

**CEO  
CFO****COMMUNITY  
NATIONAL BANK CNB**Issue:  
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## **Community National Bank Has Been Successful Serving Middle Market Commercial Customers In The New York Metropolitan Area With Nuts And Bolts Banking That Includes Building Deposit Relationships, Great Personal Service, Local Decision-Making And The Latest Banking Technology**

**Financial  
Regional – Northeast Banks  
(CBNY-OTC: BB)**

**Community National Bank**

**200 Middle Neck Road  
Great Neck, NY 11021  
Phone: 516-498-3888**



**Stuart H. Lubow  
Chairman, President and CEO**

### **BIO:**

Mr. Lubow has been a successful banking executive for over 30 years. He was a Founder, and is now the Chairman, President and CEO of Community National Bank, a full service community commercial bank providing a wide variety of financial products to businesses and individuals. Mr. Lubow was responsible for the entire regulatory application process at Community National Bank, as well as the initial and secondary stock offerings, raising approximately \$18.7 million in additional capital. Mr. Lubow is also responsible for the rapid growth and

branch expansion of Community National Bank. The headquarters was opened in Great Neck, NY in 2005 and since then six more branches have opened in Garden City, Woodbury, Oceanside, Huntington, New Hyde Park and Rockville Centre, all on Long Island. With assets of \$308.8 million as of September 2008, Community National Bank is Long Island's fastest growing commercial community bank.

Prior to Community National Bank, Mr. Lubow was Founder, President & CEO of Community State Bank in Teaneck, NJ, where he was responsible for managing every aspect of this four branch, \$145 million organization. Community State Bank opened for business in 1997 and was profitable from its second full year of operation until its acquisition by Lake-land Bank in August 2003.

During the late 1980's and early 1990's Mr. Lubow was Senior Vice President and Chief Operations Office at Dollar Dry Dock Bank in New York. Mr. Lubow has also served as Senior Vice President for Peoples Bank, N.A. in Fairfield, New Jersey and has held official positions at First Fidelity Bank and Chase Manhattan Bank, N.A.

Mr. Lubow has chaired and participated in many conferences on banking-related topics at both regional and national levels. Additionally, he has served as an instructor at the New York University School of Continuing Education. He is involved in a number of not-for-profit organizations, including The Lustgarten Foundation for Pancreatic Cancer Research. In 2008, Mr. Lubow was named

Garden City's Business Person of the Year and became a Jesse Markel recipient in Great Neck.

Mr. Lubow is a graduate of Moravian College, Bethlehem, Pennsylvania, where he received a Bachelor of Arts degree in Accounting. Mr. Lubow resides with his wife Susan and daughter Sarah in Mill Neck, New York.

### **Company Profile:**

Community National Bank (CNB) is an independent commercial bank headquartered in Great Neck, LI. CNB opened its doors in April of 2005 with a strong commitment and promise to the community, as well as a promise of exemplary customer service that included the use of cutting-edge technology, full branch banking seven days a week and a portfolio of financial products made to order for the people and businesses of CNB's dynamic market area.

Now just five years later, CNB has become Long Island's fastest growing community commercial bank, continuing to grow core relationships with small and medium-sized businesses, while offering value-added loan products to its commercial clients and personal banking customers. As part of this focus, the Bank has been named both the SBA Bronze Award and LIDC's Community Based Lender Award for 2009.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Lubow, what was the vision in 2005 and what are you up to today?

**Mr. Lubow:** We started this bank in 2005 with the idea that there was an opportunity here in the New York Metropolitan area, specifically Long Island, Nassau County, for a community commercial bank.

The landscape was dominated by large institutions, we believed that the middle market customer and small business customer was not being serviced adequately. We knew that a community commercial bank in this area would thrive, providing services and commercial banking that were lacking to those customers.

**CEOCFO:** How has that developed for you and would you address the financial turmoil of the last two years?

**Mr. Lubow:** In just five years, we have become one of the fastest growing community commercial banks in the area. We are nearly \$500 million in assets. The financial turmoil over the last two years has brought about consolidation in the banking world; North Fork was acquired by Capital One, and Local Bank of New York was acquired by Chase. Wamu and Wachovia are gone. That created an opportunity for us because we really don't have any significant issues. We weren't involved in the SubPrime market at all and credit quality remains very strong. So, while others were retrenching, we continued to seek out and be sought out by local businesses and middle market customers.

As a result, we have continued to lend, and both our deposits and our balance sheet have continued to grow. Further, we are pleased to announce that just recently we raised another \$17.6 million in capital so that our capital ratios are very strong, and we are poised to continue to take advantage of opportunities.

**CEOCFO:** Who is your target customer?

**Mr. Lubow:** We target the small to middle market customer, with sales in the up to \$50 million range. Basically we don't do a lot of real estate investor loans. It is really nuts and bolts banking. We provide commercial loans, commercial mort-

gages, and lines of credit to businesses operating in the area and owner-occupied real estate. We get deposit relationships because of our good service. We have a great online system, with RDC scanners, and the most up-to-date technology possible, as well as local decision-making, and of course, unique personal service. We provide for their lending needs and are one of the top SBA lenders in the area as well.

**CEOCFO:** Many companies claim great customer service; what is a concrete example of what a customer is going to find at your bank that they are not going to get elsewhere?

**Mr. Lubow:** At CNB our customers are going to meet not only the local retail staff, but also myself, my senior retail

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**- Stuart H. Lubow**

officer and my senior loan officer who take the time to meet customers.

Firstly, we have a great transition process for a commercial customer. We understand how difficult it is and how time consuming it can be to move accounts, so we have a whole switch process that my chief retail officer has put together to move accounts. Literally, we do everything when we open the accounts, so that the customers never have to come to the bank. We go through the account opening process; we mirror what they want or provide exactly what they want in terms of titleing and the look of the statements, as well as the look of the checks. We process the documents and immediately get them up on the online system. Then we have a technician go out and install whatever they need, whether it is templates for the online system and wires, or our remote deposit capture product. We

personally educate and train our customers.

In addition, my senior staff and I are available by telephone, cell phone, or email and the customer has all of those numbers. That way, they can be sure that we have totally trained them in our process and they always have someone to talk to should they have additional questions or need additional help.

Further, we know the complexities of getting a loan processed and approved, and we understand the customers' needs. We understand their business and we help them with their loan. The loans are approved much faster and we are a little bit more flexible because we understand their needs. We are not a big bureaucratic

environment where you have to fit a round peg into a square hole. The reality is we can customize our deposit products, and our loan products. Our customers appreciate how quickly and efficiently we move. That is the kind of service we provide, and attention to detail we have. Not only am I fully involved, but my senior staff is as well, and it filters all the way down to our branch and teller staff.

**CEOCFO:** How do you reach new customers?

**Mr. Lubow:** Referrals are the lifeline of our business. We have a number of accountants who have flooded us with opportunities for which we are very grateful.

In addition, our branch and retail staff are incented to bring new business customers to the bank through networking. In fact, our commercial lending and branch staff work together very closely in terms of building relationships because we know that it is not just about doing a transaction or bringing in a deposit, it is about putting the two together and having a total relationship.

**CEOCFO:** Do you see the need for new branches?

**Mr. Lubow:** We are always looking at the option of new offices but we have

customers all over the tri-state area that are using our remote deposit capture product and don't need to visit a branch. We also have a mobile banking unit which picks up deposits. We are open seven days a week, so we try to provide significant amount of convenience and opportunity for people to bank with extended hours seven days a week. We are looking at other locations, both from loan production offices and retail locations. We have seven branches now and we expect that in 2011 we will probably add a couple.

**CEOCFO:** You are primarily a business bank, but do you do much consumer banking, and do your business customers do their consumer banking with you?

**Mr. Lubow:** Yes, our customers not only bring their business accounts over to us, but they come to us for their personal checking, savings and lending needs.

**CEOCFO:** How do you reassure people who have concern over the banking industry in general?

**Mr. Lubow:** Clearly as a community commercial bank, we did not have the problems as a significant number of banks in the industry. We have virtually no non-performing loans, and have a very significantly high capital ratio.

In fact, our tangible capital is over 14%. We are making money and have no credit issues. Plus, we have terrific relationships with our customers. If a customer has a concern about a bank that is smaller than the local mega banks here in the NYC metropolitan area, they have the opportunity to talk to me and I can explain what we are doing, how we do it and how they can feel more comfortable.

In addition to FDIC insurance, our checking accounts are 100% guaranteed. The way we run the bank, our balance sheet structure, the amount of capital that we have, speaks for itself and helps to make the customer that much more comfortable.

**CEOCFO:** What is ahead a year or two down the line?

**Mr. Lubow:** We expect to continue our growth process. We are lending and we expect our balance sheet to continue to grow. We were profitable in 2009 and continue to be in 2010. We do expect there might be some opportunities for acquisitions, because there are institutions that might have some issues. However, we are very careful and conservative. We do expect to continue to grow and branch our franchise. We will look for opportunities that will be available because of the difficulties within the mar-

ketplace. There will be opportunities to bring additional people on board, additional lenders, and additional locations.

**CEOCFO:** In closing, what should potential investors remember most about Community National and what might they not understand?

**Mr. Lubow:** As a five-year-old de novo, we have really limited our losses over the early years while we were growing so significantly. We are profitable and poised for growth. We are one of a few banks, to have seven locations after just five years. We have a significant amount of capital. We believe that while bank stock prices have been depressed, CNB's value has remained at multiples higher than peers and is trading above peers as it relates to multiples of book value.

The history of executive management and the board is one of maximizing shareholder value, and this is actually the second de novo bank I have started; the first one our shareholders did very, very well. You never know what the future will bring, but our view is that we are always here to service the customer, to enhance franchise value and maximize shareholder value.



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