

# CAPSTONE BANK

NEWSLETTER • 2012 V2

## Message from the President

Over the past few months, CapStone Bank has made several exciting announcements about the future growth of our bank.

In September, we announced the execution of a definitive merger agreement with Patriot State Bank, headquartered in Fuquay-Varina. We are excited about the merger and what it means for our shareholders, customers, and employees. From increased opportunity for growth, to more products and services, we believe the combined companies will better serve our stakeholders in the future. What will not change is our commitment to providing exceptional service.



We are moving forward to obtain the required shareholder and regulatory approvals, with plans to complete the merger by the end of 2012. Three Patriot State Bank offices—in Clayton, Clinton, and Fuquay-Varina—will become CapStone Bank offices, increasing convenience for our customers, and

expanding our market and customer base. With the addition of Patriot State's \$139 million in assets and \$122 million in deposits, CapStone will have approximately \$377 million in total assets and \$297 million in total deposits.

In August, we announced the signing of a lease for space for a new full-service Cary office. We have served the Cary market through a loan production office since March 2010 and we are thrilled to expand our services in this vibrant market.

With the opening of the Cary office and the completion of the merger with Patriot State Bank, CapStone will have five North Carolina offices—three in Wake County, one in Johnston County, and one in Sampson County.

Stay tuned in the coming months for more information about these expansion plans. We appreciate the opportunity to serve your banking needs. Let us know if you have any questions or if we can be of further assistance.

A handwritten signature in black ink, appearing to read 'M.A. Patterson'.

**Chairman, President & CEO**

**"We are excited about the merger and what it means for our shareholders, customers, and employees."**

**Special Shareholders' Meeting  
Wednesday, Dec. 12, 2012  
10:00 a.m.  
North Ridge Country Club**

**Thank You for  
Six Great Years!**

CapStone Bank recently celebrated its 6th year of business. Thank you to each and every customer who helped make this anniversary possible. We look forward to serving you for years to come.

## Traveling? Keep Your Money Safe



Say goodbye to the travelers checks of yesterday and hello to the TravelMoney Card® of today. Whether you're at the beach or wandering the streets of Rome, your traveling funds will be safe and secure.

CapStone Bank now offers the Visa® TravelMoney Card, providing the security of travelers checks and the convenience of a Visa debit card. Before your trip:

- ✓ Visit our Falls of Neuse office to purchase your prepaid TravelMoney Card in any amount from \$100 to \$5,000 per card.
- ✓ Use your card for purchases or payments at any of the millions of places world-wide that accept Visa debit cards.
- ✓ Withdraw cash when you need it by visiting any Visa/PPLUS ATM.
- ✓ Lose your card? Simply call 800.552.0974, provide your card number and you will be issued a new Visa TravelMoney Card.

*Happy traveling! Send us a postcard.*

## Welcome to the Team!

Join us as we welcome our new team members:



**Jeannie Hulmes**  
Cary Branch  
Manager



**Mary Reinecke**  
Wire/ACH Specialist



**Amanda Shaffer**  
Teller/CSR  
Raleigh



**Greg Schiro**  
Loan Operations  
Specialist



**Jeb Thomas**  
Credit Analyst

## Coming Soon to Cary



By the end of 2012 you will have another convenient CapStone office as we open a new, full-service branch in Cary. Just off Tryon road, near the Koka Booth Amphitheater and WakeMed Cary Hospital, the office will be located on the first floor of the 2000 Regency Park building.

"This is an exciting step as we grow our presence in Cary and continue to serve our customers in this area," shared Eddie Campbell, senior vice president and Cary city executive. "We've served customers through our Loan Production Office for several years and the new office will allow us to take our service to a new level by offering deposit services."

Mike Stellar will continue in his role as senior vice president and relationship manager for the Cary office and Jeannie Hulmes recently joined our staff to serve as branch manager. We look forward to introducing you to the rest of our branch staff in the months to come.

"Opening a second full-service location is a significant milestone for us," commented Bob Branch, executive vice president and chief banking officer. "We've spent time in the Cary market getting a thorough understanding of the unique personal and business banking needs that are represented. I'm confident customers will find CapStone Bank to be their go-to community bank because of the personal service we provide."

"On a personal note, Cary is my home. It will be nice to have an office nearby for people I know in the area and customers I have served as a banker for a number of years."

## Check Out Our New ATM

Withdrawing funds from your account just got easier with our new ATM at the Falls of Neuse office. Featuring a "slide" card reader, your debit card never leaves your hands, ensuring that your card stays with you. Combined with easy to use prompts, you'll be on your way in no time.

# Business Banking: Protecting Accounts



**P**rotecting business accounts is a growing concern for business owners. From cybercriminals to embezzlement, there have never been more ways for business accounts to be exposed to criminal activity. The good news is there are several steps that help protect accounts:

- Monitor account balances daily. Business owners are typically the first people to detect account fraud, so it is critical to take time each day to check account balances and recent transactions. This can be done quickly, easily, and safely by accessing your account via Online Banking through a secure Internet connection. Make this practice part of a daily routine—just like checking email and voicemails. If suspicious activity is suspected or detected, immediately call us.
- Consider purchasing fraud insurance. Business owners insure assets such as vehicles, equipment, and office buildings, so why not insure bank accounts against fraud? Unlike personal accounts, commercial accounts are not Federally-protected from fraud losses. Ask your insurance provider about a rider to cover business account fraud, including embezzlement, cybercrime and fraudulent transfers.
- Restrict access to accounts. Most business owners need to allow some level of employee engagement with business accounts to help manage and process business accounting. Before allowing this access, carefully consider who you give access to and how much access they need. Talk to your banker to find out how you can set parameters and controls on employee-initiated activity and develop custom levels of access and user limits.
- Use banking services to help monitor and protect accounts. Two of the leading methods of business account fraud are via checks and ACH transfers. To protect against this type of theft, CapStone Bank offers Positive Pay to business owners. Proven to significantly reduce the risk of financial loss, Positive Pay allows your business to work together with CapStone to detect and prevent check and ACH fraud.

## How Does Positive Pay Work?

- 1** Each time your business issues a check, simply upload the check information (*account number, check number, dollar amount, and issue date*) to CapStone's system via Online Banking. This upload can be done manually or through your accounting software.
- 2** From this information, CapStone creates a database of valid checks. When checks come in to clear against your account, CapStone compares these items to those your company has issued.
- 3** A report is provided to you each morning detailing any checks attempting to clear your account that do not match the transactions uploaded through Online Banking. Any unmatched checks, along with all ACH items, are suspended for your daily review and approval. Your company has until 10:00 a.m. to instruct CapStone on how to proceed with any check discrepancies and all ACH items.

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**“Capstone Bank takes time to understand our unique business needs and always delivers on their promises. The service we receive is unrivaled—CapStone provides tailored solutions that bigger banks are either unwilling or unable to offer. They deliver the experience and professionalism of a ‘big bank’ with the care of a community bank. At CapStone, my partners and I are more than just a deal, we are respected customers.”**

**—Howard Nystrom  
JMC Tool & Machine Co.**

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4505 Falls of Neuse Road  
Suite 100  
Raleigh, NC 27609

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## Michelle George Receives Core Values Award

**C**ongratulations to Michelle George, deposit specialist, on receiving CapStone Bank's first Core Values Award! Michelle's commitment to each of CapStone's core values is displayed every day through her one-on-one customer service, collaboration with her teammates, strong work ethic, and commitment to our community.

"Michelle has set a high bar for future recipients," commented Mike Patterson. "She embodies each aspect of our core values in an almost effortless fashion."

Michelle's recent promotion to deposit specialist followed her service as a CapStone Bank customer service representative. In her new role, Michelle is assisting customers with one of CapStone's most convenient products—Remote Deposit—which allows businesses to make check deposits directly from their office. In addition, Michelle is a member of the CapStone's Customer Experience Team, a recently formed team focused entirely on assuring that CapStone provides an exceptional banking experience to all of our customers. Prior to joining the Bank in 2010, Michelle worked at Two River Community Bank in New Jersey and Fidelity Bank in Raleigh.

