

***E*-Memo**

TO: INVESTORS/MEMBERS/PARTNERS AND FRIENDS
FROM: Jon Bruss
DATE: June 29, 2009
SUBJECT: Where Are Our Banking Heroes?

Pondering ideas for this month's *E*-Memo we found ourselves overwhelmed with subject matter. On banking reform alone we could have written a tome or two. But as one observer put it, why bother now, all we have is a white paper from the Administration? It will be up to Congress to build the legislation around the Administration's meanderings into the socialization of yet another industry. As that process begins to take shape we, along with the rest of the banking industry, shall have much work to do to persuade Congress to make smart reforms—not reforms that pander to the political winds or inhibit the long-term success of the industry.

Recently, in the little reading I do for pleasure, I've taken up the subject of heroes—whether the fictional military men of Patrick O'Brian's and Bernard Cornwell's novels or the real life statesmen of Doris Kearns Goodwin's "Team of Rivals—The Political Genius of Abraham Lincoln". This weekend, I picked up the current issue of *Imprimis*, a publication that contained, "Hero, Standing", an address by historian Allen Guelzo dedicating a statue of Lincoln. Professor Guelzo tells us:

Heroes have become invisible. Their virtues have become unexplainable in the language we now use to explain human actions Great deeds somehow keep on being done, but we have lost a capacity to see them as great. Biographies grow to ever-greater and greater lengths, while the subjects of them shrink into the shadows of the pedestrian, the ordinary, and the relentlessly disclosed secret. And no history textbook can to-day pass muster unless it highlights the insignificant, reduces absolutes to local accident, and eliminates grand narratives in favor of a collection of tales, full of sound and fury, whose chief goal is to elicit pity, sympathy or guilt.

Like our treatment of heroes, our industry has changed dramatically since June 3, 1963, the day I entered the banking industry with First Wisconsin National Bank of Milwaukee. Forty-six years later I wonder what happened to the industry. The structure, regulation, and the vast array of products available to depositors and borrowers have all changed and, for the most part, vastly improved. The personalities have changed as well but not necessarily improved. Banking giants like Walt Wriston of Citibank and Herb Prochnow of First National Bank of Chicago are dead, their generation gone. But they were the faces of the industry many of our readers and I sought to join. And it was an industry as highly respected as its leaders.

With few exceptions, today's giants of banking have proved over and over again they're not bankers. There was a time when bankers trained first at the teller window and then as credit analysts before being permitted to lend money. They knew how a bank operated from the ground up and respected the process of financing customers. Only after a several year apprenticeship could one call him or herself a banker. Can any of today's banking giants claim such training?

The heroes of banking are a lot closer than you may think. They may not be dressed in David Rockefeller's trademark double-breasted suits or the three piece suits of Herb Prochnow. And if you have to drive more than an hour to find them, you are probably not banking at the right bank. If your bank is headquartered in Charlotte or New York City and not in your home town, it's likely you won't find any of these heroes. But if you can get to see your bank president, with or without an appointment, and he will talk to you, he's likely one of our banking heroes out of the mold of Walter Wriston and Herbert Prochnow.

Is he (or she) a hero just because you can talk with them? Of course not. They are heroes because, like Wriston and Prochnow, they know how to run a bank—a real bank that takes deposits from its

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community and makes loans to businesses, professionals, individuals, towns, cities and schools in its community. They do so at a profit for their shareholders and without outlandish bonuses and compensation schemes. They are heroes because despite current regulatory overreaction and threats of recrimination from politicians in Washington (and in some cases their state governments), they are working hard to make their banks better banks. They strive to make their bankers better bankers and their communities, better communities. Yes, bankers like this really exist. You don't have to look too far: they're in Oconomowoc, Wisconsin and St. Peter, Minnesota; in Novato and Porterville, California and Fairfax City and McLean, Virginia; in Thomasville, North Carolina and in Cranford, New Jersey; and in Florida, Georgia, or wherever you live, they are there, in the thousands and you need to get to know them.

Talk to your bankers and let them know you understand the commitment they have to your community. Encourage your bankers to contact their congressmen and senators and express their anger for what happened in New York, Charlotte and Washington. Local banking heroes can make a far better case for the banking industry than the rogue's gallery of CEOs from the ersatz bankers of Morgan Stanley, Goldman Sachs, Citigroup, and Bank of America—primarily because they weren't part of the problem to begin with. In the fantasy world of today's politics, pols and journalists bite their fingernails and speechify loudly about how our executives transported themselves to Washington for the privilege of being publicly vilified, while they ignore the 7,000 or 8,000 or so who drive themselves to the office every day and fly coach when they must fly to Washington. But these Joe Six-pack bankers are the solid core at the heart of American banking. They are the ones who make it work and, frankly, the ones who should represent the industry when Washington decides to intrude.

They are not a figment of imagination but are real people. They strive mightily with one hand nurturing their employees, communities and shareholders and the other, pushing back against the agencies of government imposing their will to undo much of the good that has been done by the banking heroes. These bankers deserve your support and deserve your investment in their institutions. They are the rightful heirs to the legacies of Wriston and Prochnow. They are today's banking heroes and their banks will succeed despite the "helping hand" of the government.

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