



**First Arkansas
Bank & Trust** Member FDIC

Protecting your most valuable assets

Protecting your most valuable



3rd Quarter 2006

Trust Department Newsletter

INTERNET ACCESS TO YOUR ACCOUNT?

We are now able to offer our Trust Department clients access to their accounts via the Internet.

In order to provide this service we will be required to buy new software to make it possible. And there is a monthly charge to us to provide this.

While we have not decided to offer (or not offer) this service, we want your feedback. If we offer the service it will only be after a substantial number of our clients want to have it. We will pass the cost of this service through to all clients as a surcharge since all clients will be free to use it. The cost to each client will be approximately \$5-\$10 per YEAR.

This is a minimal charge but we do not want to offer it, even at such a low price, if we do not have many clients who are interested.

Access to your personal account will be via a completely secure server with all the required and desirable firewalls and security precautions.

You will be able to access your account ONLY in a "Read Only" format. You will NOT be able to place trades or otherwise influence your account composition.

If the service is made available at all, it will be on a global basis (all account holders).

If you have interest in this service, please let us know by telephone (985-4030) or e-mail: gcrowder@firstarkansasbank.com.

Even if we have sufficient interest, we will not place it in operation before January 1, 2007.

SAFEGUARD YOUR DOCUMENTS

It is important to keep all your important documents: will, trust, deed, car titles, etc. in a safe place. What could be safer than a safe deposit box at the bank? The expense is small and it provides you and your heirs a measure of comfort and security. In the event of your illness or death your heirs can easily locate every-

thing needed to handle your business. This will also provide you safety and security against theft, rain damage, tornado damage and fire.

Just go into any of our branches and talk with a Customer Service Representative to rent a box.



Inside this issue:

Giving Money to Children	2
Funding Your IRA	2
Transferring Assets	2
Estate Plan Up-to-Date?	3
Maximize Trust Services	3
Contact Our Staff	4

Special points of interest:

- 37% of surveyed felt that their children would not have the same work ethic as they have.
- Let us serve as your "CFO" so you can have more time to enjoy the assets you have accumulated.

GIVING MONEY TO CHILDREN

Over the next 50 years it is estimated that over \$45 trillion (yes, that's a "t") dollars will be transferred to inheritances, charity and taxes. It seems that more individuals with assets are becoming more and more concerned that their beneficiaries might receive too much too soon.

In 2001 there was a survey of 1,000 investors whose assets were greater than \$1 million. 37% of those interviewed expressed a fear that their children would not have the same work ethic that they have if they were given too much too soon.

Another 31% said they feared they had already spoiled their children by giving them too much.

In some families the parents feel they cannot

trust their children to handle money in a responsible manner. Some children feel that their parents are hiding information and money from them.

While both may be true to one extent or another, there is a real need for open, honest discussion between family members. This is easier to do in some families than others.

Ultimately the parents who have accumulated the wealth have the say: "He who has the gold rules". If you need assistance feel free to call us at 985-4030.



FUNDING YOUR IRA

If you want to add money to your Individual Retirement Account (IRA) each month or each quarter so that you don't have to make a single payment just before April 15 for the prior year's contribution, there is an easy way to do that.

Simply call Jo Anderson, our IRA Specialist, at (800) 982-4511 or use her direct number: (501) 985-4033.

Jo can set up an automatic draft from your checking or savings account into your IRA. You can work out the amount and the frequency with her. You can make it part of your budget and your ongoing expenses.



You can always change it with a simple telephone call.

TRANSFERRING ASSETS

The worst form of estate planning is to do nothing and speak to no one of it! According to a recent survey 60% of wealth-transfer failures (when the money does not remain with the intended recipient) are caused by poor or no communication between wealth owners and intended recipients.

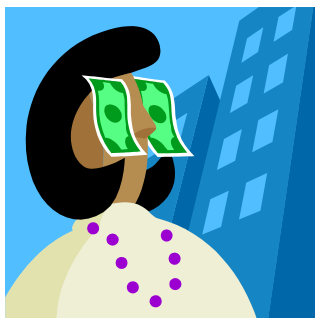
All too often sibling rivalry becomes a major issue insofar as re-distribution of wealth is concerned.

One way to avoid this is to let our Trust Department serve as a "neutral ground" for your estate planning discussions. We will be happy to host your family discussions at no charge. Just call 985-4030 and set up an appointment. One of our financial professionals will be happy to sit in with your family group as a "disinterested third party". We would be happy to be named as a Trustee or Successor Trustee for your family trust.

IS YOUR ESTATE PLAN UP-TO-DATE?

If the answer to one or more of the following questions is "No", then you should re-visit your estate plan and update it.

- Is your will and/or trust current?
- Have you named a Guardian for your minor children?
- Are you sure you want the person you have named as executor and/or trustee to handle your estate?
- Have you considered a living trust in an effort to avoid probate time and costs?
- Have you considered creating an irrevocable life insurance trust to exclude insurance proceeds from being taxed in



your estate?

- Are you taking full advantage of the \$11,000 annual gift-tax exclusion?
- Do you have a living will, health care power of attorney and a durable power of attorney?
 - Are you sure you have sufficient life insurance?
 - Have you considered long-term care insurance?
 - If you have a living trust, have you titled your assets in the name of the trust?
 - Have you reviewed your estate plans during the past 12 months.

MAXIMIZE YOUR TRUST SERVICES

Our Trust Department charges a set asset-based fee for its services as Trustee of your trust. There are no hidden or extra charges for letters written, checks cut, telephone calls or deposits made. You can know what your expenses will be and those charges are detailed in a single line item on your quarterly trust statement.

We like to tell our clients that they can get as little or as much service as they decide to get. An example we like to use is that insofar as your estate and its assets are concerned view that as your "company". You be the Chief Executive Officer (CEO) and let our Trust Department be your Chief Financial Officer (CFO).

All you have to do is ask us to pay all your utility bills, credit card bills, miscellaneous bills, renew your license tags and pay your personal and property taxes. You can even have your mail sent to us and drop by occasionally and pick it up when you want it! This frees you up to travel and just generally enjoy life.

These services are available to you at no ex-

tra charge. We can transfer funds from one account to another at no charge. And we only need a telephone call from you. If you need a regular transfer to an account in another bank, just let us know and we'll take care of that, too. Again, there is no charge for that service.

We will work with you on your investment options by giving you information on your choices. We have a full menu of bonds, stocks, government issues and mutual funds. Again, you can act as the CEO of your "company" and direct us how to handle your assets—we will be your CFO!

If you have questions about how this all works and how to get started, please call our Trust Department and we will work with you.

You can call us at (800) 982-4511 or (501) 985-4030.

Ask to speak to Pat Teague, John McNee or Robin Boykin.



YOUR TRUST DEPARTMENT

FIRST ARKANSAS BANK & TRUST has a long and proud history of service in 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 \$130 million in assets for its clients. **Assets under management have grown over 50% during the past seven years.** The service provided is professional, confidential, personal, and utilizes the finest resources available in market research, investment information, and administrative systems.

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 people who have accumulated some wealth.

CONTACT US VIA E-MAIL OR TELEPHONE

PAT TEAGUE

Senior Vice-President
Manager - Trust Department
(501) 985-4039
pteague@firstarkansasbank.com

JOHN McNEE

Vice-President
Trust Officer & Investment Officer
(501) 985-4032
jmcnee@firstarkansasbank.com

ROBIN BOYKIN

Assistant Vice-President
Assistant Trust Officer
Operations Manager
(501) 985-4031
rboykin@firstarkansasbank.com

GAIL CROWDER

Operations Specialist
Bonds / Disbursements
(501) 985-4030
gcrowder@firstarkansasbank.com

JO ANDERSON

IRA Specialist / New Accounts
(501) 985-4033
janderson@firstarkansasbank.com

BETH HEGARTY

Operations Specialist / Daily Processing
(501) 985-4036
bhegarty@firstarkansasbank.com



600 West Main Street P.O. Box 827 Jacksonville, AR 72078

501.985.4030 or 800.982.4511
www.FirstArkansasBank.com

