



4th Quarter 2009

BE CAREFUL AT CENSUS TIME!

Every ten years the U. S. Census Bureau undertakes the mammoth task of counting all citizens. It is a time to beware of those scammers who might take advantage of honest citizens!

Census takers will always have a badge identifying them as a legitimate agent, a hand held device, a Census Bureau canvas bag and a confidentiality notice. Always ask to see identification and verification before talking to anyone who says he/she works for the Census Bureau.

Things you will NOT be asked to give the Census Bureau: your Social Security number, credit card information, bank names or

account numbers or specific pay information.

Things you MAY be asked to provide: salary range, type of work you do, number of children and/or dependents.

You will NOT be contacted by the Census Bureau via e-mail, so do not respond to any e-mail request for information. You may be contacted by telephone, mail or in person at your home.

In any case, respond with the least amount of information possible and never give credit card number, bank account numbers or Social Security numbers.

ACCOUNT ACCESS VIA INTERNET

Just a reminder that you can now access your account statement via the Internet on any day of the week at any time of day.

We update the values of your holdings approximately once each week, usually on Friday so that the most current values will be available on the weekend.

We are enclosing a single sheet with

Internet access instructions for your use.

This service is one that we feel will help you continue to be able to monitor your investments on your time schedule.

If you have any questions about the process, please feel free to call one of your Trust staff members at the contact numbers on the back page of this newsletter.

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Special points of interest:

- Access your account via the Internet
- Health Care Power of Attorney
- Re-balance Your Investments
- Debit Card
- Pay bills on your computer



RETIREMENT PLAN MONEY

If your employer offers a retirement plan where your contributions are partially or fully matched, then you should always contribute the maximum amount. Neither your nor your employer's contribution will be currently taxed for federal income tax purposes. State and local taxation of retirement contributions vary. All taxes on dividends, interest, capital gains, and appreciation of the invested funds will be deferred until you begin making withdrawals from the retirement plan.

Normally, participants are provided a choice of investment vehicles. This choice will often include a family of mutual funds, such as Fidelity or Vanguard funds, and possibly the company's



own stock, if it is publicly traded. While choosing the type of investment is certainly important, it is not as important as the choice to make tax-deferred contributions.

If you are unable to contribute the maximum amount allowed, then you should contribute as much as you can. There is no quicker way to increasing your retirement fund than to receive matching money from your employer. If it is 50 cents on every dollar you contribute or if it is a one dollar match, just consider it "free money".

If you have a choice of an Individual Retirement Account (IRA) or 401(k) with employer match, always choose the latter. It's "free money"!

FOURTH QUARTER PORTFOLIO MAINTENANCE

It is always appropriate to evaluate holdings in your account during the Fourth Quarter of the year. In your investment accounts any realized Gains or Losses will be an event to be accounted for on your income tax return for 2009.

If you feel that a particular stock or fund may not regain its value within the time you might want, it may be appropriate to sell at a loss that is realized and used on your 2009 tax return. The same is true if you have some losses you might want to offset, or if you just want to re-

alize some gains from the sale of stocks or mutual funds that you think have risen to a level that you feel comfortable selling.

Bear in mind that any purchase or sale of investments in a self-directed Individual Retirement Account (IRA) will have no impact on your tax return for the year. It is, nevertheless, appropriate to carefully evaluate your IRA holdings during the Fourth Quarter just as you do any other investments.

Call John McNee at 985-4032 with questions.

HEALTH CARE POWER OF ATTORNEY

If you have a Living Will, that is enough guidance to medical providers that they will do what I want. Right?

Not so fast! Maybe not. There are far too many family members who want Grandma to live, no matter the quality of life. Those who become disenchanted with medical professionals are sometimes inclined to seek legal help and file suit against those who are trying to provide medical help.

Therefore, in order to cement your serious illness

or terminal illness wishes, you should consider drawing up a Health Care Power of Attorney which names a trusted one (family member or friend) to make the medical decisions that you want made when you cannot speak in your own behalf.

You should have very candid conversations with whomever you give such power of attorney.



INVESTMENT MANAGEMENT ACCOUNTS

Our Investment Management Account is an excellent way to prepare for your future. We can act as your agent for investments while you maintain ready access to your funds.

The Investment Management Account (sometimes called an "Agency Account") is designed to allow you the opportunity to invest for your future and grow your assets. You can invest in a broad range of products, including, stocks, bonds and mutual funds. We act as your agent to invest your money where you want it to go. The fees for our services are based on asset value, not on the number of times you change your investment.

Statements for this type account are sent out monthly and reflect your Cost Value and your current Market Value. Any realized gains or losses in this account will be reflected in your tax return for the preceding year. Call us at 985-4030 for further information.

Please note that investments are at the risk of the customer, and are not FDIC insured. They are not guaranteed by the bank and may lose value.

DEBIT CARD

One way to avoid carrying around too much cash is to use your debit card. You should treat your debit card as cash and guard it carefully.

You can make purchases at most retail establishments now with a mere swipe of the card. It's about as fast as using cash, and is usually faster than writing a check.

One thing to remember: always get your receipt,

put it in your billfold and then post it to your check register when you get home to insure that you keep track of your bank account balance.

If you do need some cash, some retailers give you the option of requesting cash back when you make a purchase. This will save you a trip to an ATM, so it is really an environmentally ("green") friendly way to conduct your personal business. If you need more information, we'll send you to the right person to help you get started.

PAY YOUR BILLS ON YOUR COMPUTER

If you haven't tried paying your bills through Internet Banking yet, this might be a good time to begin.

You can have many of your bills sent electronically to your e-mail address and pay them direct through Internet Banking. This keeps you from getting paper statements and writing paper checks.

Sometimes people are worried about security when utilizing the Internet for moving money, and rightfully so. There are, however, so many safeguards in place

that this type of bill payment has become safer than sending paper checks through the mail. You have the ability to schedule payment so that the bill is paid when you want, within the terms of the statement.

We will be happy to refer you to an expert to help you get set up.



YOUR TRUST DEPARTMENT

First Arkansas Bank & Trust (FAB&T) has a long and proud history of service in central and north central Arkansas. We are a state-chartered bank, chartered by the State of Arkansas, and regulated by the State Bank Department and the Federal Deposit Insurance Corporation (FDIC). We have a full-service Trust Department, a brokerage office, and a mortgage company, First Arkansas Mortgage Company, a wholly owned subsidiary of the bank.

The Trust Department was granted trust powers in 1972, and provides investment and trust services to individuals (Personal Trust), businesses (Employee Benefit Plans), and Corporate Trust in the form of servicing bond issues. The Trust Department manages approximately \$100 million in assets for its clients. Assets under management have grown over 40% during the past ten years. The service provided is professional, confidential, personal, and utilizes the finest resources available in market research, investment information, and administrative systems. For the past 11 years we have had only one personnel change in our staff—stability! Because we utilize technology, we are able to do more with less and thus keep costs low. You can depend on us.

The Trust Department of First Arkansas Bank & Trust is large enough to provide the quality of service its clients deserve, and small enough to provide a level of personal service appreciated by its clients.

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