



Lusitania Savings Bank, fsb Spring Newsletter 2010

30th Annual Picnic

Date: Sunday, June 20, 2010

Time: 10 AM to 7 PM

Location: FOREST LODGE
11 Reinman Road
Warren, NJ 07059

Facilities: Swimming Pool, Dance Area, Soccer Field, Volleyball Courts, Tennis Courts, Basketball Courts, Bocci Area, Baseball Field



Main Office:
107 Pulaski Street
Newark, NJ 07105
(973)344-5125

Branches:
210 Ferry Street
Newark, NJ 07105
(973)589-1555

302 Frank E. Rodgers Blvd.
Harrison, NJ 07029
(973)268-7801

1135 Liberty Avenue
Hillside, NJ 07205
(908)527-7994



Events: Soccer Game
International Variety Show
Music: Mx3 Band
Variety of popular games for all ages
Prizes for winners

Food: Food & beverages (sodas) served continuously from 10 AM to 6 PM
Beer & Wine will be served from 1 PM to 6 PM

Tickets go on sale May 17, 2010
Only 3,000 available

Express Banking
(973)344-5683

Internet Banking
www.Lusitaniabank.com

Business Hours:

Monday 9:00 am-6:00 pm
Tues-Thurs 9:00 am-5:00 pm
Friday 9:00 am-7:00 pm
Saturday 9:00 am-2:00 pm

Drive Thru Schedule:

Pulaski Office

Monday 8:30 am - 6:00 pm
Tue-Thurs 8:30 am - 5:30 pm
Friday 8:30 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

MANAGEMENT TEAM

Officers:

Augusto A. Gomes: President/CEO
Jorge S. Gomes: Executive VP/GC
Sandra Teixeira: VP of Finance
Maria C Pequito-Duarte: VP of Lending
Florbela De Almeida: VP of Operations

Branch Managers:

Sandra Fernandes: Branch Coordinator, Pulaski
Sandra Martins: Ferry
Michelle Queiruga: Harrison
Filipe Fernandes: Hillside

COMING EVENTS

- May 17 Picnic tickets go on sale, (only 3,000 will be sold)
- May 29 to Sept. 4 Saturday Summer Hours:
Lobby: 8:30 am to 12:00 pm
Drive Thru: 8:00 am to 12:00 pm
- May 31 Closed for business - Memorial Day
- June 20 Customer Appreciation Day
"30th Annual Picnic"
- July 5 Closed for business - Fourth of July



You asked.... We listened.
Online Bill Pay - coming soon



EQUAL OPPORTUNITY LENDER



A Message from the President

As we celebrate our 30th year as a financial institution, I find myself reflecting back on the three-decade journey that has taken Lusitania to where it is today. It is an incredible story, one I have been asked about often, and one I hope to share with you now.



Not too long after arriving in the United States from Portugal, I visited a local Newark bank for the purpose of opening an account with them. I was greeted by one of the bank's customer service representatives, who was more than happy to sit down with me after I informed her that I was there to open a new account at the bank. While the bank's representative was taking down all my information, I happened to notice another customer who walked through the door.

The man stepped into the bank with a hesitant stride, as if he wasn't entirely sure that he would be welcome inside. Taking off his hat and holding it in his hands deferentially, he sat down in front of another of the bank's representatives, close to where I was sitting at the time. I was admittedly curious about the individual and couldn't help but listen in on their conversation. As it turned out, the man already had an account at the bank and was there to apply for a small loan. The representative quickly informed the individual that, because he did not have an established credit history, the bank was unwilling to provide him with a loan of any kind. With little more in the way of explanation, the bank representative sent the man on his way. Obviously disappointed, the man got up to leave, still holding his hat in his hands, when he noticed that I also spoke his native Portuguese. I can still remember his comments to me that day: "They are happy to take our money when we come to deposit it here, but when we need help, any excuse is good enough to send us away. The bank won't give us loans because we don't have credit histories but how will we ever have credit histories if we can't get a loan?"

The man's words stayed with me long after our brief encounter. I realized he had spoken in terms of "us" and "we", as if we were both part of the same community. Looking around, I realized he was right. We were surrounded by employers and employees, shop owners and customers, all speaking the same language and sharing a similar heritage. We were, in fact, part of a community. Yet when it came time for any of us to look for assistance to help realize the dreams that had brought us all here, the members of that community had no choice but to turn to outside institutions, banks that had little desire to help individuals whose financial backgrounds did not make them typical candidates for loans. What was needed was a financial institution where the particular needs of our community could be met, a place where an individual could not only deposit his hard-earned funds but could also walk in and proudly apply for a loan without having to hold his hat in his hands.

With a clear vision of what the community needed, I organized a group of fifteen other individuals who hailed from my part of Portugal and set about making that vision into a reality. It would prove to be a difficult and long road to travel. Opening a commercial bank would have required us to come up with a few million dollars in capital. Needless to say, we didn't have those kinds of funds at our disposal. So, in early 1980, after about a year of organizing and working towards our goal, we applied for and were granted a charter to open a credit union. We now had a charter that allowed us to accept deposits and make loans to members of our community. There were a few rather glaring problems at this point, however: we had no deposits, no loans and no funds with which to pay rent and salaries, buy equipment, pay for utilities and so on. The solution turned out to be one steeped in the traditions of our heritage we simply put our faith in the people we sought to help and in each other. As

difficult as it is for some to believe today, the initial capital for Lusitania Federal Credit Union came from that small group of organizers, who were more than happy to provide the funds with nothing more than I.O.U.'s in return.

Lusitania Federal Credit Union soon began to show signs of being a success - the community finally had an institution that understood and could provided for its unique needs. Seeking to capitalize on Lusitania's success, multiple copy-cat institutions popped up in the years that followed. Few seemed to realize, however, that the success of Lusitania Credit Union was not built upon a desire to maximize profits, but rather upon a genuine desire to help the community. Not surprisingly, therefore, many of those institutions went on to be re-organized, bought out by large banks or simply disappeared.

Despite Lusitania's successful history in real estate lending to the community, our federal regulator, the N.C.U.A., decided in the early 1990's that having more than 25% of our loan portfolio in the form of real estate loans was too risky. Although we strived to explain how the nature of our community itself made real estate lending here less risky than it believed, our regulator simply would not be convinced. Accordingly, we were forced to seek another form that would allow us to continue real estate lending to our community. What followed were challenging times that even we had not foreseen. The N.C.U.A. strongly opposed the idea of Lusitania leaving its regulatory umbrella, fearing that other credit unions would follow suit. Nonetheless, in 1995 Lusitania successfully converted to a mutual bank charter, making U.S. history in the process by becoming the first credit union to ever convert to a savings bank.

We've grown even more since then, but to this day, Lusitania Savings Bank continues to use its original motto, "O Nosso Banco" (or "Our Bank", in English). I believe that the motto - along with the Lusitania name, our logo, our Board of Directors, our annual picnic and everyone who works at Lusitania Savings Bank - serve as a reflection of our commitment to Lusitania's founding ideals: to be an institution born of the community and for the community, a place where an individual who walks through our doors can be treated as a member rather than as a client. I take great pride when someone tells me that Lusitania lent them money to buy their first car, to furnish their home or to send their child to school. I take even greater pride knowing that these individuals didn't have to walk in with their hats in their hands in order to get their loans.

None of the above would have been possible without your continued faith in us. We are grateful for the opportunity to have served your needs over the last 30 years and look forward to doing so for many more years to come.

Augusto A. Gomes,
President & CEO

BE AWARE

Do they promise you **low fixed rates???**
Do they promise you the **lowest payments???**
Do they promise you mortgage **loans at no cost???**
Do they promise you advantageous loan terms under government loan programs and **stimulus packages???**

BE AWARE

Contact our Mortgage Department
Get the explanations you need to make an informed sound financial decision about your home financing.
Don't fall for any snake oil scams.

New Small Business Checking

At Lusitania Savings Bank you are not just another customer. We are a financial institution committed to providing you with outstanding customer service and helping you achieve economic success and financial security. Our products and services are tailored to your financial needs. With that in mind, we have just added a new product to the family of our business accounts. This new product is customized for the start up or existing small business.



Features:

- Minimum opening balance requirement \$100
- Free transactions*
- Free MasterMoney business debit card
- Free ATM transactions at over 37,000 ATM machines
- Free account maintenance**
- Free tax payments
- Free internet banking
- Free telephone banking
- Merchant services available
- Overdraft protection available
- Business credit card

*First six months FREE of charge. After that 100 transactions free per month, \$.20 each additional transaction (transaction includes deposits, withdrawals, checks paid, electronic transactions).

**Account maintenance fee waived when an average collected balance of \$500.00 is maintained monthly.

For more information call or stop by today. One of our knowledgeable Customer Service Reps will be able to answer your questions.

AUTO LOANS NEW OR USED

Simple & Affordable

New or used, if you're buying a car we have the loan for you!
We are ready to give you the quick answers you need.



QUICK APPROVAL PROCESS COMPETITIVE RATES

Give us call or pass by our main office today!

Surcharge-Free ATM Network

Lusitania Savings Bank has teamed up with Allpoint, an ATM network that gives you access to over 37,000 ATM's nationwide at **no charge** to you.



You can find the nearest Allpoint ATM by simply visiting their website at www.AllpointNetwork.com or call 1-800-809-0308.

PLEASE NOTE: Some Allpoint ATMs may still display a surcharge screen during your Allpoint transaction. If that happens, simply enter "Yes" to accept the surcharge and proceed with your withdrawal. **YOU WILL NOT BE CHARGED THE SURCHARGE.**

The Scam Update

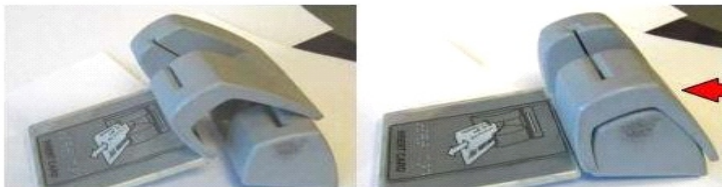
Helping to keep
you scam-free!

It's your money, so keep it that way – stay informed!

In this issue of the Newsletter: ATM SKIMMERS

An "**ATM Skimmer**" is a portable card reader that thieves attach to the front of a legitimate ATM. When used with a hidden camera or replacement keypad, the skimmer provides thieves with all your crucial ATM card info.

Would YOU be able to spot the difference?



The skimmer is placed over the real card slot underneath.

HOW ATM SKIMMERS WORK

The ATM skimmer is disguised as a normal ATM card reader. ATM customers are tricked into inserting their ATM cards into the skimmer and entering their PIN codes on the keypads.

The keypads are either replaced, or a hidden camera is placed to record a customer's PIN as it is entered on the keypad.

The ATM skimmer either stores the card data or uses a wireless transmitter to send it to a nearby receiver.

Once the thieves have the data from the ATM card and the PIN, they can create a duplicate card and use it to withdraw money from the customer's account.

WHAT YOU CAN DO

- Trust your instincts: if anything on the ATM looks out of place (for example, the card reader is made of a different color of plastic), don't use the machine.
- Look for add-ons: be on the lookout for things on the ATM that don't seem necessary, like an extra mirror. These are ideal places for thieves to hide cameras.
- Guard your PIN: when you enter your PIN at the ATM, use one hand to press the numbers and the other hand to cover your actions from any cameras.
- Poke and prod: ATM skimmers are designed to be removed easily, so don't be afraid to poke and prod any part of the machine that looks suspicious. If the thieves can take the skimmer off easily, so can you.
- Opt for video surveillance: try to use only ATM's that have video surveillance. Thieves are much less likely to target these ATM's with skimming devices.
- Report anything suspicious: if you suspect that an ATM may have a skimmer attached, let the establishment where the ATM is located know.

Celebrating 30 Years



LET US HEAR FROM YOU

How can we serve you even better?

We strive to provide excellent service to you every day, in everything we do. This means constantly improving upon the way we do business, and we want your input on how we can further improve. Please share your suggestions on ways we can serve you even better.

Our team will review all suggestions submitted, and if we decide to use yours, we'll pay you \$50.00 for it!

Please mail this form to: **Lusitania Savings Bank, fsb
Attn: Augusto Gomes, CEO
107 Pulaski Street, Newark, NJ 07105
aagomes@lusitaniabank.com**

That's how serious we are about excellent customer service!

Name: _____
Address: _____
Email: _____

Your Suggestion: _____

This newsletter is intended to provide accurate and authoritative information in regards to the subject matter covered. The information in this newsletter is not intended to provide specific advice or recommendations. For legal or other expert advice, we recommend consulting your attorney, accountant, tax or financial advisor.

If you are unhappy with our services please let us know.