



## Capital Directions, Inc. has been 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. On January 1, 2017, CEFC completed the merger of CDI. Immediately following the closing of the merger, CDI's subsidiary bank, Mason State Bank, was merged into CEFC's subsidiary bank, Commercial Bank. Timothy Gaylord, President, CEO and director of CDI and Mason State Bank, was named director of CEFC and Commercial Bank.

Pursuant to the terms of the definitive merger agreement, CEFC acquired all of the outstanding shares of CDI's common stock for \$18.04 per CDI share in cash and 3.6998 shares of CEFC common stock in a transaction valued at approximately \$15.2 million, or \$39.23 per share, based on a CEFC 20-day trading average stock price of \$11.46 per share.

With the closing of the merger, CEFC now has approximately \$515 million in assets, including approximately \$386 million in loans. Commercial Bank's deposits have increased to approximately \$405 million. The combined company now operates 13 branches and two lending offices in central and western Michigan.

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.

January 2017

**Capital Directions, Inc.**

parent of



(Mason, MI)

has been acquired by

**Commercial National Financial Corporation**

parent of



**COMMERCIAL BANK**

(Ithaca, MI)

**Transaction Value: \$15.2 Million**

**Sell Side Advisory and Fairness Opinion**