

THE TENNESSEE BANKER

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TENNESSEE BANKERS ASSOCIATION

125TH ANNUAL MEETING

THE GREENBRIER,
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125th Annual Meeting will be held at The Greenbrier in White Sulphur Springs, WV, June 7–9. Story begins page 31.
Cover designed by Matt Radford, TBA

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Strength in Numbers

By Colin Barrett, President, Tennessee Bankers Association

The Tennessee Bankers Association wrapped up one of our strongest fiscal years to date on April 30, and we are proud of our financial position.

However, that's not really how we measure our success. What we are most proud of is the ROI we provide to our members.

If you ask the TBA staff, board members, or any of the hundreds of bankers who give of their time and talents to advance the industry, they will tell you that the most important numbers are the ones that measure the vibrancy and effectiveness of the association and the engagement of our members, both in terms of professional development and advocating for the industry's interests.

By that measure, the 2014-2015 TBA year was one of the most successful we've ever had as the following numbers show:

- 53 bankers served on the TBA, Independent Bankers Division, and Young Bankers Division boards of directors.
- 385 bankers served on committees ranging from The Southeastern Schools of Banking to the Credit Committee to the Government Relations Committee.
- 510 bankers and associate members attended the 2015 *Credit Conference*—a new record for this outstanding program.
- 390 bankers attended Young Bankers Division programs, including *Leadership Convention*, *Day on the Hill*, *Leadership Luncheons*, and



The Southeastern School of Banking.

• 167 graduated from *The Southeastern School of Banking*, *The Advanced Commercial Lending School*, *The Southeastern School of Consumer Credit*, and *The Southeastern School of Commercial Lending*.

• A record \$107,678 raised for BankPac from 69 banks and associate members in *just the first quarter of 2015*—thanks to you, TBA continues to have the strongest business PAC in Tennessee.

• 100 percent of bank regulatory relief legislation advocated by TBA had strong support from the Tennessee Congressional delegation, with at least half of the delegation signing on to each bill as sponsors.

• A record 78 bankers attended the 2014 TBA *Washington Conference*, and over 100 bankers visited DC through-

Three suggestions for this month:

- ✓ Sign up for the FS-ISAC newsletter that is available to all TBA members. This partnership lets Tennessee bankers stay on top of the latest cyber threats. To receive these updates, contact Steve Curtis—scurtis@TNBankers.org.
- ✓ Check out the interview on page 16 with Mott Ford, president and CEO of Commercial Bank and Trust Co. Mott is the new TBA Government Relations Committee chairman and is optimistic, as is your TBA staff, about regulatory relief legislation moving through Washington.
- ✓ Grab some popcorn (and maybe some tissues) and watch “Undeclared” on Netflix. This Oscar-winning documentary follows an inner-city Memphis high school throughout the 2009 football season as they strive to win their first playoff game in the school's 110-year history. Bill Courtney, a lumber salesman, leads this team on an incredible turn around. Whether or not you can make it to the TBA 125th *Annual Meeting* at The Greenbrier, June 7–9, to hear Bill speak, you will want to see this inspirational film.

out the year to fight for the future of Tennessee banking.

• 95 percent of members used TBA education programs, including conferences, regional programs, and forums. In total, there were 6,748 attendants at TBA education programs throughout the year.

• Only 11 percent of TBA's revenue came from membership dues, keeping the association one of the least dues dependent, and least expensive memberships, in the country. This would not be possible without the tremendous amount of membership support for Financial Products and Services, Inc. Brian Mobley and his

team continue to do an outstanding job meeting the insurance needs of Tennessee banks as well as individuals throughout the state.

- 197 associate members supported the TBA and our members, with the vast majority actively participating in TBA programs throughout the year.
- 375 bankers participated in TBA's Personal Economic Program (PEP), making 4,858 presentations to almost

65,000 individuals throughout the state, continuing the role of Tennessee as leaders in financial literacy education.

As I said at the top, we are indeed proud of our strong financial position, and I'm happy to report we are ending the year with over \$14.2 million in net assets. That positions us well to meet the government relations, education, and products needs of the Tennessee banking industry and to continue producing

the impressive numbers that are most meaningful to the health of the TBA.

Thank you for an outstanding year and for making the TBA one of the strongest associations in the country—by any measurement. ■

-Colin

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It Was a Sprint

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

Even compared to the relatively fast pace of recent state legislative sessions, by all accounts, this year was an all-out sprint. The desire of the Senate and House leadership to adjourn before the first of May was undeterred by the loss of several weeks at the beginning of the year.

These lost weeks included a week of inauguration, two weeks of office adjustments, a week of special session, a snow week, and the first week of bill introductions. In effect, the legislature didn't even get started fully on its regular business until the last week in February with a goal of adjourning by the end of April.

This compressed session of about eight weeks gave little time for legislators to negotiate compromises on complex legislation. Many bill sponsors found themselves in a position of having to place bills rapidly on the calendar for an up or down vote. As a result, many of the complex issues were shepherded to a summer study or deferred until 2016.

Fortunately, TBA entered the session with no must-have legislation and a short list of issues for which we were active participants. TBA was successful in the outcome of many of these issues. However, the true challenges came from several unexpected quarters. Payment card processors, homeowners association liens, property assessed clean energy assessments, and transportation network companies like Uber and Lyft became the focus of the TBA staff's most intense efforts.

The first challenge came from legislation to require certain contract disclosures for payment card

acquirers. The bill's sponsor, Senator Jack Johnson, chairman of the Commerce Committee, wanted more transparency from the acquirers as to the total fees and charges that are incurred by merchants. Obviously, the merchants, grocers, and convenience stores supported the bill. The bill included disclosure or access to network operating rules and regulations, which has been a flash point of contention between network processors and merchants at the national level for years. The battle over fees even continues after the Durbin Amendment. The TBA staff was successful in working with Senator Johnson, a former banker, in helping to craft legislation that met his goal of providing additional transparency that was achievable for

the acquirers and acceptable to the networks.

In December 2014 the Federal Housing Finance Agency (FHFA) issued guidance to lenders and state officials reaffirming their strong opposition to state initiatives that permitted super priority liens that would take precedence over the first mortgage liens of FHFA lenders including Fannie Mae and Freddie Mac. Of particular note in the guidance were liens created by homeowners associations (HOAs) and those through the Property Assessed Clean Energy (PACE) program. TBA was confronted with legislation in both of these areas.

The PACE loan program was initiated by the Sierra Club and



the Tennessee Environmental Coalition. PACE loans permit either homeowners or commercial businesses to add clean energy systems such as solar panels to their homes or buildings and have the loans repaid through voluntary property assessment agreements. Because the payments are treated as tax assessments, they take priority over first mortgage liens. TBA was successful in arguing that the disruption to the mortgage market and devaluing the property rights of a first mortgage lender were not appropriate. In addition, Tennessee's conservative legislature was not interested in expanding the power of local governments to engage in the lending business.

While defeated for this year, the bill was deferred until 2016.

The legislation reforming homeowners associations was drafted by a committee of the Tennessee Bar Association. A small element in that larger bill was a continuation of Tennessee's current practice of permitting HOAs to have a six-month priority lien. After contacting the Mortgage Bankers Association in Washington and representatives of Fannie Mae, TBA determined that this intrusion into a first lien priority of the FHFA lenders was subject to challenge. TBA reached an agreement with the Tennessee Bar Association proponents to give HOAs a six-month preference in payment in a foreclosure by a first mortgage lender but not the right to foreclose and extinguish a first mortgage loan. Again, the legislation bogged down due to concerns of other groups including homebuilders, developers, and existing HOAs. The legislation was deferred until 2016 to give the constituent groups more time to work out their differences.

TBA was drawn late into an issue regarding transportation network companies, TNCs—think Uber and Lyft. I know you are asking what bankers have to do with rideshare companies. The short answer is, a lot.

TBA's Legislation

TBA was successful in passing or amending the following legislation:

1. Requirements for Transportation Networks Companies - SB 907/ HB 992
2. Disclosure of Credit Card Acquisition Rates and Fees – SB 316/ HB 547
3. Disclosure of Payment Terminal Lease Agreement Terms - SB 911/ HB 1172
4. Notaries - SB 888/ HB 1033 now PC 76
5. Limiting P&C Coverage on Real Property - SB 172/ HB 531
6. MERS: Notice to lien holders - SB 619/ HB 607
7. Tax Modernization Act - SB 602/ HB 643
8. Taxation of Low-Income Housing Tax Credits – SB 987/ HB 914

The following legislation was deferred to 2016:

1. Property Assessed Clean Energy (PACE) Programs - SB 1043/HB 237
2. Homeowners Association – Revisions (includes HOA lien priority) - SB 405/HB 610
3. Limits Deed Preparation to Attorneys, Title Companies, and Owners - SB 1047/HB 479
4. Uniform Fiduciary Access to Digital Assets Act - SB 326/HB 774
5. Uniform Real Property Transfer on Death Act - SB 465/HB 898
6. Licensing of Repossession Agents - SB 1378/HB 863

The fundamental issue with TNCs is how vehicles are insured. Insurance companies are reluctant to provide coverage under a personal lines policy for what is essentially a commercial activity. At the same time, the TNCs were willing to provide umbrella coverage for personal liability and property damage for their drivers but were unwilling to cover collateral damage for the driver and lender. The gap between the positions of the two warring industries left lenders without any coverage.

This battle is not just in Tennessee but is raging nationwide. An agreement at the national level between the TNCs and insurance companies opened the door to the quick movement of legislation in Tennessee but without regard to lenders. At the last moment, TBA was successful in inserting language to preserve the right of lenders to require collateral coverage and to have the TNC drivers show evidence of such coverage to the bank.

The insurance industry is in the process of developing an endorsement product to cover the commercial risk activity of TNC drivers. In addition,

the TNCs may provide some collateral damage coverage even if it is not required in the statute. In this instance, TBA's language would require the TNC company to make claims payments either directly to the repair shop or jointly to the driver and lender.

Conclusion

These are just a few of the issues addressed in the fast-paced session of this year's General Assembly. While TBA was successful in its efforts, several of the more important bills were deferred to 2016 (see side bar) and will require much additional work to either amend or defeat them.

Now that the Tennessee General Assembly has adjourned, the association's focus will turn to our efforts in Washington to take advantage of the window of opportunity to make meaningful changes at the federal level.

As always, the advocacy and contacts made by our member banks is an essential element to success at both the state and federal levels. ■



Through the Lens of Our Department Assessment

By **Greg Gonzales**, Commissioner, Tennessee Department of Financial Institutions

I always enjoy speaking to bankers at the annual *Credit Conference*, and I wanted to take this opportunity to briefly revisit my recent remarks. I reviewed some important issues for state banks through the lens of an assessment of the Department of Financial Institutions. Specifically, I considered the department's overall effectiveness in meeting our mission, our relationship with our federal partners, and what the industry thinks of our work as demonstrated in the survey that the majority of state banks completed last year. I also raised the question of whether advocacy is a part of our mission.

All of this starts with Governor Haslam and his Customer Focused Government initiative. Government exists to do things that citizens cannot do for themselves. Government should add value to the public and not be a stumbling block. I personally have enjoyed the effort that the governor has initiated to measure our work in reducing the time it takes to get a bank exam to a bank board. The bank division has done a wonderful job in improving our turnaround time. We continue to revisit our process to determine if our metrics can be developed further but also to ensure that our procedures are good and not weakened in any way in a pursuit of metric numbers.

One of the real keys here is that the governor had all state agencies engage in a top-to-bottom review of our missions before measurements of department activities began. That was crucial to ensure that state agency mission was set appropriately before we continued and measured our work. From time to time, I ask our

staff to boil down the ultimate issue on a question we may have in front of us so that we can see more easily whether we are moving consistently with our mission of ensuring safety and soundness while giving banks the opportunity to contribute to economic progress.

In my remarks at *Credit Conference*, I laid out a number of efforts we are undertaking to support our mission—from developing new agreements with federal agencies in order to establish a better coordination to reviewing every department rule to determine whether rules need to be modified or simply eliminated.

One specific effort we are making is with respect to examiner salaries. We fundamentally believe in empowering our examiners to make judgments about bank condition on an institution-by-institution basis to the greatest extent possible rather than relying more and more on one size fits all regulation that may tend to take local regulatory judgment out of the equation. With the help of Governor Haslam, we have made significant improvements in examiner compensation and will implement pay for performance within a year. As a result, we are seeing some reduction in examiner turnover rates lately, and we know that you want experienced examiners coming into your bank. These efforts should help produce greater experience over time.

I also talked about our relationship with our federal partners, which is good. For the most part, we are on the same page, and the industry is the beneficiary of that good relationship. I gave one specific example among many that I could make by pointing out the Federal Reserve Bank of St

Louis, which has led the Federal Reserve system to partner with state bank regulators to produce an annual community bank research conference that highlights the real issues confronting community banks that might not get attention otherwise. My hope is that, over time, this conference will produce real results. This is one of the great examples of a federal/state effort to create a better banking environment.

But, there is also another positive aspect to the relationship with our federal partners. The point that there is built in tension in this relationship. That does not mean that an agency is always right and another is always wrong. Any government agency that proclaims to have all wisdom and is always right is not only mistaken, but, I believe, is a danger to justice and freedom. No one has all the answers, and it is a blending of state and federal regulation that gets us to an appropriate balance.

The department's goal is to be a full partner in this relationship for the sake of the industry but also for the sake of our federal partners. To be anything less is to yield some of the state's ability to control its economic future through the regulation of its economic engines. That is state banks. To the extent we yield on any issue where we have the ability to have a voice, we yield to Washington some of our economic independence, and we have given up to an extent on Federalism.

A good example of this is where we hired for the first time a few weeks ago a consumer compliance specialist to give us a real seat at the

table on compliance issues in Tennessee. We are determined to have a voice and not yield in that effort.

I spent some time in discussing the results of the industry survey of last year. The survey was completed by a significant majority of state banks and credit unions in Tennessee and revealed that institutional managers have a very positive perception of the department. We received high ratings for accessibility, responsiveness, fairness, professionalism, and providing objective examinations.

Some responses suggested that the department should consider enhancing examiner familiarity with specific markets. In response, we are asking bankers to help us at examination to enhance our understanding of your markets.

Bankers also suggested that they wanted the department to take an even greater role in being an advocate for the state banking system, which raises the question of whether advocacy is a part of the department's mission.

To no one's surprise, I answered that question with a resounding "yes" and proceeded to give a number of great examples of advocacy that we have not spoken about publicly before. We knew that we had been advocates for some time, but we had not articulated before how we were doing that. The examples ranged from avoiding a bank failure because it was the easier thing to do to examiners using discretion where circumstances permitted to find ways to allow banks to work with borrowers and support local economies.

I also mentioned a new examiner reference guide that is in the process of being finalized which will give all examiners further guidance on finding regulatory balance. For example, we listed some of the characteristics of regulatory balance such as:

1. Just tell it like it is. No more and no less.
2. Where the law permits, find common sense solutions.

3. Do what is right and just. Challenge injustice where it can be identified.

The importance of this is fundamental. It is not enough simply to be great technicians. We also must be great from a values standpoint, as well. Otherwise, without the right values and philosophy, we could send many great technicians in the wrong direction and potentially do more harm than good.

My assessment of the department is that we are moving in the right direction, but we can't afford to get too comfortable. We seek continuous improvement. If we are not moving forward, we will be going backward. We would love to hear from you and any feedback you could give us at anytime. ■

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Q&A



Young Bankers Division President Bo Blanken

Tell us about why you became a banker.

Choosing a career path is not easy for most people, but it was for me. When I was growing up, I always thought I would enjoy being a banker. I appreciated and admired the people at my community bank, and I always had a desire to go to work in my community and help people—help individuals and families. I opened my first savings account at Citizens Bank and Trust Company of Grainger County, and now I am working there. Serving my community and helping people achieve their goals is something I consider to be a privilege.

What advice would you give to those coming into the industry today?

I would start by saying work hard and be patient. You have to prove yourself and wait for the right opportunity to present itself—that's true in a lot of jobs, but I think it is especially true in banking. Also, one of the greatest tools for me has been networking. I would encourage any young banker starting out in the industry to get actively involved in the Tennessee Bankers Association and the Young Bankers Division. Both have provided invaluable opportunities to me as I have developed my banking career.

What is your professional goal?

I would say it is to be a leader, not only at our bank but in the community, as well. I understand that doesn't just happen. It is a process that comes through acquiring knowledge and skills from mentors and from others around you. I think that is one of the most valuable aspects of serving on the Tennessee Young Bankers leadership board.

Who has been your mentor?

There's no way I could name just one individual, because I have been



Bo Blanken, right, with Amy Smith and Jim England at this year's ABA Government Relations Summit in Washington, DC

influenced by so many throughout my career. I started as a teller at Citizens Bank and Trust of Grainger County almost 10 years ago. We are a small bank which requires teamwork and demands many of our employees to wear many different hats. Over my time at CB&T, I have been blessed with several people to help guide and teach me along the way. George Shirley, Mary Jane Dalton, Jared Corum, and many others have mentored me in the different aspects of banking. The team at CB&T is outstanding and is a pleasure to work with. The guidance, wisdom, and advice I have received have been instrumental in my success, and it is something I greatly appreciate.

How do you motivate yourself to accomplish difficult tasks or solve substantial problems?

My primary objective each day at work, just as it is for all good bankers, is to ensure that my customers get the best service possible. When that is your objective, you always have to keep in mind that the decisions you make and advice you give to clients can really change their lives. That is a big moti-

vator. It motivates me to persevere through challenges, because I know I can positively affect a person or family's future or even the community's future. I also know that I can depend on the team around me. I am lucky to work with such a great team that is always willing to pitch in and help in any way possible. Knowing that I have that kind of support here at CB&T is always reassuring. Working with a team is motivating in and of itself, because everyone is pulling for each other.

Outside of your education and formal training, what has best prepared you for your role at the bank?

Networking has been essential to my career. Again, the Tennessee Bankers Association has been a wonderful resource for me in terms of meeting and learning from other bankers. There have been many times when I have reached out to my friends and colleagues that I met through the TBA to brainstorm ways to improve our banks. It's a way to continue learning, and that is essential in the ever-evolving banking environment. ■



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Current Income Opportunities for Banks through the Distribution of Title Insurance

By **Norma Carroll**, Vice President/Business Development and Marketing, Investors Title Insurance Company



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According to the American Land Title Association, title insurance is an \$11-\$12 billion industry of which bank-owned agencies represent a very small percentage of total premiums. Bank participation is surprisingly low given the high profits in the industry, commissions are typically 60–85 percent of the premium, and the mounting pressure for lenders to increase their noninterest income.

While participation may not be as high as expected, bank involvement and interest in the sale of title insurance has increased significantly over the last couple of years as banks respond to the new federal regulatory environment. Earlier, roadblocks were removed when the American Bankers Association and a consortium of 34 state banking associations, led by the Virginia Bankers Association, successfully opposed the national title insurance industry trade group from carving title insurance authority out of the Graham-Leach-Bliley legislation passed in 1999.

Banks that own title insurance agencies or partner with other banks to form agencies often realize significant profits. For example, the average profit margin in 2014 for the agencies managed and underwritten by Investors Title was 38 percent. Most banks that partner with Investors Title have seen a return on their initial capital of 60 to 250 percent over the last 12 months, and most of their agencies generated between \$1 million and \$2.5 million in gross premiums in 2014.

Why are banks a fit?

The distribution of title insurance is an excellent fit with existing lending operations. Having a direct relationship with a well-managed, compliant title insurance operation benefits the lending institution in many ways:

- Customers of lending institutions benefit when the institution has gained expertise about title insurance as a product.
- Bank-owned agencies tend to improve production of final policies due to credit administration's oversight and involvement.
- Loan officers have a closer working relationship with the underwriter and better understanding of which policies are appropriate, which endorsements are available, and which exceptions are acceptable.
- Lenders receive additional compliance training, understand availability of refinance rates to reduce customers' expenses, have access to expanded coverage, and consequently distinguish themselves from the competition.
- Title insurance distribution also

provides additional cross-sell opportunities for bank products.

Some questions for banks to consider when deciding whether and how to start or join a bank-owned agency include the following;

1. Can your institution comply in a highly regulated business?
2. Can you gain economies of scale to maximize profitability?
3. Do you have or can you partner to gain the management expertise required?
4. Are you seeking nonowner business, and do you want high levels of penetration of your own business? Is risk capital an issue?
5. Do you have the will to go it alone, or is a group a better alternative?
6. Are your partners' interests aligned with yours, and are they experienced in helping banks?

Success in Tennessee

Investors Title is the underwriter for two multi-owner title insurance agencies operating in Tennessee—

continued on page 17

About the Author



Norma Carroll is responsible for business development and marketing efforts in many southeastern states and is the management leader for seven title agencies located in Kentucky, Mississippi, and Tennessee. Before joining Investors Title in 1995 as a marketing and operations officer, she worked as a bank officer for more than 10 years, first at First Citizens Bank and later at First Commercial Bank. Carroll is a native of North Carolina and attended Piedmont Baptist College and Mars Hill College. ■

Mott Ford: Banking Career Built on Firm Foundation

Mott Ford grew up in a banking family in Memphis—his father, R. Molitor Ford, was a banker at First Tennessee Bank for 20 years before retiring and then acquiring Commercial Bank & Trust Co in Paris, TN, with a partner in 1983—but he didn't necessarily plan on becoming a banker.

When the younger Ford headed off to college at the University of Tennessee, he decided to major in psychology and earned spending money working as a bartender. Perhaps it was fate, but when a friend told him he was leaving his part-time job at a Knoxville supermarket branch of National Bank of Commerce, and they were looking for a replacement, Mott jumped at the chance.

"I was really getting tired of working at night, and obviously I was familiar with banking, so I applied and they hired me," Ford said. "It was a great experience."

After graduating, Ford stayed with NBC, moving back to Memphis and working at a branch inside a Kroger. There, he did a little bit of everything—from sales and opening accounts to teller transactions and making loans. He was subsequently promoted to assistant branch manager. A few years later, he moved to National Commerce Bank Services, where he consulted with client banks all over the country helping them open supermarket branches.

Working with banks in different parts of the country was a great experience for Ford, who says he was exposed to a variety of banks and styles of bankers, with whom he shared ideas and strategies.

Ford met his wife while working at NBC, and when they were expecting



Mott Ford is CEO of Commercial Bank & Trust Co in Memphis, TN.

their first child he decided to make the move to Commercial Bank & Trust in 1995, first in Paris and then moving back to his hometown to open the bank's third branch there and help guide CB&T's Memphis growth plans.

Tennessee Banker asked Ford what he would be doing if he were not a banker. After thinking about it, he responded: "I really don't know"—which seems to be a good indication that he likes his job.

Q. *Tennessee Banker:* Tell us about your experience at National Bank of Commerce.

I can't overstate the importance of NBC to my career; it was a great foundation. They hired a lot of young people, and they gave us a lot of autonomy and responsibility. I learned so much about the banking business from them—the importance of asset

quality and credit quality, of hiring good people, of giving people room to grow. And then when I moved over to National Commerce Bank Services, I learned so much working with other banks, not only from the good things they were doing but the bad things as well. Sometimes you can learn as much from seeing what not to do as you can seeing what to do.

It's interesting to see how many NBC alumni are in senior bank positions across the state. It was truly an incubator of talent.

Q. How did working at NBC and NCBS help shape your management style?

They really gave younger bankers a lot of responsibility. We felt a real ownership of the branches, and they allowed us to make mistakes and learn from those mistakes. That has carried over into my management style as



Mott Ford and other members of TBA meet with Senator Bob Corker during the ABA Government Relations Summit held in March.

CEO. I do like to hear other people's ideas and thoughts. I try not to pigeon-hole people into one specific area, which is easier to do at a community bank. I just try to let them learn to be a well-rounded banker who wants to take care of their customers. No one likes to be micromanaged.

Q. Why did you decide to move to Commercial Bank & Trust?

The timing was just right. We were expecting our first child, and I wanted to get off the road. My dad was ready to slow down on some of his day-to-day duties, and it just worked out. I was in Paris for a year, then we moved to Memphis. We were looking to grow

our Memphis market and open a new branch office in East Memphis, and it is my hometown. I still spend a lot of time in Paris, where most of our associates are and where our board meets.

Q. Commercial Bank & Trust has \$675 million in assets, with branches in Paris, Union City, Jackson, and Memphis. What are your growth plans? Do you ever think about bringing in more private shareholders or doing an IPO?

Right now we are focusing on organic growth. If some opportunities came along for branch acquisitions or whole bank acquisitions, we would take a look at them, but we are not pursuing acqui-

sitions aggressively at this time. As far as expanding our shareholders or an IPO, that's not a consideration. We are owned by two families—my family and the Deupree family—and that allows us to operate with a long-term philosophy. We don't have a quarterly number to hit. Obviously, we prepare budgets and have goals, but if there is a change in the economy, and we need to make a strategic change in direction, we have the ability to do that a lot easier than many other banks. And that gives us a great advantage in terms of operating.

Q. What do you like to do in your spare time?

I love to go to the mountains with my wife and three sons—ages 14, 18, and 19—whether that's in Colorado or Tennessee. I also really like to golf and duck hunt, especially with my sons. Both of those activities are great distractions that take your mind off the day-to-day pressures of work. You are there for one reason, to play golf or shoot ducks.

Q. Do you have a hunting dog?

No, but my middle son is one of the best retrievers I have ever seen. I don't know what I'm going to do when he goes off to college. ■

Investors Title Insurance *continued*

Bankers Title of East Tennessee in Knoxville and Title Center of the South in Nashville. Since 1999 these agencies have written over \$28.2 million in title insurance premiums and have made cash distributions to their owner banks of more than 948 percent ROI, representing millions of dollars.

Investors Title Insurance Company

For over 42 years, Investors Title has successfully led more than 500 companies in the business of selling

title insurance through more than 50 lender-owned agencies. Investors Title Management Services, Inc, was initiated by Investors Title to implement a RESPA-compliant and sound regulatory approach to helping lenders compete successfully in the title insurance business.

Headquartered in Chapel Hill, NC, since its inception in 1972, Investors Title Insurance Company underwrites and supports the issuance of title insurance for owners and mortgagees through branch offices and issuing agents. Investors Title is a publicly held growth com-

pany with superior financial stability and ability to pay claims. Through its subsidiaries, parent company Investors Title Company (ITC) specializes in residential and commercial title insurance, related online products, 1031 exchanges of like-kind property, reverse exchanges, settlement services, title agency management services, and trust and investment services.

For more details about the profitability of Investors Title agencies or how to start a bank-owned agency, contact Norma Carroll, ncarroll@invtitle.com or 865-384-7846. ■



Severity of Cyber Threats: *Is it time to rethink resiliency*

By Bethany A. Dugan, Deputy Comptroller for Operational Risk,
Office of the Comptroller of the Currency

Without hesitation, the risks to banks from cyber threats and vulnerabilities are significant. The severity of cyber threats is escalating rapidly and attackers are exhibiting an increasing ability to exploit vulnerabilities in commonly used infrastructure. While the impact on financial service firms has been relatively limited, there is a growing possibility for severe attacks on banks or the infrastructure on which they depend.

Cyber threats are numerous and ever evolving. Attackers:

- Demonstrate a growing proficiency in compromising credentials and systems through social engineering using targeted e-mails and by corrupting legitimate Web sites with malware
- Craft attacks that encrypt data or mobile devices, including those of banking customers, so that they can extort payment to retrieve data or release access to the device.
- Exploit gaps in systems and business processes to install malware that erases, corrupts, or encrypts data on a large scale that could wipe data and render computer hardware unusable by destroying operating systems
- Identify and exploit infrastructure vulnerabilities routinely. The Bourne-again shell (Bash) system and Open SSL software—two systems widely used—provide a recent example. Within hours after the public announcement of vulnerabilities, cybercriminals broadly shared tools to identify and exploit the vulnerability.

Addressing the risks that cyber threats pose to individual banks and to the banking system is a top priority for Comptroller of the Currency Thomas Curry. Comptroller Curry called for the creation of the Cyber-

security and Critical Infrastructure Working Group as part of the Federal Financial Institutions Examination Council (FFIEC). A key initiative of the group was the interagency Cybersecurity Assessment conducted last summer. That assessment used a new pilot examination work program to assess the cybersecurity preparedness of more than 500 community institutions.

Some of what we learned from the



pilot is summarized in two documents. The first document included general observations from the work done, key questions for financial institution boards and management to consider, and a list of resources. The other encouraged financial institutions to become members of the Financial Services Information Sharing and Analysis Center, or FS-ISAC, to facilitate monitoring and awareness of cyber threats and vulnerabilities. Hundreds of financial institutions have become FS-ISAC members since the FFIEC released its statement, and more are added each day. I would categorize these as ear-

ly efforts to increase awareness of threats and best practices. The FFIEC and OCC will continue to do more on cybersecurity, including updating the assessment work program; enhancing our incident analysis, crisis management, training, and policy development; and expanding our focus on technology service providers' cybersecurity preparedness.

It is vitally important that the entire industry collaborates in response to cyber risks. Financial institutions are interconnected, not only through the infrastructure upon which they rely, but also as a result of third-party relationships that have become increasingly important to bank business models.

Shifting from Business Continuity to Resiliency

For many firms, their best efforts at maintaining awareness, monitoring their systems and environments, and implementing controls and mitigation will not be enough. The question is not "What more can we do to prevent or mitigate this risk?" but rather "What is our response when the risk is realized?"

Financial institutions' exposure to cyber threats and vulnerabilities increase with every third party and customer link into their systems. Risk grows with the competitive pressure to make systems more open and responsive to the demand for connectivity and integration and the complexity and interconnections of the infrastructure on which these linkages depend. For this reason resiliency is taking on a new importance.

We used to call it "business continuity" or "contingency planning." We thought of restoring and resum-

ing operations after a fire, natural disaster, or technology disruption. However, interconnectivity and dependence—both internally and externally—have changed, and our approach to business continuity, or resiliency, needs to change.

What's different? Natural disasters, fires, and utility failures don't have motivations and aren't persistent. That's not true for cyber attackers. They have motives that involve money and greed or may be political in nature. Whatever the motivation, these attackers are persistent in their intent to harm.

While physical threats still matter, interconnectedness, concentrations in service providers, and the changing nature of cyber threats call for new and creative thinking about resiliency.

Financial institutions should expand their disruption scenarios to consider the impacts of cyber threats, not only to themselves and their critical systems and operations, but also from and to their third-party relationships, their customers, and the critical infrastructure components. Planning for resiliency involves not just internal operations, but also considers the operations of those that perform critical business activities for the bank.

Recovery and restoration plans should be re-evaluated for technology environments that present different or new risks. In certain technology architectural approaches—such as those that use real-time, mirrored-data replication, and cloud-based services and data storage—there is no longer a physical or logical separation of production and backup systems and data. Resiliency should contemplate threats from cyber-attacks that simultaneously target production and backup data for corruption or destruction, disruption of communications and core infrastructure, and simultaneous attacks on the bank and critical service providers.

Banks also should have effective incident management and response plans for notifying all stakeholders when an event occurs, including

About the Author

Beth Dugan is the deputy comptroller for operational risk at the Office of the Comptroller of the Currency (OCC). In this role, she oversees policy and examination procedures development addressing operational risk issues, including bank information technology. The Operational Risk Department is also the focal point for the OCC's core policy platforms that govern how the OCC supervises national banks. She assumed these responsibilities in November 2014.

Dugan joined the OCC in 1987 in West Virginia where she assisted in supervising all aspects of community and mid-size national banks throughout the southeastern and mid-Atlantic region. Throughout her career at the OCC, Dugan has held a variety of leadership roles in examining mid-size and community banks as well as large complex financial institutions.

Dugan is a certified information systems auditor and has served as the OCC Southeastern District's Lead IT expert, where she managed the IT examination cadre, led specialized IT and operations training, and participated in the development of technology and operational risk policies and guidance.

She holds a bachelor of arts degree in English and an MBA from West Virginia University. ■

regulators, law enforcement, and their information-sharing networks. Cybersecurity incidents have the potential for significant negative consequences to a bank's reputation and strategy, in addition to direct financial costs and operational disruption. Financial institutions should establish relationships with cyber-attack response resources, law enforcement, regulators, and others in advance to allow for rapid activation and dissemination of information when an event occurs.

Creating a Sound Security Culture

Changes to a financial institution's need for resiliency often require changes to the board and senior management's approach to strategic planning and organizational culture. In this new cyber-threatened environment, strategic planning cannot just be an exercise in projecting loan growth and profitability.

New products and distribution channels, new technology platforms and applications, and expanding use and connectivity with third parties all have an impact on the risk-reward equation. The board and management should have sound processes to ensure that the risks arising from changes in business models, products or services, and third-party relationships—individ-

ually and collectively—are assessed and clearly understood; that internal control and mitigation strategies are identified, implemented, and sustainable; and that the resulting risk level is consistent with the organization's risk appetite.

Risk management and oversight can't be overemphasized, and they start with board and senior management who set the "tone at the top." Routine discussion of cyber threats and vulnerabilities, risk assessments, and mitigation and incident response strategies is the foundation for a sound security culture.

Training and awareness reinforce a risk culture of vigilance and monitoring and can turn every employee into the first line of defense. Comptroller Curry has said, "A strong risk culture that promotes responsible business practices is important not just for its own sake, but is essential to safety and soundness."

Given the importance of cybersecurity and the potential impact of cyber threats, they must be a priority and addressed within a firm's risk governance framework and culture. The nation's banks must be proactive, to think clearly and comprehensively about the risks and the range of responses and—finally—to make good decisions. ■

Roundtable Discussion



As the Tennessee Bankers Association prepares to embark on the next 125 years, *The Tennessee Banker* felt it was an opportune time to sit down with the association's 2014-2015 executive committee and get their assessment on what they perceive are TBA's strengths, where they see us going, what has been important in their relationship with the organization, and what they would like their own legacy to be.



Chairman
William B. Marsh
Chairman/CEO
First Commerce Bank
Lewisburg



Chairman - elect
David Verble
President/CEO
Citizens National Bank
Sevierville



Vice Chairman
Gordon Majors
President/CEO
The Hardin County Bank
Savannah



Past Chairman
Jeff Agee
President/CEO
First Citizens
National Bank
Dyersburg



President
Colin Barrett
Tennessee Bankers
Association
Nashville

As the association celebrates its 125th anniversary, what do you believe its most significant impact is on the Tennessee banking industry?

Bill Marsh

The most important impact has been in education. The Tennessee banking industry will always be one of the best if we train our banking employees and representatives for the future. Also, lobbying our lawmakers to enact common sense laws has been and will continue to be one of the greatest acts of the Tennessee banking industry. That has been the mission of the TBA for all these years, and I still think it is vital.

Jeff Agee

In my opinion, one thing TBA has done, long- and short-term, has been to unify a great group of Tennessee bankers across this state into a force that can have an impact at national, state, and local levels. We're unified under one association, not multiple associations.

When we go somewhere—whether it's DC, Nashville, wherever—they know we have been there. We stand out. And I'm sure, Bill, you just came back from the Alliance of State Associations meeting, when you come together, the TBA stands out. I was there in San Francisco with that group, and I was so proud of Colin in what he has executed with the Young Bankers Division and TBA in general. It's very impressive.

David Verble

I think that the 125-year history of the association, the legacy of it, is that we do have one association that represents *all* of the banks in Tennessee. And we have a strong PAC—a PAC that has helped us be heard on the state and national level and has helped our industry significantly. I also think education, as Bill mentioned, is a key to the future and the past. We represent a lot of banks in Tennessee that would not have been able to educate our employees at such high levels throughout the years had it not been for the TBA.

Gordon Majors

I agree with both of you that education is the most important use of the

TBA. Also, the big thing for me is that the association provides a platform for bankers to network, because we're all doing essentially the same thing. That's been one of the most beneficial things to us.

Colin Barrett

The question got me thinking about what we have been through as an industry, even since 2008, when it comes to legislation in Washington. We've taken our licks, but we've also been able to fight back on some issues. I mean, where would we be if we didn't have our voices here and nationally? I think that having a unified voice in Tennessee, as Jeff mentioned, has allowed us as an association to really be among the strongest, because we have everybody working together. And I agree completely on the networking side. I think that, having been able to work with a lot of other state associations in the past, there is a unique bond that exists among Tennessee bankers. There's competition, but it's friendly competition and it's respectful. I think our bankers enjoy seeing each other and being together. I think the association provides a great way for that to take place.

All organizations have to adapt to survive. How must the TBA adapt for the future needs of Tennessee banks?

Bill Marsh

Using social media as a means of communication with member banks and our legislators is the direction in which our young bankers are leading us. We need to have the tools to support the rapidly changing avenues of communication. We also need to maintain a TBA staff that is well-connected with all of its members to help them solve industry challenges.

Jeff Agee

I think we need to make sure we retain and maintain high-quality teammates here at the association. I think we have a great group; we have a lot invested in the current leadership. We need to make sure we maintain them to insure we execute and take care of our vision, our mission, and our long-term objectives. If you get a little

bit more technical on that, we definitely must embrace technology, compliance, innovation, and creativity, but that all gets back to having the right team. If you have the right team, you do that through your planning process and your strategic plans. I think we have all hit on education. Bottom line, when you cut to the chase here, not just segmenting a specific part of education, we need to make sure we are creating value propositions for all the banks, whatever avenue. That can change. Right now it's compliance-driven and a few other things, but that's going to change over the next decade—I hope. We have to look continually for ways to create a value proposition and make sure that, when we're paying our dues, we can say, "That's cheap for what we're getting. We're getting fair market value in excess of what we are spending."

David Verble

I think that the ability to change is important for the future, and it is something the association has done marvelously

over the past 125 years. Technology and education are going to continue to change the banking industry, and it is important for the association to stay on top of it.

Gordon Majors

I'd add that high standards are in place right now, we just need to safeguard those and continue to maintain them. It's going to take that to stay ahead of the trends, because it's never going to stop changing.

Colin Barrett

I agree with all of your points. Education is important, and it has always been one of the greatest strengths of the association. In our membership survey, education is the number one item that our members look to us for. I think it is also important to focus on products and services that can offer new solutions to our members—and that's an area that will gain importance as the industry faces a lot of changes and challenges. It gets back to Jeff's point about value proposition.

continued on next page

SNL 2014 Bank RANKINGS



2

1

3



Banks with \$500M to \$5B in assets

1 State Bank of Texas - Dallas, TX

2 Biscayne Bank - Coconut Grove, FL

3 St. Martin Bank and Trust Company
- Saint Martinville, LA

Banks with less than \$500M in assets

1 Farmers Exchange Bank - Cherokee, OK

2 Grand Ridge National Bank - Grand Ridge, IL

3 Bank 7 - Oklahoma City, OK

For the full rankings, contact Julie Jones:
jjones@snl.com, 434-951-4419

SNL Financial

Roundtable Discussion *continued*

As executive committee members, what would you like your legacy to be with the association?

Bill Marsh

There are three that come to mind. I would like to be remembered as a chairman who helped transition this association into a modern era by continuing a strategic plan that provides a detailed map of where we are headed and a process by which to get there. I also hope I'll be remembered as a forward-looking chairman seeking out new initiatives and even new lines of business that will enable the TBA to reach even higher standards. And a chairman who was supportive of TBA President Colin Barrett during his first full year as a CEO. Being new always brings some uncertainty and unpopular decisions. However, I hope I have been there to support him in a positive way, and I think we have an excellent CEO.

Jeff Agee

I want to go out as having a passionate, positive, energetic attitude about chairing the association, and I think Bill is right-on. I was fortunate to work on the succession planning and our strategic planning. Andy (Smith), Bill, and I were fortunate to be part of that. And all of a sudden synergy was created, and it's like "wow." I think this association has taken off. It was already at a peak, in my opinion, because Brad had prepared it, and it was well-branded. I think our new leadership team with Colin and his group has just been exciting. I hope in 10 years, 15 years, when I'm retired, I can look back and say, "I remember when Andy, Bill, and I were very intimate with details with Brad leaving, setting up his post-planning and rolling out, and Colin taking over. It took us to a different level, and we can say wow." When Bill and I, and all of us in this room—I guess you add 15 years to all of us, and we're probably retired—but we will look back and say, "Wow, I remember when it was



Bill Marsh and Colin Barrett discuss their legacy regarding TBA.



Jeff Agee

just kicking into gear again and look at it now." And I think we will be saying that.

David Verble

Well, I hope that I can help continue the legacy that Andy and Jeff and Bill leave. It's been a time of great change through the association. They've done a great job leading us through it, and I hope that I can continue that. I think somebody mentioned earlier that one of our most important goals is to make sure that our members feel they are getting a value proposition from the association. I think that we've got to look at the amount of dues they're paying and say that's a great investment, and I'm proud to be a part of that. I want to be a part of that.

Gordon Majors

There's no question the value proposition is there. I mean, the dues are insignificant in the scope of our bank,



Gordon Majors

the size of our bank. But I never was as proud of the association as the first trip I made to Washington, DC. it was a large function, and a person there sought me out on the roster for Tennessee bankers and wanted to tell me that, of all the associations, ours was the best. To be able to maintain that reputation, even nationally, that's the key.

Colin Barrett

My response gets back to what I mentioned earlier—continuing to add products and services to help our banks adapt to a changing industry and a changing world. I still think there is a lot of opportunity there for the association to be a resource. As a more straightforward answer, I would like to get credit unions to pay taxes. If I can play a role in leveling the playing field with credit unions and the Farm Credit System, that would be the pinnacle of my career.

What is your best TBA memory?

Bill Marsh

Well, I'm going to embarrass a member who's in here today. I was thinking, "What in the world really stands out as a TBA memory?" It was a couple of years ago when we were in Washington sitting in the OCC meeting. David Verble gets into this heated argument with an OCC regulator. I was thinking "go, David, go!" That has stood out in my memory, and I'll tell you, David, I was so proud of you for standing in there with her. Being chairman has also enabled me to meet so many fine bankers in our state. It has been a privilege to represent all Tennessee bankers.

Jeff Agee

Well, I have a bunch. I guess my favorite was leading TBA, and if you get more intimate and deeper, it was at the Breakers, being up on that podium in front of 600 or more of my friends

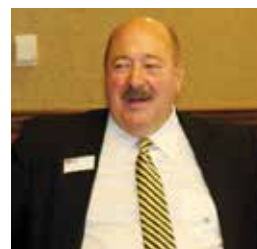
and bankers. I get emotional, and I just love that kind of excitement. Probably the most exciting time for me is being in front of that big group that I'm humbled to be in front of, and I look up to so many in that room. So that was an exciting time for me.

David Verble

I would have to say that the celebration at convention we had for Brad when he was retiring. We had all of the pictures up. Just a lot of memories looking back at those pictures. When I was in Young Bankers and Brad was in charge of us—I don't know how he survived that (laughs). It just brought back a lot of memories seeing those pictures and all of the people over the years that were involved in TBA.

Gordon Majors

Mine goes back all the way through my involvement to '77. I remember the Young Bankers convention in Gatlin-



David Verble recalls his best TBA memories.

burg. Lots of fun. And I always enjoyed the schools. They were the biggest deal to me. And also the trips to Washington.

Colin Barrett

I think the ones that stand out the most for me are membership meetings. If I had it my way, I would spend all my time on the road visiting our members. That's what I enjoy doing the most. Being out with our membership and getting to visit with them and having our staff with us and getting to travel with the chairman—that's always my highlight of the year. ■

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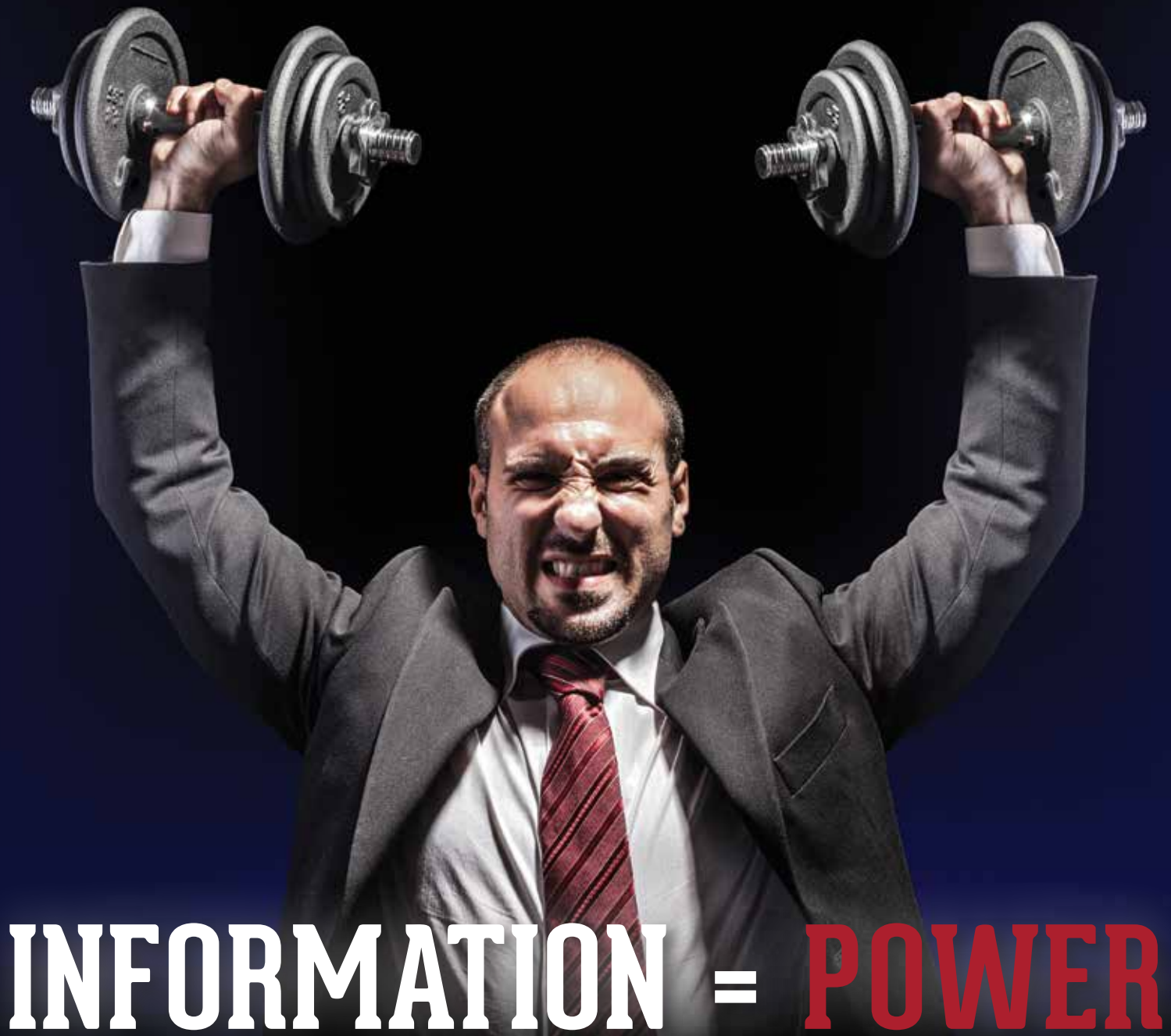
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The Future Is in Good Hands

By Frank Keating, President and CEO, American Bankers Association

I've noticed a growing trend in Washington that bodes well for our industry: An increasing number of young bankers coming to the capital to participate in bank visits and industry conferences oriented toward advocacy. This infusion of talent is a sign of great things to come, and it is largely attributable to the diligent work state associations have been doing to identify and develop emerging leaders.

The presence of young bankers in the halls of Washington—and at gatherings all around the country—is reminiscent of ABA's origins. In fact, 140 years ago, it was a young Missouri banker named James Howenstein, who at the age of 33 took the initiative to organize a gathering of bankers in New York that led to the formation of the American Bankers Association. He and 16 other bankers—many of them what we today would call “emerging leaders”—gathered to “put their heads and hearts together to bring into a union of business interest and hearty affection the bankers of our country for a better bankerhood.”

These bankers recognized the importance of networking and engagement, even if they didn't call it that.

Whether it's participating in a panel discussion on “The 21st Century Banker”—as Katie Boyd from First-Capital Bank in Texas, Tom Richards from Owingsville Banking Company in Kentucky, and Siya Vansia, from ConnectOne Bank in New Jersey, did at ABA's Annual Convention in Dallas last fall—or participating in state young banker divisions and leadership programs—these young leaders bring fresh energy and valuable insights to the debates shaping our industry. The 100-plus that gathered for ABA's Emerging Leaders Forum, which is a growing part of our annual Gov-

ernment Relations Summit in March, certainly proves that to be true.

The trend is also evident in the number of emerging leaders participating in the ABA/State Association Washington Visit Program, which brings more than 1,400 bankers to the nation's capital every year to advocate for the industry, and in grassroots programs. It's especially important to encourage tomorrow's leaders to engage in such activities since grassroots advocacy has become a core responsibility in a banking leader's job description. Anyone who plans a future in banking needs to be developing relationships now with the very people who could dictate it. That means Congress and regulatory agency leaders.

And as the faces of Congress continue to change and become more diverse, our industry's advocates must reflect that change. Remember that these officials are often advised by younger staffers—staffers who, depending on how

long their member of Congress has been in office, may know very little about banking. What better way to introduce them to our issues—and how policies established in Washington affect banks' customers and communities—than through a conversation with a banker who is much closer to being their own peer.

There is nothing but “upside risk,” as the Fed might say, to turning today's young bankers into advocates for the industry. Between the state associations and ABA, we have abundant resources to help make it happen. From schools and conference planning committees to financial literacy and grassroots contact programs, the demand for young banker talent is high. Let's continue to develop that talent together. Young bankers represent the future of our industry, and judging by what I've seen, it is in very capable hands. ■



TBA Programs for Emerging Leaders

- *Leadership Convention*
- *Day on the Hill*
- *Regional Leadership Luncheons*
- *The Southeastern School of Banking*
- *Scholarship to attend Washington Conference*
- *Young Bankers Division oversight of TBA Financial Literacy Efforts*

Young Bankers Division President Emily Gray was selected by ABA to address their Emerging Leaders Forum in Washington, DC, earlier this year.



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Community Bank Excellence

By Jack Hartings, Chairman, Independent Community Bankers of America

Never stop striving for excellence. That thought comes to my mind when I think of top-performing community banks. Excellence is built into what community banks do every day. They do this by never settling for the status quo or thinking that what worked last year will work this year. They are constantly trying to do better and ensure excellence by demanding it in everything they do. Because of this, our institutions constantly monitor and measure our performance.

As community bankers, however, we don't stop at the numbers. Hard, empirical performance measures—such as return on average assets, return on average equity, and efficiency ratios—are only the beginning when it comes to any community bank's success. While we are for-profit businesses balancing the needs of our customers, shareholders, and employees, we also have a direct stake in the success of our customers and communities, which depend on us every day.

For these reasons, many other critical but less quantifiable pieces are part of the puzzle of success and excellence for community banks. Those factors involve intangibles like how well we maintain high staff involvement and morale, sustain superior customer service, as well as support the economic well-being of our customers and communities. Our institutions constantly balance these different priorities and always strive to find ways to do better while doing so.

Take for instance my community bank, The Peoples Bank Co.

in Coldwater, OH. To maintain a highly efficient bank, we make sure that all members of our staff are involved in continually improving our institution. This means every process and position is constantly evaluated to see if there's a way we can do things better. Can we make an individual employee's role more productive? Is there a way to make a task more efficient, secure, or constructive? As community bankers, we all routinely ask ourselves these questions every day. And from my experience, community banks that consistently achieve their goals engrain such a culture of rigorous excellence at all levels of their management and staff.

While there is no silver bullet for making a community bank more efficient, there are also more than 1,000 ways for a community bank to be successful—and to define success on its own terms.

About a quarter of all counties in the United States are served only by a single community bank and no other financial institution. The numbers to profitably support a quick-buck, transaction-driven big bank don't add up in those counties—that's why the megabanks aren't there. But that's where community banks step up and make a difference by operating balanced, efficient, resourceful, and conscientious financial institutions that serve a wide range of needs. Our community banks operate for the long haul and the best interests of all the people we serve. Of course, that's what makes community banks and



community bankers ambassadors of financial excellence.

Enjoy reading about this year's top-performing member community banks in this month's issue of *Independent Banker*, starting on page 20. But remember that every community bank, whether it appears on this year's lists or not, is inherently a best-performing bank for its community. At its heart, that is what our great, marvelously diverse industry is truly about. ■



I Could Have Told You That

Harvard Study Finds Dodd- Frank Hurts Community Banks

By Mary Neil Price, McKenzie Laird

A new study entitled “The State and Face of Community Banking” published in February of this year by the Harvard University Kennedy School for Business and Government has confirmed what community banks have long maintained—that the increased regulatory burden imposed by the Dodd-Frank Act has had, and continues to have, a significantly adverse impact on community banks.¹

In the study, researchers Marshall Lux and Robert Greene point out that community banks are critical to financing key segments of the US economy, specifically agriculture, residential housing, and small businesses. The overall effect of Dodd-Frank, and the regulations promulgated in its aftermath, has actually *reduced* the involvement of community banks in these sectors, with some community banks existing these markets altogether. Although most of Dodd-Frank is neutral on its face in terms of bank size and applicability, in practice the study reports that “the cost of regulatory compliance as a share of operating expenses is two-and-a-half times greater for small banks than for large banks.”² The specific regulations cited as the “most burdensome” are:

- Truth-In-Lending/Reg Z
- RESPA
- BSA and anti-money laundering
- Fair Credit Reporting Act
- Capital planning and stress testing

The cost of compliance with these and other regulatory requirements, both pre-existing and those stemming from Dodd-Frank, are estimated to have increased in 2014 anywhere from 50 to 200 percent. In the highly competitive financial services industry, where commercial banks already face price-pressures from the tax-exempt credit unions and payday lenders, the ever-rising cost of regulatory com-

pliance becomes a larger percentage of overhead, a hefty contributor to higher efficiency ratios, and a very real threat to earnings.

As a result, there is a new focus on economies of scale. The smaller the bank, the harder it is to absorb additional costs associated with compliance. A 2014 study conducted by the Minneapolis Federal Reserve found that banks with \$50 million or less in assets are hit the hardest, noting that an increase to headcount of two people equates to a loss of 45 basis points in median profitability causing one-third of the banks of this size included in the study to become unprofitable.³ As one banker was quoted in the *Wall Street Journal*, “When they created too big to fail, they also created too small to succeed.”⁴

Whether or not running community banks out of business was an intended consequence of the reforms mandated

“When they created too big to fail, they also created too small to succeed.”

by Dodd-Frank, the evidence suggests that this is happening. Struggling with high overhead and tight interest-rate margins, there is a great temptation to get out. Most pundits seem to agree that community banks were not the cause of the financial crisis of 2008 - 2009. And yet the brunt of the legislation meant to fix the problems that led to the crisis seems to have fallen disproportionately on the community banks.

The numbers tell the story. The Harvard study shows an 18.8 percent decline in community banks’ commercial market share from 2010 to 2014. Investment bankers report increased merger and ac-

quisition activity. Increasingly, the strategic planning process for community bank boards of directors boils down to a decision of whether to buy or sell.

The losers here are the customers traditionally served by community banks, especially small businesses and customers in rural markets. Fewer banks means fewer options for these customers, and possibly severe consequences in the next economic downturn.

The Harvard study suggests three solutions:

1. Require that a cost-benefit analysis be performed before any new regulation is passed. For example, currently, the paperwork required for a standard single-family mortgage is about two-and-a-half inches thick. A significant portion of this is dedicated to consumer protection. How is the consumer protected if the sheer volume is too much to read? However, requiring a cost-benefit analysis may not be a practical solution, especially if conducted by an agency attempting to promulgate the new regulation and funded by the banks it regulates.

2. Improve existing regulations. Here the Harvard study would like to see a bipartisan commission appointed to “identify opportunities to merge, streamline, and simplify banking and consumer financial regulations, particularly with regard to the effects they have on community banks.” In other words, this solution involves forming a committee. The idea is lofty, but historically, how many times have government-sponsored committees resulted in bank regulatory relief?

3. Expand community banks’ regulatory exemptions. Complex risk-weighted capital regulations are cited as an example of the type of regulations that are inappropriate for community banks,

but there are many more areas where including community banks in the mix is clearly overkill. The main issue here is where to draw the line. The OCC considers any bank under \$1 billion in assets a community bank. The Federal Reserve draws the line at \$10 billion. The FDIC generally uses \$10 billion but excludes specialty lenders and incorporates other factors unrelated to asset base, such as geographic reach. It is probably unrealistic to expect that the various agencies will be able to readily agree on which regulations are inappropriate for community banks when they cannot agree on what a community bank is. In any event, a \$10-billion institution or a \$1-billion institution is a vastly different organization than a \$50-million institution.

Better coordination among the banking regulators would seem to be a prerequisite to any meaningful regulatory relief for community banks. Even more important is the recognition that community banks really do serve an important function in the US economy, and one that is not readily replaceable by other types of financial institutions. By financing farms, home ownership, and entrepreneurs, community banks are in a very real sense the backbone of the American Dream. Regulating these banks as the businesses they are requires fairness and practicality. Empirical data is beginning to demonstrate that the reality of "Main Street" banking regulation is far different, and neither fair nor practical.

In formulating solutions, perhaps a cue should be taken from the doctors' maxim, "First, do no harm." ■

Endnotes

1, The entire text of the study can be found at www.hks.harvard.edu/mrceb.

2, Citing William Grant, Chairman, Community Bankers Council, American Bankers Association, testimony on May 9, 2012, before the House Subcommittee on Financial Institutions and Consumer Credit, Committee on Financial Services, 112th Congress, 2nd sess. http://financialservices.house.gov/uploaded_files/hhrg-112-ba15-wsate-wgrant-20120509.pdf

3, Feldman, Heinecke & Schmidt, "Quantifying the Costs of Additional Regulation on Community Banks" (Economic Policy Paper 13-3, Federal Reserve Bank of Minneapolis, May 2013).

4, Michael Rapoport, "Small Banks Look to Sell as Rules Bite," *Wall Street Journal*, April 2, 2014.

About the Author

Mary Neil Price is an attorney with McKenzie Laird, PLLC, in Nashville, TN. Her professional experience is highlighted by over 25 years of corporate law in highly competitive and regulated industries. Her practice encompasses corporate governance, mergers and acquisitions, regulatory compliance, banking and investor and community relations. She has an established ability to manage and to work within an organization to provide legal, compliance,

and risk-management services.

Specific areas include Bank Secrecy Act, HMDA and Fair Lending, Sarbanes-Oxley and Dodd Frank compliance, and whistle-blower complaints. Her experience also includes private equity and debt financing, licensing transactions, and trademark matters.

Mary Neil received a BA degree from Newcomb College of Tulane University and a JD from Tulane University Law School. ■

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**FIRST
TENNESSEE**

TENNESSEE BANKERS ASSOCIATION
125TH ANNUAL MEETING

THE GREENBRIER,
 WHITE SULPHUR SPRINGS, WV
 JUNE 7-9, 2015



Next month, June 7-9, the Tennessee Bankers Association will celebrate an historic milestone—the 125th *Annual Meeting* of the association. For this momentous occasion, members will travel to The Greenbrier. This June marks 10 years since TBA last visited The Greenbrier, a Forbes four-star and AAA Five Diamond Award-winning resort located just outside the town of White Sulphur Springs in Greenbrier County, WV, and many of our members are looking forward to the return visit.

The convention agenda will follow a similar structure as past programs from Sunday afternoon registration in the exhibit hall through the closing banquet and entertainment on

Tuesday evening. And for this special anniversary, we have added a Sunday morning devotional, an early morning round-table with TDFI Commissioner Greg Gonzales, and a fireworks show choreographed to Tennessee-specific music.

On the following pages, you will find complete information for the business sessions, the social activities, the exhibit hall, and more.

See you at The Greenbrier!

AGENDA AT-A-GLANCE

SUNDAY, JUNE 7

9:00 – 9:30 am

3:00 – 5:45 pm

3:00 – 5:45 pm

6:00 – 7:00 pm

Morning Devotional – Colonial Lounge/Terrace

Registration – Chesapeake Hall

Refreshments in Exhibit Hall – Chesapeake Hall

Chairman's Reception – Bunker

MONDAY, JUNE 8

7:00 – 7:30 am

7:30 – 11:30 am

7:30 – 8:45 am

8:45 – 11:30 am

11:30 am – 1:00 pm

12:30 pm

6:00 – 8:00 pm

9:00 – 10:30 pm

Coffee with the Commissioner – Crystal Room

Registration Open – Chesapeake Hall

Exhibits Open/Continental Breakfast
– Chesapeake Hall

Business Session – Colonial Hall

Exhibits Open/Light Lunch – Chesapeake Hall

Golf Tournament – Meadows Course

Laser Tag/Children's Event – Bunker Area

Dessert Party/Fireworks – Outdoor Pool Area

TUESDAY, JUNE 9

7:30 – 11:30 am

7:30 – 8:45 am

8:45 – 11:30 am

11:30 am – 1:00 pm

12:50 pm

6:00 pm

7:00 pm

Registration Open – Chesapeake Hall

Exhibits Open/Continental Breakfast
– Chesapeake Hall

Business Session – Colonial Hall

Exhibits Open/Light lunch – Chesapeake Hall

Grand Prize Giveaway in Exhibit Hall
– Chesapeake Hall

Reception – Cameo Ballroom

Banquet/Entertainment – Colonial Hall

BUSINESS SESSION SPEAKERS

MONDAY, JUNE 8

William B. Marsh, Chairman, Tennessee Bankers Association, and Chairman/CEO, First Commerce Bank, Lewisburg, TN

Christopher Olsen, Managing Partner, Olsen Palmer, Washington, DC

Frank Keating, President/CEO, American Bankers Association, Washington, DC

David Kemp, President, Bankers Management, Inc, McDonough, GA

TUESDAY, JUNE 9

William B. Marsh, Chairman, Tennessee Bankers Association, and Chairman/CEO, First Commerce Bank, Lewisburg, TN

Stephen Hayes, Journalist, Author, and Media Personality, Leading Authorities, Inc, Washington, DC

John Buhrmaster, Immediate Past Chairman, Independent Community Bankers of America, Washington, DC, and President/CEO, 1st National Bank, Scotia, NY

William B. Marsh, Chairman, Tennessee Bankers Association, and Chairman/CEO, First Commerce Bank, Lewisburg, TN

Bill Courtney, Star of Academy Award-winning documentary UNDEFEATED and President/CEO, Classic American Hardwoods, Memphis, TN

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PLATINUM

Elliott Davis Decosimo, Nashville, TN – *Fireworks Celebration*

Financial Products and Services, Inc., Nashville, TN – *Banquet*

FTN Financial/First Tennessee Bank Correspondent Services

– *Hatch Show Print and TBA Board Dinner*

Investors Title Insurance Company, Chapel Hill, NC – *Dessert Party*

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*



BRONZE

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Nashville, TN – *General Sponsor*

CenterState Bank, Brentwood, TN – *Bottled Waters*

SNL Financial, Charlottesville, VA – *General Sponsor*

ServisFirst Bank, Birmingham, AL – *Tote Bags*

The Plateau Group, Inc., Crossville, TN – *General Sponsor*

TIB – The Independent BankersBank, Nashville, TN – *Printed Registration Lists*

Travelers, Charlotte, NC – *Golfers' Boxed Lunches*

2015 Annual Meeting Elections

Under the association bylaws, the TBA board of directors functions as the nominating committee in the process for electing officers and directors each year. In accordance with the bylaws, these nominees must be announced in advance of the meeting via an e-mail to member CEOs and published in *The Tennessee Banker*.

The TBA board has nominated the following bankers for election during the 2015 *Annual Meeting* in June:

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

- **East Tennessee Director** – **Michael Kramer**, president/CEO, FSGBank, NA, Chattanooga

- **Middle Tennessee Director** – **Betty Sue Hibdon**, president/CEO, Citizens Bank, Hartsville

- **West Tennessee Director** – **D. Bryan Jordan**, president/CEO, First Tennessee Bank, NA, and chairman/president/CEO, First Horizon Corporation, Memphis

Elections will be held during the Tuesday morning business session, following Bill Marsh's *Chairman's Report*. Each member-bank charter is entitled to one vote.

Please contact Colin Barrett, TBA president, if you have questions about the nomination or election process. ■



Moss



Kramer



Hibdon



Jordan

2014-2015 Officers and Directors



CHAIRMAN
William B. Marsh
Chairman/CEO
First Commerce Bank
Lewisburg



CHAIRMAN - ELECT
David Verble
President/CEO
Citizens National Bank
Sevierville



VICE CHAIRMAN
Gordon Majors
President/CEO
The Hardin County Bank
Savannah



PRESIDENT
Colin Barrett
Tennessee Bankers
Association
Nashville

DIRECTORS

Allen McClary, President/CEO, UBank, Jellico

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

Hunt Campbell, Chairman/President/CEO, First Alliance Bank, Cordova

Ron DeBerry, President/CEO, Commerce Union Bank, Springfield

J. Lee Stewart, President/CEO, Southern Heritage Bank, Cleveland

M. Terry Turner, President/CEO, Pinnacle Bank, Nashville

H. McCall Wilson, Jr., President/CEO, The Bank of Fayette County, Rossville

R. Lynn Shipley, Jr., President/CEO, TriSummit Bank, Kingsport

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

Michael E. Cary, President/CEO, Carroll Bank and Trust, Huntingdon

PAST CHAIRMAN

Donna M. Stone, Chairman, First Community Bank of Bedford County, Shelbyville

Anderson "Andy" L. Smith, Senior Vice President/East Tennessee Regional President, HomeTrust Bank, NA, Morristown

Jeff Agee, President/CEO, First Citizens National Bank, Dyersburg

DIVISION CHAIRMAN - EX-OFFICIO DIRECTORS

Independent Bankers Division:

W. Logan Hickman, Jr., Executive Vice President, Peoples Bank of the South, LaFollette

Young Bankers Division:

Bo Blanken, Assistant Vice President, Citizens Bank and Trust Company of Grainger County, Rutledge

Correspondent Bank Division:

Ronald G. Smith, Mid-America Regional President, Regions Bank, Nashville

ABA State Chairman:

John Jordan, Area President, The Community Bank of East Tennessee, a division of Southern Bank of Tennessee, Clinton

ICBA State Chairman:

Chris Nunn, Chief Financial Officer, Security Bancorp of Tennessee, Inc, Halls

Financial Products & Services, Inc, Chairman:

John Muse, Chairman/President/CEO, Farmers State Bank, Mountain City

Government Relations Committee Chairman:

R. Molitor Ford, Jr., Vice Chairman/CEO, Commercial Bank & Trust Co, Memphis

Annual Meeting Business Sessions

Keeping with tradition, the 125th *Annual Meeting* will feature two morning business sessions, presided over by TBA Chairman Bill Marsh, chairman and CEO of First Commerce Bank in Lewisburg. Both the Monday and Tuesday sessions will be held in Colonial Hall.

Monday Business Session

Following Chairman Marsh's 8:45 call to order and welcome, the first speaker on the convention program is **Christopher Olsen**, managing partner with Olsen Palmer, an investment banking firm headquartered in Washington, DC. His topic is *The Tennessee Banking Landscape: The State of the State*.

Next on the agenda is **Frank Keating**, president and CEO of the American Bankers Association, also headquartered in Washington, DC.

Keating will deliver an *ABA Update*.

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

The session is scheduled to adjourn at 11:30.

Tuesday Business Session

Business gets underway again on Tuesday morning at 8:45, with the first speaker, **Stephen Hayes**, a journalist, author, and media personality. Hayes's presentation is titled *A View from Washington: The Obama Presidency, the New Congress, and 2016*.

Delegates will hear an *ICBA Update* from **John Buhrmaster**, immediate past chairman of the Independent Community Bankers of America and president/

CEO of 1st National Bank, Scotia, NY.

During the session, **Bill Marsh** will deliver his *Chairman's Report* and oversee the election of a new TBA vice chairman and three new regional directors. See page 33 for more information on the nominees.

The business portion of the 125th *Annual Meeting* will conclude with a very 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. Courtney, president and CEO of Classic American Hardwoods in Memphis, will discuss *Leadership: How to Go against the Grain to Attain It*.

The second business session will adjourn at 11:30 am. ■

Annual Meeting Business Session Speakers

JOHN H. BUHRMASTER
Immediate Past Chairman
Independent Community Bankers of
America, Washington, DC
President/CEO
1st National Bank, Scotia, NY



John H. Buhrmaster is immediate past chairman of the Independent Community Bankers of America® (ICBA).

As a fourth-generation community banker and president and CEO of 1st National Bank of Scotia, NY, Buhrmaster has more than 28 years' experience in the financial services industry, including many years of service to ICBA.

Buhrmaster is a director of the ICBA Services Network and a member of the Policy Development Committee. He is past chairman of the Executive Committee, Federal Delegate Board, Payments and Technology and Marketing and Membership committees. He is also past chairman of ICBA Bancard, past director of TCM Bank in Tampa, FL, and has served on the ICBPAC committee as well as

numerous task forces and subcommittees.

On the state and local level, Buhrmaster is the vice chairman of the Independent Bankers Association of New York State. He is also a member of the Government Relations Committee and past secretary, treasurer, and member of the Education Committee.

Buhrmaster serves as chairman of the board for the Scautub Agency, a subsidiary of the Glenville Bank Holding Company. He is a former member of the board of education for the Niskayuna Central School District, an active member of the Scotia Rotary Club, a New York State high school track official, and volunteers with his son's local Boy Scout Troop. Over the years, Buhrmaster has served on various capital region municipal advisory committees for economic development, planning, and other local issues.

Buhrmaster received a bachelor of science degree in management information systems and marketing from Syracuse University.

He lives in Scotia, NY, with his wife, Leslie, and three children.

continued on page 71

Annual Meeting Business Session Speakers *continued*

WILLIAM B. "BILL" COURTNEY
Star of Academy Award- Winning
Documentary – *Undeclared*
President and CEO
Classic American Hardwoods, Inc,
Memphis, TN



William B. "Bill" Courtney, a native Memphian, founded Classic American Hardwoods, Inc, in 2001. Today, it employs 120 people with a 45-acre manufacturing facility and domestic sales offices in Memphis, TN, and international sales offices in Shanghai, China, and Ho Chi Minh City, Vietnam. In 2007, Classic American Hardwoods, Inc, won the *Memphis Business Journal's* Small Business of the Year Award based on its growth and commitment to community service.

In 2003, Courtney began volunteering at Memphis' inner city Manassas High School in an effort to turn its underperforming football team around. In 2003, the team had 19 players with a dismal 4-95, 10-year record. In the 2008 and 2009 seasons, the team's record improved to 18-2, with 75 players. The story was so compelling that a Hollywood film—*Undeclared*—was produced about it. The film won the 2012 Academy Award for Best Feature Length Documentary.

In 2011, Courtney was inducted into Bridge Builders for leadership in diversity, community, and justice. He was the 2012 recipient of the Liberty Bowl's Harry Zinn Spirit of 1776 award for distinguished citizenship, recipient of the Carnival Memphis' King's award for outstanding achievement in business and industry, and the National Football Foundation and College Hall of Fame Memphis chapter's award winner for The Distinguished American for Contribution to Amateur Athletics. In 2013, he was inducted into the prestigious Society of Entrepreneurs as a result of his success in business and community service.

Today, Courtney still operates as the president and CEO of Classic American Hardwoods. He's a public speaker at a variety of venues from the Para Olympics in Colorado Springs to Nike, PepsiCo, FedEx, and other nationally recognized companies and also at churches, schools, and hospitals. His first book, *Against the Grain* was released in May of 2014. Courtney lives with his wife and four children in Memphis, TN.

GREG GONZALES
Commissioner
Tennessee Department of Financial Institutions

Greg Gonzales is the 18th commissioner of the Tennessee Department of Financial Institutions. He began serving in this role in 2005, and was reappointed by Governor Bill Haslam.

He has served in the department since 1986. In this position, Gonzales serves as Tennessee's chief regulatory officer of all state-chartered depository and licensed nondepository financial institutions. In addition, he has served as assistant commissioner and general counsel for the department.



Gonzales is a past chairman of the Conference of State Bank Supervisors (CSBS), which is the professional organization of state banking commissioners in the United States.

For a number of years, Commissioner Gonzales served as a member of the board of directors of the Money Transmitter Regulators Association (MTRA), an organization of a majority of the states that regulate funds transfer companies. He served on the US Treasury's Bank Secrecy Act Advisory Group.

Commissioner Gonzales currently serves on the board of directors of the Tennessee Financial Literacy Commission. Gonzales is also a current member of a national task force studying how new technologies are affecting the US payment systems.

Commissioner Gonzales was born in Cookeville, TN, and graduated *cum laude in cursu honorum* with a bachelor's degree from Tennessee Technological University in 1980. That same year, he served as a research assistant to Sir Patrick Cormack, a Conservative Party member of the British Parliament. He earned a law degree from the University of Tennessee in 1984.

Commissioner Gonzales is an avid baseball fan and has rooted for the Chicago Cubs since the 1960s, which has taught him great life lessons in perseverance.

STEPHEN F. HAYES
Journalist and Author
Washington, DC



Stephen F. Hayes is a senior writer at The Weekly Standard and a Fox News contributor. Hayes is the author of two New York Times bestsellers: *The Connection: How al Qaeda's Collaboration with Saddam Hussein Has Endangered America* and *Cheney: The Untold Story of America's Most Powerful and Controversial Vice President*.

His work has been featured in *The Wall Street Journal*, *The Washington Post*, *Los Angeles Times*, *Reason*, *National Review*, *The New York Times*, and many other publications. Hayes has written extensively about national politics, international affairs, and the country's current political leadership.

Hayes is a regular member of the "Fox News All Stars" on *Special Report with Bret Baier*. Before joining Fox, he won a Peabody Award as part of CNN's "Best Political Team on

continued on next page

Annual Meeting Business Session Speakers *continued*

Television,” which earned the recognition for its coverage of the 2008 elections. Other media appearances have included NPR’s *Talk of the Nation*, *TODAY*, *Good Morning America*, *Meet the Press*, ABC’s “*This Week*,” *Fox News Sunday*, *The O’Reilly Factor*, *Hannity*, *Hardball with Chris Matthews*, HBO’s *Real Time with Bill Maher*, and *The Daily Show with Jon Stewart*.

Hayes is a native of Wauwatosa, WI, and a graduate of DePauw University in Greencastle, IN. He studied public policy at Georgetown University and received his MS from Columbia University’s Graduate School of Journalism.

He previously worked as a senior writer at *National Journal’s Hotline* and as director of the Institute on Political Journalism at Georgetown University.

Hayes lives near Annapolis, MD, with his wife, three children, and their black lab.

FRANK KEATING President and CEO American Bankers Association

Frank Keating is president and CEO of the American Bankers Association. The ABA is a 135-year-old association that represents banks of all sizes and charters and is the voice for the nation’s \$13 trillion banking industry and its two million employees.

Keating became ABA’s president and CEO on January 1, 2011, following seven years of service as the president and CEO of the American Council of Life Insurers and after serving two terms as Oklahoma’s 25th governor.

Born in St Louis, Keating grew up in Tulsa, OK. He received his undergraduate degree from Georgetown University and a law degree from the University of Oklahoma. His 30-year career in law enforcement and public service included service as an FBI agent, US attorney and state prosecutor, and Oklahoma house and senate member.

Keating served Presidents Ronald Reagan and George H.W. Bush in the treasury, justice, and housing departments. His justice and treasury service gave him responsibility for all federal criminal prosecutions in the nation and oversight over agencies such as the Secret Service; US Customs; the Bureau of Alcohol, Tobacco, and Firearms; US Marshals; the Bureau of Prisons; and the Immigration and Naturalization Service and all 94 US attorneys. As assistant secretary of treasury and general counsel and acting deputy secretary of HUD, Keating worked on banking issues that are demanding attention today—including housing finance, lending practices, securitization, and Bank Secrecy Act issues.

In 1993, Keating returned to Oklahoma to run for governor. He won a three-way race by a landslide and was easily re-elected in 1998, becoming only the second governor in Oklahoma history to serve two consecutive terms.

As the governor of Oklahoma, Keating won national acclaim in 1995 for his compassionate and professional handling of the bombing of the Alfred P. Murrah Federal



building in Oklahoma City. In the aftermath of the tragedy, he raised more than six-million dollars to fund scholarships for the nearly 200 children left with only one or no parents. His accomplishments as governor include winning a public vote on right-to-work, tort reform, tax cuts, and major road building and education reform.

Keating recently served on the Bipartisan Policy Center’s Debt Reduction Task Force, a group of former cabinet members, elected officials, and key stakeholders of both parties that recommended a series of tough measures to address the nation’s fiscal challenges. He also served on the BPC’s Housing Commission. He has been chairman of the advisory board of Mt Vernon and president of the Federal City Council. Currently, he serves on the boards of the National Archives, the Jamestown Foundation, and the Bipartisan Policy Center.

Keating also is the author of four award-winning children’s books; biographies of Will Rogers, Theodore Roosevelt, George Washington, and Standing Bear, the Ponca Indian chief who argued Native Americans deserve the same rights as white Americans. He is the recipient of six honorary degrees.

Keating and his wife, Cathy, live in McLean, VA. They have three children and 10 grandchildren.

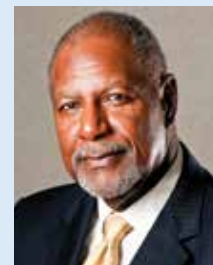
DAVID L. KEMP President Bankers Management, Inc, McDonough, GA

David L. Kemp is president of Bankers Management, Inc (BMI), formerly The Management Group. BMI is a nationally recognized company in financial services training and bank consulting. Prior to forming BMI, Kemp served as vice president, director of credit services for Cannon Lending Schools.

Kemp has more than 30 years of management experience in consulting, training credit administration, and new business development. Before joining Cannon, he was vice president corporate finance with Citicorp North America. There, he was responsible for marketing investment and commercial banking services throughout the southeast. Kemp’s areas of expertise include commercial lending, consumer lending, portfolio management, real estate lending, workouts, and director responsibilities. While with Citicorp, Kemp was assigned to serve as senior credit officer, specializing in financing retail companies. He managed a workout process that saved more than \$20 million in planned charge-offs.

Prior to joining Citicorp, Kemp was a branch manager and commercial lender for First National Bank of Atlanta and Citizens and Southern National Bank. In addition to his banking background, he served as a consultant to small businesses in the area of finance, operations, marketing, and sales.

Kemp serves as a visiting professor and guest lecturer to many colleges and universities. He is past chairman of



Annual Meeting Business Session Speakers *continued*

the Downtown Development Authority—City of Atlanta's board that owns the Underground Atlanta Project. He is also past president of the Atlanta Urban Bankers Association.

Kemp is a frequent instructor for TBA schools and other education programs.

He earned his BS degree in math/physics from Morris Brown College, Atlanta, GA. In addition, Kemp completed graduate studies in accounting and corporate finance at Georgia State University in Atlanta and graduate studies in capital markets and corporate finance at Harvard University, Cambridge, MA.

CHRISTOPHER M. OLSEN Managing Partner Olsen Palmer, Washington, DC

Christopher Olsen, managing partner for Olsen Palmer, is a leading financial advisor to community banks, and has focused on advising financial services companies for the entirety of his career.

Before founding Olsen Palmer, he was with Milestone Advisors (acquired by Houlihan Lokey) where he served as managing director and head of the firm's Southeast US bank and thrift M&A practice. Prior to joining Milestone,

Olsen was with Hovde Financial, an investment banking firm that specializes in advising depository institutions. He also has worked for First Annapolis Consulting, a financial advisory and management consulting firm, as well as for the Financial Institutions Group of Morgan Stanley's investment banking division. Olsen began his career working for Norwest (now Wells Fargo) and a three-branch community bank.

Olsen is a frequent speaker at industry events including SNL Financial's *Analyst Training in the Bank Sector*, Society of CPA's *Banker's Night*, and conferences held by state and regional community bank associations.

Olsen holds an MBA degree from Columbia University and a BBA in finance from The George Washington University. He is also licensed with the Financial Industry Regulatory Authority (FINRA) as a general securities representative (Series 7), an investment banking representative (Series 79), a uniform securities agent (Series 63), a private securities offerings representative (Series 82), and a general securities principal (Series 24). ■



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Annual Meeting Special Events

TBA members always look forward to the special events associated with *Annual Meeting*, this year, because it is the 125th anniversary of the founding of the association, there are even more events than usual. It is in these settings that bankers from around the state forge the relationships and bonds that serve them year-in and year-out through their careers.

Morning Devotional – Sunday

New to this year's program is a Sunday morning devotional. The event is scheduled from 9:00 to 9:30 at the Colonial Lounge/Terrace. **Jon Goodson**, the West Tennessee sales representative with Financial Products and Services, Inc, a wholly owned subsidiary of the TBA, will lead the gathering.

Refreshments in Exhibit Hall – Sunday

After you pick up your registration materials on Sunday afternoon, enjoy refreshments as you take your first stroll around the exhibit area located in Chesapeake Hall. The exhibits will be open from 3:00 to 5:45. Refreshments are compliments of TBA Chairman Bill Marsh and First Commerce Bank, Lewisburg.

Chairman's Reception – Sunday



TBA Chairman Bill Marsh and wife, Carol



The Greenbrier's Meadows Course provides a serious test of skill and precision. Most guests agree that The Meadows offers the best photographic opportunities of the resort's three courses with its panoramic views of the surrounding mountains.

From 6:00 to 7:00 on Sunday evening, celebrate TBA 2014-2015 Chairman Bill Marsh and his wife, Carol, at the Chairman's Reception. The MASH-themed party, sponsored by Olsen Palm-er, will take place in The Bunker.

Carved deep into the mountainside beneath the resort's West Virginia Wing, The Bunker was an emergency Cold War fallout shelter. Once a top secret US government relocation facility for Congress, The Bunker is now open for tours and events. Bunker tours are offered daily for registered hotel guests if you would like to explore the entire facility—reservations are required.

Coffee with the Commissioner – Monday

Preceding the Monday morning business session, bankers will have the opportunity to engage Greg Gonzales, commissioner of the Tennessee Department of Financial Institutions, in an informal question and answer session. The Crystal Room is the location, and the time is 7:00 to 7:30 am.

Golf Tournament – Monday

For many, The Greenbrier is synonymous with golf, thanks in part to its nearly 60-year relationship with Sam Snead, aka Slammin' Sammy. Bankers and associate members registered for the *Annual Meeting* can channel their "inner Sammy" when they compete in the traditional Monday afternoon golf tournament, which will be played on The Meadows course. Tournament refreshments and prizes are sponsored by Pathway Lending, with boxed lunches for golfers compliments of Travelers.

Originally designed by Alexander H. Findlay, The Meadows was dramatically upgraded in 1999 to become a serious test of skill and precision. Most guests agree that The Meadows offers the best photographic opportunities of the resort's three courses with its panoramic views of the surrounding mountains. The course shares a massive double green on the 18th hole with The Greenbrier course and is a true test of skill. Many regional and

state championships are contested on it annually.

There is a dress code for The Meadows. Golfers may wear collared sport shirts, golf sweaters, shirts or blouses, slacks, walking shorts, Bermuda shorts, and knickers—no denim.

Pre-registration and a separate fee are required for the four-person scramble tournament. Play gets underway at 12:30 Monday afternoon with a shotgun start. Prizes will be presented to the first- and second-place teams in three flights, closest-to-the-pin, and longest drive.

Dessert Party/Fireworks Extravaganza – Monday



Dinner is on your own Monday evening, but save room for dessert and the highlight of the 125th annual celebration. From 9:00 to 10:30 in the outdoor pool area, you will enjoy an array of desserts and beverages, plus a feast for your eyes when the sky lights up with a spectacular fireworks display set to music by Tennessee songwriters.

Investors Title Insurance Company is sponsoring the dessert party, and Elliott Davis Decosimo is sponsoring the fireworks.



The Swingin' Medallions provide the entertainment Tuesday night.



Reception/Photographs – Tuesday

As the convention draws to a close, a reception kicks off the evening's activities Tuesday from 6:00 to 7:00 in the Cameo Ballroom.

What better way to remember the 125th *Annual Meeting* than with a professional portrait. A professional photographer will be set up to take complimentary portraits of bankers, associate members, and their families.

The Federal Home Loan bank of Cincinnati is the reception sponsor, and professional photographs are compliments of Earl R. Whaley and Company.

Banquet – Tuesday

Doors to the Colonial Hall will open at 7:00 for the banquet, featuring the transfer of the gavel to TBA's newly elected 2015-2016 chairman.

The banquet sponsor is Financial Products and Services, Inc, and KraftCPAs PLLC, is sponsoring the table centerpieces.

Entertainment/Dance – Tuesday

The evening's events continue with a repeat performance from The Swingin' Medallions. One of the most popular entertainment acts in recent conventions, The Swingin' Medallions are best known for their hit "Double Shot (of My Baby's Love)."

The band is known for beach music, frat rock, R&B, or shaggin' music. The Medallions recorded "Double Shot" in 1966. This million seller has been a party classic for college students for decades. "She Drives Me Out of My Mind" and "Hey, Hey, Baby" were top 40 hits in 1966 and 1967, but "Double Shot" remains their signature song. Dubbed "The Party Band of The South" by Southern humorist Lewis Grizzard, the moniker is synonymous with the Medallion name.

Bring your dancing shoes and end the 125th *Annual Meeting* on a party note. ■

NEW! Reserved Banquet Seating

For the first time, seating at the banquet will be on a reserved basis. Those eligible to attend the banquet will find a **banquet exchange ticket** in their registration packets.

To secure your seating for the banquet, someone from your group/family must bring the exchange tickets to the TBA registration desk on Sunday or Monday during regular

registration desk hours and choose your table. At that time, you will be given a card with your table number for the banquet. **You must bring the card with the table assignment to the banquet in order to claim your spot at the table.**

Seating is on a first-come, first-served basis, so stop by the registration desk early!

Visit the Sold Out Exhibit Hall

31 Booths Showcase the Latest and Best Products for Community Banks

This year's Exhibit Hall is sold out, with 31 booths showcasing an array of products and services specific to the needs of banks. The Exhibit Hall is located in Chesapeake Hall, the same location as the TBA registration booth. The trade show features the best in financial management products in one place, at one time! You will find pace-setting products and ideas that will help you do your job more effectively, more efficiently, and faster.

Convention-goers will get their first look at the Exhibit Hall from 3:00 to 5:45 during registration on Sunday afternoon. Refreshments will be available as you browse the exhibit booths, compliments of First Commerce Bank in Lewisburg.

On both Monday and Tuesday mornings, you can catch continental breakfast, sponsored by ICBA Bancard & TCM Bank, as you visit the exhibitors between 7:30 and 8:45 before the business sessions.

Exhibits will open again from 11:30 to 1:00 following the business sessions on both days. Light lunch will be available for those visiting the trade show. Tuesday's lunch is sponsored by Raymond James & Associates.

Prize drawings begin promptly at 12:50 on Tuesday, so don't be late. There will be a drawing for the \$1,000 cash grand prize, sponsored by First National Banker's Bank and FNBB Capital Markets, and most of the exhibitors also give away some fabulous prizes of their own. ■

Exhibit Hall Times

June 7: 3:00 pm – 5:45 pm

June 8: 7:30 am – 8:45 am & 11:30 am – 1:00 pm

June 9: 7:30 am – 8:45 am & 11:30 am – 1:00 pm

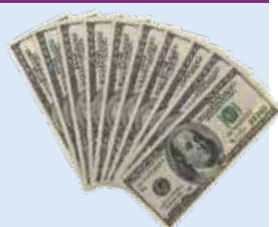
June 9: Grand Prize Drawing – 12:50 pm

Grand Prize Drawing

\$1,000

June 9 – 12:50 pm

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Must be present to win

Exhibitors and Booth Numbers

Mauldin & Jenkins CPAs, LLC, Chattanooga, TN	1
Promontory Interfinancial Network, LLC, Arlington, VA	2
Crescent Mortgage Company, Atlanta, GA	3
SHAZAM Network, Collierville, TN	4
Investors Title Insurance Company, Chapel Hill, NC	5
Financial Products and Services, Inc, Nashville, TN	6
Business Credit Reports, Gallatin, TN	7
High Cotton, Birmingham, AL	8
AmTrust North America, Cleveland, OH	9
National Payment Systems, Greenbrier, TN	10
Jack Henry Banking, a division of Jack Henry & Associates, Inc, Monett, MO	11
Office of the Comptroller of the Currency, Washington, DC	12
Federal Home Loan Bank of Cincinnati, Cincinnati, OH	13
Meyer-Chatfield Corporation, Nashville, TN	14
KraftCPAs PLLC, Nashville, TN	15
Bankers Healthcare Group, Syracuse, NY	16
Holtmeyer & Monson, Memphis, TN	17
Travelers, Charlotte, NC	18
BancVue, Austin, TX	19
First Community Mortgage, Inc, Murfreesboro, TN	20
Level 5, LLC, Atlanta, GA	21
Eclipse Brand Builders, Alpharetta, GA	22
Pershing Yoakley and Associates, PC, Knoxville, TN	23
Office Depot, Nashville, TN	24
Harland Clarke, San Antonio, TX	25
Crowell & Crowell, PLLC, Franklin, TN	26
Bank Financial Services Group, Inc, Nashville, TN	27
ATM Solutions, Inc, Cincinnati, OH	28
Investment Professionals, Inc, San Antonio, TX	29
Works24, Edmond, OK	30
TransFund, Owasso, OK	31

Regulatory Feedback Initiative

Regulators Know We Are Watching



You should have seen the look on the regulators' faces when we presented them with data that revealed the disparate enforcement of fair lending standards in two of the FDIC regional offices. At the time, about 25 percent of the banks across the country were being criticized for fair lending violations, but in these two FDIC regions, almost 80 percent of the banks were being criticized. Regulators had just heard a barrage of criticism from bankers in those regions angry about fair lending, and now they knew why.

When we showed them the results from the Regulatory Feedback Initiative survey, it's unclear what affected them more, the fact that two of the regional offices were clearly on a war-path on fair lending or the fact that we had the data to prove it. Regardless, within six months, we watched the survey results as criticism reported in these two regions came back to the national average.

Thanks to over 2,500 bankers who have taken the time to complete the Coalition of Bankers Associations' "Post Exam Survey," bankers association advocates across the country are now armed with the information we need to fight for the fair treatment of our members.

Recently, several executives from state bankers associations were asked to meet with FDIC field examiner supervisors in San Francisco to provide input on what banks are saying about their examinations. We prepared a report from the "Post Exam Survey" database and presented them with the "Overall Satisfaction" of bankers on their Safety & Soundness and Com-

pliance exams. We also identified and shared with them the five most significant issues driving "overall satisfaction."

In each category, we presented a comparison of how satisfaction with the FDIC compared with satisfaction with the OCC and the Federal Reserve and then went on to show them how satisfaction with the San Francisco office compared with the other FDIC regions across the country.

even more startled by the fact that we had access to this amount of detailed information about the examinations. We are convinced that just knowing we are watching and recording what is happening in these examinations will improve the way some examiners approach their job.

This is the primary objective of the Regulatory Feedback Initiative, to use transparency to demand accountability

"Not only can we share the aggregated information strategically with the regulatory agencies, we can share it with our members to help them prepare for upcoming examinations. But we can only accomplish these goals if every bank will adopt a policy to take a few minutes after every exam—or visitation—to tell us anonymously what happened."

The news was positive in some areas but fairly negative in others. In the most negative areas, we presented the results according to the years of experience of the examiner in charge. And to no surprise, the most significant challenges were found in those exams conducted by EOCs with under three years' experience.

We left them with six bullet-point recommendations on things they could do to improve banker satisfaction with the examination process, substantiated by the data.

Based on the question and answer segment of the presentation, it was clear the examiners were very interested in the results, but we could sense that they were

and improve the examination process for all banks. This information makes every state bankers association more effective. Not only can we share the aggregated information strategically with the regulatory agencies, we can share it with our members to help them prepare for upcoming examinations.

But we can only accomplish these goals if every bank will adopt a policy to take a few minutes after every exam—or visitation—to tell us anonymously what happened. Every year, more and more banks are participating when they realize it is a very small price to pay for such an enormous dividend. ■



Employee Dishonesty

Strategies to help decrease this ongoing risk to banks

By Brian Mobley, President, Financial Products and Services, Inc



Operating a community bank is becoming increasingly complicated, with customers demanding online and mobile banking options, headlines raising concerns about data breaches, and regulators enacting tougher compliance standards. While these changes and evolving technology expose banks to new types of risk, there still remains a risk that banks have had to contend with since the beginning—employee dishonesty.

This type of risk has not decreased, nor should it be overlooked. Financial institution bond insurers, in providing insurance coverage for employee dishonesty losses, see frequent occurrences of bank employee theft each year. As such, they are in a position to provide some suggestions on possible prevention.

While no internal control procedure can be completely foolproof, or in this case employee-proof, applying or reinforcing some basic procedures may help in both preventing and discovering the activity of dishonest employees. This article will highlight four potential risk management strategies that may help in a bank's effort to prevent these situations from occurring.

Mandatory Vacation Policies

While not always popular with employees, a mandatory vacation policy should be considered for all bank employees. These policies require that employees take a con-

secutive week of vacation that also includes two weekends, which equals a total of nine consecutive days away from the bank. During this time, the employee must not be allowed to return to their work station or use their employee credentials to log onto the bank's system, for any reason.

Many banks now are able to temporarily disable both the employee's computer access as well as deactivating their security badges during this time period. They can also restrict the employee access to the bank via the drive-thru, if necessary.

Past loss history confirms that many long-term employee dishonesty schemes, those lasting years or even decades, have been discovered while the employee was away on vacation. If an employee resists the policy, or is noncompliant, then this should be considered a potential red flag.

Segregation of Duties and Job Rotation

Proper dual control is a significant piece of the structure of a bank's internal control process. Most banks have written procedures in place, but losses may occur when exceptions to the procedures are granted. For example, many smaller banks and remote branch locations have difficulty maintaining strict dual control due to the low number of employees at the location.

The majority of losses from lapses in dual control involve cash trans-

actions—tellers, vault tellers, etc. The impact of effective proper dual control procedures potentially decreases the chance of a loss as collusion between employees would need to occur.

While the teller function has more frequent losses, the loan area has the higher dollar amount of losses. Fictitious loans originated by a loan officer potentially can become very large dishonesty losses. Most of these losses center on situations where the loan officer is able to manipulate the process and can originate, process the paperwork, and disburse funds for the customer. Many large losses have been discovered when the phantom customer's loans exceeded the loan officer's authority or are questioned by fellow employees, auditors, or regulators.

Both of these areas of risk may be mitigated by the use of dual control and segregation of duties.

In addition, job rotation is an excellent method of deterrence against losses. Human nature tends to resist change, but job rotation may also be beneficial to the bank by expanding the skills and knowledge of the employees while at the same time potentially preventing and discovering losses.

The Unpredictable Internal Audit

Internal "surprise" audits are an excellent loss control tool. Unfortunately, many times the audit

schedule becomes predictable, and a dishonest employee is able to cover their actions before the arrival of the auditor.

Many banks are now altering the frequency and scheduling of their audits. For example, a three-branch bank might audit each branch every 30 days. By changing the order of audits so that a particular branch was audited within the same week twice—last to be audited during one month and first to be audited in the second month—a bank uncovered a teller loss that was in the early stages of development.

In addition to changing the audit frequency, another suggestion would be to alter the “order” that the audit is conducted. For example, if the standard procedure is to

audit the teller line first and then the vault, an option would be to audit the vault and individual tellers in a random order. This option enabled another bank to discover a loss caused by two tellers who were colluding and were able to transfer cash between their stations during normal audits.

Open Door Policy

Most employee dishonesty losses are not discovered by senior management or by auditors. They are discovered by fellow employees. With that being said, a well-defined “open door policy” is critical to have in place at the bank.

Employees should feel comfortable approaching managers or others at the bank and discussing suspicious or unusual activity. A confidential com-

munication should be welcomed without any fear of retaliation.

Conclusion

There is no perfect prescription for the prevention of employee dishonesty. People commit dishonest acts for many different reasons, and many actions are done with the intention of repaying the bank. Changes in lifestyle, possessive behavior towards work product, or an unwillingness to take vacation may be outward signs of employee dishonesty.

Hopefully, additional emphasis on the four areas outlined above—in combination with your current policies—will help in your efforts to prevent employee dishonesty losses from occurring at your bank. ■



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TBA BankPac Breaks New Record in First Quarter 2015

TBA BankPac is setting new records in 2015, thanks to the tremendous support of the association's members. With an aggressive goal to raise \$200,000 by year-end, BankPac is well on its way to achieving that. In the first quarter alone, banks and associate members contributed over \$100,000! As of April 15, 77 banks and associate members had contributed \$120,345. A list of all contributors accompanies this article.

The officers, directors, and employees of all contributors

will receive a red BankPac ribbon to wear on name badges at TBA functions for one year following the date of the contribution. TBA's upcoming 125th Annual Meeting at The Greenbrier will be the perfect time to show your bank or company's support for the industry by wearing a red BankPac ribbon.

If you have not yet contributed to BankPac and would like information about doing so, please contact Amy Smith at the TBA office—e-mail asmith@TNBankers.org or call 615-244-4871. ■

BankPac Contributors As of 4/15/2015

"I contribute to TBA BankPac because..."



"... TBA has an excellent track record of investing our dollars in pro business and pro banking candidates. We believe TBA BankPac strengthens the collective impact of our industry by speaking with one unified voice at our State Capitol. It is an important investment that yields great returns each year."

Kirby A Thompson
Senior Vice President,
Community and Government Affairs
SunTrust Bank



"... our bank understands the importance of a consistent and unified voice providing insight to our legislators on the issues most important to us. The TBA staff does a tremendous job representing the needs of its member banks, and they bring a level of professionalism that I think our legislators appreciate and respond to."

Tommy Bates
President and COO
Legends Bank
Chairman, TBA BankPac Committee

BANKS

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Athens Federal Community Bank, Athens
Avenue Bank, Nashville
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Carroll Bank and Trust, Huntingdon
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Citizens Bank, New Tazewell
Citizens Bank, Hartsville
Citizens Bank, Carthage
Citizens Bank and Trust Company
of Grainger County, Rutledge
Citizens National Bank, Sevierville
Citizens Savings Bank and Trust Company, Nashville
Citizens State Bank, Jasper
Citizens Tri-County Bank, Dunlap
Coffee County Bank, Manchester
Commerce Union Bank, Springfield
Community National Bank, Dayton
Cornerstone Community Bank, Chattanooga
Cumberland County Bank, Crossville
Equitable Trust Company, Nashville
Evolve Bank & Trust, Memphis
F&M Bank, Clarksville
Farmers State Bank, Mountain City
First Bank of Tennessee, Dayton
First Century Bank, Tazewell
First Commerce Bank, Lewisburg
First Community Bank of Bedford County, Shelbyville
First Farmers and Merchants Bank, Columbia
First Freedom Bank, Lebanon
First National Bank, Lenoir City

BankPac Contributors *continued*

BANKS *continued*

First National Bank of Pulaski, Pulaski
First Peoples Bank of Tennessee, Jefferson City
First South Bank, Jackson
First State Bank, Union City
First Volunteer Bank, Chattanooga
FirstBank, Nashville
Foothills Bank & Trust, Maryville
Highland Federal Savings and Loan Association, Crossville
Highlands Union Bank, Rogersville
Home Banking Company, Selmer
Home Federal Bank Corporation, New Tazewell
HomeTrust Bank, NA, Morristown
InsBank, Nashville
Johnson County Bank, Mountain City
Medina Banking Company, Medina
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Peoples Bank of the South, LaFollette
Pinnacle Bank, Nashville
Progressive Savings Bank, Jamestown
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Sevier County Bank, Sevierville
SouthEast Bank, Athens
Southern Bank of Tennessee, Mt Juliet
Southern Community Bank, Tullahoma
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The Bank of Jackson, Jackson
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The Farmers & Merchants Bank, Dyer
The Peoples Bank, Sardis
TriSummit Bank, Kingsport
Triumph Bank, Memphis
Trustmark National Bank, Memphis
UBank, Jellico
Volunteer Federal Savings Bank, Madisonville
Volunteer State Bank, Portland
Wilson Bank & Trust, Lebanon

ASSOCIATE MEMBERS

Crowell & Crowell, PLLC, Franklin



"... because the voice of small banks and the small towns they serve deserves to be heard in our state legislature and in Washington, DC. TBA and BankPac provide that voice."

Jay England
President & CEO
Decatur County Bank



"... as a firm, we are highly committed to the Tennessee banking industry, and BankPac provides us a unique avenue by which we can support the industry's efforts to elect legislators who are committed to helping TN banks prosper and grow."

June Crowell
Member
Crowell & Crowell, PLLC



"I have served on the TBA Independent Bankers Division board and on the TBA Government Relations Committee, therefore, I have personally witnessed the positive impact of the TBA BankPac program. In today's environment, our association with such a program is vital to explaining the bank's position to elected officials. I contribute to TBA BankPac, because I want to protect our banking industry. One way to accomplish this goal is to provide support and education to the political candidates at the state and national level who support our issues and causes. In addition, our bank challenges our officers to contribute as well, to help make a difference. "

Tony D. Gregory
Chief Banking Officer
First State Bank

Day on the Hill Draws Record Numbers

TBA's Young Bankers Division hosted its annual "Day on the Hill" the first Tuesday of March. Nearly 50 participants joined TBA's government relations team at the Capitol for the largest *Day on the Hill* in recent history. The success of the day is credited to the value TBA members place on strong legislative relations and encouraging their younger staff to become involved in the political process.

The day-long program began with breakfast in the Capitol and a morning group session in the House of Representatives chamber. Lieutenant Governor Ron Ramsey, Chairman of the Senate Commerce and Labor Committee Jack Johnson, and Leslie Hafner, director for legislation in the office of Governor Haslam, addressed the group providing their unique perspective on the legislative process and the outlook for the 2015 session from their various positions.

A highlight of the 2015 event, as in the last several years, was the luncheon hosted by Bone McAllester Norton PLLC, at their law firm located across the street from Legislative Plaza. Highlights of the luncheon included excellent food, a valuable networking opportunity for the bankers, and an informative and intimate panel discussion hosted by Bone McAllester attorney Trace Blankenship.



The panel featured four of the state's top representatives—Craig Fitzhugh, Democratic leader (D-Ripley); Steve McManus, chairman of the Insurance & Banking Committee (R-Cordova); Gerald McCormick, Republican leader (R-Chattanooga); Mike Stew-

art, Democratic Caucus chairman (D-Nashville).

The panelists candidly discussed hot button issues including the special session failure of "Insure Tennessee" earlier in the year, access to broadband and economic development opportunities for Tennessee's rural areas, cohesiveness among lawmakers, and the importance of being actively involved in your communities and your industry.

Throughout the event, attendants had the opportunity to view committee hearings and conduct office visits with legislators, either by attending one of 10 constituent meetings that were set up by the TBA or visits bankers scheduled on their own with their legislator.

For more information about programs presented throughout the year by the Young Bankers Division, please contact Stacey Langford at slangford@TNBankers.org. ■



More than 50 attendants filled the House chamber.



Young Bankers Division board members Andy Collins and John Killen



Senator Jack Johnson



Leslie Hafner, director for legislation in the office of Governor Haslam



Lieutenant Governor Ron Ramsey



Senator Jack Johnson, right, with his constituents



Attendants at the luncheon sponsored by Bone McAllester Norton.



Brandon Woodard, Allison Winters, Bridget Wooden, Tiffany Allen, Jim Bass, and Bo Blanken



Senator Dolores Gresham, front, with Whitney McCullar, Allison Winters, Jarrett Burrows, Jake Burnette, and Jason Overton



Far left: Trace Blankenship welcomed the group to the luncheon.

Attendants were able to network and socialize with each other as well as talk with the representatives during lunch.



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Day on the Hill *continued*



Attendants at lunch



Robby Moore comments on access to broadband for rural areas.



The panel consisted of Steve McManus, chairman of the Insurance & Banking Committee (R-Cordova); Craig Fitzhugh, Democratic leader (D-Ripley); Gerald McCormick, Republican leader (R-Chattanooga); and Mike Stewart, Democratic Caucus chairman (D-Nashville).



Representative Mike Stewart, second from left



Jake Burnette, Robby Moore, Whitney McCullar, Representative Leigh Rosser Wilburn, Jason Overton, Jarrett Burrows, and Stacey Langford



Representative Craig Fitzhugh, left, and Young Bankers board members Sam Short, Mark Kline, John Killen, Josh Lane, and Bo Blanken



Representative Steve McManus, far right, with attendants.

TBA Banks Continue Traditional Support of 4-H Congress

Tennessee banks came through again this year in response to TBA Chairman Bill Marsh's call for contributions in support of the 2015 Tennessee 4-H Congress.

A total of 41 banks and bankers contributed \$3,525 to help support the program.

The annual event brings together more than 500 young people from all 95 counties in the state to experience government first-hand. The theme of this year's congress was "Building Foundations for the Future."

Thank you to all the banks listed here who made contributions to the 4-H Congress above and beyond the support they provide to 4-H on a daily basis within their own communities. ■



Speaker of the Senate Haile Adams presided over meetings of the 4-H Senate in the state Capitol building.

2015 Contributors – Annual 4-H Congress

American Trust Bank of East Tennessee, Knoxville
Bank of Frankewing, Frankewing
Bank of Lincoln County, Fayetteville
Bank of Perry County/Bank of Lewis County, Lobelville
Bank of Ripley, Ripley
BankTennessee, Collierville
Carroll Bank and Trust, Huntingdon
Citizens Bank, Carthage
Citizens Bank, Hartsville/Gallatin
Citizens Savings Bank and Trust Company, Nashville
Citizens Bank of Lafayette, Lafayette
Citizens First Bank, Wartburg
Citizens National Bank, Sevierville
Citizens Tri-County Bank, Dunlap
City National Bank, Nashville
Community First Bank & Trust, Columbia
Crowell & Crowell, PLLC, Franklin
Cumberland Bank & Trust, Clarksville
Decatur County Bank, Decaturville
F & M Bank, Clarksville
Farmers and Merchants Bank, Trezevant
First Bank of Tennessee, Spring City
First Citizens National Bank, Dyersburg

First Commerce Bank, Lewisburg
First Farmers and Merchants Bank, Columbia
First Freedom Bank, Lebanon
First National Bank of Manchester, Manchester
First National Bank of Pulaski, Pulaski
First Peoples Bank of Tennessee, Jefferson City
Franklin County United Bank, Decherd
Homeland Community Bank, McMinnville
Macon Bank and Trust Company, Lafayette
People's Bank and Trust Company of Pickett County, Byrdstown
Peoples Bank & Trust Company, Manchester
Regions Bank, Nashville
Ron Samuels of Avenue Bank, Nashville
SmartBank, Pigeon Forge
Southern Community Bank, Tullahoma
The Farmers & Merchants Bank, Dyer
United Cumberland Bank, Whitley City, KY
Wayne County Bank, Waynesboro



The 2015 4-H Congress officers were (left to right): Speaker of the Senate Haile Adams, Governor Tony Eskridge, and Speaker of the House Andy Huffer.



2015 TBA Salary and Benefits Surveys

Free Survey Results for All Participants

Community bank leaders need regular, current industry pay information to make sure that their bank's compensation practices remain competitive. With that need in mind, TBA has engaged Matthews, Young—Consulting again this year to produce the 2015 *Salary and Benefits Surveys*. Get the current market information you need to **attract, retain, and motivate top banking talent**.

This year the survey will include both a compensation survey and a benefits survey. **Each bank that completes both the compensation and benefits surveys will receive a complimentary copy of the survey results.** Survey results will be provided in a .pdf format and e-mailed to all participants. Banks that do not participate in the survey may purchase the results.

May 29 is the deadline to submit information for the Benefits Survey, and June 30 is the deadline to submit information for the Salary Survey.

Why Participate

The annual TBA *Salary Survey* consistently gets high marks from participants, calling it “the most informed comprehensive survey” when compared to other surveys.

TBA survey participants specifically like having:

- community bank job titles,
- reports with useful information at county and state levels,
- easy electronic data submissions,
- educational webinars on compensation basics, and
- availability of “user support” for survey participants.

Your support of and participation in the TBA surveys is vital. The more participants we have, the richer and more predictive the data base becomes, allowing member banks to do more with survey findings.



Invitations Out

Did you get your 2015 TBA survey e-mail invitations? TBA members should have received an invitation to participate in the 2015 *Salary and Benefits Surveys* in April. If you did not receive the invitation from the TBA, you will find participant information on this website, <http://matthewsyoung.com/TBA-Survey-index.html>, or contact Sharon Justice-McCray, 615-244-4871, ext 101, sjustice-mccray@TNBankers.org.

The salary information you share with Matthews, Young is secure and strictly confidential, but when compiled with statistical significance, it assists TBA members in maintaining competitive compensation budgets, plus attract, retain, and motivate top banking talent.

While paper survey forms exist, the electronic submission process makes your submission easier, speeds up the processing of data, and minimizes the risk of data entry errors.

Complimentary Results Plus Custom Peer Reports

TBA is pleased to provide results for the two surveys on a complimentary basis to all member banks that participate in the surveys. Banks choosing not to participate in the survey may still purchase a copy of the survey results.

In addition, participants also have the opportunity to purchase additional custom peer reports from Matthews, Young.

The County Cluster Report is a separate report of nonexempt job salaries for the county or counties you select, while the *Custom Peer Group Report* is a separate report comparing your

bank's pay data to the data submitted by select peers.

Order forms and pricing information for either of these additional reports are available on the Matthews, Young website at the link to the TBA survey. ■

Survey Support

If you have specific questions about the 2015 *TBA Salary and Benefits Surveys*, please contact one of the following:

Tennessee Bankers Association
Sharon Justice-McCray
615-244-4871, ext 101
or 800-964-5525
sjustice-mccray@TNBankers.org

Matthews, Young –
Management Consulting
Randy McGraw
919-644-6962, ext 1105
rmcgraw@matthewsyoung.com

Tim O'Rourke
919-644-6962, ext 1109
tim.orourke@matthewsyoung.com

Tennessee, Arkansas, Mississippi Bankers Associations Partner for Introduction to Commercial Lending

With the US economy experiencing a slower pace of activity, the most vulnerable loans are small business loans—loans that usually have minimum capital and high levels of debt. The appropriate response for commercial lenders is a heightened awareness of the credit-granting process to avoid excessive problem loans in the future.

To address this need, TBA is joining with the Arkansas and Mississippi bankers associations for *Introduction to Commercial Lending*. This program will be offered one date and one site only, June 25 at the Hilton Memphis Hotel. The instructor is Ron Rushing, president of Rushing Consulting Group, LLC.

Workshop Overview and Audience

In this full-day program, Rushing will cover the attributes of successful commercial lenders followed by basic analytical skills, including financial statement review, ratio analysis, cash flow analysis, loan structuring, writing an effective credit memorandum, and loan documentation.

The content was developed to benefit commercial lenders, credit officers, branch managers, credit analysts, consumer lenders, loan review officers, and compliance officers. Participation in TBA programs is limited to members and associate members or nonmembers from an eligible membership category.

Workshop participants will learn to:

- Identify the information required to make a financial assessment
- Review successfully a full set of financial statements
- Perform ratio analysis to determine liquidity, leverage, operating performance, etc

- Discuss related concepts of problem commercial real estate loans/collateral, MAI appraisals, leases, foreclosures, deficiency judgments, and other legal issues with commercial real estate transactions

- Complete a cash-flow statement
- Structure loans properly to match the financial requirements of the borrower
- Write an effective credit memorandum

Rushing will allow time in the day's agenda for questions and answers and provide participants with resources they can reference ongoing back in the workplace.

Hotel Information

The Hilton Memphis Hotel is holding a limited courtesy block of rooms on a first-come, first-served basis at a special group rate of \$119 per night.

Tuesday, May 26, is the deadline to reserve accommodations at the special group rate. When the allotted room block is sold, rates will return to standard prices on a space-available basis, even if it is before the May 26 cutoff.

To make reservations, contact the Hilton Memphis Hotel directly at 901-762-7408 and ask for the Tennessee Bankers Association program group rate.

Registration Information

Registration fees cover instruction, resource material, continental breakfast, refreshment breaks, and lunch.

Registrations received in the TBA office by the close of business on June 11 qualify for early registration fees of \$220 for members and \$440 for nonmembers. After June 11, fees increase to \$250 and \$470, respectively.

All day of program registrants will be assessed an additional \$50 late registration fee, so please register in advance.

Visit the TBA website at www.TN-Bankers.org/calendar and navigate



Program Instructor



Ron Rushing is president of Rushing Consulting Group, LLC, in Sparta, MO. He has served as a safety and sound-

ness examiner, as a commercial loan officer for a large commercial bank, and as director of loan review and internal audit for a large regional bank in southwest Missouri.

Rushing is a frequent speaker for state bankers associations on topics including credit risk management, cash flow/financial statement analysis, and loan documentation. He also teaches commercial lending and financial statement analysis for the Ozark Empire Center for Financial TrainingSM.

Rushing is a graduate of the Graduate School of Banking at Colorado, Boulder. ■

to June 25 and the *Introduction to Commercial Lending* page to register online or to download a copy of the program brochure containing complete program information and a printable registration form.

Contact Debbie Brickles—dbrickles@TNBankers.org—if you have questions about this program. ■



The Southeastern School of Banking I & II

Save \$200 when you apply by June 15

TBA is currently accepting applications for the 2015 sessions of *The Southeastern School of Banking*. The concurrent sessions of the two-year, resident school will be held July 19-24 at the Sadie Baskin Center on the campus of Belmont University in Nashville. Established in 1939, this summer TSSB celebrates its 75th year of developing the next generation of leaders in Tennessee banking.

TSSB is an intermediate-level, general banking school that many banks consider an essential tool in developing the next generation of leaders. The curriculum focuses on critical banking functions, their interrelationships, and determinants of profitability. Students develop analytical skills and management techniques along with an understanding of the commercial bank's role in the changing financial services industry.

Applicants to TSSB generally are career financial industry employees in higher-ranking staff or junior- to mid-management positions.

Curriculum

Over the two years, TSSB delivers over 70 hours of instruction through traditional lecture classes, home study projects, bank projects, and the Stanford Bank Management Simulation Game. The curriculum was developed in cooperation with the American Bankers Association, industry experts from around the country, and TSSB's board of trustees.

First-year classes include:

- Bank Financial Analysis
- Macroeconomics and the Banking System
- Asset and Liability Management
- Managing Liquidity and Capital Planning
- Investments

- Lending
- Business Planning
- Human Resources Management
- Sales in Financial Services
- Stanford Bank Management Simulation

Classes for second-year students are:

- Employee Skills—Managing Up the Organization
- Bank Fraud Overview
- Ethics in Banking
- Trust Services
- Technology in Banking

- The Changing Banking Environment/CEO Panel
- Credit and Credit Scoring
- Bank Security
- Management
- Stanford Bank Management Simulation

Each student receives a comprehensive manual covering all the course materials which serves as a study guide during the school and a reference back in the bank when practical issues arise.

Board of Trustees



Bo Blanken

President: Bo Blanken, Assistant Vice President, Citizens Bank and Trust Company of Grainger County, Rutledge

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Danielle Williams, Financial Center President, First Citizens National Bank, Newbern

2014 Graduates

Visit www.TNBankers.org/education/southeastern_schools for a link to the list of 2014 graduates.

Admission & Graduation Requirements

TSSB admission criteria require a college degree and two years of banking experience or a high school diploma and five years of banking experience. Applicants must also have a working knowledge and understanding of basic banking terms, concepts, and processes.

In addition, applicants must have completed either AIB or college courses in prescribed courses or demonstrate knowledge of the prerequisite work.

Participation in TSSB is limited to TBA members and associate members or nonmembers from an eligible membership category.

Class attendance is mandatory. In order to graduate, students must earn a passing grade on the final exam each of the two years and on two home study problems plus complete two bank projects.

Honors & Scholarships

Students graduating in the top 10 percent of the class will receive special recognition as honor graduates through a letter to their bank president, in a statewide press release, and coverage in *The Tennessee Banker*.

One outstanding graduate will receive a one-year scholarship to continue their banking education at the Graduate School of Banking at LSU.

A second scholarship, the Washington Conference Scholarship, is awarded to one deserving graduate of TSSB. This scholarship covers transportation, two-nights' lodging, and meals included with TBA's 2015 *Washington Conference*. Students must apply for the scholarship, and the chairman of TBA's Government Relations Committee and the TBA general counsel select the recipient.

Tuition & Housing

TSSB tuition covers instruction, housing, breakfast, lunch, and refreshment breaks each day. Evening meals are not covered.

School applications received in the TBA office by the close of business on June 15 qualify for discounted

Faculty First-Year Session

Tim Amos, Executive Vice President and General Counsel, Tennessee Bankers Association, Nashville, TN

T. Brian Bennett, Managing Director, Pierpoint Securities, Collierville, TN

Ronnie L. Boling, Financial Services Consultant, Brentwood, TN

Steven Goodman, Owner and President, TrainWorks, Nashville, TN

Sandra A. Lee, Vice President, Regions Bank, Nashville, TN

Sarah L. Meyerrose, President/CEO, Civic Bank, Nashville, TN

Karl Nelson, CEO, KPN Consulting, Roswell, GA

Thomas H. Payne, PhD, Dean, College of Business, Tennessee Technological University, Cookeville

James W. Wansley, PhD, Professor of Finance, Department Head/Clayton Homes Chair of Excellence in Finance, The University of Tennessee, Knoxville

Second-Year Session

Thomas Bates, Jr., President/COO, Legends Bank, Clarksville, TN

Ernie Froedge-Simms, Management Trainer/Consultant, C & T Seminars, Franklin, TN

Steven Goodman, Owner and President, TrainWorks, Nashville, TN

Christopher Holmes, President/CEO, FirstBank, Nashville, TN

David Kemp, President, Bankers Management, Inc, Atlanta, GA

Ray Powell, President, Consultraining Associates, Spanish Fort, AL

Kerry Sauley, PhD, Management Department, Louisiana State University, Baton Rouge, LA

Jimmy Sawyers, Partner, Sawyers & Jacobs, LLC, Collierville, TN

Debbie Small, President/CEO/Chairman, Community Bank & Trust, Ashland City, TN

Barry S. Thompson, Managing Partner, Thompson Consulting Group, Oswego, NY

Tom D. Vance, Senior Vice President/Senior Lending Officer, Pinnacle Financial Partners, Murfreesboro, TN

School Simulation

Director of School Simulation: Tammy Flanagan, Chief Lending Officer, Citizens National Bank, Athens, TN

First-Year Session

Team Leader: Sherrie King, Former Banker/Bank Consultant, Ringgold, GA

Assistant: Michelle Bing, Senior Vice President, Reelfoot Bank, Union City, TN

Instructors: Wes Farragut, Citizens National Bank, Sevierville, TN

Sherrie King, Former Banker/Bank Consultant, Ringgold, GA

Michael D. Griffith, Vice President/Business Banking and Development, Security Federal Savings Bank of McMinnville, McMinnville, TN

Second-Year Session

Team Leader: Marvin L. Price, Senior Vice President/Chief Financial Officer, Mountain Valley Bank, Dunlap, TN

Assistant: Sandy Woods Wilson, Assistant Vice President Loan Administration, FirstBank, Lexington, TN

Instructors: Marvin L. Price, Senior Vice President/Chief Financial Officer, Mountain Valley Bank, Dunlap, TN

Larry Roberts, Vice President, Pinnacle Bank, Ashland City, TN

Tracie Lomax, Branch Manager, CB&S Bank, Hohenwald, TN

tuition of \$1,500 for TBA members and associate members and \$1,700 for nonmembers. After June 15, standard tuition increases to \$1,700 for members and \$1,900 for nonmembers. Due to pre-school requirements, TBA cannot accept applications after June 25.

All students are required to stay at the Loews Vanderbilt Hotel. Tuition covers double rooms, with limited single rooms available for an additional \$500 fee through June 15 and \$600 after that date. TBA will make all hotel reservations.

Visit the TBA website, www.tnbankers.org/education/southeastern_schools, to register online or to download the brochure containing complete information about *The Southeastern School of Banking*, including a printable registration form.

If you have questions about TSSB, or any of the other Southeastern Schools, contact Susan Taylor, CMP, via e-mail to srtaylor@TNBankers.org or call 615-244-4871 or 800-964-5525. ■



Thank You to Our Conference Sponsors

Financial Products & Services, Inc, Nashville, TN

*Monday and Tuesday Receptions
and Tuesday Continental Breakfast*



**The Ross Group at Morgan Stanley
Wealth Management, Memphis, TN**
Tuesday Lunch

**The Ross Group
at Morgan Stanley**



HR Committee Chairman Bonnie Autry presided over the conference.



Becky McCrary spoke to the first-day general session on *Passion for Your Profession* and conducted a workshop focusing on change.



Eric Stevens presented tips on dealing with *The Toxic Employee*.



Kim Vance led an interactive workshop on identifying employment law issues and covered best practices for reducing legal risks.



Kara Shea's workshop focused on *Conducting Practical Workplace Investigations*.



Speakers kept the audience engaged by weaving humor into their presentations.



This year's HR Committee Chairman Bonnie Autry, right, received an engraved clock from Michelle Davis, the 2013-2014 chairman, in recognition of her service.



Stacie Caraway discussed "the good, the bad, and the ugly" of wellness programs.



Tony Swafford moderated the session on *Managing in a Toxic Environment*, featuring panelists Kara Shea, Tara Presnell, and Kim Vance.



Conference attendants were entertained by Louis Feurer's closing presentation on incorporating the Disney business model into your bank.





The Southeastern School of Advanced Commercial Lending

36 Bankers Graduate

TBA conducted the 2015 session of *The Southeastern School of Advanced Commercial Lending* earlier this year with 36 bankers, 26 from Tennessee and 10 from four surrounding states, completing requirements for graduation. Founded in 1994 to meet the continuing education needs of established commercial lenders, the Georgia, Louisiana, and Mississippi bankers associations co-sponsor the program.

TSSACL is an intensive program focusing on advanced cash flow and loan structure, commercial real estate lending, and new approaches to predicting portfolio credit performance and managing portfolio risk. The curriculum is equally beneficial for both community and holding company banks.

The bankers attending TSSACL are generally experienced commercial lenders, relationship managers, portfolio managers, senior credit managers, and others within the bank who are responsible for profitably growing the bank's loan portfolio and managing portfolio credit risk.

Curriculum and Instructors

Each day of the three-day school featured a different instructor and focus.

Day one was devoted to *Cash Flow Analysis and Loan Structure*. The instructor was John Cochran, principal and trainer with Cochran Associates, LLC. Cochran's banking career spanned over 35 years in various lending and senior management positions.

Michael E. Hendren took over instruction on day two of the school, focusing on *Commercial Real Estate Lending—Financing Income Producing Properties*. Hendren is the real estate senior credit officer at Pinnacle



John Barrickman



John Cochran



Michael Hendren

Board of Trustees



Truitt Ottinger

Chairman: Truitt Ottinger, Senior Vice President, Tennessee State Bank, Newport

Vice Chairman: Terry Eastwood, CEO, First Bank of Tennessee, Dayton



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Steven J. Hawkins, Executive Vice President, First Tennessee Bank, NA, Memphis

Mitch Higdon, Executive Vice President/Senior Credit Officer, First Citizens National Bank, Munford

David Miesner, Executive Vice President/Chief Lending Officer, Reelfoot Bank, Union City

Edward J. Gentry, Executive Vice President/Chief Lending Officer, Triumph Bank, Memphis

William M. Forbes, Market President/Commercial Team Leader, US Bank, NA, Knoxville

Kirk Goehring, Chief Lending Officer/Senior Vice President, First South Bank, Jackson

Bank in Nashville, where he is responsible for credit approval and portfolio management of residential and commercial real estate lending. His 30+ years of banking experience includes commercial lending, commercial real estate lending, and loan rehabilitation and workout.

The final day of the school covered two facets of lending—*New Approaches to Predicting Portfolio Credit Quality and Managing Portfolio Credit Risk* and *Improving Portfolio Profitability and Credit*

continued on page 94



The Southeastern School of Advanced Commercial Lending 2015 Graduates

Athens, TN	Citizens National Bank	Jason Housley
Athens, TN	SouthEast Bank	Matthew Mason
Brownsville, TN	First South Bank	Regen Thornton
Clarksville, TN	Legends Bank	Jason Fielder
Cleveland, MS	Mississippi Land Bank	Christopher Williams
Florence, AL	Progress Bank and Trust	Trent Jordan
Flowood, MS	Community Bank of Mississippi	Jessica Lane
Franklin, TN	Franklin Synergy Bank	Greg Wiel
Franklin, TN	The Bank of Nashville, A Div of Synovus	Carol Caldwell
Honaker, VA	New Peoples Bank	Tammy Herron
Johnson City, TN	TruPoint Bank	David Brown
Knoxville, TN	Pinnacle Bank	Heather McKinney
Knoxville, TN	SouthEast Bank	Mark Bryan
Lewisburg, TN	First National Bank of Pulaski	Elizabeth Jackson
McMinnville, TN	Citizens Tri-County Bank	Shane Brock
McMinnville, TN	The First National Bank of McMinnville	Amanda Norris
Murfreesboro, TN	The First National Bank of McMinnville	Stacy Vincent
Nashville, TN	First Tennessee Bank, NA	Joseph Kiel Redmond
Nashville, TN	First Tennessee Bank, NA	Stephen Sweeney
Nashville, TN	Pinnacle Bank	Richard Skeet Fleming
Portland, TN	The Farmers Bank	Drew Jennings
Portland, TN	The Farmers Bank	Justin Nipper
Portland, TN	The Farmers Bank	Josh White
Pulaski, TN	First National Bank of Pulaski	J. Read Crawford
Pulaski, TN	First National Bank of Pulaski	Russ Mitchell
Pulaski, TN	First National Bank of Pulaski	James Tompkins
Saltillo, MS	Mississippi Land Bank	Matthew Kimbrough
Savannah, TN	The Hardin County Bank	Derrick Whitten
Senatobia, MS	Mississippi Land Bank	Scott Crockett
Senatobia, MS	Mississippi Land Bank	John Taylor
Soddy Daisy, TN	Community National Bank	Jimmy Moncrief
Tullahoma, TN	Citizens Tri-County Bank	Wesley Fanning
Valdosta, GA	First Federal Savings and Loan Association	Solomon Foskey
Valdosta, GA	First Federal Savings and Loan Association	Nikki Rodgers
Valdosta, GA	First Federal Savings and Loan Association	Ryan Warren
Winchester, TN	Traders Bank	David Smith

The Southeastern School of Advanced Commercial Lending *continued*

Performance. John R. Barrickman, president of New Horizons Financial Group, LLC, took the lead on day three. Barrickman is also the lead instructor for *The Southeastern School of Commercial Lending*.

2016 Dates and Information

The 2016 session of *The Southeastern School of Advanced Commercial Lending* is scheduled for February 1-3 at the TBA Barrett Training Center in Nashville, TN, with brochures and application materials available in November of this year.

For additional information about TSSACL, or any of the three other Southeastern Schools, please visit our website, www.TNBankers.org, or contact Susan Taylor, CMP, via e-mail to srtaylor@TNBankers.org or call the TBA education department at 615-244-4871 or 800-964-5525. ■

2015 TSSACL Student Profile

General Profile Data

Tennessee	26
Alabama.....	1
Georgia.....	3
Mississippi	5
Virginia	1

Female.....	8
Male.....	28

Education (Highest Level Achieved)

High School	1
Some College.....	3
Associate Degree	2
Bachelor Degree	24
Graduate Degree	6

Year's of Bank Experience

Less than 1 year	1
1 – 5 years.....	7
6 – 10 years.....	12
11 – 20 years.....	14
20+ years.....	2

Commercial Lending Experience

Less than 1 year	3
1 – 5 years.....	14
6 – 10 years.....	12
11 – 20 years.....	7
20+ years.....	0

Size of Bank - Assets

Under 50 million	0
51 – 100 million.....	0
101 – 500 million.....	7
501 million – 1 billion.....	16
Over 1 billion.....	2
Other	11

Size of Bank's Loan Portfolio

Under 1 million	0
1 – 5 million.....	0
6 – 10 million.....	0
11 – 50 million.....	0
51 – 100 million.....	0
Over 100 million.....	25
Other	11



Students were able to network with their peers and build out-of-state connections at the opening night reception.

Bank Notes

Avenue Bank Expands Headquarters within Union Station

Avenue Bank has renewed its lease on office space in the Baggage Building of historic Union Station in downtown Nashville, expanding the bank's corporate headquarters, currently located within the building. To accommodate Avenue's growth, the lease renewal will provide for a major renovation of the structure, both inside and outside, designed to rehabilitate and preserve major elements of the building's historic façade while modernizing its use for the bank's expansion. The Avenue Bank lease renewal is the key to the final restoration of the building's main facades to their original historic aspect.

"Over the past eight years, Avenue has seen significant growth," explained **Andy Moats**, Avenue's executive vice president, chief credit officer, and bank group director, who has led the expansion effort. "We're excited to expand our walls with the Baggage Building and refresh our

current space as well. As we continue to grow our team and our offices, our goal is to embrace our city's history, making old Nashville new, rather than solely building a new Nashville."

"Today, the most distinctive and innovative office experiences take place in historic buildings. This era has come to Nashville, and Avenue is on the forefront of it," said Zach Liff with DZL Management Company, which owns the building.

The design will give Avenue Bank prominent placement along the side of the structure through updated signage and lighting. The new space will be used as offices for Avenue's growing commercial, mortgage, and private banking divisions.

"This is an exciting time at Avenue Bank," said **Ron Samuels**, CEO for the bank. "We're thrilled to be partnering with renowned companies right here in Nashville to make our dream for the space into a reality."

Pinnacle Financial Partners Earns Greenwich Excellence Award Five Years in a Row

For the fifth year in a row, **Pinnacle Financial Partners**, Nashville, has earned a 2014 *Greenwich Excellence Award* for client satisfaction in six categories from financial services research firm Greenwich Associates. Greenwich Associates evaluated more than 750 banks that serve small business and middle-market clients, including the largest 50 banks, by conducting interviews with 25,000 executives nationwide throughout 2014 to determine the award winners.

Only about five percent of the financial institutions evaluated were selected as significantly better than their peers. The banks selected had

a statistically significant proportion of "excellent" ratings relative to the overall mean.

Pinnacle received national and regional awards for overall satisfaction in small business banking and treasury management services. The firm also won national awards for relationship manager capability and likelihood to recommend.

"Winning five years in a row reflects our commitment to delivering distinctive and unparalleled service," said **Terry Turner**, Pinnacle's president and CEO. "I am incredibly proud of the service-focused culture we have built at Pinnacle and the resulting trust our clients place in us."

Lucian T. Pera, a partner at **Adams and Reese, LLP**, Memphis, was elected vice president of the Tennessee Bar Association and will become president in 2017.



Pera

Jay Leggett, Jr., city president for **Athens Federal Community Bank**, Cleveland, was named 2015 board chairman of the Better Business Bureau of Chattanooga. Leggett has served on the Chattanooga BBB board of directors since 2005.

BancorpSouth Bank, Memphis, has moved its current Wolfchase area branch to a new building four times its current size. The 625-square-foot bank was housed in a convenience store at Germantown Road and Highway 64. The new branch is in a 2,600-square-foot space. BancorpSouth Bank spokesman, **Randy Burchfield**, says the relocation will allow for a more traditional banking environment. "We look forward to serving not only our current customers in our new location but also attracting new business with the move," Burchfield said.

Sammy Stuard, chairman of **Clarksville's F&M Bank**, was among those present at the ribbon cutting to celebrate the grand opening of the bank's newest **Cookeville** office. Other dignitaries included Tennessee Department of Financial Institutions Commissioner Greg Gonzales, Cookeville-Putnam County Chamber President/CEO George Halford, Putnam County's County Executive Randy Porter, local bank employees, and members of the community.

continued on next page

Bank Notes *continued*

BankTennessee Opens New Munford Location

BankTennessee, Collierville, opened the door to its new location in Munford in March, announced **Bret Whitley**, the bank's tri-county president. "We are excited about moving to our new office. It's a great location, right on the corner of Highway 51, and will allow us to better serve the community," said Whitley. Located on a 1.12-acre site at 26 Munford Avenue, the new BankTennessee branch office is 3,267 square feet with an expandable second floor and mirrors the design of the BankTennessee office in Ripley.

Besides Whitley, **Renee Stanfield** serves as branch manager; **Deitra Clark**, as assistant branch manager; **Rebecca Johnson** as teller, customer service representative, and loan assistant; and **Carolyn Locke** and **Peggy Welch** as tellers. "We are pleased to have a local, experienced banking team serving the communities in Tipton, North Shelby, and Lauderdale County," said Whitley.

Frazier Allen, financial advisor with **Raymond James Financial Services**, independent of F&M Investment Services, a subsidiary of F&M Bank, Clarksville, was named a member of the Financial Services Institute, Washington, DC.

First Citizens National Bank, Dyersburg, was honored in February at the annual Chairman's Awards Banquet by Dyersburg/Dyer County Chamber of Commerce when the bank received the *Large Business of the Year* award. Just over 125 years old, FCNB employs 365 teammates. The bank's total assets increased more than 26 percent in 2014, and the customer satisfaction rating is 9.71 out of a possible 10. Bank employees, in Dyersburg and across the state, are involved in community service with over 9,000 hours of work donated to various charities and nonprofit organizations.

THDA Approves Bank of Tennessee, Carter County Bank as Affordable Mortgage Loan Originators

Bank of Tennessee, Kingsport, and Carter County Bank, a division of Bank of Tennessee, Elizabethton, have gained approval of the Tennessee Housing Development Agency as its newest originating agents for affordable mortgage loans for first-time and military home buyers. The new designation will allow Bank of Tennessee and Carter County Bank to begin originating mortgages immediately under the THDA GREAT Choice loan program. The Great Choice program offers qualified buyers a 30-year

mortgage with a low, fixed interest rate. For those needing down payment assistance, Great Choice Plus is available as a second loan, while military home buyers can receive an additional half-percent reduction in their interest rate through Great Choice's Home-ownership for the Brave initiative. THDA executive director **Ralph M. Perrey** said the addition of Bank of Tennessee and Carter County Bank will give more Tennessee families access to affordable housing.

Jeffrey D. Agee, president and chief executive officer of **First Citizens Bancshares, Inc.**, Dyersburg, was appointed to a three-year term on the Saint Louis Federal Community Depository Institutions Advisory Council, which meets twice a year to advise Saint Louis Fed President **James Bullard** on regional credit, banking, and economic conditions. Council members serve staggered terms and are senior executives of banks and thrift institutions across the Saint Louis Fed's Eighth District.



Agee

Alex Laine of **First Freedom Bank, Lebanon**, has earned his certified public accountant license from the Tennessee State Board of Accountancy. Laine is a credit administration officer/portfolio manager for the bank.

INSOUTH Bank, Brownsville, was awarded the *Business of the Year* award by the Brownsville-Haywood County Chamber of Commerce. The bank was established in 1869 and is one of the oldest businesses in Brownsville. As the panic of 1873 struck and closed the doors of some of the strongest businesses, the bank stood firm through the panics of 1873, 1883, and 1893. Later, the bank was one of the few never to close its doors during the Great Depression.

IBERIABANK, Memphis, has opened a new branch in the Medical Center location, 1296 Union Avenue, serving medical banking, private banking, and commercial and consumer clients and featuring a concierge-style atmosphere. **IBERIABANK** assistant vice president **M. Grant Harrison** will lead the new Medical Center office as branch manager.

Tracy Jones, first vice president and director of operations for **Mountain Commerce Bank, Erwin**, has received the annual *Stuart E. Wood, Jr. Memorial Award* for professional excellence and community involvement.

Tennessee State Bank, Pigeon Forge, honored **Robin Reagan**, senior vice president/community banking officer, as 2014 *Staff Member of the Year*. A TSB employee for 24 years, Reagan was selected by fellow employees and executive management to receive this award.

United Community Banks, Inc., Lenoir City, was recognized as one of America's best performing banks by *Forbes* magazine. It ranked 14th on the 2015 list that covered the largest 100 publicly traded banks in the nation.

Bank Notes *continued*

Wilson Bank & Trust Opens First Branch in Putnam County

It's been three years in the making, but in February it became official when **Randal Clemons**, CEO of **Wilson Bank & Trust, Lebanon**, was on hand to lead the ribbon-cutting and grand opening celebrations for the bank's new temporary branch location in **Cookeville**. Long-time local banker **Cheryl Sandlin** is serving as Putnam County president, and **Kelly Perdue** has been working out of his car for the past three years to provide loans and other services for commercial clients in the area.

"This is the first time we've gone out into a county that does not touch Wilson County," Clemons said. "We wanted to test the waters, and we found a need for a bank like ours to be here. We are proud to join the banking environment here in Cookeville."

This branch is WB&T's 26th office, covering seven other counties. Officials anticipate construction on the new permanent office to be complete early in 2016.

"We can serve the smallest customer to the largest commercial need," Clemons said. "We are very community-minded and look forward to serving customers in a professional manner."

William F. Goodman, III, and **Lela Hollabaugh**, both partners with **Bradley Arant Boult Cummings LLP, Nashville**, were listed in the *International Who's Who of Product Liability Defense Lawyers* 2015. ■

Promotions

Bank of Tennessee, Nashville, has added **Jason Loggins** as commercial relationship manager in **Williamson County** and **Heather Steele** as treasury management sales officer.

CB&S Bank has named **Justin Davis** and **Michael Barnes** vice presidents. With eight-plus years of banking experience, Davis is branch sales leader and loan officer of the **Adamsville** office. Barnes is the branch sales leader and loan officer of the **Selmer** office.

Citizens Bank of Blount County, Maryville, has promoted **Chad Hicks** to assistant vice president in the mortgage loan department; **Ron Lane** to assistant vice president/technology manager; and **Chase Boruff** to branch officer in **Alcoa**.

Citizens Bank, Johnson City, has added **Melissa Davis** as vice president, electronic banking manager, and **Rick Meadows** as associate vice president and promoted **Ben Sharrett** to branch manager for the **State Street** office in **Bristol**.

Davis comes to Citizens Bank with almost 20 years' experience in the financial services industry, having begun her career at **Boatmen's Bank** and most recently working as a business analyst at **Capital Bank, Greeneville**.

Meadows has more than 30 years of banking experience, with 20 years specifically in mortgage banking.

Citizens Community Bank, Winchester, has named **Greg Douglas** vice president. Douglas has 12 years' banking experience in mortgage, construction, and commercial lending.



Richardson



Wilson

Civic Bank and Trust, Nashville, has welcomed **Dave Richardson** and **Mary Bennie Wilson** as vice presidents and relationship managers of commercial banking.

Civis Bank, Rogersville, promoted **Brent Price**, an employee of 18 years, to branch manager and commercial lender for the **Church Hill** office.



Robinson



Wheeley



Golden



Harris

Jim Robinson was named president and chief executive officer at **Heritage Bank & Trust, Columbia**; **Brent Wheeley** was promoted to executive vice president; and **Shelli Golden**, senior vice president, assumed the duties of chief risk officer in addition to her role as compliance officer for the bank. In addition, **Craig Harris** was welcomed as executive vice president and chief lending officer.

continued on next page

Promotions continued



Dowdy



Payne

Community Bank & Trust, Ashland City, has welcomed **Alex Dowdy** as senior vice president and regional lender. In addition, the bank named **Sean Payne** vice president of credit administration and **James Bock** information technology officer.



Baker



Demastus



Goatz

Community First Bank & Trust, Columbia, has promoted **David Baker** to vice president and information security officer, **Karen Demastus** to vice president, and **Mark Goatz** to vice president. In addition, **Linda Grove** was promoted to assistant vice president, CRA officer.

First Tennessee Bank, NA, has named **Tony Thompson** president of its newest community bank market in **Columbia**. Previously, Thompson managed First Tennessee's commercial banking business for the Middle Tennessee region. With 30 years' financial industry experience with First Tennessee, Thompson has served as commercial banking manager in Knoxville, community president in Maryville, and commercial banking manager for Nashville.

In addition, First Tennessee named **Brent Byers** a senior vice president and business banking manager in Nashville and **Rick Webb** as senior vice president of commercial lending serving at the Main Office in Jackson. Webb began his career with First Tennessee but most recently was the community president of First State Bank.



Byers

Chuck Newell has been named president of **Farmers and Merchants Bank, Trezevant**.

InsBank, Nashville, has welcomed **Ellis Simmons** as senior vice president and relationship manager. Previously, Simmons served as senior vice president and commercial loan officer at Pinnacle Bank.



Dalton

Waller, Nashville, has added **J. Bryan Echols** as partner; **Brandy Schnautz Mann** as counsel; **A. J. Reed** as counsel; **Robert J. Welhoelter** as counsel; **Taylor J. Askew** as associate; **M. Andrew Cornwell** as associate; **Tyler N. Layne** as associate; **Nick Mann** as associate; **Daniel C. Patten** as associate; **Brittany R. Stancombe** as associate; and **Blake Lauren Walsh** as associate.

FirstBank, Lexington, promoted **Leigh Ann Maxwell** to financial center manager at its Memorial Boulevard location in **Murfreesboro**.

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Community Corner

Employees from community banks in the **Memphis** area, including **Bank of Bartlett**, **BankTennessee**, **Carroll Bank and Trust**, **The Hardin County Bank**, **Farmers & Merchants Bank**, **Financial Federal Bank**, **Metropolitan Bank**, **Paragon Bank**, **Patriot Bank**, **Reelfoot Bank**, **Planters Bank**, and **Triumph Bank**, stepped out of the office and headed to the bowling alley recently for Bank Bowl 2015. The event was presented by **Sawyers & Jacobs, LLC**, **Collierville**, and proceeds benefited **St Jude Children's Research Hospital**.

This inaugural fundraiser celebrated **Ethan Daniel**, the son of **Shane Daniel**, a **Sawyer & Jacobs** employee. Ethan is a **St Jude** patient about to complete his final chemo treatment.

The event reached its \$10,000 goal, and the money was donated to

St Jude at the fundraiser at **FunQuest Bowling Center** in **Collierville**.

Citizens Tri-County Bank, Pikeville, presented a \$5,000 check to the **Veterans Park** committee, becoming the project's second platinum donor. The money will be used to help construct the **Veterans Park**, located next to the **Bledsoe County Courthouse** on Main Street in **Pikeville**.

First South Bank, Bolivar, has donated \$1,000 to the **Hardeman County Imagination Library** for the 10th year. First South Community bank president **Larry Crawford**, vice president/branch manager **Lora Moore** joined vice president of **Hardeman County Imagination Library** **Monroe Woods**, and Representative **Cathy Mayfield** for the presentation.

Employees of **National Bank of Tennessee, Newport**, have made a \$500 donation to the **Newport Lions Club**.

US Bank Corporation Foundation has donated \$1,500 to **Main Street McMinnville**. **US Bank, McMinnville**, branch manager **Chase McGee** presented the contribution earlier this year to **Main Street McMinnville** co-directors **Paige Chastain** and **Brook Holmes**. The foundation was established to help nonprofit organizations in the priority areas of education, affordable housing, economic opportunity, and artistic and cultural enrichment.



In Fayetteville, members of **First National Bank of Pulaski's** student advisory board donated supplies and a \$290 check to the Humane Society of Fayetteville-Lincoln County.

US Bank Granting \$5,000 Scholarships through Bank Financial Genius Program

Demonstrating its commitment to financial education, **US Bank, NA**, has offered current and prospective college students the opportunity to earn a \$5,000 scholarship through the US Bank Financial Genius Scholarship Program. To participate, applicants are required to complete eight online learning modules that cover key concepts for building financial wellness.

"Financial education is essential in building healthy financial habits for life," said **Erica Opstad**, vice president and head of financial education at US Bank. "Last year, 15,000 students received critical financial education from US Bank, and 99 percent said they felt 'better prepared to make financial decisions.'"

The program will provide five students with \$5,000 to use toward any eligible two- or four-year educational institution. US Bank has provided more than \$500,000 in scholarships over the past 19 years. By incorporating financial education into the scholarship process, US Bank helps ensure students are successful both inside and outside of the classroom.

Students will complete online learning through Financial Genius for Life, which provides real-world skills and knowledge that everyone can benefit

from through TBA-endorsed partner **EverFi@Work**, a self-paced, online learning platform that covers key concepts for building financial literacy. The 15-minute courses will train and motivate students to make positive financial decisions by teaching fundamentals such as: how a credit score is calculated, the basics of overdraft coverage, and how to avoid identity theft, pay for college, refinance their mortgage, or start a small business.

The online application process is open until September 17, 2015, and winners will be announced in October.

Financial Genius is part of a year-long, multi-faceted program the bank is making available to college-age students through the US Bank Student Union. "The Student Union encompasses educational tools, interactive events, traditional and social media, thousands of student surveys and peer-to-peer feedback," said **Robyn Gilson**, vice president of multicultural strategy at US Bank. "We designed the program by listening to students. They feel uninformed on topics like credit, identity theft, or investments but are interested in learning. The potential for these students is truly unlimited, which is why we are committed to providing students with tools to improve their confidence and skills."

Craig Fitzhugh, chairman and CEO of the **Bank of Ripley**, recently presented **Halls High School** head football Coach **Chris Parker** with \$1,600 check for a "power rack" that will be added to the school's weight-lifting facility. The student-athletes and students in the wellness classes will benefit from the upgrades to the facility. "We were excited about this opportunity to help the football team, and ultimately the entire school," Fitzhugh said.

Carla Hinson, manager of **First Farmers and Merchants Bank, Centerville**, presented a \$500 donation to the **Hickman County Senior Citizens Center**.

Both **First Citizens National Bank** and **Security Bank, Dyersburg**, presented checks for \$1,040 each to the local **YMCA's** 2015 Youth Sports Sponsor Program. With the donation, each bank will sponsor four **YMCA** youth sports teams during 2015.

Peoples Bank of Bedford County, Shelbyville, hosted a luncheon to thank local electric utility workers for the hours they put in during the ice storms of February. Bank President **Mike Rittenberry** welcomed the workers. "We want you to know that we're here for you guys," Rittenberry said. "We thank you guys for being there for the whole community."

US Bank, Gallatin, presented the **Gallatin Senior Center, Gallatin**, with a \$750 donation in January from the US Bank Grant Foundation. Among those present for the ceremony were **Jennifer Perry**, assistant manager, and **Justin Hays**, Gallatin branch manager, for the bank.

continued on next page

Community Corner continued

SmartBank Donates Nearly \$25,000 to Friends of the Smoky Mountains and GSMA

Billy Carroll, president and CEO of SmartBank, Pigeon Forge, recently presented donation checks to Friends of the Smokies president, Jim Hart, and Great Smoky Mountains Association executive director, Terry Maddox.

Carroll stated, "It really is an honor to partner with Friends of the Smokies and the Great Smoky Mountains Association. The purpose of this donation is to help protect one of our area's greatest assets, the Great Smoky Mountains National Park, as well as benefit the organizations that work so hard to help promote, maintain, and preserve our mountains and the natural beauty that surrounds us."

Every time a SmartBank account holder uses their debit card for signature-based transactions, a donation is made to both organizations. In addition, SmartBank clients have the option to make additional contributions to Friends of the Smokies and GSMA through automatic deduction from their checking account. This year's combined donations for both organizations totaled almost \$25,000.

Kelley Fowler, first vice president, marketing, and public relations officer for SmartBank said, "We are thrilled with the donation totals this



L-R: Jim Hart, Friends of the Smokies; Terry Maddox, Great Smoky Mountains Association; Bill Carroll, chairman of SmartBank; and Billy Carroll, president and CEO of SmartBank.

year. It's been very exciting to watch the growth in numbers of the donation since we started this program in May of 2009. Since that time, we've been able to donate over \$97,000.00 to benefit the Great Smoky Mountains National Park."

Great Smoky Mountains Association Executive Director Terry Maddox said, "SmartBank can be assured this contribution to GSMA will be an investment in the preservation of Great Smoky

Mountains National Park and the future generations who cherish it."

"We are very grateful to SmartBank for creating such a meaningful and lasting way to demonstrate their great love for the Smokies. Their contributions to support Friends of the Smokies' work for the park are just another example of the sincere commitment to the communities they serve," said Friends of the Smokies president, Jim Hart.

Fifth Third Bank, Nashville, used its Financial Empowerment Mobile (eBus) to provide a variety of free financial service to the United Way Volunteer Income Tax Assistance (VITA) locations, including certified bankers ready to assist qualified residents with tax filing services through My Free Taxes.

"We are excited to be partners with the United Way again this year to bring the Fifth Third eBus to VITA locations

across Tennessee," stated Luis Parodi, Fifth Third Bank community and economic development manager. Parodi explained that the eBus has an abundance of free resources to help residents with a variety of important financial and career decisions. The 40-foot eBus is equipped with 12 computer stations and visits cities across the bank's footprint annually.

Fifth Third Bank partners with community-based organizations and community service agencies to offer free credit

reports, credit counseling, homebuyer education, loan default/home foreclosure prevention counseling, financial literacy classes, opportunities to open an account, and fraud awareness/prevention resources. In addition, to those who have an online bank account with Fifth Third, the eBus offers free job-search assistance through a partnership with NextJob, a nationwide firm focused on full employment in America. ■

Employment Opportunities

POSITIONS WANTED

1501-1 CLO, CCM

Experienced banker in both credit and lending. Credit risk certified (CRC) professional designation from The Risk Management Association (RMA). MBA from Tulane University. Seeking Middle Tennessee position in credit administration and/or commercial lending. Contact Thomas J. Kern by e-mail at kern@tulanealumni.net or by phone at 615-772-1822.

1405-2 SRO/CFO

Community bank executive with 15 years of experience as chief financial officer. Has MBA with super-regional bank training and community bank experience. Experienced in asset liability management, accounting, liquidity management, financial analysis, strategic planning, and budgeting. Contact Brian Hawkins via e-mail Brian.Hawkins2014@gmail.com or call 706-340-1078.

POSITIONS AVAILABLE

1505-3 PRESIDENT

A \$125 million bank located in Middle Tennessee is seeking to fill the position of president. The applicant must have a minimum of 10 years of experience in the banking industry and be willing to relocate. The president will be responsible for overseeing the staff and the daily operations of the bank, supervising the lending officers, aspiring to attain all financial goals of the bank, promoting business for the bank by maintaining good customer relations, and being involved in the community. President will ensure that all aspects of the bank's activities are commensurate with the best interests of the shareholders, customers, employees, and the public and will report to the board of directors. The president will 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. Please send responses to: ppowlas@TNBankers.org with "Employment 1505-3" in subject line or mail to #1505-3, c/o Penny Powlas, Tennessee Bankers Association, 211 Athens Way, Suite 100, Nashville, TN 37228.

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. At BKD, we offer the resources you need to go as far as your talent will take you. Build your skills focusing on specific industries and service areas while delivering unmatched client service to high-profile companies and organizations. Take a closer look at BKD, a stable, growing firm that offers you competitive compensation, people first benefits, and paid time off. Work with great people and experience rewarding career opportunities. Our approximately 2,250 CPAs, advisors, and dedicated staff serve clients in 50 states and internationally. 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. Experience the BKD difference for yourself. For more information about our firm locations, visit bkd.com. BKD, LLP, is an equal opportunity/affirmative action employer. Employment selection and related decisions are made without regard to age, race, color, sex, sexual orientation, national origin, religion, genetic information, disability, protected veteran status, or other protected classifications. Please apply on BKD's website via this link: <http://tinyurl.com/l3b2ayu>. Contact Krystal Bronson at kbronson@bkd.com with any questions. In addition to Nashville, this position is posted for BKD's Louisville, KY, and Evansville, IN, offices.

1504-19 BANK REGULATORY COMPLIANCE CONSULTANT

Take your career to the next level at a national CPA and advisory firm. At BKD, we offer the resources you need to go as far as your talent will take you. Build your skills focusing on specific industries and service areas while delivering unmatched client service to high-profile companies and organizations. Take a closer look at BKD, a stable, growing firm that offers you competitive compensation,

people first benefits, and paid time off. Work with great people and experience rewarding career opportunities. Our approximately 2,250 CPAs, advisors, and dedicated staff serve clients in 50 states and internationally. BKD is seeking a bank regulatory compliance consultant for the Nashville, TN, office. Must have knowledge of and experience working with federal banking regulations, such as truth-in-lending, RESPA, and equal credit opportunity. Job requirements include: evaluate banking clients for compliance with laws and regulations; interface with the senior management of our clients; write reports, including key findings and recommendations; participate in client meetings and executive presentations. Requires minimum 2+ years of experience working with banking regulations and bachelor's degree - certified regulatory compliance manager (CRCM) and/or certified anti-money laundering specialist (CAMS) a plus. Strong analytical, interpersonal, and organizational skills a must. Also requires ability to travel regionally to serve financial institution clients; excellent written and verbal communication skills; and proficiency with Microsoft applications—Word, Excel, and PowerPoint. Experience the BKD difference for yourself. For more information about our firm locations, visit bkd.com. BKD, LLP, is an equal opportunity/affirmative action employer. Employment selection and related decisions are made without regard to age, race, color, sex, sexual orientation, national origin, religion, genetic information, disability, protected veteran status, or other protected classifications. Please apply on BKD's website via this link: <http://tinyurl.com/qeotb42>. Contact Krystal Bronson at kbronson@bkd.com with any questions. In addition to Nashville, this position is posted for BKD's Louisville, KY; Dallas, TX; Houston, TX; San Antonio, TX; Oklahoma City, OK; and Denver, CO, offices.

1504-18 CLIENT MARKETING MANAGER

Affinion Group is seeking a client marketing manager who will be charged with efficiently managing direct mail marketing campaigns, operational workflow, and partner expectations. The successful manager will lead and manage his/her team to ensure high client and customer satisfaction, work quality, and overall profitability while also providing direction, leadership, and professional development for their direct reports. To find out more about Affinion Group, please feel free to visit our website at: <http://www.affiniogroup.com/>. All applicants can apply directly at <https://xjobs.brassring.com/TGWebHost/jobdetails.aspx?partnerid=26027&siteid=5343&AReq=438BR>.

1504-17 TELLER

Tennessee Bank & Trust is seeking a teller for our Green Hills location. Receives and pays out money and keeps records of money and negotiable instruments involved in financial transactions. Essential duties and responsibilities include the following—other duties may be assigned: receives checks and cash for deposit, verifies amount, and examines checks for endorsements; cashes checks and pays out money after verification of signatures and customer balances; enters customers' transactions into Premier Teller System to record transactions and issues receipts; balance ATM daily; buy and sell cash from and to vault; orders daily supply of cash and counts incoming cash; balances cash drawer daily; sells money orders, cashier's checks, and traveler's checks; credit card cash advances; process night deposits daily; refers customers to line of business partners; accepts loan payments; processes payments for o/d repayments; assists in opening and closing vault each day. Requires

continued on next page

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

Employment continued

college degree or high school graduate, good English communications skills, general math ability, and ability to deal with the public. Teller training preferred. Work is an office type setting with a professional atmosphere and environmentally controlled. Surveillance cameras are used for safety. Please send all resumes to employment@tennbank.com. Tennessee Bank & Trust is an Equal Opportunity Employer.

1504-11 COMMERCIAL LENDER

A Knoxville-based community bank is seeking a commercial lender. This position develops and maintains new commercial loan business in the market area. Retains and strengthens current relationships while seeking to develop new business through various channels such as cross-sales and working referrals. The incumbent will analyze applicant's credit history and loan repayment capability. Negotiates credit terms, such as loan repayment methods and collateral specifications. Actively participates in local business and community events. Candidates should have bachelor's degree in business, finance, or related field or equivalent experience plus 5 years' previous commercial lending experience. Proven track record of managing relationships and developing new business. Knowledge of lending policies, procedures, and regulations. Strong financial analysis abilities, solid credit administration skills, excellent communication skills, and sales ability a must. Qualified candidates can e-mail their resume to ppowlas@TNBankers.org with "Employment 1504-11" in subject line. EOE. M/F/D/V

1504-7 RECEPTIONIST

Tennessee Bank & Trust is seeking a receptionist for our Cool Springs location. Duties & responsibilities include the following—other duties may be assigned: answer incoming calls and direct to proper person/department; greet and provide information to banking customers, potential customers, and guests; make a good first impression on all guests entering the bank—must be friendly and professional; ensure customers/guests are comfortable, offer coffee or water; monitor access to the building; direct customers to the appropriate person or call the department to let them know a guest is waiting; receive and sort mail, overnight deliveries, shipments, etc; send faxes, FedEx, and UPS when asked; unlock & lock all bank doors at opening and closing of business day; ensure postage meter has money on it; assist bank officers as needed in filing, typing, etc; reorder supplies when needed. Must have high school education, basic math skills, effective communication skills, computer experience in word and excel, and cross-selling skills. Qualified applicants please send resumes to employment@tennbank.com.

1504-4 AVP/BRANCH SALES AND SERVICE MANAGER

Serves as a sales and service coach. Primary responsibilities include driving branch deposit, loan, investment, and customer-service performance level results. Directs, leads, and executes a plan for achieving these results through superior sales and service behaviors and activities by entire branch team. Conducts regular sales meetings and coordinates strategy with regional manager. Responsible for selection, retention, and development of top retail sales and service talent and preparation and conducting of timely performance reviews. Responsible for ensuring that all business transactions and practices are in compliance with legal and regulatory requirements, as well as with HomeTrust Bank policy. Specific job functions: drives branch performance results to meet/exceed branch sales/service goals; manages CSR staff and teller supervisor directly and teller staff in conjunction with the teller supervisor; works in collaboration with retail management in establishing branch and individual sales and service goals; coordinates and/or conducts regular branch sales and service meetings; coaches branch staff on sales and service behaviors/techniques; acts as a sales/service resource for branch

associates; coordinates and reviews branch sales reports showing weekly/monthly sales and service performance for the branch and individuals; develops and implements strategies and tactics to market banking services; works with branch staff to meet sales/service objectives; responds to inquiries concerning customer service needs; cross-sells and refers financial institution products and services as appropriate. Knowledge/skills required: skilled sales/service leader with thorough knowledge of the sales/service process; proven developer of sales/service teams; thorough knowledge of all HomeTrust retail consumer products and services; knowledge of loan and deposit processing functions and related requirements and procedures; excellent attention to detail, organizational, and communications skills; successful completion, as required, of in-house training programs, if available, or approved outside training programs—complete as required due to previous experience, HTB teller and CSR training programs within 2 years of accepting position and HTB coaching training program within 1 year of accepting position. Physical and mental qualifications include: ability to understand and use bank policies and procedures to support positive customer interactions; ability to communicate in a positive and effective manner in one-on-one and in small-group meetings or presentations; ability to listen to and/or convey detailed or important instructions or ideas accurately and quickly; ability to think and act independently within guidelines and limitations of bank policy and assigned personal authority. Personal traits: presents a professional, business-like manner and appearance; sales and service aptitude and ability; earns quick credibility; excellent skills at building and maintaining relationships; coach/mentor/developer of others; highly developed communication and presentation skills; ability to resolve customer concerns/issues in a positive way; focus/desire to serve customer needs and provide excellent customer service. Requires high school diploma or equivalent; 3 to 5 years of experience in sales and service leadership roles. Financial industry experience with loan, deposit, or fee-based products preferred but not required. Above average computer and keyboard skills. Ability to use applicable software and operate branch automation systems. Ability to operate standard office equipment such as PCs, fax, scanner, etc. Qualified applicants should apply online at <http://chj.tbe.taleo.net/chj01/ats/careers/requisition.jsp?org=HOMETRUSTBANKING&cus=1&rid=739>. For additional information, contact Sara Phillips at 828-350-4804, sara.phillips@hometrustbanking.com. EOE: Minorities/Women/Protected Veterans/Individuals with Disabilities

1504-3 COMMERCIAL RELATIONSHIP MANAGER

Primary responsibilities include active business development, origination of business real estate and other bank loan products, and meeting broad business banking needs through effective relationship building. Incumbent develops customer relationships, making sure they acquire loan, deposit, and other banking products appropriate to their circumstances. Assesses with customer the best options for the customer's needs and initiates appropriate action. Analyzes the prospective client's financial statements, counsels client on credit record or other concerns, and assists in determining initial qualification of loan program. This position is expected to source a minimum of 75% of business from outside. High level of personal monthly loan production, spending approximately 60% to 70% of time outside of office engaged in business development and consultation activities with clients, builders, business owners, and other referral sources. Qualifications include: Four-year degree in business, finance, or related field. Demonstrated knowledge of bank policies, procedures, and lending practices. Thorough knowledge of all bank business lending and deposit products. Demonstrated knowledge of credit analysis functions and related requirements and procedures. Successful completion of bank training program(s) for lending—depending on experience and background as a lender. Familiarity with all HomeTrust retail products and services. Requires 2-5 years' experience as a business lender; prefer 7-10 years. Demonstrated record achieving goals. Must be

bondable. Demonstrated ability to understand and use bank loan policies and procedures to support positive customer interactions. Familiarity with all federal and state banking regulations pertaining to lending and consumer compliance, including fair lending laws. Must have competent computer skills using office and banking applications. Valid driver's license required. Presents a professional, business-like manner and appearance. Sales and service aptitude and ability. Earns quick credibility. Outgoing nature with excellent skills at building and maintaining relationships. Highly developed communication and presentation skills. Ability to resolve customer concerns/issues in a positive way. Effective team member and demonstrated collaboration skills. Technically savvy and efficient in completion of work. Ability to communicate effectively with customers, staff, and the general public in a positive, problem-solving manner. Ability to listen to and convey accurately and quickly, detailed information, important instructions, and/or ideas. Ability to think and act independently within guidelines and limitations of bank policy and assigned personal authority. Skilled professional networker. Excellent attention to detail. Proficient written and verbal communications skills. Demonstrated by effective business relationships and production. Qualified applicants should apply online at <http://chj.tbe.taleo.net/chj01/ats/careers/requisition.jsp?org=HOMETRUSTBANKING&cus=1&rid=739>. For additional information, contact Sara Phillips at 828-350-4804, sara.phillips@hometrustbanking.com. EOE: Minorities/Women/Protected Veterans/Individuals with Disabilities

1504-2 LOAN PROCESSOR II

Tennessee Bank & Trust is seeking a Loan Processor II for our Cool Springs location. Duties will include but not limited to the following: assist customers as required; review and prepare loan package and documentation following underwriting guidelines, policies, and compliance guidelines; analyze title report to determine issues and any present or potential risk; order credit reports and flood certifications; review all loan files from Green Hills to ensure fully documented and compliant. Perform dual control by checking the bank's servicing system new loan maintenance reports to confirm information on the system represents the signed documents and accurate loan data. Update loan system software when needed to support loan products and compliance issues/changes. Process payments, draw, loan funding, construction draws, wires. Prepare loan documentation file and credit files. File and scan documents to appropriate loan/credit files—including new files reviewed from Green Hills. Ensure all title issues are met and that loan is properly recorded. Update tickler system to note funding activities, interest rate settings and billings, insurance, recorded documents, title policies, UCCs, and financial statements/tax returns to reflect new or completed items. Assist in loan closings. Participate in monthly scrub HMDA LAR for branches, ensuring data is reported accurately and timely. Continually participate in regulatory compliance seminars to ensure that the bank stays in compliance. To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. Requires demonstrated ability to interact constructively and effectively with all constituencies; demonstrated skill in establishing work priorities, organizing work, and meeting deadlines. Must be capable of working under time constraints and handling a variety of duties. Requires technical knowledge and proficient utilization of the bank's lending software programs and demonstrated ability to deal with basic problems. Bachelor's degree in business, finance, or related field or equivalent work experience. Good English communications skills required. Work environment is an office type setting in the main bank or branch bank. It is a professional atmosphere and environmentally controlled. Prospective candidates send resume to employment@tennbank.com. Tennessee Bank & Trust is an Equal Opportunity Employer. ■

Professional Development Calendar

May 17–22

The Southeastern School of Commercial Lending

TBA Barrett Training Center, Nashville

June 7–9

125th TBA Annual Meeting

The Greenbrier,
White Sulphur Springs, WV

June 23 -

Rescheduled from April 23

2014-2015 Senior Compliance Officer Forums – Session 3 of 4

TBA Barrett Training Center, Nashville

June 24, 25, 26

CFO/Controller Forums – Session 2 of 3

TBA Gilliam Board Room, Nashville

June 25

Branch Management Series – Session 2 of 4

TBA Barrett Training Center, Nashville

June 25

NEW Introduction to Commercial Lending

Hilton Memphis Hotel, Memphis

July 14, 15

Workshop for Loan Assistants and Loan Processors

Knoxville, Nashville

July 16

NEW Secured Lending: Protecting the Bank's Security Interest

TBA Barrett Training Center, Nashville

July 16

2014-2015 Senior Human Resources Forums – Session 3 of 3

TBA Barrett Training Center, Nashville

July 17

IT/Operations/Information Security Officer Forums – Session 2 of 3

TBA Barrett Training Center, Nashville

July 19–24, Concurrent Sessions

The Southeastern School of Banking I & II

Belmont University, Nashville

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

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.

Promotions continued

Wilson Bank & Trust, Smithville, has announced the promotion of **Chad Colwell** to branch manager following the transition of **Gentry Barnes** to semi-retired status. Colwell, previously the assistant manager, has worked in banking for 19 years with more than 13 of those years spent with Wilson Bank. Barnes moved into a part-time lending role after serving as county president and branch manager since 2001.

FirstBank, Knoxville, has named **Staci Wilkerson** commercial relationship manager and vice president.

F&M Bank, Cookeville, has promoted veteran banker **Randy Dalton** to vice president and commercial lender and added **Brad Edwards** as vice president and commercial lender.



Dalton

FirstBank, Nashville, has welcomed **Mandy Thomas** as executive assistant to provide administrative support and assistance to the bank's executive management.

Tom Hayes has joined the Brentwood office of **First Community Mortgage** as a branch manager and loan originator, and **Sam Martin** was named a branch manager. Hayes was previously regional vice president/community division for US Bank, while Martin served as a lending manager at J P Morgan Chase.

First Freedom Bank, Lebanon, has welcomed **Jennifer Henderson** as a personal banker in the Mount Juliet office. Previously, Henderson spent nine years at Wilson Bank & Trust, working as a personal banker and loan processor.



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