

Ambassador Club News

Winter 2016

A newsletter for F&M Bank's Ambassador Club members

President's Message

As we begin a new year, I want to extend our sincere thanks to Joyce Lieber who retired as Ambassador Club Coordinator on December 31. Joyce played an important role in the success of F&M over her 44-year career at the bank. I know she and Larry will enjoy full-time retirement and we extend our best wishes.



Doug Sanders

I am pleased to welcome Denise Haptonstahl as our new Ambassador Club Coordinator. She has been part of F&M Bank since she joined us in 2012 after the acquisition of Associated Bank in Galesburg.

Looking ahead, April is Community Banking Month, which is important to all of us at F&M. We work very hard to embody the core values of community banking. Our local management team makes all the decisions that affect you and our community.

We are proud of the role we play in making a positive impact in our community. We support our area with loans, donations, and thousands of hours of employee volunteer time. Our staff is involved in everything from schools and churches to service clubs and economic development.

Thank you for banking at F&M. We work hard to surpass customer expectations. Be sure to tell your friends and relatives about the bank that invests in you and our community—F&M Bank.

Sincerely



Doug Sanders
President & CEO

Joyce Lieber announces retirement

Joyce Lieber, Ambassador Club Coordinator, recently announced her retirement. Joyce has been a valuable asset to F&M Bank for over 44 years. As the Ambassador Club Coordinator, Joyce planned, coordinated and hosted the Ambassador Club activities. Please join us in wishing Joyce the very best in retirement.



Joyce Lieber

New Club Coordinator

Hi, my name is Denise Haptonstahl. I am very excited to become your new Ambassador Club Coordinator. If "all the world is a stage," Joyce's act will be quite the one to follow and I wish her all the best. My enthusiasm, love of people and pursuit of fun are some of the qualities I bring with me as your new coordinator.



Denise Haptonstahl

I was hired by Home Savings and Loan in 1979 starting out as their receptionist, then moving on to the teller area, new accounts, licensed insurance producer as well as some light secretarial duties. Home Savings experienced a series of owners and name changes and was most recently known as Associated Bank. I joined F&M Bank after their acquisition of Associated Bank in 2012.

Some of you know me from my earlier days, some of you from the F&M Bank Henderson Street office, and for those of you who don't know me at all, here's a brief bio. I was born and raised in Galesburg and my parents are approaching their 60th wedding anniversary. I have been married to my amazing husband, Mike, for 16 happy years. For anyone who may remember Hap's Food Market, he was the youngest of the bunch. We share a wonderfully blended family of five daughters: Amber, Katie, Kara, Ryann and Dylann. Our two beautiful grandchildren, Liam and Kayleigh, are a joy to our family.

continued on back

What Everyone Should Know About Investing

Whether you're a first-time investor or have been investing for many years, there is some basic information you should know about investing. Below is a list of investing-related information that may help you make informed financial decisions and avoid common scams.



Diversification can help reduce the overall risk of an investment portfolio. By picking the right mix of investments, you may be able to limit your losses and reduce the fluctuations of your investment returns without sacrificing too much in potential gains. Some investors find that it is easier to achieve diversification through ownership of mutual funds or exchange-traded funds rather than through ownership of individual stocks or bonds.

Paying off high-interest debt may be your best "investment" strategy. Few investments pay off as well as, or with less risk than, eliminating high-interest debt on credit cards or other loans.

Promises of high returns, with little or no associated risk, are classic warning signs for fraud. Every investment carries some degree of risk and the potential for greater returns comes with greater risk.

Ignore so-called "can't miss" investment opportunities or those promising "guaranteed returns" or, better yet, report them to the Securities and Exchange Commission (SEC).

Any offer or sale of securities must be either registered with the SEC or exempt from registration. Otherwise, it is illegal. Registration is important because it provides investors access to key information about the company's management, products, services, and finances. While many companies that do not register or file reports with the SEC may be legitimate investments, you assume more risk when you invest in a company about which little or no information is publicly available. Smart investors will always check whether an offering is registered with the SEC.

It can be risky to invest heavily in shares of any individual stock. In particular, you should think twice before investing heavily in shares of your employer's stock. If the value of your employer's shares declines significantly, or the company goes bankrupt, you may lose money and there's a chance you might lose your job.

Active trading and some other very common investing behaviors actually undermine investment performance. According to researchers, other common investing mistakes include focusing on past performance, favoring investments from your own country, region, state or company, and holding on to losing investments too

2016

New Year CD Specials

.75% APY* 16 months

2.02% APY* 60 months

Annual Percentage Yield (APY) is accurate as of December 31, 2015. Requires a minimum deposit of \$5,000 in new funds to F&M Bank. Rates may change without notice. A penalty may be imposed for early withdrawal. Funds must remain on deposit until maturity to earn advertised Annual Percentage Yield. Offer valid for personal deposits only.



**F&M
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long and selling winning investments too soon.

Research shows that con-artists are experts at the art of persuasion, often using a variety of influence tactics tailored to the vulnerabilities of their victims. Common tactics include phantom riches (dangling the prospect of wealth, enticing you with something you want but can't have), source credibility (trying to build credibility by claiming to be with a reputable firm or to have a special credential or experience), social consensus (leading you to believe that other savvy investors have already invested), reciprocity (offering to do a small favor for you in return for a big favor) and scarcity (creating a false sense of urgency by claiming limited supply).

Some investments provide tax advantages. For example, employer-sponsored retirement plans and individual retirement accounts generally provide tax advantages for retirement savings, and 529 college savings plans also offer tax benefits. Individuals who are interested in learning about the tax impact of their investment decisions should consult their tax adviser.

Mutual funds, like other investments, are not guaranteed or insured by the FDIC or any other government agency. This is true even if you buy a mutual fund through a bank and the fund carries the

bank's name.

The key to avoiding investment fraud, including scams that target specific groups, is using independent information to evaluate financial opportunities. Too many investors might have avoided trouble and losses if they had asked questions from the start and verified the answers with sources outside of their family, community, or group.

Unbiased resources are available to help individuals make informed investing decisions.

Whether checking the background of an investment professional, researching an investment, or learning about new products or scams, unbiased information can be a significant advantage for investing wisely. A good starting point is F&M Bank's Trust Department or F&M Investment Services.



Stephen Browning, CFP®, CPA, CRSP
Vice President & Senior Trust Officer

Nondeposit investment products are available through our Trust & Investment Department and through F&M Investment Services. Nondeposit investment products: Are Not FDIC Insured • Not Bank Guaranteed • May Lose Value • Not a Deposit • Not Insured by Any Federal Government Agency. In the case of F&MIS, securities are offered through LPL Financial, Member FINRA/SIPC, and insurance products are offered through LPL Financial or its licensed affiliates.

Discover the Rewards!

The Ambassador Club is designed to provide you with free and discounted services, preferred rates, and a wide variety of events and activities geared toward the interests of the "50 and better" set.

As a member, you will save more, earn more, and receive the individual, personalized guidance you need to make smart financial choices. Be sure to tell a friend and enjoy the Ambassador Club together!

Combined Deposit and Loan Balances:

- | | | | |
|----|--|------------------------------|--------------------------------|
| 1 | Discounts on Group Travel and Club Trips ¹ | 5% | 10% |
| 2 | Members-Only Social Events and Seminars | ✓ | ✓ |
| 3 | Local Merchant Discount Program with Club ID Card | ✓ | ✓ |
| 4 | No Fee Money Orders ² | ✓ | ✓ |
| 5 | No Fee Cashier's Checks ² | ✓ | ✓ |
| 6 | Access to Periodic "Members-Only" CD Specials | ✓ | ✓ |
| 7 | Free Ambassador Club Wallet Style Checks | ✓ | ✓ |
| 8 | No-Annual-Fee SHAZAMChek® Debit Card ² | ✓ | ✓ |
| 9 | Free Online Banking ² | ✓ | ✓ |
| 10 | Free Online Bill Pay Service ² | ✓ | ✓ |
| 11 | Free Notary Service | ✓ | ✓ |
| 12 | Periodic Club Newsletter (with optional e-mail delivery) | ✓ | ✓ |
| 13 | Discount on Safe Deposit Box ² | First Year Free ³ | \$3/Year Discount ³ |
| 14 | Discount on Domestic Wire Transfers | | 5% Fee Discount |
| 15 | Discount on Reloadable Visa® Travel Card | | 50% Fee Discount |
| 16 | Free Investment Portfolio Review | | ✓ |
| 17 | Free Estate, Trust and Will Review | | ✓ |
| 18 | Foreign Currency 50% Fee Discount | | ✓ |

Benefits are subject to change at any time and are subject to availability. 1-Some restrictions/limitations may apply to major group travel. 2-These benefits are associated with your Relationship Checking and/or BEST Checking account. 3-Safe Deposit Box Discounts: First year free for Gold Level benefit applies only to small box while \$3 annual discount for Platinum Level applies to any size box.

New Club Coordinator continued

family. My church family is also very important to me and I enjoy volunteering my time.

Being a Galesburg native, I love the area history and hope to explore that in some of our club-sponsored trips. I am looking forward to meeting all of you and am eager to share many spectacular events in the future. A 2016 trip and event list will be coming soon!

Please contact me anytime at 343-0002, ext. 20667, or by email at Denise.Haptonstahl@thefmbank.com.

Keep Us Updated! Give us a call to make sure that we have your current cell phone, home phone number and email address. You can also stop in or email Denise at Denise.Haptonstahl@thefmbank.com.

Protecting Against Cybercrime

Cybercrime is any violation of federal, state or local statute, or malicious or suspicious activity, in which a computer, network or device is an integral component of the violation.

Examples include a cybercriminal breaking into a computer to steal information (computer intrusion) or to change a website (website defacement); malware being placed on a computer without the owner's permission; and the malware using that computer's resources to send spam.

Who are the Actors and What Do They Want?

Cybercrime actors can generally be classified into several categories: lone hackers, script kiddies, insiders, hacktivists, terrorists, nation-states and organized cybercriminal groups. The motivations for committing cybercrime vary and can include a desire for recognition or promotion of an ideology; theft of money or information for industrial espionage; or the creation of widespread disruption.

Cybercrime is big business. Between October 1, 2013, and December 31, 2014, U.S. victims lost nearly \$180 million through a scam known as the Business Email Compromise.

One underground market has more than 14 million U.S. credit cards for sale. The creators of the CryptoLocker ransomware earned approximately \$300,000 in profits in its first 100 days.

How Can I Protect Myself?

Cybercrime — whether from malware on a single computer or the recent high-profile hacks against Sony®, Target®, The Home Depot® and others — affects everyone.

Below are some key practices to help minimize your risk of being a victim:

Configure Your Computer Securely — Make sure your computer, smartphones and tablets are safe. Use privacy

and security settings in your software, email system and Web browsers. New strains of malicious software are appearing all the time, so it's imperative to regularly update your anti-virus software to identify and thwart the newest threats.

Keep Software and Operating Systems Updated — Be sure to install all software updates as soon as they're offered. Using the "auto update" setting is the best way to ensure timely updates. Similarly, make sure you keep your operating system and any third-party plug-ins that you use updated.

Use Strong Passwords — Never use simple or easy-to-guess passwords like "123456," "p@\$word" or "football." Cybercriminals use automated programs that will try every word in the dictionary within a few minutes. When creating a password, use at least 10 characters with a combination of uppercase and lowercase letters, numbers and symbols.

Be Cautious about Links and Attachments — Be cautious about all communications you receive, including those purported to be from friends and family, and be careful when clicking on links in those messages. When in doubt, delete them.

Protect Your Personal Information — Be aware of what financial and sensitive information you give out. Cybercriminals will look at your social networking Web page to find information about you. Remember, many of the answers to website and bank security questions can be found online, like the color of your car (remember posting that picture of you standing in front of your car?) and your mother's maiden name. Use privacy settings to limit who can see the details of your social network pages, and be smart about what you decide to share online.

Review Your Financial Statements Regularly — Cybercriminals find loopholes and your accounts may get hacked through no fault of your own, so review your financial statements regularly. Contact your financial institution immediately if you see any suspicious-looking activity.

What Should I Do If I Become a Victim?

If you become a victim of identity theft, notify your financial institution and any other entities with which you have accounts to inform them that someone may be using your accounts fraudulently. Contact all three major credit bureaus to request a credit report, and have a fraud alert and a credit freeze placed on your account.

Internet-related crime, like any other crime, should be reported to appropriate authorities at the local, state or federal levels, depending on the scope of the crime.

The following resources can help with reporting cybercrime:

- ✓ Your local police department
- ✓ Your state attorney general's office
- ✓ FBI Internet Crime Complaint Center