



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

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**Newsletter** 2nd Quarter 2013 Issue No. 2013-002

## RLR Celebrates its 25<sup>th</sup> Year in Business

In 1988, Ruth L. Razook formed RLR Management Consulting. Total staff: one. Ruth’s first assignment was for One Central Bank in Glendale, CA where she was hired to evaluate and support their in-house banking system. Steno pad in hand, Ruth worked with two bank employees who would become future RLR consultants, Lorena McWilliams and Liz Toton. Both ladies were joined RLR for a period of time. Lorena left RLR for an executive position at Cal National a number of years ago, and Liz left in 2010 to pursue a career at One West Bank. As you know, Ruth remains Founder and CEO of RLR.



Over the years and through many triumphs, trials and turmoil, Ruth and RLR persevered. Initially, after

Ruth’s two year stint with One Central Bank, she was approached by Community Bank in Pasadena, CA to work for the Bank to “fix” their service bureau, which was eventually sold to EDS in 1993. Ruth then ran the EDS Burbank, CA data center for almost two excruciatingly painful years! Ruth left EDS in 1995, and re-established her consulting business. At this juncture, three folks came from EDS with Ruth and worked with a team at Kaiser Permanente on a year long project in northern California in which they relocated their Data Center. Ruth

took on a partner, established a new identity (Delta Tech Consulting), and proceeded to spend most of the next year in court as a result of a bad partnership. Ouch!! We won’t go down that path any further!

Ruth’s loyal consultants stayed with her after the Delta Tech debacle, and in June 1998, RLR Management Consulting, Inc. established its corporate filing and Ruth began to formulate a sustainable, profitable and well-respected community banking consulting firm over the next several years, adding many new services and people along the way. In 2004, Ruth realized it was time to find another partner who shared her experience and vision and could carry

**SAVE THE DATE!**  
**RLR EDUCATIONAL WORKSHOP**

Mark your calendars! The information regarding our next **complimentary** workshop is as follows:

Wednesday, October 23, 2013  
 Westin South Coast Plaza  
 Costa Mesa, CA  
 10:00am-2:00pm  
 (Lunch will be provided)

**Hot Topics of Discussion:**  
 Vendor Management  
 Cyber Security  
 Regulatory Hot Topics

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

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RLR to new levels. To our surprise, I turned out to be that person! Ruth called upon me, and of course I answered...eventually. I had spent 10 years at Deloitte, where I was a Partner in their Financial Services Consulting Practice. Ruth and I met at work (First Interstate Bank) in 1981, and have been married since 1985, so we pretty much understood each other, our goals, business approach, etc. pretty well. So, after much deliberation and six months of should we or shouldn't we, I finally joined RLR and have never looked back. It has been a great ride. We love working together and we love what we do and what our firm has accomplished. Most importantly, we are very proud to be (what we hope is) an integral part of community banking, at least on the west coast.



Since inception, most of RLR's consultants have traveled a road with either Ruth or me. Becky McClellan worked with Ruth initially at EDS and today is still with RLR many years removed! I worked with Nancy Cook over 20 years ago. Nancy has been with RLR for 8 years! I consulted to Chris Manning in 1992 and when he left his bank position I introduced him to Ruth. Chris has been with RLR ever since. Over the years we have had some fantastic consultants who are no longer with us (two became CIO's, two others lead IT organizations and a couple of others have retired). We have replenished and added to our consulting team with others we have worked with and/or have come highly recommended to us; all with prominent banking backgrounds.

In addition to Nancy, Becky (16 years), Chris (15 years), and Ruth and me, our team is rounded out with Tina Peraza (2+ years) who worked with Ruth early on at EDS and Community Bank, Melodee Fontana (1+ years), Valerie McCune (9 years), Diana Strade (6 years) and Monica Eppler (6 years) who were all highly recommended individuals from very close business partners. Also, Ben Loveless (5+ years and 2 stints with RLR), George Lanz (3 years), Tommy Woo (2 years), Neva McCormick (5 months), and most recently Brad Lyon, all of who are former clients or colleagues of RLR. Tracy Olar (2+ years) manages our day-to-day operations, Alicia Palu (5 years) is our Executive Assistant and Jami Sanders (4 years) is our Bookkeeper.

RLR has grown in size and scope. We have added services based on our clients' needs in an ever changing and challenging marketplace. Today, RLR is 18 people strong. We are actively working on engagements in several states including Alaska, California, Colorado, New Mexico, Texas, Louisiana, Hawaii, Oregon, Washington and Puerto Rico. We have consultants that live in California, Washington, Idaho, Nevada and Nebraska. We offer a full range of consulting services in the following areas:

- Technology
- Operations
- Regulatory Compliance
- Lending Services
- Project Management
- Cash Management
- M&A

RLR US Active Engagements



In 2012, RLR performed work for 55 clients and conducted over 200 engagements. In 2013, we are well ahead of that pace.



RLR has weathered many storms during the past 25 years. There was 9/11 when most projects were canceled, and work literally stopped. There was the financial meltdown in 2008 and 2009 when again, most projects were canceled and technology, operations and systems innovations came to a halt. Through these crazy times and others, RLR has maintained. ***There is no other boutique consulting firm serving the financial services industry that can say they have persevered for 25 years!*** RLR remains stronger than ever, busier than ever, and most importantly, we are here for our clients now and for the foreseeable future.

Our sincere thanks to all of our current and past staff who have made RLR successful! A very special thanks to our vendor partners who we have worked with and continue to work with for their support. Most importantly, thank you to the 750+ clients we have had the privilege of working for. We appreciate your business and look for many more good things to come.

Finally, on a personal note, I am very proud of my wife and business partner. You are awesome!!! *And, I remain employed!*

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

*The article below appeared in a recent American Banker and provided some encouraging news to Community Bankers everywhere. This article also talked about the increasing and on-going frustration with those Mega-Banks we keep hearing are "Too Big to Fail". The opportunity for Community Banks to differentiate themselves has never been greater and evidence of this is discussed.*

American Banker Article: [www.americanbanker.com](http://www.americanbanker.com)

by Michelle Zheng

## **“Big Banks will Lose Deposits, Revenues Over Fees: Survey”**

The nation's largest retail banks could lose \$92 billion in deposits and \$5.1 billion in revenues in the next year, as frustrated customers switch to smaller banks and credit unions.

Customer frustration has fallen in the past two years, but 9.7% of customers at the biggest banks are still likely to move their money to other companies in the next 12 months, according to a study released Thursday by the Connecticut consulting firm cg42. The study measured "bank vulnerability," or the risk of losing customers, by surveying 3,600 customers at the top 10 retail banks between February and March 2013.

Big banks still have not fully addressed customers' number one frustration since the first survey in 2011: incidental charges. These "egregious charges" include penalty fees for withdrawing money outside of a bank's ATM network and fees for reordering checks, says Steve Beck, founder of cg42.

"You're out there claiming relationships, Mr. Bank, yet whenever I turn the corner I hit a little fee here and a little fee there, and it doesn't make me feel good," Beck says, explaining many bank customers' reactions to unexpected charges.

Many retail banks have added fees or increased the pricing on once-free checking accounts in the past few years, as new regulations have cut into the overdraft and debit-card revenue that banks could once rely on. But the industry's efforts to recoup that lost checking-account revenue have often damaged its reputation. Bank of America's (BAC) aborted attempt in 2011 to start charging customers for using debit cards sparked a groundswell of customer anger and public fury over bank fees, and to community banks and credit unions.

The outcry over bank fees has cooled somewhat since then, but banks are still struggling to improve customer satisfaction. The study found that big banks have also failed to adequately respond to customer complaints over overdraft charges and mistakes on bank statements.

Big banks "promise relationships, they promise a lack of hassle, they promise to operate differently," says Beck. But "promises don't equal delivery."

Fewer customers are at risk of leaving the big banks than they were two years ago, Beck says; bank vulnerability has slightly improved since 2011, with the percentage of potential defectors falling from 33% to 26%.

But the problems remain the same, according to Beck. "Interaction [with banks] is not as bad as it was in 2011...[but] there has not been a demonstrable change that has led consumers to feel better."

The intensifying debate over the size and complexity of banks' operations has also affected their customers. The study found that 55% of customers are uncomfortable with how big banks have become, and 63% feel that banks only care about their own interests. That's up from two years ago, when 45% of customers were uncomfortable with banks' size.

Citigroup (NYSE:C) was ranked worst in terms of customer satisfaction according to the survey. Bank of America, which ranked most frustrating two years ago, has fallen to third-most frustrating in the new survey. Beck says that the Charlotte bank has improved its overall service experience, especially its online banking tools and hours, and it made its customer service more consistent across its different branches.

"B of A has improved from being the poster child for frustration with major banks [in 2011]," said Beck. "Good news for them. That means they listened."

### **New RLR Website Design Coming Soon**

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

RLR is pleased to announce that the reconstruction of our website is under way. Our current site will not be affected as we develop and design our new look and feel. After years of maintaining our website as is, we felt it was time to freshen things up. We will be using newer technology to build and maintain our site. We anticipate having more user friendly navigation capabilities, a more contemporary look and plan to implement a more robust reference library for our clients' use.

RLR's website redesign came about when a potential client approached us about a project. They were interviewing a number of folks to lead their initiative and commented that they went to a website of a much larger firm than ours. To our chagrin, the website in question was one of a smaller consultancy, but had the look and feel that made the client more comfortable. After we pulled ourselves off of the floor, we made the decision it was time to update our site.

RLR anticipates having the same content on our site, including our service offerings and our staff. We will add some new features and will keep you updated on activities, conferences, workshops, speaking engagements and other news. We anticipate launching our refreshed website in August, so check it out!

## *Desert Happenings*

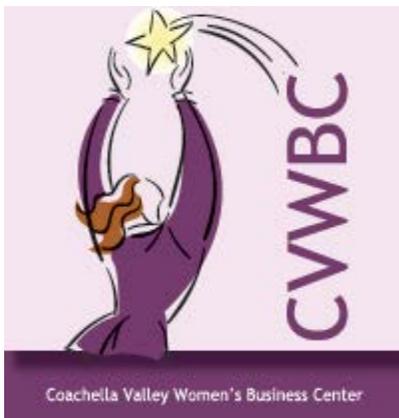


RLR thought that it might be kind of fun to share with all those that read this newsletter some interesting facts and great happenings that we experience here in the Coachella Valley. Many of you have not had the chance to visit our fantastic desert, so we thought we would share some interesting items and activities in our newsletters. Here is the first of this series we call *Desert Happenings*.

Did you know that California is home to 1,107,000 women-owned businesses? California has the greatest number of women-owned firms in the country!

In 2012's second quarter newsletter, we informed you that RLR had relocated from La Quinta to a building we purchased in Palm Desert. One of the great things about this move is spending time with others who occupy some of the other suites in our building. One such occupant is the Coachella Valley Women's Business Center. This non-profit organization offers some terrific training at very nominal fees, and provides seminars and webinars to women and women-owned businesses. A small sampling of their seminar offerings this July included:

- The Power of Positive Choices
- Today's Marketing Technologies
- The ABC's of Starting Your Own Business
- 39 Ways to Grow Your E-mail Marketing List
- Make Life Easy; Get Organized!
- Writing a Winning Business Plan



To meet the needs of women business owners, the US Small Business Administration established nearly 110 women business centers across the United States. Women business owners need access to capital and have a great resource partner in the [Coachella Valley Women's Business Center](#) (CVWBC) which began through a donation from Bank of America in 2006. CVWBC launched as a part-time outreach office of the [Inland Empire Women's Business Center](#) (IEWBC). The IEWBC and CVWBC are small business technical assistance programs offering business counseling, training and mentoring services in Riverside and San Bernardino Counties. As programs of California State University, San Bernardino's (CSUSB) Inland Empire Center for Entrepreneurship; their mission is to counsel, teach, encourage and inspire women business owners at every stage of development and expansion.

With a focus on low to moderate income (LMI) women, the technical assistance provided has led to the creation of 900 jobs and an economic impact of \$15 million including loans, owner investment and increases in sales and profitability. One of CVWBC's current projects has been the implementation of Boots to Business in Twentynine Palms; a program to educate veterans about the option of entrepreneurship.

We are very proud to have CVWBC in our building. It is a great program, and they very much appreciate any support you can offer. *For additional information contact Michelle Skiljan at 760-345-9200.*



## Consultant Spotlight

RLR is pleased to introduce our newest consultant to our clients and associates. **Brad Lyon** brings to RLR over 24 years of experience in the regulatory and community banking industries. Brad will be focusing on delivering Loan Reviews, ALLL, Loan Compliance audits and most all regulatory offerings RLR provides on the loan side.

In his lengthy career, Brad has worked as a CFO in two community banks and was the founding President and Board member of another where he ultimately became CEO of the same bank. As the organizing executive, he was responsible for creating and implementing all credit-related and ALM-related policies and practices, including the bank's internal loan grading system, the ALLL methodology, purchasing all investment securities and establishing the bank's internal audit function. As CEO, he took a "hands-on approach" in managing the bank. He also established the internal loan review function, the construction inspection process and the bank's compliance function.

After graduating from Brigham Young University in 1987 he followed his father's example and began his banking career working in the Comptroller's Office (OCC) in the Treasury Department. Brad worked as the Controller, then CFO of a very successful small California community bank for ten years. Prior to this, in 1998, he was responsible for organizing a De Novo institution, eventually obtaining all regulatory approvals, and became the bank's founding President, CFO and original member of the Board.

Brad is relatively new to the consulting industry, however, he has worked successfully with several community banks, specializing in policy review, ALM-related issues and ALLL methodology validation. He specializes in detailed asset-liability management issues, including in-house interest-rate risk models and extensive investment securities purchases.

Brad has served on many community Boards over the past 20 years, including Treasurer of the local non-profit housing authority and a financial supporter of the local education establishment. Two years after graduating high school, he served a two-year mission for the Latter-Day Saint (LDS) Church in New Mexico and Texas.

In addition to obtaining his finance degree at BYU, he also graduated with honors from the ABA's Graduate School of Banking at the University of Delaware. His thesis paper was on controlling interest rate risk in a community bank. Brad has been married for 26 years and has four children.

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



## DID YOU KNOW?

### Regulatory Hot Topics

The following topics were discussed by a cross agency regulatory panel consisting of the OCC, Fed, FDIC, DFI and CFPB. The topics below were deemed “high priority” by these agencies for 2013 and beyond.

The group of regulators presented their materials and thoughts at the May 2013 California Bankers Association Annual CEO/Directors Conference and the CIB Regulatory Exchange in June 2013 conference:

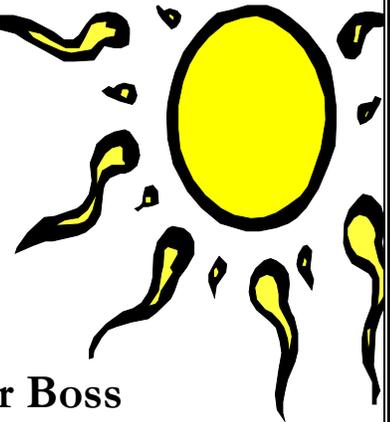
- Cyber Security
- Strategic and Capital Planning
- Board and Management Succession Planning
- BSA
- Vendor Management
- Asset Liability Management
- Credit and Credit Risk

**The next big thing...DIGITIZATION OF FILES! More to Come!**

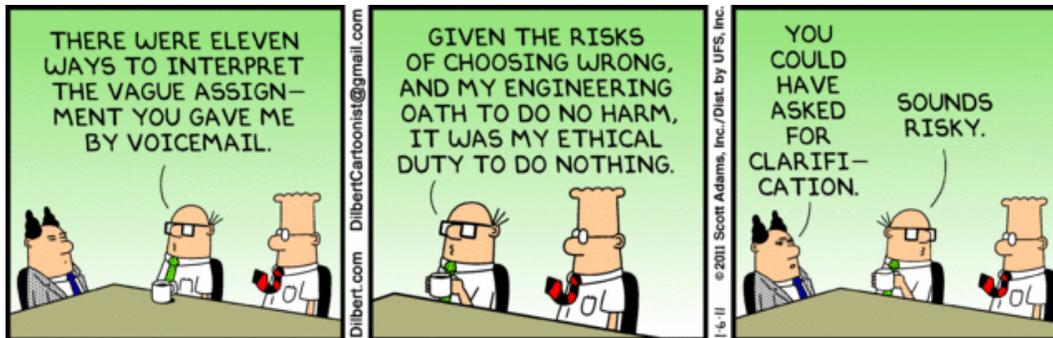
Please contact us at [info@rlrmt.com](mailto:info@rlrmt.com) or contact Mitch Razook, President and COO, at [mitch.razook@rlrmt.com](mailto:mitch.razook@rlrmt.com) directly.

On the

# Funny Side Up



## Ten Things You Should Be Saying to Your Boss



One of the questions that my team members and potential employees have asked me a lot over the last few years is "what are you looking for in an ideal employee?" We just finished a performance review cycle here where I worked with a few members of my team on their development

plans for the next year. I've also been spending some time identifying and interviewing potential new team members and holding regular mentoring meetings with the members of my team. This is all on top of leading the annual performance review process for more than 600 people while I was still with Booz Allen. Over the course of all those interviews and development discussions, I found that I've repeated a lot of things.

Here are ten of those things that I've said repeatedly over the last few years that I think any employee should be regularly saying to their boss.

1. **"How am I doing? How did I do?"** Ask for feedback early and often. It shows that you want to improve and that you want to know how to do things better. After every presentation you give, report you complete, article you write, etc. make sure you ask your manager if he/she has any feedback for you. And don't let them get away with just telling you that "you did a good job." Ask them specifically what you could have done better. Seek the negative AND the positive feedback.
2. **"Don't worry about it – I got it."** One of the things that all managers love is to be able to cross something completely off of their to-do list because they know that someone they trust is taking care of everything – from beginning to end. From doing the actual work to keeping the right people informed, the ability to take something entirely off your manager's plate and do it well is something that will be much appreciated. It will also give you some great experience in showing him/her that you've got what it takes to move up to the next level as well.
3. **"I just read/watched/heard...and it got me thinking that..."** Learn how to look at everything you read/watch/listen to from a work/client perspective. I want people who are constantly on the lookout for newer, better, more efficient ways to do things and who can apply them to their current work. You should be bringing new ideas to your boss at least as often as he/she is bringing them to you.
4. **"You know how we've been doing X? Why do we do it that way?"** Question the status quo. Don't just accept things because "that's the way they are." If you're curious about some process or rule or regulation, ask for the background on it. You'll be surprised to discover how many things we do for no other reason than that's the way it's always been done and no one ever bothered to ask.
5. **"I don't think that's the best way to do that. How about we do it this way instead?"** Please, don't be a yes-man/woman. Disagree with me. Don't just assume that what I say goes. Sometimes, I have no idea and

am just throwing ideas out there and want some honest feedback on them. When I was first given a team, the first person I approached was a good friend of mine whom I knew would be candid with me and tell me when I was wrong. I knew that she'd tell me about an awful idea long before it made its way to the client.

6. **"Here's what I'd recommend and why."** If I've asked you to work on something, don't just send me your research. I want to know your thoughts on it too. You're the one closest to the research. Give me your recommendation and your rationale for it. It shows me that you can think critically and that you can back up your assertions.
7. **"Here's what I learned and how I'll do it better next time."** Learn how to be your own worst critic. One of the best things you can do is become self-aware. Know where you're strong, know where you're weak, and know where you can improve.
8. **"You gotta see/read/listen to this – I know you'll love this."** It doesn't always have to be about work. Don't be afraid to send your boss the latest memo if you think he/she will enjoy it. I like to know my team's interests outside of work, and I want them to want to get to know mine as well.
9. **"Do you know who I can talk with to understand this better?"** If you're struggling with something, I will NOT think of less of you if you ask how you can get smarter on the topic. I'll be impressed that you were self-aware enough to know what you don't know and confident enough to ask about it. I may not know the answer either, but I'll be sure to help put you in touch with someone who will.
10. **"What can I do to help?"** Be proactive. Don't wait for other people to task you with something. Ask if you can help with something. Or better yet, refer to numbers 3 and 4 above.

Now don't get the wrong idea here – while you may have thought this post was targeted toward more junior employees, these are all things that I try to regularly talk with my boss about as well. These aren't just for entry level or mid-level employees – at no point should you feel that you're too old or too high on the org chart to ask for feedback or to challenge the status quo. If you're a manager now, start asking your employees to think about these things. Likewise, look internally and ask yourself if you've been doing the same with your boss.

See more at: <http://steveradick.com/2012/08/21/ten-things-you-should-be-saying-to-your-boss/#sthash.oMudX6NG.dpuf>

## Where RLR will be:



## Conferences & Exhibits

### RLR to Exhibit:

- 9/4-9/6 **CIB 23<sup>rd</sup> Annual Conference** - The Island Hotel, Newport Beach, CA
- 9/23-9/25 **WIB 2013 Education Summit & Expo** - Disneyland Hotel, Anaheim, CA

### RLR to Attend:

- 8/5-8/7 **CSI Customer Conference 2013** - Hyatt Regency Chicago, Chicago, IL
- 9/9-9/10 **Wespay 2013 Payment Symposium** - Marriott Renaissance Hotel, Palm Springs, CA
- 9/11-9/13 **WSUG 2013 Fall Meeting** - Hyatt Regency Sacramento, Sacramento, CA
- 10/8-10/11 **CBA Annual Regulatory Compliance Conference** - Hyatt Regency Indian Wells, Indian Wells, CA
- 10/27-10/30 **AFP Annual Conference** - Mandalay Bay Convention Center, Las Vegas, NV

### Ruth L. Razook to Speak:

- 9/11 **WSUG 2013 Fall Meeting** - Hyatt Regency Sacramento, Sacramento, CA  
**Vendor Management**
- 9/24 **WIB 2013 Education Summit & Expo** - Disneyland Hotel, Anaheim, CA  
Working Peer Group Session: **"Key Elements of a Successful Risk Assessment Dashboard"**

## HOW TO CONTACT RLR

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