

## NO NEED TO STRESS OUT

by [Steve Brown](#)

Did you catch the Everest College 2012 Work Stress Survey? If not, you might find it interesting that 73% of workers said they are stressed by at least one thing at work. We guess the good news then is that 27% are in bliss, so if you are in that group be happy. Switching back to stressful workplace issues, people said the biggest was not getting paid enough (11%); followed closely by annoying co-workers (10%); commuting (9%); unreasonable workload (9%); having a job that isn't in their desired career path (8%); poor work-life balance (5); lack of opportunity to advance (5%) and the boss (4%). We don't know where your stress at work may be coming from, but at least you now know how many others feel the same way now. Since the industry is already so stressful, we thought you might enjoy a distraction this morning. So, in that regard, we took a walk through Investopedia.com's dictionary of financial terms to see what interesting nuggets of wisdom surfaced. If you haven't been there in awhile, you might want to check it out or direct your newer staff members to bookmark it in "Favorites" as they get to know the business. Beginning with the letter "A" we were amused to see the "Abacus" still holds a slot. Given the overwhelming adoption of technology these days, we find it humorous that using sticks and rods to calculate math problems still finds a place in the financial dictionary. Given ongoing advancements, we would expect this will likely disappear in coming years. As with the typewriter, we bet you couldn't find anyone under the age of 30 that even knows what an abacus (or typewriter for that matter) is. Given interest rates are so low, we thought everyone could relate to "Above Par." If you have tried to purchase a security in the market recently, you know finding something at par is about as easy as finding a needle in a haystack. That is why the reference indicates the term describes "the price of a security when it is trading above its face value." Put another way, when rates decline and you want to buy a security to put in your portfolio, you may find limited options available that aren't above a \$100 price (above par). This is because the income distributions on that security are "higher than those of other instruments currently available in the market." Shifting to the letter "D" we find the term "Dark Pool Liquidity." That just sounds really odd and sort of Jason Bourne-ish, so we look closer at the definition. Here, the definition says such liquidity is "the trading volume created by institutional orders that are unavailable to the public." That sounds spooky, but the reality is that it is talking about larger trades that happen away from centralized exchanges. This is commonplace in the industry, believe it or not and huge volumes can be transacted in this fashion. The term gets its name, according to Investopedia, "because details of these trades are concealed from the public, clouding the transactions like murky water." The way that sounds, it sort of makes you want to wash off if you ask us. Staying in the same letter "D" we find the term "Dead Money." We like this one because it refers to money invested "with minor hopes of appreciation or earning a return." Given how low interest rates are right now, we would have to say that applies to pretty much everything, including deposits and securities. Finally, we explore the letter "Z" to see if anything interesting surfaces and lo and behold we find "Zombie Bank." This term describes a bank that has "negative net worth," but "continue to operate as a result of government backings or bailouts." If you are feeling stressed out and need to unwind, consider hitting the Investopedia website and trolling through random letters to see what you can uncover. Then, spring it on your lunch-mates as the purveyor of banking word trivia.

## BANK NEWS

### **M&A**

Level One Bancorp (\$470mm, MI) has signed a definitive agreement to acquire Oxford Bank (\$269mm, MI) for an undisclosed sum.

### **M&A**

FirstMerit Corporation (\$14.6B, OH) has signed a definitive agreement to acquire Citizens Republic Bancorp (\$9.4B, MI) in an all-stock transaction with an implied value of about \$912mm or 1.26x tangible book.

### **TAG Risk**

Unless Congress extends the Transaction Account Guarantee program, about \$1.4T in non-interest bearing deposits will become uninsured on Dec. 31. This change could push small business and municipal customers to shift deposits from community banks to larger banks deemed too big to fail.

### **Settled**

To settle a case with the DOJ going back to 2006, Luther Burbank Savings (\$3.7B, CA) will create a new mortgage unit offering 30Y loans to qualified borrowers; invest \$1.1mm in a special financing program; and offer assistance to minority-related census tracts.

### **Settled**

Bank of America Corp will settle with the DOJ in a case accusing it of discriminating against disabled mortgage applicants. The bank reportedly imposed extra burdens on borrowers who relied on Social Security disability insurance income to qualify on home loans, such as letters from doctors documenting such income. Under the settlement, the bank will pay \$1,000, \$2,000 or \$5,000 to loan applicants who were asked to provide a letter from their doctor.

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