

# BRUNING STATE BANK

www.bruningbank.com



Member  
FDIC

NMLS #473773

Bruning • 402-353-2555 or 1-800-403-5889

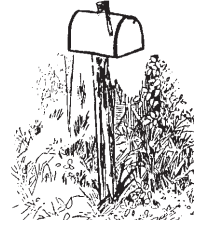
Hebron • 402-768-7473 or 1-800-405-6167

Bank of Broken Bow • 308-872-2757 or 1-877-872-2757

A Branch of Bruning State Bank • Broken Bow, NE

Holdrege • 308-995-3880 or 1-877-995-3880

**"YOUR COUNTRY BANK"**



August/September 2012

Vol. 29 No. 4

## Survival Mode...

Serving in the Marine Corps taught me many valuable lessons, and one of those was that to take care of others, you had to take care of yourself first. How can you help your buddies in your platoon if you haven't taken care of yourself?

Times have been good in rural America and especially in Nebraska. A combination of good yields and prices boosted income for grain over the last several years, and the livestock industry has done well also.

It has been a good time to be invested in the farm economy.

Then again, there is a group of people who are always pessimistic "dooms-day" thinkers, reminding people that the end is near and hard times are coming.

I have been around long enough to hear of or be involved in three turn-arounds in the economy. One thing I have learned is that those who have their house in order (financially as well as otherwise) are able to survive those hard times and still raise exceptional families on modest household incomes. These families usually read the signs that "the trees don't grow to the sky" and make adjustments.

Inflation in land and machinery values can play a trick on your thought processes, building a false sense of prosperity and security. Though it would seem that opportunities are less available in inflationary times, many successes come about after hard times. Look at some of our parents and grandparents who accumulated land and other assets after the '30s. They had to make tough decisions and work hard to accomplish it, though. Your neighbors or friends in the coffee shop can't make these tough decisions for you, but your banker and close advisors can listen and provide guidance.

Survival will come to the families who recognized certain signals in our economy and adjusted. Nobody can make the decisions or adjustments for you. Learn from the Marine Corps example: first take care of yourself and your family so you can later be in a position to help others if needed.

*Frank L. Bruning – Banker Frank  
Chairman of the Board*

*"Learning is not compulsory. . .neither is survival." - W. Edwards Deming*

## Rural Potential...

The Nebraska College of Technical Agriculture (NCTA) in Curtis, NE provides a challenging, innovative two-year college learning experience. They recently completed a construction boom that produced a new Education Center, an addition to the Veterinary Teaching Hospital, a new residence hall, and a biomass project to use woodchips from red cedar trees for the school's heating system.

The Dean of the College, Weldon Sleight, is a good friend of mine and a true scholar. He has a vision based on a fairly simple premise – "For rural Nebraska to survive, it must keep its young people from leaving forever. Rural communities must tell young people they want them to return and help them see the potential there, and they must drive that point home to youth before they go away to college."

Sleight often gives this piece of advice during presentations, "Put your arms around those kids and invite them to come home." What happens more times than not, though, is we give our kids the impression, "There's nothing here; get as far away as you can and make a better life for yourself." Many kids would like to go back, but they don't know how to go home.

Under Sleight's leadership, NCTA has worked entrepreneurship into its curriculum. The college has started several ownership outreach programs including *Own the Farm or Ranch*, *100-Acre Farm*, *100 Beef Cow Advantage*, and *NCTA Business Builder*. Their *Combat Boots to Cowboy Boots* initiative is aimed at returning soldiers. All of these efforts, along with NU's development of the Rural Futures Institute and the general support from Nebraska's agricultural industry, are exciting, encouraging signs of progress toward Sleight's vision to revitalize rural Nebraska.

We are so fortunate to have leaders like Dr. Sleight and Vice Chancellor Ronnie Green, of the Institute for Agriculture and Natural Resources, who have a commitment to this vision, energy to motivate, and dynamic personalities for working together and making things happen.

*Fred D. Bruning – President*

*"Leadership is the capacity to translate vision into reality." – Warren Bennis*

---

---

## Legacies...

Our Bruning State Bank family has been saddened by the recent loss of two exceptional shareholders and ambassadors: Marjorie Dalton and Walter Reiss. Our thoughts and prayers go out to their families and friends.

Marjorie Dalton, as many of you may know, was Frank Bruning's sister and served on the Bruning State Bank Board of Directors for many years. Upon her retirement, her son, Matt Dalton, took her seat on the board. I had the privilege and honor of serving on the board with Marjorie. She led by example and helped set the vision and direction of the Bank that moved us forward and all the time held a steady hand on the growth of the capital account.

She mentioned at many meetings the lessons she had learned from her father, Fred H. Bruning. Our Bank, under the leadership of Frank and Fred D. Bruning, still follows those same basic philosophies. As Marjorie always said, "We have to build capital and pass the Bank on to the next generation in better condition than we found it." She did a great job of representing the shareholders.

Marjorie was also an accomplished writer. Over my years here, I have received letters of encouragement from her, and if she had a concern, you did not have to guess it! She was the most humble and unassuming person I've met in my life so far.

Walter Reiss, MD, of Lodi, California, was Mary Bruning's brother and a native of Belvidere, Nebraska. After college and medical school, he and his wife, Carol, moved to California. Walt was a successful doctor, businessman, and community leader. I remember meeting him for the first time and wondering how this man gets all these things done in a 24-hour day! He was talented in many areas and shared those talents generously. One of his greatest qualities was his dedication to helping those who were less fortunate. His work in this area led to a Salvation Army medical outreach clinic being named after him.

If you knew Walt, you knew he was a great advocate of Bruning State Bank to his family, friends, and business partners. We will be forever grateful for the doors he has opened for Bruning State Bank. He never forgot his Nebraska roots and especially loved Nebraska football. He started the Californians for Nebraska Club and put together a radio network for Nebraska football in Northern California.

Our Bank family will always remember the contributions of both of these leaders. Each had a different leadership style, but both were very successful in whatever they did. Again, to the Bruning, Dalton, and Reiss families, the whole Bruning State Bank family extends our sincerest condolences at this time of loss. Marjorie and Walt will be greatly missed, and we will continue to think and speak of them often.

*Jerry Catlett –*  
CFO

## Trusts...

Bruning State Bank has had a Trust Department since 1991. It was first created to meet several objectives, such as giving area customers a service they could utilize at home, rather than having to go out of town. It also served as a means to manage Initiative 300 issues. While Initiative 300 is gone and that need has passed, we remain active and available to serve as farm managers, as executors or personal representatives for a "last will and testament", to manage escrow services, serve as intermediary on like (or 1031) exchanges, as "power of attorney," and to be Trustees for trusts, whether irrevocable or revocable.

In the matter of an estate, having a properly prepared trust may help lower inheritance tax, yield increased privacy (as probate and the public court record may be avoided), as well as reduce time spent and costs incurred.

A living (revocable) trust, can help manage your property in the unfortunate event you become mentally incapacitated. Of course, at the time of the Trustor's (your) death, it becomes irrevocable, but even so your assets can be held or distributed to your heirs in the manner of your preference.

A trust will allow you to put conditions on how or when your estate is distributed, so the first step in making a trust may be deciding what you want to do with your assets. If you wish to pass on your property in an "other-than-immediate" manner, such as when your heirs reach a certain age or accomplish a certain goal, you may be a candidate for a trust. Other situations may involve maintaining an asset to provide income for your surviving spouse or family member, but upon his/her death, pass it on to other heirs of your choosing. A trust may also allow you to provide for a disabled relative without disqualifying him/her from government assistance.

Should you decide you want to create a trust, please visit with the attorney of your choice for guidance. Bruning State Bank Trust Department would be happy to visit with you; we have locations in Bruning, Hebron, Broken Bow and Holdrege. Remember – you can trust us with your Trust!

*Trust Department*

The logo for Popmoney, featuring the word "pop" in orange and "money" in grey, both in a lowercase, sans-serif font.

Our Person-to-Person payment feature in Personal Online Bill Pay is now called "Popmoney." To pay someone, you only need to know their email address or their mobile phone number. They'll receive a message with instructions on how to "pick up" their payment on the Popmoney website. It is free for them to receive a payment and only costs you 50 cents to send a payment – less than the total cost of a check, envelope, and stamp! Give it a try today!

More detailed instructions are located here:  
[www.bruningbank.com/onlinebanking/billpay.htm](http://www.bruningbank.com/onlinebanking/billpay.htm)  
Or view a demo video on [www.popmoney.com](http://www.popmoney.com).

## Congratulations...

The Bruning State Bank Insurance Agency would like to congratulate Fred Kobza on his recent retirement from the insurance agency. Fred provided great service to our customers for 24 years! He is looking forward to traveling, working on his many projects, and spending time with his family.

The insurance offices have changed with the new addition to the Bank and the agency staff has changed with Fred's retirement, but our commitment to providing excellent customer service will continue! Our knowledgeable and friendly staff includes:

Kathy Roberts, Agency Manager/Agent: Kathy has more than 21 years of experience in the insurance industry and has been with the agency for over 7 years.

Brian Hulse, Agent: Brian has been with the agency since early 2011 and has more than 20 years of experience in sales and customer service.

Kristen Monteforte, Office Manager: Kristen has almost 8 years of insurance and customer service experience with our agency.



The Bruning State Bank Insurance Agency strives to provide personalized service and the best insurance products at competitive prices. Kathy and Brian are licensed to sell "Insurance of All Kinds" – personal, commercial, federal crop, crop hail, life, health, dental, Medicare supplement, prescription drug, and more...

Give us a call or stop by our newly remodeled offices to review your coverage! You can also check us out on the web at [www.bruninginsurance.com](http://www.bruninginsurance.com), where you can learn more about our agents, ask for a quote, request changes on your policy, and request proof of insurance cards.

Thank you for allowing us to assist you with all your insurance needs. We look forward to working with you in the future.

*Kathy Roberts, Brian Hulse,  
Kristen Monteforte –  
Insurance Agency\**

\*Not FDIC Insured. \*Not a guarantee of the Bank. \*Not a deposit of the Bank.  
\*Not insured by any federal government agency. \*May go down in value.

## Technology Update...

"More to enjoy, less to pay." That's the slogan of the national ATM network, MoneyPass, that we will be joining in August to help save you fees. Our Bank's participation in MoneyPass will give you access to over 22,000 surcharge-free ATMs in the United States. We want you to keep more of your money to enjoy life rather than pay surcharge fees!



MoneyPass was created by Elan Financial Services, a leader in the EFT and payments industry and the current provider of our Bank's ATM and debit card processing. This network has over 1,400 banks and organizations participating across the U.S., and we are excited to offer this advantage to all of our cardholders.

For those of you who live or travel outside Nebraska or have kids moving away for college or new jobs, MoneyPass will help you find convenient ATM locations where you won't have to pay extra surcharge fees. Within Nebraska, we already provide a link on our website to search for in-state surcharge-free ATMs.

<http://www.netseft.com/networks-atm-locator/>

Our participation in MoneyPass will now extend your options out-of-state as well. There is a website where you can search for MoneyPass ATMs near your home, your college, or your travel destination:

<http://www.moneypass.com/atm-locator.aspx>

You can even use their ATM Locator App on your iPhone or Android. With the smartphone app, you can enter your zip code or allow it to use your current location based on your phone's GPS. You will then be able to view nearby ATMs on a map and request directions to a specific ATM location. The ATMs listed will include bank locations as well as popular retail locations.

Although transactions at these ATMs will still be considered foreign transactions, we think many of you will see the savings add up from the surcharge fees you could potentially be avoiding. Watch for an announcement in mid-August on our Bank homepage and facebook page to let you know when this change has taken effect!

Tech Term of the Month: GPS. GPS stands for Global Positioning System. It is a satellite-based navigation system maintained by the U.S. Air Force that provides users with location, navigation, and timing services. The system has been around for nearly 20 years, but now that most smartphones come equipped with built-in GPS features and apps that rely on GPS data, our lives are even more dependent on this technology.

*Corey Swartzendruber, Janet Germer  
& Angela Kuhlmann*



---

---

# How The Mighty Fall...

Jim Collins wrote a book a few years back called, How the Mighty Fall: A Primer on the Warning Signs. I have been reading it and find it very insightful. It is an interesting history lesson on the characteristics that caused some of the most powerful nations to fail and what led some successful businesses, at the top of their game, to fail. These lessons may apply to bankers, farmers, and many other sectors around us.

The book says, "When you are at the top of the world, the most powerful nation on Earth, the most successful company in your industry, or the best player in the game, your power and success might cover up the fact that you're already on the path of decline."

Collins says the key thing is to understand the signs that you are on the decline and make changes to overcome the possibility of failure. After looking at 6,000 years of data, his research shows that most failure is self-inflicted. The Roman Empire, along with Zenith and Kodak, are examples of being the best at one time and then failing.

Stage 1 kicks in when leaders become arrogant and lose discipline. They begin to regard success as an entitlement and they lose sight of the true underlying factors that created their success. According to Collins, "Great companies foster a productive tension between continuity and change. On the one hand, they adhere to principals that produced success in the first place, yet on the other hand, they continually evolve, modifying their approach with creative improvements and intelligent adaptation."

Stage 2 is when there is an undisciplined pursuit of more and a desire to continually get bigger. By having more growth, leaders receive more praise and acclaim. This causes companies, business people, and politicians to leap into areas they are not familiar with. They grow too fast and then cannot achieve excellence because there is too much to manage. The book says, "When an organization grows beyond its ability to fill its key positions with the right people, it has set itself up for a fall. Although complacency and resistance to change remain dangerous to any successful enterprise, overreaching better captures how the mighty fall."

During the farm crisis in the 80's, I remember an older mentor, who had also lived through the 30's, telling me that we should "never, ever buy things we don't absolutely need in our business." In today's world, that is a little hard because there are so many "toys." There is an attitude of individualism ("What's in it for me?"), a disregard for consequences ("If it feels good, do it."), and a sagging work ethic ("What is the least I can do to get ...?") This last attitude could apply to your business, marriage, getting to heaven, staying in shape, etc. It shows a lack of discipline and ends in a world of mediocrity – the enemy of excellence.

Stage 3 of how the mighty fall is when internal signs of stress begin to mount, yet external results remain strong enough to "explain them away." Leaders discount negative data and amplify positive data. Those in power start to blame external factors for setbacks rather than accept responsibility. External factors could include falling prices, increasing taxes, or tougher times in the overall economy.

Stage 4 is the final stage. Some companies or organizations can still be saved at this stage but many still don't react quickly enough and end in failure.

One example of an organization presently in Stage 4 is our federal government. Unless we, the people, recognize the signs of decline and start to be more active in making changes (because it is OUR government), then failure is certain. Our national government cannot be everything to everybody. It is adding trillions to our debt each year. In the common sense approach to lending, the federal government should no longer qualify for additional debt.

As we all move forward in our businesses and in our country, we have to have discipline. Never give in! Be willing to kill bad ideas but never give up on the idea of building a great company or organization. Be willing to compromise when necessary, but never, ever, give up your core values. Those values are what make you great.

At Bruning State Bank, one of our core value statements is: "Survival depends on innovating and adjusting the change while respecting our past and our roots."

*John Boehler –  
President, Holdrege Branch*

## Welcome



Bruning State Bank welcomes Kiah Husted to our Broken Bow location! Kiah grew up in Hebron and graduated from Thayer Central High School. After high school, she attended Cloud County Community College in Concordia, KS where she met her husband, Aaron Husted. Last September, Kiah and Aaron moved to the Sargent / Gates area about 20 miles north of

Broken Bow where Aaron farms with his uncle. Kiah is very excited to join the Bank of Broken Bow team and looks forward to meeting more people in the community!



Bruning State Bank in Holdrege is happy to have Rachel Anderson, daughter of Kyle and Christie Anderson, join our staff as an intern this summer. Rachel started working part time at the Holdrege Branch in June and will be a junior at Holdrege High School this coming fall. She is involved in volleyball, dance team, show choir, and track

throughout the school year. She is learning and helping with a little of everything around the Bank, including teller work and filing. Rachel is enjoying this opportunity to work in a business environment and hopes to continue her experience in the future.

---

---

## A Changing Landscape...

To the northeast of Broken Bow, the landscape has changed. As quoted in the Custer County Chief, the pastures have a new mode of windmill gracing the hills. Rather than pumping water for cattle in pastures, these windmills will be generating megawatts of energy. I remember my grandparents talking about the old wind chargers that most homesteads owned to generate a little bit of power primarily for lighting the house. But the new windmills are gigantic.

This project began several years ago when small towers were set up to measure the velocity of the wind in this area along with how steady the wind blew. Evidently, one of the best locations for wind turned out to be northeast of Broken Bow. At present, approximately fifty-five wind turbines are in the process of being erected for electrical generation.

After the land leases were acquired, one of the first projects completed last fall was the pouring of the concrete bases. Each concrete base, which is completely underground, is eight-foot deep and 30 feet across. Then dirt was pushed back around each base and now you hardly see any concrete except where each tower base is bolted to the concrete base.

Each windmill tower has three sections. The tower stands 263 feet above ground. The tower weighs 263,000 pounds. The generator on top weighs around 126,000 pounds, and the hub and three blades

weigh 32,000 pounds. Each blade is 135 feet long! Looking at one of these windmills from a distance is quite deceiving, but once you get closer, you realize just how large these structures are.



I understand that this windmill farm has the generating capacity to provide electricity for 25,000 homes. This project has been a real boost for many local businesses. I like the idea of taking advantage of the wind, which blows almost daily in Custer County. Rather

than using it to pump water, these new windmills harness the wind to generate electricity. Yes, the landscape has changed.

*Dan Jelinek –  
Branch President, Bank of Broken Bow*

## Why Does the Bank Require My Personal Balance Sheet?

If it seems to you that the Bank is asking for more and more information when making a loan to your business, we are. Today, lenders are requesting not only business balance sheets, but also personal balance sheets of each of the parties that have signed business loan documents. This could include multiple partners or family members who are involved with the business. This may seem to be overkill to some, but I can assure you it's not.

There are a number of reasons we want to analyze the business partner's personal balance sheet. First of all, we are looking for evidence of personal consumption and spending patterns on personal assets. Lots of personal capital items, i.e. spending on hobbies or special interests, are often a sign of customers with large spending habits. In recent years, particularly with grain farmers, excesses have been much more frequent as cash grain farm operations have been very profitable. Lake houses and second homes in the mountains or sun states are very common. Airplanes are also personal assets that would suggest personal spending exceeds the average. Do not get me wrong, everyone needs to enjoy life, but excesses will trigger red flags that if this kind of spending goes unchecked, it will absolutely create problems down the road when the profits are much smaller.

Lenders will also observe off-farm investment patterns. Because of the recent financial crisis, we will be looking hard at what type of assets you are investing in personally. A disciplined approach to saving and investing can demonstrate personal stability and the individual's tolerance for risk. However, if the individual invests in high risk or "off-the-wall" type investments, then our comfort level with the business will go down. Statistics indicate there is a 98% chance that people with a disciplined consistent savings plan will repay their loan. As Frank Bruning often says, "If you can't save any money, you likely won't be able to pay back a loan."

We will also look at your personal obligations and if you are a co-signature on any loans. If some of the personal capital items are 100 percent financed, this could be a sign of cash flow problems down the road for the business, if the profitability of business goes down. Co-signature obligations can range from student loans to loans to family, friends, and relatives. These are obligations that can haunt a business's financials very quickly.

Finally, lenders will examine signs of personal liquidity, such as cash and cash value of life insurance. It is important the business partners have personal savings to help them through a personal financial crisis or the loss of a job by a family member. If they have to go to the business for help, this could put pressure on the business's liquid portion or cause ill feeling between other partners in the business. Ideally, at least six month's worth of personal family living expenses should be kept in cash.

With so many businesses including farms getting larger and more complex, there is a need for more analysis than ever before.

*Darrell Raum –  
Senior Lender*

---

---

# Three Tips to Raise Your Credit Score - Fast...

If you plan to finance the purchase of a vehicle or house in a few months, you will want to do everything possible to raise your credit score before applying for a loan to reduce your interest rate and interest payments over the life of the loan. And if you're wondering if working toward a higher score is worth the hassle, a 100 point difference in your FICO score could mean over \$40,000 extra in interest payments over the life of a 30 year mortgage on a \$300,000 home loan.

There is nothing you can do to change your score overnight. At best, plan on two to three months to see an actual increase – that's why you want to start the polishing process far in advance of any borrowing you intend to do.

Here are FICO's three best tips you can do today for a higher credit score tomorrow:

**Tip number 1: Clean up your credit history.** Credit scores are drawn from information in your credit history, so anything that's wrong there will show up here. Go to [annualcreditreport.com](http://annualcreditreport.com) and pull a free copy of your credit history. Carefully review and check for mistakes and do what's possible to make it look its best. For help, go to <http://www.moneytalksnews.com/2010/08/12/3-steps-to-improve-your-credit-history/>. A video/article on that site will give you all the information you need to know.

**Tip number 2: Lower your utilization ratio.** Visit <http://www.myfico.com/CreditEducation/WhatsInYourScore.aspx> to learn all about how credit scores are calculated. One of the factors you'll see there is "Amounts Owed", which comprises about 30% of your credit score. And one of the components of this factor (the utilization ratio) is how much you owe on credit cards vs. your available credit. As explained in the video on the [moneytalksnews.com](http://www.moneytalksnews.com) website, you want to keep your utilization ratio below 30%. So if your credit limit is \$1,000 on one card, you don't want to owe more than \$300 on that card.

Knowing this opens the door to several potential strategies.

- Lower your utilization ratio by paying down your credit cards - that's the ideal scenario.

- If money is tight, then you could at least shuffle your balances between cards. For example, if you've got one card maxed out and two with small balances, move part of the big balance to each of the other two cards so all three show less than a 30% utilization ratio.

- Lower your utilization ratio by raising your credit limits. In other words, if you owe \$1,000 on a card with a \$1,000 credit limit, raising that credit limit to \$3,000 will bring your utilization ratio back down to 30%. A simple call to the Bank might be all you need.

**Tip number 3: Dust off an old card.** If you have an account that you've had for ages but haven't used for ages – and still open – use it. While still technically open, the card company may no longer be reporting the account to the credit bureaus. Using the card will increase the amount of available credit you show – good for your utilization ratio. More important, the length of your credit history makes up 15% of your credit score. So bringing a very old account back to life could help.

But here are two things not to do. Don't open a new account – that definitely will lower your credit score, at least short-term. And don't close any accounts, since that would negatively impact your utilization ratio.

These are the fast ways to improve your credit score – at least if you consider "fast" to be sixty to ninety days. The simplest and best way to improve your credit score, however, is the slowest: paying your bills on time and allowing any negatives like late payments to gradually fade away over time. At 35%, payment history is the biggest component in your credit score.

Craig Pope –  
Hebron Branch President

Source: Stacy Johnson @ <http://www.moneytalksnews.com> and <http://www.myfico.com/CreditEducation/WhatsInYourScore.aspx>

## Crop Insurance...

Lots of time, money, and hard work have gone into planting your crops and getting your wheat harvested. Please take note of the following reminders to ensure you get the most out of your multi-peril crop insurance.

### WHEAT:

- Wheat premium was due by July 31st. Interest begins to accrue on August 1st.

### ROW-CROP:

- Review the crop acres shown on your Schedule of Insurance. Be sure they are correct and match what was reported to the FSA office. Any loss payment may be reduced or eliminated if the acres are misreported!
- Row Crop premiums will be billed August 15th and are due by Sept 30th.
- Bring production information to us as soon as harvest is complete.

### LOSS INFORMATION:

- Notify us IMMEDIATELY if you think there might be a loss!
- Production on irrigated crops needs to be kept separate from non-irrigated crops in order to maintain separate units and to allow for appropriate loss payment. Production must also be kept separate by section.
- Contact us prior to co-mingling this year's grain with last year's grain, as prior approval is required. Prior approval is not required, however, when co-mingling just this year's grain in the bin, but you need to mark the bins and keep appropriate load records, etc.
- Please contact us if you have ANY questions prior to or during harvest.

We will continue to mail out important reminders as future deadlines approach. Please feel free to give us a call or stop by our office if you have any questions! We can help with all your multi-peril crop, crop hail, and livestock insurance needs.

Jeff, Kathy, Craig, Shari, Brian,  
Janet & Ryne – Crop Insurance Agents\*

\*Not FDIC Insured. \*Not a guarantee of the Bank. \*Not a deposit of the Bank.  
\*Not insured by any federal government agency. \*May go down in value.



---

---

## What's a Hot Stock to Buy?

It's only been a couple of months since Facebook's ill-fated IPO, but already the headlines are beginning to fade. Many people rush from "fire" to "fire" chasing the next big thing, only to forget about how great it was a short time later.

People often ask me, "What's a hot stock to buy?" I find there are usually two sides to the question. For some, the real question is, "What can I invest in that will make me rich quick?" And for others, they are really asking, "Where can I put my money that I won't lose it but may keep up with inflation?"

Let me say that I appreciate both types of questions. Rather than trying to find the next Microsoft or Coca-Cola though, I think there's really no substitute for proper planning in a long-term investment strategy – I call it the "Get Rich Slow" plan. We all know someone who picked a hot stock and made hundreds or even thousands of profit on it. But just like a few lucky gamblers in Vegas, the statistics show time and time again that the average day-trader falls flat.

Yahoo Finance recently interviewed Mark Matson, a financial planner and author of [Main Street Money](#). Mr. Matson said, "The idea that you're going to have inside knowledge, or knowledge that nobody else has, and use it to pick stocks with better returns than the broader market is folly." I like to tell the story of a portfolio manager I met at a business lunch in Denver. He managed a tightly defined technology mutual fund for a very large investment company you would all know. He had a BS degree in Electrical Engineering and an MBA. He flew all over the country to personally meet with the CIO's and CFO's of tech companies. He understood their products, their business models, and their accounting fundamentals. It struck me that the idea of an average individual day-trader trying to outsmart these portfolio managers and other professionals who have all the tools at their disposal was, as Mark Matson put it, "folly."

So what is the answer? Start with a strategy. I believe that every person has a different situation and that each client should have their own specialized investment plan. There's no one-size-fits-all plan because everyone has different assets, goals, and personal situations. That being said, there are some fundamental strategies that we can apply. Each strategy could be a "white paper" itself, so this article will shortchange the details – you'll just have to call me or meet me for the details!

I start with two broad stages: Accumulation Phase and Distribution Phase. Accumulation is pre-retirement and Distribution is near/post retirement. In the Accumulation phase, I use the Modern Portfolio Theory (which was awarded the Nobel prize in Economics). In short, you want to diversify, diversify, diversify. I'm also a proponent of a "Buy and Rebalance" strategy. It's similar to a "Buy and Hold" strategy but that name is misleading because it implies you never look at your investment again. In reality, we should analyze and rebalance your portfolio together on an annual basis.

In the Distribution phase, I am a proponent of a Time-Segmented Income Distribution strategy using multiple financial products. Through our broker-dealer, Securities America, we are able to offer you great tools and many products including CD's, Annuities, Life Insurance, Bonds, Mutual Funds, REIT's, Unit Investment Trusts (UIT), and Business Development Companies (BDC). In short, the premise of this strategy is to provide stable income and mitigate

against volatility in the near term, as well as mitigate against the purchasing-power-erosion risk of inflation in the long term. We do this by using a "ladder" of investments, taking incremental and calculated risks over time.

The most important aspect of starting to invest or re-evaluating your investments is to put aside the financial products for a moment and not worry about finding the next hot stock. Take a step back and begin with a strategy!

*David Frook –  
Financial Planner\**

All investments involve the risk of potential investment losses and no strategy can assure a profit.

Securities offered through Securities America, Inc. Member FINRA/SIPC.  
David Frook, Registered Representative

\*Advisory Services offered through Securities America Advisors, Inc.  
David Frook, Investment Advisor Representative  
Bruning State Bank and Bruning State Bank Wealth Management are unaffiliated with Securities America.  
May Lose Value, Not FDIC Insured, No Bank Guarantee

## Welcome



Bruning State Bank is pleased to announce that René Barney has joined our staff in the Bruning location. René lives with her husband, Rod, on a farm between Strang and Shickley. They have two grown sons. Shawn and his wife, Amanda, have four children and live in Strang. Brandon and his wife, Mindy, have two daughters and live in Lincoln. As a personal banker, René has seven years of banking experience in both lending and deposits; she will be specializing in IRAs and new accounts at Bruning. She looks forward to meeting everyone and working in the community. We invite you to stop in and say hello!



We would like to welcome Julia Schweer to our Bruning State Bank staff. Julia grew up in the Hebron area and graduated from Thayer Central High School in 2005. She attended Allied Business Schools and became certified in computer accounting. Julia and her husband, Will, spent the last three years at Camp Pendleton, California where Will served in the United States Marine Corp. They will be celebrating four years together this August. They are both happy to be back in the area and excited to be a part of the community. Julia has joined the customer service team at the Bruning branch. She is excited for the opportunity to meet and interact with everyone. Stop in Bruning and welcome Julia to the team!

# BRUNING STATE BANK

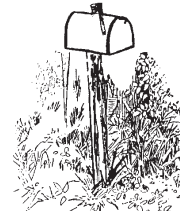
P.O. Box 100  
Bruning, Nebraska 68322

Std  
U.S. Postage  
PAID  
Permit No. 4  
Bruning,  
Nebraska

*Address Service  
Requested*



YOUR COUNTRY BANK



## Small Town Appreciation...

My third summer internship here at Bruning State Bank is coming to a close. Over these past three summers, I've learned so much from my co-workers who I am now honored to call my friends. I've spent time in each department, from audits to loans, with a focus on electronic imaging of documents.

Each fall as I head back to the hustle and bustle of Omaha, I miss the friendly and truly kindhearted individuals, not only here at the Bank, but in our community. Nothing beats the feeling of walking down Main Street of small communities like Bruning, Hebron, Broken Bow, or Holdrege, and greeting people by name as you see them. People in our communities honestly care about one another and share a special bond. I took this for granted when I was growing up. I got so used to having great people around me that when I went to college, I found myself missing home and missing this small but meaningful community.

While playing sports at Southeast Community College and College of Saint Mary, I was usually the only girl from a D2 school and always got the same "gasp" reaction when revealing my graduation class of 17 students. What many of my "city" friends became somewhat envious of was that we all knew each other from kindergarten and continued to be friends. I then realized how lucky I was to grow up in a small Nebraska community. From school to the Bank, nothing beats this small town atmosphere that I will always call home.

As we just celebrated Bruning's 125th Birthday, I can only wish this town many more, with the best people around.

*Cecelia Catlett – Young Bankers of BSB*

Wondering if you could be getting  
a better deal on your insurance?  
Request a quote online!

[www.bruninginsurance.com](http://www.bruninginsurance.com)



## Husker Harvest Days

This year's Husker Harvest Days will be held September 11-13 in Grand Island. As a joint effort between Bruning State Bank and the Nebraska Bankers Association, we are excited to offer one ticket per family at no cost. These tickets will be available on a first-come, first-served basis. Please let a Loan Officer at any location know if you are interested in attending!