

Notes of INTEREST



www.dairystatebank.com

IMPORTANT LOG-ON CHANGES

Attention *online banking* Customers

By Mike Bock, President

In a previous newsletter, we reported there would be some enhanced Internet security features coming soon for our online banking customers. These changes, scheduled to occur in mid-December, are a result of government mandates placed on all online banking services, and directly affect how you will log on to Dairy State Bank's online banking service.

Log-on changes for greater online security

In technical terms, the new log-on procedure is called "multi-factor authentication" or MFA. What MFA means is that you will need more than one identifying factor to access your online accounts.

Currently, the common identifying factors being used are your online banking ID and PIN. Together, these are one form of identification that is unique to you.

As part of MFA's increased security procedure you will be asked for a second identifying factor, as follows: The first time you log on to DSB's online banking service — after MFA has been implemented — you will be asked to choose a picture from several shown on the screen. Seeing this image, on subsequent log-ins, will confirm that you are on our Web site.



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Free *online* bill Pay

Our new, **FREE** Online Bill Pay is up and running — **and ready to make your life easier!**

With Online Bill Pay, you can:

- Pay all your bills from one convenient location: from your computer or any computer anywhere around the world
- Pay as many bills as you like and to anyone in the United States
- Set up a one-time-only payment or recurring payments in various frequencies: weekly, monthly, annually and more
- Avoid the hassles of writing a check, preparing an envelope and taking it to the post office
- Save on postage and gas!

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Investing *through different life* Stages

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



Investing is a lifelong process and the sooner you start, the better off you'll likely be. The first part of that process is developing consistent savings habits, regardless of whether you are saving for retirement, a new house or that once-in-a-lifetime vacation. Regular contributions to savings or investment accounts are often the most productive and if you can automate them, they are even easier. The following are some major life events that most of us share, along with some investment decisions worth considering:

When you get your first "real" job:

- Start a savings account to build a cash reserve.
- Start a retirement fund and make regular monthly contributions, no matter how small.

When you get a raise:

- Increase your contribution to your company-sponsored retirement plan.
- Increase your cash reserves.

When you get married:

- Determine your new investment contributions and allocations, taking into account your combined income and expenses.

When you want to buy your first house:

- Invest some of your non-retirement savings in a short-term investment specifically for funding your down payment, closing and moving costs.

When you start a family:

- Increase your cash reserves and your life insurance.
- Start a college fund.

When you change jobs:

- Review your investment strategy and asset allocation to accommodate your new salary and benefits package.
- Consider your distribution options for your company's retirement savings or pension plan. You may want to roll over money into a new plan or an IRA.

When all your children have moved away:

- Boost your retirement savings contributions.

When you reach 55:

- Review your retirement accounts' asset allocations to accommodate the shorter time frame for your investments.
- Continue saving for retirement.

When you retire:

- Carefully study — *and discuss with your financial advisor* — the options you have for taking money from your company retirement plan.
- Review your potential combined retirement income and reallocate your investments to provide the income you need while still providing for some growth in capital to help beat inflation and fund your later years.

Discipline and the help of a financial advisor can make a big difference

One of the hardest things about investing is disciplining yourself to save a portion of your income regularly, so that you can meet your investment goals. Also, if you're not fascinated with investing, it's probably difficult to force yourself to review your financial situation and investment strategy on a regular basis. Establishing a relationship with a trusted financial advisor can go a long way toward helping you practice smart financial management over your entire lifetime.

I invite you to my office — at no cost or obligation — to discuss ways for starting and/or managing your investments. Please contact me by calling (715) 234-0096 or by e-mailing michaelg.martin@lpl.com.

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



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.

Safeguarding *your hard-earned* Money

With identity theft rapidly on the rise in more recent years, consumers are looking for additional ways to safeguard their identity and financial accounts.

Dairy State Bank is pleased to introduce the photo check card — our newest product to protect your identity and hard-earned money.

Personalized for greater security and your peace of mind

The photo check card is personalized with your photo on the front and your signature on the back. When presented, merchants can see at-a-glance that you are the valid owner of your card.

Conversely, if your card is lost or stolen and presented by an unauthorized user, merchants can take immediate action to prevent further damage.

DSB's photo check card, which is linked to your DSB checking account, can be ordered through any Dairy State Bank office and is subject to credit approval. There is a one-time \$5 set-up fee.

"... the photo check card — our newest product to protect your identity and hard-earned money."

Another great banking option for when you're away from home

When you're away from home — on business or vacation or at your favorite winter getaway — the photo check card is a safe and secure alternative to carrying cash. You can use it anywhere Visa is accepted, to make purchases or draw cash from an ATM.

In addition to the photo check card, Dairy State Bank offers these other products and services to help you bank while you're away:

Online banking

Transfer funds, make loan payments and check account balances anytime, day or night.

Online bill pay (see cover page article)

Set up payments to any payees in the U.S., from the convenience of your computer.

Direct deposit

Relax knowing your payroll or retirement check will automatically get deposited. No more waiting for the mail delivery or running to the bank.

Automatic payments

Loan and credit card payments can be automatically deducted from your checking, savings or money market account.

To sign up for any of these bank-while-you're-away products and services, stop by any Dairy State Bank office. ▶



More *scams to Avoid*



In last year's fall/winter issue of *Notes of Interest*, we reported on several scam operations to be aware of. One of those, the *foreign lottery game*, has resurfaced and victimized a number of unsuspecting consumers looking to make a quick buck.

Here's how it works:

You receive a letter from a lottery game being run in some foreign country: Canada, Australia, New Zealand or others.

The letter says you have won some money in their lottery but in order to claim your winnings you must send money to an agent, usually by wire transfer, to pay the tax that goes with the winnings. The letter also explains that once you send your money to the agent, he will then go to the lottery office, collect your money and send it to you.

What has really been happening?

People have sent their money to the agent for the taxes and, then, the agent has disappeared, with no winnings to them. So, not only did they not get the lottery proceeds but they're also out their wired "tax" monies.

So how can you protect yourself?

If the deal sounds too good to be true, it probably is. In the above case, if you did not pay to play — **if you did not buy a ticket** — then you could not have won.

Beware of any deal that has a connection with a foreign country. While there are legitimate overseas activities, be extra cautious in dealing with anyone or any company you do not have prior knowledge of.

Do your homework and then double check it . . . just to be sure. ▶

The Perfect Gift for Everyone!



- ✓ Values from \$25 to \$500
- ✓ Accepted anywhere VISA is
- ✓ Not limited to one merchant

The Dairy State Bank Gift Card is perfect for:

- Holiday gift giving
- School trips
- Out-of-town relatives
- Teenagers
- College Students
- Emergency back-up

Available at All DSB Locations!

Here's how the DSB gift card works: You prepay the gift card with any value between \$25 and \$500, at a cost of \$4.99, regardless of the dollar amount you purchase. If lost or stolen, the remaining balance is replaceable — where, of course, cash is not!

Trust *and employee benefit* Services

We are pleased to introduce North Central Trust Company as a referral service for all your trust and employee benefit services.

Established in 1913, North Central Trust Company is Wisconsin's oldest and largest independent trust company, managing over \$1 billion in assets.

A broad range of trust services are provided by North Central, including:

- Trust Under Agreement
- Trust Under Will
- Insurance Trusts
- Custodial Accounts
- Planned Giving
- Probate/Personal Representative
- Guardianships or Conservatorships
- Investment Agency Accounts
- Estate & Trust Tax Compliance
- Retirement Planning Matters

In addition, North Central offers a gamut of employee benefit plan services, from complete investment and administrative services to 401(k) education programs to advice on critical issues and legislative updates.

If you would like to establish a trust account or have need for employee benefit services, please call any Dairy State Bank office and we will schedule an appointment for you with a North Central Trust Company representative at any of our offices. ➤

IS YOUR TEEN READY?

Responsible *credit card* Management

Just a few years ago, it was rare for college-aged youth to have their own credit cards. Today, credit card companies are all too eager to extend credit to young people, even in the absence of any kind of credit history.

While credit cards are an easy way to purchase goods and services, and can be a great emergency money source, they can also become a major financial burden, if they're not managed properly, which can tarnish a young person's credit history, an all too important reference source for future employers, insurance companies, apartment owners and others.

The Community Bankers of Wisconsin has published an excellent online article, entitled "Is Your Teen A Wise Money Manager?" The article addresses many concerns when considering your teen's first credit card. To review or print the article, go to "www.communitybankers.org/cm_n_tips_is_your_teen_wise_money_manager.htm." ➤

Questions *and* Answers

Q Have there been recent changes to FDIC insurance coverage on deposit accounts?

A Yes. Effective April 1, 2006, insurance coverage has changed for self-directed retirement accounts, increasing from the previous \$100,000 to \$250,000. Self-directed retirement accounts include both traditional and Roth IRAs, simplified employee pension accounts (SEPs), Section 457 deferred compensation plan accounts, self-directed Keogh plan accounts and self-directed defined contribution plan accounts. All other deposit insurance rules remain unchanged.

Q I recently received a pay-out as a beneficiary on an IRA account held by my mother. Will there be tax consequences?

A Generally, as a beneficiary, you will have tax issues to consider as a result of a distribution from an IRA account, and you can choose to have federal taxes withheld from those distributions to aid in the payment of any taxes. But, **we would first recommend you seek professional advice** from your accountant or attorney to assist you in assessing the potential tax consequences.

Q When my certificate of deposit (CD) matures, will you automatically mail me a new CD showing the new balance?

A No. Approximately one week prior to a CD maturing, you will receive a notice reminding you of the upcoming maturity. On the maturity date, you will receive a second notice showing the balance at maturity and what the next maturity date will be, as well as the interest rate the CD will renew at. The original certificate remains unless you change the name(s) on the account, withdraw money or change the term of the certificate.

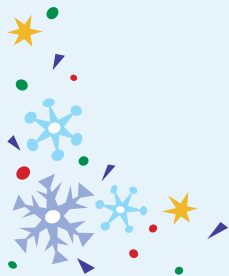


If you have a question for us, please direct it to any Dairy State Bank office and we will be glad to respond. ➤



16 South Main Street
Rice Lake, WI 54868

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PAID
EAU CLAIRE, WI
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News just for You: Free and convenient Online Bill Pay now available!

Online Bill Pay *(continued)*

There are **no minimum nor maximum payment restrictions**. If the funds are available in your account, your payment(s) will be made for you.



There is **no cost for using Online Bill Pay**; however, if you have signed up for the service and don't use it at least once monthly, there is a \$5 per month inactivity fee.

Online Bill Pay is quick and easy to do. Once you've set up a merchant or payee, you can go into "Quick Payments" and just change the payment amount.

There are rules, recommendations and procedures that you should be aware of when using Online Bill Pay — to assure that your payments are received by their due dates and to understand your rights if you want to cancel or change a payment.

To learn more or to sign up for Online Bill Pay, stop at any Dairy State Bank office.

Online Security *(continued)*

In addition, depending on the types of transactions you do, you may be prompted to select one or more personal verification questions which you must answer. This step provides yet another layer of security.

An online link to assist you

For your assistance, a link will be provided on DSB's online banking page with instructions on how to complete the new security log-on procedure.

Other online protection tips

The MFA enhancements, by themselves, are not the complete answer to protecting your personal information while online. MFA is just one component. Here are additional tips to better secure your online experience:

- Keep your operating system, as well as your virus and spam protection, up-to-date
- Use a personal firewall
- Don't share your log-in and password codes with anyone

For more practical tips on how to protect yourself online, visit "OnGuard Online" at www.onguardonline.gov.

Finally, thank you for allowing Dairy State Bank to be part of your banking relationship.

