



**Partners in Business**

Our Approach is simple...  
**PARTNERSHIP** in business  
**QUALITY** in product  
and **INTEGRITY** in people

Follow us on

## RLR Educational Workshops

RLR Management Consulting, Inc. has been conducting a series of half day workshops for our clients and other interested financial institutions since 2011. The workshops have been a tremendous success and have focused on industry-related Technology topics including IT Audits and Information Security, the RFP Process and Vendor Selection, and Vendor Management. Additionally, there have been peer exchange sessions towards the end of each workshop between the RLR consultants and the bankers in attendance on hot topics.

Save the Date!

**RLR FALL  
WORKSHOP**

October 1, 2014  
Los Angeles, CA

Sign-ups will begin  
mid-August at  
[www.rlrmgmt.com](http://www.rlrmgmt.com)

**Mark your calendars!**

We look forward to our next workshop on June 11<sup>th</sup> in Sacramento which will focus on Enterprise Risk Management and ATM Security. We are also pleased to feature two guest speakers. **B. Scott Harroff**, Chief Information Security Architect, Diebold Integrated Services, is responsible for leading Diebold’s customer facing information security initiatives. Prior to his current role, Mr. Harroff served the comprehensive role of Information Security Officer, Director of Information Security, and Director of Telecommunications for Diebold. Mr. Harroff is one of the company’s lead speakers at Integrated Services Symposiums and Security Seminars. **Jeff Rigsby**, President/CEO of CB Resource has over 20 years of executive experience in the financial services and banking industries. Prior to forming CBV and other ventures, he

was an Executive Vice President of California Federal Bank responsible for their \$15 billion branch network, business banking group, banking operations, marketing and advertising, and loan services. Additionally, he was President/CEO of Cal Fed’s wholly owned subsidiaries. Mr. Rigsby speaks at numerous national and global events with an emphasis on strategic performance, board governance, and competitive advantage.

*Remember, there is no cost for you to attend...it is our way of saying thank you to our clients!*

**Workshop details:**

- Date:** Wednesday, June 11, 2014
- Registration:** 9:30am-10:00am
- Workshop:** 10:00am – 2:00pm (lunch will be provided)
- Location:** DoubleTree by Hilton Sacramento

Seating will be limited so we request your RSVP as soon as possible.

[Click here](#) to register via our website.

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## Important Information!

Did you know that approximately 95% of installed ATMs in the World were running Windows XP earlier this year? Of these, 420,000 or 20% are installed in the United States and most, if not all, are shared. Further, the ATM Association expected only 38% of these ATMs to be upgraded as of the date of this article (April 8), the day Microsoft no longer will support Windows XP! Additionally, if you use a variation of Windows XP called Windows Embedded (which many banks use for their ATMs), there is a version of this product that is also no longer supported.

Prior to April 8, Symantec was quoted as saying “with looming end-of-life for Windows XP slated for April 8, 2014, the banking industry is facing a serious risk of cyber-attacks aimed at their ATM fleet”.

CNN Reported: If banks fail to upgrade their ATMs to a newer version of Windows by April, customers might be at risk. If hackers discover new flaws in Windows XP, those bugs will go unaddressed, leaving attackers free to exploit them.



Many major banks like J.P. Morgan Chase and Bank of America are striking deals with Microsoft to keep supporting their ATMs until they're upgraded. It has been reported that JP Morgan Chase will be taking advantage of this, but frankly they can afford it! Microsoft is selling custom tech support agreements that extend the life of Windows XP, although the cost can soar quickly, multiplying by a factor of five in year two!

*Can your service providers and ATM manufacturers also strike a temporary deal? Has anyone looked into this? Are we about to be ripped off by Cyber attackers?*



What does this all mean to Community Banks? The ATM industry has faced similar situations in the past. New encryption standards became mandatory in 2002, and in 2011 banks had to upgrade ATMs with audio technology to comply with the Americans with Disabilities Act. However, we should point out that the risk of cyber attacks associated with these requirements was almost non-existent. That is not the case today. It is certain that a lack of Security Updates for the no longer supported Windows XP will leave us vulnerable. The extent of the risk is unclear, and experts around the country go back-and-forth on what could happen. Federal regulators did warn earlier this month that ATMs have been a target of cyber attacks. The hacks include malware on a bank's network, which allows stolen account information to be used to withdraw funds once ATM settings are changed.

*Are we about to crash and burn? Have we missed the next coming of Y2K? Are we doomed?*

Well, we certainly don't think so. But some immediate actions should be taken:

- ☑ Contact your ATM Support team and your ATM vendor to validate your ATM operating system.
- ☑ Identify their plan for upgrading XP, if you are still on it.
- ☑ Find out if your ATM Vendor or service provider is trying to strike an extended support contract.
- ☑ Get off of XP – Remember, you will no longer receive ANY security updates, which makes you vulnerable.
- ☑ Understand the risks of Cyber-attacks and ask your service provider what measures are being taken to mitigate this risk. Ensure that proper audit and control procedures are in place.
- ☑ Be informed, don't be afraid to ask questions, and **take action!**

*Mitch Razook*  
*President/COO*  
*RLR Management Consulting, Inc.*

Contributing Information for this article provided by:

Bloomberg Business Week  
The Washington Post  
Fox News  
Infoworld

Continuing our new series...

## Desert Happenings



What??? You have NEVER heard of The Chemical Brothers, Blur, Vampire Weekend, The Killers, or The Black Keys? Yes all strange names, however they happen to be some of the largest headliners to ever grace the stages of Coachella Fest.

Coachella Valley Music and Arts Festival (or simply Coachella Fest) is an annual two weekend, three day music and arts festival held in April at the Empire Polo Club in Indio, CA. (About ten miles from the offices of RLR) This event was initially founded by Paul Tollett and organized by Goldenvoice (a subsidiary of AEG Live).

Since its inception in 1999, Coachella Fest has a reputation for presenting a hard hitting line up of underground artists, mainstream hit makers, those looking to revive their career, and artists on the brink of being discovered. Whatever the case may be, the economic impact on our desert during this festival is in one word, **AMAZING!**

- A \$254 million local and \$500 million global economic impact. Indio itself sees the largest impact collecting about \$90 million in spending and \$1.5 million in tax revenue. (2012 numbers)
- \$20 million in taxable sales over a nine-day period
- 3,000 temporary jobs
- 405,000 people coming to Coachella over two weekends

As a resident of the desert, you definitely “know” when Coachella Fest is in town. Anytime festival goers come into town the diversity of the desert seems to change for about 9 days. That being said ten percent of Coachella festival goers don’t live in the United States, and only half are from California.

While the economic impact on our valley during this time is great, so too is the philanthropic work of Goldenvoice. The company paid for a new gym at the Indio Boys & Girls Club and donates to an Indio Senior Center. They also sponsor a free medical clinic that treats thousands of patients and provides more than \$1 million worth of services. A local doctor recently told me that Goldenvoice hopes to raise more money to keep the clinic going in order to make it the largest free medical clinic in California. The combination of increasing revenues along with the philanthropic work of Goldenvoice is a win-win for our desert community.

More information is available at [www.coachella.com](http://www.coachella.com)

*Kristen Seddon  
Client Relations Executive  
RLR Management Consulting, Inc.*



## Consultant

RLR is pleased to introduce our newest employee to our clients and associates. **Kristen Seddon, Client Relations Executive**, brings to RLR over 14 years of experience working in financial institutions in senior roles in branch operations, marketing, advertising, and compliance management. She also has extensive experience in business development.

Kristen will be focused on client-facing activities and special projects including developing this newsletter and working with the RLR Executive Team in developing content management, client proposals, presentations, workshop materials, and speaking engagements. In addition, Kristen will provide consulting services and sales support in the areas of Operations and Regulatory Compliance. Kristen's detailed biography can be found on our web site by going to [www.rlrmgmt.com](http://www.rlrmgmt.com) and clicking on "Our Team".

Kristen is an alumna of College of the Desert and Arizona State University. She resides in La Quinta with her husband Rob and 19 month old daughter.

RLR is very lucky to have found Kristen, and we are thrilled to have her join our team!

*Please join all of us at RLR in welcoming Kristen to our team!*



## DID YOU KNOW?

### WIB: Risk Assessments “How To” Webinar Series

*The following webinar sessions will be presented by: Ruth Razook, Founder/CEO, RLR Management Consulting, Inc.*

- **Online Banking Risk Assessment** - June 17, 2014
- **Third Party Vendors Risk Assessment** - August 12, 2014
- **Mobile Banking Risk Assessment** - October 7, 2014

#### **A risk assessment a day helps keep the regulators at bay!**

Comprehensive risk assessments are required of community banks not only to satisfy the examiners but also to protect the institutions in an era of rapid industry and regulatory change. Although risk assessment methodology has been around for quite a while, its prominence in the compliance field and sheer number of risk assessments that a bank needs to perform on an ongoing basis is a fairly recent phenomenon.

Join us for single sessions or many as we deliver an informative webinar series on the How To's of Risk Assessments, touching every area within the Bank. We'll dive deep into specific topics to address the nuts and bolts, and every session will provide a valuable Risk Assessment template to use as a tool at your bank.

#### **Learning objectives for each session will include:**

- The “need” for the specific Risk Assessment
- Identify the steps to perform the assessment (the “How To”) by walking through an actual risk assessment
- Identify who should be involved
- Provide helpful hints, best practices, and takeaways

**Valuable Session Takeaways:** Session attendees will receive a *Risk Assessment Template* specific to the topic covered to use as a tool at your bank. *Up to one CPE or other continuing education credit hour is available for per session.*

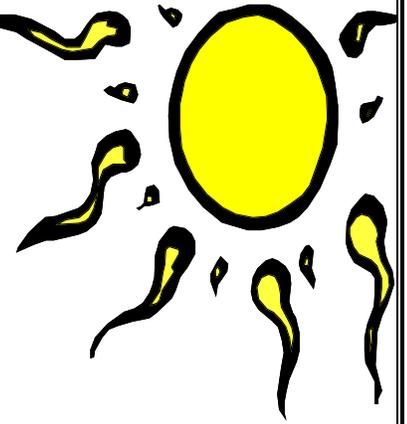
#### **Who should attend?**

This is a must-attend series for Risk Officers, Compliance Officers, and other Senior Officers interested in learning the nuts and bolts of performing and reviewing specific Risk Assessments.

Specific Risk Assessment topics covered are also directly relevant to CFO/Finance Officers, Cash Management/Treasury, IT/Tech, Operations, Lending Officers, HR, Marketing, and other functional areas involved in Risk Assessments.

On the

# Funny Side Up



## ALERT!

Mobile Banking humor...



**Mobile Banking:** Welcome to Mobile Banking! Reply HELP for Help. Reply STOP to cancel. Standard message and data rates may apply.

**Mobile Banking:** Your \$162.22 debit-card transaction at IKEA BROOKLYN was more than the \$125.00 in your Alerts setting. Your checking acct ending in 6885 has a balance of \$44.48, which is below your \$50.00 limit in your Alerts setting. To transfer from savings acct ending in 4362, reply T, space, amount: e.g., T 250.

**Me:** T 15.

**Mobile Banking:** \$15.00 transferred from savings acct to checking acct.

**Mobile Banking:** Your checking acct ending in 6885 has a balance of \$31.88, which is below your \$50.00 limit in your Alerts setting. Your most recent purchase was \$12.99 for GRANOLA at FRANKLIN AVE GOURMET MARKET.

**Mobile Banking:** \$12.99 for GRANOLA?

**Mobile Banking:** The balance in your checking acct ending in 6885 is  $-\$14$ . To transfer from savings acct ending in 4362, reply T, space, amount: e.g., T 250.

**Me:** T 10.

**Mobile Banking:** To transfer enough to buy something other than rice and sriracha sauce, reply T, space, amount: e.g., T 250.

**Mobile Banking:** I really recommend that you reply T, space, amount: e.g., T 250.

**Mobile Banking:** Are you going to sit around your apartment eating rice all weekend?

**Me:** I don't have 250 to T.

**Mobile Banking:** That's true. You have \$56.99 in your savings acct ending in 4362.

**Me:** I don't like this service.

**Mobile Banking:** Your \$.99 transaction with EZ BUDGET was less than the \$50.00 limit in your Alerts setting.

**Me:** Why did you text me if it was below my limit?

**Mobile Banking:** I thought it was amusing that you bought a budgeting app.

**Mobile Banking:** Your checking acct ending in 6885 has a balance of \$8.04, which is below your \$50.00 limit in your Alerts setting.

**Mobile Banking:** Sorry to pry, but how is your job search going?

**Me:** Fine.

**Mobile Banking:** Are you sure? Because your most recent purchase was—

**Me:** I know what my most recent purchase was.

**Mobile Banking:** Suit yourself.

**Mobile Banking:** It was \$21.75 for 2X W WINE BOTTLE at GRAND ARMY PLAZA LIQUORS.

**Me:** I SAID I KNOW.

**Mobile Banking:** \$100.00 transferred to checking acct ending in 6885 from savings acct ending in 4362.

**Mobile Banking:** I guess you're going out tonight?



**Mobile Banking:** Is it with that guy from Bushwick? You've been buying a lot of 6PACK MILLER LITE and GUMMI BEARS at MYRTLE AVE FOOD STOP lately.



**Mobile Banking:** Your checking acct ending in 6885 has a balance of \$3.03, which is below your \$50.00 limit in your Alerts setting.

**Mobile Banking:** What is going on with you? I take it your \$.99 transaction with EZ BUDGET didn't work out.

**Mobile Banking:** Your \$213.16 debit-card transaction with URBAN OUTFITTERS 14 ST was above your \$125.00 Alert setting and totally unnecessary. Why did you buy WIND IN MY WINGS ROUND SUNGLASSES? It's not even summer. And the ECOTE FLORAL CROCHET BRA TOP makes you look like one of those girls who go to music festivals.

**Me:** STOP.

**Mobile Banking:** I'll STOP when you stop.

**Mobile Banking:** Hey.

**Me:** Hey.

**Mobile Banking:** I'm sorry.

**Mobile Banking:** I said some things I didn't mean last time.

**Me:** It's fine.

**Mobile Banking:** I thought your \$8.11 debit-card transaction with AMAZON.COM for TAXES FOR DUMMIES (USED) was really cool of you.

**Me:** STOP.

**Mobile Banking:** You around? I thought we could grab a beer or something.

**Me:** No.

**Mobile Banking:** C'mon. You can afford it. This new job seems to be working out great. Your checking acct ending in 6885 has a balance of \$1,080.77.

**Mobile Banking:** Surprise! I got you some of that GRANOLA you like.

**Mobile Banking:** Hey, there's something on my mind. Can you chat?

**Me:** STOP.

**Mobile Banking:** It seems like you don't have time for me now that your checking acct ending in 6885 has a balance of \$2,333.49.

**Me:** How do I cancel this service?

**Me:** Hey. You there?

**Mobile Banking:** Look who it is.

**Me:** I just spent 600 bucks at West Elm.

**Mobile Banking:** Oh?

**Me:** Isn't that above my alerts setting?

**Mobile Banking:** It's above your Alerts setting, with a capital "A."

**Me:** Sorry.

**Mobile Banking:** I really don't care. I gotta go meet up with some people.

**Me:** Wait—

**Mobile Banking:** STOP.

*By: Kelly Stout, A-Issue Editor*

Shouts & Murmurs 4/07/14

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

## Where RLR will be:



## Conferences & Exhibits

### RLR to Exhibit:

- 9/22-9/24 **WIB Education Summit & Expo** – Hilton La Jolla Torrey Pines, La Jolla, CA

### RLR to Attend:

- 5/12-5/15 **Fiserv Forum Spring Client Conference**, The Venetian & The Palazzo, Las Vegas, NV
- 9/10-9/12 **ICBA/CIB Annual Conference** – Ritz Carlton Laguna Niguel, Dana Point, CA

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### **h L. Razook to Speak:**

- 9/10 **ICBA/CIB Annual Conference** – Ritz Carlton Laguna Niguel, Dana Point, CA  
Ruth will facilitate a panel with Heidi Carmack of Bank of American Fork and Tom Allison of Umpqua Bank on “**The New Age of Banking-Launching Social Media and Mobile Banking**”

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