



# Notes of INTEREST

2nd Quarter 2008

[www.dairystatebank.com](http://www.dairystatebank.com)

## Congratulations *are* Due

By Mike Bock, CEO

It's been over two months that the expanded Dairy State Bank has been serving you. We're happy to report that the merger has gone very well. That does not mean, however, there weren't a couple of challenges along the way. Thank you to everyone for your patience and understanding as we continue to work to make this a better organization to serve you for years to come.

### Staff announcements

With an organizational change like this, it does result in some changes and opportunities for the people that make this organization run. I would like to acknowledge some of those changes and congratulate those that have earned a promotion as a result of their efforts.

I'm pleased to report that **Dale Kastner** will continue in his role as president for the Menomonie offices and that **Greg Tinker** has been promoted to president for the Rice Lake offices. In this role, these two individuals (pictured on Page 2) will still

Continued (*page 2*)



## Never *too* Soon

In our last newsletter, we published a reminder to open and/or contribute to your IRA before the April tax-filing deadline, to take advantage of the 2007 contribution year.

It's just as advantageous — if not more so — to fund your IRA throughout the year. In fact, directing regular, incremental contributions to your IRA during the year, versus a lump sum at year's end, can enable the fund to respond more favorably to changing market conditions.

For the 2008 tax year, the limits for either the Roth or traditional IRA are \$5,000, with an additional catch-up limit of \$1,000 for those who are 50 and older.

### Bank Locations

Rice Lake  
16 South Main Street  
715-234-9181

Birchwood  
124 North Main Street  
715-354-3411

Haugen  
103 Third Street  
715-234-0007

Prairie Farm  
100 Hepburn Street East  
715-455-1339

Menomonie  
2405 Schneider Avenue  
715-235-5511

Menomonie  
600 Second Street  
715-235-6983

Menomonie  
2320 Highway 25 N  
715-235-6801

Colfax  
101 South Main Street  
715-962-3577

Downsville  
E4491 County Road C  
715-664-8711

Wheeler  
100 South Hwy 25  
715-632-2441

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## CEO's message *(continued)*

be directly involved with customers for both loans and deposits. They will also be actively involved with business expansion and customer development for their respective locations.



Dale Kastner



Greg Tinker



Bob Boehm

**Bob Boehm**, previously senior vice president, has been promoted to executive vice president, recognizing the valuable contributions he has made to the organization. Bob is an important player in the development of loans and deposits in the Menomonie market, as well as a key contributor in many other areas within the bank.



Amy Johnson

**Amy Johnson**, the past head of operations in the Menomonie bank, has been named DSB's chief operations officer (COO). While Amy's responsibilities remain much the same as before, the number of transactions and activities associated with the newly merged operation has expanded significantly.



Mike Britton

**Mike Britton**, a lender in the Rice Lake office, has been promoted to vice president. Mike has been with DSB since 2001, serving a wide variety of loan customers.

With the complexities and rules of banking, it takes a strong compliance and audit function to keep things working smoothly. I am happy to announce the promotion of **Kelley Draeger** to assistant vice president, recognizing Kelley for her efforts and efficiencies in the audit and compliance area.

Please join me in congratulating all of the above individuals on their promotions.



Kelley Draeger

## A fond farewell

While it's easy to announce promotions and advancements, it's sometimes also necessary to say goodbye and good luck to people that have served you for many years. That said, I would like to wish **Carmen Johnson** a happy and successful retirement, after nearly 15 years working in the Menomonie office, serving many residential real estate loan customers in that market area.

Carmen officially retired at the end of 2007, joining her already retired husband. Early reports are that retirement has treated Carmen well.



In closing, let me thank you, again, for allowing Dairy State Bank to assist with your banking needs. We appreciate the opportunity to serve you and value the relationships we have developed. ➤

## Health *savings* Accounts

If you have a high-deductible health insurance plan, an HSA from Dairy State Bank may be just what the doctor ordered.



### Perfect for paying your out-of-pocket medical costs

Health savings accounts (HSAs) are designed exclusively for paying qualified out-of-pocket medical expenses incurred by you, your spouse and your children.

With an HSA, you'll enjoy these benefits:

- Contributions are tax-deductible for federal purposes
- Earnings and distributions are tax-free if used for qualified medical expenses
- Funds can be used immediately — there's no waiting period
- Or, save your HSA funds for as long as you like, even until your retirement years — there's no penalty

### Contribution limits

Both you and your employer can contribute to your HSA. For the year 2008, the limits for all contributions combined is as follows:

Single-only coverage — \$2,900

Family coverage — \$5,800

For those who are 55 or older, there is an additional catch-up contribution limit of \$900.

### Dairy State Bank HSAs

You can open an HSA at Dairy State Bank with a minimum of \$50. Interest is earned on all balances of \$500 or more, compounded and paid monthly. Rates are tiered at \$500 and \$5,000+. In addition, certain fees apply.

To learn more about DSB's HSAs and whether they are right for your situation, contact your favorite DSB customer service representative. ➤

# Travel & Gift-giving Made Easy!

## Enjoy your vacation!

Look to DSB's photo check card or travel card to help you relax and make the most of your trip.

### Photo check cards\*

- Your photo and preprinted signature on the front of the card help protect against unauthorized use
- Use wherever Visa is accepted, worldwide
- No checkbook to carry; never run out of checks



### Travel Cards

- These prepaid cards are not linked to your personal account, giving you extra peace of mind if lost or stolen
- Leave your checkbook, check card and charge cards behind — safe at home
- Use wherever Visa is accepted, including merchants, airlines and ATMs worldwide
- Load the travel card for only \$9.95 plus the load value — from \$250 to \$9,999
- Safe and secure — if lost or stolen, your card's balance will be replaced, often within a few hours



## Great for graduations, weddings & birthdays

Visa gift cards are the perfect solution for all your gift-giving occasions.

### Gift Cards

- These prepaid cards can be used anywhere Visa is accepted
- Load the card for only \$4.99 plus the load value — from \$25 to \$500!
- If lost or stolen, the balance is replaceable

\* Dairy State Bank's check cards are free; for added security, add your photo for a one-time \$5 fee. If traveling out of the area, please let DSB know in advance to help avoid any unnecessary blocks due to the unusual card use.

## Questions and Answers

We recently received these questions regarding our safe deposit box service.

**Q** Should I have a co-signer on my safe deposit box?

**A** Although not required, it's a good idea to have a co-signer on your safe deposit box. If you would need something from your box and are unable to come into the bank, your co-signer could enter the box for you. Having a co-signer also allows easier access for your heirs upon your death. Remember to tell your co-signer where to find the key.

**Q** What happens if I lose one or both of my safe deposit box keys?

**A** For the protection of the safe deposit box contents, box keys cannot be commercially duplicated. If one key is lost, there is a fee to replace it. If both keys are lost, the only way to open the box is to have it drilled open by a locksmith at the expense of the box holder.



If you have a question, covering any bank topic, please direct it to one of our customer service representatives or e-mail us at [customerservice@dairystatebank.com](mailto:customerservice@dairystatebank.com). We'll be happy to answer it. ➤

## Board of Directors

Dairy State Bank's policies and financial management practices are overseen by a board of 11 directors, representing the various communities served by DSB. They are:

Wallace Anderson	Dale Kastner
Mike Bock	Jack Nelson
Bill Butsic	Brian West
Don Johnson	Dennis West
Mark Johnson	Donn West
Robert Johnson	

## When *retirement's* on the **Horizon**

Are you finally seeing your retirement on the horizon, after years of saving and investing? Well, before settling back and relaxing, there's still a little more planning to do. For instance, you will want to determine how much of your retirement income you'll need and when.

To do that, you should consider such things as your current housing and health care costs and other living expenses, the length and lifestyle of your retirement, whether you have earned income and the rate of inflation. **Planning now can help ensure that you won't run out of money during your retirement years.** The following things should be considered before you begin your final glide path to retirement.

### Should I be shifting my investments?

As people near retirement, many consider changing their investment strategy — to increase their share of income-producing investments or to seek more security and less risk. It is impossible to predict the best time to move from one particular investment class into another; for example, from stocks to bonds.

One recommended strategy is to shift investments gradually, perhaps over two to three years. This kind of "transitioning" reduces the impact of the market environment at any one point in time. Keep in mind, though, that you may not want to follow the process exactly, as you factor taxes and transaction costs into the equation.

### How much annual income will I need?

Studies suggest that middle income people will need between 60%-80% of the income they earned in their final working years to maintain their lifestyle after retiring; that number increases to nearly 90% for lower and higher income retirees. **Much of this may have to come from a retiree's personal investments, in light of Social Security's uncertain future** and the recent decline in employer-sponsored pension plans.

### How much can I afford to withdraw from my assets for living expenses?

As you age, your financial situation will fluctuate. Changes in inflation, investment returns, your desired lifestyle and your life expectancy are important contributing factors. You may want to err on the side of caution and choose an annual withdrawal rate somewhat below 5%. Of course, this rate depends on how much you have in your overall portfolio and how much you will need on a regular basis. **The best way to target a withdrawal rate is to meet one-on-one with a qualified financial consultant to review your personal situation.**

### Where can I get the best advice?

There are many ways to get investment advice, but not all advice is sound, fully disclosed or unbiased. For instance, you might read an article in a financial periodical which makes a particular investment sound attractive. Or, you may hear about how your friend made a "killing" recently. Or, an investment company may call and make you an offer that sounds interesting.

In all cases, **be sure to find out everything you can** about both the investment and the person or party offering the advice — **before acting on the advice.**

**If you already have someone you trust** to give you sound investment advice and to help you plan a successful retirement, **stay with that person.** If you don't have a trustworthy adviser or if you're not happy with your adviser, please contact either Mike Martin, in DSB's Rice Lake office, or David Thoe, in the Menomonie office, for a no cost consultation. Mike can be reached by calling (715) 234-9181 or e-mailing michaelg.martin@lpl.com. David can be reached by calling (715) 235-5511 or e-mailing david.thoe@lpl.com.

*This article is not intended to provide specific investment or tax advice for any individual. Consult your LPL Financial adviser, or your tax adviser with any questions you might have.*



LPL financial representatives Mike Martin (top) and David Thoe, located at Dairy State Bank's Rice Lake and Menomonie offices, respectively.

## LPL Financial

Securities and insurance products offered through LPL Financial and its affiliates. Member FINRA/SIPC. Not FDIC insured. No bank guarantee. May lose value. Not a deposit. Not insured by any Federal Government Agency.

## Personal *checking* Accounts

Dairy State Bank offers several checking accounts, as highlighted in the box below. While each is different from the other, **they all feature these additional free services:**

- Free online banking
- Free BillPay \*
- Free Check Card \*\*
- Free Telebank

For added security, the Check Card can be upgraded to a Photo Check Card\*\* with a one-time \$5 set-up fee.

To open or switch to any of these accounts, stop into the DSB office nearest your home or work. 📍

\* BillPay is subject to a \$5 per month inactivity fee

\*\* Check cards are subject to application approval

## Useful *consumer* Tips

The Wisconsin Bankers Association publishes some excellent consumer tips on their Web site, located at [www.wisbank.com/products/tools.php](http://www.wisbank.com/products/tools.php). One such article offers advice on how to keep your credit clean, especially as it pertains to credit cards. The main points are:

1. Carefully review the credit card application/contract to see if a rate is a short-term introductory rate that will increase significantly at expiration. Also check the length of the billing cycles and look for other restrictive conditions.
2. Ask questions whenever you're uncertain about something. As the customer, it's important to know and understand all contract provisions.
3. Pay your credit card bill on time and pay more than the minimum due, whenever possible.
4. Check your credit report annually to assure its accuracy. A good credit report is key to securing other loans.
5. Develop a budget and live within its limitations. Avoid spending more than you can afford and steer clear of using your entire credit limit.

Account	Free Checking	G2G (Got to Go) Checking	Interest Checking	Platinum Checking	Platinum Checking Plus	Rewards Checking*
Features	Free checking	For ages 14-25	Your money working for you	Earn higher interest	No annual HELOC fee	For our 55+ customers
Amount to open	\$25	\$25	\$25	\$25	\$25	\$25
Interest earned	No	No	Yes	Tiers at \$0, \$500, \$2,500 & \$10,000	Tiers at \$0, \$500, \$2,500 & \$10,000	Tiers at \$0, \$500, \$2,500 & \$10,000
Daily balance to earn interest	N/A	N/A	\$500	\$0	\$0	\$0
Monthly service charge	No	No	\$7 if below \$500 minimum	\$6	\$7	No
Cancelled check images	No	No	Yes — \$4 per month	Yes — Free by request	Yes — Free by request	Yes — Free by request
Savings overdraft transfers	Yes — \$3 per transfer	Yes — free	Yes — \$3 per transfer	Yes — free	Yes — free	Yes — free
Free basic checks	No — prices & styles vary	Yes — first box free	No — prices & styles vary	Yes	Yes	Yes
Minimum balance waived	N/A	N/A	Yes — with direct deposit	No	No	N/A

\* Rewards Checking also features travel opportunities and special events for its members.



Have a safe and enjoyable summer.

## Check *acceptance* Alert

Whenever you make a deposit, the bank may put a “hold” on some or all of the checks until it has reasonable assurance that each check has cleared the payor’s account and was sufficiently covered by funds.

Many consumers assume that once their bank has released any holds, the checks are “good” — covered by funds which are now available for the consumer to use. **Unfortunately, this is not always the case and the consumer’s liability for those funds never ends.**

### So, when is a check “good” and how long must you wait to safely use the funds?

According to The Kansas Bankers Surety Company, it can take several months and sometimes years before a check’s fraudulency is discovered, and no matter how long after you’ve deposited the check, if it is a bogus check, the funds will be deducted from your account. Therefore, it is extremely important that you know your payor or that you have total confidence in the transaction involving the check.

### Scams involving “bad” checks

This advice comes in light of the recent rash of scams involving con artists who approach innocent consumers, who are in good standing with their banks, asking them to deposit a check and return a portion of the check’s value once their bank has released any holds on the funds. **In all cases, these are bad checks.**



*“It is extremely important that you know your payor or that you have total confidence in the transaction involving the check.”*

The bogus checks can take many forms, such as cashier checks, U.S. government checks and checks drawn on a large, well-known company. They might even be a valid check which was stolen from the mail and chemically altered, changing the original payee’s name to your name.

But, no matter what form they take, **they are all bogus and your involvement could cause you years of financial chaos and expense** trying to remedy the consequences.

If you’re ever asked to accept a check, money order or other negotiable instrument for the purpose of depositing it in your account and remitting a portion back to the sender, **DO NOT DO IT!** You are being scammed and we don’t want you to be their next victim. ▶

