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WHERE EAGLES SOAR INC.
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WESI'S NEW WEBSITE

Since the beginning of 2008 we launched a revised website with expanded resources and capabilities thanks to PeopleWerx Inc. Check us out at www.whereeaglessoar.com. Besides the advisory solutions offered by WESI you can get access to white papers, past issues of this journal and our blogging. More and more we will transfer our information access to the content management backbone of the site in order that specifics are more readily available to you when needed. Conference presentations by executive members will be added periodically such as our recent talk of generating and retaining deposits, which was given at the Credit Union Central of Ontario's Annual General Meeting and Development Conference earlier this month. Drop into the site regularly for up-to-date advice and contacts.

AND THE BEAT GOES ON!

As we expected, more significant write-offs and rescues associated with the sub-prime ABCP fiasco keep coming out of the woodwork. Unfortunately, suffering consumers are seeing little direct relief as more ARM's are up for renewal this spring in parts of the U.S.A.

We can see more inevitable announcements on foreclosures, provisions and recessionary impacts. In the latter case, jobs are starting to be shed in greater numbers e.g. Citigroup Inc. 13,200 since January, Merrill Lynch 4,000, WAMU 3,000 and of course whatever the final count will be at Bear Sterns. The treadmill of disaster continues to take its toll while other economic signals compound the problems i.e. price of oil, food shortages globally and what appears to be dysfunctional political situations all eroding consumer and investor confidence.

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For the astute leaders in the financial service sector this is a time to take advantage of competitive strengths and to fine-tune economical and effective operating processes and sales cultures. If you haven't completed an "operational dig-out" in the past three years, this is the time to do so to release redundant activities, layered processes and unnecessary expenses. Concurrently, growth strategies have to be adjusted and targeted more specifically within the existing client base and the prospects that are disenchanted or disenfranchised by existing FI relationships. The best leaders will capture these operating and sales opportunities. On the other hand, managers will downsize and increase controls to weather the storm.

MORE CHEQUE/CHECK CASHERS FOR CANADA?

After a number of years in operation, cheque/check cashers continue to capture expanded transaction services of consumers, who as research suggests, are looking for personal access convenience – not just the unbanked. Although some of the traditional players – banks, credit unions and building societies are attempting to reclaim the services from cheque/check cashers it appears that Canada is showing an attractiveness for expansion as the U.S.A. rules and rate caps tighten. The key players in the U.S.A. today are:

1. Cash Advance Centers, Inc. (Advance America) – opened 10 stores in Canada with 15 more in 2008 under the National Cash Advance banner.
2. Dollar Financial Corp. owns National Money Mart Co. with an expanding group of 440 Canada outlets.
3. Cash America International Inc., EZ Corp. Inc. and QC Holdings Inc. are all assessing the Canadian market.

Do you have effective counter strategies?

Footnote: In the U.S.A., State Employees' Credit Union (SECU), Raleigh, N.C., has surpassed the \$1 billion mark for cumulative advances on its Salary Advance Loan (SALO) program, which started in 2001 for its 100,000 members.

CANADIAN BANKS TARGET GAY COMMUNITY

The gay community demographics show that its members have higher education and income levels with more disposable income. In Toronto the market is estimated at \$75 billion.

Bank of Montreal has opened its second branch in Toronto's gay village, which will operate 7 days a week. The bank leverages their employees' expertise through an internal gay and lesbian affinity group.

TD Canada Trust commenced its initiatives in 2004 with a strong CEO endorsement by Ed Clark.

CIBC has also established an employee led affinity group to support its community programs.

Outside of Toronto, Hamilton based Reeves Financial Services and The Assiniboine Credit Union in Winnipeg are catering to the wealth management needs and estate-planning needs of same sex couples.

ONTARIO CREDIT UNIONS ABCP DEBT **(The Globe & Mail ROB, April 15, 2008)**

The national business newspaper, The Globe & Mail, reports that the Credit Union Central of Ontario (CUCO) is stuck with \$161 million of short-term ABCP investments as the \$35 billion dollar Canadian ABCP market is now frozen. Based on current bid prices of 62 cents on the dollar, CUCO's holdings could be worth about \$100 million. Credit union members are being asked to purchase about 2/3 of the frozen investments in order that the merger with the B.C. Central can proceed.

FEE-FREE ATM ACCESS FOR CANADIANS IN U.S.A.

<u>Customers of:</u>	<u>No fees or surcharges at:</u>
TD Canada Trust	2,700 TD Banknorth & Commerce bank locations
Royal Bank	508 RBC (Centura) ATMs in the Southeast
Bank of Montreal	602 Harris Bank ATMs – Illinois, Indiana, Arizona and Florida
Scotiabank	16,600 Bank of America locations

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SCOTIABANK LOOKING AT U.S.A.

The largest Canadian international bank, Scotiabank, is now turning its acquisition expertise throughout the Americas and the Caribbean to its only void in the Western hemisphere – U.S.A. It appears from published reports that a \$5 billion foray is being investigated.

DEBIT CARD DECOUPLING REPORT – U.S.A.

Aite Group LLC has surveyed U.S. cardholders and 33% are agreeable to “decoupled debit cards” which are issued by third party vendors and debit cardholders’ accounts directly through ACH transactions. The issuers would benefit from card interchange and the deposit holder institutions would pay the ACH fees. The study also showed that consumers are “reward addicts”, tech savvy, socially active and would be the early adopters/promoters.

U.S. BOARD MEMBERS SURVEY

A BoardSource Nonprofit Governance Index (2007) surveyed over a thousand CEO’s and board members on exceptional board criteria. Some highlights on considerations for joining a board:

Fit with organization’s mission with personal interests/beliefs	80%
Personal connection to the organization	38%
Invitation from a friend/colleague	36%
Need by the organization for your personal skills	36%
Reputation/prestige of the organization	24%
Expertise in the organization’s industry/field	18%
People who serve on the board	12%

U.S.A. MONEY GRAM EXPANDS SERVICE

Money Gram International Inc. has added money transfer, money order and Express Payment bill payment services to Advance America’s 2,800 locations, an organization which is starting an expansion into Canada.

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NEWS CLIPS

- Amex is acquiring the Corporate Payment Services commercial credit card and purchasing division from GE Money for \$1.1 billion
- Canada's largest credit Union, Desjardins Group, has now taken a total write-down of \$273 million in its ABCP investments
- AOL bought Bebo, the third largest social networking site in the U.S. with 40 million registered users, particularly in the UK and Ireland. (\$830 million).
- 1/3 of all customers' e-mails to banks go unanswered according to an IBM/Tabisma Corp. study.
- U.S.A. customers of HSBC, Bank of America and WAMU have been found to suffer the highest rates of identity theft according to research from the University of California at Berkeley.

CHECK THOSE COMMUNICATIONS

Some announcements that missed the mark:

*"Attend the seminar and you will hear an excellent speaker and **heave** a healthy lunch".*

*"The seniors group will host an evening of fine dining, super entertainment and gracious **hostility**".*

*"The audience is asked to remain seated until the end of the **recession**".*

THE LAST WORD

With recessionary signs and weakening consumer confidence due to the housing market, energy prices and commodity concerns, this is not a time to retrench into protective shells in our organizations. The economic and business conditions of this nature do produce many opportunities for relationship gains and prospect acquisitions. An orchestrated outreach marketing and sales program will be beneficial to not only your bottom-line but also to your brand building in your markets. For example, many mortgage brokers or mortgage lenders are not able to assist their previous clients as before, which is opportunistic for you.

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With these situations, as well as others, you need a well crafted communications plan involving advertorials, publicity articles, community seminars, cable TV shows, podcasts, blogs etc. to highlight your receptive image and personalized approach to problem solving. Other events that can be rallying causes are plant closures or cooperative/shared commuting solutions.

In adversity, the financial industry's leaders will step forward and reach out to their communities, customers/members and organizational stakeholders.

Now is the time to be there!

BIU CREDIT UNION - BERMUDA

Judy Johnston, COO of WESI, and I had the pleasure last month of meeting with Micah Davis, General Manager, and the Board of Directors of the BIU Credit Union in Bermuda, the only credit union on that island. Micah, we welcome you to our newsletter.



From left to right:
Judy Johnston,
Micah Davis,
Pat Palmer