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More Credit/ Debit
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Ricketts, Ricketts &
Associates article

Winter 2010

All editions are available for
pickup at our offices or online at
www.blissfieldstate.com

AVOID THE HOLIDAY SHOPPING RUSH...

The solution is here at Blissfield State Bank. We are pleased to introduce our new MasterCard Gift/Travel Card Program.

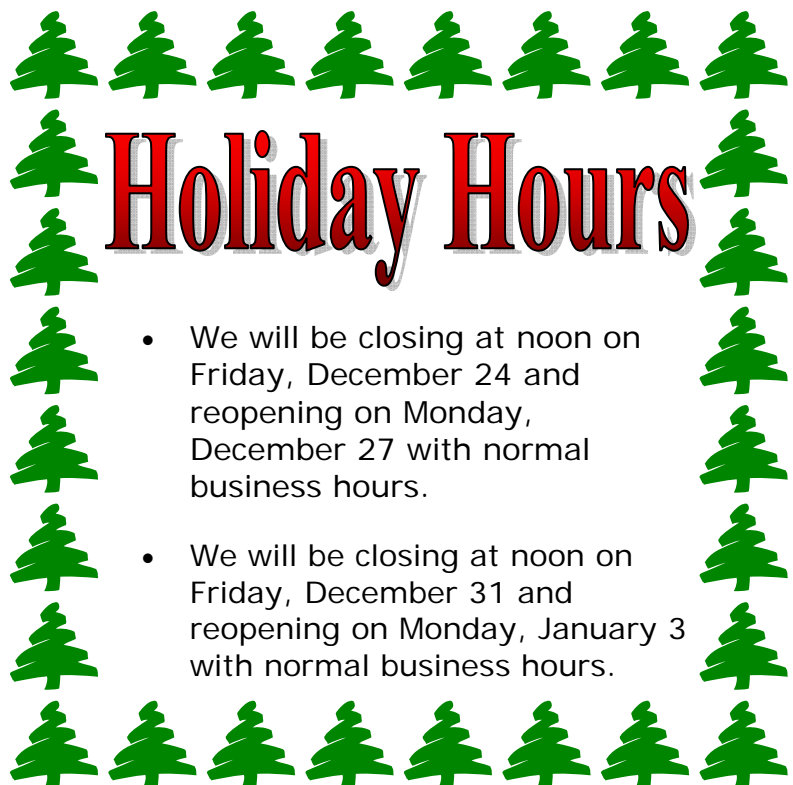
The MasterCard **Gift** Card may be purchased for any amount between \$20.00 and \$1000.00 for a low fee of \$5.00 at either of our branches. The Gift Card may be used at any retailer which accepts MasterCard - allowing it to be used virtually anywhere. All transactions may be tracked online or by calling the toll free number on the back of the card. This is a great feature to help monitor the card balance. Should the card become lost or stolen, a replacement card may be issued for the same \$5.00 fee. This card may be the perfect present for all your family and friends!

The MasterCard **Travel** Card is the convenient replacement for traveler's checks. This card may be preloaded for \$20.00 through \$3000.00 and purchased for only \$6.00 at either of our branches. There is no cash to lose, but if you need cash you may use an ATM or ask for cash back from a purchase. All signature transactions are free, so when making a purchase, enter "credit" or give your card to a cashier and sign the receipt. It's that easy!

The prepaid **Travel** Card may also be used for online and mail order purchases. This could be a benefit for someone who does not yet have a checking account or would prefer not to use his/her own debit card. The Travel Card may be purchased by anyone sixteen years old or older,

making it a great tool for learning about management of a debit or credit card. The Travel Card is reloadable and may easily be replaced if lost or stolen.

To learn more, stop in to see us on December 3rd for our MasterCard Gift and Travel party! Join us for refreshments, the ability to purchase a gift or travel card for an introductory low fee (only \$3.00 per card), and a chance to enter our drawing for a \$25.00 gift card.



Holiday Hours

- We will be closing at noon on Friday, December 24 and reopening on Monday, December 27 with normal business hours.
- We will be closing at noon on Friday, December 31 and reopening on Monday, January 3 with normal business hours.

FINANCIAL REFORM



William M. Ellis

The mammoth Wall Street Reform Act has been passed and signed into law. Now hundreds of regulatory rules must be written and implemented. Fortunately, the great majority of these new rules will affect only the Wall Street megabanks and nonbanks.

One of the best outcomes of this arduous process was the creation of a bright line distinguishing community banks, such as ours on Main Street, from the megabanks and shadow banking industry of Wall Street. Prior to this legislative process most members of congress in Washington D.C. were not aware of the differing business plans of the two groups. After listening to hours of testimony, visits in their offices by state community banking groups, thousands of letters and endless e-mails from community bankers in their districts; these same members of congress now have a clear understanding that there is a vast difference.

Congressmen now know that community bank funding is primarily comprised of deposits accepted from local community members and in turn reinvested back into the same community in the form of loans. Furthermore, they now realize that community bankers live and interact with their community members everyday. Hence, there is an innate sense of responsibility to act as a guardian to protect the funds entrusted to them. On the other hand, Wall Street 'bankers', and I use the term loosely, primarily accept institutional funding and engage in brokerage transactions. The chances are pretty darn slim of one of those 'bankers' interacting with one of their depositors.

Thanks to the grassroots efforts of thousands within community banking and the community banking associations, the future amount of wasted time and expense has been limited to a major degree. We will still be dealing with a lot of unnecessary paperwork, but it won't be as bad as it could have been. So we will forge ahead and continue to provide our community with strong trustworthy financial services.

Bill

MORE CREDIT/DEBIT CARD SCAMS

In the interest of keeping you informed, here are a couple credit/debit card scams that have come to our attention recently.

While working out at the local gym an individual's locker was opened and the door left open. Upon returning to the locker the individual noticed the break-in, checked his personal effects - his wallet and all cards were in place. A few weeks later his credit card statement arrived with a huge balance due of \$14,000. The customer contacted the credit card company stating that he did not make the charges. Customer care personnel verified that there was no mistake in the system and asked if his card had been stolen. 'No,' the customer said, but then took out his wallet, pulled out the credit card, and yes - you guessed it - a switch had been made. An expired similar credit card from the same bank was in the wallet. The thief had broken into his locker at the gym and switched cards. Verdict: the credit card issuer said since the customer did not report the card missing earlier, the customer would have to pay the amount owed. How much did the customer have to pay for items he did not buy? \$9,000! Why were there no calls made to verify the amount swiped? Small amounts rarely trigger a 'warning bell' with some credit card companies. It just so happens that all the small amounts added up to a big one! This type of card switch can take place anytime your card leaves your sight during a transaction anywhere.

For your own sake, develop the habit of checking your credit/debit card each time it is returned to you after a transaction.

Here's another scenario using new technology that can happen while your card is still within sight. A customer picked up her pizza order and paid for it with a debit card that was connected to her checking account. The cashier took the card, swiped it then laid it on the counter waiting for approval, which is standard procedure. While waiting, the cashier picked up his cell phone and started dialing. The customer took note of the cell phone because it was the same model as her own. The customer heard a click that sounded like hers when a picture is taken. The cashier returned the debit card, but kept the phone in his hand as if he was still pressing buttons. Meanwhile, the customer wondered what the cashier had taken a picture of, oblivious to what was really going on. The customer then realized the



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MID-TERM ELECTIONS & STOCKS

Historically, these events tend to help equities.

You may have heard that stocks tend to rally in fall and winter. That has often been the case. In fact, the S&P 500 and the Dow have gained repeatedly after the elections occurring in the third year of a first-term presidency.

These elections seem to elate Wall Street. While past performance is no indication of future success, consider this: Wall Street has witnessed rallies after every mid-term election since 1942.

The Leuthold Group, a Minneapolis-based investment research firm, has determined that the S&P 500 has gained an average of 18.3% in the 200 days following such elections. Widening the window of time, Goldman Sachs finds that the S&P has averaged an 18.1% advance during the 12 months following each of the 15 mid-term elections since 1950. (The gain averages 11.0% when control of Congress changes hands.)

Consider another intriguing statistic regarding mid-term election years: in the five instances since 1942 when an incumbent first-term president was a Democrat, the S&P 500 has gained an average of 21.3% for the year.

The Dow may get a tailwind from the "third-year effect". Since 1945, the third year of a presidential election cycle has tended to be very positive for the Dow. As MarketWatch columnist Mark Hulbert noted recently, the DJIA has averaged +24.7% in such 12-month periods (usually measured in fiscal years, i.e., 4Q-1Q-2Q-3Q) since the end of World War II. In fact, the Dow's average returns in other fiscal years of a presidential term have been puny in comparison: +4.0% in year one, +1.9% in year two and +3.3% in year four.

Last month, Standard & Poor's chief investment strategist Sam Stovall told the *Wall Street Journal* that the DJIA has risen an average of 17.1% in calendar years following mid-term elections since 1945, with less than 10% of these years seeing selloffs.

Will 2010 follow the historical pattern? Excellent question - after all, no one is clairvoyant. This year, stocks have not followed the longstanding trends. Stocks typically do badly in September, yet September 2010 actually turned the market around. When it comes to November, let's hope history repeats.

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only thing there was the debit card and now paid closer attention to what was going on. The cashier set his cell phone on the counter, leaving it open. About five seconds later, the customer heard the chime that indicated that the picture had been saved. Now the customer had become very suspicious and correctly canceled the card immediately after leaving the store.

The lesson in this case is to be aware of your surroundings at all times. Whenever you are using your card take caution and

don't be careless. Notice who is standing near you and what they are doing when you use your card. Be aware of phones, because many have a built-in camera these days.

Unfortunately, we now live in an era where honesty isn't quite as prevalent as it used to be. Thus, we have to be more vigilant and take certain precautions to protect ourselves. Hopefully, this information will give you one more tool with which to protect yourself.

Effective January 1, 2011

The following products and services reflect new pricing as :

Nonsufficient Paid Item **\$30.00**
daily charge limit = \$150 or 5 items

Returned check (bounced) **\$27.00**
maximum charge = \$135 or 5 items

Cashier's Check **\$ 4.50**

Money Order **\$ 4.00**

Deposited item returned **\$ 7.50**

Tax Levy/Garnishment **\$60.00**

Lost Debit card **\$ 6.00**

Foreign check deposited **\$ 4.00**

Travel Card **\$ 6.00**

Gift Card **\$ 5.00**

Hard copy – statement **\$ 3.00**

Coin machine – Customers only

A complete list of all other fees and charges is available upon request.



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Home to your
True community
bank*

Blissfield
STATE BANK