


BankChampaign
N.A.

SUMMER 2010

Helping this small business rest assured

As head of a family-owned business that originated nearly four decades ago, Ed Stout appreciates BankChampaign's local ownership — and its impact on the Champaign-Urbana area economy.

"I like that BankChampaign supports business people that I know, people who are bettering our community with their businesses," Ed stated.

Ed and his brother started manufacturing a line of mattresses in Mattoon in 1974. Illini Mattress expanded to include stores in Champaign and Decatur, as well as Indiana locations in Bloomington and Terre Haute, before they decided to focus exclusively on serving Mattoon and Champaign in 1991.

While his brother stayed in Mattoon, Ed and his wife, Jan, continued the showroom in rented space on Mattis Avenue until the current space at 514 S. Country Fair Drive became available in 1996.

"After I purchased this building, it was helpful to deal directly with a banker in our community, not get transferred 'up the line' to someone in another city, which was my experience with larger banks," Ed said. "Not only did BankChampaign know the location, they were familiar with the property



Chris Cheely, (left) BankChampaign Vice President of Lending, with the Stout family at Illini Mattress in Champaign: (clockwise from center back) Ed, Michael, Kristin and Jan.

and the type of improvements that might be needed."

One such enhancement included more than doubling the size of the display area to showcase additions to the Illini Mattress line, including Sealy, Tempur-Pedic and Symbol mattresses, as well as electric adjustable beds, headboards and bedroom furniture, bed frames, futons and bedding accessories — in order to serve a wider range of customer needs.

In fact, the value of customer service is another similarity Ed finds between his business and BankChampaign.

"I was at a bedding show in Indianapolis and found just the tape edge machine that I needed," Ed said. "It's a \$25,000 piece of equipment and I didn't have an account with that particular vendor, so they couldn't accept a check. I called the bank and spoke with my lender, Chris Cheely, who confirmed my financing. We had

the machine up and running three days later, saving me at least three weeks and \$1,000 in shipping costs from the vendor's plant in North Carolina."

Several years ago, Ed and Jan welcomed daughter Kristin and son Michael into the business, continuing their proud tradition of family ownership. Part of preparing their children to eventually succeed them is knowing they have the right bank at their side.

"All banks have services, but not all offer the personal attention that BankChampaign provides," Ed said. "In the 12 years I've been with them, the bank has gotten even better. Looking ahead, I see a lot of potential and opportunity for growth."



Letter from the President

When people think of Champaign County, they may often equate it with some of our major employers. After all, the visibility of those large-scale entities makes it easy to categorize their influence on the local economy. But our area also benefits from an impressive number of small and medium-sized businesses.

Through the efforts of companies such as our featured business customer, Illini Mattress, these smaller firms are providing additional economic growth and stability for our community. According to statistics from the U.S. Small Business Administration (see right), such businesses employ just over half of all private sector employees. As a bank that partners with numerous types of small business owners, we see this impact firsthand.

At the same time, retail owners like Ed Stout must win customers' business while competing with much larger national stores. We understand. Like us, he has differentiated himself by going above and beyond with customer service. In fact, as Ed commented in his article, our level of service is a point of pride for BankChampaign. Serving our customers — and in so doing, serving our community — leads to a better future for all of us. That's why we use our expertise day in and day out to help achieve your goals and dreams.

L. Dean Clausen
President

According to research for the U.S. Small Business Administration, which was commissioned by the U.S. Department of Commerce, Bureau of the Census and International Trade Administration, small firms are fueling the national economy by:

- representing 99.7% of all employer firms
- paying 44% of total U.S. private payroll
- generating 64% of new jobs over the past 15 years
- creating more than half of the non-farm private gross domestic product (GDP)
- hiring 40% of high tech workers, such as scientists, engineers and computer programmers
- producing 13 times more patents per employee than large patenting firms

Downtown facility – convenient to work and play



Already the hub for dining and entertainment, downtown Champaign has also welcomed many vibrant new businesses, as well as residents of some of the city's most appealing condos and loft apartments.

BankChampaign is right in the center of it all with a full range of banking services, delivered with personal attention. There's also the convenience

of walk-up teller service, a 24-hour walk-up ATM and a night depository.

Business Development Officer Kay Machula and Assistant Vice President & Branch Manager Sharon Armstrong can explain any of our services and help choose those that best fit your needs, whether for personal or business accounts.

Investment Management Officer Charlie Osborne, candidate for Certified Financial Analyst designation, is ready to assist with your personal investments or 401k needs.

The BankChampaign team in our M2 facility is one more reason to love downtown. Call any of these professionals at 351-2877 or visit 301 N. Neil Street to experience convenient banking in the heart of Champaign.

Using a Roth IRA as an estate planning tool

Roth IRAs are often discussed as an ideal investment option for young people, but they can be a valid investment and estate planning vehicle for seniors as well. Because funds are invested in Roth IRAs after taxes have been paid, the funds grow tax-free throughout the owner's lifetime. Plus, the funds are then distributed free of taxes, subject only to the rules governing qualified distributions. So the longer money stays invested in a Roth IRA, the greater the tax-free accumulation.

If you don't currently have a Roth IRA, 2010 provides a unique opportunity to convert a Traditional IRA into a Roth IRA. In previous years, there was an income cap of \$100,000 Modified Adjusted Gross Income (MAGI) in the year of conversion. In 2010, this MAGI limitation is not in effect, meaning most investors can now consider whether it is beneficial to convert a Traditional IRA.

One of the considerations is the tax consequences of converting a Traditional IRA to a Roth IRA. These tax consequences could make some sense if you expect to be in a higher tax bracket in the future, have a longer term horizon and can pay the income tax from other funds. If you choose to

convert in 2010, a special rule for this year allows you to recognize conversion income in 2010 or split it equally between 2011 and 2012. Converting to a Roth IRA can be a very complicated procedure, so it is important to work with a tax or financial planning professional to make sure you fully understand the tax implications for your specific situation.

If converting part or all of a Traditional IRA to a Roth IRA does make sense for you, this conversion could be advantageous as an estate planning strategy — if you have significant IRA balances you don't plan to use during your lifetime. Owners of regular retirement accounts such as Traditional IRAs and Qualified Retirement Plans must start taking minimum

distributions beginning at age 70.5, but there is no minimum distribution requirement with a Roth. This lack of a distribution requirement means the account could grow larger in a Roth account than if affected by traditional distribution rules, potentially leaving more for your heirs. The beneficiary must take minimum distributions, but the Roth continues to grow on an income tax-exempt basis and the resulting distributions are also free of income tax. The tax-free assets distributed over a beneficiary's lifetime often can be significant, even from a small Roth IRA.

To determine whether converting a Traditional IRA to a Roth is right for you, talk to your tax advisor or to John Clausen at *BankChampaign*.



Clausen earns CFP designation



John Clausen, *BankChampaign's* Vice President of Wealth Management, recently completed all of the requirements to receive the Certified Financial Planner (CFP) professional designation from the Certified Financial Planner Board of Standards, Inc.

In the last part of certification, he passed a 10-hour test, conducted over two days, demonstrating proficiency in 90 topics in seven disciplines: financial planning fundamentals, insurance planning, employee benefits planning, investments, income tax planning, retirement planning and estate planning.

"The exam doesn't test textbook theories, but instead assesses a candidate's ability to apply knowledge of these disciplines in an integrated approach to 'real life' financial planning situations," John said.

He first completed CFP courses that built upon his bachelor's degree from the University of Illinois and a juris doctor from Valparaiso University. As an attorney, according to the CFP Board's rules, Clausen could have taken the exam without completing the financial planning education requirement. "I felt it was important to take the courses, and I enhanced my knowledge immensely," he added.

"*BankChampaign* is fundamentally based upon a 'wealth' model and I felt that we excel in our offerings in every aspect of that model — but we hadn't cultivated the financial planning portion," John said. "Because we wanted

to offer financial planning to our customers, we knew it was important to go with the gold standard for certification," he added.

Why is the CFP Important?

As increasing numbers of people in financial services call themselves "financial advisers," financial planning professionals needed a way to differentiate their competency and capability to prospective and current customers. So the CFP Board designed its Certified Financial Planner program as a way to set apart these professionals in a meaningful way. There are currently more than 55,000 planners who have earned the certification and must maintain it through continuing education and ethics requirements.

A community bank truly involved in the community



Some might call it a “working lunch,” but for two BankChampaign employees, delivering hot lunches and sack suppers for Family Service’s Meals on Wheels is a labor of love.

That’s because they’re part of a group of 300 volunteers who help monitor the well-being of more than 200 homebound residents in Champaign, Urbana and Savoy.

Since starting as Meals on Wheels volunteers in May 2006, Vice President Amie Smith and Credit Administration Officer Kelly Schaefer have delivered about 500 meals. They have also become familiar with the people on their route — their names, habits and dietary needs. Amie and Kelly recognize unusual changes in

those habits that could signal trouble, which then initiates a Family Service process of checks on the resident. Through this procedure, Meals on Wheels volunteers have brought critical rescue on several occasions.

“Beyond the nutritious meals, this is a way to help some of the community’s most vulnerable citizens,” Amie said. “It’s fun to get to know the regulars on our route, and to meet new people who just need the service while they

recover from an injury or surgery,” she added.

Meals on Wheels is just one program offered by Family Service of Champaign County through its Senior Resource Center. Family Service is a non-governmental, not-for-profit agency that provides quality human services for children, adults and families, and they have been a part of this area for nearly 100 years. Learn more about the organization by visiting their website — www.famservcc.org — or by calling 352-5100.



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