

>: Top 10 Ways to Spot a Run on YOUR Bank

Thursday, July 17, 2008 / Dylan Jovine

A FUNNY THING HAPPENED ON THE WAY TO THE BANK YESTERDAY.

It started when I headed out of my office to complete my monthly ritual of depositing my (getting more meager every month) paycheck at our local bank.

It was a very typical day down here in the cultural vacuum of the world (Florida). The sun was blazing and not a cloud in the sky as far as the eye could see. As soon as I adjusted to the sauna-like heat and humidity, I was off to my local bank - just two blocks east of my office.

Delray Beach, the place where our lovely offices are located, has always looked to me like a two-horse town artificially expanded by a Deadwood-style Gold Rush. But our gold rush was a real-estate and tourism gold-rush which, as you could probably imagine, is quickly making Delray look like a real western-style ghost town quicker than you can say "subprime mortgages."

And speaking of "subprime mortgages," I happen to bank at Suntrust (SYM: STI), a regional bank that, as recently as a year ago, was trading at 1.5 book value and was rumored to be in J.P. Morgan's (SYM: JPM) sights. Now the stock is trading at half of its book value, as investors have sold its shares down 70% this year in expectation that they're overexposed to South Florida real estate.

I knew something was up when, as soon as I walked into the bank, the teller greeted me with "Well, Hi Dylan. You look great! Have you lost weight?"

Hmm... Not only have I put on weight, but I was here three days ago and she said the same thing. But I smiled and thanked her for the compliment.

"Would you be making a deposit or a withdrawal today, Dylan?" she continued.

"Actually, I'll be making one deposit and one withdrawal, Ma'am" I responded. I've always been bad with names, but this teller always reminded me of Flo from Mel's Diner, from that old television show Alice." And since I left both slips at the office, can you give me one of each please?"

"Absolutely. Here's your deposit slip to fill out first," she said while handing it over to me.

I smiled and began to fill out the deposit slip. Out of the corner of my eye I thought I caught a jerky move behind the counter and my head shot up and faced her. I could have sworn the girl at the counter next to her had grabbed her shirt as if to say something to her, but I couldn't tell now. Both of them sat there staring right at me, expressionless.

"Here you go," I said as I handed her the filled out deposit slip and handed her the check. But right before I could remember to ask her for a withdrawal slip, she started to seduce me.

"You know, Dylan, I was listening to the news yesterday," she began in one of those southern accents that make somebody look sexier than they really are. "And they were talking about how much trouble Wachovia Bank was in. Seems like Golden West Financial was really a bad deal for them after all."

I was listening in rapt attention as the bank teller became a bank analyst right before my very eyes, all the while not losing a beat with her chewing gum.

"And I was thinking about that article you wrote," she said, pausing for effect, "'Bout a year ago saying that it was an awful deal for Wachovia and a good indicator of a bear market coming."

Yes, yes, yes. Maybe, just maybe, Chris and Teeka aren't the biggest celebrities at Tycoon. Maybe, there are folks out there who read my articles who don't want to beat me up! By this point I was falling in love. In this light, on this day, Flo didn't look at day over 59 as far as I was concerned.

"Well here ya go Dylan," she said after handing me the deposit slip. "Hope ya'll have a wonderful day!"

I was stunned. Elated. The kind of feeling you get when you find an old ashtray you loved after ten or fifteen years.

Before I knew it, I was out of the bank's doors and back in the hot sun again. And that's when it occurred to me - I forgot to make my withdrawal! Argh!!!!

I ran back in but it was too late - Flo was on to her next customer and the line was pretty long. So I walked over to the desk to pick up a withdrawal slip and fill it out myself. Hopefully, I'd be able to just quickly fill it out and she'd let me cut the line and just hand it to her.

But there were no withdrawal slips at the table. Nor were there any at the table next to it. On down at the other side of the bank

talking to another customer. And this time, she wasn't as friendly.

"Um... Can I help you Mr. Jovine?" she said as she glowered at me.

Mr. Jovine? What happened to all the love? I thought I was your boy Dylan.

"I'm not sure if you can help me," I started, trying to build my sarcasm bomb to at least level 4 for maximum impact. "I can't seem to find withdrawal slips anywhere in the, er... um... entire bank, and I'd like to take some money out."

Flo exchanged glances with the teller next to her - the one who was horse playing with her earlier. Did my sarcasm bomb work, or was there something else going on here?

"Well we don't keep withdrawal slips out there for fraud reasons. Somebody could get your account numbers and do awful things," she claimed.

"When did you start doing that?" I asked.

"We've always done it that way," she responded.

I paused to size her and her little troll accomplice up for a second. Has Suntrust always done it that way? I honestly couldn't remember. I usually bring my own withdrawal slips.

"Um... ok," I said, rather meekly. "Can you hand me one anyway so I don't have to stand in line again? I'll bring it back later."

She handed me the slip and smiled tersely. The line was getting longer and Flo wasn't the only one mad-dogging me anymore.

I withdrew my money without any problem whatsoever as soon as I handed the slip in later in the day. But the whole incident got me thinking about the current financial crisis, and how it almost seems like everywhere you turn another bank is on its heels. In no way, shape, or form am I saying that I think Suntrust is in trouble! But I would have thought the same thing about IndyMac Bank, and they failed last week.

I heard somewhere that there were something like a total of 15 banks in this entire country that were considered "too big to fail." Now the big banks - money center banks like J.P. Morgan, Bank of America (SYM: BAC) and Citigroup (SYM: C) - are probably in that top 15 list.

But who is bank #16? I'd hate to think I have an account at one of those places (I have bank accounts at several banks in addition to Suntrust).

So, for those of us not in the know ... for those of us without connections at the local bank or at the Federal Reserve or the FDIC ... the team here at Tycoon has created a list that may help you a **Top 10 Ways to Tell if There's a Problem with YOUR Bank**

We hope you enjoy:

10. The expected wait time on the Automated Telephone System is over 8 hours regardless of what time of the day or night you call.
9. The armored truck that comes to the bank every day to drop off cash for customers has parked in the back for the first time ever, has five more armed guards and is taking out the biggest bags you've ever seen.
8. FDIC agents are conducting casual "customer polls" that want more information than an IRS agent.
7. You have perfect credit but no matter how hard you beg they won't issue you a credit card.
6. Banks start giving away free Ford, GM or Chrysler SUV's for any deposits over \$25,000.
5. Sign on the door says "open for deposits only."
4. No pens, no withdrawal tickets.
3. The Bank Teller is sweating as if you walked in while a robbery is in progress and somebody is on the floor behind the counter holding a gun to

her cankle.

2. Your bank doesn't even give good toasters to new customers, but the line around the block looks like they're giving away iPhones.

1. Withdrawal sheets are replaced by FDIC I.O.U. Sheets.

A handwritten signature in black ink, appearing to read 'Dylan Jovine', with a stylized flourish at the end.

Dylan Jovine
Chief Investment Officer

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