



### LASCO POSITIONING STATEMENT

Lasco provides Information Technology (IT) solutions for small to mid-size financial institutions, businesses and organizations across the Upper Midwest. Lasco also serves as a data processing center for financial institutions providing numerous bank services to assist institutions with their day-to-day operations. For 36 years, Lasco has worked in an honest, ethical manner with its commitment being to assist its clients in achieving success. Lasco's client relationships are built on this commitment and trust with each of its clients.

#### Note from the CEO:

Dear Valued Customer:

The holidays are upon us. During this time of year we all need to sit and count our blessings as to how fortunate we are to live where we do, have our families with us and to work daily with wonderful people.

We would like to take this time to share our 2006 goals with you:

- 1) Remain open and honest with our clients, partners and vendors.
- 2) To maintain the high level of service that each of our clients deserve and expect.
- 3) Assist our clients in reducing their costs while not sacrificing their bottom line.

For those who know Lasco, these goals have not changed in many years. We feel one of our strongest qualities is our commitment to fulfilling these goals annually.

From the Management and Staff at Lasco would like to wish everyone a blessed Christmas and a prosperous New Year.

*Dennis VanLandschoot, President/CEO*

# welcome !!

Lasco would like to take this time to introduce two new employees to our team. John Gauthier is a full time network technician studying Computer Science at Northern Michigan University. John joined our team in November. Shay Simmons is a part time support technician. Shay is a graduate of Northern Michigan University with a Bachelor of Science, Business CIS/Microsoft Networking degree.

Please join our staff in welcoming John and Shay!

#### CMSe

In the near future Lasco will be offering our financial institutions the ability to utilize Metavante CMSe. CMSe is a tool that provides efficient online inquiry and maintenance, card issuance, transaction authorization, and customer account management for debit, prepaid debit and ATM card programs.

The majority of the information found in CMSe is entered through the new cardholder account page and provides expanded and collapsed views of the actual transaction data compared to system parameters.

Features include:

- Automatic generation and/or manual entry of cardholder accounts
- Entry of multiple account relationships
- User-defined card expiration and reissue cycles
- Ability to issue PINs that are either customer selected or system generated
- Real time negative/excepting filing of debit cards directly to Visa or MasterCard
- Cardholder name or account search
- Online security subsystem
- Debit card dispute processing
- Card activation
- Production of PIN mailers

When a transaction is requested by a cardholder, the system will verify the PIN, verify that the card has not expired, verify that the card is active and verify that sufficient balances or daily limits have not been exceeded for the day to authorize the transaction. The balances that are used to authorize the transaction can come from the online file used by Metavante, a remote balance file transmitted to Metavante, from an online link, or from a Gateway link directly connected to a financial institution.

For more information regarding the benefits of CMSe, please contact Kris Sweeney, Sr. Vice President, at 800-800-6197, extension 154.

## DISASTER RECOVERY – ARE YOU READY? – SERIES 1

Is your company ready in the event of an emergency? Do you have a Disaster Recovery Plan in place to ensure an efficient return to business with as little impact as possible on your clients?

With the numerous natural disasters that have occurred around the world in the last several months, Disaster Recovery Plans are pushing themselves to the front of many organization's minds. The majority of businesses would like to have a "DR" Plan but wonder where to start and how to avoid getting bogged down in the world of "what if \_\_\_ happens". In this Series, we will provide some suggestions over a 3 quarter period on how to develop your own DR Plan.

One of the first steps that should be taken is evaluating where your companies risks are from natural disasters, human disasters and technical disasters by rating the likelihood of those events occurring and how severe the damage to the company could be. Based on this evaluation, you now know where to focus the majority of your time.

When you begin writing an overall, high level DR Plan you will want to define a classification system for disasters. Such as a yellow classification might mean that you can resume normal operations in less than 4 hours, where a red classification might indicate that you will not be resuming normal operations within the next 48 hours. For each classification you will bullet point the high level steps to proceed through the disaster. I.E. a yellow alert – 1) Execute your disaster recovery plan 2) take appropriate action to remedy the event 3) collect data 4) re-evaluate after so many hours 5) file documentation. The more severe the disaster the more steps you will have. You want to make sure you are including Roles and Responsibilities, an Initial Response plan that indicates who you will notify in the event of varying degrees of disasters. If the phone lines go down, will you necessarily notify your Board of Directors?

Focus on a Comprehensive Situation Assessment form that will allow you to assess the situation, note decisions that were made and allow for updates to your Board of Directors or upper management. You should also make sure your plan covers all contact information which may be needed such as your insurance company, legal counsel, Senior Management, employee emergency contacts, vendors and customer contacts.

You will also want to outline how you will handle internal reporting in your plan. How will you track employee hours, expense reports for items that might be bought during the disaster, vendor invoices for items you are purchasing to assist in the disaster recovery.

Outline in your plan your insurance procedures. List what documentation will need to be provided to your insurance agent. Create a table outlining what different insurance coverage you have, the policy numbers, contact information for each and the coverage/deductible amounts.

Finally you will want to develop a spreadsheet or Business Impact Analysis (BIA) for each of your departments. The BIA captures the vital services and tasks performed by department at a high level. Key services are documented that are performed on a daily, weekly, monthly, quarterly and annual basis. The second column would denote if that task is mission critical followed by a third column indicating the recovery priority. Next you will want to indicate for each task what the allowable downtime is. Getting your network system functioning will take priority over paying bills for example. The next few columns will be where you write a very brief description of what the normal process of performing that task is. Keep this at a very high level as in the next Phase you will be providing much more detail. After describing the task you will use columns to indicate the tools and the required information that is needed to perform the task during normal operations. The following three or four columns will be to indicate (on a high level) what the secondary process is for each task. This is the process that will be used in the event of a disaster along with the space requirements, staffing, communications and who is cross trained to perform the task. Finally, your last column should denote if there are any inter-department dependencies. All of your departments are probably dependent on your IT staff for an example.

Disaster Recovery documentation can be a mind-boggling task. Take the creation of your plan in small phases and you will make good headway. In our next Series we will discuss Department Business Resumption Plans which will outline in more detail how each department will utilize their secondary processes for performing tasks.

Questions – please contact Melissa Murphy at 906-228-1060 or 800-800-6197, extension 160.

### LATEST NEWS:

*Keep an eye out for the December, 2005 addition of the Michigan Banker's Magazine. On page 48 you will find an article "Lasco Provides Check 21 Solutions". The article discusses the various ways that Lasco's Check 21 Solution can meet financial institutions' needs.*

### CHECK OUT OUR NEW WEBSITE:

*We have completed the revisions to our website. It is now more user friendly and provides information regarding our Bank Services, Check 21 Solutions and IT Services. You can find the latest news at Lasco as well as a listing of our partners with a brief description of each one. You can find all of our newsletters on our website as well. Please browse our site at [www.lascoinc.com](http://www.lascoinc.com).*

## ENDPOINT EXCHANGE AND VIEWPOINTE PARTNERSHIP

Lasco would like to take this time to inform you about a recent partnership between Endpoint Exchange and Viewpointe.

Endpoint Exchange is a Metavante company that enables financial institutions to clear their check-based transactions by exchanging check images between member institutions. This network is the country's first electronic check-clearing network that capitalizes on existing imaging infrastructure and settlement relationships, with the interoperability to connect to every endpoint in the nation.

Viewpointe is a leading provider of check image and "Check 21" related services to the nation's top financial institutions. Viewpointe operates the largest national archive of check images and information and is the only institution able to provide image exchange on demand.

With the combined reach of Viewpointe, Lasco will be able to provide for large volume check image exchange. This relationship will enhance the productivity and efficiency of the national check clearing and settlement system. The agreement will also leverage the skills and assets of two industry leaders with common interests – the move toward check truncation and nationwide image exchange for electronic clearing and settlement. This partnership will allow Lasco to enhance its existing Check 21 Solution package to our clients.

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## TAPE BACKUP CONTINGENCY GUIDELINES

Tape backup, in addition to RAID technology, is still the most frequently used backup method for business users because of its cost-effectiveness per megabyte of data. However, just like any technology, tape drives, backup tapes and tape backup software can fail. There are ways to minimize the risk of a tape backup's failing and managing the associated impact. Here are a few tips:

**Manage your backups.** Most backup software is capable of performing an automatic "read-after-write" verification and will offer optional full verification as well as provide notifications via physical printed output or email. It is important to monitor job statuses and insure assumed jobs are completing successfully.

**Store backup tapes off site.** This will ensure your files are preserved if your site experiences a fire, flood or other disaster. Some companies swap back up tapes with other offices or store tapes in a safe deposit box.

**Store your tapes properly.** With backup tapes on site or at a rotation facility, keep them stored in a stable environment, without extreme temperatures, humidity or electromagnetism. Do not, for instance, store the tapes in a safe on the opposite side of the wall from a large generator, whose electrical fields can wreck havoc with the data on them. For security purposes, do not instill the responsibility on an employee to take the tapes home on a daily basis. It is important to have the data secured and available in the event of emergencies.

**Rotate tapes.** Use more than one backup tape. Instead of using the same tape repeatedly, rotate through multiple tapes. The suggested tape rotation procedure consists of daily rotation for four weeks, including month end and year end rotations. This allows you to restore to any day of the previous month and any month from the previous year allowing a very high degree of contingency in the event a problem is not detected immediately.

**Maintain your equipment.** Clean your tape backup drive periodically, following directions in its manual regarding frequency and monitor utilization of cleaning tapes as they are usable for a certain number of cycles. In the event of failure, consult your IT provider or hardware vendor immediately.

**Perform regular restore tests.** Periodically test the backup tapes and restore procedures. You can, for instance, restore the data to a different server or to a different partition or folder on the same server where the original information is stored, to ensure it will be available when you need it.

At the end of the day, never assume your back up technology will never fail. It's just as prone to failure as any other technology. Proper maintenance and testing of your tape technology will mean when threats outside your control jeopardize your data, you can turn to your back ups with confidence and retain functionality of your business in a timely, manageable fashion.

If you have questions regarding tape backup procedures, please contact Dan Fezatt at 800-800-6197, extension 157.