



BANKNOTES

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Are You Receiving Our Marketing Emails?

Often, customers may not receive emails from CNB Marketing because the messages are filtered into their Spam folder. To ensure you 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.

JENN'S CORNER

"If I play, I try to concentrate on producing my best." - Oliver Kahn

by Jennifer Griffith, Regional President



Have you been struck by World Cup fever? I love the stories that come along with great competitions. The inspiration we receive by watching an underdog

team overcome all odds and the energy we feel when unexpected heroes rise to the occasion is awesome. The thrill of victory can encourage all of us to find the parallels in our own professional teams.

Team sports are incredible to watch. The trust, respect, and determination that come from all players bringing their "A" game to every competition are an easy metaphor to apply to great businesses. If we only hired strikers, we wouldn't make it out of the first round.

During the FIFA World Cup Finals in 2002, the teams from Germany and Brazil met in Yokohama Japan to crown the next World Cup champion. It was an epic tale of two heroes: Ronaldo "The Phenomenon" Nazario de Lima of Brazil played striker and Oliver "der Titan" Kahn of Germany tended goal. In the end, it was Ronaldo who wept floods of happiness for his beloved Brazil and Oliver who stood alone and inconsolable over the goal he had been unable to protect.

Who was named the tournament's hero?

That's right, after the game, Oliver Kahn became the first goal keeper in the history of the FIFA World Cup to earn the Golden Ball as the



Oliver Kahn of Germany defending the goal against Brazil in the 2002 FIFA World Cup Finals.

tournament's finest player, illustrating that no one play will define your value to your team. For Oliver Kahn, his amazing ability to post five shut outs during the tournament was more powerful than the losing goal of the final championship game, which cost Germany the title.

Who tends your goal? Do you recognize them as your finest player with the kind of frequency that encourages, compliments and builds great teams? In the 84 year history of FIFA World Cup soccer, only one goal keeper has ever received this praise. Protect your goal and invest in your goalie. Remember to praise your goalie as you would celebrate your striker.

Great businesses are only sustainable with great teams, and just like the game of soccer, ***all*** positions must be filled with high performing, high potential individuals. A team of strikers would only leave the goal uncovered. Likewise, a goal tender wouldn't have much of a game to play without strikers.

Remember to praise often, encourage everyone and applaud your teammates. 🏆

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

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CHECKING SECURITY

Protecting Your Account

by Cathy Dieckman, Regional Chief Operating Officer



There was a recent information security event at multiple banks in Central Ohio, including Commerce National Bank. As a result, individuals gained valuable information that enabled them to pass our identity verifications, and they were given information regarding some of Commerce National Bank's clients. Impacted clients were notified immediately and corrective action taken.

Because of this event, we want to remind all of our customers to remain alert of any suspicious activity. These people are likely attempting to gain access to your account information with the intent to commit fraud against your account. If you or any of your employees receive an unexpected request for bank account or tax identification information, call the requestor at a number you have on file to verify the legitimacy of the request before providing any information.

What steps can you take to mitigate this risk?

Your checking account is the central hub to your financial activity and an important tool for your business. Every time you issue a check or provide your account information to a company to directly debit or credit your account, you have exposed your account information. This doesn't mean that the information will be used for malicious purposes, but it does bring to light a risk of doing business.

We recommend that you, or someone designated on your team, review account activity on a daily basis. It is no longer prudent to wait for your monthly bank statement to review your account activity. When a fraudster gets your account information, they will act quickly and swiftly to submit fraudulent transactions against your account. Most fraudulent transactions only have a legal 24-hour return window to send that transaction back to the depositing institution and hold the depositor accountable to take the loss on the fraudulent item. Therefore, daily review of account activity is the most effective way to identify fraud and minimize the potential for loss.

The most efficient way to review your account activity daily is to enroll in our Online Banking. In addition to the activity section within Online Banking, you can also set up alerts that email you when your balance falls below a threshold you set, in instances when a transfer or payment fails, or when new ACH recipients are added or modified. These are just a few of the alert choices. Alerts can be set up by choosing the 'Alerts & Preferences' option from the 'Home' tab. A second option to review activity daily is to enroll your mobile device to access our First Merchants Mobile Banking App. Enrollment is completed from within Online Banking via the 'Mobile' tab. Once you login to the App, select 'Transactions' to review activity. The third option is to call our Telephone Banking system at 866.714.4634 and listen to all of your recent activity. All three of these options are free services! To automate the daily review of check activity, we offer a check fraud detection solution called Positive Pay. Once enrolled, you upload a file containing the serial number and dollar amount every time you issue checks. On a nightly basis, the software compares checks presented to clear your account against the file you sent us. If there is a mismatch in either field, you will receive an email early the next morning requesting you to review the item and submit your decision by late morning on whether the item should be returned or paid.

If you discover suspicious activity on your account, contact the bank immediately. We will work with you to identify fraudulent activity and begin the process to attempt to recover your funds. We may recommend that you either enroll your account in our Positive Pay solution or close out your account and open a new account. Being a victim of account fraud is a major inconvenience, but if you review your account activity daily and catch the fraud immediately, you can at least minimize the potential loss from fraud.

For more information and resources on protecting your account, please visit our Security Center at www.firstmerchants.com/security.

CONSUMER CORNER

Did you know that Commerce National Bank offers personal checking and savings accounts for you and your employees? We also have loans for all seasons and any reason - great rates on vehicle, mortgage, personal and home equity loans.

Call us today at 614-583-2200 to find out about our low interest Home Equity Line of Credit Loans. 🏠

HOME EQUITY LINE OF CREDIT



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A Home Equity Line of Credit (HELOC) is a smart, affordable solution for all of your future plans.

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

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What Matters Most

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



This column serves to provide some economic analysis that is useful to businesses and households as they go about making the American economy work.

This type of economic forecasting can be very useful, but honesty demands the admission that in the ups and downs of the economy, economists often get it wrong. Since no one can lay claim to great prescience, why write about the economy? I think there are several good reasons to listen to economists.

Business decisions seek to balance risk and reward, and explaining the limits of risk may be just as important as predicting rewards. Moreover, understanding the geography of risk and reward is more critical for most businesses than following closely the ups and downs of business activity nationally. It is this issue I wish to focus on in this column.

Economic analysis that we read in the news follows national markets. Such things as unemployment and housing starts are described in the same context of stock markets, when they really couldn't be more different to most businesses. Most markets businesses operate in are very local. Indeed, something like only one in ten jobs in the Midwest are connected in the short run to economic fortunes outside the local economy. This simple fact astonishes many folks, simply because the change has been so gradual. A view of manufacturing and agriculture helps illuminate the trend.

In both Ohio and Indiana, 2013 was a record year for both manufacturing and agricultural production in inflation adjusted dollars. Yet both industries employ a smaller share of workers than in any year past. The reason for this is that we are very good at making and growing things. This requires fewer workers on the shop floor and in the fields. Since many people intrinsically link employment to production, it looks like these



two sectors languish, when in fact they couldn't be much stronger.

The shift in employment away from manufacturing and agriculture is not only that we are masters of both, but also due to shifting tastes and preferences of consumers. In the 1950s, the bulk of most household income was spent on food, clothing, housing and transportation. These are goods-based consumption. Even then we could see a shift towards a greater share of income spent on services. Entertainment and recreation, telecommunications services, healthcare, education and personal services comprise a growing share of consumer spending.

This trend will not slow. We continue to get great productivity gains in manufacturing. At a typical plant in the Midwest, 250 workers now produce what a 1,000 did in 1970. But my third grade class circa 1970 and my son's third grade class circa 2013 both had the same student teacher ratio. We may be seeing productivity gains in education, but they are translating into quality improvements, not cost savings. The same holds true with higher education, healthcare and all the other areas in which we lament cost growth.

The business impact of these factors is that businesses are decreasingly susceptible to the ups and downs of the national economy, depending more heavily upon local trends. This has an important lesson for the way businesses think about their role as leaders in local affairs, which impacts the success or failure of their firms.

For a business that depends upon local business conditions, the national economy may be interesting, but three questions loom over any nationally focused analysis. Locally, we should first try to understand how our regions are exposed to national business cycles. Second, we should try to understand how we sit relative to the national economy on measures of well-being, and finally we should worry about the local trend.

The Great Recession offers a superb lesson on our local exposure to a national recession. In Midwestern cities and towns who are heavily reliant upon manufacturing, the very high levels of unemployment signal that the ups and downs of the national economy affect us. If we live in a college town, near a military base or a state capital, we have been more resilient throughout this recession due to more stable government spending. These places have other risks such as military downsizing or reduced college enrolment.

In many Midwestern communities, incomes have lagged the national average and that will dictate what type of commerce locates in our community. Poorer places will have fewer recreational and retail opportunities and less residential growth.

Finally, the trend matters most. Throughout the Midwest, we have many vibrant communities with Chicago, Indianapolis and Columbus providing but three examples. We also have many smaller towns that are places with steady but not remarkable growth, such as Fort Wayne and Dayton. Sadly, we also have many communities that are in their fourth or fifth decade of population decline. Many small towns and rural communities are firmly in this situation.

In the business of thinking about the economy and how it relates to your business, you should turn your attention to local conditions.

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

Another Way to Donate

by Jim Keene, Vice President, Personal Trust Officer



Donating appreciated assets outright is one strategy available for obtaining a charitable deduction and avoiding capital gains tax. Another strategy worth considering is the transfer of assets into a charitable remainder trust (CRT). A CRT can provide you with a lifetime income and tax benefits.

You establish the trust for your lifetime – or for your life and the life of your spouse or other beneficiary – and receive an income from the

trust during that period. A CRT can also be established for a specified number of years (no more than 20). You get an immediate tax deduction for your donation, and you won't have to pay capital gains tax on the assets' appreciation. The gift may also reduce or eliminate the 3.8% tax on Net Investment Income. When the trust terminates, the assets remaining in the trust are transferred to the charitable organization designated in the trust document.

Your trustee may sell the assets transferred into the trust without incurring a tax liability because a CRT is generally tax exempt. You'll be taxed

only as you receive income from the trust.

The trust must be in the form of either a unitrust or an annuity trust to qualify for the tax benefits. The amount of the charitable deduction you can claim is subject to IRS limitations. A unitrust pays a fixed annual percentage of the trust assets value, determined annually. An annuity trust pays a fixed annual amount throughout the trust's term.

Please feel free to contact Jim Keene at 765-962-7696 with any questions about investment management or estate planning. 🏠

SECURITY & TECHNOLOGY

Be Aware of Ransomware

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

Here is another online threat to add to your list: Ransomware. First, let's define Ransomware – it is malware that encrypts the contents of a computing device (PC, Smartphone, Laptop, Tablet, etc.) so you can no longer access the data. The criminals then demand a ransom payment (many times in Bitcoins) to decrypt it. This has been a maturing criminal process for the last few years and has expanded this year to be a popular means to steal money.

There is one specific ransomware malware that is being used frequently at this time by the criminals. It is called Cryptowall. It is a "new and improved" version of an older type of ransomware malware. If your computing device is compromised, it will encrypt the data on the hard drive or storage and will demand a ransom payment via Bitcoin (non-traceable) to decrypt it. Normally, the first demand is \$200. If you do not pay by the deadline, many times the ransom is increased to \$600. At this time, the only way to fix it without paying a ransom is to completely wipe the hard drive and start over. Hopefully you have a good backup of your data somewhere if you are a victim.

Experts advise to not pay the ransom. Normally, paying the ransom just guarantees that the criminal receives money, not that your data will actually be decrypted.

How can you be compromised by Cryptowall?

- By clicking on phishing emails.
- Clicking on advertisements on websites. Malicious advertisements (malvertising) have been found on popular, legitimate company websites, so it is not just relegated to the websites that are shady to begin with.

It is far better to prevent being a victim of Cryptowall than to deal with the aftermath of encrypted data. Please remember the following:

- Don't click on links or attachments of unexpected emails. Just delete them, no matter who it says the sender is.
- Don't click on advertisements on websites no matter how tempting they are. Just use your browser and go to the site on your own without clicking on the ad if you really are interested in what the ad is selling.

- Ensure you have controls in place to protect your devices, such as updated anti-virus, regular software updates, effective network protective layers, etc.
- Back up your data... frequently.
- Train your employees.
- Train your family members – this is just as applicable to your personal life as it is your professional life.

What to do if you are a victim:

At this time of writing, there are no known tools capable of decrypting files encrypted by Cryptowall ransomware without paying the ransom. However, as noted earlier, paying the ransom does not guarantee that the criminals will decrypt your data.

Ensure the malware is removed from your systems. This does not decrypt the files, but does clean off the malware.

As of now, the only solution is to wipe the hard drive and restore via backups. Take care to protect yourself and your company. 🏠

Commerce National Bank participates in the 22nd Annual Komen Columbus Race for the Cure



From Left: Jan Patton, Cathy Dieckman, Alicia Murphy and Barb Atherton

The Susan G. Komen Race for the Cure is a community event that honors breast cancer survivors, co-survivors, and those that have lost the battle. Each year, nearly 1.7 million people take part in Race for the Cure events around the world.

Alicia Murphy and her team of “The CNB Fascinators” joined 35,000 others on Saturday, May 17 at the Ohio Statehouse in Columbus, Ohio to Race for the Cure.

The Columbus Affiliate of Susan G. Komen for the Cure began in 1993 by a group of motivated and hardworking volunteers. Komen’s promise is to save lives and end breast cancer forever by empowering people, ensuring quality care for all and energizing science to find the cures.

This year, the Columbus Race for the Cure raised over \$2 million that will support vital breast health programs in Central Ohio. 🏠

INFLUENCE AND IMPACT

An Inspirational Message

by Mark Engle, Senior Vice President, Healthcare Business Banking Group



Like many of you, I attend several seminars throughout the year to stay current on market trends and knowledgeable about new products or services. I also enjoy the opportunities I have to attend seminars where the subject is not necessarily specific to my everyday tasks, but instead the message is something bigger and more inspirational.

Commerce National Bank hosted our biennial Spring Seminar on May 8, 2014 and the guest speaker was well-known author, entrepreneur, and businessman, Dr. Nido Qubein. Some of you may be familiar with Nido, but for those of you who are not, Nido came to this country as a young man with very little money and even less grasp of the English language. Nido taught himself how to effectively communicate and today he is a very successful businessman with ownership interest in several companies. He is also the President of High Point University in North Carolina. Nido’s overriding message that day was about the power of communicating and

he shared with the audience two words that stuck with me – Influence and Impact.

We all rely on influence to help our businesses grow. Today, you will influence a patient to make a decision. This may be done through case presentation, education, and possibly the use of technology. Whether verbal or otherwise, your ability to influence depends on your communication skills. Your goal will be to make a positive impact on the life of that patient, which in turn will help your business. The key is to make sure the impact is positive!

Influence does not always have an immediate impact and is not always intentional. Maybe that procedure today had an immediate impact on the patient, but how about your ongoing interaction with staff, colleagues, and even family? Are you intentional with this communication? This is where Nido’s message comes in – always be aware of the influence you project and the potential impact it produces. You communicate with several people each day and some of them multiple times. Don’t miss an opportunity to make a positive impact (immediate or future). Everyone will benefit.

Think about the influences that have shaped your professional and personal life. For me, there are many people and events, some good and some bad. I would say the good influences were aware of their actions while the bad influences didn’t have a clue, and therefore never gave any thought to the negative impact of their actions. Both, however, have contributed to my choices, habits, and character.

CNB’s seminars are designed to provide business learning opportunities for our customers, business partners, and bankers. This year’s Spring Seminar was a chance to reflect on our own personal approaches to communication. Most of the presentation topics could be considered common sense. My guess is that many of the attendees did some self-reflection on the drive home and during the days afterwards. I would encourage you to take time out of your daily grind to think about the way you communicate with your patients, clients, staff, and family. Look for ways to make a positive impact in someone’s life through intentional influence. 🏠

CNB Biennial Spring Seminar & Network Fair Featuring Nido Qubein

Every two years, Commerce National Bank pulls out all the stops in hosting a signature event by expanding the Spring Seminar to include a Network Fair, providing the opportunity for customers to experience an afternoon of education and networking.

At the CNB 2014 Spring Seminar, held at the Fawcett Center on the campus of The Ohio State University, over 300 attendees sat with riveted attention as national best-selling author, educator, business leader and speaker, Dr. Nido Qubein, delivered a dynamic presentation.

President of High Point University and Chairman of Great Harvest Bread Company, Dr. Qubein

spoke about the art of effective and efficient communication and shared his story and amazing journey of success and significance.

Immediately following the Spring Seminar, guests joined the nearly 30 clients exhibiting their products and services at the CNB Client Network Fair in the Fawcett Center Grand Ballroom. Nido Qubein personally signed his books and answered questions while attendees took time to tour the room to network and explore doing business with some of Central Ohio's leading businesses.

The cost of exhibiting at the Network Fair was a \$50 contribution to the Make-A-Wish Foundation



in honor of Donna Garrett, former CNB Marketing Specialist who passed away last April. Donna was a supporter of the Make-A-Wish Foundation and this gift, in her memory, will help make a child's wish come true and enrich the human experience with hope, strength and joy.



Commerce National Bank hosts three business education seminars each year, including the January Economic Forecast with Dr. Michael Hicks, a Spring Seminar and a Fall Seminar. These educational opportunities are a key factor in being a partner in our customers' success.



CNB's Cameo Stewart (left) and Jessica Gliha (right) present the \$800 check to Make-A-Wish Foundation representative John Hykes.

Save the date and plan to join us for our 2014 Fall Seminar on Thursday, October 9 at the OSU 4-H Center on Fred Taylor Drive. 🏠



Commerce National Bank

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PRICE UP; INVENTORY LOW

Central Ohio Home Prices Expected to Increase

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



The median sale price of a home in April 2014 was \$150,750, which was 9.3 percent higher than the previous year and also up 5.0 percent from the previous month.

The average sale price was \$176,231, which was up 7.7 percent than last year and up 2.4 percent from March according to the Columbus REALTORS® Multiple Listing System (MLS).

The average price is the total volume divided by the number of homes sold. The median is the midpoint – half the homes sell for less, while half sell for more.

“Sales prices have consistently been up for the last few months, fortunately for sellers,” said

Milt Lustnauer, 2014 president of Columbus REALTORS®. “If you’re considering listing your home, right now is a great time to do it. There are still more buyers than sellers in the Central Ohio market and sales prices continue to increase.”

There were 2,195 Central Ohio homes sold in April of 2014, 12.5 percent lower than April 2013, but up 22.2 percent from the previous month.

There were 3,706 Central Ohio homes and condos listed for sale in April 2014. Although down 7.1 percent from inventory one year ago, this is up 8.1 percent from the 3,428 added the previous month.

With an inventory level of 8,439, the number of homes on the market is 12.7 percent lower than April 2013.

“Inventory in Central Ohio is unfortunately still below what we expected it to be, particularly since there are a significant number of motivated buyers,” Lustnauer said. “However, as temperatures rise, the number of homes coming on the market are increasing as well.”

Although mortgage interest rates have risen slightly and are expected to continue increasing throughout the year, 39 percent of respondents think that home sales will increase regardless of higher interest rates.

Additionally, 34 percent are seeing higher than normal early spring activity. Right now is a great time to purchase a new home.

Interested in getting pre-approved to purchase a new home? Please contact myself or Kyle Dynes at 614-583-2200. 

