

FirstContact

Summer 2010 • Your Access to News from First County Bank

FEATURES



Roth IRA Conversion – A good deal?



Get to Know First County Bank's Rey Giallongo



2010: Another Strong Year for First County Bank Foundation



Grow Your Savings With These Hot Summer Tips

First County Bank: We're a Stronger Bank

It's no secret that 2009 was an incredibly challenging year. Challenging, of course, being an understatement.

But now the storm is passing. And, like a well-built old structure that has managed to withstand many similar storms, I am proud to say that First County Bank isn't just standing, but we're standing stronger.

There is a value to be found in crisis. It tests the strength of people and gauges the true resolve of businesses and the character of entire communities. First County Bank, a bank that has survived 13 recessions, 2 world wars, a civil war and a depression, not only has survived during these trying times, but has managed to thrive.

Throughout 2009 and well into 2010, First County Bank has continued to invest in its infrastructure, doing things like enhancing on-line banking systems, upgrading its ATM network, and updating older branches, even opening new ones. Most importantly, in 2009, we've continued to do all we can to help strengthen our community by giving back over \$560 thousand in grants to people who are working to stretch limited resources farther than ever before.

And all along, First County Bank has been preparing for the "recovery" that we expect will be sustained after a time of such economic upheaval. Positioning ourselves to take advantage of the "new normal." Capitalizing on what makes First County Bank so unique... our unparalleled service and unwavering attention to customers.



*Richard E. Taber
Chairman & CEO*

Our belief that mutual banks, dedicated more to the needs of their customers than some group of investors are better banks. The banks of tomorrow.

As I prepare for the next chapter of my life, I can honestly say that I have never been prouder of First County Bank and the people that make it the amazing financial institution that it is. In early 2011, I will be retiring as Chairman and CEO. In preparation for the

transition, Tom Bartram will be taking on the role of Vice Chairman of the Board. Furthermore, I am pleased to announce that the next generation of leadership will be strong and steady. The Bank will be in good hands as Reyno Giallongo is elected First County Bank's President and Chief Operating Officer and Katherine Harris is promoted to Executive Vice President. Both Rey and Kathy are current members of the Bank's senior management team who recognize the value of the First County Bank franchise and its charter as a mutual bank. I am confident that they will work diligently to preserve the strong, stable core values of First County Bank, and lead our bank into what promises to be an incredibly prosperous future.

It is these people, the men and women of First County Bank, that have made us what we are today. A strong community bank that enjoys the good will and respect of the community in which it exists.

A bank that stands ready to make the NEXT 160 years as good as the last.

First County Bank has helped many Fairfield County residents purchase the home of their dreams

If you need a home mortgage loan, First County Bank has a variety of different products and programs to meet your specific needs. From a conventional fixed rate or adjustable rate mortgage, to jumbo mortgages, we can work with you every step of the way. We also have Home Equity loans and lines of credit available. Plus special programs for First-Time Homebuyers, with savings on Appraisal Fees up to \$375.00.

**Stop by any of our 15 branches or call Dave Zamary,
Senior Vice President at 203.462.4332.**

**To unlock your family's future.
It's where you belong.**





Roth IRA Conversion – A good deal?

A special one-time tax saving rule is only available during 2010 for conversions of traditional IRA accounts into a Roth IRA account. However, determining if this move makes sense for you requires careful consideration.

Some questions you might consider before converting:

Q What is taking place in 2010 that makes IRAs an especially attractive option right now, especially for people with high incomes?

A Two important changes in the law became effective in 2010 as a result of the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), which was signed into law in 2006.

First, for tax years beginning on or after Dec. 31, 2009, everyone will be eligible to convert from a traditional IRA, SIMPLE IRA or SEP IRA to a Roth IRA – regardless of income and regardless of filing status. Prior to 2010, IRA investors could not transfer or convert a traditional IRA to a Roth IRA if their modified adjusted gross income was greater than \$100,000 or if they were married but filing separate tax returns.

Second, TIPRA also provides a special tax break for rollovers made during 2010. Under this special rule, investors may elect to spread the tax liability associated with converting from a traditional IRA to a Roth IRA over two years – paying one-half in 2011 and one-half in 2012 – rather than having to recognize the entire distribution amount as income in the tax year of the distribution. This rule only applies to tax year 2010 and currently no special provision exists for years after 2010.



Q What are the advantages of converting from a traditional IRA to a Roth IRA?

A With a traditional IRA, contributions may be tax deductible but investors will face income taxes on contributions and earnings later when withdrawals occur. With a Roth IRA, investors do not get a tax deduction for contributions but “qualified” distributions, including earnings from a Roth IRA, are tax free.

“Qualified” Roth IRA distribution is defined as:

- One made on or after the date in which the individual attains age 59½;
- One made because of the individual's death or disability; or
- One made for qualified first-time homebuyer expenses.

Additionally, a Roth IRA distribution is not qualified unless it is made more than five years after the first tax year for which the taxpayer or the taxpayer's spouse made a contribution to the Roth IRA.

Q How do you know if a Roth IRA conversion is right for you?

A The answer depends on many factors, including your income tax rate at the time of conversion and distribution; the length of time you can leave the funds in the Roth IRA without making withdrawals; and how you will be paying the income taxes due at the time of conversion. Additionally, if you expect to be in a high tax bracket during retirement years, a Roth IRA conversion may be wise. You should discuss these matters with your professional tax advisor.

At First County Bank, we work hard every day to earn your trust – whatever your circumstances or priorities. For more information on the services that our Trust and Investments Department offers, contact Dave M. Metzgar directly at 203.462.4267 or at dmetzgar@firstcountybank.com.

Investments through First County Bank's Trust & Investment Services Department are not insured by the FDIC or any governmental agency – are not deposits of or guaranteed by First County Bank or any other bank – may lose value.

The opinions expressed in this article reflect solely the opinion(s) of the author and may not reflect the opinion(s) of First County Bank. The opinions in this article do not constitute financial advice.

Get to Know First County Bank's Rey Giallongo



Reyno A. Giallongo, Jr.
President & COO

For those of you who don't know Reyno "Rey" A. Giallongo, Jr., First County Bank's new President and Chief Operating Officer, Rey first joined the bank in 2002 as Senior Vice President of

business banking. Before his promotion to President and COO, Rey held the title of Executive Vice President responsible for managing business banking, wealth management, residential mortgage and information technology from the bank's headquarters in Stamford.

Prior to joining First County, Rey spent 25 years at Wachovia Bank most recently as chief operations officer in risk management in the Northeast.

Before joining Wachovia, Rey was with its predecessor banks: First Union Bank, First Fidelity Bank and Union Trust Company. Rey has been a banker his entire career. He loves working to help companies grow.

Currently, Rey serves as a board member of the Housing Development Fund and the Stamford Chamber of Commerce, as president of United Way of Western

Connecticut and Fairfield County Bankers Association, and as a trustee of the YMCA of Stamford. Previously, Rey volunteered at United Way of Stamford, New Neighborhoods Inc., the Datahr Rehabilitation Center, Neighborhood Housing Services of Stamford and Norwalk, Family and Children's Services, Stamford Hospital Foundation, Junior Achievement of Southwestern Conn. and South End Housing Development Corp.

Rey first became interested in banking as an undergrad in college when his older brother (by 12 years) was president of Bedford Bank in New Hampshire. The brothers would often talk about banking, community service, economics and finance. Thus began Rey's foray into financial services.

But Rey does have other interests. He has a private pilot license to fly fixed wing, single engine aircraft and has more than 350 hours of flight time. He vacations regularly in Acadia National Park in Maine, where he and his wife, Cheryl Palmer, go on long hikes with their golden retriever, Powell.

Besides banking, Rey's other great interest is dogs. Rey and Cheryl are volunteers with Puppies Behind Bars, which pairs puppies slated for civil service with prisoners who teach them basic obedience skills.

The Stamford couple both grew to love dogs at early ages – Cheryl's family had a German Shepherd called Hobo. Rey's family had a mutt named Maverick. They became aware of Puppies Behind Bars while at a restaurant in Norwalk, where diners at a nearby table were accompanied by a dog wearing a vest emblazoned with the Puppies Behind Bars logo. Now the couple regularly host furloughed dogs at their condominium in Stamford.

Rey grew up in Beverly, Mass., 20 miles north of Boston, to working class parents. His mother worked for a large department store chain and his father was a letter carrier.

Rey earned a bachelor's degree in business administration from Salem State College in 1976, and earned a master's degree in business administration and finance from Babson College in 1977. He also graduated from Stonier Graduate School of Banking in 1983. Rey can be reached at 203.462.4365 or rgiallongo@firstcountybank.com.

First County Bank is pleased and excited to have Rey head up our new management team. We wish him well in his new position and we are confident that Rey will successfully lead First County Bank into what promises to be an to an incredibly prosperous future.

2010: Another Strong Year for First County Bank Foundation

2010 is going to be a record year for First County Bank Foundation and its grant recipients. Although the window for filing applications for regular grants has closed, the foundation has received 120 applications requesting more than \$1.7 million in funding. 2010 grant awards recipients will be announced during the next several months.

Regular grant applications, defined as amounts of \$2,500 or more benefiting economic development, housing, children

and families living and working in lower Fairfield County, were accepted from January 1st through March 31st. In prior years, the foundation only accepted grant applications during a one-month period.

In response to the economic times and significant need for financial help, First County Bank Foundation extended the period of time nonprofit organizations have to fill out and submit grant applications. Also new this year is a short-form application available April 1st until the end of the year.



Short-form applications are defined as grants of \$2,500 or less for those applicants who fit the regular grant criteria, and \$1,000 or less for those applicants that do not fit the regular grant criteria.

To be eligible, all applicants must have nonprofit tax exempt status under section 501(c)(3) of the Internal Revenue Code and serve the communities of Stamford, Darien, Greenwich, New Canaan, Norwalk or Westport.

Grow Your Savings With These Hot Summer Tips.

You can save money throughout the year, but the warm temperatures of summer provide a few additional tips that can help you save even more money. Here are some things to try during those warm months.

- 1. Cook outside.** Using the stove or baking in the oven can create a lot of excess heat that has nowhere to go except in your house. Consider taking meal plans to the barbecue grill outside so that you can keep your house cool inside.
- 2. Have your air conditioner cleaned and inspected.** You'll pay a small fee, between \$50 to \$75, but this could save you more than twice as much with your air conditioner running more efficiently all summer. At the minimum, change your filter. This can be easy to overlook, but a dirty filter can increase cooling costs.
- 3. Save on watering your lawn.** Summer heat makes you water your lawn more often. Try watering your lawn in the early morning to prevent the water from evaporating so quickly. This can reduce the amount of your water bill dramatically during the summer watering season.
- 4. If you leave for vacation, unplug all of your major appliances and electronics.** Even if the appliance isn't turned on, it still uses energy while being plugged into the wall. If you are going to be away for a week or two, consider unplugging everything. It will also help prevent power surge damage in the event of a storm.
- 5. Shop at a local Farmer's Market.** Unlike supermarket pricing, produce prices at Farmer's Markets are often negotiable. Also, you can save by buying from the same sellers daily or weekly to receive further discounts.



- 6. Stop paying your gym membership and start jogging.** Take a leave of absence from your gym membership for the summer months and enjoy your exercises in the fresh air for free!

Use your savings to open a First County Bank checking account today. Receive an additional 5,000 Bonus Dream Miles when you mention that you saved by using First County Bank's "Hot Tips."

First County Bank has provided the tips listed in this newsletter solely for your convenience, and do not imply any responsibility for the opinions, ideas, products, information or services offered regarding the content.