



## **Reasons to Choose Us**

### **Trust & Investment Management**

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*From the Office of*  
**WILLIAM C. HESS**  
PRESIDENT AND CEO  
IOWA SAVINGS BANK

Consider using Iowa Savings Bank for your personal fiduciary, trust, and investment management needs. We don't want to be like the New York brokerage houses or the mega-banks. Our program was designed to provide top flight options and skilled personnel while not abandoning the personal service that has been the hallmark of community banking.

This booklet was put together to provide you with a short background on the unique services available here.

It makes great sense when you have acquired significant wealth to take advantage of special services. Why use a broker or self-search for stocks or mutual funds like any Tom, Dick, or Harry when a superior alternative is available?

After reading this booklet, come in and see Michel Nelson or ask to be contacted. There is no charge and no obligation for either.

*Bill Hess*

## **Focus**

**Stability**

**Local**

**Innovation**

**Personal**

**Expertise**

**Services**

**Alternatives**

**Confidence**

**Flexible**



We provide personal fiduciary, trust, and investment management services.

Unlike the mega-banks and brokerage houses, we don't sell insurance, annuities, stocks, or bonds. We get absolutely zero commission income. We have no interest in selling anything to earn a commission.

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Iowa Savings Bank has been around for 101 years.... and we are planning on being around for at least 101 more.

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We are in Iowa....today, now, and forever. You will not have to use a national call center or locate a relationship manager in California, New York, or Texas.

"Value Added Agriculture" has been preached in every corner of Iowa. Why grow and ship bulk farm commodities at rock-bottom prices when the skill, talent, and will to add value in **Iowa** exists. Agriculture is essential and our other Iowa businesses and services are important too. The fact is that huge amounts of money are sent out of state for management. Whether funneled through the local office of a broker-dealer, out of state banking corporation, or a mutual fund ~ the fact is that these dollars are being sent out of state. Do these other states benefit by taking bites out of your money? Absolutely! Do these out of state money managers have a driving interest to do what is best for you and Iowa? We'll let you answer that question.

We have assembled a great Iowa team to provide investment management right here. Portfolio managers that you will meet, know, and talk to. Ever try contacting a mutual fund portfolio manager or broker-dealer stock analyst?

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**An example** - We were unhappy with Iowa's laws that forced us to generate "accounting income" in order to properly provide for income beneficiaries of trusts. This leads to portfolio holdings that are not in the best interests of the income beneficiary or the next generation. We drafted a new total return unitrust statute, got the endorsement of the Bar Association, and were successful in having the Legislature adopt the new law.<sup>1</sup>

**Another example** - Assets within 401k or other retirement plans have almost complete protection from the claims of third parties. When money is rolled to an IRA, exemption protection is dependent on the laws of the state you reside in. In order to provide top flight advice, you need to know the laws of the state the account owner lives in. No good central source of information was available. We compiled and edited state specific articles written by top law firms from each of the 50 states that is now available for the use of lawyers, accountants, and other financial planners across the country.

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<sup>1</sup>Iowa House File 2539. Signed by the Governor on April 5, 2002 and effective that date.

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We know our clients personally. It may be cheaper and more efficient to use computers and impersonal call centers to handle client contacts, but we hate the concept.

Look at your portfolio - does your broker or financial advisor have it full of mutual funds and/or variable annuities? If you are invested in mutual funds or variable annuities, you get a zero opportunity to speak with the fund's portfolio manager. Why would anyone want a total stranger handling their money? With us, you can meet the portfolio managers face to face and ask whatever questions you want. Additionally, mutual funds mail you year-end 1099s without any regard for your personal tax situation. Our portfolios are maintained as separate accounts just for you. Full tax planning opportunities are available. We can also deal with existing low basis stocks.

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We write a special monthly newsletter that goes to hundreds of attorneys and CPAs in Iowa. It covers legal and financial issues of special interest to estate and financial planners in Iowa.

National issues also impact on the matters that we deal with, so we deal with experts across the country. Michel Nelson writes for and provides interviews to national publications to provide the best possible information for estate and financial planners.

Biographical information highlighting the background and training of Vice-President and Senior Trust Officer Michel Nelson is available on request.

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A partial listing of the personal fiduciary, trust, and investment management services we provide:

- Service as trustee (including co-trustee and successor trustee)
- Court appointments as conservator or executor
- Investment management
- Trusteed IRA's (we accept rollovers)
- 1031 exchange service as a qualified intermediary
- Farm Management
- Administrative management of LLC assets
- Charitable trusts

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Nobody can be the best at everything. Where there is a better alternative available - we use it.

- If your company needs a 401k - we turn the matter over to **American Trust & Savings Bank of Dubuque**. They are a completely integrated plan provider with the ultimate in flexibility and wonderfully personal plan administration.
- Iowa laws prevent the offering of certain services - If you need domestic asset protection or other options not allowed in Iowa, we offer out-of-state alternatives.
- If you need hands-on active portfolio management using separate accounts, we have great Iowa portfolio managers available.
- If you'd prefer a manager using a sophisticated passive strategy with multiple indexes, that is also possible.
- If you need top-flight help on dealing with split dollar life insurance or non-qualified retirement plans, we'll work to find it.
- For clients needing farm management out of our core area, **Hertz Farm Management** is available.

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We are highly confident that we can please our clients now and into the future. How do we demonstrate this?

There are **no** set-up fees and **no** exit fees. We don't attach chains to keep you here.

Asset based fees are pro-rated to the day that you leave. Trustee and court-appointed position terminations are governed by your trust document, state, and federal law.

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Client wishes are **paramount**. Every account is unique. We maintain the flexibility to set it up in the way that best meets the objectives of the client. We do not shove accounts into pre-defined categories.

We work with referring attorneys and accountants. Generally, the family's existing advisors continue to stay involved. This may mean continuing to prepare tax returns, participate in discussions, file court pleadings, or other tasks that they have traditionally done. It may also mean that we provide only investment management while the family attorney provides most administration and perhaps service as trustee.

Our feeling is that the continued involvement increases confidence in the overall process. This is a radically different concept than practiced by nationally based organizations that take everything into their system.

# The +

A corporate trustee can have flexibility that someone who is also a beneficiary cannot have. Tax laws require significant restrictions on what a trustee can do if he or she is also a beneficiary or potential beneficiary of the trust.

Consider also that having a friend, spouse, or child serve as trustee may not really be "free". Lacking some skills, in almost every case they will turn to financial advisors, brokers, and tax advisors who naturally charge fees. All in all, using a professional trustee can be very competitive on overall costs. Also consider an example from real life - would you consider having a family member do your dental work just because there is no charge? Your money is at least as important as your teeth. Free does not equal value.

Using a professional trustee also helps to eliminate family friction by eliminating ill feelings by family members over decisions made by the brother or sister trying to do a good job, but without the skills or understanding to make informed decisions.

- 1) Do I have to worry about estate or inheritance taxes?
- 2) Should we use a will or "living trust"?
- 3) Can I just instruct my broker to move my assets to you without selling them?
- 4) Is the nursing home going to take all of my money?

5) Should I be gifting assets to my children now?

6) Are there any drawbacks to joint tenancy?

7) What's the best way to help children and grandchildren with college expenses?

8) With interest rates so low, how do we generate enough income to live on?

9) How do we get a decent investment return without risking everything?

10) How much does probate cost?

11) I'm considering a charitable remainder trust. Should it be a CRUT or a CRAT?

12) How do you set up a special needs trust?

13) What does a professional trustee do?

14) How will the stock market do this year? (*this question is common, but only God knows the answer*)

15) What options are available in investment management?

16) Who should my IRA beneficiary be?

17) Are your fees competitive with what my mutual funds are charging me?

18) Should I rollover my retirement plan assets to an IRA when I retire?

19) What does mark-up to market at death mean?

20) I have an adult child with a substance abuse problem - is there anything I can do to protect money I leave for his benefit?

21) How has the 2001 tax act (EGGTRA) changed estate planning?

22) How much should I be taking from my IRA?

23) What are the annual fees I'm being charged for this variable annuity?

24) What is a 1031 exchange?

25) What happens if I'm not able to take care of my own financial affairs?

26) Should I have a burial trust and how should it be set up?

27) My will is 30 pages long - does all this language really matter?

28) What's the best way to pass my business to the kids without hurting my income?

29) Is it possible to run a first-rate 401k plan for my employees without getting killed on fees and having to waste staff time on it?



## Common Questions



Michel Nelson of Iowa Savings Bank looks on as Governor Vilsack signs the total return unitrust bill on April 23, 2002

# When Bloomberg News of New York wanted information on new trust options and their impact on investments and people, who did they turn to and rely on?

Laura Howell-Smith	Deloitte & Touche	Washington, D.C.
Susan Porter	U.S. Trust Company	New York, NY
Bruce Steiner	Kleinberg, Kaplan, Wolff & Cohen	New York, NY
Richard Sparks	Richards, Layton & Finger	Wilmington, DE
Richard Nenno	Wilmington Trust Company	Wilmington, DE
Robert Wolf	Tener, Van Kirk, Wolf & Moore	Pittsburgh, PA
Michel Nelson	Iowa Savings Bank	Carroll, Iowa
Judith McCue	McDermott, Will & Emery	Chicago, IL
Alan Mittelman	Spector, Gadon & Rosen	Philadelphia, PA
Janine Racinelli	JP Morgan Private Bank	New York, NY

**National reputation and skill.  
Right here in Iowa.**

*The article appears in:  
**Bloomberg Wealth Manager**  
November 2002 - "New Life for Old Trusts"*

*Fiduciary, custodial, and investment management accounts hold assets that are:*

**NOT FDIC INSURED**

**MAY LOSE VALUE**

**NO BANK GUARANTEE**