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A word from the President...

Park State Bank & Trust has a rich history of serving customers, businesses and communities in the Ute Pass Region. Over the last 44 years, much has changed. Fads and trends have changed our clothing styles, music preferences, how we communicate and even, how we bank. Through all of the major historical events, wars and conflicts, inflation, stock market growth and recessions, Park State Bank & Trust has been there to lend a hand and provide a safe banking environment for customers and the communities we are dedicated to serving.

Today, we are experiencing new economic challenges never faced by many of our customers. In the middle of that change, we see a downturn in the housing and construction markets and increases in unemployment. Both factors have a direct impact on a family's or business's ability to pay monthly expenses and make outstanding loan payments. This is the primary connection to our recent announcement that Park State Bank & Trust has signed a formal

agreement with the FDIC to address several key areas of our bank activities.

To be successful high performing organizations, banks need to be profitable, manage their lending practices based on changing economic conditions and maintain a proper capital level to protect customers. In the coming months, Park State Bank & Trust will be working in concert with the FDIC to increase the bank's capital and prepare for the potential impact of past due loans and even possible foreclosures. Although foreclosures may occur, we work closely with our customers to avoid this outcome whenever possible.

We have challenged our team to help our customers achieve financial success throughout their lifetime. To do that, we need to help customers invest for a safe and secure retirement at the same time that we make loans to help customers pursue a dream or financial goal. Managed together, they combine to create a true community bank. When we look at our numbers we see the faces of cus-

tomers. Those faces are why we will continue to be your local community bank.

We are confident that our customers will make it through these challenging times. We hope we can contribute to that success along the way. We also want to make sure all of our customers know we are committed to being the best independent, locally-owned community bank in Colorado. We hope you know how much we value your relationship and encourage you to ask questions. If you would like more information please call me on my direct line at 686-5223 or my mobile number 433-4055.



Tony L. Perry
President & CEO

DO NOT SURPRISE YOUR BANKER

By Jay Halverson

Back in Teller County after some time away has made me reflect on the changes that have occurred in the area. Yes, I left this beautiful place not that long ago and promised my love ones that we would return. It did take a little longer than planned to get

back but I think I have been forgiven. Some of the changes have been big and others not as much. Examples: Wal-Mart, paved road in Paradise, no more water treatment ponds along 24, the rodeo, the Wishing Well Motel is no longer fire engine red and the Cowhand still is... the list goes on.

In these reflections some of which I have found to be good and some sad it also made me think on how banking has changed both on an economic aspect and from a customer/borrower stand point. Think back with me if you will approximately 15 years ago and compare to today on how many checks are



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you writing? Less and less. Debt cards were around back then but usage was low and it was harder to find retailers that accepted them. ATMs were around, but you could only use your own bank machines; if you were in a location without your bank, you were out of luck. Now just swipe your card and get cash back at any retailer. (Side note: 15 years ago if you swiped a card, you were stealing it.)

Lending has changed, and more rapidly than ever. Different products, different financing options and different requirements. Gone are the days of the hand shake, buddy system, and no credit loans. There are those who may feel this is a setback but it is not. Those lending practices contributed to some of the disastrous economic issues that we have today. So, how does one get a loan or manage loans that they already have in the new banking environment?

Three things to know!

1. Expect to have documentation. With all that has happened in the past 2 years, banks have no option now except to mandatorily require the information needed to make educated lending determinations. This is a requirement by the regulators and it makes good sense as well as enabling better business decisions. This is for both new and existing loans. The loan officer is going to ask you for your financials, tax returns, operating statements and other pertinent documents. The loan officer is then going to analyze the information and present it to the bank for consideration. The better, more accurate and current the information the faster and more satisfying the response.

Even if you have not supplied such documentation in the past, it is required now. The easiest way to get a "NO" from your loan officer is to say I do not have the information or "I have never given that in the past, so I am not going to give it now". Some changes are tougher than others.

2. DO NOT SURPRISE your banker.

The last thing you want to do is have your loan officer or personal banker state: "I did not know that was happening" or "If you would have only told me sooner, I may have been able to help". I am not just talking about bad news; also share with your banker the good. Why good news too? First were human, we do not want to just hear the bad we want you to share with us the good. Second, other banking services may be available that might enable you to be even more successful and financially secure. If you are proactive in letting your personal banker/loan officer know what is happening in your business or personal finances, the bank can then be proactive in our response and customer service.

3. Be transparent and communicate. The more the loan officer or personal banker understands the relationship and the better you understand the bank, the better the results will be in the end. We at Park State Bank & Trust are committed to doing everything we can to let you know where we stand.

This economic down turn is tough on all of us and the outlook for a quick fix is not realistic but the tide will turn and we (the community, the customers and your Community Bank) will be stronger on the other side. We at Park State Bank & Trust will continue to support this great commu-



Jay Halverson
Vice President / Senior Loan Officer

nity, supply superior service to our clients and customers, and be a good corporate citizen. We believe in direct communications and open information. We ask you to make this a two way street. Together we will work through these trying times.

Come see us at Park State Bank & Trust. Here at your community bank we appreciate you! ■

You're invited to an open meeting;

Saturday, September 19th

9:30 a.m. - 11:00 a.m.

**President Tony Perry and
Chief Investment Officer Brad Spivey
will present ...**

Economic Recovery?

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Sam Gould, Ph.D.

Member of the Board of Directors

Thar's Gould in them thar hills!

Meet Sam Gould (pronounced "Gold"), a member of the Board of Directors of Park State Bank and Trust since October, 2008,

Sam was awarded a Ph.D. in organizational behavior from Michigan State University in 1975. Prior to graduate school, he worked in information systems for a division of General Motors. During the Vietnam conflict he served 4 years as an Air Force officer. After completing graduate studies Sam served 10 years at the University of Texas at San Antonio as a professor of management and director of the Center for Studies in Business, Economics and Human Resources.

In 1985 he was appointed dean of the School of Business Administration at the University of Dayton, Ohio's largest independent university. Sam served in that position for 18 years. After a year of sabbatical and a year of teaching he retired in 2005 and moved to Colorado.

Sam has published over 30 articles, in academic journals such as the Academy of Management Journal, Academy of Management Review, and Journal of Applied Psychology. He has served on corporate and community boards and has consulted with business, government and academic institutions here and in Europe.

Although Sam has lived in the local area for the last four years, his family roots in the Ute Pass Region date back to 1893 when his Great Grandfather moved here for work in the silver mines. Currently residing in Divide, Sam and his wife Elaine are members of Mountain View United Methodist Church where Sam serves as chair of the Church Council. They have three adult children and eight wonderful grandchildren.

During his first two years of retirement, here in Colorado, Sam has served as executive director of the Community Partnership Family Resource Center in Teller County. He currently serves on the boards of Habitat for Humanity of Teller County and Park State Bank & Trust, and is a member of the Woodland Park Economic Advisory Group.

Sam's guidance and vision has proven to be invaluable, not only for the bank, but for the entire community. ■

Economic Recovery? continued...

- What is the deal with FDIC insurance, should I be concerned?
- Investment banks, Wall Street: why is my community bank different?
- How is the current economic crisis affecting my bank?
- Has housing bottomed, what does it mean for the economy?
- Is economic recovery sustainable?
- Is the "Crisis" over?

There will be a presentation followed by an open discussion - question period where those attending can share their concerns and comments.

The meeting will be held at Park State Bank & Trust in Woodland Park. Seating is limited. Please reserve your seat today.

**RSVP to Barbara at
719-686-5231**



"Bling" is a "tap-n-go" or contactless technology that functions like the consumers debit card or check and enables real value and incentives for

shopping local. The transaction is fast, secure and rewards consumers for making purchases with the Bling tag through earning loyalty points for each purchase. Local merchants benefit through lower processing fees as compared to debit and credit card transactions and receive the funds 2-3 times faster. The service is expected to launch soon, so be on the lookout for additional information about the "Bling" community payment service.

What's on the horizon?

an economic review

By Brad Spivey

The nation remains in what some economists and the media have termed the "Great Recession". The latest national economic indicators show further declines in economic activity: job losses continue, consumer confidence remains low, declines in economic output persist, and the housing and banking sectors continue to struggle. Strengthening of the housing market and banking sector are critical for economic recovery; neither of which I anticipate soon. The effects of the American Recovery and Reinvestment Act have yet to be seen but may push the nation towards recovery. However, job gains through ARRA funds are likely to remain slow and we are already hearing rumblings of a 3rd stimulus plan on Capitol Hill.

What began nearly 18 months ago is expected to last through at least another six months. Recent improving indications that the housing market, business activity, and consumer spending may have bottomed are positive but I suspect it is premature to indicate that the worst may be over due to continued problems in the financial system, continued large job losses, and rising mortgage rates and energy prices will threaten any recovery. The strategic goal for the nation's policy makers is to use monetary and fiscal policy to shore-up the financial industry, promote jobs, and buoy consumer confidence without causing undue inflationary pressure when the economy begins to recover in earnest.

Colorado's economy continues to suffer through one of its worst downturns in 50 years. The state has experienced major declines in economic activity, resulting in large rapid job losses. The rising number of unemployed has further weakened consumer spending which makes it harder for the economy to recover. Here in Teller County; we have been hit hard by a substantial reduction in tourism spending combined with almost nonexistent residential construction. This has resulted in large job losses and extremely poor retail sales. Employment decreased 4% through April of this

year compared to the same period last year. As of the end of April, 2009, the unemployment rate for Teller County was 8.4%.

The national recession is as bad as has been seen in some time, and Colorado's downturn certainly rivals what is being experienced in other parts of the country. Almost all of our local employment sectors are shredding jobs, with construction perhaps being hit hardest. The marked drop in housing permits provides further evidence of the weakness of residential construction. According to the July Roshek Report there was a 52% decline in home sales as compared to last year. The monthly supply of homes is currently 19.6 based on the sales of July for Woodland Park, Divide and Florissant. Last year at this time it was 7.8. Currently there are few indicators that point to a recovery in the local economy any time in the near future.

However, the recent success of the Woodland Park Mainstreet Makeover highlights the ability of diverse groups at the local, county and state level to cooperate for a common goal. This type of effort is going to be crucial to continue in the future if local government and companies wish to survive. The return of confidence could then become a self-reinforcing cycle, which could foster a stronger than expected recovery. ■

Brad Spivey
Vice President
Chief Investment Officer

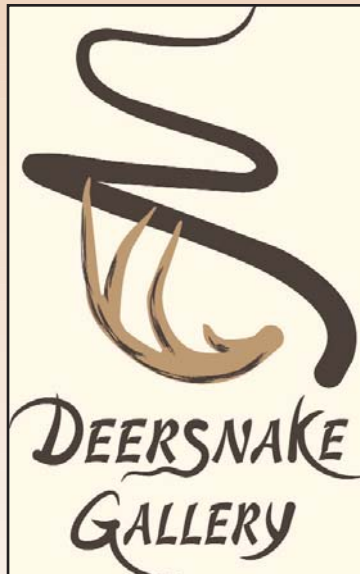


Slippery Deersnake attempts slick escape!

Sometime prior to the escape, using its antlers, the Deersnake had manipulated the towel rod that was mounted to the wall in the bathroom of the Cowbells gift and designer shop in Woodland Park. It then was able to get the towel rod off the wall and place it in its display case.

On the night of the escape, the Deersnake waited for customers and the Cowbells store owner to leave and lock-up for the night. It then used the towel rod as a slithering stepping stool to get high enough to reach the store's skylight. Again, using its antlers, the Deersnake pried away the screws that fastened the grate to the side walls of the skylight until the screws pulled free.

The Deersnake slithered out of the skylight onto the roof of the Cowbells gift and designer shop and proceeded to find an easy way to get off the roof. It found that it could slide off the roof onto the newly placed awning and then slithered down the



**See the Deersnake on display in the Park State Bank & Trust lobby
September 7th - 12th**

support post to the sidewalk below.

The Deersnake made its way to Park State Bank and Trust, slithered up to the bank roof, and normally attracted by heat, slowly slithered down the chimney and through the fireplace into the bank lobby below where it was apprehended the following morning. It will remain caged and on display from **September 7th -12th** for public viewing.

It is apparent that the Deersnake had planned its escape over a small period of time. There was no outside contraband that was used to make the escape successful and there was no help from anyone inside or outside the store to assist in the escape.

The community was never in any real danger. Unlike some creatures, the Deersnake is not dangerous but exhibits docile characteristic. The only down side is that it does tend to get a little aggressive during rutting season. ■

Doctor Computer

By Gil Winter

WEB SURFING tip of the month:

Internet Explorer 8 offers much better security and features than Internet Explorer 6 or 7. However, if you are using I.E. 8 and are having problems with some web sites, it is probably a compatibility issue. This can be resolved in one of two ways;

1. select the web site and then click on **TOOLS**, click on **COMPATIBILITY VIEW** and add the site, or;
2. open I.E. 8, click on **TOOLS**, click on **COMPATIBILITY VIEW SETTINGS** and check (✓) the box **DISPLAY ALL WEB SITES IN THE COMPATIBILITY VIEW.**

INTERNET BANKING tip of the month:

1. Whenever logging into an internet banking site (user ID included) make sure you can see the lock. This lock insures that your user ID and password are encrypted before leaving your computer (it does NOT protect you against a keystroke highjack virus/Trojan already on your machine).
2. Multi-factor authentication is used to help protect your identity - yes it is a pain, but hurts a lot less compared to losing your identity to someone online. Treat your authentication as you would



Gil Winter
Information Technology Officer

your checkbook or car keys - never leave them where someone else can find them. If you are having problems with authentication, please call us and we will help you! ■

Park State Bank & Trust
P.O. Box 9
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Horizon

CONGRATULATIONS



Park State Bank President, Tony Perry (center) awards grand prize to winners, Hoyt and Lydia Eells. (Photo courtesy of C. R. Chambers.)

Congratulations to Hoyt and Lydia Eells of Woodland Park, winners of the grand prize of \$1000, presented in a pot full of 1000 One dollar gold coins, given away by Park State Bank & Trust during the Woodland Park Mainstreet Makeover Celebration this past July.

Living in Phoenix, AZ for more than 25 years, the Eells were introduced to Woodland Park by friends who are current residents. While in Phoenix, Hoyt was a manufacturer representative for refrigeration insulation and Lydia was a Project Manager building banks for Bank1. Since both enjoy cooking, they also operated "Your Kitchen Angels" a personal chef business which they continue to operate.

Moving to Teller County in 2002, and in semi-retirement, Hoyt and Lydia quickly bonded with the community becoming active members of the Mountain View United Methodist Church, and, with their Personal Chef business, became actively involved in The Greater Woodland Park Chamber of Commerce.

Married over 44 years, Hoyt and Lydia are happy to call Woodland Park home. They are thrilled over winning the grand prize and if you want to find out more about their Personal Chef business, "Your Kitchen Angels," give them a call at 687-4556. Once again, congratulations to Hoyt and Lydia Eells from the entire Park State Bank & Trust family.

Park State Bank & Trust

Woodland Park

710 U.S. Highway 24

Lobby

9:00 a.m. - 5:00 p.m. ...Mon - Fri

9:00 a.m. - 12 NoonSat

Drive Through

7:00 a.m. - 6:00 p.m. ...Mon - Fri

8:00 a.m. - 12 NoonSat

Florissant

18172 County Rd. 1

Lobby

8:30 a.m. - 5:00 p.m. ...Mon - Fri

8:30 a.m. - 12 NoonSat

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