



Notes of INTEREST

www.dairystatebank.com

Change *on the* horizon

By Mike Bock, President

In 1997, Dairy State Bank began a sister bank relationship with First Bank & Trust, located in Menomonie, Wisconsin, through our common ownership.

Resource sharing to serve you better

Over these past 10 years **we have been sharing resources between our organizations, enabling us to provide our products and services in a more efficient and economical manner.** While this process has worked well, we are seeing our industry go through many changes. For us to keep moving forward in the manner we want — and the way you've been accustomed to — we are looking to join our forces into one single organization. That said, I am happy to announce that **we will soon be merging with our sister bank to create a larger hometown bank to serve you.**

One bank, more locations

We are currently planning for the merger to take place in the first quarter of 2008. Once completed, our new combined entity will operate as Dairy State Bank and you will be able to conduct your banking at any of our current four locations, as well as at First Bank & Trust's (soon-to-be known as Dairy State Bank's) six



Continued (page 5)

Join Us!

What: Annual Classic Club Picnic

When: Wednesday, July 11th
11:00 am – 2:00 pm

Where: Rice Lake City Park

Our annual Classic Club Picnic is open to all Classic Club members, but you must register by July 6 to attend.

Not a member? Not to worry.

Membership in Classic Club is available to all customers who have a deposit account at DSB and who are at least 55 years young. There are no other membership requirements — and a whole lot of perks to enjoy.

Stop in any DSB office to learn more.



> checking for young adults

G2G

got to go checking



The need for wise money management starts early. That's why Dairy State Bank is offering G2G, a checking package for young adults, ages 14-25.

G2G checking delivers card-carrying convenience **plus the access that many parents and guardians want.**

With G2G, your young adult gets:

- 👍 Free Checking — No minimum balance and no monthly service charge
- 👍 Free Check Card — Use it anywhere Visa is accepted
- 👍 Free Online Banking & Online Bill Pay
- 👍 Free First Box of Basic Checks
- 👍 And More!

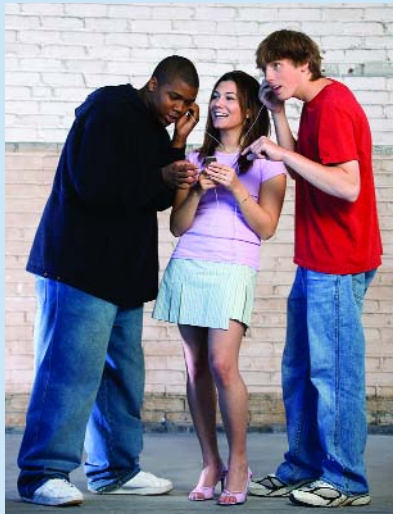


For teens under 18

Dairy State Bank's G2G checking account includes features that will appeal to parents with teens under 18. The parent(s) name must be on the account, allowing you to guide your teen's use of the account and giving you online access to the account activity. While your teen may not like those features, they will like that you're also able to make deposits or withdraw cash when they can't get to the bank.

A smart start to a good relationship with money

If you have a young adult, age 14-25, the DSB G2G checking account is a great way to introduce them to effective money management.



Learn more and register for a chance to win a 30G video iPod!

To learn more about Dairy State Bank's G2G checking account, stop in any DSB office. And, while you are there, be sure to register for a chance to win a 30G video iPod.

But you've got to hurry — the drawing will be held July 31st!

Excuse our upcoming Mess

For customers banking at our Rice Lake office, you'll soon see some changes to our facility, starting later this summer and into the early fall.

Initially, our plan was to make a few simple upgrades that were needed for worn-out items; but, as we reviewed our facility — inside and out — **we also saw a number of enhancements that we could make to improve our overall privacy and customer service environment.**

Here are some of the things we'll be doing:

- Redesigning the customer service area: converting some of the more open workstations into private areas; and expanding some stations to allow easier and more convenient access.
- Revamping the entire drive-up area: replacing our drive-up equipment that is now over 20 years old; expanding the width of the lanes to accommodate the wider vehicles that use our facility; and adding a fifth drive-through lane to aid in traffic flow. This added outside capacity will not improve the traffic flow without some inside renovations as well; so, we are also completely redoing the drive-up's inside work area for added space and efficiency.
- Updating the current teller line to enhance security and privacy between the windows.

Continued *(back page)*



Business *products and* Services

At Dairy State Bank, our goal is to provide the business community with **products and services that help you improve your bottom line.**

Following is a summary of DSB's various offerings. After perusing the list, give us a call and we'll be glad to help you choose the products and services that will serve your needs best.



Checking accounts*

Business Checking Account: Designed for businesses with account activity levels of less than 200 items per month.

Business Analysis Checking Account: Designed for businesses with account activity levels of 200 or more items per month. Monthly service charges are offset by an earnings credit on the account's average collected balance.

Business NOW Checking Account: Specifically for sole proprietors, eligible nonprofit organizations and government entities whose account activity levels are less than 200 items per month. The Business NOW Checking account is an interest bearing account when the minimum balance is maintained.

* Every checking and savings account features additional terms and conditions, including opening deposit requirements. Please refer to Dairy State Bank's business products brochure or meet with a customer service representative to learn more.

"Dairy State Bank's HSA representatives will come to your business to explain the program and enroll your employees."

Savings accounts*

Business Money Market Investment

Savings Account: Interest is paid on a tiered level, based on the balance in the account each day, as follows:

\$2,500 to \$9,999.99

\$10,000 to \$24,999.99

\$25,000 and higher

Business Regular Savings Account:

Interest is computed on the daily balance, compounded daily and credited quarterly.

Online cash management and ACH services

DSB's cash management services give you valuable online access to your business accounts, letting you:

- Originate ACH transactions for payroll direct deposit and bill pay
- Initiate wire transfers
- View balances, cleared transactions, statements and check images online
- Transfer funds
- Take advances on your line of credit
- Define and change your employees' online access levels

Health savings accounts, benefiting both you and your employees

If you offer a high-deductible health insurance plan for your employees, you can now help them with day-to-day medical expenses, like prescriptions and office visits, by offering them a Health Savings Account (HSA) at Dairy State Bank. An HSA allows your employees to contribute to their account and use the monies towards their future eligible health care expenses — tax free!

We would be happy to come to your place of business and explain the many benefits and features of an HSA, as well as to enroll your employees in an HSA account.

Business loans

Term Loans: Finance office equipment, manufacturing equipment, computers, vehicles and more.


Commercial Real Estate Loans: Whether you want to build, renovate or purchase additional property, we're here to help.

Working Capital Lines of Credit:

Use for short-term cash flow fluctuations.

Letters of Credit

Small Business Administration

(SBA) Loans: Low-documentation loans; 7(A) loans (inventory, equipment and real estate); and 504 capital asset loans (land, machinery, buildings). 



Are you ready for Retirement?

By Mike Martin
LPL Investment Representative
Located at: Dairy State Bank

Have you seen the recent headlines that say Americans are very unprepared for retirement? I would like to look at some of the reasons why this has happened and to suggest some things you might do to better prepare yourself for your “golden years.”

Then versus now

How many of you remember when a company pension provided for a worker’s retirement years? At one time, in the not-too-distant past, people would work for one company for 30-40 years, then retire and the company would pay them a pension that, along with social security, would take care of them in their final years.

Today, there are very few companies that offer pensions and many of those that had them in the past, are either freezing or eliminating benefits. Now the popular way of saving for retirement is with a 401(k) or 403(b) plan, or some other form of retirement savings — all of which the employee is responsible for. Both the 401(k) and 403(b) plans are optional and one of the easiest ways for employees to save for retirement. Also, many employers will match a portion of the employee’s contribution — a great incentive for starting and building on a retirement plan.

The headlines just may be right

Statistically, the majority of the US population is not saving for retirement. Those that

are, are not saving nearly enough to last them for the years that follow their working years, which, for many, are numbering as high as the years they were in the work force. Add to this a very active retirement lifestyle, and you have an even greater need for adequate financial resources in retirement.

It is very important to meet with the retirement plan providers when they come to your work place. If you’re unable to meet with a retirement plan provider, then you should seek the advice of a trusted financial advisor.

Additional retirement planning considerations

If you are saving for your retirement, congratulations! But, please also be mindful of two pitfalls that can catch you off guard.

The first is taking loans from your retirement fund. This has three major drawbacks: (1) you are taking money from your retirement that will not be growing while the loan is in place; (2) some plans charge interest for these loans, which is more money out of your pocket; and (3) you usually have to pay the loan back within five years if you’re employed with the same employer, or within 30-90 days if you lose or quit your job.

A second, common mistake is not saving enough money to pay for health care in retirement. Many people feel that Medicare will take care of them. The fact is, at present, only about half of your medical expenses are covered by Medicare. This problem is expected to get worse when the first wave of Baby Boomers starts to draw benefits, putting additional strain on a program that is already running short of money.



Putting it all in perspective

We can’t predict the future in terms of how long we’ll live in retirement or how costly our lifestyles will be. We can only guess. But, we can also put it in perspective by taking a look back.

For those of you who were in the work force 20 or 30 years ago (1975-1985), think of what you paid for that first home or first car. Now, consider the value of those same possessions today and, then, imagine how much those items will cost 20-30 years from now. Are you sure you’re saving enough to pay for these things in your retirement years?

I invite you to my office for a no cost or obligation consultation to discuss ways you can make sure your retirement is a dream and not a nightmare. Please contact me by calling (715) 234-0096 or by e-mail at michaelg.martin@lpl.com

This article is not intended to provide specific advice or recommendations for any individual. Consult me, your financial adviser, with any questions you might have.

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Securities and insurance products offered through Linsco/Private Ledger. Member NASD/SIPC. Not FDIC insured. No bank guarantee. May lose value. Not a deposit. Not insured by any Federal Government Agency.



Questions *and* Answers

Q How often do I have to use my online banking to keep it from going dormant or being locked out?

A You must access your online banking once every six months to keep it from going dormant. If it should go dormant, call our customer service representatives and they will assist you in resetting your password. Then, when you next access your online banking account, you will be asked to choose a new password that will only be known by you.

Q Why am I being asked additional questions before I can access online banking?

A Dairy State Bank recently added an extra layer of security for logging onto your DSB accounts, in order to greatly reduce or eliminate the effects of "phishing" and account-takeover scams that are so prevalent in the media today. Our online customers are being asked three additional questions, the answers to which are only known to them, making it harder for anyone else to gain access to their accounts.

Q I'm having trouble transferring between my online banking accounts. What am I doing wrong?

A There are two fairly common keying mistakes that are probably causing your trouble: (1) When transferring between your online banking accounts, do not use decimal points in the amount fields; and (2) You must tab over and fill in the cents box, even if you are transferring an even dollar amount.



If you have a question for us, please direct it to any Dairy State Bank office and we will be glad to respond. ➤

Change on the horizon *(continued)*

locations, in Menomonie, Wheeler, Colfax and Downsville.

Changes, yes, but for the better

Yes, this process will bring a few changes along the way, but let me assure you of a couple of things. First, many of these changes will be fairly small and, in some cases, would have taken place with or without a merger. Second, as related organizations, we have undertaken the merger process whereby we are looking to take the best features of both organizations and blend them into a single entity that will be better positioned to meet your needs for years to come. Both organizations are going through adjustments to make this happen.

One administrative change that affects a few customers who have accounts with both banks

For a very, very small number of checking account customers, we have found some common account numbers between the two organizations. To make sure all of your future bank transactions remain timely and accurate, we will need to assign a new account number to you.

If you are affected by this, you will receive a letter direct from Dairy State Bank, in the next couple of weeks, followed by a phone call from one of our customer service representatives (pictured below), explaining how this process will work. We apologize for any inconvenience this may cause. We have designated this team of four customer service representatives to handle inquiries regarding the merger. Please contact any one of them if you have a question or concern, and rest assured we are working to make this change as easy as possible.

We will keep you updated as the merger date gets closer and informed of any upcoming changes through future newsletters or direct correspondence. We view this merger as a timely opportunity to improve our ability to serve you for many years to come. ➤



These four customer service representatives, located in Dairy State Bank's Rice Lake office, have been designated to answer any questions you may have about the upcoming merger with First Bank & Trust and to help work with customers impacted by any changes due to the merger. They are: (front row l-r) Kristin Jacobson and Pam Skowzgid; and (back row l-r) Robin Severson and Tina Bol.



16 South Main Street
Rice Lake, WI 54868

PRESORT STD
U.S. POSTAGE
PAID
EAU CLAIRE, WI
PERMIT NO. 1557

News *just for You*: Our new G2G checking account is specially designed for young adults!

New *Personal Check* Packaging

Starting later this summer, your personal check orders from Deluxe will be mailed in all-new packaging. To meet changing Postal service requirements, Deluxe's traditional mailing carton is being replaced with a new, streamlined flat package. The updated design delivers the quality and security you expect, and — inside the package — an easy-to-assemble flat box folds together to store checks.

With the U.S. Postal Service (USPS) significantly raising rates for three-dimensional bulk mail packages, switching to a flat package was a more cost-effective solution. Deluxe worked proactively with the U.S. Postal Service (USPS) to develop a package that would both meet new postal regulations and help keep mailing costs to a minimum. The USPS' recently updated automated bulk mail requirements now specify that packages must be:

- Rigid enough to be processed through the postal system's automated equipment;
- Flexible enough to securely fit in a variety of mail receptacles; and
- No more than 3/4" thick.

Deluxe's new check packaging meets these requirements. In developing its design, Deluxe surveyed hundreds of consumers about what they wanted in a check package. They're confident the new package will meet the needs of consumers, financial institutions and the post office. ➤

Excuse our mess (*continued*)

- Replacing carpet, updating some of the wall treatments and making a few enhancements to the outside of the building.

Expanded lobby hours during the drive-up improvement phase

The drive-up changes will be the most visible and inconvenient undertaking as it will take the drive-up out of commission for an extended period of time. Therefore, during this phase of our construction, **we will be extending our Rice Lake lobby hours to match the current drive-up hours**, allowing you to continue doing your banking at the time you are accustomed to.



These are just a sample of changes to come. Please pardon our dust as we make them. We are partnering with some great people in planning and completing this project, and they will be as quick as possible in getting the work done. Like any remodeling project, there is a period of mess and inconvenience before the project can reach a successful conclusion.

Thank you, in advance, for your patience as we update our facility to better serve you for years to come. ➤

