

CHESAPEAKE *currents*



A quarterly community publication from Chesapeake Bank and Chesapeake Investment Group

Winter 2008

All in the *Family*

Noblett appliance store grows with Northern Neck community

The call came in on New Year's Eve in 1977. On one end was the caller, George Noblett, owner of Noblett Inc. in Kilmarnock. On the other was E.S. "Bud" Hudnall Jr., the president and CEO of a division of fishing equipment manufacturer Pompanette in Fort Lauderdale, Fla.

The reason for the call? Noblett was calling to ask his old friend if he had any interest in moving home to Virginia and buying the appliance and propane gas company that had been a fixture in Lancaster County since 1939.

"Dad wanted to own a business," said Joe Hudnall, the current president of Noblett Inc. "And he wanted to get his kids out of the big-city life."

By June of 1978, one family handed the family business over to another family, where it's resided for nearly 30 years. The reputation has remained.

Noblett still is known as *the* place in the Northern Neck (and beyond) to shop for appliances. What may not be as well known is the fact that Noblett has grown its customer base and revenues 10 times since the late 1990s.

"When we moved here, this was more of a farming and fishing town,"



Joe, Gayle and Bud Hudnall have operated Noblett, a family business selling appliances and more, since 1978.

said Joe Hudnall, who joined the family business in 1985 and became president in 1998. "Now, it's a retirement community, and our customer base has changed."

So have the times.

When Bud Hudnall took over the business in 1978, propane was used for cooking. These days, it's used for just about everything, from heating a home to grilling steaks. As for appliances, Noblett can thank recent trends.

"The amount of money people spend on their kitchens...it's amazing how the kitchen has become the focal point of the house," Joe Hudnall said. The company also has expanded to security systems, HVAC units and bedding and dinette sets.

Some things, however, haven't changed.

"Dependable" and "community-oriented" are phrases Joe Hudnall uses with pride in describing Noblett. He almost sounds boastful when he talks about the company's 33 employees, like Charles Butler and Stewart Revere, who have been with Noblett for more than 40 years. (Tim Giese recently retired after 40 years at Noblett.) A quarter of the employees have been with the company for more than 20 years. Seven are volunteer firemen. Others are active in the schools and coach youth sports.

Nearly 70 years and two families after it opened its doors, Noblett is proving the more things change, the more they stay the same.

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A Free Gift For You

We appreciate your interest in *Chesapeake Currents*, and we are showing it with a **free gift**. Go to www.chesbank.com/chescurrents or one of our four Northern Neck branches for details. New customers also will receive a **\$50 deposit** when they open a checking account.

Tax Time is Here

"In this world, nothing is certain but death and taxes." — Benjamin Franklin

As the April 15 tax deadline approaches, we asked the experts at Bay Accountants PC for tax tips, both on the process and ways to limit your tax burden. Founded in 1997, the Burgess firm specializes in corporate and small-business tax returns, individual tax returns, accounting and payroll services.

Here's what owner Jane M. Williams and fellow CPAs Debra T. Whaley, Paige T. Biddlecomb and Lois T. Gorman advised:

What is the biggest mistake people make when filing their own taxes?

Some taxpayers depend entirely on tax-preparation software to prepare the tax return without having knowledge of the changing Internal Revenue Code. This can result in not taking advantage of all available tax deductions and credits.

Is there a guideline on when you should consider using an accountant versus preparing your taxes yourself?

It depends on the complexity of the tax return and confidence of the taxpayer. Life changes are often good times to consult an accountant, including landmarks such as the birth of a child, college planning, retirement, the sale of major assets or an inheritance.

Although 2007 has passed, are there things people still can do to lower their tax burden this April?

Taxpayers may be able to contribute to a 2007 traditional deductible IRA, SEP IRA (if self-employed) or a Health Savings Account, and deduct their contribution from their income. A Roth IRA contribution, although nondeductible from taxable income, may result in a retirement

savings credit. For the most part, these contributions must be made by April 15, 2008.

Looking forward to next year's tax cycle, what are some things people should do early in 2008 to put themselves in a better position for filing a return next year?

Consider deferring or contributing the maximum allowed for annual retirement funding, whether this is through an employer-sponsored plan or an individual account. If the 2007 tax return results in a large refund or a large balance due, their current tax withholdings and estimated tax payments should be adjusted. Consider any significant changes in their income or deductions for the new 2008 tax year. These could be the birth of a child, loss of a dependent, onset of retirement, etc.

To make an appointment with one of the tax professionals at Bay Accountants, call 804-453-7611.

A teacher for your financial future



Quinto, who opened an office in Irvington in November, has been a financial advisor with Chesapeake Investment Group for five years. She also maintains offices in Kilmarnock, Gloucester and Williamsburg.

She can be reached for an appointment at 888-653-9088.

When she was growing up, Trudy Quinto had visions of becoming an English teacher. Today, she may not teach Shakespeare or English composition, but she is an educator all the same.

Quinto, managing director of Chesapeake Investment Group, a wholly owned subsidiary of Chesapeake Financial Shares Inc., is a financial advisor who primarily handles retirement planning, estate planning and tax management for clients with high net worth.

"I'm an educator," said Quinto, a Yorktown resident who has worked in the banking industry for 20 years. "The best investment advisors are teachers. I want clients to know what they're doing."

Quinto's job is to help clients — who typically have assets of \$1 million or more — determine how much money they will need to retire. She also manages assets to create long-term income once a client has retired.

While other financial advisors might be okay with simply executing a "buy" or "sell" order on behalf of a client, Quinto wants her clients to have a complete understanding of their financial picture, something she helps them learn at the beginning of their relationship with her.

Quinto educates clients on their current financial situation and modifies their plan to help meet their expectations and tolerance for risk, with long-term objectives in mind. The purpose of the long-term goal is to stay on a course to build wealth. "We manage risk on a very disciplined format," Quinto said.

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Introducing Librarian Lindsay Gardner

Toddlers and their parents listen to a story. On Sunday afternoons, adults attend a lecture on Elizabethan music or a giant squid. And, patrons of all ages check out items from among 60,000 materials.

Welcome to the Lancaster Community Library.

Leading these activities and more is Lindsay Gardner, the library's new director, who previously was the director of the Demopolis Public Library in Alabama.

"Like a good librarian, I did my research on the community and the library," Gardner said of her decision to move to Lancaster County in September.

She was attracted to a new adventure and "another small town with a library with a strong foundation in the community."

The foundation for the Lancaster Community Library began in 1961, when Northern Neck residents pooled together financial and material donations for the library's original cottage home on School Street. It is this continued community support that makes Lancaster's library different from most across the United States.

"No matter how many times we say it, it's nontraditional," Gardner said. "We are a nonprofit. We are not a division of local government."

In practice, this means that the library receives one third of its funding from



Lindsay Gardner, director of Lancaster Community Library, took the job in September. Photo courtesy of Lancaster Community Library.

state and local sources and relies on private donations for the rest. The annual giving campaign, which begins in April and raised \$34,000 in 2007, is one way the library raises funds.

Looking forward, Gardner plans to continue the level of services the library currently offers, from children's programs to public meeting space. She hopes to offer a few innovations one might not expect from a small-town library, including mp3 players pre-loaded with audio books as an alternative to books on cassette tape.

Admittedly, a librarian with a new job in new surroundings can get a bit behind on her reading.

"I have to admit I just read *Outlander* by Diana Gabaldon," Gardner said in an early December interview. "It was a really fun read, although not new."

And yes, you can find it at the library.



Locals enjoy programs for young children at the Lancaster Community Library. Photo courtesy of Lancaster Community Library.

Lancaster Community Library

235 School Street
Kilmarnock, VA 22482
Phone: 804-435-1729
www.lancasterlibrary.org

Hours:

Monday, Wednesday 9 a.m.–9 p.m.
Tuesday, Thursday, Friday 9 a.m.–6 p.m.
Saturday 10 a.m.–4 p.m.
Sunday Closed

Sample programs:

- **Sundays at Two** – a free lecture series offered for adults January through March, topics vary.
- **Storymobile** – a year-round, traveling van that visits daycares and schools to offer children their first exposure to the library.
- **Babygarten** – a lap-sit program for infants, toddlers and their caregivers offering stories, songs and crafts.

How to help: Volunteer, donate books or make a monetary donation. Contact the library for details.

Identity theft claims 8.3 million victims

From the Northern Neck to New York City, Americans are at risk of identity theft, a crime to which the Federal Trade Commission says no one is immune.

In fact, 8.3 million Americans were victims of identity theft in 2005, according to a FTC survey released in November. Other industry reports have found that one person in 23 is likely to have his identity stolen.

The FTC, which tracks identity theft and defines it as “a fraud that is committed or attempted using a person’s identifying information without authority,” also found that 3.2 million of the victims experienced misuse of their current credit card accounts.

“Identity theft is a serious crime, in part because of its long-term repercussions,” said Jeffrey M. Szyperki, president of Chesapeake Bank, which launched an identity theft advocacy program in October

for its personal checking account customers. “Victims of identity theft often experience gross inaccuracies on their credit report, which until cleared, can negatively affect their ability to get a loan, qualify for certain rates and get a job.”

Szyperki added that identity theft victims typically experience quite a hassle attempting to rectify the issue, both in time spent and money lost.

According to the survey, the median time that victims spent resolving problems was four hours, but 10 percent of those victims spent at least 55 hours resolving identity theft issues.

If consumers suspect they are victims of identity theft, Szyperki suggests they should look to their bank and other financial institutions

for support. For example, Chesapeake Bank’s new program works with its personal checking account customers until their problems are resolved, regardless of how a theft occurred.

To help recognize any potential identity theft, the FTC recommends that consumers regularly review their credit report; consumers are legally entitled to one free credit report per year and can obtain their credit report from each of the three, nationwide consumer credit reporting agencies at AnnualCreditReport.com.

“Monitoring your credit report periodically is one valuable way to check for activity that you didn’t authorize,” said Lydia B. Parnes, director of the FTC’s Bureau of Consumer Protection, in a statement.



For more on the FTC telephone survey, which ended in June 2006, visit <http://www.ftc.gov/opa/2007/11/idtheft.shtm>.

The Mortgage Mess

Subprime market, entire communities affected

You’ve seen the headlines, and you’ve heard about the horror stories of Americans losing their homes. Last year, and perhaps even 2008, will be remembered for a long time for the turmoil in the mortgage market.

Even as legislation is being pushed to assist those in danger of losing their homes, an estimated 2 million Americans could face foreclosure in 2008.

“It has a trickle-down effect on all of us,” said John O’Shaughnessy, executive vice president of Chesapeake Bank. “You can see the effect of foreclosures not only on the people who are losing their homes, but also on the lender who is foreclosing and even the next-door neighbor who suddenly realizes the value of his or her home has been adversely affected by the fact that the bank owns the adjacent property.”

It’s important to note that the majority of foreclosures are happening to those who have subprime loans – typically, loans offered by non-bank mortgage firms that help borrowers with imperfect credit histories.

According to O’Shaughnessy, federally insured banks and savings institutions, like Chesapeake Bank, are weathering the storm very well.

“The subprime market is an area that we made a conscious decision to avoid. We always felt that this type of financing was not in the best interest of our customers,” he said.

But what if you are one of those subprime consumers, 85 percent of whom pay their fees on time?

“The best advice I can give is to be proactive with the lender – be up front about your situation,”

advised O’Shaughnessy, adding that borrowers should contact their lenders immediately to refinance into a conventional loan. “The last thing in the world a lender wants is the collateral. Foreclosure is the last step.”

As for those with conventional mortgages, O’Shaughnessy suggests that the time might be right to consider refinancing despite the mortgage market chaos. Community banks, like Chesapeake Bank, are seeing more and more customers asking about their options.

“We are able to take a common-sense approach to solving these kinds of problems where a bigger lender would take a cookie-cutter approach,” O’Shaughnessy said. “We’re small enough to do what makes sense.”

Chesapeake Currents, a quarterly publication from Chesapeake Bank and Chesapeake Investment Group, is a special advertising section. To submit feedback or a story idea, e-mail editor@chesbank.com or write to: Chesapeake Financial Shares Inc., Attn: Chesapeake Currents Editor, P.O. Box 1419, Kilmarnock, VA 22482.