



Capital Directions, Inc. has agreed to be acquired by Commercial National Financial Corporation

The Transaction

On June 16, 2016 Commercial National Financial Corporation (OTC Pink: CEFC), (“CEFC”), the parent company of Commercial Bank, and Capital Directions, Inc. (OTC Pink: CTDN), (“CDI”), the parent company of Mason State Bank, announced that they have entered into a definitive merger agreement. Under the terms of the definitive merger agreement, CEFC will acquire all of the outstanding shares of CDI's common stock for cash and CEFC common stock in a transaction valued at approximately \$14.03 million, or \$36.07 per share, based on a CEFC stock price of \$9.75 per share. CDI shareholders will have the option of electing consideration in cash or CEFC common stock, subject to 50% of the CDI common shares being exchanged for cash. Following completion of the transaction, Mason State Bank will be merged into Commercial Bank. Timothy Gaylord, President, CEO and director of CDI and Mason State Bank will join the CEFC and Commercial Bank boards upon completion of the transaction.

The transaction is expected to be accretive to the earnings per share of CEFC in the first full year of operations. On a pro forma basis, the combined company will have over \$525 million in assets and 15 branches and lending offices in central and western Michigan. The transaction is anticipated to close in the fourth quarter of 2016 subject to receipt of regulatory approval and satisfaction of other customary closing conditions, including approval of CDI's shareholders.

Donnelly Penman & Partners initiated the transaction, acted as exclusive financial advisor to CDI, assisted in the negotiations in connection with the transaction, and rendered a Fairness Opinion. CDI was advised by the legal firm of Howard and Howard Attorneys PLLC. Please contact [John Donnelly](#) at (313) 393-3054, [Andrew Christians](#), CFA at (313) 393-3074, or [Gregory Cunningham](#) at (313) 393-3070 for further information.

Capital Directions, Inc.

Capital Directions, Inc. is headquartered in Mason, Michigan and is the holding company for Mason State Bank and Lakeside Insurance Services, Inc. Mason State Bank was founded in 1886 as The Farmer's Bank of Mason. The bank operates through four branch offices in Ingham County and provides a full range of deposit and loan products to individuals, businesses, institutional, state and federal government clients.

Commercial National Financial Corporation

Commercial National Financial Corporation is headquartered in Ithaca, Michigan and is the holding company for Commercial Bank. Commercial Bank was founded in 1893 as Ithaca Savings Bank. The bank operates through 11 branches and lending offices in central and western Michigan.


Donnelly Penman & Partners

Donnelly Penman & Partners is one of the largest independently owned investment banking firms headquartered in the Midwest. We provide comprehensive advisory services to both public and private companies, including mergers and acquisitions, capital raising, due diligence, and general financial advisory services. In addition, we are a FINRA licensed broker dealer and member SIPC.

Donnelly Penman & Partners is owned by the employees of the firm, who have successfully completed more than 290 transactions and advisory engagements since the firm's inception in September 2000. Its principals have more than 110 years of investment banking experience collectively.

Announced June 2016


Capital Directions, Inc.
parent of



MASON STATE
(Mason, MI)

has agreed to be acquired by

Commercial National Financial Corporation
parent of



COMMERCIAL BANK
(Ithaca, MI)

Sell Side Advisory and Fairness Opinion