

# The STATEMENT

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## Buck Stops Here

At Carolina Alliance there is much more to the Bank and its staff than quarterly reports. Just take a look in this newsletter and you will see how dedicated we are to this community. The Bank's staff, board and even their families, are involved; in countless community organizations – which drive home Carolina Alliance's core mission of serving customers and community.

Recently the Bank's "The Buck Stops Here," campaign added yet another dimension to assisting customers. "The Buck Stops Here," rule means if a staff member receives an inquiry from a customer it is up to her/him to find a resolution, and as quickly as possible.

The staffer can bring others to resolve the issue; but it is up to that initial person to see it through. So the next time you are at the Bank's headquarters look for the "The Buck Stops Here," signs, which you will find on every desk. It's just another way Carolina Alliance is proving their position as Spartanburg's true community bank.



## Bank Reports Profitable Quarter

For the first time in its short history, Carolina Alliance has reported a quarterly profit. In the three months ended September 30, 2009, net income was approximately \$51,000 compared to a net loss of approximately \$218,000 for the three months ended September 30, 2008. For the nine months ended September 30, 2009, the bank reported a net loss of \$723,000 compared to a net loss of \$976,000 for the comparable period in 2008.

"This is a very important milestone in the history of our young organization, particularly considering the adverse financial and economic environment under which we have operated practically since the opening of the bank in January of 2007," said John Poole, President and CEO of Carolina Alliance Bank.

"All of the people associated with this bank have worked hard for every significant milestone we have achieved, and this one is especially gratifying to our employees and board of directors. We have much work ahead of us to make this a sustainable accomplishment in this uncertain economy, but we are proud of the fact that the bank was profitable for each of the three months in the third quarter."



*This newsletter is dedicated in loving memory of  
**Lee Sterling Poole** (May 2, 1982 – November 8, 2009)  
beloved son of John and Lynne Poole and brother of Brad.*

### Board of Directors

**Robert A. Harley**  
Chairman

**Charles E. Atchison**

**Andrew M. Babb**

**Vollie C. "Vic" Bailey, Jr.**

**James D. Bearden III, MD**

**Terry L. Cash**

**Norman H. Chapman**

**T. Alexander Evins**

**Caleb C. Fort**

**Marsha H. Gibbs**

**Samuel H. Maw, Jr.**

**D. Byrd Miller III**

**John S. Poole**

President and  
Chief Executive Officer

**R. Lamar Simpson**

Executive Vice President and  
Chief Financial Officer

**L. Terrell Sovey**

**W. Lewis White, Sr.**

## Harleys Named Outstanding Philanthropists

In November, Board Chairman Robert A. Harley, and his wife Jeanne, were recognized as Outstanding Philanthropists by the Piedmont Chapter of the Association of Fundraising Professionals (AFP).

The Harleys were nominated by the Spartanburg Regional Healthcare System Foundation for their tireless work on behalf of both the Regional Foundation and Spartanburg Regional Healthcare System.

Mr. Harley's service to the SRHS Foundation began nearly 20 years ago when he was appointed to the blue ribbon task force committee that explored the feasibility of creating a foundation to support Spartanburg Regional Healthcare System. Mr. Harley, along with other community leaders, confirmed widespread

support for the creation of the Foundation.

Because of their vision,

more than \$30 million has been contributed through the Foundation for many Regional programs and facilities – including the Emergency Center, Spartanburg Regional Hospice Home and the Bearden-Josey Center for Breast Health.



## In the News

Senior Vice President/Commercial Banking Consultant **Pat Crowley** recently chalked up another golf award – winning the County Club of Spartanburg Senior Club Championship. Here, he is shown receiving the trophy from the tournament chair.



Vice President/ Senior Deposit Operations Officer **Tina Gainey** has a national Champion in her family. Daughter **Halley**, a member of

the Southern Jewels Sapphire II Dance Team, won the 2009 USA National Amateur Championship, held recently in Nashville. Individually, Halley was named a member of the All-Star Team, placed third in the choreographed solo competition and also second in the duo competition.

Carolina Alliance staff, board, as well as, the family of staff and board was well represented in the winter issue of Spartanburg Magazine.

Board member Charles Atchison was named one of Spartanburg's Movers & Shakers, as



was Board member Alex Evins' wife, Jennifer Evins, Board member Lewis White's father, John B. White, Sr., and Board member Norman Chapman's great grandfather, and founder of Inman Mills, James Chapman Sr.

And, in the magazine's "Scenes" section there were many pictures of Carolina Alliance friends and family including: **Kitsy Babb** (Board member **Andrew Babb's** wife); **Janis Cash** (Board member **Terry Cash's** wife); **Norman Chapman** (Board member); **Delie Fort** (Board member **Caleb Fort's** wife) and **Ashley Walker** (Branch Manager/Customer Service Manager/Lender **Jonathan Walker's** wife).

## Community Update

### John & Lynne Poole Honored with Elaine T. Freeman Volunteer Award

Carolina Alliance President and CEO **John Poole**, and his wife **Lynne**, have spent more than two decades as advocates for people with disabilities. In recognition of their dedication and passion, they recently were honored with the Elaine T. Freeman Volunteer Award as presented by the Charles Lea Center Foundation.

This annual award is given to a volunteer (or volunteers) for exceptional service to the Charles Lea Center. Collectively, between the Center and Foundation boards, the Pooles have over 30 years of leadership service to the Center.



*From left, Rob Freeman (Chairman, Charles Lea Center Foundation), Elaine T. Freeman, Lynne Poole, John Poole.*

"The Pooles are a strong voice for so many who cannot speak for themselves in the corridors of power," said Charles Lea Center Foundation Chair Rob Freeman.

(Below) **Carolyn MacIntosh**, Carolina Alliance Vice President and Senior Mortgage Lender, recently was named the 2010 president and chairman of the board of the Spartanburg Downtown Association. The Spartanburg Downtown Association is a community-based organization that plans, markets, and advocates for downtown Spartanburg. The association's goal is to be a guiding force for positive growth and

improvement of the downtown area by providing leadership, and marketing downtown as the dynamic center of commerce in the greater Spartanburg community.

SDA performs services directly related to downtown development, such as; promotion and advertising, business retention and recruitment, and planning and problem solving among downtown residents, businesses, property owners, employees, and community leaders.

(Right) **Nichole Buchanan**, Carolina Alliance Administrative Assistant, accepted the Bank's Economic Champion award as presented by the Spartanburg Area Chamber of Commerce. The award was given to area businesses who have contributed to the economic vitality of Spartanburg County throughout the past year.

(Below) Carolina Alliance Bank staff recently participated in a canned food drive sponsored by the United Way. Pictured is **Janice Addington**, Carolina Alliance Vice President of Lending and

Human

Resources, and Greeter **Mary Foster** with the dozens of items collected from staff and customers for the drive.

(Right) **Harold McGaha**, Senior Vice President/ Commercial Banking Officer recently served as guest speaker for the Spartanburg Area Chamber's Strategic Sales Development



(SSD) Series. This popular series often invites community experts to speak on their success.



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Board member **Marsba Gibbs** shows-off her fork lift skills recently at the United Way's General Daniel Morgan Leadership Event held at the Gifts in Kind Warehouse. Gibbs serves on the United Way's Board of Directors and is the Chair of the Imagination Library Advisory Board.



Board member **Caleb Fort** was named President of South

Carolina Governor's School for Science and Mathematics Foundation. The GSSM Foundation exists solely for the purpose of supporting the needs of the Governor's School for Science and Mathematics.

### Keep Your Valuables Safe... in a Safe Deposit Box

Safe Deposit Box sizes range from 3" x 5" to 10" x 10" for \$35 to \$110 a year. Some accounts come with a free safe deposit box. Drop by our office or contact us anytime at 208-BANK (2265) or [info@carolinaalliancebank.com](mailto:info@carolinaalliancebank.com) to learn more.

The FDIC does not insure safe deposit box contents.





## Spotlight: Marie Brax – Small Business Owner

Marie Brax has always said the secret to her success as a small business owner in Spartanburg is simple—she loves what she does and works hard. As the owner and operator of Cheese & Wine Etc. (est. 1984), Heavenly Ham and Vern's, Brax has built all three into thriving businesses along with her children, Henry Kohl and Susan Campbell.

Throughout her career as an entrepreneur, Brax has relied upon community banks; you'll not find her at one of the big banks.

"I just think it makes sense if you are a small local business to do business with another local business," Brax said. "And with Carolina Alliance, I like all the people there. You'll not find anyone better anywhere else."

Brax' latest business venture was the purchase of the LaBaron Plaza on East Main Street, where all three of her businesses are located. She also has Yanni's as a tenant. And, she also caters, has box lunches and has the space to host parties/functions.

## Alternatives to Money Market Mutual Funds

Last year, in the height of the country's financial turmoil, the U.S. Treasury Department agreed to temporarily guarantee existing balances in money market mutual funds that elected to participate in the program. This guarantee expired on September 18, 2009.

Due to the expiration of the program and the fact it commenced more than a year ago, we recommend that consumers who have any excess liquidity in their brokerage accounts invested in money market mutual funds review with their financial advisors the amount of funds held and the risk profiles of the specific money market fund holdings.

In addition, we would like to remind you of some of the products we offer that are alternatives to money market mutual funds and have the added benefit of being insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor (through December 31, 2013 at which time the insurance reverts to the old \$100,000 limit per depositor unless the \$250,000 coverage amount is extended):

- **Money market accounts.** These accounts are bank deposits, not money market mutual funds as discussed above. Our money market account rates favorably compare to rates offered by money market mutual funds.
- **Certificates of deposit.** We offer fixed-rate certificates of deposit of varying terms and rates. From time to time we may be promoting a particular term(s), so call us to check on any "specials" we may be offering.
- **Certificate of Deposit Account Registry Service (CDARS).** Carolina Alliance is a participating member of CDARS, which can provide FDIC insurance on certificates of deposit in excess of the standard \$250,000 limitation (up to \$50 million per depositor). Terms on CDARS accounts can be as short as four weeks.

Please contact us at (864) 208-BANK (2265) or [info@carolinaalliancebank.com](mailto:info@carolinaalliancebank.com) for additional information.

### LaBaron Plaza

2600 East Main Street, Sptbg.  
Cheese & Wine, Etc. - (864) 579-2164  
Heavenly Ham - (864) 579-2026  
Vern's - (864) 579-2852

**Hours:** Cheese & Wine, Etc. and Heavenly Ham – Monday-Friday: 10 a.m.-6 p.m.; Saturday: 10 a.m.-5 p.m.; Closed Sunday

Vern's Restaurant – Lunch by reservation; Dinner served through 9 p.m., Tuesday-Thursday; Dinner served through 10 p.m. Friday, Saturday; Closed Sunday

### Take Advantage of the First-time Homeowner Tax Credit Extension for Home Purchase

**Contracts must be entered into no later than April 30, 2010 and closed before June 30, 2010.**

**Also, a new credit is available to present home owners that have owned their present home five years or longer. If they purchase a new home they can qualify for up to \$6500. The deadlines are the same on this program. The official website for more information is <http://www.federalhousingtax-credit.com/home.html> or contact Vice President and Senior Mortgage Lender Carolyn MacInstosh at (864) 208-0842 or [cmacinstosh@carolinaalliancebank.com](mailto:cmacinstosh@carolinaalliancebank.com).**

