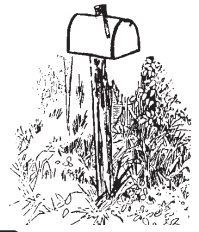


BRUNING STATE BANK

Volume 26 No. 6 Dec. 2009/Jan. 2010

www.bruningbank.com



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Hebron Branch 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 Branch 308-995-3880 or 1-877-995-3880

**YOUR
COUNTRY
BANK**



FDIC



There's a gift
that isn't gift-wrapped-
No ribbons, bows or strings-
It isn't put beneath the tree
With other Christmas things...
It isn't something meant to wear
Or put out on display.
But it's the nicest gift of all-
It's the love you give away!

*From our Bank Family to yours, we send you an
old fashioned thank you and we wish you Peace,
Health and Happiness for the coming year!*

Squirrel Watching . . .



Fall is here, and it's time to watch the squirrels! You know, if we watch nature, there are good lessons to be learned in many ways. When we talk about the prices

of land or commodities, a roughly translated old German saying is, "If you notice, the trees don't grow to the sky." Seasons change, and so do our successes in business and farming; nothing stays the same. Many of us find the word "change" kind of scary.

Now back to the squirrels – It's their busy time of year. They understand that there is a change in the weather, and it's time to pack that food away. We have had a few favorable crop years lately; how do we position ourselves for the downside of weather, rising input costs, higher taxes, higher medical care costs, or lower commodity prices?

You have to imitate the squirrels. Start (and continue) to put cash away, other than in retirement accounts (such as 401ks or IRAs) to get cash after taxes. It may hurt right now to pay taxes, but it hurts worse to have to sell an asset such as land or machinery down the road. You hire a tax person to sometimes save money on taxes, but in doing so, you may buy something that depreciates to zero after a while, so you are not building wealth. You can have a million dollars in land and machinery equity, but equity doesn't help if you run out of cash and have to sell.

My last article was "Beware of the Guy Who Don't Know He Don't Know". But this I know – Cash Reserves are necessary for long term survival.

Every time you see a squirrel climb a tree, remember he's packing away for a later date and survival, so start "squirreling away" some cash - not in a cream can; put it where it is FDIC insured.

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

Swedish proverb – "I don't know much, but what I do know, I know as well as anyone else."

Thankful . . .

This is the season to be thankful for all God has given us: family, health, friends, and on the Banking side of life, we are blessed to have great employees who sincerely care about you, our customers. Beginning with my great-grandfather Frank, to Grandpa Fred, and now my father Frank, we have strived to create and maintain a Bank that treats its employees and customers like one big, happy family.

When you enter any of our locations in Bruning, Hebron, Broken Bow, and our new location in Holdrege, you will see friendly faces, and experience a warm greeting and, "Hello, may I help you?" We have always maintained that a Bank is only as good as its employees, and I hope you agree that ours are the best.

We are thankful for our strong capital position and adequate loan loss reserves. Throughout our five generations of Banking, our family has strived to cultivate and sustain a large capital base, which will prove beneficial for economic times like this. We strive to build our capital beyond what is required by our regulatory agencies and maintain it so.

Our family's philosophy has always been and remains: "If we treat the customer right and fair, our profitability will follow." With this in mind, our Bank culture is to charge reasonable rates on our loans, give our customers fair rates on their deposits, while affording the shareholders a moderate return. Bruning State Bank's Mission statement goal is "to help our customers build and maintain wealth." We aim to provide constructive banking service, above all.

We also want to reassure our customers that we have never lost sight of the fact that we would not have this strong capital position without our good customers. You make us the Bank we are.

We are not a high earnings Bank, nor are we one of the biggest banks; we are, however, a Bank that believes relationships are the key to success. These relationships include, besides our depositors and loan customers, our regulators, such as the FDIC and the State Department of Banking. We are open to a sharing of ideas, recommendations, and solutions. We view these regulatory agencies as consultants as well as supervisors.

So, in closing, thanks to you, our customers and associates! We appreciate your business and friendships. May your entire holiday season be a blessed one!

*Fred Bruning –
President*

Workin' Day & Night . . .

Well...the 2009 fall harvest has been a bit stressful this year! This year brought plenty of rain and cooler than normal temperatures, keeping the drills and combines OUT of the fields! In between the rains, farmers worked **day and night** trying to get the crops harvested and the wheat planted. Hopefully, your harvest and planting is now completed and you can sit back and enjoy the holidays!

Now would also be a good time to organize your scale tickets, bin measurements, and field records, etc. (by section and practice), and bring this information to our office! Remember, losses need to be reported **RIGHT AWAY!** The CRC Harvest Market Prices have been released and the RA Harvest Price for corn will be released soon. The soybean harvest price is higher than the base price, so you have to have a bushel loss to have a claim. However, the corn and milo prices are slightly lower than the base price, so you could have a loss even though your yield was above your bushel guarantee.

Important notes:

- The end of the insurance period for corn, milo, and soybeans is December 10th, so be sure to let us know if you have been unable to finish harvesting by that date!!!
- The row crop premium was due October 1st and interest started accruing on November 1st.
- March 15th is the deadline to change, cancel, or sign-up for Spring planted crops.

We have enjoyed working with everyone in 2009 and look forward to 2010!

Seasons Greetings to all!

*Jeff Hammer, Kathy Roberts, Craig Pope,
Shari Fischer, Ryne Philippi, Janet Germer,
& Fred Kobza –
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



Santa will be
at the Bank in
Bruning on
**Saturday,
Dec. 12**
from
8:30-10:00 a.m.
for pictures!

We will also be accepting "gently"
used toys at our Bruning & Hebron
locations until December 12.

Are You Moving? (what a job!)

We seem to be a mobile society; someone is always moving, which usually means someone else is moving, too. Have you recently moved to a different address or will you be moving soon? If so, you have my sympathy, because it's a big job.

In order for you to receive your statements, notices or interest checks promptly, it is important that you let us know of your change of address. The best way to do this is to drop us a signed and dated note requesting we change your address. If you want to specify a future effective date, that would be fine.

Calling or sending an e-mail address change is okay, but there will be a delay in making the change. The "red flag policy" requires us to send a letter to the old and new addresses advising you we have received a request for an address change (of course you already know this). We must wait three days after mailing these letters before making the change. As you can see, this could cause mail to go to the old address. So if you can, please drop us a signed and dated note with your address change request. The Bookkeeping Department will be elated (it doesn't take much to make us happy, just don't tell Fred!)

Best wishes for a wonderful Holiday Season!

*Pam Lemke, Janice Fintel,
Carm Hinrichs & Corey Swartzendruber –
Bookkeeping Department*

Debit or Credit Payment Options . . .

The holiday season is now upon us and with it comes the inevitable Christmas shopping. As you are out making purchases, many of you will choose the speed and convenience of paying with your VISA Debit Card. When you swipe your card, the clerk may ask you whether it is a credit or debit card. Of course there is a difference between a credit and debit card but what the clerk is actually asking you is how to process the transaction. If you say credit, the clerk will print out a receipt for you to sign. They should then verify your signature on the back of your card and process the transaction. By saying debit, you will be asked to enter your PIN number to complete the transaction. Regardless of which method you choose, the purchase will be deducted from your account here at the Bank.

From a fraud perspective, one method generally isn't superior to the other. If you do regularly use your PIN number, be sure not to carry it in your wallet or write it on the card. Also, remember to use a random PIN number that can't be easily figured out (for instance, do not use your birthday or telephone number). Always check your statements monthly and contact the Bank immediately if you see any transactions that you did not authorize. No matter how you processed your payment, the same liability rules apply from your cardholder agreement. We would be glad to assist you with any questions you may have about your VISA Debit Card or any other topic. Please stop by any of the branches, give us a call at 1-800-403-5889, or email me at cswartzendruber@bruningbank.com.

Have a happy and healthy holiday season and good luck with that shopping!

*Corey Swartzendruber –
AVP/Network Administrator*

College Update . . .

You may remember from previous newsletter articles that my daughter is attending college and we are now empty nesters. She has been undecided about her career direction, at least in what was disclosed to Mom and Dad. Recently, as we all road tripped home from what could have been her final college volleyball game, she expressed interest in some four year schools and she is now a business major (maybe even banking) or a four year degree to be a paralegal or a double major. She has found schools that offer that course work and combinations in Nebraska and regrettably, some that are outside the State of Nebraska. So the empty nest thing will happen again (if she leaves the state) for Mom and Dad. As I write this, we are preparing to attend her first college basketball game of the season. We're not sure she'll be playing much for awhile since she is a week removed from volleyball.

It is exciting to listen to a young person share the dreams and aspirations for the future that is ahead of them. As parents, we need to remember how blessed we are to have the opportunity to watch these young lives unfold before us. Recently, some dear friends from Custer County lost their 15 year old son in a car accident and will not have the opportunity to share in the same conversations and experiences we are enjoying now. After attending the funeral and hearing about the young man's life and actions, I think he was ready to meet his maker. This is something we all need to focus on. From my family to Travis's family, our sincerest sympathy and prayers.

With Cecelia's basketball season beginning and finding out she is receiving some post-season honors as well as interest from some other colleges and universities, I wanted to let you know that the writer of this column has become a student as well. It is going to take a heck of a school and instructors to help this old dog hunt again in the classroom. I'm enrolled in the Graduate School of Banking at the University of Wisconsin at Madison. I spent two weeks there in August and have two more two week sessions ahead of me. I'm also required to write four reports on different aspects of the Bank before I go back in August 2010. I've completed the first and the second paper is due December 15, 2009. Then two more after the first of the year. I've also taken a couple of elective courses online and plan to do so again after all my papers are completed and graded.

Learning never stops, I appreciate this great opportunity and encouragement from Frank and Fred Bruning to pursue my education and further develop. I think it will benefit the Bank and our clients over time. A special "Thanks" to all the staff at all locations that filled in during my absence and did my work and theirs. It is special to have that kind of support.

What did I really learn in college? Remember to enjoy the blessings in life and make the most of your family time.

Travis Slingsby, the life you led was a great example for all of us.

Jerry Catlett –
C F O

Dear Santa,

Christmas is quickly drawing near, and I just realized it is time to send you my Christmas Wish List. The following would be inexpensive, perfect gifts:

A Day beginning with Prayer and Joyfulness for the true meaning of Christmas.

Good weather and safe travel to and from my home for our guests.

Strength and endurance to prepare everyone's favorite food for the special day.

A house filled with family full of warmth and laughter.

A day just for being together as a family, a lot of eating, playing board or card games, having jolly conversations and peace between all.

No cell phones turned on, no text messaging, no computer work being done, no individuals playing video games alone.

I hope I haven't asked for too many gifts or blessings. I'll have a plate full of cookies and a full glass of milk waiting for you, if you can come through for me.

Santa, if you need help filling Christmas Stockings, send your elves into Bruning State Bank. They have Christmas cash, Christmas money envelopes, Savings Bonds or other investments for those who are hard to find a gift for. The jolly Customer Service staff may have a few other gift ideas. It never hurts to ask.

P.S. Santa please deliver the following message to every household you visit for me:

Merry Christmas! Remember, that the Greatest Gift is not found under the tree, but in the warm smiles and loving words of the people around us. May the warmth of this Holiday Season fill your homes with Happiness!

*Joan Durham, Nancy Lahners,
Ambur Hinrichs, Cheryl Houser,
& Deb Schultz –
Bruning Customer Service*

HOLIDAY BANKING HOURS

In celebration of the holidays we will be closed at our Bruning, Hebron, Broken Bow and Holdrege locations as follows:

CLOSED

Thursday, December 24-Closed at Noon

Friday, December 25-Closed All Day

Thursday, December 31-Closed at Noon

Friday, January 1-Closed All Day

The Bruning, Hebron and Broken Bow locations will be closed on Saturday, December 26 and Saturday, January 2

Holdrege-To Be Announced



Pictured in the top row (L-R) are Luke Thorell, Leslie Wood, Connie Bailey; middle row (L-R) Lacey Harms, Camie Houston, Nancy Hoeck; front row (L-R) are John Boehler and Kyle Anderson.

Time For A Change . . .

The Holdrege Branch of Bruning State Bank is very excited about the new opportunity of becoming a Branch Bank of Bruning State Bank. There is a lot of excitement around town about the new Bank being created. We appreciate the confidence that the management of Bruning State Bank has placed in us. Their support in time and resources has made our transition much easier.

How did we pick Bruning State Bank? Frank and Fred Bruning and the Bruning State Bank staff are well respected in the state of Nebraska. They are looked upon by Nebraska bankers as being at the top of the banking world in Nebraska. We have also been watching the Bank of Broken Bow, a Branch of Bruning State Bank and how successful they have been for the past four-five years. Their growth has been phenomenal. We have known and respected their staff from the United Nebraska Bank days.

Kyle and I looked at the future of our careers and the relationships with our customers and got to the point where a change was evident. We are not ones to change. I had been with the present bank in Holdrege for over 26 years and Kyle had been there for 15 years. It was getting more difficult to help and service our customers in the way we knew they needed to be taken care of. We decided it was time for a change. We felt that a "partnership" with Bruning State Bank would be the best fit for our customers. The management of Bruning State Bank saw a tremendous opportunity in Holdrege. They loved the town and saw a clean and progressive community.

Bruning State Bank is a Community Bank that fits rural Nebraska. They are well capitalized. They are a family Bank that isn't looking to sell. They will be in banking for many years to come in the state of Nebraska. It is important to note that they empower their people to make decisions because they trust the people that work for them.

With a working environment that allows the local Branch to make most of their decisions, it is very important that we put together a great staff. In developing our business plan we identified the employees that would be needed to make the new Branch Bank successful. Our team is made up of the following employees, along with the years of bank experience: John Boehler, 34 years; Kyle Anderson, 20 years; Nancy Hoeck, 36 years; Leslie Wood, 10 years; Connie Bailey, 11 years; Camie Houston, 5 years; Luke Thorell, 2 years; and Lacey Harms, 3 years.

We were successful in purchasing a lot on Burlington Street, south of the car wash, where the new Bank will be in the fall of 2010. We are presently in a temporary Bank located right south of the car wash on Hill Street. Kyle Anderson has spent many hours taking care of the building site. His work has been greatly appreciated in getting the site ready. It has been a challenge with the weather we have had this fall. Work has been on-going and we are fully functional as a Community Branch Bank. The address of Bruning State Bank, Holdrege Branch is 1224 Hill Street.

Early next spring, we will be constructing a permanent building on the east end of the same lot. We are excited and pleased with Bruning State Bank and their commitment to the Holdrege location. We are impressed with the trust and confidence that the management of Bruning State Bank has placed in the employees, and for the investment they are making in the community of Holdrege to create a full service Branch Bank.

Most importantly, we appreciate the relationships that have been developed over the years and we look forward to serving you in the future. We invite you to come and visit us in our new location!!!!

*John Boehler –
Holdrege Branch President*

Products and Services

Bruning State Bank

Holdrege Branch

Checking Accounts

- Country Free Checking
- Country Plus Interest Checking
- Country Gold Checking
- Business/Governmental Agency Account

Savings Plans

- Money Market Savings Account
- Country Savings Account
- Individual Retirement Account (IRA)
- Simplified Employee Pension Plan (SEP)
- Coverdell IRA's
- Health Savings Account
- Educational Savings Account
- Certificates of Deposit
- Buck's Buckaroo Club (Savers Club for Kids)

Loans

- Agricultural Loans
- Commercial Loans
- Consumer Loans
- Home Loans
- Ag and Commercial Leasing

Services

- ATM "Country Cash Cards"
- Automatic Savings, Loan and Checking Transfers
- Credit Cards
- Direct Deposit (Payroll or Government Checks)
- Bank by Mail
- Federal Tax Depository
- Money Orders/Cashier's Checks
- Night Depository
- Notary Services
- Online Banking
- Overdraft Privilege Service
- Safety Deposit Boxes
- Visa Check Cards

Hours:

Lobby: Monday through Friday 8:30-4:30
Drive Up: Monday through Friday 8:00-6:00, Saturday 9:00-12:00

Have You Reviewed Your Farm Lease With Your Landlord Or Tenant Lately?

Harvest should be over and now would be a good time to review your farm lease with your landlord or tenant. Does your current lease encourage an efficient and profitable farm operation over a period of years regarding the productivity of the land, changing farming practices and shifts in economic conditions? If the tenant is uncertain he will be the tenant next year, he will be reluctant to make needed expenditures for lime, fertilizer, herbicides or soil-conserving practices that require more than one year to receive the maximum benefits.

Lease agreements should be designed to provide an equitable distribution of income and expenses so the farm can realize its total potential return while protecting the interests of both parties.

When deciding whether to enter into cash or crop share lease, both landowner and tenant must determine what contributions of labor, capital and management skill they are able and willing to provide and what production and price risks each party is willing to bear.

The most effective lease will be structured to reward both parties in proportion to the value of contributions provided.

In summary, landowners will receive a higher income and tenants will receive a lower income over time with a crop share lease compared to a cash lease by shifting more of the risk from tenant to landowner.

For more information about trends in farm market values and rents, go to <http://www.agecon.unl.edu/realestate.htm> for UNL Ag Economics Department 31st annual survey.

*Craig Pope –
Hebron Branch President*

**BRUNING STATE BANK,
in Bruning, Hebron, Broken Bow
and Holdrege will be closed
Monday, Jan. 18, 2010,
in observance of
MARTIN LUTHER KING, JR. DAY**

Farmers & Ranchers College Schedule . . .

The mission of the Farmers & Ranchers College is to provide high-quality continuing education to farmers and ranchers in a rapidly changing global agricultural environment. Furthermore, the Farmers & Ranchers College will provide the tools necessary so that agricultural producers will be able to respond positively to these changes using a profitable decision-making process.

The following are the dates for the upcoming programs for 2009 -2010:

December 2, 2009 - "The Pulse of the Ag & General Economy" featuring Dr. David Kohl at the Bruning Opera House in Bruning, NE at 1:00 p.m.

January 19, 2010 – "Partners In Progress Beef Seminar" at the US Meat Animal Research Center near Clay Center from 10:00 a.m. – 3:00 p.m., registration at 9:30 a.m.

March 9, 2010 – "Managing Crop Revenue Risk" featuring Steve Johnson, ISU Extension & **"Beyond the Bend in the Road: Analyzing Trends in Farm Financial Ratios"** with Tim Lemmons, UNL Extension at the Fillmore County Fairgrounds - Geneva, NE at 9:00 a.m. - 3:00 p.m., registration at 8:45 a.m.

REMEMBER....

It is IRA Contribution Season! If you are self-employed and looking to put away more money than allowed on your Traditional or Roth IRAs, please see us about a SEP IRA.

Beginning January 1, 2010, Bruning State Bank will no longer participate in the FDIC's Transaction Account Guarantee Program. Thus, after December 31, 2009, funds held in noninterest-bearing transaction accounts will no longer be guaranteed in full under the Transaction Account Guarantee Program, but will be insured up to \$250,000 under the FDIC's general deposit insurance rules.

Flock Formation, Bird Bytes? . . .

In Denmark, there is a phenomenon known as “sort sol” where many migrating starlings gather, spring and autumn, as they move between southern Europe, Scandinavia, and other countries in the Baltic Sea area. Around sunset, the flocks seem to form shapes in the sky as they decide on a roosting place, and there are so many that they literally block out the light, hence the term “sort sol”, which means “black sun” in Danish. In Nebraska, this time of year in particular one may see a flock of some black birds flit here and there, almost disappearing as a group when they go one direction, then reappearing when their direction changes. Have you ever wondered, though, what happens if their innate radar fails them and they run into each other? (I’ve never seen it happen...I’m just sayin’...)

Geese and other large birds don’t seem to swarm like these starlings or my unidentified black birds; they migrate in the familiar “V” configuration we see here in the Midwest in the spring and fall. There are a few lessons we might learn from their example:

As each bird flaps its wings, it creates “uplift” for the fowl following. In the “V”, the whole flock can fly over two-thirds further than one bird could manage alone. (Similarly, people working together as a team may accomplish much more than “flying solo.”)

I have read that any goose in the flock, young or old, male or female, may be one of the leaders during the flight, and no goose, not even a very powerful one, can fly as lead goose for the entire trip. So when the exhausted goose drops back into one of the arms of the wedge, another moves to “point” position. (Taking turns doing the “tough stuff” makes sense. Whether or not we always admit it, we all depend on each other for things we are unable to do ourselves.)

When a goose flies out of formation, it misses the support and draft, and rapidly resumes its place in formation to take advantage of the lifting power of its comrades. (We may find it easier and more helpful to stay “in line” with our team, both helping our coworkers and receiving help at the same time, making it easier to achieve our common goal.)

At times you’ll notice that one side of the “V” is longer than the other. Our year-ago-retired “Great White Hunter” Larry Olson informed me of a good reason for that: there are fewer birds in the shorter side.

I hope you and yours all had a tremendously delightful Thanksgiving, and that you have a wonderful holiday season, deploying the “V” formation and appreciating all the fowl in YOUR family flock!

*Janet E. Germer –
Vice President*

Additional Home Loan Options Now Available . . .

We have recently restructured our mortgage department which has resulted in the ability to offer more options for our home loan customers. We now have three different mortgage programs to choose from. This allows us access to a greater array of products to meet your home loan needs, whether it be for a purchase, a refinance or a home equity loan.

With low interest rates, decreased home values and the possibility of extended taxpayer credit, is it the right time for you to buy? Let us help you with that decision by going through a pre-qualification process. This process helps determine how much of a house you can afford, the amount of cash you will need to have on hand and the steps involved in acquiring a home loan.

On refinances, we can run the numbers to help you compare the amount of interest savings versus the costs involved to refinance. Home equity loans or lines of credit (HeLOC’s) allow you to borrow against the equity you have in your house. This type of loan can be used for any purpose, whether remodeling your home or paying for that unexpected emergency.

If a home loan is in your future plans, we ask that you give us the opportunity to work with you. Unlike the sub-prime lenders of the recent past, we will help guide you through the process and recommend a loan product that will be right for you.

Shari Fischer – Bruning and Hebron

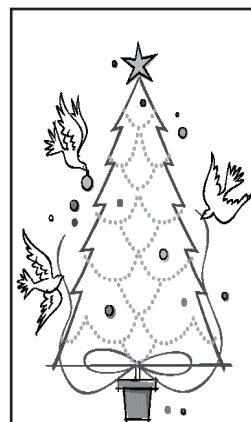
(402)768-7473 (800)405-6167

Jim Scott & Janice Nozicka – Broken Bow

(308)872-2757 (877)872-2757

Nancy Hoeck – Holdrege

(308)995-3880 (877)995-3880



Bruning Insurance Agency

OHIOWA ANNUAL HOLIDAY

COFFEE & COOKIES

Thursday, December 17

9:30 A.M.

DOOR PRIZES COFFEE!

****Combined with Monthly
Birthday**

Good News . . .

Did you know that the Bruning State Bank Insurance Agency is an Independent Agency? As an Independent Agency, we are not limited to just one insurance company. We are able to write coverage with many different insurance companies. We are appointed with a number of companies including: Farmers Mutual Insurance Company of Nebraska, AAA (Including AAA memberships), Continental Western, Guide One, The Hartford, Indiana Insurance, Iowa Mutual, MetLife, Travelers, Dairyland, Progressive, and more!

With access to multiple companies, we put you, the customer, first. We are able to provide you with several options while finding the best coverage for your insurance dollar.

In addition to the Property & Casualty lines of insurance, we can also provide you with Multi-Peril Crop insurance, Crop-Hail, Pasture-Rangeland-Forage, and Livestock insurance.

AND...we can also write Health insurance, Medicare Supplement, Prescription Drug, Long-Term Care, Dental, and Disability insurance.

SO, be sure to contact our office for ALL of your insurance needs. We're your "one-stop" shop and can provide you with outstanding customer service to boot! Happy Holidays to everyone!

*Fred Kobza, Kathy Roberts,
& Kristen Monteforte –
Insurance Department**

*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

Take Time To Keep Yourself Informed . . .

As a banker, I have the opportunity to attend numerous informational meetings throughout the year. As fall approached and the crops were being harvested, I was regenerated by attending meetings about our industry and the industry of agriculture.

Over the last couple of months, I was able to attend the Nebraska Banker's Association Fall Ag Conference, a couple of commodity marketing meetings, and even some webinars pertaining to the banking industry. These meetings were very beneficial in that I was able to come back and use the information from these meetings either in my profession or personal life.

Everyone is busy, but are you taking the time to attend some of these meetings? They will get you to thinking, and sometimes they may get you to think "outside of the box." A lot of people like attending meetings because it allows them to network with others. It is always good to hear someone else's perspective and ideas about our industry.

Challenge yourself this winter after harvest and take the time to attend some industry meetings whether it is local, state, or national. You will be glad you did!

*Jim Scott –
Bank of Broken Bow
Vice President - Lending*

You Need To Know This Info . . .

In 2010 there are some major changes to the Roth IRA rules that everyone should know. First, let's start with the characteristics of the Roth IRA. The contribution limits are the same; the investment options are the same and there is no escaping the fact that the IRA, whether it be Traditional, Roth, SIMPLE or SEP is a great tool to save for retirement. A couple of the unique features to the Roth are: 1) contributions are made with after-tax dollars, 2) earnings grow tax-free, meaning when you take a distribution any gain is paid without any federal tax liability as long as the account has been open for 5 years and you are over 59 1/2 at the time of the distribution and 3) there are even distribution alternatives that are not available for other IRA types.

When Roth IRAs were created, they were created with the ability to allow individuals the opportunity to convert their Traditional IRAs to Roth IRAs. By doing this, you take the conversion as income but all of your gains grow tax-free. Well, in 2010 there are some changes that everyone should consider if they have a Traditional IRA or are looking at making an IRA contribution this year. For conversions that take place in 2010, you can include the conversion on your 2010 tax return or split it equally between your 2011 and 2012 tax returns. Although, if you feel your tax rate will be higher in 2011 and 2012, it may not be to your advantage. Also, the income restriction for conversions are eliminated for the 2010 calendar year making this the year for those high income earners to take a look at how a conversion might affect them.

So, as you plan for year-end and look into the 2010 tax year, keep in mind that a Roth IRA conversion might be an opportunity to do some long-term tax planning, and as always, if you have any questions please contact one of our IRA specialists and your tax advisor.

*Chris Tonniges –
Assistant Vice President
Registered Representative**

Securities offered through Securities America, Inc. Member FINRA/SIPC.
Christopher J. Tonniges, Registered Representative. Advisory Services offered through Securities America Advisors, Inc. Christopher J. Tonniges, Investment Advisor Representative. Bruning State Bank and Securities America companies are not affiliated.
Securities America companies and Bruning State Bank are not affiliated with LIFE.

*May lose value *Not FDIC insured *No Bank guarantee

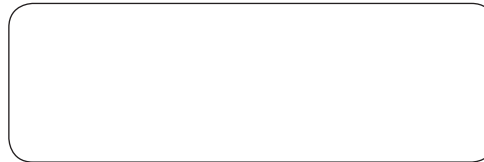
All government reporting forms (1099-INT, 1099-R, 1098, etc.) will be mailed to our customers by January 15th. Please watch your mail so that they are not destroyed inadvertently.

**BRUNING
STATE
BANK**

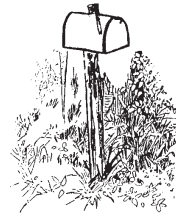
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Bruning, Nebraska 68322

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Permit No. 4
Bruning,
Nebraska

*Address Service
Requested*



YOUR COUNTRY BANK



An Invitation
STOP IN FOR
Apple Cider & Christmas Cookies

Bruning and Hebron

Friday, December 11
8:30 A.M. To 3:30 P.M.

Broken Bow

Thursday, December 10
8:00 A.M. To 4:30 P.M.

Holdrege

Thursday, December 17
9:00 A.M. To 3:00 P.M.

