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McQueen Financial Celebrates 10 Years

By **BILL PERRY**

Michigan Banker published its first story on McQueen Financial Advisors in August 2000. We interviewed Charley McQueen only 15 months after he had started the business. Our cover question was “Start-up or Up-start”. The answer is obvious and, on the eve of their ten year anniversary, we spent time with Charley and his team, congratulating them and reflecting on the changes in the company.

While much has changed in the scope of services the firm offers, McQueen Financial Advisors core business philosophy remains the same. Ten years ago, the firm was founded on the idea that each and every financial institution deserves personal attention focused on their unique needs. In our August 2000 article Charley said, “The key to our business is under-

standing our clients, their needs, their marketplace and their risk positions.” That philosophy is evident today as the company continues to be well-known, and admired, throughout the industry.

“When I started the business, we offered two services: investment portfolio management and asset liability management” Charley stated. “As the needs of banks have changed, so have we. I’m proud that we have been able to expand our services to include mortgage servicing rights valuations, strategic consulting, transaction advising and more. Further, the firm has grown from two people, Heather Ciurla and me to a team of six.” By staying abreast of market trends and developing services to meet the ever-changing needs of their clients, McQueen Financial has become a well-respected and trusted advisor to banks.

One of McQueen Financial Advisors (MFA) secrets of success is hiring and retaining the right people. Encouraging an atmosphere of trust and teamwork have been pivotal factors in the firm’s growth. MFA’s management team includes Craig Sicilia, Managing Director, Jim Craven, Vice President, Heather Ciurla, Vice President of Operations and Chief Compliance Office, Heather Schepperly, Financial Consultant and Diane Knudson, Consultant. MFA’s management team has over 90 years of combined experience in financial institution advising, providing the skills and expertise that banks need, especially in these challenging times. “An open team environment allows for brainstorming, which is one of the keys to our success. Not only does it allow us to develop new product and service lines to better serve our clients’ needs, but it helps



Jim Craven, Charley McQueen and Craig Sicilia discussing market events and trends.

us to think outside of the box and to be able to proactively anticipate those needs” according to Heather Ciurla.

MFA’s targeted focus on providing financial advisory services to only financial institutions has been a proven success. As an SEC-registered investment advisory firm, MFA serves financial institutions across the country, with assets ranging from \$20 million to over \$5 billion. By only servicing financial institutions, they are able to maintain their focus on the concerns facing the industry and ensure that their product line contains all of the tools their clients need to achieve their desired results.

MFA’s commitment to personal relationships has helped the firm develop new service lines. “Over the past few years we have added quite an array of consulting services including branch sale/purchase advisory, financial institution sale/purchase advisory, and complex security valuations”, states Craig Sicilia. “These services have been developed based on our clients’ needs.”

MFA’s consulting services range from policy creation and maintenance to transaction advising. “We may be looking at the profitability of a branch or the profitability of the entire bank, we work with our clients to find value,” Charley stated. MFA’s consulting practice is diverse in their offerings and provide banks with objective, concise decision making tools. Heather Ciurla added “we always provide our clients with a clear action plan to achieve success.”

Mortgage Servicing Rights Valuations are a core service for MFA. They started providing the valuations about eight years ago, and Jim Craven oversees the department. During our conversation, Jim noted “Receiving the valuation is just the tip of the iceberg. We assist our clients to actively manage their servicing rights to achieve the most value.” Jim and his team provide reporting to banks across the country.

“The mortgage market has been anything but normal for the past couple years, and this has impacted our clients. One of the many effects of this market has been a change to normal prepayment assumptions and discount rates. These changes may have a material effect on the valuation of the MSR’s. MFA recognizes the uniqueness of institutions and their demographics when analyzing MSR’s,” Heather Schepperly added.

Ten years ago, the MFA team developed a proprietary asset liability management (ALM) software for exclusive use by their clients and have improved upon it



The McQueen Financial Advisors team (from left in back): Jim Craven, Vice President; Craig Sicilia, Managing Director and Diane Knudson, Consultant. Seated from left is Heather Ciurla, Vice President of Operations and Chief Compliance Officer; Charley McQueen and Heather Schepperly, Financial Consultant.

each year. The customized ALM reports are designed for all levels of management and board members, and are a beneficial tool for modeling a bank in many different interest rate scenarios.

“Our report includes income simulation, gradual rate changes, GAP analysis, shock test, economic value of equity, variable rate changes, historical analysis and custom reports,” says Heather Ciurla. “It is a full bodied report that provides our clients with recommendations and strategies designed to fit their unique needs, including liquidity, capital management and cost-effective marketing strategies. The result: our reports provide clients

with the information they need to make informed decisions and add income to the bottom line.”

Managing investment portfolios requires a solid understanding of risk in its different forms. This commitment requires them to use regimented investment strategies and proven risk management techniques. “Our diligent and disciplined investment strategies are a core component of our business philosophy,” says Craig Sicilia. “I’m proud to be part of a firm with a sound due diligence methodology. Our investment process includes careful evaluation of the current

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market environment, our client's investment policy, liquidity needs, objectives, accounting issues and regulatory requirements. Additionally, we read prospectuses prior to purchasing every security. Only after we are satisfied that all requirements have been met will we recommend an investment."

Bankers work with MFA for fixed income portfolio management because they achieve strong investment yields, safe investment portfolios, and the peace of mind that comes from working with an expert advisor. As an SEC-registered investment advisory firm, MFA is not a brokerage firm, they do not earn commissions. What they do is provide banks with professional portfolio management.

Other reasons why banks work with MFA, include the high level of personal service they receive, the expert advice from McQueen's team and the comfort and peace of mind they receive from working with a proven advisor. "One of the reasons we work with MFA is that

they are always available, and their expertise, especially through the current economic storm, has been invaluable. They call me before I need to call them," states Thomas Dorr, Chief Financial Officer of Oxford Bank.

"As an advisor to our clients, our role is to have the foresight to guide our clients through normal economic times and the current turbulent waters. We ensure that our clients avoid problems and achieve success," Diane Knudson states.

A great example of their foresight and proactive advice was highlighted well before the recent turmoil in money market preferred and auction rate securities. In February 2008, *Michigan Banker* magazine published Jim Craven's 2007 whitepaper which outlined the risks and advised readers that "until auction rate and money market preferred securities provide more liquidity and fewer drawbacks, we believe the yield advantage does not adequately compensate investors for the inherent risks." Every one of MFAs' clients avoided losses by not owning any of these securities. (For a free copy of the

"All of our clients have valued our foresight, consistent advice and personal service."

— Craig Sicilia, Managing Director

article, please visit www.m-f-a.com).

"All of our clients have valued our foresight, consistent advice and personal service. Further, MFA core business philosophy remains the same as the firm was founded on the idea that each and every financial institution's unique needs deserve personal attention," stated Craig. "One of the reasons that I enjoy working with MFA is their desire and commitment. When I call, it is fun to guess who might answer the phone - all of the advisors are quick to personally answer," Bruce Cady, president/CEO of Lapeer County Bank and Trust stated. "Having an advisor you consider a friend deepens the relationship and brings a level of trust that cannot be duplicated with just a professional associate."

When we concluded our interview in 2000, Charley offered readers the opportunity to grow their banks with a trusted advisor. Ten years later, as we concluded our interview with the McQueen Financial Advisors team, it is clear that the firm has built a solid reputation in the banking industry. Charley reiterated his statement encouraging banks to call. Heather added: "We are on our clients' side. We work with each client to determine the bank's overall financial objectives and the necessary steps to achieve those objectives. Our clients are our best and only interest at all times."

McQueen Financial Advisors can be reached at 248.548.8400, or www.m-f-a.com

ON THE COVER: (from left in the back): Jim Craven, Vice President; Diane Knudson, Consultant; Heather Schepperly, Financial Consultant; Craig Sicilia, Managing Director and Heather Ciurla, Vice President of Operations and Chief Compliance Officer. Seated is Charley McQueen with his dogs Zeus & Riley



CHARLEY MCQUEEN