

MISSION

WE WILL PROACTIVELY PROVIDE FINANCIAL SOLUTIONS.
WE WILL CREATE PERSONAL GROWTH OPPORTUNITIES.
WE WILL WILLINGLY SHARE TO BETTER THE PLACE WE LIVE.
WE WILL ENHANCE SHAREHOLDER VALUE.

VISION: YOUR PREMIER CHOICE FOR FINANCIAL SOLUTIONS.



CORE VALUES

RESPECT IS FOREMOST. WE WILL BE PROFESSIONAL, CONFIDENTIAL AND DIRECT AT ALL TIMES.
CHANGE IS A CONTINUOUS SERIES OF OPPORTUNITIES FOR IMPROVEMENT.
TEAMWORK IS KNOWING WHEN TO ASK FOR HELP AND KNOWING WHEN TO OFFER HELP.



October 2009

CURRENT ECONOMIC A

The current economic environment is getting to be a rather fiscal year 2009 is \$1.58 trillion. The nation's actual deficit

October 2009

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In an effort to keep our mailing list updated, if you know of someone who would like to be added to our mailing list or if you wish to be removed, please call 701-352-0242.

The U.S. government is presently borrowing about 50 percent of what we're now spending. It's without question, unsustainable.

It's currently a negative double-hit for the Treasury. Tax receipts collected by the U.S. government are down 17 percent on a year-over-year basis. Outlays or expenditures paid by the government are up 21 percent over the same time-frame.

It seems to be the natural inclination to solve the deficit problem by increasing taxes on the higher income earners and the affluent. While these folks certainly should be paying their fair share, I've also been a long-time proponent that you can't create an economic atmosphere where there's a disincentive to create wealth.

Consider the following:

- The top 1/10th of one percent (one out of 1,000) earned 12 percent of all adjusted gross income (AGI), but paid 20 percent of all federal income tax.
- The top five percent of all U.S. taxpayers required an AGI of at least \$160,000 in 2007. This group earned 37 percent of all AGI but paid 61 percent of all federal income tax.
- Lastly, and a point that's hard to overlook -- the bottom 50 percent of U.S. taxpayers pays only three percent of all income tax -- "fair share" may be a subjective assessment. Some of the loudest voices in this

budget-balancing debate have little or no skin in the game with respect to who's going to foot the bill.

The opportunity to create wealth and prosper breeds new innovations, improves our quality of life, and increases efficiencies in our daily lives. With the opportunity to create wealth also comes risk and the opportunity to fail. To that end, we need to take a hard look at stopping the seemingly endless stream of safety nets and bailouts the government has been providing.

There has been a spirited debate on the differences between greed and capitalism. Admittedly, there's been a breakdown in morality that's led to greed and contributed to a lot of disapproving feelings and opinions in our society on all higher income earners. Sadly, there have been greedy scoundrels and moral low-life's who have painted a very negative broad brush picture and perception and have given true entrepreneurship and capitalism a bad name and reputation.

As Adrian Rogers indicated in 1931, "you cannot legislate the poor into prosperity by legislating the wealthy out of prosperity ... you cannot multiply wealth by dividing it."

The outlays for Social Security, Medicare and Medicaid programs for 2009 are expected to be \$1.36 trillion -- about 36 percent of the total budg-

ASSESSMENT

er depressing topic. Consider this staggering fact: the nation's anticipated deficit for t for its first 197 years of recorded financial data (1789 – 1985) was \$1.54 trillion.

et. In ten years (2019), it's projected to be \$2.48 trillion -- about 47 percent of the total U.S. budget. We're on a road to fiscal disaster and we seemingly don't have the discipline to take the necessary steps to make the hard choices to avert the inevitable impending financial calamity. As a nation, the harsh reality is we probably cannot sustain the standard of living and lifestyles most Americans have enjoyed the past couple of decades -- a standard of living that was in large part, fueled by personal and public debt.

As a nation, we are deeply in debt and digging our hole deeper and quicker. We don't want to change our behaviors or acknowledge what consequences this will have at some point in the future. We seem to be OK with living for today and not worrying a lot about tomorrow.

Before people will change their behavior, they have to want to do so.

Paraphrasing Will Rogers who said there are three kinds of men: ones that learn by reading, a few that learn by observing, and the rest of them have to relieve themselves on the electric fence to find out for themselves.

People generally choose their behaviors based on what they think will happen to them as a result.

North Dakota as a state is still doing

well. Of the 50 U.S. states, 48 are facing projected shortfalls in their tax receipts when compared to their projected spending levels. Only Montana and North Dakota are not projecting a state-wide deficit.

Of the nation's \$1.9 trillion of consumer debt, (credit cards, car loans, store cards) 14 percent are expected to default during the current recession. That's about double what has been historical default rates in past recessions.

There is debate on what type of recession and/or recovery we're in. Some economists view it as a "V" while others view it as a "W". The "W" is simply a double-dip recession. My opinion is more with the "W" type of recession and recovery.

Of the baby-boomers (Americans born between 1946-1964) only about 30 percent are financially prepared for retirement.

There still is value in a good education. The average net worth of American families headed by a person that has a college degree is more than four times larger than the net worth of families headed by a person with a high school degree. Additionally, an average American male that graduates from college will earn \$367,000 more during his lifetime than he would have earned if he had only achieved a high school diploma.

That said, only about 55 percent of incoming college freshman will graduate from college within six years.

Baby boomers start turning 65 in about two years. This will start the slow withdrawal of a substantial amount of money from the stock market as these 78 million Americans attempt to fund their retirement.

It's interesting how important FDIC deposit insurance has become again to many customers as depositors have moved a lot of their money back to guaranteed and safe traditional bank deposit accounts from higher risk investments in their "flight to safety" for their retirement dollars.

Until next time,



Lynn Paulson
CEO/Editor



BUSINESS BRIEFS:

If you own or are involved in a business, I'm sure you have been part of meetings that you thought were a complete waste of time.

More than 11 million meetings take place every day in American business, taking up more than 37 percent of employee time. Nearly 70 percent of participants bring other work to do during meetings and 40 percent report dozing off. A full 50 percent of meeting leaders doubt that participants leave the meeting with concrete steps to improve production, but nearly 80 percent plan to do nothing to change the format of the meeting to make it better.

The cost of health insurance for employers' workers is often times a very significant expense for businesses. The Kaiser Family Foundation estimates that the average cost of a family policy offered by employers was an astounding \$13,375 this year -- up five percent from 2008.

The average employer pays 43 cents in benefits (Social Security, Medicare, unemployment insurance, workers compensation, life and health insurance, paid leave, retirement plans) for every \$1 in salary.

There are so many proposals surrounding the debate on national health care currently being pitched, that it doesn't make much sense to try

and explain what they mean until there is some general political consensus and agreement. Needless to say, the issue has evoked passionate opinions and debates. The only option that's not acceptable is to do nothing.

I chuckled at a statement from Rich Karlgaard, publisher of *Forbes Magazine* and a Bismarck, N.D. native, regarding health care. He thought President Obama should start his next health care speech with this statement -- "*My fellow Americans: We are old. We are fat. We are afraid of lawyers.*"

While understanding and clearly conceding there are gross inefficiencies in our current health care system, it will be hard to convince me that the federal government can operate health insurance more efficiently than the private sector. Take a look at Medicare. The projected cost for Medicare in 1970 was \$3.1 billion. In 2009, it's projected at \$408 billion -- with another \$224 billion for Medicaid. Efficient and cost-saving government run programs seem to be a bit of an oxymoron.

It's no surprise that elderly care is getting more expensive. In 2008, the average cost of nursing home care was just over \$76,000. Not many Americans are prepared to pay for that type of care on their own. As a result, a combination of family and government assistance

often picks up the tab.

Who would be more likely to be laid off these days, a younger worker or an older one? According to *Kiplinger's* -- a younger one. More employers are deciding that they get more bang for their buck with experienced workers, even though their pay may be higher. Also, employers like the older workers' work ethic. Employers say they don't need to tell oldsters to turn off their iPods, remind them how to dress or to come in on time.

Older workers generally understand they don't necessarily have a job, rather they understand they have responsibilities.

So how do you get employees to share your business's core values? Sometimes you don't - you find or hire those employees that already have or share them.

Hard work pays off in the future -- laziness pays off now.

I think we all know people that spend their entire lives doing things they detest, to make money they don't want, to buy things they don't need and to impress people they don't like.

Here's a little tongue-in-cheek to make a point -- no disrespect intended to the medical or legal professions.

When a doctor makes a mistake, the patient dies, and the doctor

doesn't have to worry about it anymore. When a lawyer makes a mistake, the client goes to jail and the lawyer doesn't have to worry about it anymore. When an employer makes a hiring mistake, he says "good morning" to it every day!

American workers seem to be under more stress than ever. This appears to be validated by the 100 percent increase in the number of Americans taking antidepressants compared to just a few years earlier.

According to *Forbes Magazine*, the most stressful metropolitan area in which to live in is the Chicago area, with the Los Angeles and New York City areas right behind.

Approximately 7.4 percent of Americans work at least 60 hours a week. 17.7 percent put in at least 49 hours of work a week.

If you do much flying for business, you likely have a preference for which seat on the plane is your favorite when you fly. According to *USA Today*, 61 percent prefer a window seat, 38 percent prefer an aisle seat, and just one percent like the middle seat.

Here was a unique business idea. A New Jersey social studies teacher was recently accused of accepting cash from students looking to improve their grade. You need to give at least a little credit for creative entrepreneurship.



Technology: **MOBILE BANKING**

Banking technology is constantly changing to help make the lives of customers easier. Choice offers convenience services such as Telephone Banking and Online Banking, and most recently began offering Mobile Banking services.

With Mobile Banking, customers can view account balances, transfer funds or make payments -- all from their cell phone. All that is needed is Internet capabilities on a phone from one's cell phone provider.

If you're not able to make it into the bank to make a transfer, Mobile Banking brings the bank to you so you can literally bank anywhere. Choice Financial's Mobile Banking services are also free of charge (fees may apply from cell phone provider).

For more information regarding Mobile Banking, visit our Web site at www.choicefinancialgroup.com and view the Mobile Banking page. To activate Mobile Banking, set-up is in the Online Banking portion. Call your nearest Choice Financial location to learn more.



The Choice Voice

Choice Financial CUST

Geo. LaHaise & Sons Co. Grafton, N.D.

George LaHaise founded Geo. LaHaise & Sons in Grafton as a plumbing and heating business in 1959. The business was fortunate to have many good years of business, and in the early 1990s, he began hearing more about geothermal technology for heating and cooling. With his two sons, Dan and Tom, he began investigating its business potential.

"We are always looking for a new challenge and niche," said Tom. "This new and exciting technology created a lot of enthusiasm."

After attending a meeting in 1992 organized by the local power company regarding geothermal heating and cooling, LaHaise & Sons began selling the systems one year later.

One of the initial challenges was they received some small jobs as the interest in geothermal business began to rise with the costs of fossil fuels going up. But installations didn't take off as quickly as they had hoped because of the high costs of the initial installation, compared to relatively low electricity costs.

To overcome these challenges, they decided to take a leap of faith and take on larger-scale geothermal jobs with a vertical heat exchanger and would need a special type of drill.

After much research on a variety of drills, they purchased one in the Spring of 2007 after they were

awarded a bid for St. John's Catholic Church in Grafton. The project was a success with the new equipment and paved the road for future business.

The brothers remain busy promoting, selling and installing the geothermal systems for their customers. At times, they have had five or more projects in progress and more to schedule. Dan says that word-of-mouth advertising is really getting around town.



"Geothermal is in its infancy, and we are at the forefront of this new technology," says Tom. The company has invested heavily in research, development, training and equipment, and with the help of their Simco drill rig, they are promoting "green" technology and are very determined to make the industry succeed.

Tom and Dan have been banking with Choice Financial since April 2009. They were contacted by Denny Schneider to assist with their business and they were happy to switch from a large competitor who had created more work for them through numerous errors. Since they joined Choice, Dan stated *"We haven't had any problems, the staff is more personal and knows who they are and it's just a better fit overall."*

For more information regarding geothermal heating and cooling products, contact Dan or Tom at 701-331-9269.

TOMER PROFILES:

Weibye Brothers Horace, N.D.

All American Plumbing & Heating, Inc. is owned by Eric Weibye, Ryan Weibye, and Josh Weibye. The plumbing and heating business experience and expertise runs deep in their family history as their father is a master plumber from Detroit Lakes, Minn. All American concentrates on commercial business in the tri-state area and beyond. All American Heating & Plumbing has grown to \$3,000,000 in annual sales. The business operates out of Horace, N.D. just 10 minutes south of West Fargo.

The business employs 16 full-time employees, mostly year-round. Eric is an expert on heating, Ryan manages the office and completes the bidding process, and Josh is the expert on plumbing. Ryan's wife, Rachel, also works full-time for the business by doing all the accounting and helps out in the office. All three brothers have young families. Eric and Katie have two daughters, Alanna and Faith. Ryan and Rachel have three daughters, Allison, Amber, and Alyssa. Josh and Talea have two daughters, Eva and Ellie and one son, George.

The three Weibye brothers and Rachel



Weibye also own and operate Little Tykes Daycare in Horace, N.D. Eric's wife, Katie also works full-time at the daycare. Little Tykes Daycare is located on the main street in Horace and is across the street from Horace Elementary School. Little Tykes can have up to 80 children.

The company has recently added an addition to the daycare that was built to specialize in infants and younger

children, and is equipped with cameras so the parents can view their children via the Internet during the day.

The three Weibye brothers and Ryan Haugo also own and operate Midwest Ironworks, LLC. Midwest Ironworks does welding for commercial projects. All of the welding needed for All American Plumbing & Heating projects is done by Midwest Ironworks. Mr. Haugo brings a

wealth of welding experience and expertise. The company is located in Horace and currently employs three full-time people including Mr. Haugo.

The three Weibye brothers and Darrin Nelson also own and operate Heartland Excavating, LLC. Heartland Excavating, LLC specializes in digging

basements, site utilities, installing septic tanks, septic pumping, ditch work, road repair, trenching, hauling gravel, sand, and rock. The company currently has four employees and

operates out of Horace. Heartland Excavating will also be doing its own hauling for dirt allowing the company to do larger contracts on site work.

The Weibye Brothers bank with Choice Financial because of the convenience of Online Banking, our late 6:00 p.m. cut-off time, and our great customer service.

To contact the Weibye brothers for more information on any of their businesses, call 701-356-5325.



SBA: READY TO HELP WITH LENDING NEEDS



Banks, including Choice Financial, are open for business and the Small Business Administration is helping.

The banking industry is a key component to economic recovery in the United States and all parts of the world. Access to capital, both on personal and business levels, is absolutely necessary for the economic climate to continue to see improvement over the next few months and years.

At a time when the banking industry is being criticized by regulators, it can be a common response for banks to restrict or limit borrowings because of a fear of the “heavy hand” that may be imposed by the federal regulators. In an effort to encourage more lending activity in the banking industry, there have been some significant changes by the U.S. Small Business Administration (SBA).

Historically, the SBA had a reputation of being a program of last resort. Perception, by some, had been that the SBA was a lengthy, time-consuming, paper-laden process. In addition, the cost of SBA loans had increased significantly over the past decade through the imposition of guaranty and servicing fees that have ranged from 0.25 percent to 3.75 percent of the guaranteed amount. Because of these issues and costs, banks and borrowers were utilizing SBA in only the more difficult lending situations.

The Small Business Administration has made some recent changes that have dramatically improved the timeliness and costs of loan guarantees. In 2009, the federal government implemented the American Recovery and Reinvestment Act of 2009 (Recovery Act) that eliminated nearly all fees associated with SBA lending. The

Recovery Act has committed \$730 million to the program to assist lenders in making more loans and increasing the guarantee percentage on SBA loans to as high as ninety percent. The waiving of SBA related fees will extend until December 2009 or until all the funds are exhausted.

In addition to the increased guarantee percentage, SBA has implemented a new loan program called the America’s Recovery Capital or ARC Loan Program. The ARC program was implemented to assist struggling small businesses while reducing any additional risk to the bank. The program will extend a loan of up to \$35,000 with payment of principal deferred for up to 12 months. This program benefits lenders by reducing risk with a 100 percent guaranty, allowing the funds to be used for existing bank debt payments, and the interest payments being made by SBA during the term of the loan. The SBA has also committed to loan application turnaround of five to 10 business days.

As we can see by recent changes, SBA is making every effort to be bank and business friendly. At a time when the economic conditions are not ideal, it is good to know that the banks and the Small Business Administration are doing everything they can to assist growing businesses.

**-- Wayne Zink
Senior Vice President
Grand Forks**

COMING TOGETHER: FANTASTIC FRIENDS AND NEIGHBORS

Clearly, I suspect, there are times when we all wonder why we live in this part of the country. Unquestionably, you could argue there are other places that offer a better year-round climate, more social options, sophisticated cultural activities, and a much wider array of what most people would consider “sought-after amenities.”

The critical missing ingredient in the aforementioned set of assumptions is the character, integrity, and traditional core values of the people and individuals who live and work here. It's old-fashioned character traits you simply don't seem to find in other parts of the country.

My brother, Lee, passed away unexpectedly on July 15. He was a farmer, and like many of our Choice Financial farm producers, very passionate about his farm operation. He understood if you took care of the land, the land would take care of you.

He was 56 years old and had been a bachelor all his life. That, however, was set to change. He was planning to be married three days later on July 18. What was supposed to be his wedding

day turned out to be the day of his funeral. It was a cruel and twisted irony.

What has occurred in the days and weeks that have passed since July 15 has clearly reinforced my faith in the high moral fiber of people in America's heartland. Lee's friends and neighbors stepped up immediately offering their “no-strings attached” help and assistance to get the crop harvested.

In early September, a couple dozen of Lee's friends and neighbors got together on a beautiful Saturday afternoon to harvest the remaining acres of wheat. Between a couple of harvest locations there were about 13 combines (about an even split between green and red!), a whole fleet of semi-trucks, and a couple of grain carts. It was likely the best crop Lee ever raised in his more than 30 years of farming.

These folks gave up a precious day they could have used to harvest their own crops to come and help someone in need – with no expectation of receiving anything in return. Where in the world (literally) do you still see

that type of spirit and selflessness? As I thanked these good samaritans for their generosity, a couple of the neighbors relayed to me -- *“Lynn, we not only wanted to do this, we needed to do this.”*

Unfortunately, we seem to live in an “it's all about me” or “I'm a victim” type of society that seems to be filled with a lot more “takers” than there are “givers.”

It's very refreshing to know there are still places, communities, and good people that are right with the world.

I wish I could publicly acknowledge every single person that has helped out. They all deserve much more thanks than myself or my family can ever properly convey.

The harvest bee received some nice television, newspaper, and radio coverage. It was nice to see Lee's friends and neighbors get recognition for their good deeds. It even made the *USA Today* newspaper. The situation, while unfortunate in one sense, seemed to give a lot of people a renewed belief that there still are people and places that have their priorities in order and have the right core value systems deeply rooted and properly grounded.



“Lynn, we not only wanted to do this, we needed to do this.”

-- A N.D. Neighbor



The Choice Voice

ODDS AND ENDS:



FOOD FOR THOUGHT

Excess cow gas (I really can't print what most of us call this "methane flatulence") is getting attention from environmentalists as "one of the biggest environmental problems" facing the planet -- seriously.

Here are some facts and statistics that really do matter in the green movement. I didn't hear a lot of these during the cap and trade debate.

- China has emitted more carbon in the past three decades than the U.S. has in our entire history.
- Of the world's carbon emissions, 25 percent comes from deforestation by other countries -- Brazil contributing 70 percent.
- Europe has cleared more forests in the last 1,000 years than any other society.
- Lastly -- and most interestingly -- *Time* magazine recently reported the results of a new poll that Americans rank global warming LAST in the top priorities facing this country.

Let's get past some of this nonsense, help some of the fanatics get a life and move on.

Auto thieves don't steal high-end vehicles. Somewhat surprisingly, the most stolen vehicle in the U.S. was a 1994 Honda Accord, followed by a 1995 Honda Civic and 1989 Toyota Camry. Why the older cars?

According to the National Insurance Crime Bureau, newer models are more difficult to steal because of anti-theft technology, and older cars and trucks can be stripped easily at chop shops for parts which sell for more than double the value of the vehicle.

This might have changed with the "Cash for Clunkers" program!

Many of you have probably noticed in the past few years a drop in the amount of regular mail you receive.

According to the U.S. Postal Service, it's projecting a decrease of about 10 billion pieces of mail in 2009 and 2010. E-mail and other electronic forms of technology are rapidly replacing traditional "snail mail."

Many consider electronic mail not only to be faster, but also cheaper and more reliable. It's a real dilemma for the post office. Five day a week delivery is being considered, along with closing sparsely used small post offices.

A quick side note on vehicles and insurance. Although there are four times as many men as women arrested for drunken driving, the number of women facing DUI charges has increased by 29 percent the past decade, while the number of men arrested decreased by 7.5 percent according to FBI statistics.

Americans spent about \$54 billion in back-to-school gear. About \$3.7 billion of that amount was spent just on shoes.

Kids are expensive. A recent report says a typical family will spend about \$221,000 raising a child through age 17.

Speaking of younger people and the way they are now communicating, Choice Financial is constantly taking a look at all the social networking options.

Facebook, MySpace, Twitter, etc. are all becoming the new norm for networking and communicating. Consider this fact: In April of this year, Facebook users spent 13.9 billion minutes browsing and interacting on the site. That's up from the 1.7 billion minutes just one year earlier.

Maybe we should all try to become professional golfers. Tiger Woods makes an estimated \$288,000 each and every day just from endorsements, not counting any winnings he earns by playing in professional golf tournaments.

Additionally, Tiger made \$10.8 million

on September 9, 2009, \$810,000 for finishing 2nd in the Tour Championship held in Atlanta and \$10 million for winning the season long FedEx Cup. In their entire careers, Arnold Palmer and Jack Nicklaus made a **combined** \$7.6 million in tour winnings.

Lastly, Halloween will be here shortly. Americans will spend about \$6 billion on Halloween. Here are a couple of "candy" facts that you may not have known.

- Snickers bars are the most popular Halloween candy.
- There are 22 colors of M&Ms.
- Take note of this little factoid --according to a Purdue University study, it takes on average, 252 licks to get to the center of a Tootsie Pop. I don't know of too many people who completely lick their way to the center -- most bite their way there -- and what is the value in knowing this in the first place?



FOOD FOR THOUGHT

Burning calories and losing weight. It's something so many of us strive to do. Losing weight really is pretty simple -- eat less (or eat the right foods) and exercise more. It's not complicated. Doing it over a long period of time however is difficult.

On average, what does it take for a 154 pound, 30-year old woman to work off a blueberry muffin? Roughly 360 calories. That would mean, she would have to:

- Push mow the lawn for 66 minutes
- Roller blade at a fast pace for 21 minutes
- Garden for 66 minutes
- Lift weights for 115 minutes
- Easy pace cycling for 77 minutes
- Vacuuming for 92 minutes
- Jogging (5 MPH) for 33 minutes
- Fold laundry for 230 minutes

It might be easier just to skip the muffin.



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CHOICE FINANCIAL HSA TEAM



Left to Right: Amanda Rubis - HSA Advisor, Lori Doele - HSA Business Development Officer, Melissa Steiner - HSA Advisor (HSA Hotline: 866-702-9033)