



LASCO Newsletter

January 2008 – Volume 4, Issue 1

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 41 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:

Lasco "Invests in the UP"

Dear Valued Customer:

We would like to announce the purchase of Lasco Development Corporation from Cleveland-Cliffs, Inc of Cleveland, Ohio, by a Marquette based Lasco Investor Group. The Lasco Investor Group consists of Lasco's current management team of Dennis VanLandschoot, Dan Fezatt and Kris Sweeney. The purchase was finalized on December 31, 2007.

With over 91 combined years of service with Lasco, the new owners are looking forward to the challenge of growing the business while maintaining the locally owned and operated feel. Lasco is known for its open and honest communications with our clients and we truly value the partnerships we have developed. Working together to achieve success for our clients is one of Lasco's continuing goals.

With the change of management, you will not see any direct changes. The same strong management team along with our skilled staff will continue to provide you with the high level of customer service you have come to rely upon over the years. If you should have any questions, please feel free to contact me at 800-800-6197, extension 151, or direct at 906-228-1051.

Here is to a successful New Year.

Dennis VanLandschoot
President/CEO/Chairman

Lasco 2007 Partnerships

In the second half of 2007, UP State Bank, Range Bank, and Baybank were the most recent financial institutions to convert to the Lasco Check 21 solution. Lasco's relationship to banks with many different technology requirements allows us to be familiar with a multitude of processors and banking systems, and continues to advance Lasco's status as the leading Check 21 processor of the Upper Peninsula.

In Lasco's Information Technology Department, Online Engineering joined Lasco in October for full IT platform support, and in the Consulting Services area, Marquette Community Federal Credit Union signed with Lasco in August for Disaster Recovery Services. Lasco has also renewed its contract with AT&T to continue to provide clients with high quality communications solutions.

VoIP

Every size organization benefits from VoIP technology because it saves money and improves customer service. When voice data is transmitted over a computer network, it uses substantially less bandwidth than traditional phone calls which use an entire phone line per call. The result: simplified infrastructure that eliminates separate cables for your phone system, reduced operating costs, and a much better outlook on business continuity.

The magnified role of business continuity today has been a direct result of emergency situations, and two years after hurricanes Rita and Katrina, many institutions have yet to fully recover. During the flooding from these hurricanes, local switching stations could not re-route telephones, and as a result, the institutions were hit by a lack of communication with customers and employees.

But by using VoIP, companies can reroute calls over their own network, eliminating the worry of failed switching stations. Business can also continue to operate during network outages.

Another key benefit of VoIP is the flexibility to respond quickly and with uninterrupted service to customers during peaks in demand affected by changing market conditions and emergency situations. If your company has a VPN (Virtual Private Network), phones can be added anywhere with a broadband connection. Any part of the business can connect right away as soon as they plug in. And because of this easy accessibility, employees have the ability to work remotely when they are out of the office.

A great bonus is that implementation of VoIP does not require a complete rebuilding of your current telecommunications system from scratch. VoIP can be introduced as an addition to existing traditional phone systems and can be gradually expanded as the need arises. Moreover, once it is implemented, you will not have to worry about periodically scrapping existing systems and replacing hardware.

The most forward-thinking and successful businesses today are going to need to think about incorporating solutions that enable working out of the office, fixed-mobile integration, and dual-server voicemail architectures. Lasco brings VoIP solutions to your business with high performance delivery of voice and data communications.

For information on Lasco's VoIP, please contact Dan Fezatt, Sr. Vice President of Information Technology at 800-800-6197, extension 157 or direct at 906-228-1057.

Contributing information for this article was found in Bank Technology News's November 2007 issue in the article "IP Telephony Plays a Key Role in Business Continuity."

Direct Merchant

As distributed capture solutions continue to build momentum across the U.S., the driving force of paper to electronic gives rise to an increasing range of Check 21 solutions. Lasco has expanded services to include Direct Merchant Capture, which brings distributed capture directly to merchant clients.

With direct capture, check images are captured as close to point of receipt as possible. Merchants scan their own checks, convert to check images, and electronically transfer them to the bank.

Lasco offers the Smart Deposit solution, designed using Microsoft Smart Client capabilities. Smart Deposit operates behind the point of presentment and allows a fully functional capture application without requiring immediate connectivity.

Lasco processed over 15 million checks in 2007. We are able to meet the unique needs of our clients through extensive financial expertise and experience, open and honest communications, and quality partners such as Metavante, NYCE, Metavante Image Solutions, Associated Bank, PrimaData, AT&T, and MagicWrighter.

For further information on Lasco's DirectMerchant solutions, please contact Dennis VanLandschoot, President/CEO, at 800-800-6197, extension 151 or direct at 906-228-1057.

Generation Y Bankers on the Horizon

Few banks today consider pursuing Generation Y a main concern.

Generation Y, also referred to as "Millennials" or the "Internet Generation," is the demographic of Americans who were born somewhere between the late 1970s and 2000. Depending on the defined range, it covers from 60 to 76 million people.

Currently, Generation Y-ers are far from their peak earnings and are too young to need complex loan and investment products, so they do not contribute a big piece to the banking institution's profitability.

But Generation Y-ers will quickly become a large part of the client force. Over the next decade, the total income of Generation Y-ers will reach \$3.48 trillion, which is even more than the post WWII Baby Boomers.

Right now, banks are generally more focused on the short-term. That gives the forward-thinking banking institutions already planning for Generation Y peak banking a cutting edge. Generation Y customers develop banking relationships early. In a May 2007 survey of about 600 college students at 34 universities, 60% of respondents keep the same bank post-graduation, an increase from 48% four years ago.

So what do Generation Y customers currently need, and how should those products be marketed?

What they need are basic products like free checking accounts, debit and credit cards, and student loans. Because Generation Y-ers are technology-familiar, they are disposed to use Internet resources through computer and cell phone to research products and manage their banking. However, the evidence points to a significant number of this generation who still like

to walk into branches to open accounts and ask advice. Therefore, a combined on and offline technique is the best bet.

Original article from BAI Banking Strategies - http://www.bai.org/bankingstrategies/2007-nov-dec/Generation_Y/

Changing Midwest Market Creates Challenges and Opportunities

In October, ABN Amro Holding completed its \$21 billion sale of LaSalle Bank Corp. to Bank of America. The deal will result in 4,000 job cuts in Illinois and Michigan over the next two years, with about 1,500 of those jobs in Michigan. The merger marked Bank of America's retail branch entry into Michigan, where it will have 264 offices.

Comerica Inc.'s recent move from Detroit to Dallas created a challenge for a Detroit and Michigan economy already suffering from a weakening auto industry, but also has already presented an opportunity for some executives to hire commercial bankers.

As a result of Bank of America's and Comerica's deals, the layoffs and business departure has caused some economic worry, but the customer run-offs are presenting some business opportunities as well. Both Chicago and Michigan have raised some objection over LaSalle's disappearance, and the subsequent layoffs. On the upside, executives might expect 40-50% of LaSalle's employees in Illinois and Michigan to be looking for jobs as a result of the cuts and voluntary departures.

With contributing information from American Banker Sep. 28th article "Execs Adapting to a Shifting Midwest Market," and The Detroit News, Sep. 26 article "LaSalle Bank Will Ax Michigan Jobs

Disaster Recovery

In addition to commonplace disruptions to data, natural disasters, terrorist attacks and pandemics of the century have demonstrated the importance of a good disaster recovery plan. Disasters large and small affect the operations of businesses large and small. From dead batteries, viruses, and unplugged cables, to hurricanes and acts of terrorism, any institution desires confidence of recovery.

With over 40 years of experience in security assistance, familiarity with government regulations, and technical proficiency, Lasco performs everything from Vulnerability Assessments to Penetration Testing to full IT Audits. Whether confronting fraud and theft, technology relapses, or commonplace and emergency disruptions, you can count on Lasco to help you meet the challenges every step of the way. Please call Sr. Vice President Dan Fezatt at 800-800-6197, extension 157 or direct at 906-228-1057 for more information.