Gerrish McCreary Smith
Consultants and Attorneys

How to Avoid Selling Your Bank

It seems everyone these days is rushing to try to cash in on the next wave of acquisitions, or at least they feel some compelling reason to "test the waters." For many community banks, however, there remains the quiet vigil to operate as an independent bank in the local community. In the midst of an industry focused on buyers and sellers, how does a community bank's board of directors position the organization to operate independently both now and years into the future?

First, you need to get in the right structure. Remaining an independent community bank is no longer merely about "saying" you are going to remain independent. Independence requires affirmative action. For almost all community banks, one of the first courses of action is reorganizing so that the bank is owned by a bank holding company. The holding company structure provides corporate benefits that a bank alone cannot achieve, may help protect against unwanted takeover offers that a bank-only structure may be unable to defend against, and otherwise helps promote the efficient and effective operation of the organization.

For organizations struggling with trying to find new growth and expansion opportunities, another alternative may be to restructure the organization into a Subchapter S corporation for tax purposes. By lowering the overall tax burden and streamlining the organization's ownership structure, a Subchapter S election can help the organization improve profitability and shareholder after-tax cash flow while protecting independence.

Second, maintaining independence requires a board of directors that is committed to independence. While this may seem rudimentary, many boards of directors anticipate independence without effectively planning for independence. For example, once a year, the board and management ought to be asked the question "Do we want to sell the bank?" If the answer is "no," then the follow-up question is "How do we remain independent?" Through such conversations, the board will have a much clearer idea of which members are and which members are not committed to truly remaining independent. If there are some directors on the board that are constantly pushing against the majority and advocating for a sale, then it may be time to reconstitute the board to help ensure independence. That may include an updated board evaluation process, utilization of mandatory retirement provisions, or similar steps. This will help guard against older directors voting for a sale simply to cash out their own holdings as a shareholder, while also ensuring younger directors are pulling their weight and seeking the bank's long-term independence.

Third, community banks striving for independence must rethink how they view earnings. Most of our

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organizations had diminished profitability during the Great Recession. Today, more and more organizations are showing increased profitability. The issue now is what to do with those earnings. Whereas many organizations grew for growth's sake prior to the recession, now many organizations are focusing on shareholder dividends and liquidity to make up for the "lean" years. Other organizations are investing earnings into new lines of business as a means of growing non-interest income. Still others are retaining earnings for future growth through acquisition or a rainy day. Every community bank's true value is measured by its future, bottom-line profitability, but simply hoarding earnings out of fear of another recession or similar downturn hampers, rather than protects, future profitability. Every institution allocates its earnings in some fashion. The issue is whether the allocation is strategic to achieve the community bank's long-term goals.

The fourth independence-promoting activity is requiring board succession and management succession, as well as ownership succession. It probably does not come as a shock to most readers that some organizations ultimately find themselves considering an offer from a buyer merely because they lack appropriate management succession planning and/or appropriate board succession planning. If you look around the board room and all of your directors are approximately the same age, continue to have the same time horizon for investment purposes, and there is no mandatory retirement, director evaluation, or other process to ensure renewal and regeneration of your board, your organization is much more likely to accept the first modest offer that comes along. Likewise, if the board is so heavily dependent on the existing management team that it does not begin to groom younger management personnel for succession spots, then there will be no confidence in the younger management team and no one to step in to fill senior executive management roles when the existing management team decides to retire. If that occurs, the first alternative is to find a buyer.

Failure to plan for ownership succession can also lead to an untimely sale. Many community banks are owned by a comparatively older group of shareholders. In the old days, community bank stock was a valued asset that passed from generation to generation. Unfortunately, many members of the younger generation no longer live in the local community, for various reasons. As a result, once stock passes into their hands, they are more interested in liquidating the asset rather than holding for investment purposes. In these cases, it is most advantageous for the bank or bank holding company to repurchase the shares from the shareholder or the shareholder's heirs. This not only provides liquidity for the shareholder, but it also prevents the stock from passing into unfriendly hands. Don't be forced into a requirement to sell merely because appropriate succession at all levels was not carefully planned.

The fifth step to remaining independent is to empower and incent your employees. One of the most effective ways to to accomplish this goal is to provide them with skin in the game through the use of an employee stock ownership plan (an "ESOP") or an ESOP with 401(k) plan features (a "KSOP"). While the details of an ESOP or KSOP are beyond the scope of this article, suffice it to say that, in generic terms, an ESOP or KSOP is a trust that holds stock in the bank holding company for the benefit of all employees in the bank. The ESOP's accumulated stock is allocated to the employees' accounts, and the employees become, and hopefully think like, owners. It is a pretty simple concept that produces good results for employee buy-in.

Another way to empower and incent your employees is to focus on what you want to achieve and incent that. For example, if your community bank wants to increase profitability, then tie employee incentives to measures of current and longer-term profitability. Broad-based incentives can be effective in retaining employes, but

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they can fail to help the organization achieve its long-term objectives. Similarly, community banks can further empower employees by providing them with a path for personal development. Pidgeon-holing employees or having "dead ends" in a promotional sense are sure-fire ways to demoralize and demotivate employees. Provide them with ownership opportunities, tailored incentives, and promotional opportunities, and you may be surprised how motivated your workforce becomes.

Sixth, anticipate unsolicited offers. In fact, plan for them. The board of directors may have a fiduciary obligation to the shareholders to consider formal, written unsolicited offers received by the community bank. However, the board of directors is not obligated to respond to every discussion about a transaction or even direct inquiries if it has determined that shareholders are better off by the bank remaining independent. A written unsolicited offer policy can help reduce the grey area in this regard. For example, the written policy could state that the board does not have a duty to further investigate offers unless the offer meets a certain dollar threshold, which is established annually by the board. In the event a formal specific offer is received that the board determines has a reasonable likelihood of presenting a better alternative for the shareholders than maintaining independence, the written policy can authorize the board to employ a qualified financial advisor or consultant to assist it in determining whether shareholder value will be enhanced or diminished by accepting the offer. Again, this approach significantly reduces panic and stress associated with unsolicited offers because the decision is essentially made before it has to be made.

Seventh, remaining independent requires assessing the overall efficiency of your organization, which includes the structure and locations of the bank's branches and subsidiaries. Non-profitable branches are dead-weight and efficiency killers. Likewise, poorly structured and located subsidiary offices, such as insurance agency offices, can fail to maximize profitability and cross-selling potential. Each of these issues presents cost-saving or revenue-enhancing opportunities for potential acquirers. It is much more worthwhile for the community bank to address these structural issues on its own. If it doesn't, another institution will.

The eighth step to remaining independent is keeping your stockholders happy. This includes dividends and liquidity, as referenced earlier in this article, but it generally translates to the board's overarching mandate to enhance shareholder value. Financial institutions are for-profit institutions that, as a critical mission component, should strive to achieve greater returns for those investors who put their money at stake. While community service and providing opportunities for employees and customers are tangible goals, the board and management are primarily tasked with finding, creating, and sustaining value for shareholders. If that

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end is pursued, all other goals and initiatives will fall into place. The true value of a community bank is measured by its future earnings potential. Having a plan that fully enhances shareholder value will, as a result, enhance future earnings potential, which is the surest way to maintain independence for your organization. If a board and management are unwilling to enhance value for shareholders, then the first offer that presents more favorable alternatives may trigger a fiduciary duty by the board and management to accept the offer.

Ninth, independent community banks must stop listening to professionals and pundits in the industry that constantly spread the lie that the sky is falling on community banks. At every turn over the past three decades, these experts have falsely prophesized the end of the community bank age. They say community banks are too small and lack economies of scale to withstand the latest hot button issue. The issue is not and has never been one of survivability. Even the smallest banks in rural areas have survived and will continue to survive. The question is ultimately one of profitability. Would it be more profitable if we did not have the current regulatory burden? Absolutely. Would it be more profitable if our net interest margin was higher? Of course. Does that mean community banks will not survive? Absolutely not. For most community banks, profitability is sufficient to maintain independence. Profitability may not reach the same levels as before the recession, but community banks will continue to remain profitable. A pessimistic outlook produces pessimistic results. So long as our communities exist, community banks will survive.

The tenth and final step to remaining independent is to remember that remaining independent is no longer a passive condition. Independence has to be actively achieved. Stop looking in the rearview mirror. Be realistic and honest about your community bank's ability to survive (i.e., remain profitable) in the current environment. If the consensus is that profitability and independence are possible and probable, then it's time to engage. Be opportunistic within the overall strategic plan. For some, that will be pursuing an aggressive growth strategy. For others, it will mean holding back capital in anticipation of repurchasing stock from aging shareholders. For others, it will mean becoming a buyer in the mergers and acquisitions arena. Whatever the situation, plan for your own independence. Adhering to the principles discussed above will help your organization achieve independence in a consolidating environment and provide positive benefits for years to come.

EDITORIAL STAFF

EDITORS IN CHIEF: Jeffrey C. Gerrish
Philip K. Smith

EDITORS: Jennifer J. Chase
Shelley A. Loudermilk

CONTRIBUTING EDITORS: John S. Seabold
Jason G. McCuistion

Please address comments or questions regarding the newsletter to Jeffrey C. Gerrish, Gerrish McCreary Smith, PC, 700 Colonial Road, Suite 200, Memphis, TN 38117, (901) 767-0900, or to the email address: jgerrish@gerrish.com.

Gerrish McCreary Smith Newsletter
Volume 2016 No. 2

THE CHAIRMAN'S FORUM NEWSLETTER

The Chairman's Forum Newsletter is a complimentary monthly email newsletter exclusively designed for community bank Chairmen, Vice Chairmen, and senior directors. The Newsletter is the response to the overwhelming success of the ICBA's Community Bank Chairman's Forum Conference hosted by Gerrish McCreary Smith.

If you would like to receive the complimentary Chairman's Forum Newsletter, please contact Carolyn Martin at (901) 684-2326 or cmartin@gerrish.com.

Board Evaluation and Succession: The Organizational and Governance Study

One of the more difficult questions that financial institutions face is how to determine who should serve on the Board of Directors. Some would argue that once an indvidual is on the Board of Directors, the even more troubling problem is that it is nearly impossible to remove them from the Board of Directors, even if they are no longer an active and participating Board member. Other organizations simply draw a line in the sand and when you reach a magical age you are no longer allowed to continue service on the Board regardless of how vital you have been.

Perhaps the worst offenders are those that draw a line in the sand and set a mandatory retirement age, but then allow anyone who was serving as a director at the time of the adoption of the mandatory retirement age to be "grandfathered" and continue to serve as long as possible. These organizations normally also exempt from the mandatory retirement age anyone with the same last name as the largest stockholder, anyone who has formerly served as an officer of the bank, anyone who sings in the choir at the local church, anyone who scored the winning touchdown in the district game back in '74, or some other amorphous concept. All of these issues and concerns lead to the conclusion that the organization is not appropriately providing for Board evaluation and succession planning. The answer really is not any of these options, but, rather, a well-defined organizational and governance study to help produce appropriate board evaluation and succession planning.

While an organizational study might sound too complicated for a traditional community bank, the type of program you develop from it can vary with the level of detail and sophistication you desire. We have developed organizational studies for institutions that are as simple as evaluating Board members and making recommendations on skillsets that may be lacking where the Board can then go and try to find appropriate candidates in the community. The organizational study might also be used to develop an appropriate Board evaluation process so that ineffective directors may be removed and new candidates for election sought.

As an example, on a recent Board organizational study we conducted, the organization wanted to look at the possibility of combining subsidiary Boards and its holding company Board. The overall project objective was identified as "to consider a combination of the existing bank holding company Board and subsidiary bank Boards in an efficient manner that maximizes value to all organizations, promotes director evaluation and succession, and produces recommended findings on all matters including governance and organizational issues." This was a comprehensive study to not just evaluate directors, but to make recommendations for future succession and governance.

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After identifying the overall objectives for an organizational program, one of the preliminary steps the Board and management will need to take is to specify the key goals of the project. Examples might include statements like the following:

- To have identical membership of bank and holding company members;
- To ensure consistency between the bank and holding company Boards by recommending appropriate changes to Articles and Bylaws of both organizations;
- Recommendation and selection of Board members who will serve on each Board recognizing that doing so will similarly result in some existing members not being recommended for future service;
- Outlining a proposed plan for future Board succession;
- Completing a comprehensive update of Board structure and governance including committees at the Board and bank holding company level.

By identifying these types of goals, the process can be targeted at a specific need. So, in the example provided, the needs are having the bank and holding company Boards that are identical, removing ineffective directors, outlining a process to promote future succession (typically a Board evaluation process) and making recommendations on appropriate Board governance, committee structures and similar factors that will promote greater efficiency and harmony between the bank and holding company.

In taking these steps, the Board evaluation process should really take on more than a mere questionnaire survey or some type of form evaluation process. In a comprehensive organizational study, it may require one-on-one meetings with directors, an interview process, redefining job duties for directors and simply making sure you have the right people "on the bus" and in all the right seats. Rarely can that be done by a simple questionnaire process. In addition, you will note that in the examples provided above, there was a mention of making appropriate changes to Articles and Bylaws. As part of an overall evaluation and succession process for the organization, too many organizations overlook the fundamental corporate governing documents and do not realize how ineffective they are until a time comes where they need to rely on them. That often occurs when there is an attempt to remove a director, but there is no process in place to do so or the Bylaws do not appropriately outline the mechanisms of how to have that accomplished. Therefore, any type of overall organizational study in this regard should require a review and update of Article and Bylaw provisions.

When it comes to dealing with bank Board members, past practice is, in fact, indicative of future actions. By this, we mean that if your organization has always been

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GERRISH McCREARY SMITH AFFILIATED RESOURCES

Over the last 30 years or so of exclusively helping community banks across the nation, we have developed relationships with various service providers who we believe provide the best services in their particular niche. This includes bank branch location specialists, IPO managers, securities transfer agents, loan review specialists, auditors, bank technology specialists, executive placement firms, and the like.

If you need any of these services, or others, and are not sure who to call, please let me know and we will provide some recommendations.

Jeff Gerrish

jgerrish@gerrish.com

one that grandfathers individuals in to remaining on the Board well beyond their prime, or well beyond their usefulness, that trend will likely continue into the future. If you only choose to replace directors once they are actually deceased, that trend likely will continue in the future without substantive intervention. The idea is that in today's rapidly evolving financial institution world with new pressures on Board members, the fiduciary obligation requires an active and engaged Board of Directors both for the benefit of stockholders as well as for the benefit of the directors. Directors who are not actively engaged are hurting themselves because they will experience true liability in the event they fail to exercise their duties. Therefore, we encourage you to actively promote Board evaluation and succession, but if that process is too time-consuming or just too difficult given the history of your organization, we encourage you to look toward an organizational and/or governance study that can help identify these relevant issues and promote an appropriate evaluation and succession process.

Proposed Amendments to FDIC Appeals Procedure Offer Little Benefit

On July 29, 2016, the FDIC announced proposed modifications to its guidelines for appeals of material supervisory determinations. Under current procedure, the FDIC considers "material supervisory determinations" to include examination ratings, ALLL adequacy, loan classifications, and other supervisory determinations. The FDIC does not allow banks to appeal material supervisory determinations related to formal enforcement actions and decisions (including determinations and underlying facts and circumstances that form the basis for a recommended formalenforcement action), decisions to take prompt corrective action, determinations related to existence of other appeals procedures, and decisions to appoint a conservator or receiver for a failed bank.

Under the proposed amendments, however, the FDIC would allow banks to appeal the following:

- Determinations regarding compliance with existing formal enforcement actions (but not a determination that non-compliance with an existing enforcement action requires an additional enforcement action); and

- The initiation of an informal enforcement action, such as a Memorandum of Understanding.

The amendments also clarify that a bank cannot appeal a formal enforcement related action or decision once the FDIC has initiated a formal investigation or provides written notice to the bank of a recommended or proposed formal enforcement action.

In practice, these amendments do not result in a more useful appeals process for community banks. Banks need to be able to appeal material supervisory decisions that have adverse economic and related consequences to the bank, such as the imposition of an enforcement action. Otherwise, community banks are likely to "go along to get along" and comply rather than spending resources to fight an appealable issue that does not dramatically impact the organization. Hopefully the comments will highlight that shortfall and the FDIC will add a few more teeth to the appeals process. We will update you all as more information is available.

RESOURCE MATERIALS

Gerrish McCreary Smith has created numerous Memos to Clients and Friends on various topics (available free of charge). Set forth below are sample Memos to Clients and Friends:

Acquisitions
- Responding to Unsolicited Offers
- Restrictions on Stock Received in a Merger or Acquisition Transaction

Employee Benefit Issues
- Incentive Compensation Plans
- Requirements of Employee Stock Purchase Plans
- Key Employment Contract Provisions Utilized by Community Banks

Raising and Allocating Capital
- Raising Capital Without Registering with the SEC
- Stock Repurchase Plans

Regulatory
- Qualified Mortgage Rule
- Civil Money Penalty Process
- Basel III's Capital Conservation Buffer

Subchapter S
- Maintaining a Subchapter S Election
- Use of S Corporations by Financial Institutions

Miscellaneous
- Loan Production Offices
- Efficient Conduct of Board Meetings
- Enterprise Risk Management
- Tax Allocation Agreements
- Institutions with Over $500 Million in Total Assets

Gerrish McCreary Smith, in connection with various speaking engagements around the country, has created high quality "handout" booklets. The publications below are available for a nominal charge:

A Director's Guidebook to Effective Board Compliance

A Fresh Start: Shareholder Value for a New Environment

A Positive Look at Community Banking

Corporate Governance

Directors' Responsibilities in Mergers & Acquisitions: Responding to the Unsolicited Offer

Evaluating Bank Options: Remaining Independent or Preparing to Merge

Family-Owned or Closely-Held Bank Issues

How to Flourish in a Dodd-Frank World

Is a Holding Company in Your Bank's Future?

Mergers & Acquisitions Are Back: Don't Miss Your Opportunity

New Truths About Directors, Shareholders and Regulators (Including Compliance)

The Community Bank Survival Guide: How to Survive and Thrive

The Pros and Cons of Converting to Subchapter S

Strategic Planning: Don't Make Me Do It!

Understanding the Director's Role

If you are interested in any of these memos or publications, please call or email Shelley Loudermilk at (901) 684-2306 or sloudermilk@gerrish.com.

Please visit our website at: www.gerrish.com

Areas of Service

Gerrish McCreary Smith, LLC, Consultants and Gerrish McCreary Smith, PC, Attorneys are committed to the delivery of the highest quality, timely and most effective consulting and legal services **exclusively to community financial institutions** in the following areas:

Financial Advisory/ Consulting Services

Acquisition Financial Analysis
Fairness Opinions
Transaction Pricing Analysis
Capital Planning
Subchapter S Financial Modeling
Directors' Liability
Mergers and Acquisitions
Executive Compensation
Acquisition Pricing
Employee Benefits
Bank/Stock Valuation Analysis
Estate Planning
Strategic Planning
New Bank Formations
Tax Planning
Going Private
Subchapter S Corporations
Expert Witness

Legal Services

Mergers and Acquisitions
ESOPs
Dealing with the Regulators
Securities Offerings
Going Private
Director and Officer Liability
Private Securities Placements
Fair Lending
Subchapter S Formations
Executive Compensation
Holding Company Formations
Federal and State Taxation
New Bank Formations
General Corporate & Securities
Regulatory Enforcement Actions
Probate
Employee Benefits
Estate Planning for Executives

Custom Director Programs & Presentations

In addition to facilitating numerous strategic planning retreats and proprietary director and officer training sessions, Gerrish McCreary Smith also has recently provided speakers for the following trade associations:

- Alabama Bankers Association
- American Bankers Association
- Arkansas Community Bankers
- Bank Holding Company Association
- California Independent Bankers
- Community Bankers Association of Georgia
- Community Bankers Association of Illinois
- Community Bankers of Iowa
- Community Bankers of West Virginia
- Independent Bankers of Colorado
- Independent Community Bankers of America
- Independent Community Banks of North Dakota
- Independent Community Banks of South Dakota
- Indiana Bankers Association
- Iowa Independent Bankers
- Michigan Association of Community Bankers
- Montana Independent Bankers
- Nebraska Independent Community Bankers
- Pennsylvania Association of Community Bankers
- Pennsylvania Bankers Association
- South Carolina Bankers Directors College
- Tennessee Bankers Association
- Virginia Association of Community Banks
- Washington Bankers Association
- Western Independent Bankers

Topics include strategic planning, mergers and acquisitions, enhancing/maintaining shareholder value, dealing with the regulators, employee benefits, mediation, corporate governance, and similar topics.

Please email us or visit our website at www.gerrish.com for a complete listing of upcoming conferences and seminars at which we will be providing speakers. Gerrish McCreary Smith, Consultants and Attorneys, is also available to facilitate strategic planning retreats and proprietary director training designed for your board of directors.

Recent Transactions

Blackhawk Bancorporation, Inc.

Bank Holding Company for

Milan, Illinois

has acquired

First Port Byron Bancorp, Inc.

Bank Holding Company for

Port Byron, Illinois

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Port Byron Bancorp, Inc. and Port Byron State Bank.

TCB Mutual Holding Company

Mutual Holding Company for

Tomahawk, Wisconsin

announced its intention to acquire

Merrill, Wisconsin

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to TCB Mutual Holding Company and Tomahawk Community Bank.

Sullivan BancShares, Inc.

Bank Holding Company for

Sullivan, Illinois

has announced its intention to acquire

Moultrie Bancorp, Inc.

Bank Holding Company for

Lovington, Illinois

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Sullivan BancShares, Inc., First National Bank of Sullivan, Moultrie Bancorp, Inc. and Hardware State Bank.

Abby Bancorp, Inc.

Bank Holding Company for

Abbotsford, Wisconsin

has acquired

Fidelity Bancorp, Inc.

Bank Holding Company for

Medford, Wisconsin

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to AbbyBank.

Hillsboro, Illinois

has acquired a branch office from

Terre Haute, Indiana

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to First Community Bank of Hillsboro.

Amboy Bancorp, Inc.

Bank Holding Company for

Amboy, Illinois

has acquired

Franklin Grove, Illinois

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Amboy Bancorp, Inc. and The First National Bank in Amboy.

To discuss your institution's strategic transaction opportunities, please contact Jeff Gerrish at jgerrish@gerrish.com or Philip Smith at psmith@gerrish.com.

Recent Transactions

First State Bancshares of Dekalb County, Inc.

Bank Holding Company for

First State Bank

Fort Payne, Alabama

has acquired

First Rainsville Bancshares, Inc.

Bank Holding Company for

First Bank of the South

Rainsville, Alabama

Gerrish McCreary Smith, Attorneys, served as financial and legal advisors to First Rainsville Bancshares, Inc. and First Bank of the South.

Planters Holding Company

Bank Holding Company for

PlantersBank

Indianola, Mississippi

has acquired

Covenant Financial Corporation

Bank Holding Company for

Covenant Bank

Inspired Banking

Clarksdale, Mississippi

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Covenant Financial Corporation and Covenant Bank.

Docking Bancshares, Inc.

Bank Holding Company for

Union State Bank

Arkansas City, Kansas

has acquired

Relianz Bancshares, Inc.

Bank Holding Company for

RelianzBank

Wichita, Kansas

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Docking Bancshares, Inc. and Union State Bank.

Community Financial Corp.

Bank Holding Company for

CSB Community Savings Bank

TOGETHER

Edgewood, Iowa

has acquired

Garnavillo Bank Corporation

Bank Holding Company for

The Garnavillo Savings Bank

Garnavillo, Iowa

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Garnavillo Bank Corporation and The Garnavillo Savings Bank.

Olympic Bancorp, Inc.

Bank Holding Company for

Kitsap Bank

Port Orchard, Washington

has acquired

Puget Sound Financial Services, Inc.

Bank Holding Company for

Fife Commercial Bank

Fife, Washington

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Puget Sound Financial Services, Inc. and Fife Commercial Bank.

To discuss your institution's strategic transaction opportunities, please contact Jeff Gerrish at jgerrish@gerrish.com or Philip Smith at psmith@gerrish.com.

Recent Transactions

Washington Savings Bank

Effingham, Illinois

has acquired

First Federal MHC

Mutual Holding Company for

1st Federal Savings & Loan Association of Mattoon

Mattoon, Illinois

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Washington Savings Bank.

TS Contrarian Bancshares, Inc.

Bank Holding Company for

TS Bank

Treynor, Iowa

has acquired

Tioga Bank Holding Company

Bank Holding Company for

The Bank of Tioga

Tioga, North Dakota

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Tioga Bank Holding Company and The Bank of Tioga.

Libertyville Savings Bank

Fairfield, Iowa

has acquired

Keota Farmers Savings Bank

Keota, Iowa

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Farmers Savings Bank.

Security Financial Services Corporation

Bank Holding Company for

sfb Security Financial Bank

Durand, Wisconsin

has acquired

Bloomer Bancshares, Inc.

Bank Holding Company for

Peoples State Bank of Bloomer

Bloomer, Wisconsin

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Bloomer Bancshares, Inc. and Peoples State Bank of Bloomer.

WSFS Financial Corporation

Bank Holding Company for

WSFS bank

Wilmington, Delaware

has acquired

First Wyoming Financial Corporation

Bank Holding Company for

The First National Bank of Wyoming

Wyoming, Delaware

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to First Wyoming Financial Corporation and The First National Bank of Wyoming.

To discuss your institution's strategic transaction opportunities, please contact Jeff Gerrish at jgerrish@gerrish.com or Philip Smith at psmith@gerrish.com.

GERRISH McCREARY SMITH

Consultants and Attorneys
700 Colonial Road, Suite 200
Memphis, TN 38117
P.O. Box 242120
Memphis, TN 38124-2120
www.gerrish.com
jgerrish@gerrish.com

THE CLIENT'S NEEDS COME FIRST