

## Pilot Grove Savings Bank to acquire Ft. Madison State Central Bank

Ted J. Vonderhaar, President of Pilot Grove Savings Bank, and Ty Logan, President of State Central Bank, recently announced the signing of an agreement which allows Pilot Grove Savings Bank to acquire the State Central Bank Branch facilities and assets in Fort Madison, Iowa.

Up until just recently, Pilot Grove Savings Bank was proceeding with construction of a new bank facility on the corner of Avenue H and 18<sup>th</sup> Streets in Fort Madison, directly across the street from their County Market location.

“When the opportunity came up to purchase the State Central Bank Branch in Fort Madison, with existing buildings in excellent locations, we felt it was worth looking into,” said Vonderhaar. “At this time, construction of the new Pilot Grove Savings Bank facility is on hold.”

According to Vonderhaar, the State Central Bank facilities included in the acquisition by Pilot Grove Savings Bank are the State Central Bank Branch at 619 9<sup>th</sup> Street in Fort Madison, the State Central Motor Bank at 4520 Avenue L in Fort Madison, and the Herky ATM on the east end of town. The State Central Main Bank Offices in Keokuk along with the other bank branches in Bonaparte, Farmington, Stockport, and Dubuque, will not be affected by the change.

“As Pilot Grove Savings Bank celebrates its 100<sup>th</sup> Anniversary this year, we felt the time was right to acquire an existing community bank in the market which carries a historic presence,” Vonderhaar said. The facility located at 619 9<sup>th</sup> Street was formerly the Iowa State Bank prior to its purchase in 1988 by State Central Bank.

Pilot Grove Savings Bank, with offices in Pilot Grove, Houghton, Donnellson, West Point, Mount Pleasant, Packwood, Winfield, and Fort Madison, is a full-service independent bank with over \$325 million in assets and over 90 employees. It is owned by employees through an Employee Stock Ownership Plan and 125 local stockholders, with no single stockholder owning more than 5% of the stock.

The acquisition is subject to regulatory approval and is anticipated to close late in the fourth quarter of 2011.



## Important Changes to U.S. Savings Bonds

The U.S. Department of the Treasury will end over-the-counter sales of paper savings bonds on December 31, 2011, including sales through Pilot Grove Savings Bank and other financial institutions. This move is expected to save taxpayers an estimated \$70 million over the next five years.

Although paper bonds are being discontinued, electronic Series EE and Series I Savings Bonds will remain available for purchase via your computer and *TreasuryDirect*. This secure, web-based system, operated by the Bureau of the Public Debt, has been used by investors since 2002 to purchase savings bonds online.

Existing paper bonds will still be valid and will earn interest for 30 years from the issue date or until redeemed. You can continue to cash savings bonds as they mature at Pilot Grove Savings Bank. If you regularly order U.S. Savings Bonds for yourself or for gifts and have questions about the new procedure, please see a Pilot Grove Savings Bank representative for more information.

# Go Green!

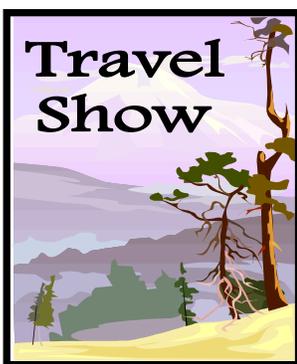
## View the Heritage Club Newsletter and Calendar Online

Here's a reminder that the Heritage Club Newsletter and Calendar of Events is available online. By electing to view the Heritage Club Newsletter on our website, the normal newsletter is eliminated from your home or business mailbox. This saves not only time, but also the environment by eliminating paper waste.

Viewing the newsletter online is easy. Don't worry. The recent updates to our website make navigating the site simple. First, access our website at [www.pilotgrovesavingsbank.com](http://www.pilotgrovesavingsbank.com). At the top of the home page, locate the black information bar that lists bank categories such as "Home," "About Us," "Loans," etc. Move your cursor over the "Heritage Club" box. The box should turn blue and the words "Calendar of Events" and "Newsletter" should appear. Click on the option you wish to access.

The "Calendar of Events" section includes dates and information about Activity Days, travel opportunities and other miscellaneous events. The "Newsletter" part posts the most current newsletter in addition to several previous issues for your reference. You can even print the entire calendar or newsletter for filing or just the sections you wish to keep at your fingertips.

If you have access to a computer and no longer wish to receive the paper newsletter, contact Sue at 319-837-6121 and tell her you want to "Go Green!"



November 2, 2011  
Pilot Grove Savings  
Bank Basement  
Pilot Grove  
6:30 p.m.

Join us for an informational meeting and learn about Heritage Club travel opportunities for 2012. Bring your questions and meet others who are interested in extended day travel.

**Trip sign up is not required during the Travel Show.** Reservations to attend this event are appreciated, but not required. Please call Sue in West Point at 319-837-6121 and tell her you will attend.

*Refreshments will be served.*

# Pilot Grove Investment Services



By Brian K. Jones – Financial Advisor

It is important to watch what consumers do, not just what they say. In the last couple of months there have been no shortages of pessimistic critics who have dominated news headlines calling for the economy to slide into a recession. While it is true some surveys and reports that track the economy's momentum have slowed, the reality is, most of the high frequency economic data is still exhibiting growth and suggests the unlikelihood of another recession. For instance, as of the first week of October, six of the seven high frequency data (chain stores, retail sales, box office receipts, rail car volume, steel production, and hotel occupancy) reported growth of between 2.7 - 5.7%. The only indicator that was lackluster was jobs which were more neutral than negative. Don't forget, slow growth is still growth.

Fortunately, consumer confidence and spending are not perfectly correlated. For example, during the past few months consumer confidence has dropped, but at the same time vehicle and other retail spending has increased. This suggests the economy may be stronger than the weak confidence surveys indicate. When this happens, history tells us a recovery period often follows.

It almost feels like economists and analysts are trying to "scare" the economy into recession, but it won't happen. There was a recent headline, when the Dow was up some 300 points, that read "Stocks' massive 'melt-up' fans investors fears". Since when is it a bad thing to see the market go up?

When the news media headlines are so different than the actual data being reported, the greatest opportunities for investors are presented. Today, everyone is saying nothing can go right and we are headed for another 2008. Look to use pullbacks as an opportunity to pick up solid companies at discount prices. It's going against the herd that builds real wealth.

**Contact Brian K. Jones, Financial Advisor for Pilot Grove Investment Services at 319-385-3822 or 888-385-2265 (toll free).**

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# "Let's Go Hawks!"



## *University of Iowa Hawkeyes vs. Northwestern*

Saturday, March 3, 2012  
1:30 p.m.  
New Price: \$70.00

Since our last newsletter we were informed the Iowa/Drake game we had planned on attending on December 17, 2011, had a start time of 8:00 pm. As this would make a very late night for everyone, we decided to alter our plans. We sincerely hope this change will not inconvenience any of you.

We are thrilled, however, to announce that we have acquired tickets for the Big-Ten Iowa vs. Northwestern game!

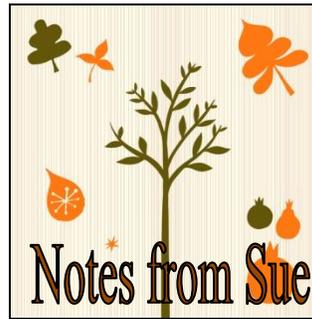
Watching the Hawkeye's last home game of the season in Carver-Hawkeye arena will surely be an exciting, memorable afternoon. Named for the late Roy Carver, a long-time supporter of the University of Iowa, Carver-Hawkeye Arena, among one of the largest university-owned facilities in the nation, was opened in January of 1983. The arena recently underwent a multi-million dollar facelift, adding conference rooms, a new practice facility, plus much more.

We are still teaming up this great day with food and fun at **Riverside Casino and Golf Resort** with the excitement of Iowa Hawkeye Basketball for a Slam-Dunk good time!

The cost of this trip includes transportation, lunch at Riverside, bank escort, and game ticket. Call Sue in West Point at 319-837-6121 for reservations.

Early sign up and deposit due by January 31, 2012.

**\*\* If you made reservations for the original December 17 Hawkeye trip, please call Sue and let her know if your plans will allow you to attend the March 3, 2011 game.**



Is this Fall Season with its beautiful colors and cooler temperatures our reward for making it through the summer? With one of the hottest, driest summers I can remember, it's nice to know there is a new

season ahead bringing changes to our climate and landscape. I welcome this time of year when we put aside the barbecue grill and cook up a pot of chili; decorate our lawns with pumpkins and funny scarecrows; and see the countryside busy with farmers harvesting their fields.

Then, just think, soon Thanksgiving will be here, followed by the hustle and bustle of the Christmas Season. We have a wonderful close to home holiday trip planned to Washington, Iowa. Come join me as we take part in the greatest Christmas story of all time, the birth of Jesus. This warm traditional Live Animal Christmas Play will surely bring the true meaning of Christmas into your hearts.

In 2012 our third trip in our "See Iowa First" series is planned. Throughout our travels in Iowa I've come to believe the Sioux Indians sure got it right when they named our state "Iowa...Beautiful Land." It's been an amazing journey discovering our State, so hop on the bus with me next summer and explore the northern part of Iowa.

The Civic Center in Des Moines, and Circa '21 in Rock Island, both have incredible shows scheduled for 2012. As a reminder, theatres as well as most hotels, require a deposit from us which can only be held for a certain period of time before payments are due. This policy makes our job a little more difficult and stressful. Beginning in January 2012, when you sign up for a trip early and pay the \$25.00 deposit (making our job easier) we will recognize your efforts and enter your name in a special drawing to be held at the end of 2012. The lucky winner will receive a \$50.00 gift certificate to be used towards a trip of their choice in 2013.

Thank you for your friendship, and the good times we've shared this year. I feel very blessed to be a part of the Heritage Club. You are a group of truly wonderful people – I wish you all a healthy and happy Holiday Season.

Sue 



# Holiday Calendar

~ November 2011 ~

*Wednesday, November 2 – Travel Show*

*Sunday, November 6 – Daylight Savings Time Ends*

*Friday, November 11 – Veteran’s Day*

All Pilot Grove Savings Bank locations will be CLOSED for the holiday.

*Tuesday, November 15 – Activity Day*

Pumpkin Pie and Thanksgiving Lunch at PGSB Community Room in Donnellson

*Thursday, November 24 – Thanksgiving Day*

All Pilot Grove Savings Bank locations will be CLOSED for the holiday.

*Tuesday, November 29 – Holiday Dinner*

Packwood Christian Church in Packwood

~ December 2011 ~

*Saturday, December 10 – Heritage Club Day Trip*

“Live Animal Christmas Play” at Washington

*Tuesday, December 13 – Holiday Dinner*

Faith Christian Outreach Church in Mt. Pleasant

*Saturday, December 24 – Christmas Eve*

All Pilot Grove Savings Bank locations will CLOSE at Noon for the holiday.

*Monday, December 26 – Day after Christmas*

All Pilot Grove Savings Bank locations will be CLOSED for the holiday.

*Friday, December 30 – Last day for 2011 transactions*

Banking transactions for the 2011 tax year must be completed by NOON today in any of our Bank offices.

*Saturday, December 31 – New Year’s Eve*

All locations will be OPEN 8:30 a.m. to 12:00 p.m.

~ January 2011 ~

*Monday, January 2- Day after New Year’s Day*

All Pilot Grove Savings Bank locations will be CLOSED for the holiday.

## Activity Day

Tuesday, Nov. 15, 2011  
PGSB Community Room  
Donnellson  
9:00 – 11:30 a.m.



**Bingo and Music by Ned Francis**  
**Turkey Sandwiches and Pumpkin Pie**

*Wishing you a Happy Thanksgiving!*

## Celebrate the Season!



The holiday season is upon us and so are the Annual Heritage Club Holiday Dinners! Since you are a member of the Pilot Grove Savings Bank Heritage Club, you are welcome to attend either one of the Holiday Dinners.

*Serving will begin at 11:30 a.m. for both dinners!*

### Packwood Holiday Dinner

Tuesday, November 29, 2011  
Packwood Christian Church  
Packwood, Iowa

*Entertainment by The Bruegge Band*

**Reservations due by Monday, Nov. 21, 2011**

### Mt. Pleasant Holiday Dinner

Tuesday, December 13, 2011  
Faith Christian Outreach Church  
Mt. Pleasant, Iowa

*Entertainment provided by Acapella*

**Reservations due by Monday, Dec. 5, 2011**

## Live Animal Christmas Play



Saturday, December 10, 2011 – 2:00 p.m.  
Washington, Iowa

*Café Dodici's Restaurant* **Only \$52.00!**

The Live Animal Christmas Play has been a Southeast Iowa tradition for 35 years. The production, featuring members of the Marion Avenue Baptist Church as cast and crew, tells the Christmas Story of the birth of Jesus and is unique among holiday events. This play is performed inside the Marion Avenue Baptist Church with the use of live animals! Shepherds are watching their flock of sheep. Mary, riding a donkey, travels to Bethlehem with Joseph. The manger scene depicts Joseph, Mary and the Baby Jesus in the stable amidst sheep, cows, goats and other animals. The wise men even travel through the congregation on a full size camel! A free-will donation to the church is appreciated.

The play also features various state-of-the art theater technologies. In addition to full artificial stage lighting, special effects as fog, confetti blasts, and a live flying angel will be incorporated into the production.

Prior to the performance, we will experience lunch at Café Dodici's. This quaint restaurant on the downtown square in Washington will offer us a choice of Soup or Salad, Baked Tilapia, Chicken Parmesan, Cheese Stuffed Tortellini or Chicken Fajita Pasta, along with either Lemon Panna Cotta or Chocolate Almond Torte for dessert. Enjoy the spirit of Christmas with your Heritage Club friends and call Sue in West Point at 319-837-6121 with your reservations today!

## Wisconsin Reflections

The recent Heritage Club trip to Wisconsin was great! We were able to see up close the harvesting of the cranberries. Yes, they do flood the fields and the workers do put on those fancy "waders" to harvest the berries.

The timing was right for our stay in Door County. We had a beautiful fall day for our trolley ride through Peninsula State Park and the lighthouse tours. The evening was perfect to sit around a fire for our Fish Boil. By the way, the fish was delicious!

Below is a recipe from the *Harbor Fish Market and Grille* where we stopped for lunch. It was so good we were all asking for the recipe. Now you have a new recipe to use for your left-over Thanksgiving turkey. Enjoy!

### Harbor Turkey Salad

- 1 pound rigatoni cooked
- Diced cooked turkey breast
- 1 cup dried cranberries or cherries
- ½ can roasted red peppers
- ¼ bag cooked spinach
- 2 diced Granny Smith apples
- ½ cup shredded parmesan cheese
- ¼ cup pine nuts
- ¼ cup pesto
- 2 cups (approx) mayonnaise

*Mix above ingredients together and refrigerate until ready to serve.*



## **Holiday Gift Ideas and Suggestions**

Soon your children and grandchildren will be searching for the perfect gift for you. Why not pass along this section of the newsletter and suggest they call Sue at 319-837-6121 and inquire about a gift of travel with the Heritage Club? Your gift giver will appreciate the “ease” of shopping with us and you will love the gift!

