

# THE LATEST

From LIBERTY BANK

Summer 2009 Edition



## Chairman's Message

Liberty Bank has been recognized again with a 5-Star rating from Bauer Financial (learn more about Bauer in Financial Phrases on page 4) as one of the strongest financial institutions in Illinois. This is the 21<sup>st</sup> consecutive year Liberty has received a 5-Star rating. I recently met a gentleman who, when he discovered my affiliation with Liberty, said to me "Oh, you're the 5-Star Bank." What a great feeling!

We were also honored this year by the American Bankers Association for our community efforts in the neighborhoods we serve. I am proud to present our 2009 Statement of Condition in the

Market Watch on page 8 of this issue. It is wonderful to report that Liberty Bank has once again had a good year due to sound management and exceptional customer service, and I should say, thanks to many loyal customers like you.

Any business, no matter the industry, thrives due to the continuing patronage of its customers. Liberty is extremely fortunate to have customers who put their faith in the stability of Liberty Bank for many years and generation after generation. Treating our customers with respect and a smile is also a part of our business plan. You are never just an account number to us. So

when you come into our offices we do our best to make you feel welcome and call you by name. But when a machine will work for you, we make services such as Bank-by-Phone, ATMs and Online Banking available. Even if you are someone who doesn't come into the bank, we know that there are times when you may need to call us. We know that you don't want to "talk to a machine" so we make it a point to have a "live person" answer our telephones. And you can be sure that that person is right here in our offices and not in another state, or worse yet, another country.

As we enter our 111<sup>th</sup> year, we are working harder than ever to provide excellent customer service. We are enhancing our employees' knowledge in order to better serve you, our customer.

William J. Smigiel  
Chairman, President & CEO





## LIBERTY BANK ANNIVERSARY DRAWING WINNERS!

Liberty Bank celebrated its 111<sup>th</sup> anniversary on April 3 at each of our five branches. In addition to cupcakes and coffee, visitors to our lobby were able to enter a drawing for a \$50 gift card. The seven people listed below each won a \$50 Visa® Gift Card.

Alicia D. – Chicago

Dale H. – Des Plaines

Edward K. – Niles

Robert M. – Chicago

German M. – Chicago

Daniel O. – Chicago

Adele S. – Chicago



## Decoding the Ponzi Scheme

When news broke that investment advisor Bernard Madoff had allegedly swindled investors out of \$50 billion in one of the largest Ponzi schemes in history, many people worried about their own investments. But what is a Ponzi scheme, and are you at risk?

Also known as a pyramid scheme, the fraudster lures unsuspecting investors to put up money – sometimes their entire life savings – with promises of big returns and no risk. But instead of investing the victim’s funds, the schemer uses the money to pay returns to previous investors. This “robbing Peter to pay Paul” method falls apart when the swindler flees with all the proceeds or when there aren’t enough new investors to reimburse the old ones.

### Here are a few tips when searching for a reputable financial advisor:

- Don’t just rely on recommendations from friends and family. Find out how long the financial advisor has been in business and if there have been any complaints filed through your state’s securities regulator.
- Be wary of any investors pitching exotic or obscure financial products. Make sure you understand what you’re investing in.
- Stay away from any investors promising no risk and unusually high or steady returns.

## WE’RE BACK ON WGN

After four months off the air, Liberty Bank is back on WGN radio! Liberty has been part of WGN radio and the John Williams Show for several years. We have followed John from his afternoon show to his new spot in the morning. In addition to our ads on John’s show, each year Liberty has been the sponsor for John’s face-to-face visits with Thomas Jefferson and Teddy Roosevelt (portrayed by historian Clay Jenkins). Tune in to the John Williams Show on 720 AM weekday mornings 5 – 9 a.m. and let us know how you like our new ad.





# Join Us for These Liberty Bank Events

Reservations are required for all events unless otherwise indicated. Call **773.489.4471** to sign up or make your reservations online at [www.libertybank.com](http://www.libertybank.com).

## JUNE

### June 24 – Antiques & Collectibles.

This fun and informative presentation will help you discover the “cash in your attic.” Guests are invited to bring one item for appraisal. Join us at 10 a.m. at 6210 N. Milwaukee Ave. Reservations required.

### June 24 – LaSalle Canal Boat Tour.

This summer visit North Central Illinois’ newest attraction: the LaSalle Canal Boat and the Lock 16 Visitor’s Center in LaSalle, Ill., featuring exhibits and multimedia about the historic Illinois and Michigan Canal. Next enjoy a boat ride on a replica 1800’s canal boat pulled by horses on the IM Canal. Later enjoy a stop at the Starved Rock Visitor’s Center and a great lunch buffet at Starved Rock Lodge. Cost: \$66. Advance reservations and payment required.

## JULY

### ★ July 7 & 8 – Basic Computer

**Skills.** This FREE two-day class is designed with mature students in mind. Here’s an opportunity to learn basic Windows. Seats are limited, so make your reservation today.

### July 28 & 29 – Adult Driving Class.

Take advantage of this two-day

classroom course to refresh your driving skills. It is designed for those ages 50 or older. Presented by AARP, \$12 per person for AARP members and \$14 for non-members. This class is held at 6210 N. Milwaukee Ave., 9 a.m. – 1 p.m. both days. Reservations required.

## AUGUST

### ★ Aug. 4 & 5 – Basic Microsoft Word.

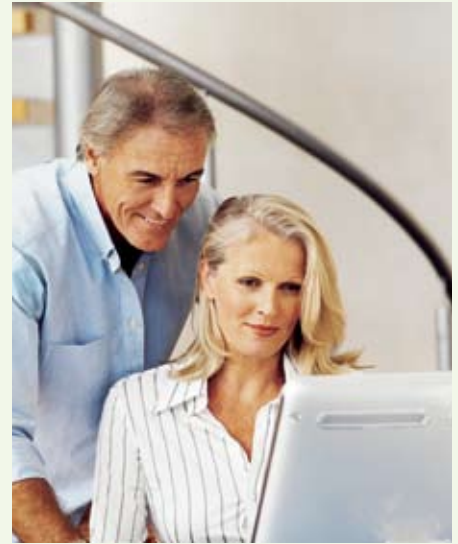
This FREE two-day computer class for mature students with limited Microsoft Word experience. Seats are limited, make your reservation today.

**Aug. 19 & 20 – Coffeetalk Rx.** Meet with a licensed pharmacist to review the most common pharmacy topics including generic vs. brand name, medication safety, side effects and much more. This FREE presentation will be held at 10 a.m. Aug. 19 at 6210 N. Milwaukee Ave. and Aug. 20 at 6666 N. Lincoln Ave. in Lincolnwood. Reservations are required.

## SEPTEMBER

### ★ Sept. 1 & 2 – Basic Internet

**Class.** Do you GOOGLE™? What is YAHOO!®? Learn all about how to use the Internet. This class is designed for mature students with little or no Internet experience. Seats are limited, so make your reservation today.



**Sept. 9 – Antiques & Collectibles.** This fun and informative presentation will help you discover the “cash in your attic.” Guests are invited to bring one item for appraisal. Join us at 10 a.m. at 6666 N. Lincoln Ave., Lincolnwood. Reservations are required.

**Make reservations online at [www.libertybank.com](http://www.libertybank.com).**

## SHRED DAYS

Liberty is pleased to offer FREE document shredding. Bring your personal documents, up to 25 pounds, to Liberty Bank and we will shred them free of charge. Tell your friends, family and neighbors about this great opportunity to protect them against identity theft. Visit us 9 a.m. – 12:30 p.m. on any of the dates listed below.

July 18 – 7111 W. Foster Ave.  
Aug. 15 – 6210 N. Milwaukee Ave.  
Sept. 19 – 1018 W. Touhy Ave.,  
Park Ridge  
Oct 24. – 7111 W. Foster Ave.

## LIBERTY IN YOUR COMMUNITY

Visit the Liberty Bank table for Family Fun and Summer Sun at The Taste of Park Ridge and the Lincolnwood Fest & Business Expo.

### TASTE OF PARK RIDGE

- Friday, July 10, 10 a.m., FREE Movie for seniors at the Pickwick Theatre.
- Saturday, July 11, 11 a.m. – 6 p.m. Visit our table at the

Canopies on Courtland Business Expo and enter a drawing for a prize.

### LINCOLNWOOD FEST & BUSINESS EXPO

- Saturday, July 11, 12:30 – 5 p.m. Visit our table and enter a drawing to win a prize.

★ These classes are FREE. All classes are two days and held from 10 a.m. to noon at Wright College, 4300 N. Narragansett. Seats are limited and reservations required.

# CONSUMER ALERT!

## TEST YOUR ID THEFT IQ

You might think identity theft can't happen to you, but all of us make minor mistakes that could potentially open the door to identity thieves. Answer the following questions to test your identity theft IQ, then total your score.

1. I use a cross-cut shredder to destroy all pre-approved credit offers, convenience checks, balance transfer checks and mail that includes personal information. **Yes = 3 No = 0**

2. I provide my Social Security number when asked, without inquiring why it is necessary or how the information will be protected. **Yes = 0 No = 3**

3. My Social Security number can be found in my wallet or on my driver's license or personal checks. **Yes = 0 No = 3**

4. I send and/or receive mail using an unlocked, unsecured mailbox. **Yes = 0 No = 3**

5. I only give out personal information in response to a telephone call or e-mail that I initiated and know to be legitimate. **Yes = 3 No = 0**

6. When sharing personal information, I am conscious of people who may be trying to eavesdrop or glimpse my information. **Yes = 2 No = 0**

7. I have ordered a copy of my credit reports during the past year. **Yes = 2 No = 0**



8. When using the Internet, I make sure my firewall and antivirus software is updated. **Yes = 2 No = 0**

9. I immediately delete e-mails and hang up on phone calls from people I don't know. **Yes = 2 No = 0**

10. I keep sensitive financial information and passwords in a locked or protected area of my home that can't be accessed by visitors. **Yes = 2 No = 0**

**Scoring: 25-20:** You're at the head of the class! **19-15:** Consider brushing up on your ID theft prevention techniques. **14 or below:** Visit the Liberty Bank Resource Center at [www.libertybank.com](http://www.libertybank.com) for some free tutoring on how to protect your finances.

### REMEMBER:

Liberty Bank will never ask for your Social Security number, account number or balance in an e-mail or an unsolicited telephone call. Never reveal any sensitive information either on the phone or online unless you are absolutely certain of the identity of the person on the other end of the phone/e-mail.



## Financial PHRASES

### RANKING

Measurement of a bank or thrift institution's CAPITAL ADEQUACY, management and other factors as compared to other insured financial institutions. There are two broad categories of organizations providing some form of analytical coverage of financial institutions: bank *rating* firms and bank *ranking* firms.

Bank *rating* firms generally cover all financial institutions in a category, such as commercial banks, bank holding companies and savings and loans. They assign each institution covered a grade or numerical score using an analytical formula. The assigned rankings are meant to indicate a covered institution's financial strength and ability to protect depositors' funds.

*Ranking* firms compute their evaluations from the same criteria – capital, assets, management, earnings and liquidity – that bank examiners review during scheduled examinations of insured financial institutions.

One of the best known and most widely used ranking firms is BauerFinancial.

**Liberty Bank for Savings has earned a 5-Star Superior ranking from BauerFinancial every quarter for more than 21 consecutive years!**

# Ask About Our FREE Financial Checkup.

## It won't hurt.

*Our Financial Checkup can help you make the most of your money, and your time.*

How do you find out what's the best thing to do about your financial situation? Simple, you figure out exactly what you have, where it's going, and what your goals are – then you plan accordingly. Exactly what our Free Financial Checkup is designed to help you do. It's quick. It's easy. And it can help you make the most out of your money and your time. Don't believe us? Try it. What do you have to lose? After all, it's free. And it's one more way we're finding out how we can help you.



**John Helwig,**  
Financial Services Representative  
773-594-6600

**INVEST**  
FINANCIAL CORPORATION

**Located At**  
Liberty Bank for Savings  
7111 W. Foster  
Chicago, IL 60656  
**(773) 594-6600**

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## Insurance

# More Uninsured Motorists are Behind the Wheel

As the recession continues to negatively affect families across the country, more people are looking for ways to cut back on their spending. Some people are canceling their cable television or gym memberships. In many cases, it makes sense to trim spending on things you don't use everyday. But be sure your car insurance doesn't fall victim to that logic. The consequences can be costly.

The number of uninsured drivers on the road is on the rise. If this trend continues, it is estimated that one in six drivers in the U.S. will be uninsured by 2010, according to a recent study by the Insurance Research Council (IRC).

### DAMAGE TO THE UNINSURED

Unless you are planning to stop driving your car, canceling your car insurance is never a good idea. Saving on your monthly premiums now may cost you a lot later.

**Loss to your finances.** Even if you are an excellent driver, you can't control the actions of others on the road. If you get into an accident, you may be responsible for paying the damages to the other driver out of your pocket – and these costs can be substantial. If you're sued for damages, your wages could be garnished or you may be forced to declare bankruptcy.

**Loss to your freedom.** It is against the law to drive without insurance in most states. Driving without insurance in one of these states can result in hefty fines or even jail time. Some states may also suspend your license if you don't have insurance.

### DAMAGE TO THE INSURED

Uninsured drivers also pose a financial threat to insured drivers. If you get into an accident with a driver who doesn't have insurance, you may have a hard time recovering the compensation you are owed due to damage or injury. Even if you sue, the driver may not have enough personal assets to cover losses. To protect yourself, talk to your insurance agent about uninsured motorist coverage if it's not already on your plan.

You may end up paying the price even if you don't get into an accident with an uninsured driver. Insurance rates go up as insurance providers are forced to cover more damages caused by the uninsured.

### NAVIGATING YOU THROUGH TOUGH TIMES

If you're struggling with your car insurance payments, it may be time to switch your insurance provider. At Liberty Insurance Agency, we offer competitive insurance rates to our customers. Stop in or call today for your free, no obligation rate quote.

Insurance products are not bank products, nor are they FDIC insured. They are not a deposit or obligation of or guaranteed by Liberty Bank or its affiliates. Applications are individually underwritten and some individuals may not qualify.



Call Arlene or Adam today at  
**773.792.1660** for your **FREE**  
individual same-day evaluation.

# Smart Moves to Make in 2009

2008 was not a good year in the housing market. The word “foreclosure” dominated the news, and even many homeowners who were making their payments found themselves underwater on their loans due to falling home values. This year, unfortunately, is not expected to be much better. However, there are a few sunny spots in the 2009 mortgage forecast.

## MORTGAGE MODIFICATIONS AND REFINANCING

In 2009, more homeowners are expected to refinance or modify their mortgages. In February, President Obama proposed a \$75 billion relief plan to help lower qualified borrowers’ monthly payments to affordable levels, keep them from foreclosure and restructure mortgages.

If the plan works, more people will be able to keep their homes. This could cause prices to stabilize because fewer homes would be sold at steep foreclosure discounts.

Because mortgage rates are at historic lows, many homeowners are expected to refinance in 2009. Some may be looking to get away from an adjustable-rate mortgage and into a fixed rate, while others might just want to take advantage of lower rates. If you are interested in refinancing your mortgage, visit the experienced mortgage professionals at Liberty Bank. We can help you decide if refinancing is right for you.

## NEW HOMEBUYERS JUMPING INTO THE MARKET

With rates as low as they are, and home prices at affordable levels, the mantra is “now is a great time to buy a house.” In 2009, many may heed this advice. New homebuyers entering the housing market in 2009 will have to carefully evaluate qualification standards that will be somewhat different from those seen in the past and will have to weigh those changes against the potential

### PERSONAL FINANCE: DOS & DON'TS

With the current economic woes, making the right financial decisions is very important.

Consider these financial tips to make it a good year:

- **Don't overreact.** Take this opportunity to re-evaluate your own circumstances.
- **Do keep enough cash available.** A rainy-day fund can provide peace of mind. There are different guidelines, but having six to nine months of living expenses on hand will help pay expenses in an emergency.
- **Don't stop contributing to your 401(k) or other retirement accounts.** Now is not the time to abandon your retirement plans. Take advantage of matching retirement fund contributions your employers may offer.
- **Do live within your means. Save.** Prepare a budget and if you have money left over at the end of each month, put it in your Liberty Bank savings account.
- **Do pay off debts.** Check the rates on your credit cards and pay off those with high interest rates.
- **Do track your spending.** Stick to a budget and keep track of the money you spend each month.
- **Do review your credit reports.** Check your credit report for any possible errors. You can obtain a free copy of your credit report each year.
- **Do update your mailing address with your bank.** You don't want to miss statements or any other important information from the bank.

### \$8,000 FIRST-TIME HOMEBUYER TAX CREDIT

If you're house hunting for the first time, you may get an extra boost this year. The government's new stimulus plan includes an \$8,000 tax credit for first-time homebuyers. You may qualify if you meet the following criteria:

- Be a first-time homebuyer, or a “buyer who has not owned a principal residence during the three-year period prior to the purchase.”
- Purchase the home between Jan. 1 and Dec. 1, 2009.
- Have a modified adjusted gross income (MAGI) of \$75,000 or less for an individual or \$150,000 for a married couple filing jointly to qualify for the full amount of the credit.
- Use the home as your “main” (owner-occupied) home.
- Live in the home for at least three years after the purchase date.
- Pay \$80,000 or more for the home. (If the house costs less than that, you can claim a credit for 10% of the purchase price.)

benefits of historically lower housing prices and available housing tax credits. At Liberty Bank we can help you run the numbers and see if buying a home is in your future.

## MAKE YOUR MOVE

While 2009 will still be rough,

as the government works to stabilize the housing market, there are smart moves you can make. Visit [www.libertybank.com](http://www.libertybank.com) or call **1.888.LIB.BANK** and one of our mortgage professionals will provide you with a FREE Mortgage Checkup.

PRESORTED  
STANDARD  
U.S. POSTAGE  
**PAID**  
PRIORITY INC.

**LIBERTY BANK FOR SAVINGS  
5 CHICAGO AREA LOCATIONS**

**Chicago**  
2392 N. Milwaukee Ave.  
773.384.4000

7111 W. Foster Ave.  
773.792.2211

6210 N. Milwaukee Ave.  
773.763.4360

**Lincolnwood**  
6666 N. Lincoln Ave.  
847.674.1300

**Park Ridge**  
1018 W. Touhy Ave.  
847.825.0693

**Customer Service**  
1.877.305.7070

**Online Banking**  
1.877.305.8080



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



# Liberty Bank

FOR SAVINGS

2392 N. Milwaukee Ave.  
Chicago, IL 60647

## THE LATEST

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# Market Watch



## STATEMENT OF CONDITION

February 28, 2009

### ASSETS

Mortgage Loans .....	\$546,959,656
Consumer and Equity Loans.....	19,585,747
Real Estate Owned (Net of Valuation Reserve) .....	102,990
Cash and U.S. Obligations .....	184,152,728
Federal Home Loan Bank Stock.....	5,385,700
Office Buildings, Parking Lots, etc....	10,548,053
Office Furniture and Equipment .....	762,645
Prepaid Expense and Other Assets.....	8,494,276
<b>Total Assets .....</b>	<b>\$775,991,795</b>

### LIABILITIES

Deposit Accounts .....	\$595,878,228
Other Liabilities .....	17,633,165
Tax and Insurance Escrow .....	1,664,841
<b>Total Liabilities .....</b>	<b>\$615,176,234</b>

### NET WORTH

Total Net Worth (Capital) .....	\$160,815,561
Total Liabilities and Net Worth .....	\$775,991,795

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