, Maury, and Lawrence Counties. Walker began his financial career at First Farmers and Merchants Bank, later serving as an investment advisor with Northwestern Mutual Wealth Management Company, before joining FTB in 2013 to work in the private banking/wealth management group.

First Volunteer Bank, Chattanooga, has named **Marcus DeBolt** as market leader of the Hixson office and **Connie Fox** has joined as an assistant vice president and mortgage banker. Fox, a banker for the past 27 years, will work at the Highway 58 office.



Maynard Walker McCain

Franklin Synergy Bank, Franklin, has promoted **Eddie Maynard** to senior vice president, business development banker; **Terry Walker** to senior vice president, community banker; **Rachael Safley** to banking officer, loan assistant; **Thomas Dasilva** to banking officer, personal banker; and **Sonny Topiwala** to banking officer, personal banker. In addition, **Clint McCain** was selected as vice president and Nolensville community executive.

Franklin Synergy Bank, Franklin, is getting into health care lending by welcoming **Tim Fouts** and **Lisa Fletcher**, both of whom left Nashville's CapStar Bank to launch Franklin Synergy's new health care banking outfit, first operating out of the Cool Springs office but eventually will locate to Nashville. Others, who joined the team in the move, were **Jamie Byrn** and **Tate Myers**.

FSGBank, NA, Knoxville, has named **Debra Hinson** branch manager of the Northshore Drive branch office, located in the FSG Bank tower at 1111 Northshore Drive. Hinson brings 20-plus years' experience in the banking and finance industry to her new position,

including most recently as branch manager of U.S. Bank's Chapman Highway office in Seymour.

Heritage Bank, Clarksville, has named **David Vernich** as a commercial lender. Vernich, a career banker of nearly 30 years, most recently served as a commercial relationship manager at Civic Bank & Trust in Nashville. His previous experience included working with various banks in commercial lending and credit management and working with small business, as well as medium-to-large corporations.

Highlands Union Bank, Rogersville, has named East Tennessee native **Michael Dennis** as assistant vice president and branch manager for the bank's 113 Hardin Lane office in Sevierville. A career banker of 14 years, Dennis has held similar positions with other financial institutions in the Sevierville and Corryton, Tennessee markets.

Home Federal Bank of Tennessee, Sevierville, has named **Jennifer Collier** as vice president, Sevier County manager. Collier, a Home Federal Bank employee since 1999, has served as manager of its Gatlinburg office 2004-2006. Most recently, she was manager of the bank's Fountain City office eight-plus years. Collier takes the place of Jim Galbraith, who retired in the spring after 17 years in the role.

Legends Bank, Clarksville, has promoted these staff members: **Pat Sawyer** was promoted to senior vice president and commercial lender; **Nebbie Binkley** to vice president and

BSA/security and internal auditor; **Kasey Hempel** to vice president of treasury management; **Sabrina Joiner** to vice president and branch administration manager; **Jessica Clark** to credit officer; **Stacey Good** to mortgage loan administration manager; and **Amy Davis** to business lender.

Magna Bank, Memphis, has promoted **Steve Crocker** to chief information officer, senior vice president; **Jeff Hall** to vice president of commercial banking; **Victoria Barnes-Ragland** to retail corporate trainer; and **Christie McCormack** to branch sales manager.



Crocker



Hall

Paragon Bank, Memphis, **Charles Hardee** was named managing partner and wealth advisor; **Staci Jackson** was named managing partner and wealth advisor of Wealth Solutions;

Pinnacle Financial Partners, Nashville, has named **Danny Hester** as senior vice president and financial advisor, and **Patsy Dahlgren** as financial advisor assistant



Bean

to the firm's residential construction lending team based at the Mallory Lane office in Cool Springs. The bank has named **Bryan Bean** as a senior vice president and financial advisor for the firm's client advisory group at the downtown Nashville office at Pinnacle at Symphony Place. In addition, the bank named **Connie Arrington** as a treasury management analyst; **Jondra Settle** as a treasury management

analyst; **Barbara Watts** as a financial advisor assistant; and **Clayton Weber** was selected as the bank's information technology area director of information security. The firm added **Raquel Beck** as a floating service specialist; **Karen Carr** as a deposit operations support analyst; **Jennifer Chaffin** as a mortgage adviser assistant; **John Conrick** has joined as a network and hardware support analyst; **Amy Dodgen** as a service specialist; **Brian Jones** as senior real estate analyst; **Nita Lawson** as a client service center specialist; **June Sykes** as financial adviser assistant; and **Michelle Walters** as a loan operations support specialist.

Renasant Bank, Memphis, has promoted **Drew Baker** to vice president, commercial relationship officer in the Memphis market area. In addition, **Joel Hawkins** was promoted to banking officer.



Baker

ServisFirst Bank, Nashville, has named **Clif Tant, Jr.** as senior vice president, commercial, and healthcare banking; and **Jamie Osteen** as vice president, commercial banking relationship manager for the Nashville region. Tant is bringing more than 11 years' banking experience to ServisFirst, including the roles he served to build CapStar Bank's healthcare banking division before joining ServisFirst Bank. Osteen, who brings 10 years' experience in commercial finance to his new position, previously served as commercial middle market relationship manager for Regions Bank.

SmartBank, Pigeon Forge, has promoted **Sandra Solomon** to vice president, centralized loan processing manager, and CRA officer; **Courtney Pierce** to assistant vice president, treasury/deposit management officer; **Jim Mongin** to assistant vice president, senior credit analyst; **Brittany King** to banking officer, accountant; and **Sarah Wilson** to banking officer, client

services manager. In addition, with almost 10 years' experience in the financial industry, **Barry Henderson** was named banking officer, senior branch sales manager. Solomon, a SmartBank employee since 2006, has 24 years combined experience in banking and network administration.

Sumner Bank & Trust, Gallatin, has added **Jesse J. Kissinger** as vice president and commercial lender who will work primarily out of the Indian Lake Boulevard branch office in Hendersonville. Kissinger is a seasoned banker with 22 years' experience in commercial lending and compliance.



Kissinger

SunTrust Bank, Nashville, has promoted **Debbie Crowder** to branch banking executive, who will oversee approximately 1,400 branches across the bank's retail banking footprint from the mid-Atlantic region to Florida. Previously, Crowder, with 35 years' banking experience, was the bank's Northeast market branch banking executive.

United Community Bank, Cleveland, has named veteran banker, **Matt Jenne**, the market president for Bradley County. Jenne, formerly with First National Bank since



Jenne

2005, was promoted to serve as the senior vice president and area executive for Bradley County in 2009. United Community Bank recently closed a merger with First National Bank, and Jenne is leading the way to integrate customers and employees from the two institutions in the Bradley County area.

continued on next page

Promotions continued

U.S. Bank, Clarksville, has named **Phil Harpel**, a veteran banker of more than 30 years, as the senior community banking officer and branch manager to lead the U.S. Bank branch office, 1598 Fort Campbell Boulevard.

U.S. Bank, Blount County, has named **Laura Lawson Rathbone** market president. Rathbone is located at the U.S. Bank office at 417 Foothills Mall Drive in Maryville. ■

Community Corner

Apex Bank of Camden Continue To Make Community Programs Priority

Although Apex Bank of Camden, Camden, has added Apex to its name, bank ownership, staff, products, and services remain the same, including the bank's commitment to community programs like "Pay 4 Grades" and the free "4th of July Fish Fry" which remain top priorities. "Pay 4 Grades" is a bank program rewarding academic achievements and over the last two school years, the program has paid more than \$150,000 to Camden and Big Sandy High School students. The free "4th of July Fish Fry" is Tennessee's largest free community event. With an average attendance of 3,000 people, the free mid-summer event is in its eighth edition, features free food, live entertainment, door prizes, drawings, and family games, and it is Apex Bank of Camden's way of celebrating our nation's birthday and thanking the local community.

CB&S Bank Raises Money for St Jude Children's Research Hospital with World's Largest Coon Hunt

CB&S Bank, Parsons, proudly helped to raise money for St Jude Children's Research Hospital during the Decatur County World's Largest Coon Hunt, which was held at the Decatur County Fairground in April. The CB&S team won a Remington Versa Max, 12-gauge turkey gun during the Wildlife Turkey Federation banquet. The team decided to donate it to St Jude, and Stout Gun & Ammo donated their fees and services. These items were displayed at the weekend motorcycle ride. Jennie Smart and Lori Perry of CB&S Bank were on hand to present the gun to Glen Wallace, representative of the Coon Hunt.

Citizens Bank of Blount County to Award Six \$500 Scholarships

Citizens Bank of Blount County, Maryville, has announced plans to annually award six \$500 academic scholarships to students in Blount County's four high schools targeting those students who have distinguished themselves in career and technical education, community involvement, and fine arts. For this first year CBBC received 25 scholarship applications, and the community bank presented the scholarships during The Daily Times 30th Annual Academic Letter Awards Banquet at Heritage High School. "As a community bank, we're always looking for new ways to invest in our community" said senior vice president Kathy Johnson. "We believe this is the best way to do so at this time."

Citizens National Bank Donates \$1,000 to Smoky Mountain Weekend Fire/ Rescue Expo

Citizens National Bank, Sevierville, donated \$1,000 to the Smoky Mountain Weekend Fire/Rescue Expo to offset the cost of instructors and facilities in use for the largest fire training weekend in Tennessee. Held at LeConte Center in Pigeon Forge, over 800 students and their families from Tennessee and surrounding states were expected to attend the weekend event. Now in its 17th year, this weekend training, for most, is the highest level of training available to them.

Community Bank & Trust Sponsors Wishes Come True Program for Seniors

Community Bank & Trust, Springfield, is sponsoring a program called Wishes Come True intended to improve the quality of life for Golden Living Center residents, a program offered through the Senior Housing Crime Prevention Foundation. "Community Bank & Trust is honored to sponsor the Senior Crimestoppers program for the residents of Golden Living Center," said Debbie C. Small, president and CEO of Community Bank & Trust. "We take pride in playing a vital role in providing programs that not only provide safety and security but also enhance the quality of life for the senior adults in our community." Debbie Small, Community Bank & Trust president/CEO; Johnnie Marlin, executive vice president and market president for Robertson County; and Diane Thompson, banking officer/consumer lender, officials from Community Bank, made a special presentation to Bart Sedoris, administrator of Golden Living Center, Springfield, making Golden Living

Center a sponsored facility in a nationally acclaimed crime prevention program, Senior Crimestoppers, and eligible to participate in the Wishes Come True program, whose purpose is to fulfill a wish or need for one or more of the residents. Items purchased provide an increased quality of life and are events the residents look forward to on a daily basis. "Senior Crimestoppers is a way for an administrator to enhance the lives of the residents they serve by providing an additional layer of safety and security," explained Terry Rooker, president of Senior Crimestoppers. "In addition to the crime prevention program, the foundation, and their sponsoring bank, Community Bank & Trust, want to provide special items or events that provide endless hours of entertainment and meaningful contact that the facility might not be able to provide in its already stretched budget."

Home Federal Bank of Tennessee Awards \$10,000 in Scholarships to UT Students

Home Federal Bank of Tennessee, Knoxville, has awarded \$10,000 in scholarships to five University of Tennessee business students from East Tennessee as part of its annual scholarship program at the University of Tennessee at Knoxville, College of Business Administration. The bank has provided more than \$195,000 in scholarships to University of Tennessee students since 1995.

Pinnacle Financial Partners Sponsors Bark in the Park with \$2,500

Pinnacle Financial Partners, Lebanon, was the "bigger dog" sponsor with their donation of \$2,500 for 15th year of Bark in the Park, an annual festival organized by nonprofit animal welfare group New Leash on Life held in May at the Wilson County Fairground. Activities for year's event included musical entertainment, a scavenger hunt, a dog obstacle course, and pet treat station. Pinnacle's community initiatives support quality of life in the firm's footprint through financial contributions and programs bringing associates together to make the community better.

U.S. Bank Donates \$1,000 to Habitat for Humanity

U.S. Bank, Tullahoma, donated \$1,000 to Habitat for Humanity in March. Making the check presentation were U.S. Bank universal banker Danielle Middleton and U.S. Bank, Tullahoma branch manager Caroline Littlefield, and receiving the gift was Habitat for Humanity affiliate manager Bobbi Marshall.

U.S. Bank and Evalon Awards \$25,000 to Community Groups

U.S. Bank and Elavon, a subsidiary of U.S. Bank, presented five community groups in Knoxville an award of \$5,000 each. Checks were presented to

representatives of the Adult Literacy Group, Random Acts of Flowers, Sevier County Food Ministry, The Angel Tree, Inc, and Young-Williams Animal Center inside the street level lobby of the U.S. Bank building located at 607 Market St. in downtown Knoxville. The funds were awarded because local the U.S. Bank and Elavon employee volunteers won a companywide contest called the U.S. Bank/Elavon Volunteer Challenge. U.S. Bank and Elavon in the Greater Knoxville area have the highest percentage of employees recording volunteer hours at the end of 2014 among markets in its size group. Three markets, including Knoxville, were rewarded with \$25,000 to distribute to local nonprofits. "I'm very proud of our employee volunteers for being committed to our community," said Bill Forbes, president for U.S. Bank in the Knoxville market. "It's great to work for a company that provides all of its employees up to 16 hours of paid time-off annually to volunteer for local nonprofit groups. Our bankers enjoy getting out and assisting organizations that provide vital needs and services." U.S. Bank's participation in this volunteer event was aided by the work of the company's Development Network. The Development Network is an employee-led program designed to promote personal and professional development as well as participation in meaningful projects that enrich our communities. The Development Network organized more than 1,300 community involvement events in 2014. ■

TBA's 2015 SALARY AND BENEFITS SURVEYS

Look for them this fall in TBA's Online Store
<http://www.tnbankers.org/products/storefront>



Employment Opportunities

POSITIONS AVAILABLE

1507-5 SENIOR AND STAFF AUDIT ASSOCIATES

Crowell & Crowell, PLLC, a growing CPA firm in Franklin, TN, is currently seeking qualified candidates to fulfill senior audit associate and staff associate positions. Senior Associate responsibilities will include: plan and supervise the execution of internal and external audit engagements of various clients, including SEC registrants; assist in development of hourly budgets and fee analysis; identify and communicate accounting and auditing matters to managers and partners; prepare written reports for submission to audit committees, including findings, recommended actions and management's responses for corrective actions; Oversee and provide various other consulting services for clients; and maintain existing client relationships as well as foster new client relationships. Staff Associate responsibilities will include: conducting internal and external audit engagements of various clients, including SEC registrants, within established hourly budgets; identify and communicate accounting and auditing matters to Seniors, Managers and Partners; prepare written findings, recommended actions and management's responses for corrective actions; provide consulting services for various other clients; and maintain existing client relationships as well as foster new client relationships. Qualifications for both positions include: BS/BA degree in Accounting; CPA or CPA candidate; self-motivated individual with strong work ethic; excellent communication, interpersonal, analytical and research skills; proficient with Microsoft Office products; willing and able to travel. Additional qualifications for Senior Associate include: at least 3 years of audit experience with a public accounting firm or an internal audit department; supervisory experience in leading a team through successful audits. We are looking for candidates with excellent organization and time management skills, who like to be challenged and have a great customer service mindset! Competitive salary based on experience. Financial institutions experience a plus! Great Salary & Benefits + Growth Opportunities are available! Qualified candidates please send resume, references and salary history to hr@crowellandcrowell.com. We are an EOE.

1507 4 CLIENT PROGRAM ANALYST

Affinion Group is seeking a Client Program Analyst. This position will be focused on supporting the ongoing needs of our clients due diligence requests and questions for Affinion Benefits Group. Additionally, this role will work with the Director across all Affinion Benefits Group internal departments to further enhance and improve our infrastructure and ongoing management of our due diligence/vendor management approach with clients. To find out more about Affinion Group, please feel free to visit our website at: <http://www.affiniongroup.com/>. All applicants can apply directly at <https://xjobs.brassring.com/TGWebHost/jobdetails.aspx?partnerid=26027&siteid=5343&AReq=497BR>.

1507-3 BANK SECRECY/SECURITY ANALYST

Tennessee State Bank has an immediate opening for a Bank Secrecy/Security Analyst at its Corporate location in Pigeon Forge. Successful candidates will have a Bachelor's degree; advanced banking degree preferred. Minimum of five years banking experience, knowledge

of JHA core banking systems and Yellow Hammer BSA, minimum 3 years' experience with BSA, OFAC, AML, and USA Patriot Act. CAMS and CFE preferred. Candidate responsible for independent SAR investigations, evaluation of multiple systems for functionality and assisting in audit exams/preparations. Must possess strong communication, analytical, problem-solving and organizational skills; proficiency in Microsoft Office, be able to work independently and able to commute to offices within a 50-mile radius and continuing education locations. Excellent benefits package (employee only medical, dental, vision, group life, disability paid at 100%) and much more. Qualified candidates only please submit resume to khrouk@tnstatebank.com. Tennessee State Bank is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities.

1506-1 COMPLIANCE ANALYST

Responsible for assisting BCG's president in maintaining BCG's client banks' compliance monitoring/audit calendars, which includes but is not limited to: conducting quarterly compliance audits to ensure compliance with federal and state laws, etc; determining the adequacy of internal controls and, generating audit/management reports; assistance with scheduling of compliance audits w/BCG's client banks; responsible for researching, analyzing, and drawing conclusions related to all significant federal and state legal and regulatory requirements—Regulations B, C, D, E, AA, BB, CC, DD, O, X, Z, HOEPA, Fair Housing Act, Fair Credit Reporting Act, FACT Act, MDIA and HPML provisions of Regulation Z—and their applicability to BCG's client banks' products, services, and systems; serve as a compliance resource to BCG's client banks and assist BCG's president with maintaining a cutting-edge awareness of regulatory compliance and legislative developments and industry trends; provide training in compliance matters and regulations to client bank personnel as assigned and directed by BCG's president; provide consulting assistance to BCG's client banks regarding updating policies and procedures, as necessary; and other duties that may be assigned by BCG's president. Must be knowledgeable of all federal and state banking laws and regulatory requirements with respect to compliance management, including risk assessment, monitoring, and training. Must effectively communicate, verbally and in writing, to all levels of client bank management the status of compliance with various laws and regulations related to specific quarterly compliance audits and any special projects performed by BCG personnel. Minimum of 5 years' experience that includes any of the following areas: regulatory compliance, audit, deposit operations, legal or risk management. College degree preferably in the legal/public administration areas, strong computer skills, self-starter, conscientious spirit, and strong communication and interpersonal skills are necessary. Travel required on a quarterly basis to BCG's client bank locations within Tennessee area. Compliance analyst would be required to attend a week-long ABA Compliance School within 1 year of employment with BCG, if attendance has not been accomplished prior to employment. CRCM certification preferred, but not required. Benefits include paid vacation; paid sick time; some flexibility of schedule; paid educational opportunities, including the opportunity to attend compliance seminars or webinars, ABA Regulatory Compliance Conference, and other opportunities available to further compliance knowledge. Please send responses to ppowlas@TNBankers.org with "Employment 1506-1" in subject line or mail to #1506-1, c/o Penny Powlas, Tennessee Bankers Association, 211 Athens Way, Suite 100, Nashville, TN 37228-1381.

1505-2 CHIEF EXECUTIVE OFFICER

Trust Company Bank, based in Memphis, TN, is recruiting a chief executive officer. The duties and responsibilities of this position include, but are not limited to, overall direction and administration of programs and services provided by the bank. CEO will ensure that all aspects of the bank's activities are commensurate with the best interests of the shareholders, customers, employees, and the public. The CEO will report to the board of directors and the executive committee. The CEO will aspire to provide the highest level of relations and service to the directors, officers, employees, and customers of the bank and will ensure compliance with bank policies and procedures. The CEO is directly responsible for aspiring to attain all established employer operational and financial goals. The precise services of the CEO may be extended or curtailed by the bank from time to time. Please send responses to: Thomas Jackson (Jock) Weaver, III, Chairman, Trust Company Bank, 766 South White Station, Suite 5, Memphis, TN 38117; e-mail jweaver@trustcompanybank.com.

1505-1 CHIEF FINANCIAL OFFICER

Trust Company Bank, based in Memphis, TN, is recruiting a chief financial officer. The duties and responsibilities of this position require the maintenance of all accounting records and performance of all accounting functions. Additional responsibilities include, but are not limited to: EOM closing entries and accruals; board reports, call report; holding company books using QuickBooks and FRB reports; All G/L and "on-us" bank reconciliations; ALCO reports using Plan Smith software; liquidity analysis/ratios, annual budget—three-year forecast by branch with G/L account detail and assumptions; investment securities transactions, pledges, etc; troubleshoot out-of-balance conditions bank wide; A/P; payroll using Paychex software; subsidiary bookkeeping using QuickBooks; and consolidated financials. Please send responses to: Thomas Jackson (Jock) Weaver, III, Chairman, Trust Company Bank, 766 South White Station, Suite 5, Memphis, TN 38117; e-mail jweaver@trustcompanybank.com.

1504-20 AUDIT SENIOR FINANCIAL INSTITUTIONS - NASHVILLE, TN

Take your career to the next level at a national CPA and advisory firm. The audit senior position's required skills should include: correctly performs most routine audit engagement procedures in a timely and professional manner; demonstrates ability to recognize problems and proposes sensible solutions, with appropriate balance between clients' needs and the firm's risk; balances assigned workload between self and staff; meets assigned deadlines or budgets and provides advance warning of problems; shows ability to supervise and train other professionals. Required skills: ability to travel to serve clients; strong communication skills, both written and verbal; proficient in MS office suite—Word, Excel, and PowerPoint; excellent client relationship skills and time management skills. Requires 2-5 years of public accounting audit experience, preferably working with financial institutions; current CPA license; and bachelor's or master's degree in accounting. Please apply on BKD's website via this link: <http://tinyurl.com/l3b2ayu>. Contact Krystal Bronson at kbronson@bkd.com with any questions. ■

Tennessee banks and associate members may list positions free-of-charge as a benefit of their membership in the Tennessee Bankers Association. Those interested in placing an ad or replying to position openings (refer to position number) should direct their inquiries to: Penny Powlas - ppowlas@TNBankers.org, Tennessee Bankers Association, 211 Athens Way, Ste 100, Nashville, TN 37228-1381 • 1-800-964-5525 or 615-244-4871

Professional Development Calendar

August 10, 11, 12, 13, 14, 19, 20
Membership Meetings

Cookeville, Chattanooga, Nashville,
Jackson, Memphis, Kingsport, Knoxville

August 11

**2014-2015 Senior Compliance
Officer Forums – Session 4 of 4**

TBA Barrett Training Center, Nashville

August 19

**NEW Loan Portfolio Management:
The Key to Success in 2015 and
Beyond**

TBA Barrett Training Center, Nashville

August 20 & 21

**Internal Bank Audit and Risk
Assessment School**

TBA Barrett Training Center, Nashville

August 24, 25, 26, 27

**BSA/AML Compliance
Management**

Kingsport, Knoxville, Jackson,
Nashville

August 25 & 26

Training the Credit Analyst

TBA Barrett Training Center, Nashville

August 27 & 28

Basic Consumer Lending

TBA Barrett Training Center, Nashville

September 1

**2014-2015 Retail Banking
Officer Forums – Session 3 of 3**

TBA Barrett Training Center, Nashville

September 10

Safety and Soundness

TBA Barrett Training Center

September 13–15

**Executive Management
Conference**

Omni Mt. Washington Resort
Bretton Woods, NH

September 15

**Retail Sales & Bank Marketing
Conference**

TBA Barrett Training Center, Nashville

September 21 & 22, 23 & 24,
29 & 30

**Compliance with Federal
Lending Regulations**

Nashville, Knoxville, Jackson

September 22, 23, 24

CEO Forums – Session 3 of 3

TBA Gilliam Board Room, Nashville

September 22 & 23

**The Southeastern Institute
for IRA Training**

Franklin Marriott Cool Springs, Franklin

September 25, October 1 & 2

**2015-2016 Senior Lender Forums
– Session 1 of 3**

TBA Gilliam Board Room, Nashville

September 29

**Branch Management Series
– Session 3 of 4**

TBA Barrett Training Center, Nashville

October 6 & 7

Compliance Conference

Nashville Airport Marriott, Nashville

October 15 & 16

**Trust & Wealth Management
Conference**

TBA Barrett Training Center, Nashville

October 19, 20, 21, 22

**NEW Fiduciary and Business
Accounts in Tennessee**

Jackson, Nashville, Kingsport,
Knoxville

October 21, 22, 23

**CFO/Controller Forums
– Session 3 of 3**

TBA Gilliam Board Room, Nashville

October 28

**NEW Key Ratio Analysis:
Calculating the Numbers Correctly**

TBA Barrett Training Center, Nashville

October 29

**NEW Commercial and Industrial
(C&I) Lending in Today's
Competitive Market**

TBA Barrett Training Center, Nashville

October 30

NEW Advanced Tax Return Analysis

TBA Barrett Training Center, Nashville

November 3 & 4, 5 & 6

**NEW Compliance for Loans
Secured by Real Property or a
Dwelling**

Nashville, Knoxville

November 5

Enterprise Risk Management

TBA Barrett Training Center

November 5 & 6

**Bank Security and Risk
Management Conference**

Nashville Airport Marriott, Nashville

November 12

**2015-2016 Senior Compliance
Officer Forums – Session 1 of 4**

TBA Barrett Training Center, Nashville

November 13

**IT/Operations/Information
Security Officer Forums –
Session 3 of 3**

TBA Barrett Training Center, Nashville

November 17

**Branch Management Series
– Session 4 of 4**

TBA Barrett Training Center, Nashville

November 18

**2015-2016 Retail Banking
Officer Forums – Session 1 of 3**

TBA Barrett Training Center, Nashville

November 18 & 19

Bank Directors Retreat

Hilton Nashville Downtown, Nashville

November 19 & 20

**Independent Bankers Division
Convention**

Hilton Nashville Downtown, Nashville

November 24

WEBINAR CECL Allowance Process

Online only

December 1

**2015-2016 Senior Human
Resources Forums – Session 1 of 3**

TBA Barrett Training Center, Nashville

NOTE: While this calendar represents current programs for 2015 scheduled by TBA at print time, occasionally other “hot topics” are added to the calendar throughout the year. We encourage you to look at the monthly calendar in *The Tennessee Banker* magazine and visit www.TNBankers.org for the most current information about TBA events and programs.



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PROVIDING A SAFE, NON-COMPETITIVE
ENVIRONMENT FOR COMMUNITY BANKS

— FOR MORE THAN —
30 YEARS

For more than 30 years, community banks have found FNBB to be a non-competitive ally that they can rely on year after year. First National Bankers Bank has been a consistent, trusted partner providing correspondent banking services to our shareholders and customers. With service beyond comparison, we have proudly supported the banks we serve and will continue to help them achieve their goals well into the future.

SERVICES INCLUDE

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Image Exchange Network
Fed Funds
International Services
Investment Sales
Asset Liability Management

Bond Accounting
Safekeeping
Broker Dealer / 401K Services
Bank Owned Life Insurance
Loan Participations
Holding Company Loans

Loan Review
Compliance Audit Services
Internal Audits
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