



BANKNOTES

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JENN'S CORNER

Composure Matters: Handling Surprises with Grace

by Jennifer Griffith, Regional President



My family recently returned from breakfast at the DK Diner in Grandview and found three guinea pig babies that weren't there when we left! It turns out

that what we thought we bought at the pet store (two girl guinea pigs which my daughter Morgan named Autumn and Cookie) apparently was not what we received! Morgan has since changed Cookie's name to Tony.

Professionally, we typically don't receive surprises with the same level of enthusiasm as a 13 year old girl with a growing family of guinea pigs. Instead, an office surprise might be received with the dramatic flair of a toddler losing their lollipop.

When was the last time you were surprised? Are you proud of how you handled it?

Remember that teammates will take cues from you and your executive leadership team. Your composure matters. As a leadership competency, think of composure as the ability to respond constructively to emotional situations. Leaders with this skill offer a balanced and calming influence to a team working through a potential crisis or an unwelcomed surprise. They are often respected for their ability to resist frustration in the face of obstacles.

Surprises can occur when we are least expecting them. They can come in any form at any time, both personally or professionally. The next time you are faced with a surprise, be it personally with surprise guinea pigs or professionally, be mindful of how you respond. You set the tone! 🏠

Are You Receiving Our Marketing Emails?

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

Questions or comments about BankNotes?
Contact Cameo Stewart at (614) 583-2166.

CNB Named One of the Best Employers in Ohio for 2014

For the fourth year in a row, Commerce National Bank was recently named as one of the Best Employers in Ohio in 2014. The annual list of the Best Employers in Ohio was created by the Ohio SHRM State Council and Best Companies Group.

This statewide survey and awards program is designed to identify, recognize and honor the best places of employment in Ohio, benefiting the state's economy, its workforce and businesses. The 2014 Best Employers in Ohio list is made up of 40 companies.

We are an exceptional team and should all share in the pride of our success at CNB! 🏠



CONTACT INFO

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

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

Fax

614-583-2201

ACH

**Business Online Banking
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David Benjamin

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Mindy Beck

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TO RENT OR NOT TO RENT?

Home Buying This Spring

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



Spring is here and so is the home buying season. We have added a new member to our Mortgage Lending team to help meet your home buying needs. Kyle Dynes (NMLS UI#223558)

has been in home lending for 13 years and is an expert when it comes to customizing our products to meet customers needs. Please join me in welcoming Kyle to our team.

Many of our customers will ask themselves this spring if they should buy a new house or continue to rent? The decision to buy or rent depends on your current financial situation, your future plans, and the lifestyle you want to live. Both options have pros and cons. The following is a list of just a few:

Buying may make sense if you:

- Have reliable income, good credit and documentation to verify your savings.
- Can afford at least a five percent down payment and related closing costs.
- Want a chance to build equity and be eligible for homeowner tax breaks and credits.
- Are financially able to take on home maintenance and home improvement projects.

- Have an adequate cash reserve to withstand a loss of job, long-term illness, or other financial setback.
- Are planning on staying in your home for at least four years.

Renting may make sense if you:

- Have a career or lifestyle that requires you to move frequently or suddenly.
- Prefer having a set monthly budget and cannot afford unforeseen home maintenance expenses.
- Do not have the time or desire for home maintenance and improvements.
- Plan on downsizing your living space or retiring in the near future.
- Are experiencing a financial setback and/or rebuilding your credit.

If you are unsure if you would like to buy or rent, please talk to Kyle or myself to go over all the options. We can put together a customized home buying plan and make sure you understand the home buying process from start to finish.

CNB has every product necessary to make your home buying dreams come true. Many of our customers desire customized lending specific to their needs and we will work to meet those needs. If the loan makes sense, we will find a way to get it done.

Questions? Please contact me at 614-583-2148 or Kyle Dynes at 614-583-2140. 🏠

HOME EQUITY LINE OF CREDIT

Features and Benefits

by Lisa Higginbotham, Business Banking Services Manager



Have you met our pal, Mr. HELOC? Well, Mr. HELOC is affectionately known as our Home Equity Line of Credit guy and he has many features that you can benefit from. While incurring additional debt may not seem like a wise financial decision on the surface, home equity lines of credit offer a variety of financial benefits for homeowners.

Some of us consider our homes to be one of our most prized and valued assets. The equity in your home can serve as a catalyst for a brighter future, while it allows you to borrow against your home's equity. For example, these funds can be used to make key purchases like a new deck, a kitchen remodel, a new car, or even a sunny vacation. On the other hand, you, as the

homeowner, may prefer to utilize the funds to pay off other high interest rate debts. Debt consolidation can free up your monthly disposable income allowing for more deposits to be made into your savings or retirement accounts.

The biggest benefit of a HELOC may be the low interest rates. The rates are often much lower than those charged by credit card companies and short-term personal loan providers. By using a HELOC to pay off higher-interest debts, you can pay off the debt on your own terms without struggling to keep up with rising interest charges.

A home equity line of credit lets you borrow up to a certain limit, and when you pay down the credit line, you can use the credit again as you need it, offering flexibility in how you spend your money. In fact, some may never have to draw on their line of credit. It can be used as a form of financial protection, knowing that Mr. HELOC is available in case of emergencies, such as roof repairs or car expenses.

Mr. HELOC may also provide tax benefits. The interest you pay on a HELOC may be tax deductible. Please consult your tax advisor for details. Other forms of revolving credit, such as credit cards, don't allow you to receive

a tax break on your interest charges.

Although making payments against charges on your home equity line of credit is essential to paying down the balance, CNB does not require you to pay on the principal each month. This is beneficial if you are budgeting because you can opt to pay only the interest charges. This is just one of the many features of the Commerce National Bank HELOC, along with no closing costs.

If you think our HELOC is the product for you, call your trusted lending expert today at 614-583-2200! 🏠

HOME EQUITY LINE OF CREDIT



Consolidate your debt with a low-interest HELOC.



Consult a lending expert today!

Bring your credit report to our trusted lending experts today and they'll guide you to a smart borrowing solution that helps you enjoy more financial freedom in the new year.

For a free credit report, visit: AnnualCreditReport.com

More Choice. MORE FREEDOM.

That's a resolution we'll help you keep with a low-interest HELOC.

Give your finances a fresh start in 2014! Consolidate debt with the option to pay down the principal at your own pace using an affordable home equity line of credit (HELOC).



FIRSTMERCHANTS.COM

(800) 205-3464



HELOC-DRCTML-199-0214

Until the maturity date of the HELOC, you may advance available funds during the draw period. You will make 119 regular payments which equals the amount of your accrued finance charges, or \$100.00, whichever is greater. At maturity, any balance will be owed in a single balloon payment, or applied to a HELOC renewal.

THE STRENGTH OF BIG. THE SERVICE OF SMALL.



* The promotional rate will revert to the Prime Lending rate after 6 months. Home Equity Line of Credit rates are variable and subject to change based on fluctuations in the Wall Street Journal Prime Rate. Maximum 25% APR. Homeowners insurance required. Offer valid on applications received on or before 4/30/14, for credit scores 680 and above, for new HELOC or with an increase on existing HELOC of \$5,000 or more with maximum combined loan to value of 80%. \$75 annual fee is waived the first year. Normal credit underwriting standards apply.

In Economic Models Explains Today's Policies

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



Folks who write about research for a popular audience naturally tend to simplify some of the elements. This is not “dumbing down” the discussion, but rather it is allowing someone without technical training in an area to understand just what those with that training are thinking. For example, when your physician gives you a helpful tip on wellness, she doesn’t dig into cell biology. That doesn’t make the insight wrong, merely simplified. Still, there’s always a danger in this and one of the worst in economics is how we think about economic growth and government stimulus.

In most AP high school or introductory college economics classes, we learn about something called Gross Domestic Product. We learn that this GDP is the sum of consumer spending, investment by businesses, government spending and the net trade balance (exports minus imports). This is true enough, and it sets up the next lesson, which is a basic model of the overall, or macroeconomy. In this very simple model, GDP gets larger if there is an increase in consumption, investment, government spending or the net trade balance.

This model is a superb way to teach the fundamentals of model building to students, so it is a great didactic tool. It can also be comforting because, like all models, it abstracts difficult ideas into digestible little pieces. Moreover, understanding economic growth this way sounds reasonable, after all, we hear news reporters talk about consumer demand, exports, imports and business investment.

If our economic education stopped there, we’d have a nice, neat and easily understood model of the economy with which to go about understanding the world. There’s just one little problem; no economists have ever used this model to explain economic growth.

A very long time ago, economists used this approach to model how a sudden drop in investment or consumption could be remedied by government stimulus. An astute reader should recognize this as the Keynesian explanation for the New Deal. But economists never used this to explain long term growth. What is more, economists long ago rejected this model as a way to explain how stimulus might work to pull an economy out of recession.

These assertions might prompt the question: why is it that economics rejected such a model? Well, it is not that it is too simple, simple is good. Nor is it due to fashion, as this remains a fashionable model among policymakers who are innocent of economics. The reason economists rejected this model is the plain old fashioned scientific method. Over and over, efforts to test the model against real data proved it false. So it was rejected and replaced by a model which has survived nearly a half century of empirical challenges.

The new model, not coincidentally named the new Keynesian model suggests that a government stimulus might work, to temporarily boost consumption or investment, just like the old Keynesian model does. But a very different mechanism is at work. The new model requires businesses and households to adjust their buying because of expected inflation.

This is an important distinction because it draws a deep difference between the ways government stimulus can improve the economy. This motivates some of the seemingly innocent fraud economists deploy in arguing for more stimulus. Only I believe this is really just dumbing down the debate.

Government stimulus, either through spending or through monetary policy has many ways of affecting the economy. New bridges or roads might be built, and the cost of investing in new business equipment might drop. Understanding these things have merit and are much studied.

However, I believe the push for a big stimulus by Paul Krugman, Larry Summers and others has been explicitly designed to increase the chance the economy will experience an inflationary period. In the models they and I use to understand the economy, only increased expectations will boost consumer and business purchases, and move us out of a recession.

At issue here is not some arcane modeling debate or the modern equivalent of mediaeval scholastics pontificating on the number of angels who could fit on the head of a pin. At issue is the role inflation will play in policy efforts in the coming months and years. Government spending, which continues at near record pace is aiming to push inflation. The Fed today is explicitly following a path in which expansionary monetary policy is pushing towards inflation. That is the goal of policy today, even if it is not mentioned in polite company.

It should be clear that not all economists believe that this model explains the macroeconomy as well as it should. For that and other reasons, many of us believe that continued stimulus of the economy is either bad policy now, or should be seriously curtailed in the coming months. Still, no matter what we believe, there are no serious economists around today that accept the old Keynesian explanation of what a stimulus does for the economy.

In the coming months, these economic models will be put to a rigorous test. If the economy begins to rebound without inflation, then the new Keynesian model will require some significant re-examination. If the economy experiences inflation without some at least short term employment growth, then too the new Keynesian model will need work. I personally expect modest inflation and modest growth will come together.

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

5TH ANNUAL RECYCLE-O-RAMA & EARTH DAY CELEBRATION

TUESDAY, APRIL 22, 2014
11:00 AM - 2:00 PM



Commerce National Bank
A Division of First Merchants Bank, N.A.



3650 Olentangy River Road Columbus, OH 43214

The **5TH ANNUAL RECYCLE-O-RAMA** will again be a spring event at Commerce National Bank. We will continue the “drive-thru” process so you don’t have to carry boxes across the parking lot. *Please note the 5 box limit on Shred-It materials.* After depositing your recycle items, grab lunch from the **Leslie’s Creperie** food truck. A portion of all lunch proceeds will go to the Mid-Ohio Foodbank.

Commerce National Bank is committed to finding **green** solutions in a business environment. We are pleased to offer our clients the opportunity to recycle old electronics, contribute to area schools and dispose of paper documents and maintain security of information through shredding.

Questions? Please call Cameo Stewart at 614-583-2166



Is Your Mobile Device Secure?

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

Before we start this article, let's figure out what a mobile device is. Is it a smart phone? Is it a tablet? A "phablet" (those big phones that are the size of a mini tablet)? A smart watch? Yes and more. For the purpose of this article and your security, whenever you hear someone talk about a mobile device, just assume it is anything you carry around with you or wear. As the tech companies come up with more mobile products designed to separate us from our money because we just have to have it, we will add more items to our running list of mobile devices.

Back to the question posed in the title of this article; Is your mobile device secure? The answer, as with most technology is, "It depends". What does it depend on? It depends on the brand and OS to an extent, but the biggest factor is you, the owner, and whether you have secure habits. Almost everyone is familiar with the secure habits we need to have on our desktop and laptop computers (although we still like to click on those phishing e-mails), but many are still under the mistaken belief that mobile devices are inherently secure and nothing more than buying it and using it is needed.

Here is why that belief is wrong as reported by various sources (Gartner, Nielson Digital Consumer Report, Gizmodo, Techspot):

1. By 2017, tablets are expected to outsell traditional desktop and laptops combined.
2. 65% of U.S. citizens owned a smartphone in 2013 making them more common than game consoles and digital cable TV.
3. U.S. citizens spend an average of 34 hours per month using mobile apps and mobile web browsers versus 27 hours per month online using a tradition computer.
4. In August, 2013, the world's largest PC maker, Lenovo, revealed that it sells more smartphones and tablets than computers.

What do increased sales and usage have to do with security? The bad guys know what you are using and adapt their methods as needed.



The legend says that the famous bank robber, Willie Sutton, said he robbed banks "because that's where the money is."

The cyber criminals are attacking our mobile devices because that is where our information (and ultimately our money) is. Is there any support for that?

1. McAfee's 2014 Threats Predictions states that in 2013, the growth in mobile malware was far greater than the growth rate in PC's. New Android malware samples grew by 33%. They expect the growth to continue in 2014 along with other creative theft attempts such as ransomware and attacks on enterprise networks via "bring your own device" programs in companies.
2. Apple just had to patch a serious security flaw in its mobile devices and MAC computers that could allow hackers to intercept e-mails and other communications that were meant to be encrypted. If you have not updated your Apple device, you may have a security issue.

The first step to being secure with a mobile device is to realize that all these products are just computers in a different form. That smartphone is a computer that happens to be able to make phone calls. That tablet is a computer that happens to be portable with a touch screen. You must follow secure practices to protect yourself in a world where you are always connected.

The list below is a place to start with best practices. :

1. Only use official app stores such as iTunes, Google Play, and Apps for Windows by Microsoft. Using unknown and unofficial app stores runs the risk of installing unsafe apps that infect your device.
2. Don't let people borrow your device...even to just make a phone call.
3. Don't click on links or open attachments on unexpected e-mails and texts. Train yourself to stop wondering about an unexpected text or e-mail and just delete them.
4. Password protect your mobile device to stop someone from picking it up and using it or stealing your information.
5. Be aware of your surroundings. Don't use your mobile device for sensitive practices such as banking or shopping when in a crowd of people that can look over your shoulder.
6. Don't use unsecured public Wi-Fi for sensitive practices.
7. Install anti-virus on your mobile device.
8. Update your device and apps regularly.
9. Use a remote wipe service in case of loss or theft. Let your bank know right away if you change numbers or lose your device.
10. Log out completely after using mobile banking.
11. If you are a business, implement a mobile device management software and policy for employees that access company information via their mobile device.

Keep in mind that this list is primarily for your personal behavior and any enterprise mobile device strategy would include these but go much further in order to protect the companies assets.

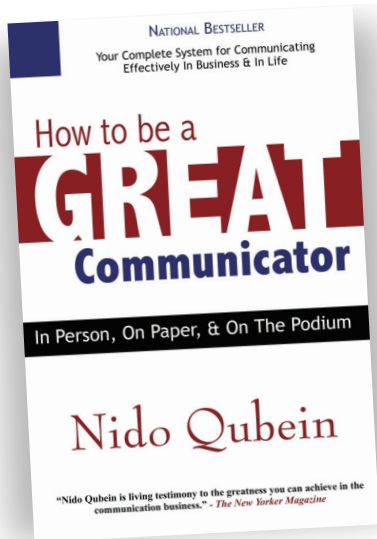
This is also a dynamic list and will change as the criminals adapt, so always keep up on the latest security practices. 🏠



Commerce National Bank
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The Bank for BusinessSM

2014 SPRING SEMINAR & NETWORK FAIR

Thursday May 8, 2014 | The Ohio State University | The Fawcett Center



DR. NIDO QUBEIN



Commerce National Bank is proud to present an afternoon with national best-selling author Dr. Nido Qubein, who will speak on *How to Be a Great Communicator: In Person, On Paper & On The Podium*.

Nido came to the United States as a teenager with little knowledge of English and only \$50 in his pocket. His journey has been an amazing success story. The Biography Channel and CNBC aired his life story titled, "A Life of Success and Significance."

As an educator, he is president of High Point University. As a business leader, he is chairman of the Great Harvest Bread Company. As a professional speaker, Dr. Qubein has received many distinctions, including the Golden Gavel Medal and induction into the International Speaker Hall of Fame.

Following the seminar, make new business connections at the Network Fair, meet Dr. Nido Qubein and receive a signed copy of *How to Be a Great Communicator*, all while enjoying hors d'oeuvres and refreshments.

SIGN UP TODAY!

2014 SPRING SEMINAR & NETWORK FAIR

Thursday, May 8, 2014

OSU Fawcett Center
2400 Olentangy River Road
Columbus, OH 43210

Spring Seminar 3:00 pm - 4:30 pm
Network Fair 4:30 pm - 6:00 pm

To register, please go to www.commercenationalbank.com or call Cameo Stewart at (614) 583-2166.





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The Bank for Business™

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COMMUNITY COMMITMENT

CNB Making a Difference in the Community

by Martin Brady, Senior Vice President and Chief Sales Officer



At Commerce National Bank, our community commitment has been our philosophy since day one. It's more than words, it's how we do business. We are bankers working with

customers in the cities, towns and communities in which they live, and we support and encourage our employees' active involvement.

CNB is part of a program that encourages volunteer efforts with a unified message of service. CNB offers paid time off Community Days for our team to use on organized Community Day programs. Dozens of employees participate each year, serving organizations like the Animal Rescue Fund, Dentistry from

the Heart, Read to Succeed, The Salvation Army's Canteen, the Make-A-Wish Foundation, Operation Feed, Junior Achievement, and more.

This initiative not only has a high participation rate, but helps to strengthen our community but also helps us build better teams and employee engagement.

When engaged in volunteering, our employees are more proud of and committed to the Bank. It has been shown that the higher an employee rates their organization's corporate citizenship, the more committed they are to the organization. Happy employees are more productive employees, and the opportunity to make a difference increases their moral, spirit and pride.

I have had the pleasure to work on several volunteer efforts over the last eleven years

with CNB. This has included Dentistry from the Heart, The Salvation Army, and several other volunteer activities. The volunteering activities were always fun, rewarding, and made for great team building. Being involved in our community has allowed for wonderful experiences and I appreciate CNB giving me the chance to give back a little of all I have been given.

Volunteering is part of our culture and it has helped bring our team together and be proud of the company we work for. We strengthen our community and our Bank by continuing to be good corporate citizens. A culture of volunteering starts at the top and makes good business sense. Being known as a company that is conscious of its social responsibility will help you attract better employees and will help your business grow. 🏠