

7667 Tenth Street N  
 Oakdale MN 55128  
 651-332-5200 phone  
 651-332-5201 fax  
 www.platinumbankmn.com

“Community is Our Currency”

# The Platinum Standard

Serving Both the Vision and the Visionary

A Newsletter For Our Clients, Friends & Community  
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## Banking 101 CONTINUED FROM PAGE 2

at their fingertips. It will not always be easy, but withholding information from your banker will only make your situation worse and limit your options.

We value our clients' relationships, but those relationships need to go both directions. Bankers hate surprises and will be less willing to help if at any point they perceive that there is information not coming or information that is being embellished. At the same time, you should expect honesty from a good banker. An informed banker should not surprise clients nor “sugar coat” bank requirements, conditions and expectations.

### Keep Promises

Back any talk with action. Saying you will do X and Y and not following through leaves room for judgment. Be very careful in throwing out projections and performance promises. Banks focus on what is realistic. Meeting realistic goals is far more impressive than not meeting lofty ones. It also gives much more credibility to management and our assessment of the knowledge and understanding you have of your business and the environment you operate in.

### Meet Financial Expectations

The bank will often set covenants to measure performance and to keep your company's capital position strong and secure. Work hard to understand these measures and track them

frequently. If a financial covenant looks as if it cannot be met or is not projected to be met for some reason, it is good to work through that scenario with the banker long before the period concludes. Not all covenants have flexibility, but the better you understand them and position your company to meet them, the more successful you will be. Also, the more informed your bank is about realistic projections, the more likely you will get cooperation.

### Personal Credit Impacts Business

Last but not least, do not forget that personal financial management will impact your business and its ability to get or maintain credit. Ensuring you have adequate personal cash flow and ensuring all creditors are paid in a timely fashion is key to maintaining a healthy relationship with your bank. For example, if your credit bureau report shows a late payment on a run-of-the-mill personal credit card or utility, you leave the door open for jeopardizing a credit line renewal or future credit.

Running a business is tough enough in today's new economy. Following these few tips can help you navigate the business credit waters much more effectively and much more smoothly. Give yourselves as much of an edge as you can. Stacking the deck in your favor can make a big difference and free up more time to do what is important: *grow your business and profits.*

## Crisis Fatigue

by David Rom  
 CEO, President and Director



We all probably understand the concept of crisis fatigue without thinking too hard. With the mounting local, national and world problems stacking up, it is easy to become fatigued. It seems like behind most problems we find people who disappoint us in how they are handling the current crisis of the day. It seems like behind the crisis are excuses, deflection of responsibility and half-truths. Some days it is hard to keep a positive attitude during these times of every day crisis.

The current banking industry is going through its own crisis. From financial reform in Congress to weekly bank closures, to working with customers going through difficult times, it is easy to see the world as a glass half empty. I keep being asked how we at Platinum Bank are doing in today's environment. Quite honestly, we have remained financially sound with a relatively clean loan portfolio. I would also add that while I truly love

my job, it isn't very fun most days. But I wouldn't want to do anything else.

Out of each crisis situation, there is good that can be found. During the past year, the repeated good that I continue to see is that you find out who will stand by you in difficult times and who will run away. Who will try to get out of their responsibilities and who will stand up to them. These are the times when relationships are built and strengthened and when some relationships fall apart. From a business perspective, I can say that the silver lining has been working with our customers to help them find the means to their personal dream. Of course everything is twice as difficult, twice as complicated and takes twice as long to get done.

Hang in there! If you want to talk about your current banking relationship, please give us a call. Platinum is definitely open for business. We want to help if we can, and if we're not the right fit, we will always tell you the truth and point you to others who may be able to lighten your crisis fatigue.

Have a great summer! Remember to call if you need us.

## Banking 101: Build a Better Relationship in the New Economy



by Marc Cove  
 Senior Vice President, Commercial Banking

It is no surprise that banking and finance can be quite complex. There is no exception to that rule on the commercial lending side of business. Now sprinkle in the issues and fears that result from our current economy, and what may have been a slam-dunk loan in past years could become a challenge today.

Many other facets of our business are formula driven. For example, first mortgage loans, home equity loans and auto loans all tend to be driven by a combination of formulas, reports and ratios that are pretty cut and dry. Commercial lending, however, is much more of an art form than a science. The decision a bank makes when it comes to business lending goes well beyond the numbers. In many cases the client, or borrower, can short change an opportunity by not preparing properly and by not thinking through the many nuances of maintaining a strong banking relationship.

Here are some points to consider when thinking about starting off a new venture or improving the banking relationship of an existing venture:

**Numbers Count**

While numbers are only part of the equation, it all starts there. We cannot make a decision without clear, detailed, timely and accurate financial data. It has never been more important than now that your bank receives reporting from the previous year within 90 days of year-end close. Tax extensions should only be done on rare occasions — and with the prior approval of the bank. Also, filing an extension does not extend the bank’s deadline for receiving all financial data.

Supplying your year-end or interim results late will put strain on your banking relationship. For new requests and new relationships, do not expect a bank to come back with a favorable decision if you have given them incomplete or untimely data. That is a risk a bank will no longer take today.

**Five C’s Still Relevant**

Don’t forget the basics. In a tough economy the focus turns immediately back to the fundamentals. You have all heard about the “five c’s of credit.” That saying was fundamental 100 years ago and is just as important today. The “five c’s of credit” are: character, cash flow, capital, collateral and conditions. In no specific order, they all are integral to credit and a credit decision on behalf of the bank.

Being exceptionally strong in one “c” does not always mitigate being deficient in the others. For example, having collateral valued at twice the loan amount (50% loan to value ratio) is an outstanding collateral position, but the collateral itself does not repay the loan or make the monthly payments. That scenario would not be sufficient to overcome an identified cash flow deficiency. Understand each of these five well and make sure all are healthy. Your banker, CPA or trusted financial advisor will likely all sit down and walk through these and identify where you are strong and where you could have a weakness.

**Tell the Truth**

Honesty is the best policy. Keeping your banker informed with direct and unfiltered information keeps us from guessing and speculating. Sometimes information is not positive and sometimes performance is not where it ultimately needs to be. An informed banker will have more options and solutions

# Meet Our Leaders



**Marc L. Cove**  
Senior Vice President /  
Co-Founder, Commercial  
Banking

Marc Cove has been part of the community bank landscape in Saint Paul and its suburbs for the past 20 years. He grew up in Mendota Heights and spent most of his teenage years downtown. Since graduating from the University of Minnesota, he has dedicated his life to business and community growth.

Here, Marc comments on what is important to him, what he loves about Platinum Bank and building the community in a tough economy.

**What is special about Platinum Bank?**

It starts with the people. Customer service is a cliché in most every business. At Platinum, we call it hospitality. Hospitality is not just a process in which clients are served the basics; it is a feeling, a passion we convey and the many tools by which we help our clients. We add value to the dollar and give our clients creative banking options to efficiently grow and achieve their dreams. That is what we all love to do here, and frankly we do it well.

**What are your passions?**

My passion has always been people. I love the concept of community, and cherish the role I can play within my community. That role extends well beyond being a banker. My role as a husband and father, volunteer and leader all make me a better banker. My personal life and professional life are intimately tied together. I am passionate for schools, kids and prosperity. I like to think all I do and all the relationships I have can help the economic wheels turn. Working together, we really can move mountains.

**Besides commercial banking at Platinum, where else might we run into you?**

I stay pretty busy. You might find me at the local school carnival or helping out with Boy Scouts. I am active in many professional and service organizations. I have long served and continue to serve on the boards of the Oakdale Business and Professional Association, the 622 Communities Partnership and Co-Action Academic Resources. I also have served on the North St. Paul-Maplewood-Oakdale school board and, the City of Oakdale Economic Development Commission, and the Washington County Workforce Investment Board. Some newer ventures for me include serving as Chair of the City of Oakdale’s Beyond The Yellow Ribbon Initiative, serving the Saint Paul Chamber of Commerce on their Public Affairs Committee and serving as a director for MinnBank PAC. and service as Vice Chair for the Great Rivers Boy Scout District.

**Why should people choose Platinum Bank?**

Real simple! We are a healthy and secure bank. We can provide you and your business with a true partnership for many years to come, We are thoughtful, flexible, responsive and honest — an authentic community banking experience.



“When you come here, you are coming to an extended family. When Platinum says that to us, we get that. We can pick up the phone and talk to the CEO if we need to — and we do.”

—Prince and Sandra Wallace, Minnesota entrepreneurs, parents of three

*Fostering relationships*

Photo (left to right): Joseph, Sandra, Greg, Andrea and Prince Wallace in the warehouse

## Case Study: The Wallaces

Prince and Sandra Wallace believe in the bonds of family and of patience. Their values and steady drive have resulted in the acquisition and growth of several different small businesses. Their vision of a succession plan, passing wealth from generation to generation, started about a decade ago – and that’s just the beginning. They still consider their children in the business of learning about business. They expect their children and their banking partner to have the same philosophy about relationship and learning: they are long-term commitments.

The Wallaces place a high value on customer intimacy with their customers and from all of their business advisors. Platinum Bank’s relationship style of banking through their experienced bankers and business-focused services matched the Wallace’s vision. Their

banker must be in tune with the family’s values and should care about the success of their businesses as much as they do.

Platinum Bank’s participation in the Wallace’s home construction loan as well as their role as a business banker — handling a corporate account, providing convenient remote deposit and establishing a line of credit that fits the cash flow needs of a \$10 million highly diverse environmental consulting business — proved to the Wallaces that Platinum had the flexibility for small businesses and understanding of customer intimacy that they demand. Even though Platinum is located 150 miles from the company’s headquarters, their level of service makes it feel like they’re next door. “We can’t afford to train in a new banker every six months. We expect more.”

## Make Life Easier With Online Banking

The convenience and security of online banking at Platinum Bank helps you manage cash flow and payments from anywhere. All you need is an Internet connection. Our industry standard security protects the privacy of your accounts through encryption and authentication. You can access your accounts 24 hours a day, seven days a week, and download data right into Microsoft Money, Quickbooks® or Office documents.

Imagine being able to check your business or personal account balances from any computer as you travel. View check clearing information and deposits. Transfer money between accounts

and pay your bills. The technology is simple to use and takes just minutes to set up and complete transactions.

Other services available to Platinum Bank Online Banking customers include Stop Payment services, Digital Check Viewing of payments and deposits and ACH Origination services to specify settlement dates of payments and remittances.

If you would like to learn more about the benefits of online banking at Platinum, call me at 651-332-5215 or [kkook@platinumbankmn.com](mailto:kkook@platinumbankmn.com).

