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IN BRIEF EARNINGS REPORTS

Comerica Inc.

DALLAS — **Comerica Inc.** (NYSE: CMA) reported second quarter 2009 net income of \$18 million, compared to \$9 million for the first quarter 2009 and \$56 million for the second quarter 2008.

After preferred dividends of \$34 million in the second quarter 2009, the net loss applicable to common stock was \$16 million, or 10 cents per diluted share, compared to net income of \$56 million, or 37 cents per diluted share, for the second quarter 2008.

Total assets and common shareholders' equity were \$63.6 billion and \$5.0 billion, respectively, at June 30, 2009, compared to \$67.4 billion and \$5.0 billion, respectively, at March 31, 2009.

Chemical Financial Corp.

MIDLAND — **Chemical Financial Corp.** (Nasdaq: CHFC) announced 2009 second quarter net income of \$2.3 million, or 10 cents per diluted share, versus net income of \$9.6 million, or 40 cents per diluted share, in the second quarter of 2008.

Net income was \$5.0 million, or 21 cents per diluted share, for the six months ended June 30, 2009, compared to net income of \$19.3 million, or 81 cents per diluted share, for the six months ended June 30, 2008.

Total assets were \$4.0 billion at June 30, 2009, up from \$3.74 billion at June 30, 2008.

Independent Bank Corp.

IONIA — **Independent Bank Corp.** (Nasdaq: IBCP) reported a second quarter 2009 net loss applicable to common stock of \$6.2 million, or 26 cents per share, versus net income of \$3.3 million, or 14 cents per diluted share, in the prior-year period. The net loss applicable to common stock for the six months ended June 30, 2009 was \$25.9 million, or \$1.09 per share, compared to net income of \$3.7 million, or 16 cents per diluted share, in the prior-year six-month period.

Total assets were \$2.98 billion at June 30, 2009, compared to \$2.96 billion at Dec. 31, 2008.

Macatawa Bank Corp.

HOLLAND — **Macatawa Bank Corp.** (Nasdaq: MCBC) announced its results for the second quarter of 2009. Special charges totaling \$15.2 million or 88 cents per diluted common share led to a net loss of \$18.6 million for the second quarter of 2009 compared to a net loss of \$8.1 million for the second quarter of 2008.

The net loss for the first six months of 2009 totaled \$22.7 million compared to a net loss of \$5.7 million for the six months ended June 30, 2008.

Total assets were \$2.02 billion at June 30, 2009 compared to \$2.15 billion at Dec. 31, 2008.

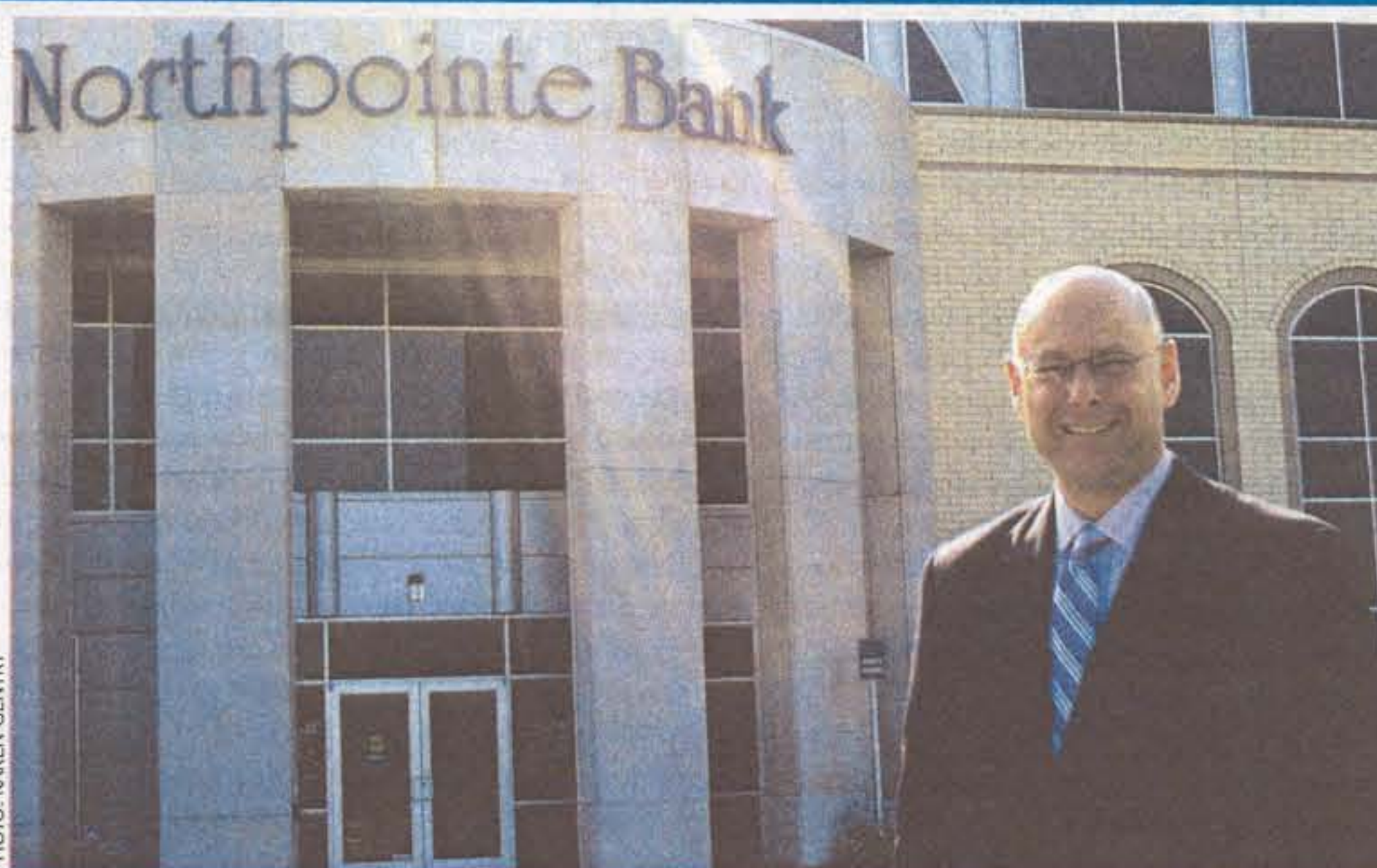


PHOTO: KAREN GENTRY

Northpointe Bank VP of Sales and Marketing Leonard Iakiri said Northpointe Bank is primarily a mortgage lending bank – a community bank that is celebrating its 10th anniversary this year.

Liquid Assets

Growing with mortgages, multi-state online banking

By Karen Gentry | MiBiz
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GRAND RAPIDS — **Northpointe Bank** has enjoyed tremendous growth in retail mortgages and retail banking and is celebrating 10 years in business as a community bank in Grand Rapids, even though its path over the last decade hasn't always been a smooth one.

"We're primarily a mortgage lending bank. That's our focus, our niche and how we started," Leonard Iakiri, VP of sales and marketing at Northpointe Bank told *MiBiz*, noting that about 90 percent of the bank's business is residential mortgages.

Northpointe Bank became known for providing mortgages to customers looking to purchase vacant land, vacation homes, and mobile homes — people who might not have been able to get financing from traditional banks. Iakiri said Northpointe bankers look at the worth of the asset and the creditworthiness of the buyer.

Northpointe Bank recently promoted its "Drink it Up" campaign and introduced Liquid, a high-yield online savings account similar to products from Ing Direct or E-trade. The bank also unveiled its new Web site this spring.

"We chose the name 'liquid' because it allows control over liquid assets. It resonated well in West Michigan," Iakiri said.

For every new account opened, water is donated to the local American Red Cross.

Iakiri said the Liquid accounts are the only online money market accounts offered in West Michigan. With Liquid, account holders have access to their account 24/7. The 2.2-percent interest rates for balances of \$25,000 and up is six times higher than the average rate in Grand Rapids.

"Liquid is appealing to a national audience. We feel we are making it easy for local customers to drink up the benefit of Liquid," Iakiri said.

About nine months ago Northpointe Bank also added full investment and trust services involving stock purchases, mutual funds, financial and estate planning — anything related to

customer wealth management. Services are offered for a young couple looking to invest \$200 a month in a mutual fund all the way to the highest value investments.

With the majority of business done in Michigan and the state's struggling economy, Northpointe Bank leaders have also looked to other states for growth.

"We're building a team in Grand Rapids to take care of customers in other states," Iakiri said.

Northpointe maintains an office in Columbus, Ohio and currently also does business in Tennessee, Kentucky, Georgia, Indiana and North Carolina. Through online and phone services, the bank can lend throughout the United States. Iakiri said banks can hide and hunker down given the economy or develop creative initiatives to continue to be successful.

"It's important, to be successful in West Michigan, to have a small, nimble team of people who come in every day and want to get at it," Iakiri said.

FDIC concerns

In early 2008, Northpointe Bank was cited by the FDIC in several areas, including operating with inadequate protection for loans, inadequate liquidity and allowances for loan or lease losses, excessive levels of troubled loans, and boards of directors that failed to provide adequate supervision of and direction to management.

Iakiri said because a majority of lending was in Michigan, there were challenges with the bank's portfolio. With respect to the amount of board oversight, asset quality, earnings and loan portfolio analysis, many of the deficiencies outlined have already been corrected. Iakiri said the bank began immediately to address all of FDIC's concerns and the FDIC is pleased with all the steps taken so far.

"Northpointe continues to maintain a strong capital level. Our loan loss reserve levels are the highest in our history," Iakiri said. "We remain

Credit unions' cooperative reach

By Karen Gentry | MiBiz
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GRAND RAPIDS — One of the largest credit union service organizations in the country is quietly located right in Grand Rapids.

CU*Answers (formerly West Michigan Computer Co-Op Inc.) is a nearly 40-year old credit union service organization originally founded by the **Grand Rapids Teachers Credit Union** in 1970 that has come on strong in the last nine years, according to Randy Karnes, the company's CEO.



Karnes

The cooperative, a for-profit company owned by 80 credit unions, has grown to \$27 million in annual sales. Although CU*Answers is a for-profit company, Karnes said there are usually very thin profit margins and, given the founding cooperative mentality, any profits are returned to the credit union owners. CU*Answers now provides services to more than 165 credit unions in 16 states, representing more than 1 million members and \$10 billion in credit union assets.

"Credit union service organizations are very much in vogue right now," Karnes told *MiBiz*. "Credit unions want to work together to control costs. Credit union solutions are specialty solutions. Oftentimes, it's better to network and collaborate than to do things standalone or buy from their competitors."

CU*Answers provides technology and technology solutions, including software for online banking, tellers and accounting. Services and products provided to credit unions include auditing software and other software products involved in credit union activities like loan applications, Internet services and Web sites.

Grand Rapids employees work as programmers, technologists, network communications personnel, programming, administrators, product designers, technical writers and help desk staff. CU*Answers works with a couple dozen major processing vendors around the country.

Karnes said CU*Answers' roots have been as a tool provider — selling technology products — but the organization is transitioning to more of an operational alliance.

"Credit unions are now looking for unique solutions and expanding business together and better serving members side by side," Karnes said, noting credit unions today are better at cooperating with each other and creating opportunities and solutions.

Besides helping credit union members make money when interest rates are low and lending is uncertain, keeping up with technology is a big challenge. Karnes said although there are a lot of gizmos and gadgets, it often takes a long time for people to adopt new ideas.

CU*Answers helps educate customers to help

Speculating in GM Stock

While channel surfing on my TV one evening, I came across a program showing people giving in to their better judgment and doing something potentially dangerous. One sequence showed a wall along a busy sidewalk. A small hole had been drilled into the wall, and large letters above the hole read, "Caution! Do not put your finger in the hole!" You guessed it. Several passersby stopped, read the sign, and then put their fingers all the way in. Something created a sensation inside the hole, causing the people to quickly pull out their fingers. Most of them laughed and continued on their way. Even though there might have been a high voltage wire waiting for their fingers, they couldn't resist the challenge.

That's human nature. We've all done something similar, though maybe not so blatantly dangerous or foolish. Perhaps we've done so because we are curious and believe that somehow things will turn out differently for us than for other people. We are especially susceptible to these emotions when it comes to the stock market, and even more so when a once-mighty company with a high-priced stock has encountered hard times. When its stock has been pounded down to a dollar or less, our minds tell us to buy. We know the potential return is enormous. For example, if a stock selling for 80 cents rises a dime to 90 cents, the

return is 12.5 percent. Any stock can rise only a dime, right? And we can make a 100 percent return if it rises only 80 cents to \$1.60. The possibilities are tantalizing.

Very early in my investing career, long before I knew anything about finance (I started out as a chemical engineer), I went through a brief period where penny stocks seemed like a great way to get rich. Eventually I bought shares of stock in three different companies, paying only a few cents per share for each. One stock cost six cents per share, rose to sixteen cents, and I was hooked by the 167 percent return. Of course I didn't sell, figuring if it could go from six cents to sixteen, it could keep going. It did, right down to zero.

In fact, investing in penny stocks isn't investing at all: It's speculating, and most speculators end up losing everything. I did. All three stocks eventually dropped to zero, I learned my lesson, and have been cautioning people about speculating in penny stocks ever since. Evidently, the message isn't getting through to enough people, or they don't believe me.

General Motors is a good case in point. The day before a bankruptcy judge voided every share of GM stock, its price ranged from 79 cents to 97 cents throughout the day. Several thousand shares were traded, a volume representing a tiny fraction of what would have been average only a few

Money Talks

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months earlier. Strangely, investors had to know GM was in bankruptcy, and upon resolution of the bankruptcy, all existing shares would be cancelled, instantly making the stock worthless. Worse, in order to find the price of GM shares, an investor had to log on to the pink sheets Web page, a site showing prices for thinly traded shares. The price quote for GM was listed right under a red warning message reading, "Warning. This company is in bankruptcy!" Sound familiar? Do not put your finger in the hole, and do not buy GM stock.

So why did people continue to buy GM stock when the stock was about to be cancelled by a bankruptcy judge? Day traders were responsible for much of the speculat-

ing, and GM's stock provided them excellent bait with its daily price fluctuations of as much as 25 percent. Some made money, but many lost big time when the bankruptcy court voided the stock on July 10. Penny stock speculators also were drawn to GM's shares because hope springs eternal. Perhaps they didn't believe the U.S. really would let GM go bankrupt, or they didn't understand that GM's shares would be declared null and void as a condition of bankruptcy. In other words, they were ignorant about what was going to happen even though individual investors were never named as recipients of any part of the New GM. The U.S. Government got the largest piece with the UAW, bondholders, and the Canadian and Ontario governments getting the rest. The only thing shareholders in the old GM got was wiped out.

Speculating in stocks whose prices have fallen to almost nothing is a very efficient way to lose money. Sometimes the urge to take the risk is especially strong, but it never makes sense. My hope for you is that, like me, you've learned your lesson in the past, or that you can resist the urge and instead, stick to investments in sound companies with strong market shares and great earnings potential. **MiBiz**

NORTHPOINTE BANK

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highly liquid and able to serve our customers in all areas."

The bank was very candid and proactive with its customers and did not experience any loss of business due to FDIC concerns, according to Iakiri.

"We're on pace this year to grow on the deposit side more than the last six years," he said.

First LEED bank

People driving on the East Beltline by I-96 are impressed with Northpointe's three-story building on the site of the former Duba's restaurant. Iakiri said people may not realize the bank has drive-up windows and a full-service area for customers as well as computers and meeting rooms in a living room atmosphere.

The building, opened in 2007, is the first LEED-certified bank in West Michigan. Iakiri said the bank has an active, robust

sustainability committee that meets regularly to talk about green ideas and best practices.

Since the committee started this year, about \$100,000 has been saved through sustainability initiatives like changing the cleaning service, turning out lights and employees taking care of their own trash.

LEED and green features include plug-in stations outside for three electric cars and underground parking for associates, which saves space. The site was restored in large part to its natural habitat with wetlands and plants native to Michigan. Iakiri said employees take advantage of nature by enjoying the views from the many windows and congregating outside at an outdoor eating area or taking walks.

LEED points were garnered because 18 percent of the material in the building included recycled content and 98 percent of waste was recycled during construction. Irrigation is 57 percent more efficient than a normal system and water use has been reduced 33 percent due to low-flow fixtures. **MiBiz**

CU*ANSWERS

Continued from page 21

them embrace new ideas like e-statements and mobile banking. Credit unions follow the retail technology curve.

"Before you saw it at a credit union, you saw it at Best Buy," said Karnes, noting technology trends are easily available and identifiable, although it's harder to help credit union members implement technology in their lives.

Karnes, CEO of CU*Answers since 1994, said technology and the Internet have been a boon for credit unions.

"The Internet and the way the world is interconnected today have amplified their desire to cooperate," he said. "Today, technology actually matches a credit union's instinctive desire to do things together and makes it easier to hook people up and actually link them."

The credit union model — smaller, networked operations that know how to accom-

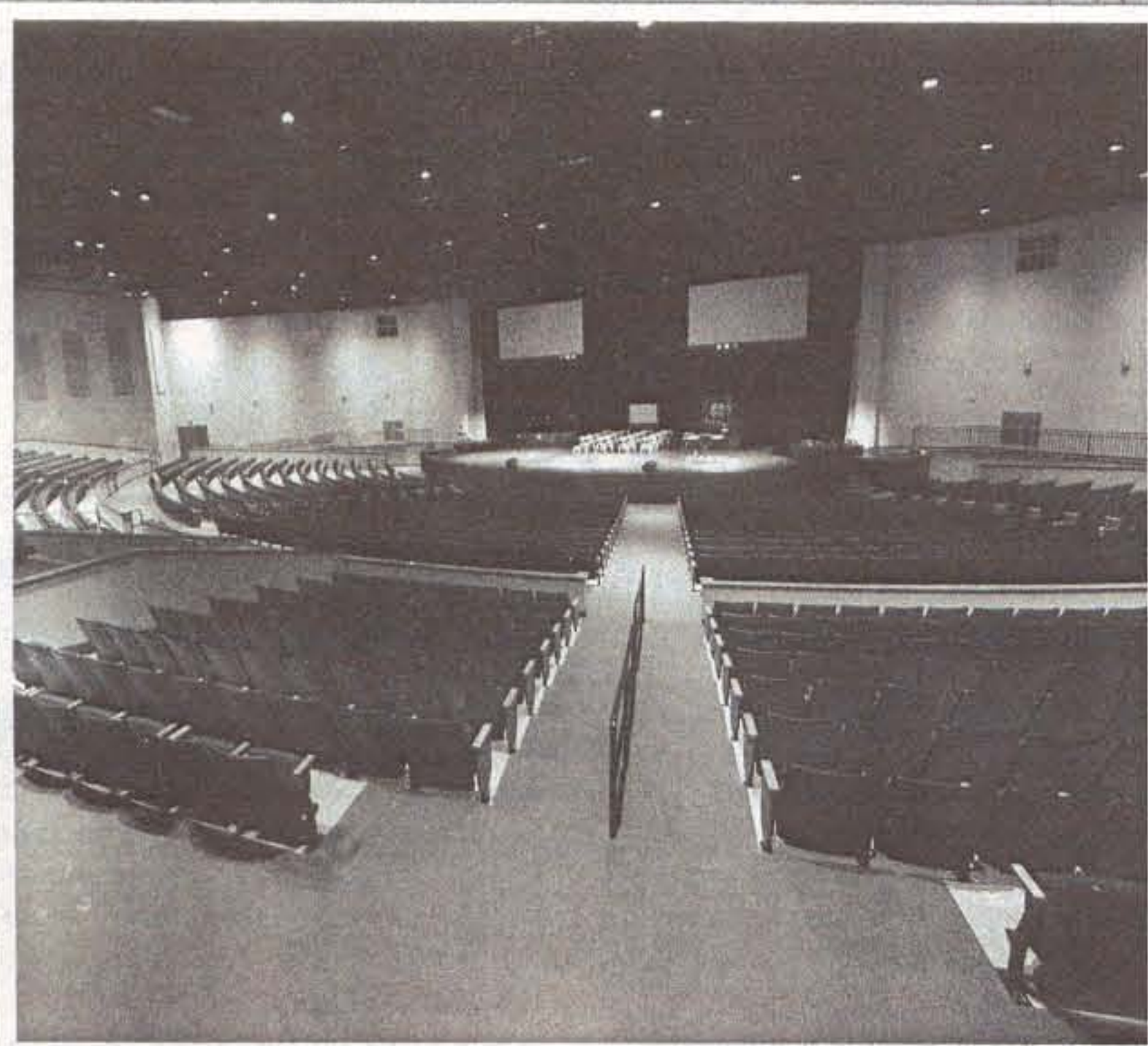
plish goals — is far better than the larger "too big to fail" businesses that put society at risk, Karnes said, and that virtual community will only expand in the future.

"Credit unions now can share with each other across the country without having to be across the country," Karnes said. "We can share solutions and ideas more readily and create a transparent financial environment for members."

Karnes said credit unions have a tendency to grow with more organic retail banking compared to banks that are consolidating seven times faster than credit unions.

Credit unions weren't as negatively impacted by the mortgage bubble and have plenty of money to lend, Karnes said.

"Credit unions are local organizations designed to live with their members, so when their members are up, credit unions are up," Karnes said. Credit unions also won't up and move to another state when a local community is challenged, he added. **MiBiz**



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