

# MID-CONTINENT BANKER

*The Financial Magazine of the Mississippi Valley & Southwest*

APRIL, 1971



Tom C. Frost Jr.  
President  
Texas Bankers Association  
Page 79



George A. LeMaistre  
President  
Alabama Bankers Association  
Page 99

## CONVENTIONS

A photograph of a man in a dark suit, white shirt, and patterned tie, sitting at a desk. He is wearing glasses and looking towards the camera. A large document with a grid pattern is spread out on the desk in front of him. The entire scene is overlaid with a green tint.

# BANK OPERATIONS ISSUE

# A tall new look and... a broad new concept in banking

In just a few weeks, Liberty National Bank of Oklahoma City will occupy its tall new home at One Hundred Broadway, Oklahoma City.

Innovation has long been a watchword at Liberty. Portrait BankAmericard and 24-hour Drive-In Service are recent examples of our concept of constructive change. Our new home is more than another innovation—it signals a new era in banking service for this region.

Oklahoma and its neighboring states are part of growing Mid-America. In recent surveys conducted by our bank, qualified financial analysts predicted that this region is the next major growth area of the nation. Liberty is confident of Mid-America's future and we are dedicated to serving its people, its customer banks and its growing economy better than any other bank.

In fact, we are going to express this confidence from now

on with the way we say our name—not our legal name itself—but the way we say it. Why? Because we want to reflect the momentum of change and growth occurring all around us, and especially right here in the middle of the United States. Also, we believe it more accurately signifies the quality of our service, the competence of our staff, and our faith in the future.

The new Liberty mark and signature symbolize both our heritage and our future. At the end of 1970, our deposits had grown to be the largest in Oklahoma simply because a lot of you have faith in us. In turn, we have faith in you and your bank and the future of your community. Mutual faith in the future is what banking is all about.

So why not let Liberty help you plan for your bank's financial future and together, we will build for a better tomorrow here in Mid-America.



# LIBERTY

## THE BANK OF MID-AMERICA



LIBERTY NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY P.O. BOX 25848 73102 PHONE 405/231-6163 MEMBER FD.I.C.

# If there were some kind of cut-and-dried formula to help a bank assess its performance,

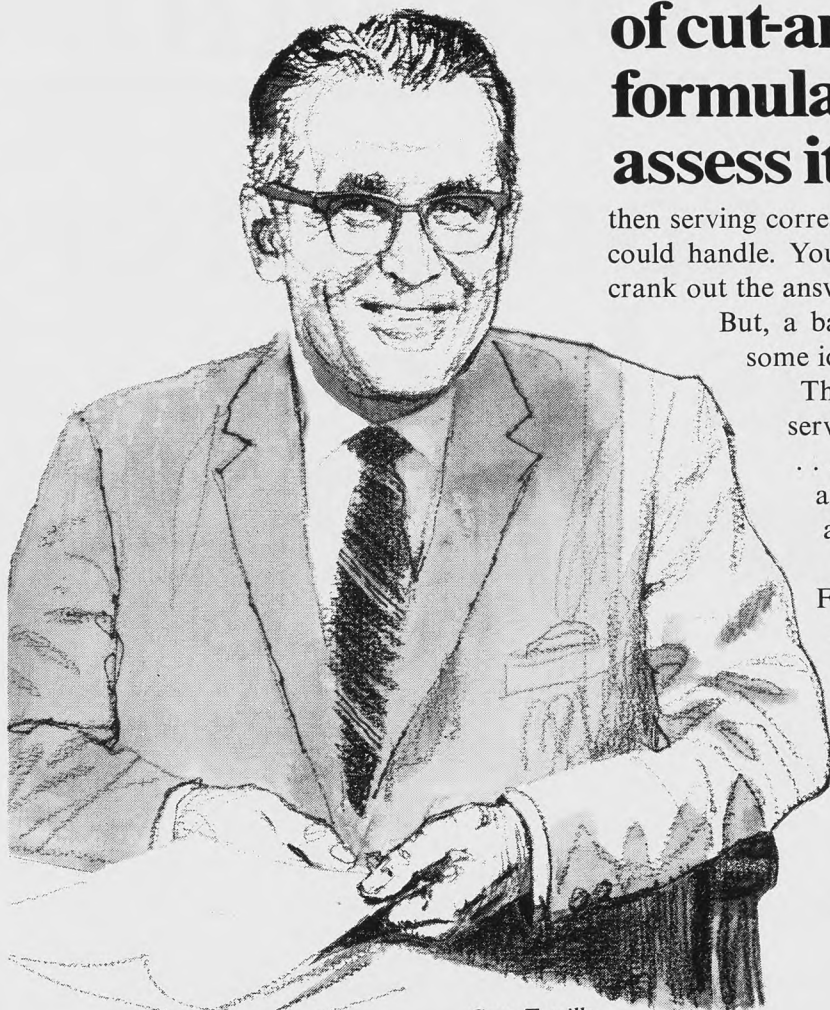
then serving correspondents would be something a computer could handle. You'd only have to crank in the figures and crank out the answer.

But, a bank can't be accurately evaluated without some idea of its *potential*.

This is where the right kind of correspondent service can act as a sounding board for ideas . . . tell you what banks in other communities are doing . . . discuss different performance areas.

What is your potential for new business? For financial performance, for portfolio management, or achieving economies on internal operations?

At Continental Bank, our correspondent officers can help you *evaluate* your potential. And then offer a wide range of expert services to help you *reach* it.



Gene Tamillo

Some of the Continental men serving the south central and western states:



Jim Hickok



Gaines Godfrey



Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60690. Member F.D.I.C.

MID-CONTINENT BANKER for April, 1971

# Bond Portfolio.

## Could computer analysis boost your profits?

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who wrote the book.**



Your bank's bond portfolio, given the proper care and attention, can provide a significant portion of your bank's profits.

The Northern Trust's newly developed Bond Portfolio Analysis Service for evaluating *all* bonds in your portfolio can help you produce maximum net earnings with minimum demands on your organization.

This new service combines modern management science techniques, computer technology, and our extensive experience with our own bond portfolio. Using these skills, your Northern Trust banker will work closely with you to develop an investment program that suits your precise needs.

For further information, contact your Northern Trust banker who will be pleased to discuss this service with you—or call N. Hall Layman, Vice President.

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MID-CONTINENT BANKER for April, 1971

# James Hickok Retires From First of St. Louis; Banker More Than 40 Years

ST. LOUIS—James P. Hickok, who has served as president of three different banks here and is one of the city's most outstanding civic leaders, retired March 9 as chairman of the executive committee at First National. However, he continues as president of First Union, Inc., parent holding company of First National. He also maintains a downtown office.



HICKOK

Mr. Hickok, a native of Farmington, Mo., was a student at the University of Missouri in Columbia in the 1920s when his father's death necessitated his taking "the first job that came along." That job was bookkeeper at a Hot Springs, Ark., bank. He later went to St. Louis to become a national bank examiner and in 1930 was elected cashier of what is now St. Louis County National, Clayton.

He successively became president of Manchester Bank, 1935-43, and Manufacturers Bank, 1943-50. In 1950, he joined First National as executive vice president and a director. He advanced to president in 1957, chairman and chief executive officer in 1962 and chairman of the executive committee in March, 1970. He headed the Missouri Bankers Association in 1945-46.

Mr. Hickok was president of St. Louis' Civic Center Redevelopment Corp. in the 1960s and, in that post, helped bring about erection of Busch Memorial Stadium, home of the St. Louis Baseball and Football Cardinals. In the 1950s, he helped negotiate the sale of the Baseball Cardinals to Anheuser-Busch, Inc., thereby preventing removal of the team to another city. In 1964, he shared the annual St. Louis Brotherhood Award of the National Conference of Christians and Jews. That same year, he shared the St. Louis Award with the late Preston Estep. In 1965, Mr. Hickok was named "man of the year" by the St. Louis *Globe-Democrat*.

■ DETROIT—Paul S. Mirabito, executive vice president and a director of Burroughs Corp., has been elected to the board of Detroit Bank.

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# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

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# THE BANKING SCENE



By Dr. Lewis E. Davids  
Hill Professor of Bank Management  
University of Missouri

## The Board and the Quality of Life

**D**URING the early 1960s, most adult Americans including bankers were not conversant with the words "ecology" or "bionics." In the 1970s, it is rare to find any mature person who is not concerned about the topic that is encompassed in the phrase "the quality of life."

A decade ago, no writer for the banking press would expect his editor to publish an article on ecology. This is simply because it seemed so remote from the immediate interest of bankers.

Times and attitudes have changed dramatically. Today ecology, to use a shopworn phrase, is relevant. This is not to imply that bankers (as individuals) in the past were indifferent to pollution of the air, rivers and streams, the effects of strip mining and such things as non-scientific lumbering. As decent, concerned individual citizens, bankers objected to the deterioration in the quality of life. They prided themselves that banking by its very nature was not a polluter such as manufacturing firms or those engaged in power production.

It's safe to say that bankers then believed—and a large proportion still today believe—that pollution should be dealt with by appropriate governmental agencies and that bankers should stick with the area of their training and competence, which is "banking" and not "ecology."

In fact many capable, in fact legally or financially astute, bankers believe they could seriously jeopardize their banks, their depositors, customers and shareholders if they became identified as activists in the area. The term "ultra vires" refers to any corporate activities outside those permitted by law or by charter. But equally important is the class-action right of a bank's shareholders to hold the board and the administration of the bank to close accountability for their stewardship of the bank's assets and competitive stature.

Stated pragmatically: Many bankers frankly recognize that their business customers, the manufacturers, contribute to the pollution problem—these same manufacturers, however, provide the employment base for the community. Thus, there is a dilemma as to the most appropriate trade-off. Is it realistic to call on the banker to "bell the cat" and probably lose such accounts, or is it more realistic to look to appropriate governmental agencies to enforce their regulations? B. Finley Vinson, chairman of First National of Little Rock, and a widely respected banking spokesman, in commenting on the subject has said: "Like it or not, bankers in the future are going to become more involved in the area."

The writer agrees with Mr. Vinson that bankers *are* being nudged more and more into *activist roles* in meeting a multitude of social problems ranging from smog to racial discrimination.

In the period ahead, it is no longer a question of: Should our bank become directly involved in the area of relevant social problems? Rather it is: How can our bank become involved in a way that will maximize the mutual interests of our depositors, stockholders, employees, borrowing customers and the community and, incidentally, the many contradictory regulatory bodies?

It is the awesome responsibility of a bank's board to come to grips with providing the policy and direction for the entire bank. A board must prorate the limited resources it has of money, material, manpower to maximize the bank's contribution.

With more than 13,000 banks of different sizes, locations and problems, it is obvious that few specific rules will be applicable for all banks.

There are, none the less, certain steps that the board should take—and a number of pitfalls to be avoided at all cost.

The board of one of our nation's leading corporations in September,

1970, formed a public policy committee of five outside directors, to give matters of community action and corporate citizenship "a permanent place on the highest level of management."

Depending on a board's size and composition, some individual directors or subcommittees should have corporate citizenship and community action as their delegated areas of responsibility.

Next, some systematic tabulation is essential of those community problems that can be attacked through the bank's resources. With the tabulation should be exercised evaluation of the time frames, the priorities, the realistic assessment of what is feasible for the bank to accomplish.

This material should be brought to the full board for its consideration. No doubt, there will be dissension among the individual directors as to priorities and the appropriate steps to be taken. Some broad consensus by the board is essential.

The next step is most strategically important—the obtaining of support of the bank's shareholders. Specifics should be avoided, i.e., actual minimum and maximum dollar amounts of the bank's assets that will be put into "soft" loans, into actual charitable contributions, into minority or inner-city financing. A broad but accurate rationalization should be positively stated.

There is the need for careful, legal and astute presentation of the *concept* on the proxy material the bank's stockholders receive and use to indicate their wishes to the bank's board. Without the stockholders' strong support, the board may experience legal suits from individual shareholders or as part of a class action.

It is true that there are some banks today that have gone overboard in their attempts to rectify the problems of their communities. This includes making "soft" loans for socially de-

(Continued on page 58)

# The Orange Juice Express

...or how Franklin helped a Florida correspondent get Tropicana's "Great White Train" rolling

Imagine a mile of pure orange juice rolling up the coast every eight days from the Florida groves to the Northeastern market!

An exciting concept! That's Tropicana's "Great White Train"—a mile-long string of specially constructed cars that now rushes orange juice from Bradenton, Florida, to the distribution center in Kearny, New Jersey. It's all part of the company's program to control quality from the tree to the consumer's table.

Imaginative marketing takes imaginative financing... and that's where Franklin National came in!

The First National Bank of Bradenton, Florida, which had been financing Tropicana along with a

group of Florida banks, called on Franklin National and together the banks cooperated in making available the funds to meet Tropicana's needs."

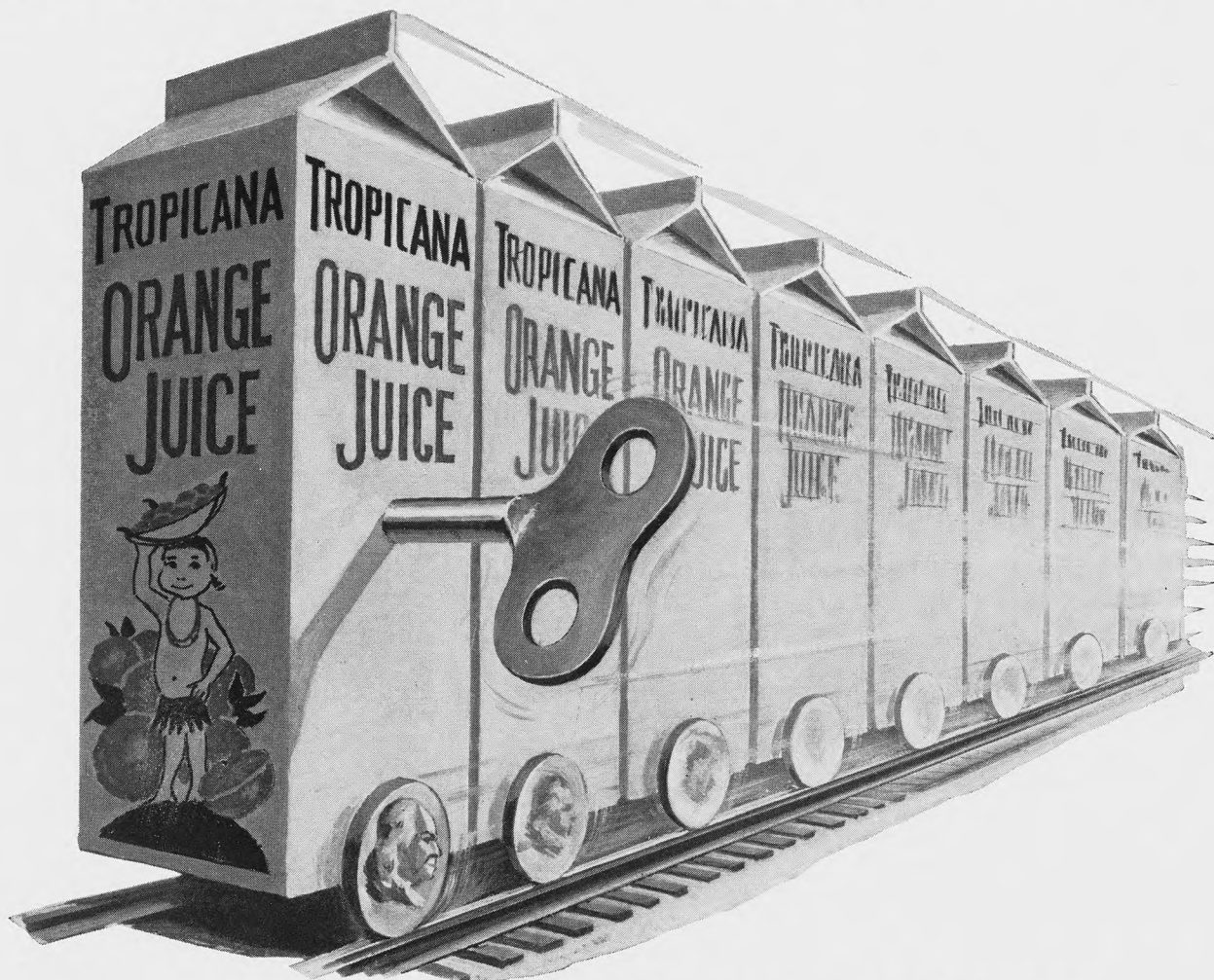
Franklin's National Division quickly arranged the participation. Today, the "Great White Train" is a familiar sight speeding pure orange juice to market.

At Franklin, we are committed to helping worthwhile businesses grow. Our team of seasoned professionals has the experience to provide correspondents with efficient service and understanding counsel.

For imaginative correspondent banking... call on Franklin National.

Address inquiries to:

Roger D. Elton, Executive Vice President,  
National Division, Franklin National Bank,  
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MID-CONTINENT BANKER for April, 1971

# Credit Cards

## Encoding Technology Suggested by ABA For Machine-Readable Credit Cards

**T**HE CREDIT CARD INDUSTRY should adopt magnetic stripe encoding technology for machine-readable credit cards to be used in authorization and point-of-sale terminals. This was the recommendation made in an 18-page report prepared by the ABA's bank card standardization task force. Results of the study were announced by the ABA's bank card committee.

The report also recommends that the magnetic stripe provide for dual-density encoding and be located on the back of the card. Recommended specifications are included in the report.

The report and recommendations are the result of a seven-month study made by the ABA's bank card standardization task force, whose director is Bickford Henchey. The task force is composed of key operating and executive officials of the major plans and bank card issuers.

The task force also intends to recommend a standardized message format for credit-card authorizations, which it believes will meet the requirements of all card issuers. The standardization of the message format, according to the task force, will facilitate lower-cost terminal systems and enhance the development of credit-authorization systems on a national and/or international basis.

The task force believes that in its deliberations it has considered all factors affecting the acceptance of magnetic stripe encoding technology as the recommended standard for machine-readable credit cards. Task force members hope all card issuers will adopt the recommended technology to avoid fragmentation, costly duplication and disruption of interchange. Also, the benefits of standardized machine-readable cards and compatible terminals to retail merchants and other businesses, as well as the general public, cannot be minimized, the report emphasized.

The ABA's bank card standardization task force was formed in 1968 to coordinate development of standards in the banking industry with the credit card standards work going on at the

American National Standards Institute (ANSI). In 1969 the task force became the technical subcommittee for the ABA's bank card committee.

Significant achievements were made in credit card standards at both ANSI and the International Standards Organization (ISO) during the first half of 1970. Work that had been going on for two years resulted in approval at ANSI of standards for embossed credit cards, including physical specifications, dimensions, location of embossed data and type style. In addition, an interchange numbering system was developed and included in the approved standard (ANS X4.13).

Last July, the American standards for embossed credit cards and numbering system enumerated above were approved in principle by ISO. According to the task force study, it is hoped that final approval of the ISO standards will be achieved early this year, as the rapid growth of international interchange among credit card issuers makes world standardization necessary.

Last June, the work on development of standards for embossed cards and the interchange numbering system was completed and credit card sales draft standardization was underway at ANSI. Therefore, the ABA bank standardization task force turned its attention to an in-depth study of encoding techniques for machine-readable credit cards and requirements for authorization and point-of-sale terminals.

There were compelling reasons for the task force to undertake this study: the opportunity to reduce the large losses due to fraud and bad debt, the consequent desire for lower floor limits and tighter control and the burden and inefficiency of manual authorization of credit authorizations to the retail merchants and customers.

According to the task force's report, machine-readable credit cards and point-of-sale terminals, if technically and economically feasible, offered the hope of a tripartite solution to the problems facing credit card issuers, merchants and other businesses accepting cards and the public carrying credit cards.

The task force prepared a request for information in the form of a letter dated August 13, 1970. This letter was sent to all known manufacturers of credit card terminals from a list supplied by the Business Equipment Manufacturers Association and other sources. The original mailing went to 55 manufacturers. A press release announcing the study and inquiry was circulated to newspapers and periodicals to encourage the broadest possible response to the study.

A total of 103 manufacturers in this country and five foreign countries ultimately received the August 13th request-for-information letter, and 52 manufacturers responded. Of these, 44 indicated they could provide terminals meeting the general considerations outlined.

Next came a meeting between these manufacturers and task force members, with 15 manufacturers attending. At the conclusion of these meetings, task force members believed they knew enough about each of the recommended encoding techniques of the respondents to make an evaluation and select the technique or techniques considered most appropriate for recommendation as a standard.

In order to provide a common basis for comparison, the task force developed a list of criteria and considerations for evaluating each of the encoding techniques recommended by the responding terminal manufacturers. These criteria included availability of encoding techniques, relative cost of card, encoding production rate, reliability, capacity of encoding and relative cost of reader. • •

### How to Use Credit Card Wisely Described in Bank's Brochure

WINSTON-SALEM, N. C.—Wachovia Bank has published an attractive new brochure that describes how to use a Master Charge card wisely (and avoid some of the potential pitfalls in utilizing credit). Entitled "The Dos and Don'ts of Using Credit Wisely," the four-color brochure has been distributed to several hundred thousand Wachovia customers at the bank's 138 offices across the state.

The brochure has been made available to legislators, credit bureaus, Better Business bureaus, bankers, merchants and members of the working press. Each new Wachovia customer receives one, along with an explanation of its contents, when he opens his account.

Banks desiring copies of the brochure should contact Wachovia's communications/public relations department in Winston-Salem.





# Installment Lending

## What Qualities Should Bank Seek In Hiring Collection Manager?

By J. V. WILLIAMS  
Vice President  
Yegen Associates, Inc.  
Northfield, Ill.

IN MOST installment loan departments in banks, collections run themselves—from a percentage standpoint. What is meant by that statement? Certainly, people are needed to put the loans on the books, process them and do all the necessary paperwork, but what I'm talking about are "collections" and "collection managers." Eighty-five percent of our loans pay on or before their due dates, and 10%-12% need a few reminder notices. The remainder, 3%-5%, cause bankers' gray hair, give them ulcers and create their collection problems.

This is the negative side of the lending business; this is where bankers come face to face with their mistakes in credit judgment. Yet, this small area, 3-5% of all loans, is an important area. A poor collection operation can destroy customer relations with people who could remain customers, could injure banks' relationships with many excellent dealer accounts, could harm banks' reputations, could get banks in trouble with the bank examiners and could, among other things, cost them thousands and thousands of dollars through errors in collection judgment.

Therefore, my purpose is to exchange some ideas with bankers about this "people business"—ideas to help reduce and eliminate the problems just mentioned and help bankers take a long clear look at their present collection operations and the people in them.

My topic is "Management of Collections." Let's take a look at that first word, management. What is it? The simplest definition we know is: "Management is the art of getting desired results through people." The key word here is "people." Regardless of what the product or service is that a company provides, all businesses, including banks, are in the "people business." We're going to talk about people, our customers and our collection managers.

Let's take a look at a typical collection manager in an installment depart-

ment. If management is the art of getting desired results through people, what desired result do we want from this man? Basically, I think we all agree we expect three things from a collection manager:

1. Get the money in to the bank as fast as possible.
2. Maintain good customer and dealer relations.
3. Keep losses to a minimum.

Sounds easy! But let's take a look at some of the daily job functions a typical collection manager *might* perform in a bank:

1. First, he continually checks to make certain the notices are going out on the required frequency.
2. He goes through the "tubs" a couple of times a month to look for *sleepers* that were missed by the posting clerk.
3. He should understand the *proper* use of telegrams, special delivery letters and certified mail.
4. Along with this, he should always maintain good customer relations in his letter writing, telephone technique and personal customer contact.

5. The collection manager must evaluate when to extend an account and then follow through on the handling of extensions where necessary.
6. He must also rewrite accounts occasionally to alleviate high monthly payments, possibly "save" a repo.
7. He, undoubtedly, would want to hold frequent collection meetings with his people in order to *stay on top* of the numerous collection problems.
8. He certainly will wish to make retail verifications on the terms of sale and thereby eliminate the possibility of dealer fraud. These verifications would be handled by phone, letter or the best means of all—personal contact.

9. Many times, he will prepare and physically make floor-plan checks on wholesale dealer accounts.
10. Also, he prepares performance reports, delinquency reports, repossession reports plus many weekly and month-end reports for his bank superiors.
11. He constantly checks for proper title follow-up and insurance policy follow-up so he can keep single-interest insurance

costs at a minimum.

12. Skip-tracing procedures take a lot of time and can be a job in themselves requiring patience and much collection know-how.

13. The collection manager must know "*when to repo*" and "*how to repo*" right through replevin action, if necessary, to the actual reconditioning and public sales.
14. It follows then that he must charge off losses and then, personally, make a concentrated effort to *collect* deficiencies prior to turning those deficiencies over to the proper attorneys. A good, sharp collection manager, *properly trained*, can collect thousands and thousands of dollars on charged-off deficiency accounts.
15. He must always strive for good dealer relations with the many dealers who give business to the bank. An error here in diplomacy can sometimes cause the loss of a good indirect-dealer account along with his many bank checking accounts.
16. Finally, a collection manager always works toward a good rapport with the people working for him, plus the many officers of his bank, and the overall banking community of which he is a vital part.

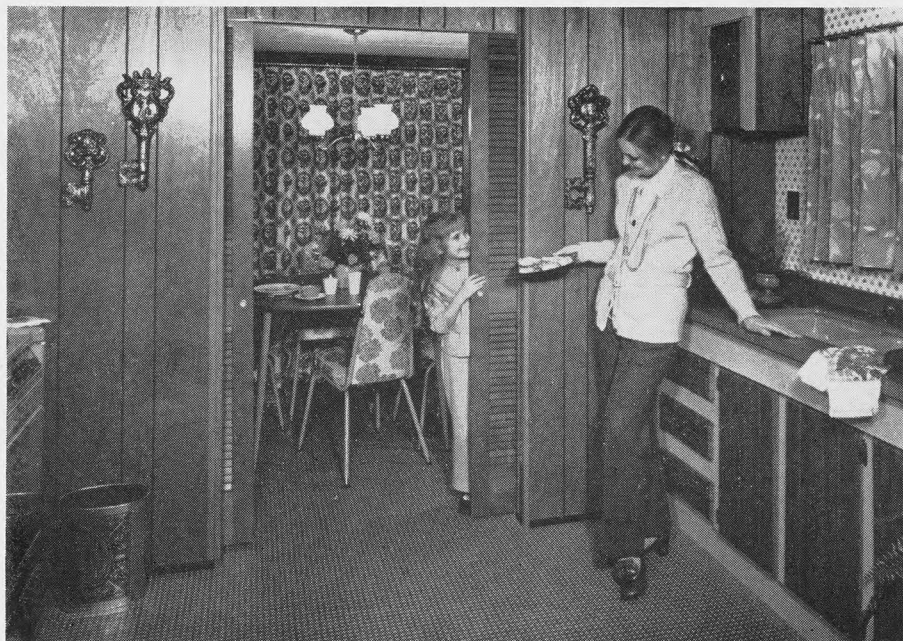
Now that we have looked at a typical collection manager's job functions, they no longer *sound easy*. His job is complicated, tough and takes a certain kind of person. Because a collection manager spends the majority of his time on delinquents, after a while, he can develop a distorted viewpoint; he thinks *everyone* is a deadbeat! He loses sight of the fact that 95% of installment customers pay on or near their due dates! This attitude invariably leads to problems in the bank where the loan officer or even the president of the bank is called by an irate customer. So bankers sometimes create their own problems, which might start with hiring.

Surely no banker has ever been guilty of hiring a collector just because he was *warm* or because he was recommended by a friend. I wish there were a sure-fire method to use in hiring a man, but there isn't. One mistake often made is to *assume* that because a man has *some kind* of related installment experience, such as small loan company, finance company or banking background, he's an *expert* collection manager; and that's not always the case. Many times a man who has had *some* experience is hired and then doesn't do the job; he *doesn't* live up to expectations. What's missing? One key idea here: *Ask yourself*, based on what you know about this man, does he have the *potential* for advancement?

My firm has hired hundreds of collection people to work in the many banks we service and I'd like to discuss with you the qualities of one of these

# SITES NEEDED... FOR A THOUSAND HOMES A DAY

Investors and lenders are making money right now with mobile home 'subdivisions'



MAKE NO MISTAKE, today's mobile homes are a far cry from the 'trailers' of yesteryear. They offer *more* square feet of living space than many an apartment, *more* closet and storage space . . . are well insulated . . . are sold furnished and equipped — with name-brand major appliances including disposers, dishwashers, laundry equipment and central air-conditioning — all as options.

Many luxurious mobile homes are built to nationally-recognized standards covering construction and plumbing, heat-

ing and electrical installations. Many of the manufacturers have been in business twenty, twenty-five or thirty years; they enjoy well-earned reputations for product quality and good business policies.

Long-term financing is now available on mobile homes under FHA and VA and from Savings & Loan Associations. *Financing of the parks* is eligible under FHA. Facts available to you show profit of 25% and more on equity *after* debt service. If you do not have the facts — *why wait longer?*

• Actually many *more* than a thousand a day. Over 404,000 mobile homes were produced in 1970, which was 46% of ALL new home sales.

Mobile homes are manufactured faster than home sites are being made available. In many areas mobile home developments are proving to be the best—as well as the quickest—way to provide *good* housing most people can afford.

Substantial investments are required; typically \$2,500 to \$3,500 per home site . . . and the developments accommodate 100 to 500 or more homes. Million-dollar projects are common in this field.

## Home Work Awaits!

Both meanings. Land developers and financial people stymied by the cost-price squeeze are turning to mobile home developments as 'the' way to stay in *home* work. And there is *homework*, too . . .

There are special techniques to be learned and applied; there are preliminary studies to be made and analyzed. Dependable guidance IS available from the 35-year old Mobile Homes Manufacturers Association. They have designed parks with more than *one million* sites during the past 15 years; they offer you help, via the coupon below. Why not take advantage of it — *today?*

(A)  
(Free selected literature)

(B)  
Site-planning Kit  
\$7.00

(C)  
Book, "Formula for Financing Mobile Home Developments" — N. G. Asbury  
\$13.00

MOBILE HOMES MANUFACTURERS ASSOCIATION Dept. MCB-4  
6650 Northwest Highway, Chicago, IL 60631

\_\_\_\_(A) *Gentlemen:*  
\_\_\_\_(B) Please send me the material checked at left; remittance to cover items (B) and/or (C) is enclosed, making it unnecessary to open an account for this one-time transaction.  
\_\_\_\_(C)

Name \_\_\_\_\_  
Firm \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

# There isn't a loan coupon we can't make.



Randcomp is Rand McNally's fully computerized turnaround system that delivers coupon books directly to your customers. Promptly! It cuts preparation costs by 20% to 40% and eliminates transcription errors. No wonder more Randcomp coupons are now being processed in bank computer systems than any other computer-generated coupon.

MICRand fits into most magnetic ink data processing systems. And it can even be made to combine with perforator coding.

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 206 Sansome St., San Francisco, Calif. 94104

men. Ray Lind, about 28 years old, who works for us in New Mexico, came to us about two years ago. When we hired him, he had a year or so of finance experience, something we all look for when we hire a man. As you know, New Mexico has lots of desert and many Indian reservations. For the past two years, with the toughest kind of circumstances such as a 100-200-mile drive through the desert chasing a delinquent Indian who might be on or off the reservation, Ray Lind has done an outstanding job and recently received a well-deserved territory-manager promotion because of his excellent collection record in a rough collection area.

What we are interested in here is not the *name* of the man, but his *qualities*. What does Mr. Lind have that makes him so good, and what should we look for when we hire a collection man? Maybe Mr. Lind's qualities fit the bill. He had *some* finance background prior to joining us, which is important, but more important is the fact that: 1. He is reasonably intelligent. 2. He has drive. 3. He is enthusiastic about his job. 4. He has tact, diplomacy and polish. 5. He has initiative and, therefore, he's a self-starter. 6. He loves challenges. Sound like Superman? Yes! When we interview a man, let's round it off to this—look for a man who is reasonably intelligent, enthusiastic, bright-eyed and bushy-tailed and *wants your job!* Properly trained, he'll do such a good job for you, you'll be promoted, and he can assume your present position.

I just said two words—properly trained. The primary reason for poor collection men, even though we have done a good job of hiring, is *inadequate training*.

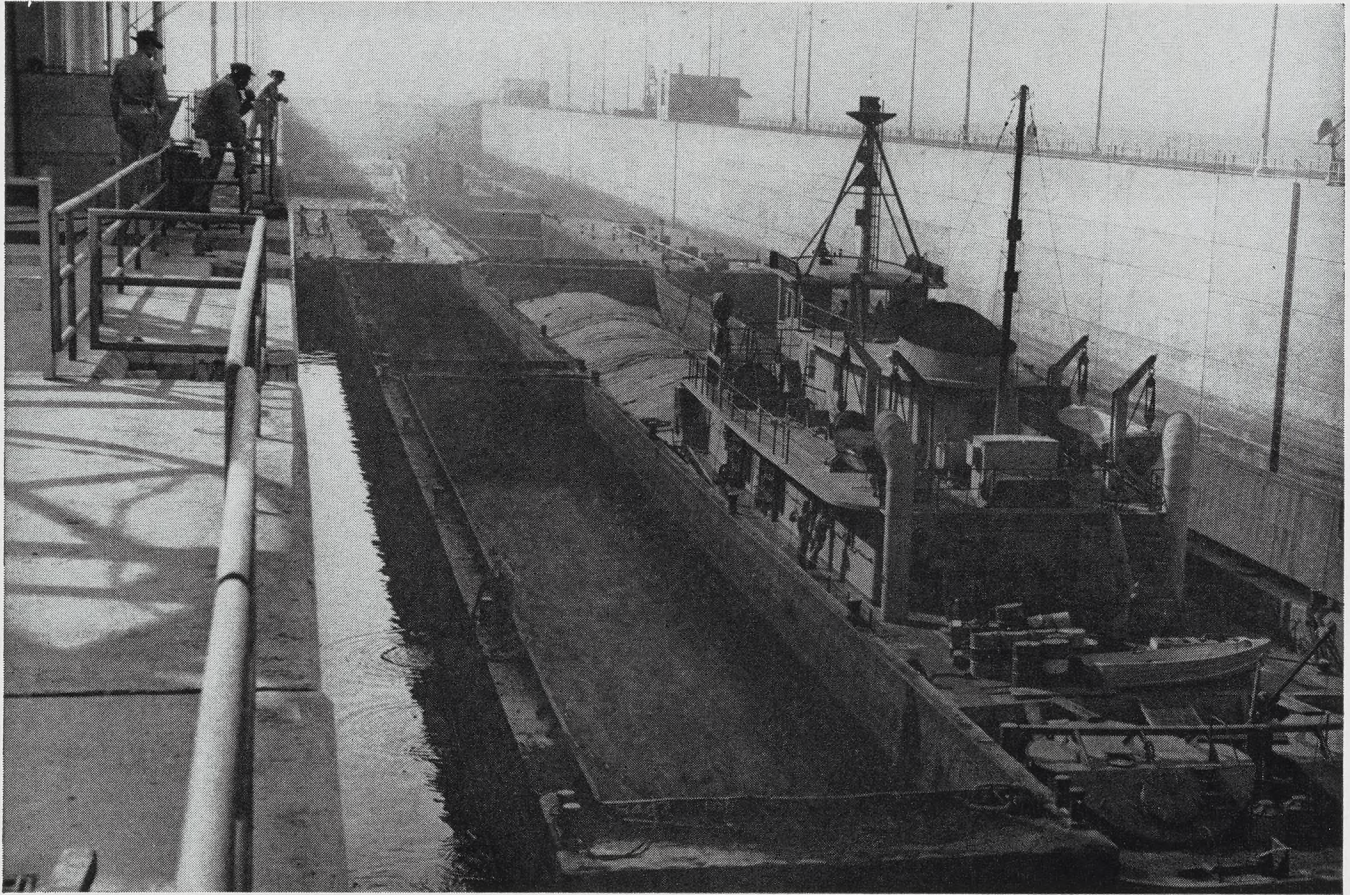
A good collection manager performs a valuable function for the installment department. How he handles his job is extremely important. If he's good, the delinquency figures and the low-loss figures make an installment loan department look great. If he's not so good, the delinquency and loss figures also reflect this fact, and the department suffers.

"Management of Collections"—this people business—can be summarized with three important points:

1. A collection manager's job and how he performs it are very important.
2. Hire the right person, one who appears to have potential.
3. Finally, train him! ••

■ DALLAS—Mercantile National shareholders elected a new director at their annual meeting. He is J. Lindsay Embrey, co-owner of Richardson Heights, Inc., and a real estate investor and land developer.

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MID-CONTINENT BANKER for April, 1971





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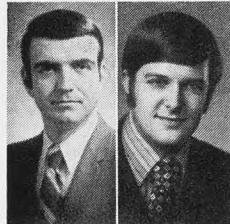
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## CORPORATE NEWS ROUNDUP

• **John H. Harland Co.** St. Louis is the location for a new printing plant to be opened April 15 by John H. Harland Co., bank check printing firm headquartered in Atlanta, Ga. The new 6,600 square-foot plant will serve the eastern half of Missouri and southwest Illinois.



McANANY CARPENTER

The company has named Jerry A. Carpenter and Robert B. McAnany St. Louis sales representatives. Mr. Carpenter formerly was with Scott Paper Co. in St. Louis and Mr. McAnany was with Connecticut General Life Insurance Co., Memphis.

• **Bank Building Corp.** Andre J. Piot has joined Bank Building Corp., headquartered in St. Louis, as sales development director.



PIOT

Previously, Mr. Piot was project manager and market development manager for Monsanto Co. and before that was European sales manager for Controls, A. G. in Switzerland.

## News of Firms Serving Banks

### Four Join Diebold Bank Division



DONAT



PIEDAD



STAIB



GRIFFITH

Diebold, Inc., Canton, O., has announced the appointments of Lawrence Donat, Frank S. Piedad, Jim R. Griffith and Robert L. Staib to the bank division. Mr. Donat is director of marketing for Diebold's new line of Futura Automatic Banking Systems, Mr. Piedad and Mr. Griffith are regional managers and Mr. Staib is sales training supervisor.

• **Central Plains Insurance Group.** Art Collins, president, Hutchinson (Kan.) National, has been elected a director of Central Plains Life Insurance Co., a subsidiary of Bankers Investment Co., Hutchinson.

Dick Meador was elected a vice president of Central Plains Life while Larry Blume was named vice president of Central Plains Insurance Co. (the casualty and fire branch of the insurance group). Mr. Blume is also assistant secretary of both the casualty and life companies.

• **Security Corp.** Berthold (Bert) Esberg, president, Martin B. Morris Co., Long Island City, N. Y., has been appointed service division manager of Security Corp., Santa Ana, Calif. He will be in charge of installation and maintenance for Security Corp. systems throughout the nation.

Mr. Esberg will remain president of the Morris Co., which is one of Security Corp.'s dealerships. He joined the company in 1949 as secretary-treasurer and was elected president in 1960.

• **NYTCO Services, Inc.** John W. Drew has been named district manager of the new NYTCO Services, Inc., office opened in Amarillo, Tex. The office, one of 30 nationwide, will be responsible for the Texas Panhandle, north-eastern New Mexico and northwestern Oklahoma.



DREW

Mr. Drew has been with the company seven years and before his promotion was branch manager at the St. Louis Office.

• **American Fletcher Mortgage Co., Inc.** Herbert B. Feldmann, executive vice president, American Fletcher Mortgage Co., Indianapolis, will become the firm's president on June 1. He has been executive vice president since 1969.

Mr. Feldmann succeeds Albert A. Savill, who will resign in June to accept an executive position with Klingbeil Co., real estate development corporation headquartered in Columbus, O.

• **James Talcott, Inc.** Theodore B. Luse has retired as vice president of both James Talcott, Inc., headquartered in Chicago, and James Talcott Factors division. He had been with the firm since 1960.

Upon his retirement, Mr. Luse assumed the presidency of American Communication Technology, Inc., New York-based importers of telecommunication apparatus and equipment.

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# NEW!

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**PROTECTS ALL TYPES OF LOANS,  
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We are now offering a DISABILITY INCOME INSURANCE—MONTHLY INDEMNITY PLAN with our Security Benefit Life Single Premium Term Life Insurance Program.

The monthly indemnity—up to \$250 per month—commences on the 16th day after an accident or sickness which prevents the insured from performing the duties of his occupation. Payments will be made for periods as long as five years (2½ years if the insured is age 60 or over when he becomes disabled).

THE DISABILITY INCOME INSURANCE is purchased on an annual basis at the low rate of \$4.80 per year for each \$10 of monthly indemnity desired.



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## PEOPLE

• HENRY R. VERMILYE has joined Union Planters National, Memphis, as a vice president and manager of the newly created international finance department. He was formerly with Chicago's First National, where he specialized in correspondent bank relations throughout the Far East.

Under Mr. Vermilye's direction, the new department will concentrate on strengthening Union Planters' involvement in international business development and increasing loans and lines of credit to local and Mid-South firms engaged in overseas trade.



BOYSEN



VERMILYE

• ANDRE BOYSEN has been appointed vice president and general manager of Bank of America International of Chicago, wholly owned subsidiary of Bank of America scheduled to open this month.

Mr. Boysen is a former coordinator of the parent bank's international corporate relationships in the Chicago area and for the past two years has been assistant vice president at the Tokyo Branch.

• Four Mid-Continent-area bankers have been named to the ABA's newly formed International Banking Committee. They are ROBERT C. HOWARD, senior vice president, First City National, Houston; ALFRED F. MIOSSI, senior vice president, Continental Illinois National, Chicago; CHARLES H. MURRAY, vice president, Mercantile Trust, St. Louis; and JAMES W. OLIPHANT JR., vice president, Merchants National, Mobile.

MID-CONTINENT BANKER for April, 1971

## Regulatory Power Reshuffling Urged

A reshuffling of state bank regulatory powers among federal and state agencies has been recommended in a study commissioned by the Conference of State Bank Supervisors. The recommendations include transferring most of the regulatory authority over state banks from the Fed to the FDIC or the states.

The power to act on mergers and branching applications, in addition to other regulatory decisions now made by the FDIC and the Fed, would be shifted to state banking departments by CSBS. The Fed would continue to retain jurisdiction over supervision of all holding companies and the Comptroller of the Currency also would remain as the regulator of federally chartered banks.

The study recommended reorganization of the administrative body of the FDIC, including an increase in the number of directors.

## Brokered Funds Ban Asked

Congress has been asked to enact legislation to prohibit banks from accepting brokered deposits. The request was made by Frank Wille, FDIC chairman. Mr. Wille said he would welcome additional authority to police loans made by banks to their own officers and directors. Mr. Wille attributes both factors as contributing to the downfall of 19 banks that failed during the past 26 months.

According to an FDIC study, more than 260 banks in the U. S. have some brokered funds among their deposits. Amount of these funds is estimated to be about \$260 million, compared to \$535 billion in deposits in the entire banking system. Mr. Wille said that about 20% of the banks taking brokered deposits have experienced problems.

"We are not convinced there is any banking service that is met with the use of brokered funds that cannot be met with some other device," Mr. Wille said.

## Political-Loan Accused Banks Plead Innocent

Four Ohio banks—the first ever to be indicted under the federal law regulating loans for political purposes—have entered "not guilty" pleas in the Columbus, O., U. S. District Court. The banks are Ohio National, Columbus; First National, Cincinnati; First-Knox National, Mount Vernon; and Bellefontaine National, all in Ohio. Also indicted was Frost National, San Antonio, Tex. Government prosecutors have indicated they expect to win as many as a dozen indictments of banks for making loans to political candidates.

Federal law prohibits loans to political organizations by national banks in connection with any election and by state banks for any federal election.

Maximum penalty on conviction of a violation of the 1925 law is a \$5,000 fine.

## Banking Attacks Countered

Chemical Bank distributed a 20-page "case for banking" as an insert in the New York Times of March 21. The insert explained how banking serves the economy. The colorful insert reached more than 1.6 million Times subscribers with a vigorous defense of the industry in an attempt to combat "the crescendo of unwarranted attacks" made on banking in the past year.

# Any correspondent bank is only as good as what it will do for you.

## Try us.



Barret S. Heddens, Jr.



Edward L. Bittner



Gordon E. Wells



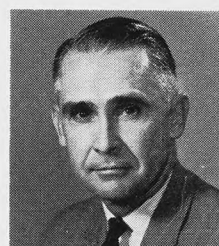
C. J. O'Connor



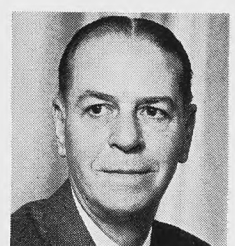
J. Walter Peniston



George C. Dudley



Eugene B. Foncannon



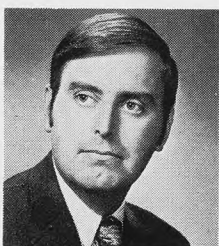
Herman M. Dresker



John T. Fowler



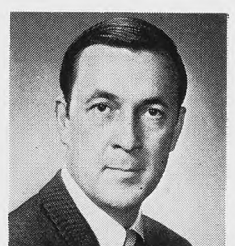
W. Darrell Meyer



John E. O'Connor



Paul A. Peterson



William O. Weis

## First National Bank of Kansas City

10th & Baltimore, Kansas City, Mo.

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20



MID-CONTINENT BANKER for April, 1971

# The Fair Credit Reporting Act

## *Does It Affect Banks? How Can Banks Comply?*

By CYRIL J. JEDLICKA

THE FAIR Credit Reporting Act, passed primarily to insure privacy in the exchange of credit information on individuals, not only will affect the operations of credit bureaus, but also defines the rights and obligations of the credit granters who use this information. The individual consumer is guaranteed the right to know the contents of his credit report and procedures are set out to correct errors, if any, and disputed accounts.

A primary objective of those who worked on development of the Fair Credit Reporting Act was to produce a law that would satisfy the legitimate concerns of consumers without placing undue restrictions on credit granters and the credit-reporting industry.

Consumer organizations, credit-granter trade associations and Associated Credit Bureaus, Inc., an international trade association serving the credit bureau industry, played major roles in working with Congress in preparation of the Fair Credit Reporting Act. Most people who were directly involved felt that the law successfully protected consumer rights without disrupting our system of consumer credit. The basic consumer protections in the law were largely adapted from credit bureau policies to protect consumer privacy that were developed and implemented by Associated Credit Bureaus, Inc., with the help and advice of credit granters and their trade organizations.

The act will become effective April 25, and by that time all credit granters, banks and credit bureaus must set up reasonable procedures to comply with the law. This is not hard to do, and once the applicable provisions are understood and followed, compliance soon will become routine. But compli-

ance by all is necessary as penalties are provided for willful or negligent non-compliance.

The act defines a consumer report as any written, oral or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, and personal characteristics or mode of living which is used or expected to be used in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family or household purposes.

Thus, this law does not apply to credit reports on individuals such as farmers, doctors and sole proprietorships, unless the credit is used primarily for personal, family or household purposes.

Direct clearances are excepted and are not considered a consumer report as long as the information given is confined to ledger information only. There is nothing in the law that would cause a credit granter to hesitate to provide

his own ledger experience about a consumer to a credit bureau as long as that information is correct.

However, suppose Bank A receives a call from Bank B about a consumer. As long as Bank A gives Bank B its ledger experience only, this is not a consumer report. But if Bank A tells Bank B also that Bank C (or any other credit granter) has or has had certain credit experience with this consumer, then Bank A is considered a credit-reporting agency in this instance.

If Bank B approves the credit, nothing happens. But if Bank B denies the credit wholly or partially because of the information received from Bank A, it is obligated under the law to give the consumer the name and address of Bank A (which is, in this instance, a credit-reporting agency), and Bank A then must be prepared to interview the consumer, disclose all information in its files about him, including sources, and satisfy a whole series of other requirements.

Unless a bank is prepared to do such interviewing, it should give out *only* its own factual ledger experience and leave the credit reporting to its local credit bureau.

A simple "in-house" charge authorization on an existing credit card or charge account by a credit department or by a bank is not a consumer report and is not affected by the law.

What requirements are necessary under the law for bankers and other credit granters? If a consumer applies to a bank for a loan and that bank obtains a credit report on him from the local credit bureau and refuses the credit, either wholly or partly because of this report, the bank *must* give the consumer at the time of such denial the name

CYRIL J. JEDLICKA is banking counsel for the Associated Credit Bureaus, Inc., headquartered in Houston. Mr. Jedlicka lives in Kansas City, where he was head of the installment loan department at City National for 23 years before retiring in 1967. He is an authority on installment credit.



and address of the credit bureau involved. This disclosure is mandatory, and it is not necessary for the consumer to request it. The bank must offer it to him, either orally or in writing, or the bank is violating this law.

A recommended procedure is to have a preprinted form with fill-in spaces for the name of the consumer and the name and address of the credit bureau.

A bank is not required to give any specific information to the consumer as to what the report contains and, indeed, the bank's agreement with the credit bureau will forbid it to make this kind of disclosure. If the consumer requests an interview at the credit bureau, all of the information in his file will be disclosed. Of course, if the credit report had no bearing on the decision, the bank should explain this to the consumer as banks do now.

This act sets out complete procedures for the credit bureaus to follow when a consumer requests an interview and disclosure of the information in his file. If the consumer has been declined credit within the last 30 days, this interview is free. Otherwise, a small charge may be made. If any item in the report is incorrect, the credit bureau is required to (and since the bureau wants the report to be accurate, it is glad to) reinvestigate the item and, if incorrect, also notify any user who has received the erroneous information that it has been changed or revised.

These procedures are so detailed that I would suggest banks obtain copies of the law if they are interested in further information. In fact, readers

no doubt realize that I have been forced to omit many requirements and procedures due to the shortage of space. But those parts of the law that directly affect banking will be covered.

Information taken from a credit guide or received from a loan exchange is considered a credit report. Upon denial of the credit, the name and address of the source of the information must be disclosed to the consumer just as with a regular report from the credit bureau.

Whenever a bank denies credit based on information from a source or sources other than a credit report (such as a direct clearance from another bank or credit granter), the bank must inform the consumer, at the time of the denial, that he has a right to request in writing, within 60 days, the nature of the information on which the rejection was based.

Although the law does not require the bank, or credit granter, to disclose to the consumer the source of the information received in a direct inquiry, the intent of the law is that the consumer must be given enough facts to be able to refute or challenge the accuracy of the information and would probably recognize the source.

But if a bank, or credit granter, as previously explained, gives more than its ledger information on a direct inquiry—and by this action and in this instance is defined as a credit-reporting agency—this bank must be ready and able to interview the consumer and to comply with requirements set out for credit bureaus.

Banks that discount consumer install-

ment contracts through a third party (indirect dealer paper) also must comply with the disclosure provisions. The retailer who offers the bank the consumer's contract must tell the consumer the name and address of the bank or finance company. The bank or finance company, when the credit is declined, must notify the consumer as required by law. Banks should notify and educate their dealers in the proper requirements for compliance.

Basically, these disclosures are what will be required of banking and other credit granters to comply with this law. They will cause banking only minimal trouble by adding one more step or procedure and then only when the credit is denied. But reasonable procedures must be set up to comply with the law. Personnel must be informed and trained so that compliance is automatic. More care in accuracy of information released is certainly indicated. The bill does not say that a mistake *cannot* be made. But if a bank or credit granter is found to have negligently failed to establish reasonable procedures to comply with all the requirements, penalties would be possible.

Credit bureaus are limited to providing credit reports to credit granters for specific purposes and are required to have credit granters certify that reports ordered will be used only for those purposes. This is one reason for the contract the credit bureau requires a bank to sign. Credit reports may be issued if they are to be used for extending credit, review or the collection of an account, employment purposes, under-

(Continued on page 70)

## Bonding Company Advises Precautions to Thwart Holdups

**B**ANKS IN high-crime areas are finding it difficult to renew their bankers blanket bonds. Repeated losses through armed robbery in certain areas have caused most major bonding companies to require large deductibles on all renewal business—with figures of \$15,000 and \$25,000 not uncommon.

According to the Kansas Bankers Surety Co., Topeka, the Comptroller of the Currency, the FDIC and various state banking departments are closing banks that are unable to purchase insurance due to the high losses they and neighboring banks have suffered. Most of these banks are small branch facilities, located in metropolitan high-crime areas.

Kansas Bankers Surety Co. recently sent letters to the presidents of all banks in counties in the Kansas City area, advising that certain precautions

be made to frustrate holdup attempts. These include having armed guards on duty at all times or placing bullet resistant glass or plastic around teller counters to prevent holdup men from vaulting the counters to obtain cash; protecting drive-in areas with bullet-resistant glass; prohibiting tellers from counting night deposits, correspondent bank deposits, mutilated currency or any other excess funds in any public area of the bank during banking hours; and prohibiting any teller from having more than \$5,000 in cash in a cage.

The letter cited 42 bank holdups in the Kansas City area during a seven-month period of 1970. (These holdups occurred despite mandatory installations of bank security equipment as specified by the Bank Security Act of 1968.) The letter stated that well over \$100,000 was taken from banks in the seven-month period—

four times the amount of blanket bond premiums client banks in that area paid Kansas Bankers Surety Co. in 1970.

The firm said that it had no intention of withdrawing from insuring banks in the Kansas City area at the present time, but it reported that four major bonding companies have withdrawn from underwriting bankers blanket bonds on a nationwide basis in recent months.

The letter said that some customers have been staying out of banks due to the disregard holdup men have toward customers during robberies. It advised that banks would be wise to spend whatever is necessary to make their banks less holdup prone, rather than having to spend large sums as reward money for the apprehension of bank holdup men who may have committed murder during a robbery. • •

# Automated Clearing Houses

## *CHAs Study Ways to Use Computer Technology In Order to Reduce Paper Flow and Costs*

**A**UTOMATED CLEARING houses that provide electronic payment exchanges among member banks—that's the goal of several clearing house associations spread over the country. The objectives are to reduce the flow of paper and cost of handling payments and to provide more convenience to bank customers.

Two projects that seem to be the farthest along are called SCOPE (Special Committee on Paperless Entries). On one, the San Francisco and Los Angeles Clearing House associations are working together. The other is under sponsorship of the Seattle CHA.

In addition, the New York CHA (NYCHA) has hired a consulting firm to make a feasibility study and come up with suggestions for an electronic interbank payments system.

In the Mid-Continent area, the Greater Kansas City and Chicago clearing houses have appointed committees to study automated-payment systems. In Houston, three possibilities are under consideration, according to John T. Cater, senior vice president, Texas Commerce Bank. They are:

1. Three of the large Houston banks recently hired a facilities management/software firm to conduct an in-depth study of the possibility of establishing an automated clearing house for Houston banks. This would provide for consolidation (into a single physical plant) of computer equipment and personnel that are check-processing related. Participating banks would send all their work directly from their proof operations to the automated clearing house (ACH), where magnetic character reader/sorters would capture the

By **ROSEMARY McKELVEY**

**Managing Editor**

numeric data on tapes; transit cash letters would be prepared for direct sending; clearing-house items would be prepared for exchange (along with computer tapes, thereby eliminating the necessity for duplicate processing of items) and all balancing and reconcilement functions would be performed.

If such a center should be instituted and the cooperation of the Houston Branch of the Dallas Fed obtained, substantially reduced float could result for participating banks, Mr. Cater believes. He added that this would, of course, necessitate new schedules for deadlines at both the Fed and the local clearing house.

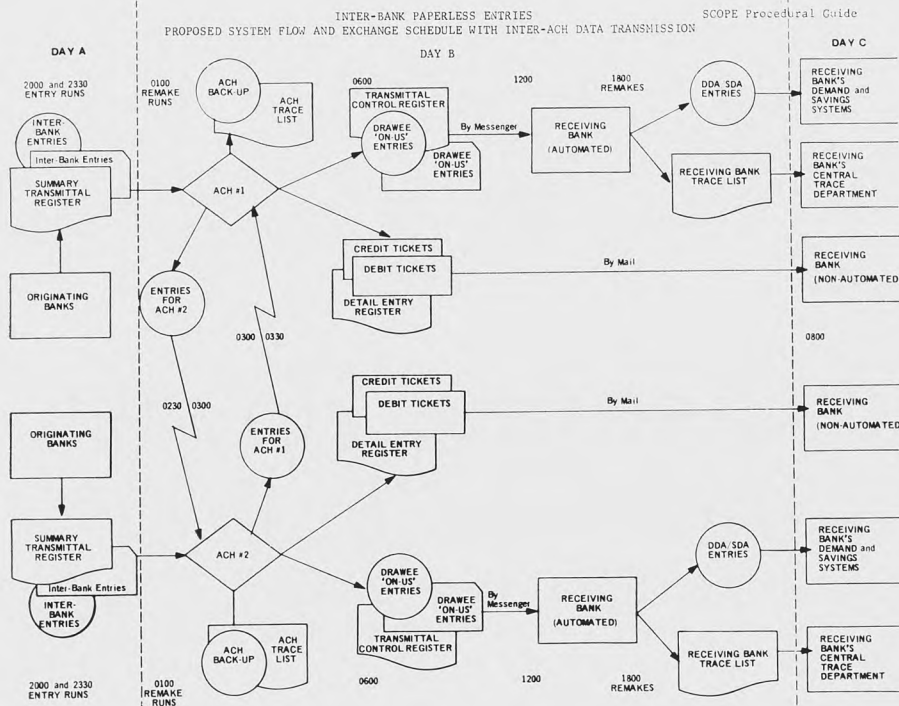
2. Another proposal has been made by a management consulting firm for establishment of a regional check-processing center, much like that of the Baltimore/Washington center that was started last year. Such a center would allow all banks within a wide geographic area in and around Houston (this city alone has 110 banks!) to exchange their work at a clearing house, thereby reducing the float for banks in the entire region.

3. Texas Commerce Bank currently is exploring with another major Houston bank the possibility of their exchanging computer tapes at Houston Clearing House meetings along with actual items. This would eliminate the necessity for the receiving bank to recapture and balance all the work previously captured and balanced by the other banks.

The San Francisco-Los Angeles CHAs decided that pre-authorized paperless entries represent a logical first step in improving the payments system through more effective utilization of computer and communications technology. Therefore, in April, 1968, the two clearing houses authorized formation of the Special Committee on Paperless Entries (SCOPE) to develop and recommend uniform standards and procedures for exchanging paperless credits and debits among banks. At the outset, SCOPE established among its objectives a system that would permit all banks to participate regardless of the type of processing system used internally.

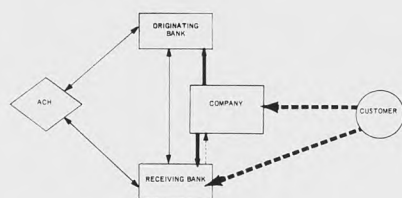
During 1968 and 1969, SCOPE did research covering the technical, procedural and legal aspects of paperless-entry processing. Through the California Bankers Association, all banks in California were surveyed to determine the characteristics and compatibilities of their equipment. Media and format specifications for paperless entries were defined. An interbank-exchange-system concept was evolved, and legal agreements required to support pre-authorization and interbank exchanges were drafted and reviewed by SCOPE member bank counsels.

The SCOPE committee suggested that—similar to check clearings—automated paperless entries be exchanged among banks through automated clearing houses (ACH). Participating banks would send debit and credit entries to their ACH via magnetic tape, punch cards or data transmission. The ACH would merge entries received from banks within its region with those from

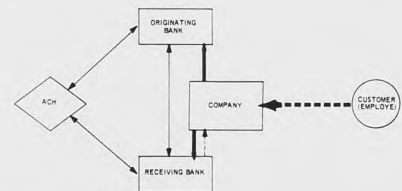


INTER-BANK PAPERLESS ENTRIES  
PROPOSED DIRECT LEGAL ARRANGEMENTS AMONG PARTICIPANTS

PREAUTHORIZED DEBITS



PREAUTHORIZED CREDITS



- ACH Rules
- Indemnification Agreements
- Authorizations
- Confirmation of Customer (Employee) Account

SCOPE Procedural Guide

other automated clearing houses, prepare entries in the appropriate media for receiving banks or other automated clearing houses and distribute or transmit entries to recipients.

SCOPE concluded that the Federal Reserve System would be the most logical candidate to operate the ACH facilities. In December, 1969, the San Francisco Fed notified SCOPE that the FRS would be willing to operate automated clearing houses in San Francisco and Los Angeles on an experimental basis. SCOPE and the Fed developed an exchange schedule for interbank paperless entries that included batched

These two diagrams are included in the SCOPE procedural guide published by the Special Committee on Paperless Entries of the San Francisco and Los Angeles Clearing House associations.

data transmission between the San Francisco and Los Angeles ACH facilities.

**Legal Framework.** A SCOPE spokesman pointed out that a continuing, effective pre-authorization system must operate within a sound, legal framework, and the customer or employee must authorize a firm to initiate automatic charges or deposits. The customer also must authorize his bank to accept automatic charges as initiated by the company. The company creating the automatic debits or credits must indemnify its bank and agree to comply with ACH rules. These rules include standard indemnification agreements among participants in the ACH system and define operational requirements and exchange schedules.

The California SCOPE committee put together a procedural guide that describes the legal arrangements required to support pre-authorization and interbank exchange of paperless entries. The guide also includes samples of these standard legal agreements—automatic-deposit authorizations, automatic-payment authorizations, company-indemnification agreements and ACH rules with participating bank indemnification agreements.

**Implementation Plan.** At the June 19 SCOPE meeting, the committee approved an implementation plan that defines the tasks to be performed to develop and implement the ACH system

in California. The implementation plan has two major objectives.

- Develop and implement a fully documented computer-based system for exchange of interbank pre-authorized paperless entries through the facilities of an automated clearing house, thereby enabling California banks to provide paperless payment services to their customers.

- Gain widespread acceptance of pre-authorization throughout the California banking industry and encourage participation by all banks in the state.

In late August, SCOPE presented the results of its research efforts and the implementation plan to the senior committees of the Los Angeles and San Francisco CHAs. The recommendations were favorably received by both clearing houses.

In October, SCOPE requested proposals for development and implementation of an ACH system from a group of software firms designated by committee members. Eight firms agreed to submit proposals. On the basis of review and analysis of the written responses, SCOPE members selected three firms to present their proposals at the November SCOPE meeting. At the latter meeting, a majority of the committee chose Touche Ross & Co. to design, develop and implement a pilot ACH system in California.

Touche Ross plans to implement the pilot system in the fourth quarter of this year. Here are completion dates for each phase of the California SCOPE project: *system research*, February 1, 1971; *system design*, May 12, 1971; *system development*, October 6, 1971; *system tests*, November 29, 1971; and *project completion*, January 12, 1972.

By mid-December, 1970, representatives of all California banks had attended SCOPE presentations at group meetings, or, if unable to attend, received copies of the SCOPE procedural guide, the SCOPE recommendations to the Los Angeles and San Francisco CHAs and bank advisory and promotional sub-committee (BAP) survey questionnaires.

Support and assistance given by the California Bankers Association have done much to facilitate initial BAP efforts. The CBA will cooperate in planning and holding additional SCOPE presentations and seminars during 1971.

**Seattle.** While the California SCOPE project has addressed itself primarily to pre-authorization, the Seattle group is trying to devise methods for the clearing house portion.

According to a Seattle SCOPE spokesman, here's how an automated clearing

(Continued on page 72)



## Banks

# PLAN, PILOT and PREPARE

## For EFTS Era

THE ERA of electronic fund transfer systems, or EFTS, has arrived, and banks everywhere are beginning to determine the role they will play in bringing EFTS into reality as an operating system. Before going further, it is desirable to describe EFTS and tell why its time has come.

EFTS, or electronic fund transfer system, is the best description to date for what has formerly been called the "Checkless Society," "Less-Check Society," "Plastic Money Society," "Direct Fund Transfer Society," and a raft of other names. Simply stated, it means the system that permits direct contact between banking computers and merchant terminals—electronically—so as to transfer money from a consumer's account to pay for a purchase. Or, putting it another way, it is the substitution of an electronic message for a paper check or charge-account message, using as the trigger device a piece of plastic we now call the credit card.

The economics of EFTS are well known among bankers who keep track of technology and computers and such. Checks are reasonably easy to handle and can be processed at a cost of somewhere between 15 and 20 cents each (all steps considered, including the merchants!). The credit card paper costs considerably more to handle—with some banks claiming 50 cents or less per item and others willing to settle at \$1 per chit. EFTS has got them both beat, with several studies suggesting that the range for all steps might be as little as 7.5 cents per transaction. Pessimists double that figure, but the truth probably is some-

By DALE L. REISTAD\*

President  
Payment Systems, Inc.  
New York City

where in between. The EFTS transaction fees, when multiplied times checks, credit card items and cash purchases (just those cash items over \$10) should result in sufficient revenues to cover the cost of terminals, computers and the overhead necessary to administer an area-wide system.

Visionary? Perhaps at one time, say 1956, when it was first being discussed at Massachusetts Institute of Technology and in the "blue sky" labs at IBM, but not in 1971, 15 years later! All of the pieces have been developed in that period of time—computers, terminals, credit cards, telecommunication devices—and a new generation has been born and raised and is now the most frequently considered group for the sale of banking services.

**Banks Plan for EFTS.** It no longer is a rarity to hear of banks actually making plans for EFTS. At one time there were chuckles about how Walter Trabbold, comptroller of the Bank of Delaware, was hooking a Touch-Tone telephone to an IBM computer with assistance from Bell Telephone, IBM, the ABA and others. That was just five years ago, and today there are more voice-response units (in which computer-generated voices are transmitted through telephones) in banking than in *all* other industries com-

\* MR. REISTAD was formerly a deputy manager of the ABA.

bined. They laughed, too, when W. Putnam Livingston, then a vice president of Bankers Trust, experimented with the nonreturn of checks. Today, again just five years later, retailers and banks everywhere are planning to convert to "descriptive billing," thereby preparing for the day when credit card receipts, checks and other kinds of paper records can be left out of the statement-stuffing process. Bruce Wood Hall, chairman of the Hempstead Bank (Long Island, N. Y.) already was at work preparing for the "Checkless Society" back in 1967. Later this year, his bank will be installing terminals for check and credit card substitution purposes in a pilot Long Island community.

Today, planning for EFTS is on a different level entirely. Bank of Delaware's Mr. Trabbold was pretty well committed to the telephone when he conducted his tests, but today he could select terminals that read credit cards from over two dozen manufacturers. If Mr. Livingston, at Bankers Trust, had need for a software firm knowledgeable in descriptive billing in the mid-1960s, he would have had to search from coast to coast. Today, he would have a choice of software packages "off the shelf" from several leading programming firms. For Hempstead's Mr. Hall, the task was even more challenging: A terminal had to be designed from scratch. He and his staff designed such a unit, had it built to meet the specific needs of a commercial bank and have since built a complete system around it.

Typically, today's commercial bank is planning for EFTS not as an *action* (Continued on page 40)

# How to Increase Drive-In Efficiency And Reduce Operational Costs

**B**ANK DRIVE-IN installations have long been mainstays to the operations of many financial institutions. Their convenience to customers is readily acknowledged, but their value as profit-makers for sponsoring banks is not always as apparent as efficiency experts would like. A poorly designed or operated drive-in cannot fail to siphon away bank profits. Poorly designed equipment can cause delays in service that

can result in customers going to other banks. Improperly staffed operations can affect employee morale, deteriorate service and cut into bank profits.

What can banks do to make their drive-in operations more efficient and less costly to operate? This question was asked of a number of builders, designers and equipment manufacturers specializing in service to banks. Their replies follow.

## Remote Transaction Plan Replaces Islands, Reduces Traffic Backups, Cuts Costs

By **RONALD L. SILVERS**  
Mosler Airmatic Systems  
Wayne, N. J.

**D**RIVE-IN BANKING has become a way of life with the American public, as evidenced by those long waiting lines one sees on certain busy days. Dealing effectively with those waiting lines is critical in terms of good business practice and from the standpoint of community relations.

Mosler recognizes that manned teller islands do not offer the best in efficiency and speed for handling traffic. Why restrict a teller to handle one customer at a time? Why subject tellers to the loneliness and isolation of an island remote from supervision, co-workers and the security of the bank building?

Drive-in efficiencies can be achieved by the elimination of manned kiosks. Mosler modernizes drive-in banking by offering three distinct remote transaction systems (RTS), each featuring a single pneumatic tube connecting one or more teller stations within the bank to customer transaction locations outside the bank. In fact, one teller can serve up to three stations by multiplexing, i.e., servicing a second or third customer while other customers prepare transactions, count change, or po-

sition their automobiles at the drive-up location.

Pneu-Vista, the Mosler visual system, normally is used in conjunction with a drive-up window. Vision windows allow additional tellers to serve Pneu-Vista lanes when more than one system is required.

Closed circuit television remote transaction systems are used when con-

ditions prohibit a drive-up window or vision window installation. Mosler's TellerVue and AutoBanker utilize two-way audio/video and multiplex controls to enable tellers inside the bank to see and communicate freely with customers at each remote customer unit.

These RTS systems, by design, take up considerably less valuable property than does the typical manned island situation. When one considers the ever-rising value of property, it makes sense to utilize property to the best advantage.

The cost of heating in the winter  
*(Continued on page 41)*

## Basic Premise for Drive-In Planning: Treat Each Situation Individually

By **RAYMOND E. ROGERS**  
Bank Building Corp.  
St. Louis

**W**HEN BANK Building Corp. advises a bank on drive-up facilities, a basic premise has proved to be of value in the long run: Each situation should be treated on an individual basis. While drive-in units have many similarities and all are performing the same basic kind of service, each is almost always unique to a particular situation.

When planning a new drive-up facility for a bank, many factors must be

taken into consideration. An initial problem is site selection. Occasionally a bank already owns the property while other times it is necessary to make a survey for selection of a site that is suitable. Other variables—such as traffic patterns, length of lanes, a manned station versus a pneumatic tube or automated teller station, number of stations required, and types of materials to be utilized in the structure—must be carefully evaluated prior to final construction.

One of the important items to keep in mind when recommending a particu-  
*(Continued on page 39)*



## Drive-In Facility Must Be Completely Keyed to Motoring Public

By CLYDE L. CAIAZZA

Diebold, Inc.  
Canton, O.

THERE ARE several basic considerations that determine the efficiency of a bank's drive-in operations. If overlooked, they could mean the difference between an operation that will improve the efficiency of a bank and provide better service for the bank's customers, or merely provide better service for *some* of the bank's customers. All too often a drive-in installation is merely an adjunct to a branch or main office of a bank or even an after-thought to the basic plan. Because the drive-in installation and parking frequently occupy more of the bank's property than the building proper, it is paramount that these services be given adequate consideration in the overall design. *An installation must be completely keyed to the motoring public.*

The traffic pattern adjacent to the property is of equal importance. A striking new bank building with a drive-in or parking facility that is difficult for customers to enter or exit is going to have an important effect on its success—it is not going to provide the results you expect. The flow of traffic must be considered. A back-up in traffic will restrict the use of the property. These and many other items are considerations that only those experienced in drive-in operations can help pre-determine. Our sales representatives and sales engineering departments devote a great deal of time to developing functional traffic patterns, drive-in layouts with adjacent parking areas and other areas of a project that relate to, but are not part of, the architectural conditions of a bank building.

Many banks have insisted on having drive-in installations directly adjacent to their buildings because this appeared to be the easiest and least expensive manner of installing drive-in service. Yet, because the drive-in installation was restricted by conformity to the design of the building, this design could very well have lessened the de-

gree of efficiency of the drive-in. In short, it could not properly serve as many customers. The area allowed for automobile drive-in stack-up might have been inadequate and, even more than that, you might have put a busy drive-in installation between your parking area and the entrance to the building—a safety hazard as well as a customer inconvenience.

It is for this reason that TV Auto Tellers have gained so much popularity. By placing the TV units in a remote area not necessarily adjacent to your building, you can provide an efficient

drive-in banking layout and still provide the same good service for customers—in many cases a much better service—by not mixing parking or pedestrian traffic with drive-in traffic.

Another advantage of remote drive-in units, either Visual Auto Teller or TV Auto Teller, is the fact that they can frequently be installed on less expensive property than is required for the main bank or branch building. Many of these installations are being made on adjacent property to the rear or at the side of the main bank or, in

*(Continued on page 39)*

## Teller Fatigue, Inconvenient Bank Hours Bugaboos of Efficient Drive-In Operation

By R. L. MASON

LeFebure Corp.  
Cedar Rapids, Ia.

DRIVE-UP WINDOWS should be open during regular banking hours to service those customers who are in a hurry and need to be served quickly. Many housewives like the convenience of doing the family banking in the privacy of the family car, without the necessity of dressing for public appearance or leaving their children with sitters.

Numerous banks can better serve their existing customers (and attract new ones) by offering drive-in banking services several hours before and after regular banking hours.

Many banks can turn to drive-in banking services to relieve customer congestion in their main banking lobbies. Future additional lobby area plans could be eliminated and drive-in facilities could be substituted at lower original cost.

To reduce teller fatigue and transaction time, have teller cash and machines located so that teller movement is at an absolute minimum. Whenever possible, the teller should perform her duties while seated. Tellers who stand will tire faster and each step they take

wastes valuable time, slows customer transactions and increases the fatigue level.

Communication controls, such as an on-off switch, volume controls, etc., should be conveniently located so tellers can operate them without unusual physical effort. The transaction drawer should move freely for manual operation. Electrically operated deal drawers require less physical effort but move slower. Electrically powered drawers increase the cost of drive-up windows and generally increase maintenance costs.

Provisions should be made to store teller excess cash at or near the window. A money chest, properly alarm protected, should be provided for storage of all drive-up teller cash *before* and *after* regular banking hours.

During the second half of 1967, LeFebure Corp. introduced Tel-Air, a multi-lane, direct vision drive-up banking system which was an entirely new concept. Items move between customer and teller in carriers traveling through pneumatic tubes. Tellers and customers are so situated that they can see one another without the need for costly and impersonal television equipment. Conversation is by means of a high fidelity,

*(Continued on page 59)*

## Property Acquisition Advice Essential to Wise Selection

By WALTER E. FOSS

Foss Bank Designers  
Chicago

THE BIGGEST mistake in drive-in facilities is often made prior to the acquisition of land. A banker may purchase property without first studying the site to make certain it will offer a good, economical operation. Many bankers feel they have to have all the answers before they hire an architect or designer. They buy the land with its problems and then expect the architect or designer to perform miracles with it.

A banker should contact his architect or designer prior to purchasing property so that the architect or designer can advise the banker if the property will meet the requirements of easy ingress and egress and provide proper stacking of cars waiting to be served.

The most economical drive-in installation is the one directly adjacent to the bank, enabling all tellers to be located in the main bank building so that the entire banking operation can be handled by the least number of employees. Such a system also cuts down on currency handling problems.

Pneumatic tube, visual systems are preferred over TV systems or individually manned islands because they conserve space and manpower and provide for a more personal customer-teller relationship.

## Electronic Traffic Control System Termed Major Key to Efficiency

By RONALD L. LACH

Electronic Traffic Control, Inc.  
Chicago

AMONG THE essential requirements that must be met to achieve maximum efficiency of a drive-in facility are (1) controlled traffic flow, (2) use of equipment that is easily operated, and (3) maximum facility capacity with a minimum number of employees.

Controlled traffic is a major key to an efficient drive-in facility. The best teller, the most modern equipment, the best facility layout have no control of a customer behind the wheel of a car. Therefore, an entire industry of controlled traffic has evolved.

One uncontrolled car is a drive-in facility's knottiest problem. One customer can block two lanes trying to guess

### Personnel Productivity

Proper use of the drive-in equipment now available is the answer to an economical facility, says American Bank Contractors, Inc., Atchison, Kan.

In the past, banks have been limited to the "one window, one teller, one customer" concept. Now pneumatic tube remote units and closed circuit TV remote units permit one teller to handle as many as three customers at one time. Double windows are available to let two tellers handle four customers.

TV units permit the use of a smaller piece of property to handle 30% more traffic than if a facility itself had to be located on the site.

Savings realized on tellers' salaries can pay for the cost of the equipment in a few short years.

Proper selection of the site and equipment can change a drive-in facility from an expensive customer convenience to a money-maker for the bank.

Each installation must be carefully studied to determine the best possible plan and the type of equipment best suited to the operation.

The incorporation of a walk-up facility with the drive-in operation has been found to provide maximum convenience to customers with minimum manpower requirements on the part of the bank.

I would like to see equipment manufacturers simplify their products and improve their service departments to help eliminate costly down-time on the part of banks. • •

which teller station will be open first. One customer trying to get to a favorite teller can leave one or more tellers idle by blocking traffic. BANKontrol controls the traffic flow by controlling the customer's car; and BANKontrol is controlled by the teller, insuring controlled traffic.

The easily operated equipment requirement consists of two factors—equipment that is easily understood and equipment that is physically simple to operate. With an electronic traffic control system, such as BANKontrol, tellers control traffic with a teller panel that is located within easy reaching distance. The touch of a button calls, or dispatches, a customer to an available station when the teller is prepared to give immediate service. The customer

(Continued on page 40)

## Pneumatic Tube System Permits Rapid Operation

By BRUCE J. DIEM

General Manager  
Pneumatic Tube System Co.  
Cincinnati

THE NEED for remote visual units arose because TV installations were not dependable and were costly to maintain. This was also the case with manned islands. With the installation of a dependable twin-tube pneumatic system, a bank has an efficient remote teller at low cost.

It is less expensive to install four remote teller units than to build a single manned teller station. Also, the four remote teller units can be operated by just two tellers. The savings in teller salaries alone can pay for the remote teller installation in a short period.

The 4½-inch twin-tube system was developed to enable a bank to operate more efficiently. The operation is simple and works as follows:

Remote units are spaced approximately 10 feet apart and in such a manner that a teller in the bank can see each customer. Usually before a customer can come to a complete stop before the remote unit he is greeted with a "Hello, how are you?" from the teller. This gives the feeling of personalized service. He can see the teller smile because of his close proximity to the bank—almost as though he were standing at the teller counter inside.

The side-opening twist-type carrier is made of clear plastic. It is in the presentation tray at the customer unit at all times so the customer can immediately insert his deposit and send it on its way. In less than two seconds the carrier is delivered in an open trough so it is easily accessible and visible to the teller.

After serving the customer, the teller returns the carrier to the customer, who, after taking his paper or money from the carrier, returns the carrier to the presentation tray and leaves.

Time studies have shown that a single teller can handle as many as 200 or more customers per hour using the twin-tube pneumatic system.

Communication between teller and customer is handled by means of a push button speaker system that can be switched from one customer to another by pushing a button with a numerical designation. • •

■ NASHVILLE—Third National's shareholders have voted approval of a 100% stock dividend.

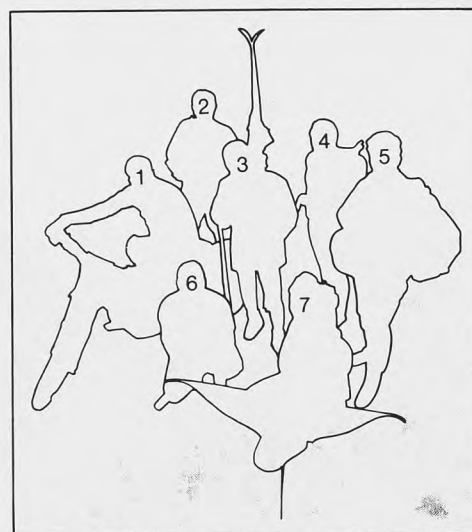


## Everybody knows bankers are old and stodgy

... set in the same mold... with button-down minds that boggle at anything more changeable than the prime interest rate.

Oh, really? The Pacesetter Bank shot a few holes in that moth-eaten myth years ago. To prove a point, meet seven young men recently promoted to executive positions at NBT. They represent the "best of a new breed" in banking... exceptionally qualified in special financial fields... with interests as varied as the customers they serve.

At the Pacesetter Bank, it's no disadvantage to be young... when you can get things done!



1) John W. Blair, Government Bonds 2) Noble Forbes, Metropolitan Accounts 3) Lee Hubby, Advertising and Public Relations 4) Gary R. Dobson, National Accounts 5) Curt Cook, Correspondent Banks 6) Walter Isaacs, Real Estate Loans 7) Jack Aday, New Accounts

**NATIONAL BANK OF TULSA**  
MEMBER F.D.I.C.  
 THE PACESETTER® BANK THAT HELPS YOU GET THINGS DONE

MID-CONTINENT BANKER for April, 1971

# Automatic Cash Dispensers



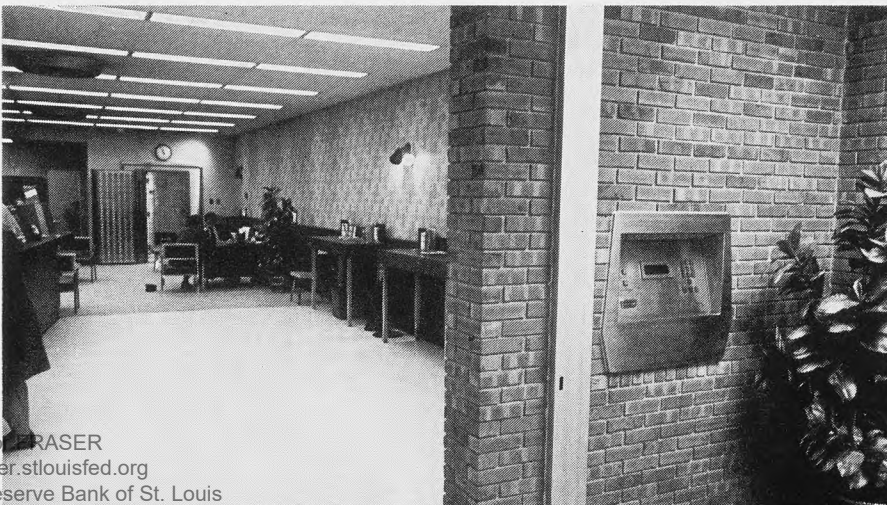
National American Bank, New Orleans, has located its Money Machine in the Main Office, where it is available round-the-clock.

**A**UTOMATIC currency dispensers have been accurately termed the first step toward unmanned teller stations.

Banks have been quick to accept these dispensers and to tout their advantages, which include 24-hour cash dispensing service, use of the dispensers at customers' convenience and little or no waiting in line for cash. But not only is the customer benefited by these machines—their use has enabled banks to realize new business, cut down traffic in their lobbies, replace or supplement human personnel with mechanical marvels that never get sick, take a vacation or ask for a raise.

The history of cash dispensers is rather short—less than three years. Credit for the original machine goes to Omron Tateisi Electronics Co. in Japan, manufacturer of the models distributed by Money Machine, Inc. The first unit was installed at Capital National, Miami, and soon racked up an enviable record of new business and profits for the bank.

Liberty National, Louisville, has located its four automatic cash dispensers in branches. This one is handy for 24-hour use at branch entrance.



# Break Automation Barrier

As the product went through its shakedown period, other manufacturers and distributors developed models of their own. At present, five major distributors of automatic cash dispensers are active in the U.S. market—Docutel Corp., Dallas; Diebold, Inc., Canton, O.; Burroughs Corp., Detroit; American District Telegraph Co., New York City, and Money Machines, Inc., Westminster, Calif.

According to the marketing services department at Docutel, the Docuteller Currency Dispenser is designed to integrate with products now under development by Docutel that will comprise a totally automated banking system.

A magnetically encoded standard size plastic card is used to activate the Docutel currency dispenser. A magnetic stripe on the card contains up to 80 characters of data for customer identification. When the customer is in need of cash, he inserts his card into the dispenser and follows a set of step-by-step instructions for operating the machine.

The first instruction asks for the cardholder's personal identification number, which he supplies by pressing the correct keys on the machine's keyboard. The information given by the customer is verified with the information on his card's magnetic stripe by the machine. If the customer accidentally pushes the wrong keys, he is automatically instructed to try again. If the customer goofs three times running, the machine confiscates his plastic card and flashes a message telling him why no cash is forthcoming.

Following verification, the customer is instructed to select one of two fixed amounts of cash prepackaged in the dispenser. The keyboard is also used to signify which amount is desired.

Before the currency is dispensed, a debit voucher is automatically printed by the machine. It is delivered, with the cash, to a cash drawer which is opened and locked automatically after each transaction. Following this procedure, a customer can obtain cash in 15 seconds.

A copy of the debit voucher is retained by the dispenser. It is printed in a special type font for automatic computer processing.

Each bank determines the maximum amount of each withdrawal and the number of times a cardholder can obtain cash in any specified period of time. This information is encoded and updated on the magnetic stripe on the customer's card. If a cardholder exceeds the allowed number of withdrawals in a day, the dispenser returns the card but dispenses no currency. When a customer reaches the limit of his allowed uses in a specific period, the card is retained by the dispenser for further evaluation by the bank.

*(Continued on Page 32)*

# While our competitors were trying to match us on the outside, we made a great inside.

Most everyone agrees that we make the best drive-in customer unit around. (Why else would competition try to copy it?) Now, we've designed a completely new and quiet drive-in teller unit to go with it. The Pneu-Vista II.

The PV II teller unit is so quiet, so automated, so easy to work with that your tellers won't feel like they



are working at all. The carrier now comes and goes at high level; about where the hand naturally falls. The see-thru carrier tilts out upon arrival. And simply "drops in" on its way back to the customer. The counter's cleared off. And the controls are in front (two buttons just about

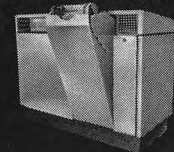


do it). Two tellers will be able to handle three or four customers at a time, and love it.

Outside, of course, we still have the best drive-in customer unit available. It practically hands our special carrier to the customer. And in combination with the teller unit, it's part of the most fail-safe carrier system available.

To be honest, we spent a

lot of time in designing the Pneu-Vista II. A lot of extra thought is one of the reasons why Mosler is always ahead. While the others are still trying to catch up.



If you miss the Mosler Pneu-Vista II at the bank

conventions, write us. Mosler, Dept. MB-4, Hamilton, Ohio 45012.

**Mosler** An American-Standard Company  
Improving systems for security and communications



Also, if a card has expired, it is retained.

Banks using the Docutel dispenser in the Mid-Continent area include Houston National; La Salle National, Chicago; Liberty National, Louisville; and Worthen Bank, Little Rock.

Houston National has dubbed its two units "convenience cash machines." The dispensers work in conjunction with a special Master Charge card employing an encoded magnetic stripe. Customers can select packets of \$25 or \$50 at any time of day or night. Money received from the machine is debited to the cardholder's checking account. Overdrafts are honored by a charge to the customer's Master Charge credit limit.

La Salle National installed its cash dispensing machine last summer. The bank has issued "money cards" to customers cleared to use the machine. The unit is located in the bank's building, near its 24-hour depository. It is available for use around the clock.

Liberty National installed the four cash dispensers early this year. All are located in branches and are activated by Master Charge cards featuring magnetic stripes. The bank's Charge-Chek service permits checking account withdrawals even if the customer has a zero balance.

Diebold is marketing two systems: MD200 automatic currency dispensing system and MD400 automatic teller system.

MD200 operates on the retained card principle. The customer inserts his card and keys in a six-digit personal identification number to obtain a predetermined amount of cash. The card is retained by the bank for recording the transaction and is then mailed back to the customer. The system provides a double security check because the customer must have the proper card to insert and he must be able to punch out his identification number before the machine will operate.

The MD400 system operates with a returnable card that is compatible with standard credit cards. The back of each card carries a magnetic stripe that contains information affecting the rate of use and the total number of times the card may be used. It does not contain security information. The customer inserts his card into the machine and before any currency is dispensed, the system checks the validity of the card and makes a transaction copy of the card on an 80-column tab card with a carbon audit trail. Only after this procedure is completed does the machine make a decision as to whether currency will be dispensed or not. The machine can be programmed to permit customers to make either checking account or credit card withdrawals.

Diebold systems offer an irrefutable record of each transaction, average transaction time of 14 seconds, low-bit density on magnetic stripe, hot-card store, capacity of 800 envelopes and a continuous form sprocket-driven envelope dispensing system. More than 700 DM200 systems are in use.

Burroughs Corporation's currency dispensing system is the latest to hit the market. According to the firm's sales development department, the unit is operated by cards featuring magnetic stripes. Said to be unique to the system is a measurable "secure properties" aspect that generates a code unique to a sponsoring bank, which prevents the cards of one bank being used in the machines of another bank. However, it is possible to arrange a compatible system to enable customers to use their cards in machines of other banks.

The Burroughs unit can dispense from one through nine packages of currency, but can limit the number of packages by means of the data stored on the stripe on the cards. This feature permits the bank to service customers on an individual basis. The units are compatible with both Master Charge and BankAmericard cards.

ADT markets Bankomat, operated with any type of credit card authorized by banks installing the machines. The cards carry pertinent information about the customer's account on coded magnetic stripes. Each customer is assigned a four-digit personal code, which is punched on the machine's keyboard after the credit card has been inserted and a protective door unlatched.

Customers have a choice of accepting from one to nine bills, which are dispensed individually at the touch of a button.

Representatives of Money Machine, Inc., state that the firm has two models of dispensers. The original model requires no key punching; the customer merely inserts his identification card and out pops the money. The machine keeps the card and the bank mails it back to the customer for future use.

The second model operates with a magnetically imprinted card, similar to cards used to operate other makes of cash dispensers. This model returns the plastic card with the money. An optional feature permits three different amounts of cash to be dispensed.

Money Machines have been operating in three St. Louis area banks for more than a year—American National, Brentwood and City National—and numerous other installations have been made in the Mid-Continent area, including National American Bank, New Orleans.

National American offers customers two options when using its dispenser. They can either have their accounts

(checking or savings) automatically debited by the machine, or they can arrange for a prearranged loan account, which is automatically activated by use of the machine. This account can be repaid in monthly installments.

Customers who choose to join National American's Money Machine Club are issued a maximum of six Money Machine cards. Each card, when used, enables the customer to receive \$50. If he chooses to use all cards at once, he can obtain \$300. The machine is located in the bank's main office and is in operation on a continuous basis.

All cash dispensing machines are said to be tamper resistant and most come with optional equipment to make them practically immune to attack. Most have built-in alarm systems and most feature heavy-duty materials.

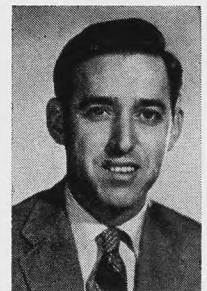
When dispensers were new on the market some firms offered exclusive territories to banks. However, with the number of manufacturers producing dispensers today, exclusivity cannot be guaranteed.

Banks in unit-banking states are advised not to install cash dispensers in remote locations, other than authorized facilities, since the machines are considered as branches.

There is little doubt among banks utilizing automatic cash dispensers that the units are a step toward automated banking. • •

#### **Martin Elected Vice President At Mercantile Trust, St. Louis**

ST. LOUIS—James H. Martin has been elected a vice president of Mercantile Trust. He has been with the bank since 1969 and is a member of the banks and bankers department, calling on correspondent banks in southern states.



MARTIN

Mr. Martin formerly was an assistant vice president. Before joining Mercantile, he was with National Stock Yards (Ill.) National and the Federal Reserve Bank in St. Louis.

In other action, the bank promoted three other officers. Elected assistant vice presidents were Victor E. Kolde, head of the discount department, and Athan Mertis, national accounts. James A. Hayes was elected a banking officer.

#### **Fifth Third Appointment**

CINCINNATI—Fifth Third Bank has elected Lewis B. Daniel vice president and trust officer. He joined the bank in 1960.





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Especially designed for machine filling... a real time-saver. Packed flat. Instant patented "Pop Open" action with finger tip pressure. Denominations identified by color coding... 6 different standard colors.

**3 RAINBOW COIN WRAPPER**

Color coded for quick, easy identification. Red for pennies... blue for nickels... green for dimes... to indicate quantity and denominations... eliminates mistakes. Tapered edges.

**4 DUZITALL COIN WRAPPER**

Extra wide... extra strong. Designed for areas where halves are wrapped in \$20.00 packs... "red bordered window" for ease of identification. Accommodates \$20.00 in dollars, \$20.00 in halves. Tapered edges.

**9 BANDING STRAPS**

Ideal for packing currency, deposit tickets, checks, etc... do not break or deteriorate with age. Size 10 x 7/8 inches and made of strong brown Kraft stock with gummed end for ease of sealing. Packed 1000 to a carton.

**5 OLD STYLE COIN WRAPPER**

Basic coin wrapper in extra strong kraft stock. Printed in 6 different standard colors to differentiate denominations. Triple designation through colors, printing and letters. Tapered edges.

**6 KWARTET COIN WRAPPER**

Wraps 4 denominations in half size packages. A miniature of the popular "Automatic Wrapper"... 25c in pennies, \$1.00 in nickels, \$2.50 in dimes, \$5.00 in quarters.

**7 FEDERAL BILL STRAP**

Package contents clearly identified on faces and edges by color coded panels with inverted and reverse figures. Made of extra strong stock to assure unbroken deliveries. Only pure dextrine gumming used.

**8 COLORED BILL STRAP**

Entire strap is color coded to identify denomination. Printed amount appears on top and bottom of package. Extra wide for marking and stamping. Extra strong stock for safe delivery and storage. Pure dextrine gumming.

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MID-CONTINENT BANKER for April, 1971



Creve Coeur Bank's central information file data is processed by this NCR Century 100 computer, installed in late 1969. From left: EDP Systems Manager Robert W. Hodge fills out the production schedule, an operator places punched cards in the reader, another prepares

items for the MICR reader-sorter at right and the fourth operator carries one of the Century's interchangeable magnetic memory disc packs to a storage cabinet.

## Suburban Bank 'Knows' Customers Via Central Information File

IT'S A RARE banker today who knows all his depositors, as did the country banker in the past. With our mobile society, in which corporate employees change cities every two to four years, and with banking by mail, bank executives seldom meet most customers.

While it is no longer possible to know each customer personally, it behooves the bank to know all there is

By **DAVID A. DOERING**

**Vice President and Cashier  
Creve Coeur (Mo.) Bank**

to know about the customer's dealings with it.

This, to us, is the great benefit of the "central information file" approach to computing, provided by our NCR Century 100 system. With data on each customer and his accounts grouped under his one account number (and easily available), we can maintain rapport with him in our contacts. We have now stored in the central file all activity but loans, and these will soon be on.

A bank our size, with some 275,000 transactions a month, and which has outgrown hand-posting, has only two options: it can automate its processing via a correspondent or install its own computer. When we first thought about EDP, we decided to get our own system. Then, as we looked at costs—the complexities of conversion scheduling, and so forth—we backed off. We could see that going to a correspondent bank would be easier.

However, we could also see the advantages of the central information file, which no correspondent could offer us for at least five years. Moreover, we believed if we were dependent upon outside processing we would lose a little control and not al-

ways be able to modify and change our systems when we wished to. Consequently, we selected the Century, both because it is designed for the central information file and because we saw that the system offered us a great deal more capability than comparably-priced equipment from other suppliers.

As we see it, the central file enables us to really take advantage of



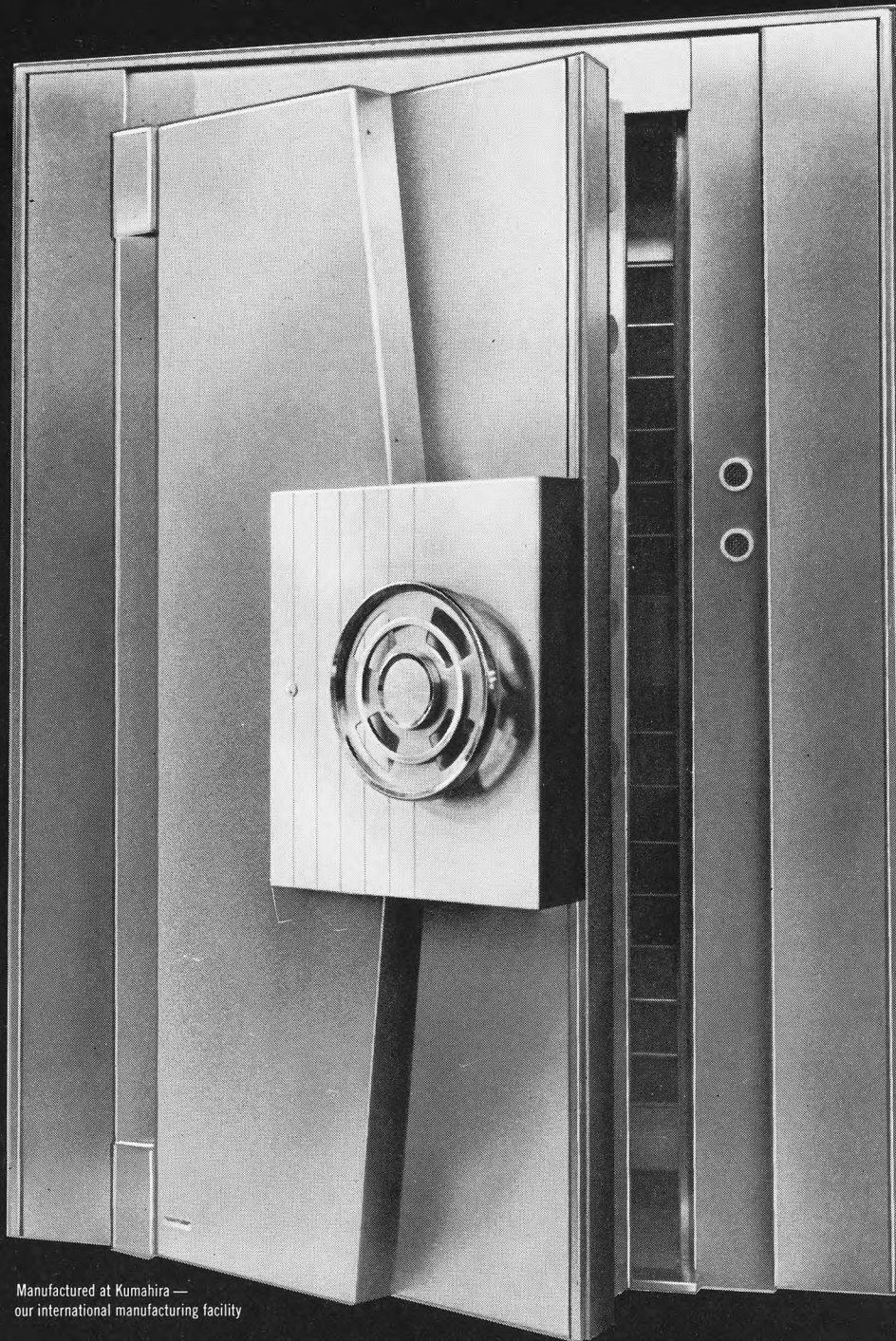
Loan Officer Gerald W. Schoor uses an individual "customer profile" to discuss a loan with the customer. The profile gives Mr. Schoor most of the data he needs to make the right decision.



Author Doering (standing) discusses another Century-produced report with James F. Dierberg, president of Creve Coeur Bank. The bank has grown from \$7½ million in 1960 to more than \$40 million today.

MID-CONTINENT BANKER for April, 1971

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the potential of EDP. On our trial balance, for instance, all accounts are grouped by customer and include the current and available balance for each of the customer's accounts, the last deposit; today's transactions, and the date the account was opened. This protects us against returning a check from a good savings customer; not only embarrassing him, but probably losing him. And over-all, we now have more information, available faster, in more usable form, to enable us to make the right decisions in response to credit inquiries, requests for loans and the like.

To illustrate: The Century prints on request an individual "customer profile" report, most often for a loan officer. In summary form, this tells the officer where the customer is employed, the number of accounts he has, average balance for each, any related accounts—he may be a trustee for minor children or proprietor of a business—number of overdrafts and NSF's, social security number, phone number and the like.

Also on request, the Century prints a complete customer master record, including everything from the amount of the customer's last deposit to the number of checks written, interest earned to date, anticipated interest,

### Kansas State Gets '200'

WICHITA—Kansas State has installed an NCR Century 200 system—the first bank in Wichita to do so. Conversion began immediately after the system was installed in January, with payroll being the first to be converted. The bank estimates that all departments will be automated within a year.

The computer will enable the bank to add more customer services, permitting information to be grouped by customer rather than by department, resulting in a single statement for customers. The bank's administrative staff expects to benefit by the increased accounting information provided by the system and the speed with which this information will be available.

Kansas State is the third Kansas bank to install a Century 200 system.

all the data included on the customer profile and a wealth of other information.

Obviously, central file data is invaluable for "cross-selling," too. The customer's combined statement now becomes a marketing tool. We print a message of up to six lines on the bot-

tom of the statement offering him services he does not use, or new services. A recent message read, "Now available: new blue ribbon 5% passbook account." We change the message from month to month and sometimes use it in conjunction with a statement stuffer.

Moreover, we believe the combined statement itself is a marketing tool. Eventually, we think our customers will really learn to appreciate it, although it is still too new to generate much reaction. We suspect the advantages may be concealed by the unfamiliarity.

Among other benefits of the new system: Demand deposit and savings are in balance with general ledger every day and problems are easily spotted and corrected; service charges are automatically transferred forward to the general ledger; monthly transfers between checking and savings accounts are accomplished automatically; the daily statement of condition provides a percentage breakdown by both assets and deposits; and the Century produces a complete range of reports on new accounts, service charges, kiting suspects, etc. Additional reports available on request include a "large accounts" report, which we

*(Continued on page 38)*

## Single Statement Accounting Keeps Customers, Saves Money

FOR SEVEN years, Beverly Bank on Chicago's south side has been offering its customers a service that the nation's largest banks have just recently begun struggling with—single statement accounting.

Beverly Bank customers receive just one statement that lists not only the usual checking account information, but all savings and loan information as well.

The system, called Bank Automated Service Information System, or BASIS for short, was invented in 1964 for two reasons—to offer the customer a better way of seeing all his banking business on one page and to save money.

Before BASIS, the bank faced this problem: If a customer had more than one account, each account had a separate number and separate records were prepared on each account each day. Separate statements were sent out monthly. Information on each account was always taken from day-old computer print-outs. This resulted in tellers sometimes cashing bad checks and valued customers overdrawing their accounts. If a good savings customer made a clerical error and overdrew his

checking account, his check bounced. This often resulted in the customer bouncing the bank.

Here's how Beverly Bank handles the problem. The cornerstone of the system is the single account number. Each customer is assigned just one number, no matter how many accounts he has with the bank. Then each customer receives just one monthly statement listing all of his key transactions. This eliminates duplicate records, duplicate statements and, if the customer prefers, savings passbooks. Now the banker has the ability to determine the complete relationship a customer has with the bank. If a customer comes in to discuss a loan, a simple inquiry provides information on the current credit and debit status of his accounts. Easy identification of customers who have one type of account but are not using other services enables the bank to gear advertising and promotion efforts to those customers with the greatest potential for a particular service.

All of the customers' records are stored in one place—in the computer. So the information comes out of the computer straight to the bank employee

by telephone or teletype. To inquire about a customer account, the banker asks a talking computer. Using a 12-button Touch Tone telephone, the banker taps out the customer account number, followed by a coded request for the type of information desired. The computer answers in real words by means of a special audio device that translates electronic computer responses to spoken words. When, for example, a customer cashes a check, the teller can call into the computer (instead of running to grope through the bulky files prepared the previous evening) and the computer responds with the customer's current balance in any or all of his accounts. All this happens in about half a minute.

The system not only prevents check bouncing but helps in preventing a fraud situation where someone can go to three different teller windows and cash three bad checks. The teller will be calling the computer to note each check and the computer will blow the whistle. Instant access to the computer means current, up-to-date information.

The system is being offered to other banks. ••



# A New Give-Away Check Conversion Program

Existing accounts who use free Line (or give-away) Checks are regarded by most banks as a necessary evil. They would like to reduce the number of such customers in order that the bank be relieved of the check expense, but there is generally little opportunity to personally convert these people to fully Personalized Checks because most reorders are mailed to the bank.

Reorder time, however, is the most opportune time to talk to the customer about Personalized Checks and introduce him to the many new checks and checkbook styles available.

With the cooperation of hundreds of banks, we have developed this new "Short Stop" program, and it has been most successful in obtaining new Personalized

Check users at little additional expense. Briefly, instead of reordering for the customer his same Line Check package, the customer is sent a specially designed complimentary package of fully Personalized Checks. A miniature, four color catalog is included, and a letter explaining the change is either sent direct to the customer or included with the package.

The customer response to such a free order has been gratifying. They do not resent this change and are pleased to have the new checks that offer so much more prestige and convenience. All necessary promotional material is furnished without charge. May we tell you about this effective plan? We have a detailed brochure available and would be pleased to send you one . . . or just ask your Deluxe representative.



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STRATEGICALLY LOCATED PLANTS FROM COAST TO COAST

## Suburban Bank

(Continued from page 36)

have designated as those over \$10,000, and many other listings and analyses.

The Century was installed in the fall of 1969. The first applications converted, in December, were general ledger and the bank's 11,400 demand deposit accounts. The latter were originally in eight books and we transferred two on Saturday and two on Sunday on successive weekends. After each conversion, the bank ran parallel for about three days.

Our 10,600 savings accounts were converted on June 1, 1970, an interest payment date. We had 10 days to convert, based on the way interest payment is set up. Conversion of CDs began January 15, 1971, and is expected to be completed by May 1. The CDs are being switched over as time permits because conversion is not complicated by a heavy load of transactions. To be converted in May will be more than 2,400 installment loans, then some 550 secured and unsecured loans, followed by about 215 mortgage loans, so all accounts and activity will be reflected in the central information file. Incidentally, we believe we converted to the central file at an

ideal time, before the bank became too large. This held down start-up costs and enabled us to train our people on the lesser volume.

Also, the bank recently purchased a data processing service that had been caught in the economic downturn. We acquired the firm's five employees, doubling our EDP staff, but we did not buy its equipment. With installation of just a punched-paper-tape reader, we have been able to handle all the data service's jobs, including accounts receivable, payroll, real estate management, inventory, sales analysis—and put on the bank's and its affiliate 80-employee payroll—without overloading the schedule.

Thus, the computer gives us the capacity to develop an entirely new profit center via the EDP service and it also gives our EDP systems manager more potential and more challenge.

In our experience, the banker planning conversion to a computer system should realize that his biggest problem will probably not be hardware or programs, but control during conversion. Control may not seem difficult with a sample batch of 300 to 400 items, but the situation is different with 10,000 items. The key to effective control is planning for all eventualities, all the

things that can go wrong. Techniques should be worked out for re-input as well as input, for proper handling of rejects and the like.

Conversion is eased, too, by selection and thorough training of good people. Our approach was to bring in an experienced EDP manager six months before we started conversion and about 18 months before the Century arrived so he had time to learn banking. We think a man in his position should be primarily interested in EDP, not be an experienced banker trying to learn data processing.

First work on the system each day is the customer service applications. At noon, the bank makes a Fed clearing entry, and from 1 to 2 p.m. additional EDP service applications are run. At 2 p.m. we process the bank's counter work. The proof department closes about 3:30 p.m. and we run bank work continually until 1 a.m. the following morning. Proof is now processed on NCR 450s, but ultimately some of this work may be handled on the computer, too.

An additional two-spindle magnetic disc drive will be added to the computer in May, and we may move up to a larger Century 200 sometime in 1972, based on expected growth, both of the bank and the data processing



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service (known as First Bank Data Services).

In retrospect, the alternative to a central file system would have been batch processing, which we could have gotten from a correspondent. But that is essentially a piece-work approach that could never evolve into a fully integrated system and could never achieve the real potential of data processing—the breadth of information on each customer and on our over-all operation, which the central file makes possible. • •

## Drive-In Facility

(Continued from page 27)

states where regulations allow, across the street or in an area not adjacent to the main bank or branch property. With TV Auto Teller it is still possible to keep the tellers in the bank proper and serve customers through video, audio and pneumatic systems. In the case of Visual Auto Tellers or conventional drive-ins, of course, the tellers are located in a specific drive-in area. With regard to Visual Auto Tellers, the tellers can still be housed in a common building, which improves their efficiency and security, as opposed to a conventional drive-in layout where the teller must be stationed at the specific window location.

Visual Auto Tellers and TV Auto Tellers enable one teller to serve more than one customer at the same time. The reason is very simple. Something is always happening insofar as the customer is concerned. While the transaction from one customer is traveling to the teller by pneumatics, the teller is returning a receipt to another customer. While one customer is preparing his or her transaction, the teller is handling the transaction from another customer. We have many installations where, during slack periods of time, one teller is able to serve as many as three remote drive-in units. Normally the alternative with conventional drive-in units would be to close two or three units, causing traffic congestion during those short peaks when four or five customers might enter in a period of several minutes.

A number of banks acquire greater efficiency from their drive-in installations by limiting one or more of their remote units to specific type transactions. For example, with the use of a package receiver in a conventional drive-in location the bank can prepare payrolls in advance and deliver them to a customer coming to make the pick-up. This also helps from a security standpoint as it is unnecessary and inconvenient for a customer to walk to the bank through a parking lot or

across a public street with a payroll.

Some banks limit one window to single transactions during busy hours; other banks, usually in rural or industrial areas, may designate one window strictly for truck traffic and plan the layout of that particular drive-in unit to accommodate larger vehicles.

Other banks have used drive-in installations for their extended banking hour service. This enables them to close the bank proper, check out as normal and restrict late-hour banking to the drive-in units. This also improves bank security by not exposing the main lobby or even a section of it during early or late banking hours. All transactions are handled through either a conventional drive-up window which, if properly installed, is equipped with bullet-resistive glass, or either a remote Visual Auto Teller or a TV Auto Teller unit where the threat of hold-up or ambush is virtually eliminated.

Another important point to consider is that each drive-in unit, whether conventional or remote, should offset, teller-for-teller, each inside teller station. The cost per square foot of building a drive-in installation is usually considerably less than the cost per teller of building space and property inside the bank. There are many instances where banks have constructed new buildings or gone through extensive remodeling

programs and made provisions for as many as eight or 10 tellers in their regular teller lines and provided two to four drive-in units, only to find after some experience that well over half of their transactions are being handled at the drive-ins. Obviously, they could have saved considerable money if they had reduced the number of tellers in their main lobbies and increased the number of drive-in units. The savings could apply not only to their building costs but also their property costs. • •

## Basic Premise

(Continued from page 26)

lar system is that personal contact is always important and should play an important role in choosing a particular type of unit. As simple as this may sound, it is sometimes a difficult task to accomplish.

Within the past few years, TV type units have become popular because they enable the teller to be seen. This is a close substitute for a teller who is present, but it doesn't offer that personal touch. Occasionally a TV unit is not desirable because the bank is located in an area that has much inclement weather. Protecting such sophisticated equipment is not worth the cost involved.

However, TV units can be an ideal



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solution in an area where there is a high rate of crime. One cannot hold up a remote TV unit. But, if a remote unit is in a depressed area, there is possibility of vandalism. There can be no blanket recommendation because each situation must be considered on an individual basis.

The most personal type of drive-up, whether it is within the building or remote, is the manned drive-up unit. The use of such a unit is popular with customers who specifically prefer that "personal touch" which a TV or audio visual unit cannot offer.

Another important guideline to keep in mind when planning drive-up facilities is to keep the tellers inside the bank whenever possible. The obvious reason is security. The teller who is inside the bank has access to all the tools necessary in a teller operation—hard copy reference files, supervisory help, coin and currency and maximum security. Furthermore, there is no morale problem as there can be when tellers are located in a remote unit away from the normal flow of operations.

There is no single answer to the type of drive-up unit that is best. The most important point to keep in mind for any bank contemplating a drive-up facility is to analyze the situation thoroughly from all sides before a particular type of system is adopted. • •

## Electronic Traffic

(Continued from page 28)

er is informed by a sign to move to a designated station.

As business volume increases, additional teller stations can be opened with the touch of a button. As business decreases, teller stations can be closed at the touch of a button. Management can verify customer volume at any teller station because BANKontrol automatically counts all customers dispatched to each teller.

Industrial engineers make time and motion efficiency studies to determine how much it costs an employee to initiate a function or operation. With a two- or three-tube pneumatic visual system, one teller can operate all three stations during slow periods. However, the teller cannot reach all three stations without a great deal of physical movement. BANKontrol allows the teller to dispatch customers to the one or two stations that are most easily reached, thus improving efficiency with respect to time and motion. Most important, employee fatigue is reduced, resulting in less errors.

The cost of one employee does not stop at the size of the paycheck. Overhead per employee gives the true cost picture, which is different but expen-

sive at every drive-in facility. BANKontrol eliminates the necessity of a guard directing traffic, because traffic is controlled by the tellers. As traffic diminishes, tellers do not remain idle—they touch buttons closing their stations and return to other tasks as customers are sent to other stations. Traffic studies prove that BANKontrol can increase the capacity of a drive-in facility, enabling fewer tellers to service a given number of customers.

Uncontrolled traffic means customer-controlled bank profits! • •

## EFTS Era

(Continued from page 25)

program for the future as much as a reaction program to solve present problems of the credit card. Credit cards are still too costly to operate, too subject to fraud and too susceptible to credit losses. Estimates for losses in 1970 due to bank credit cards ranged from \$100 to \$300 million. So what can be done? The bank planner has to look at terminals, first of all for better credit authorization, and then, eventually, to eliminate the expensive paper. That being accomplished, of course, the bank will find itself very much in the mainstream of the EFTS revolution.

**Banks Pilot for EFTS.** Besides the Hempstead Bank project, other plans are being developed for the pilot testing of complete terminal to computer systems within the banking community.

In November, 1970, at a press conference, reported on by *American Banker* newspaper, First National City of New York opted officially for the electronic fund transfer system:

... the FNCB senior vice president [John S. Reed] told a press briefing Monday, "if we are going to cope with technology, we must do so now."

Mr. Reed said that FNCB is studying paperless transaction systems, terminal-oriented systems and is planning a pilot project for electronic transmission with the bank's Master Charge credit card.

Although he declined to say where or when the bank will put its pilot project into action, Mr. Reed said it is "fairly well thought out." He added that a model had been built and that merchant cooperation has been found for the test of electronic card payment.

Of more recent origin is a program now underway in western Massachu-

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proves customer relations via taster, smoother traffic flow; provides maximum service and efficiency; reduces lag time between transactions; improves teller efficiency by putting the dispatch of traffic under their control; eliminates confusion and delays; increases safety.



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sets to develop a multi-industry approach to EFTS. Meetings have been held in the past several weeks to ascertain whether commercial banks can work together with mutual savings banks, savings and loan associations and credit unions in a single system serving a local marketing area. The system plan calls for a cooperative approach to EFTS similar to that used by commercial banks in setting up computer centers during the '60s.

**Banks Prepare for EFTS.** In a broader sense, banks are preparing for the eventuality of EFTS through a number of industry-oriented programs reported in previous issues of MID-CONTINENT BANKER and elaborated on in the story on SCOPE on page 23 of this issue. In February, the ABA announced adoption of a standard credit card reading technology utilizing magnetic stripes on the backs of cards. Scarcely had the ink dried on that announcement before IBM released a new product: a magnetic stripe reading credit card authorization terminal. Other major manufacturers are expected to follow, and before long, mini-SCOPE projects, otherwise known as EFTS pilots, will be springing up across the country.

\* \* \*

By the mid-1970s, EFTS will be as commonly understood by bankers as was MICR in the mid-1960s. Terminals will be as commonly displayed at merchant locations as are credit card embossers today. Bankers in their imitable ways will be following the leaders into the EFTS era, a full decade after the "bugs" were essentially driven out of the system by the Trabolds, the Livingstons and the Halls.

## Remote Transaction

(Continued from page 26)

and cooling in the summer adds considerably to the expenses of banks using manned teller drive-up islands. Consider also how a poorly insulated kiosk can increase absenteeism through sickness from air drafts, poor ventilation and improper temperature control.

Law enforcement officials will not long tolerate continual traffic tie-ups from back-up traffic going to drive-up windows. Mosler remote transaction systems are designed to offer speedy, personal service to depositors to keep waiting lines to a minimum.

Human engineering by Mosler makes the operation of RTS equipment easy for tellers. The buttons on the teller's console allow her to override any customer action.

Customer units are designed so that lengthy operating instructions are not necessary. With TellerVue and Pneu-

Vista, the depositor simply inserts his transaction into a lightweight, unbreakable plastic carrier, places the carrier on a presentation tray and the carrier is whisked through a single 4½" pneumatic tube to the teller. The deposit slip or cash is returned to the customer in a similar manner and the presentation tray conveniently hands the carrier to him.

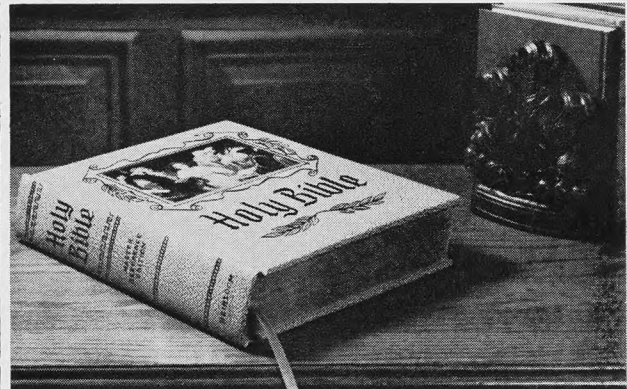
AutoBanker features a captive carrier which the customer need not handle. Upon arrival at either the customer or teller station, only a hinged door is presented. The customer places his transaction under a bail attached to the door, raises the door about an inch and the system then automatically closes

the door and whisks the carrier to the teller.

Summing up, remote transaction systems offer economies of operation through increased utilization of scarce labor, better utilization of available drive-in space and more efficient service, thereby eliminating long waiting lines and traffic congestion. • •

## Chemical Appoints Six

NEW YORK—Chemical Bank has appointed six new vice presidents—Raymond F. Koehn, Joseph A. Lucas and Donald F. Ritchie, all in the metropolitan division; and Grover R. Castle, R. Carl Palmer and Peter R. Pollock, all in the special industries division.



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# Commercial Loan Software System Is Effective Management Tool

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**S**OUND DECISIONS require concise information, says Jack Gates, assistant vice president, Financial Systems Consultants (FSC), software development and marketing division of Indiana Bank, Fort Wayne.

That's why it is especially important for commercial loan managers to have available a software system that can assimilate and use factors that are constantly changing—factors such as the prime rate, cash flow, collateral evaluation, extent of participations and a myriad of facts that need to be brought together on a regular basis in a usable fashion.

And that's why FSC has developed a commercial loan software system that can provide timely knowledge of portfolio yields, officer performance, liquidity analysis, customer payoff, delinquency ratios, etc. Mr. Gates terms such a system a valuable tool for effective management decisions.

FSC was formed to fill what Mr. Gates terms "a big void left between the hardware supplier and the user bank." He feels that the void is created when a user bank installs a system 360 DOS-type software system that will meet its needs for a long time to come, but that is not well supported by the vendor from an application software point of view.

This situation has encouraged FSC to develop application software to run on DOS-type machines for commercial banking applications such as commercial loans, installment loans, personal trust accounting, mortgage loan accounting, CDs, savings- and demand-deposit accounting. FSC endeavors to keep the cost of these applications programs under \$10,000, enabling banks that cannot develop their own systems to automate their functions quickly and economically.

FSC's commercial loan system has been especially welcomed by banks because the commercial loan area has traditionally been one of the most difficult to automate—at least to a degree necessary to satisfy the demands of most user banks.

The FSC commercial loan package provides delinquency reports, maturity notices and statements of activity, reports loans by officer and by branch, prints-out liquidity analysis-cash flow reports and journal trial balances, among other things.

Following are a few details of the system's capabilities:

- *Delinquency reports.* All notes with maturities past due are aged each day and term notes with payments past due are listed daily, showing interest due, payment amount and current bal-

ances of loans.

- *Maturity notices.* An envelope insert, ready for mailing, is prepared in duplicate two weeks in advance of maturities, allowing ample time for review and mail handling. The customer's telephone number is shown as a convenience to the lending officer. Another notice for term note payments due is also printed. Should reminders be needed after maturity date, extra copies of the notices are provided by the system.

- *Statement of activity.* This print-out, done monthly, is for customers whose loan position has changed. Guarantors are listed with the amounts of their individual liabilities, plus details of indirect liabilities. Days out of debt, days delinquent and high credit (secured and unsecured) are shown for the current year and the two preceding years.

- *Loans by officer/branch.* The system produces a report of each lending officer's notes outstanding with total dollars and average yield available as required. A similar list can be made for each lending office or branch. Information listed includes a breakdown between secured and unsecured notes showing both the number of notes and aggregate dollars.

(Continued on page 75)

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## In-House Versus Package Development of Commercial Loan Software

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**A**PATTERN has become apparent in the area of automation of commercial loan departments. The bank gives the responsibility to develop the specifications or requirements of such a system to a committee or project team. Within the over-all framework of this pattern should come a "make" or "buy" decision. Undoubtedly, a similar pattern is followed when banks choose to automate any application; however, the scope of the question is limited to commercial loan.

Commercial loan is different from the majority of packages on the market, both in size and scope. Commercial loan is where most banks generate the major share of their incomes.

By **JAMES GREENWOOD, President**  
**Automated Financial Systems, Inc.**  
**Bala-Cynwyd, Pa.**

Commercial loan has many interrelationships throughout the entire institution, and is one of the last areas of a bank to be automated. The reason for this is twofold—volume of daily transactions is not high and requirements are complex. Many instances of false starts or noncompletions can be cited. Through experience, many banks have learned that if they develop their own systems, the effort must be substantial. Cost of development alone will have to be estimated

at over \$250,000, and even this price will not provide a complete system.

Before "make" or "buy" alternatives are seriously reviewed, the question must be asked whether any packages are available that come within a possible approximation to the specifications that have been developed. It is unlikely that any package will be found that is an exact fit to requirements, but in most cases, at least 90% of the requirements can be covered by packages. If an exact fit in results and processing considerations could be found, only a few items would remain to be thought out. Undoubtedly, the decision would be easier.

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Systems is dealing with a number of large banks in the commercial loan area and there is no doubt that its package satisfies a majority of these banks' requirements.

Let certain assumptions now be put forward: (1) The bank is committed to automating commercial loans, (2) the requirements are finalized and (3) there are packages within the "possible fit" category. These points must be finalized before most banks consider packages seriously.

The major factors in considering a package are cost and time. One should not think there are no costs to installation of a package of major scope. There will always be conversion costs and, in a major application area such as commercial loan, there will be a learning curve cost for the actual installation of equipment. What the package approach reduces is the *development* cost. In the commercial loan area a package can be purchased for less than one-twentieth its development cost. This is a considerable saving—over \$500,000—no matter how the costs are analyzed. Some banks have stated they can develop systems for less than \$300,000, but this figure is always made prior to development.

The time required to develop a commercial loan system will be a minimum of one year. The package, if taken as is, can be ready almost immediately. A project team must spend a sufficient amount of time to learn the package, but the system is developed. Some value should be added for the time saved. This time provides the opportunity to go on to other problems. It saves management time. It automates an operation at least one year sooner.

### Staff Turnover

When a bank starts out on its own development, there is no assurance that the design segment of its staff will be there when the system is complete. If it is, some probably will have been promoted or transferred to another area. Turnover in programming staffs has been high in the past several years. When a system with a significant amount of interrelationship is being developed, turnover is extremely costly, if not disastrous. Even if a bank does not have a turnover problem, can it assign a sufficient number of people to the project? Does it have the proper talents for each project requirement? Remember, the package is already operational. The plan to develop an in-bank operation is an open-end plan to spend money on a system that might still be a dream a year or so later.

One hopefully will find in the pack-

age a level of sophistication and an extent that the bank would not contemplate achieving on its own. Ideally, the developers of a package will draw upon the experience level of numerous users of various sizes. This gives customers an opportunity to have abilities within the system that at their present size or degree of automation might not be really necessary, albeit good to have.

### Package Problems

There are problems with packages: The bank does not receive exactly what it would from its own design unless its staff modifies the system; the internal documentation standards of the package are different, possibly better; there is no one in-house who thoroughly knows the package system from conception; on one has the ability to claim authorship of the application. Most of these problems must be worked with until they are eventually absorbed into the operation.

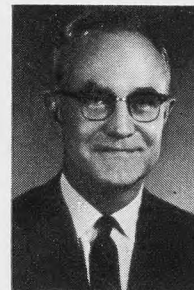
Package modifications can be made internally or by the developers. Time, costs and desires will determine the best choice. Modifying a package is not inexpensive. First it must be decided whether the changes desired are practical in view of the logic used in the package. In a well-designed package, changes can usually be made; however, the decision of cost justification is the bank's. Assuming it is decided that modifications are necessary, the obvious results are that the cost increases and the installation time is prolonged.

Various methods of modifying systems have been used. Some clients want to do all the modification to insure that their staffs become knowledgeable in all details. Others want to do none of the work themselves. We believe that the most effective method is one where the client does most of the less-difficult and more time-consuming work and the developer handles the aspects that can cause interrelated changes in other areas.

Numerous articles have been written on package evaluation. This topic is one that should be examined separately. A bank must be satisfied with the merits of any package. If the package is not workable, any purchase is not a wise investment. When the bank would have to spend over \$500,000 to develop a system similar to that which is available on the market for less than \$50,000, the negative aspects of package purchase would have to be much higher than they are now to justify internal development. • •

## Fisher Retires as Chairman Of Liberty Nat'l, Louisville; Top Executive Changes Made

LOUISVILLE—W. C. Fisher, chairman, Liberty National, has announced his retirement from active participation in the bank's management but he will continue as a director. Innes W. Dobbins Jr., former president, was elected chairman and chief executive officer to succeed Mr. Fisher.



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Frank B. Hower Jr. was promoted from executive vice president to president and J. W. Phelps was named executive vice president.

Mr. Fisher joined Liberty National in 1923 and later became vice president in charge of the trust department. He was elected president in 1964 and chairman and CEO in 1967.

Mr. Dobbins, who is the current president of the Kentucky Bankers Association, joined the bank in 1933. He became executive vice president in 1965 and president in 1967.

Mr. Hower, who joined the bank in 1950, was elected vice president in 1958. He later was appointed secretary of the board and was made executive vice president in 1967.

Mr. Phelps joined the correspondent bank department in 1958 and was elected vice president in charge of the division in 1967. He later was elevated to senior vice president, secretary of the board and a member of the executive committee and last year was elected a director. Mr. Phelps is a regional vice president of the American Bankers Association.

### Jaycees Honor Fillebrown

NASHVILLE—T. Scott Fillebrown Jr., president, First American National, has received the Nashville Jaycees' Distinguished Citizen of the Year Award.

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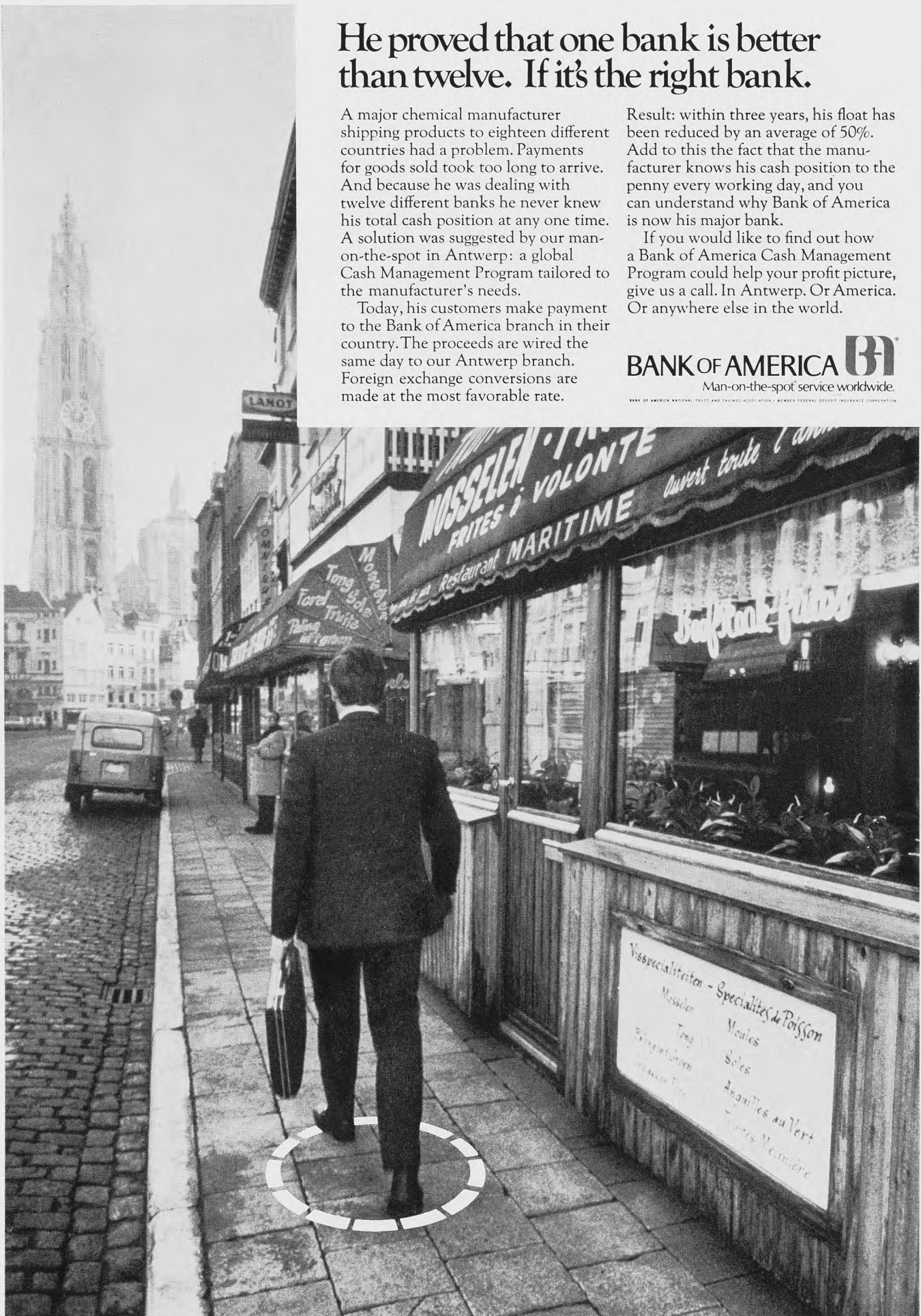
Today, his customers make payment to the Bank of America branch in their country. The proceeds are wired the same day to our Antwerp branch. Foreign exchange conversions are made at the most favorable rate.

Result: within three years, his float has been reduced by an average of 50%. Add to this the fact that the manufacturer knows his cash position to the penny every working day, and you can understand why Bank of America is now his major bank.

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# 'Margin Monitor' Enables Central National To Price Loan Collateral Automatically

CENTRAL NATIONAL, Chicago's sixth largest bank with deposits of nearly \$470 million, recently inaugurated a unique computer service that successfully automates one of banking's most burdensome and time-consuming bookkeeping chores—the pricing and analysis of loan collateral.

The service, called Margin Monitor, made available through Bank Computer Network Corp. (BankCom), enables Central National to exercise unprecedented control over collateralized loans.

The bank now performs complete collateral reviews every week. Previously a thorough price updating was possible only six times a year. Moreover, the increased number of reviews is accomplished by one person as part of a day's normal work routine and, if there is a significant market drop, the entire loan file can be repriced in only a few minutes.

Collateral pricing used to be an overtime project involving ten to a dozen people working from margin cards and newspaper stock market reports, and extending manually with calculators. The information, however, was already two weeks old when finally developed, because it took that long to complete a review.

"Commercial loan operations have been especially resistant to automating until recently," Robert E. Hamilton, vice chairman of Central National and head of the bank's operations, observes. "The negotiating of commercial loans is an area in which most banks exercise a great deal of flexibility to meet clients' specific requirements. This results in a wide variety of repayment schedules that just don't lend themselves easily to orderly automatic processing."

He adds that improved management control of loan collateral has seemed until now to be an impossible goal.

"The automatic data control procedures that were developed for commercial loans skirted the collateral pricing problem," he says.

"In this context, the new computerized pricing service represents a significant management breakthrough," Mr. Hamilton observes.

Margin Monitor operates through an on-line remote connection with BankCom's computer. The only physical installation required is a communication terminal on the bank's premises that resembles and functions like an electric typewriter. Terminal and computer "talk" through an ordinary telephone connection, which makes special wiring unnecessary.

With only a few hours of training, personnel with no computer background can learn to type out the various instructions required to make the electronic machine print out various loan collateral information that would be virtually impossible to obtain by standard methods.

"The two principal benefits we derive from Margin Monitor are tighter control over an important operational area plus a wealth of management information that we just did not have before," Mr. Hamilton says.

The new service gives Central National almost instantaneous access to significant breakdowns of its collateral holdings, such as the proportion of listed to unlisted securities, how many are closely held and therefore subject to special consideration in pricing, the proportion of the total concentrated in any given company or industry and a current list of accounts whose securities may be under margin or approaching the under-margin line.

"We can retrieve a great deal of information through on-line inquiry via the terminal," Mr. Hamilton says. "We

also can get more specialized data in 24 hours by submitting a list of our needs to the company for off-line processing.

"What makes the information especially valuable is the inclusion of up-to-date price information," he adds. BankCom supplies its computer with daily price information on nearly 8,000 securities, including all New York and American Stock Exchange stocks and bonds, as well as a wide variety of over-the-counter issues and mutual funds.

Mr. Hamilton explained that the service in effect replaces the traditional margin cards and concentration file with a single accumulation of data in the computer's memory. First step in phasing in the new system involved the creation of a Central National data base in the computer by systematically "typing" all information in the loan files into the memory bank through the terminal.

Integrity and security of the bank's information is maintained through a three-level security code system that effectively controls access to the file. Identification elements needed to retrieve information are known only to designated officers.

Updating basic data—listing new loans, closing out maturities, recording collateral additions or substitutions—has become part of a daily routine and requires a little time. "We've been able to transfer to this new method without a single staff addition," Mr. Hamilton says.

"Margin Monitor has not only vastly increased the quantity of data at our disposal, it also has upgraded the quality and provided us with the capacity for better service and more efficient management." • • •

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Principals in development of Texas Commerce Bank's demand deposit accounting system include (from l.) R. Bradford Thomas, a.v.p. in charge of the systems and programming section; John T. Cater, sr. v.p. in charge of the operations department; and Barry D. Lynch, v.p. in charge of the data services division.



## *Demand Deposit Accounting System Developed by Bank, Software Firm*

**H**OW DOES a bank implement major systems?

In-house development? Package? Joint development? Which approach should be taken?

These are the decisions that many banks are facing in trying to determine the best course of action. What follows is the approach taken by Texas Commerce Bank, Houston, in implementing its new demand deposit accounting system.

It became important in early 1968 for Texas Commerce Bank to have positive and correct answers to the basic questions stated above. Demand deposit accounting processing at the bank was done primarily with a system written for the 1400 generation of IBM computing equipment.

This system, though continually updated, was not capable of handling the numbers of instruments handled by the growing bank. For example, total deposits in 1968 averaged \$785 million and demand deposits averaged \$493 million. In addition to its own work, Texas Commerce handled the demand deposit accounting for 14 other Texas banks on a contract basis.

To indicate the pressure on the system, in 1968 the old system was expected to handle more than 32.3 million in-

struments, representing action in more than 142,000 separate accounts.

Putting this into perspective, Texas Commerce closed out 1970 with total deposits of \$1.1 billion. On an average basis during 1970 the bank's demand deposits were \$531 million. Added to this load, the number of contract banks increased 50% to 21 banks. The number of instruments handled increased 57% to more than 50.1 million, and the number of accounts increased 55% to 220,411.

With this type of growth pressure, several rather serious problems with the existing system became evident.

One major consideration was that computing equipment had undergone a significant change during the prior few years. And while the systems that were being run were quite accurate, they were not effectively utilizing the current generation of equipment. In addition, DDA application volume was increasing steadily. Another important consideration was that bank management was becoming more aware of the need for management-type information.

Texas Commerce decided that the best approach to solving these problems was to design and write a new DDA system. It was determined that consideration would be given to the

type of computing equipment available, the increased need to handle higher volumes of processing, an expressed need for different and improved management information and improved operational techniques.


Design of a new DDA system was begun in 1968. After working with the design for several months, the bank was approached by a software firm known as Scientific Computers, Inc. SCI suggested that it collaborate with the bank in the design, development and implementation of a new demand deposit accounting system.

SCI, organized in 1959, is committed to serving the needs of the financial community. It has a staff of professionals with experience in various banking applications. The plan was to develop a demand deposit accounting system that could be used by many different types of banks. SCI agreed to supply several people to the project. When the system was implemented, SCI was to have sole responsibility for marketing, installing and coordinating all changes to the system. Texas Commerce Bank, on the other hand, was to supply part of the manpower required to develop the system. But more importantly, the bank was to provide a live environment in which potential



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processing problems would exist. Additionally, the bank's management participation would result in a system truly responsive to the needs of the industry.

With these considerations in mind, an agreement was made to develop, as a joint effort, the demand deposit accounting system now known as MACH I. This system was to include the needs expressed by the bank, and in addition, the requirements considered necessary for banking operations in other states. An example of the considerations not required in Texas (a unit banking state) was the capability to support branch banking.

Here are some of the major considerations that influenced the design and development of the MACH I system:

The system had to be flexible and have the capability to handle all demand deposit accounting activities for the processing bank as well as its associated correspondent banks. Included in the development of MACH I would be the ability to process, in one integrated system, the varied reporting requirements for individual banks. This gave individual banks the ability to select the processes and characteristics inherent in their banks.

The system provides the ability to update an inquiry file, or to interface with a central file, or central name and address system. Since many banks do

automated account reconciliation for their customers, the ability to interface with that account reconciliation system by recording the appropriate transactions was developed.

The MACH I system was designed with the ability to process multiple banks and multiple branches. Each bank or branch has numerous options available. Here are examples of some of these options:

- A unique service charge calculation that can be tailored to fit the needs of each bank.
- Any method of calculating the check digit may be used.
- Each bank or branch may specify the length of time that an account is inactive or dormant or that a stop pay transaction is held.
- The amount, if any, to be charged for overdrafts or NSF items may be different for each bank.
- The ability to print a personalized message at the bottom of monthly statements. This message can be changed quickly and easily.

While each bank has numerous options, many options are associated with individual accounts within the bank. Again, this was done to obtain a flexibility great enough to handle the major considerations for accurate and complete demand deposit accounting.

Naturally, one of the major consid-

erations in developing a system of this type was economy of operation. Special attention was given to the processing time required for the various phases within the system. Operational handling procedures are simple and efficient.

One of the major features of the MACH I system is the reserve option. Basically, the reserve option is a line of credit extending to preferred customers who can "make a loan" simply by writing a check. When a check is posted to the DDA system overdrawn the individual's account, the system automatically credits the account with a sum sufficient to cover the overdraft. Credits to accounts are made in increments of \$100. An account is actually never overdrawn unless an individual exceeds his line of credit. For payment, the MACH I system periodically (usually on each statement date) and automatically debits the individual account for a predetermined amount, and this amount is then credited against the reserve loan. The loan may be paid off early or an extra payment may be made by the customer at any time. The interest rate is determined by the bank and is calculated on the unpaid balance.

The reserve option has proved to be attractive to bank customers. It is relatively loss-free, and is an important profit area to the bank. The advantage

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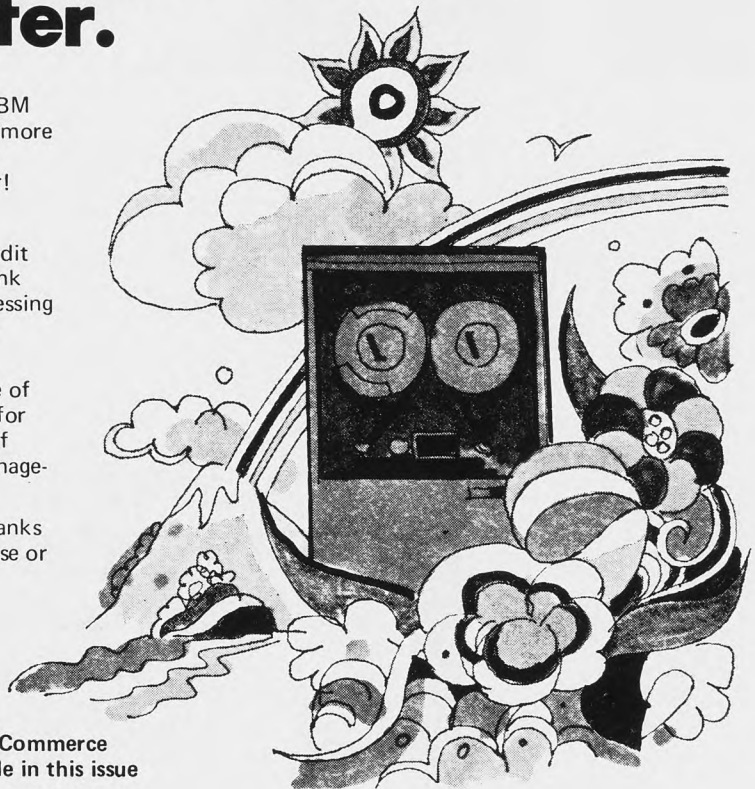
MACH I SYSTEMS are in use from coast to coast by banks ranging in size from \$200 million to \$5 billion. Purchase or lease arrangements available.

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Bank article in this issue



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to the customer is that he knows the funds are available at any time, the interest is usually lower than department store rates, all payments can be made in one place, and there is no need for a confusing multiplicity of credit cards. Numerous operational and management reports are associated with the reserve option of MACH I.

Texas Commerce Bank has been using the MACH I system since its implementation in November, 1969. Since that time the bank has converted all correspondent DDA processing from the 1400 system to the MACH I. During the past year MACH I has proved to be entirely capable of handling the DDA processing needs of the bank.

(MACH I was originally developed for IBM 360 computers. The system was written in Cobol and ALC and was implemented under the Disk Operating System. SCI has recently upgraded the MACH I system to run under OS on IBM 360 equipment and is currently improving the system to run under OS on the IBM 370 system.)

■ EXCHANGE BANK, Dallas, elected B. J. McNabb senior vice president. He will head the commercial lending division.

### Drovers National, Chicago, Holds Ground-Breaking For New Drive-In Complex

CHICAGO—Drovers National recently held a ground-breaking ceremony for its new drive-in and walk-up banking complex.

The new two-level structure (see illustration) will be built directly east of the bank's present quarters. The ground floor will have 7,000 square feet of work space, a securities vault and a tunnel connecting the building with the main banking quarters. The second floor will have 8,000 square feet of office space. Eventually, several departments of the bank will be moved to the new complex.



The new building also will have six drive-in stations, serviced by pneumatic-tubes from a central office, and a station for direct service to customers with bulky transactions. Two tellers will be available for pedestrian customers and a night depository will be provided.

MID-CONTINENT BANKER for April, 1971

### Home-Improvement Sales Aids Offered Dealers, Contractors

Bankers who want to boost their installment-loan business may want to tell dealers and contractors in their communities about two sales aids now available to them. These aids are a sales portfolio and an advertising program file.

The sales portfolio was designed by men who sell home improvement and contains all the essential elements needed to discuss and sell home improvement in the showroom or living room of the homeowner. Contents include estimating forms, job-survey

forms, books on "Home-Improvement Selling" and "Guide to Estimating," a pocket for business cards, a graph sketch pad for job and floor plans, a ball point pen and a three-ring binder with tab-divider sections.

The advertising program file contains newspaper ads, publicity and radio copy, display material, community-activity suggestions and other ad tools a contractor or dealer can use throughout the year to sell home improvement.

Information on these sales aids may be obtained from Home-Improvement Time Program, P. O. Box 102, Carnegie, Pa. 15106.

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**M**ANY A COMPANY has faced such questions as these:

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. . . manufacturing costs double by 1975?

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. . . we introduce a new product early next year?

. . . we merge with "X" Corp. in 1972?

The "what if" question has occupied endless sleepless nights and figure-filled days of many company planning officers. But though the importance of cash forecasting has long been recognized by both business and banking, the time-consuming nature of manual forecasts and the many variables involved in predicting the future have limited the use of this valuable tool in the past.

Last year PNB made Profisimulator available to the banking industry through Arthur S. Kranzley and Co., Cherry Hill, N. J. This consulting and systems development firm has adapted the service for use on IBM equipment (it was designed for GE computers at PNB), calling it the BANKSERV Cash Flow Forecaster. At the same time, PNB is continuing to service its commercial customers with Profisimulator.

Using Profisimulator, a bank can assist a customer or prospective customer (usually the president or officer in charge of financial planning) reach operational, investment and expansion decisions involving capital improvements, mergers, stock offerings and the development of new products, at nominal cost.

In terms of speed, the output is notable. Once all data is provided, the

## PROFISIMULATOR— *Crystal Ball for Corporate Customers*

Recognizing both the need and the problems, management of Philadelphia National decided back in 1967 to investigate the feasibility of using a computer in determining a company's cash position.

The concept was not a new one, as the speed, accuracy and objectivity of the computer had been employed before in this task. However, the resultant model is considered to be unique for its flexibility and for the span of time that may be covered in its projections. A team effort developed and prototyped at the bank in 1968, this project was under the creative direction of Charles C. Pearson Jr., now head of our commercial marketing department.

Profisimulator, as the project is called, is a computerized financial planning service that projects a company's cash flow, income statements and balance sheets for as many as eight future "periods" (either two years by the quarter or eight years by the year). This is done by simply providing the computer with data from the customer's financial statements and introducing reasonable projection factors. The customer may choose to make additional data inputs to determine what results would be forecast under different circumstances. Hence the effects of varying internal, competitive and economic conditions and specific corporate goals can all be measured.

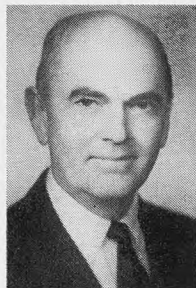
computer will generate print-outs covering the maximum eight periods in 90 seconds. If the data is urgently needed by the customer, PNB's computer center can handle the request in a matter of hours. Such forecasts could take even the most skilled analysts weeks to prepare.

The model is designed to serve a broad range of industrial and service companies, from the small firm with a net worth of one or two hundred thousand dollars to the multi-million dollar corporation. The latter may use Profisimulator to confirm its own findings, or may instead purchase the program for use on its own computers.

Some examples from PNB's files illustrate the wide range of Profisimulator capabilities:

- A customer wanted to borrow \$5,000,000 in order to purchase the local franchise from a leading soft drink manufacturer, but was uncertain about the cash requirements to service the debt incurred in the acquisition. Profisimulator showed what cash would be available under varying sales and expense control conditions. The projected balance sheets indicated that the acquisition would produce a high debt-to-worth position. PNB suggested various alternatives to make the situation bankable, thus helping make the acquisition possible.

- A prospective customer planned to construct a new warehouse in Pennsylvania to accommodate its increased



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Executive Vice President  
Philadelphia National Bank

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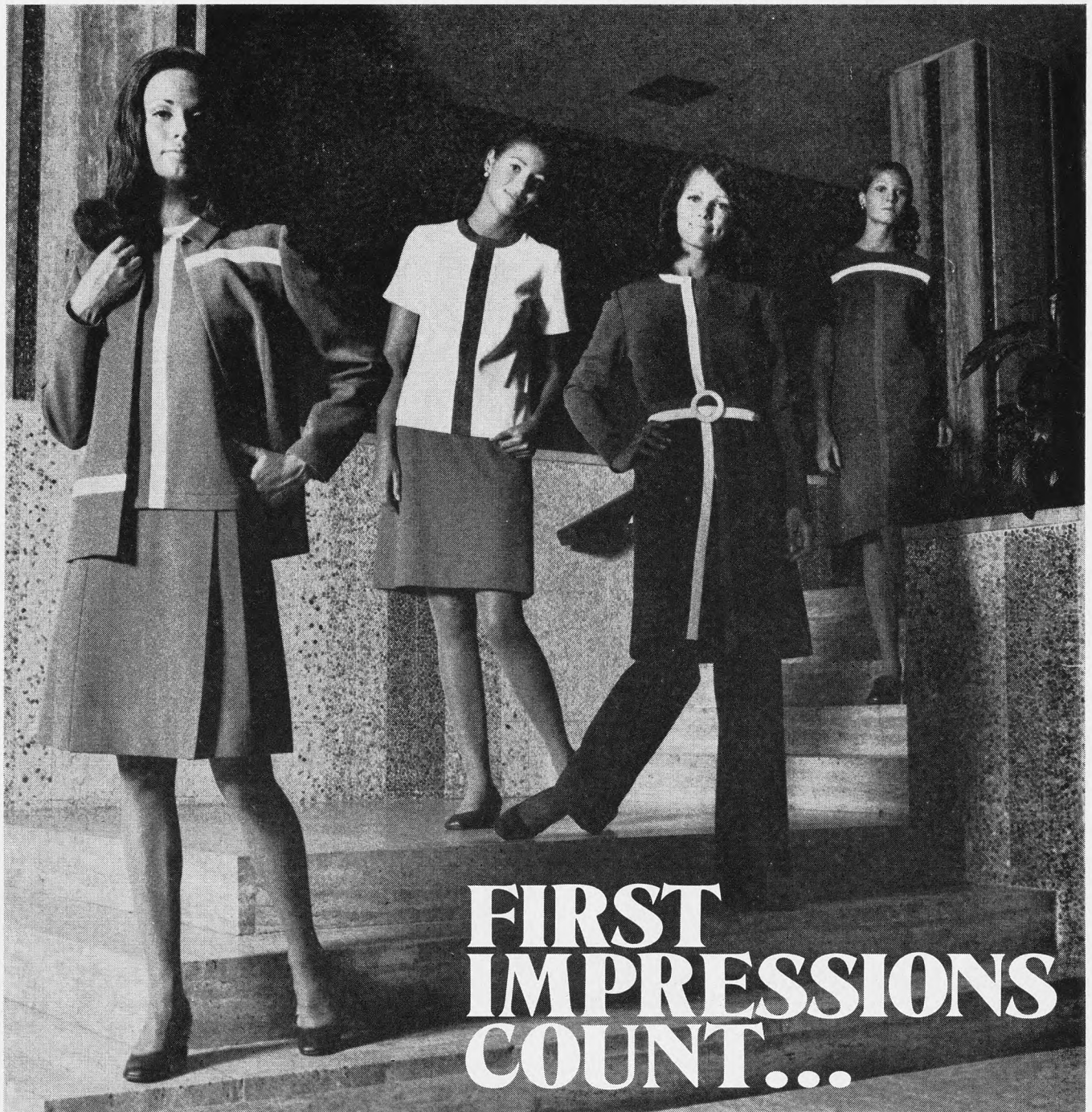
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MID-CONTINENT BANKER for April, 1971

wholesaling of pipe valves and fittings. The company's limited financial staff had only a vague understanding of cash requirements for such expansion. Profisimulator was introduced, a \$250,000 cash need indicated, and credit was extended by PNB.

• A South American airline had employed an international management consulting firm plus two full-time clerks to study its corporate financial picture. PNB, using publicly available information and certain reasonable assumptions, produced a Profisimulator print-out that was shown to the treasurer during a visit to Philadelphia. The simulation indicated a projected cash deficiency which was within 1% of that which actually occurred later. As a result, the treasurer requested the airline's outside consulting firm to study the program with a view to purchasing it for use with its own computer.

Just as the corporate customer is assisted by Profisimulator, so the bank itself can obtain valuable information to help it make certain credit decisions. In one case, PNB used Profisimulator to determine whether a steel company that wanted a three or four year loan would be able to pay both the bank and the insurance company in accordance with the terms under consideration.

To date, our cash velocity systems department, headed by William M. Fenimore Jr., has serviced some 80 companies with Profisimulator, many of them on a frequent basis. Commercial customers find that it provides them with financial planning assistance needed at critical decision points, and that it does so quickly and at low cost. In addition, it gives the bank officer new insights into his customers' businesses—and thus he can provide them with the most efficient and effective banking for their needs.

PNB has found the service instrumental in acquiring several major accounts, thus increasing PNB deposits materially. Profisimulator is frequently used by PNB loan officers to forecast repayment of loans—as in the case of the steel company cited above. As a

new business generator, it has helped the bank to sell other money management services to customers, such as lock box and money market center. It has also been used internally by our staff for credit training and evaluation.

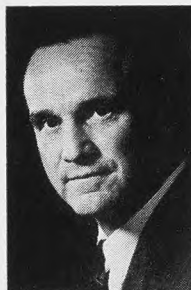
As Profisimulator reaches out to bigger markets, it is constantly being improved. The Kranzley Company under its president, Arthur S. Kranzley, is making Profisimulator even more useful to banks by refining the program in flexibility and adapting it to the new requirements of its customers.

Thus the computer demonstrates its ability at answering "what if" questions with speed, accuracy and impartiality—questions whose answers are of vital importance to today's busy financial planning executive. Lacking the fabled crystal ball with which to look into the future, we have Profisimulator. In our opinion it is a good substitute. • •

### Three Officer Appointments At First of Fort Worth

FORT WORTH—First National has appointed three officers. Those elected were: J. Howard Shelton, senior vice president, commercial lending; and Clifford B. Baum and W. R. Bierdeman, vice presidents and senior investment officers.

Before joining First National, Mr. Shelton was presi-



SHELTON



BIERDEMAN



BAUM

dent of Gateway National from 1966 until last month. He also had served as president of Texas National, Temple.

Mr. Baum, who will serve as manager of the trust investment department, previously was vice president-investments and manager of the trust investment department, First National, Atlanta. He joined that bank in 1957.

Mr. Bierdeman joined First National in 1952 to organize and manage the trust investment department. He was elected vice president and investment officer in 1956 and in his new position will serve as chairman of the trust investment committee.

### Citizens & Southern National Announces Six Promotions

ATLANTA—Citizens & Southern National recently elected six executives to high-level management positions. Gordon B. Trulock Jr. was elected senior vice president and Willard A. Alexander, Henry T. Collinsworth, James E. Green Jr., Eugene M. Rackley III and William J. VanLandingham all were named executive vice presidents.

Mr. Trulock joined the bank in 1947 and has been senior credit officer since 1968. Mr. Alexander has been with the bank since 1948, working principally in credit and commercial lending. He is head of the factoring department.

Mr. Collinsworth, with the bank since 1952, assumed responsibility for the corporate accounts division in 1967. Mr. Green came to the bank in 1955. He served as head of the term loan department and was named manager of the international department in 1969.

Mr. Rackley joined the bank in 1959 and in 1968 became personnel director. Mr. VanLandingham, executive vice president of public affairs, has worked with the bank since 1966. He heads the Georgia Plan which involves the bank's statewide community development activities.

## Sabotage and Accidents Haunt Computers; Banks Urged to Maintain Security Measures

Computer sabotage and accidents are becoming an ever-greater problem in industry—not only in war- and defense-related businesses, but in banks as well. Therefore, firms and banks using computers are urged to institute and maintain strict security programs in regard to their installations.

According to the *Wall Street Journal*, millions of dollars worth of computer equipment and data were damaged and destroyed by sabotage alone last year. In addition, the paper continued, increasing instances of computer misuse—such as for fraud and embezzlement—and serious accidental disruptions indicate that there are troubles ahead in the computer age.

Judging from the information revealed in the *Journal* story, it would be wise for banks to refrain from putting their computers on public display and to eliminate tours through their computer areas. As the *Wall Street Journal* pointed out, one West Coast data processing manager was fired after magnets being carried by members of a Boy Scout group touring his computer center erased most of the firm's records stored on tapes. In another case, also cited by the *Journal*, a computer employee was given two weeks' notice before being laid off. He promptly removed all the labels on 1,500 reels of tape, costing the company thousands of dollars in labor to re-identify the data.

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# Installment Lending People See Bright Future This Year

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**I**F INSTALLMENT LENDING people seem more enthusiastic and excited this year than they have in the recent past, there's a reason! With the dramatic drop in the prime rate and the easing of the tight-money situation, banks are starting to re-emphasize installment loans as a means of boosting revenue. In fact, several bankers who attended the recent Illinois Bankers Association's installment lending conference said installment lending officers will once again be the "fair-haired" members of their banks' staffs and that banks will be seeking more direct auto-home-improvement and personal loans in their communities.

Of course, there are problems ahead. For one, there's the Fair Credit Reporting Act. How does it affect banks? How can banks comply with it? Cyril Jedlicka, an authority on installment lending, discusses this new law beginning on page 21.

As other clouds on the horizon, the delegates to the Illinois conference cited the Uniform Consumer Credit Code and the holder-in-due-course doctrine. There's a possibility that the UCCC will be adopted in Illinois, and the Federal Trade Commission will begin holding hearings May 10 on a proposal to eliminate the holder-in-due-course concept. If this happens, retailers would be required to include a new type of notice provision in promissory notes used in connection with consumer installment sales. The new provision would make any subsequent holder of a promissory note subject to any defenses the consumer might have against the retailer. In addition, the new rule would prohibit agreements by which the consumer might waive his

defenses against a subsequent holder of the installment paper.

One Illinois banker believes it's inevitable that holder-in-due-course will disappear and said that if this happens, it most certainly will necessitate a return to recourse paper from dealers. Such a development would be a major change for most bankers, he added.

Along this line, a man who operated several "health" clubs in the St. Louis area went into bankruptcy early this year after having sold "lifetime" memberships in his clubs to residents. Many of these memberships were contracted for on installment bases, and the paper was sold to finance companies. Because of the holder-in-due-course doctrine, the club members must continue paying the finance companies even though the service is no longer being "delivered" by the health clubs.

At the Illinois meeting, delegates also were concerned about the uninterrupted rise in bankruptcies, and one banker pointed out that many banks require borrowers to sign complete statements of all their debts. He said such a practice seems to be the only feasible method of fighting the bankruptcy situation. Later, in case of bankruptcy, if a person failed to list all his debts, a case of fraud could be made out and, thus, a bank could possibly obtain an exemption from the bankruptcy.

Another problem discussed in Illinois was the ever-increasing prices of new cars that are more and more difficult to finance in a 36-month period. However, the feeling among the bankers was that a 48-month period is not the answer because few persons have any equity in cars now for 21 or 22

months on a normal down payment on a 36-month deal.

Delegates to the Illinois meeting were divided on whether their banks might reduce rates. One said there was no possibility of reductions because of the amount of interest paid on pass-book savings accounts and CDs. Another explained why his bank would hold to its present rates: "Our expenses have continued to rise and, for the most part, we did not increase rates during the times that commercial loans were increasing with the prime rate. In Illinois, we still have a 7% add-on maximum rate, and we operated under this for two years when it was actually too low."

On the other hand, a banker predicted a lowering of installment-loan rates in view of the reductions in the prime rate.

In addition to auto loans, the Illinois bankers also discussed other types of loans, including those on recreational land. A good deal of time was devoted to mobile-home paper, and speakers covered the entire field of rates to terms, dealer guarantees and desirability of a service organization vs. direct solicitation. One banker reported that a growing number of banks seem to be interested in mobile-home loans, and he believes such loans will increase greatly over the next few years because the paying record for mobile homes has been excellent and the quality of mobile homes and parks continues to improve.

Therefore—despite any potential trouble spots or a difference in opinion on whether to lower rates—installment lending people see a bright future for their business this year. • •

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## Bankers Must Learn to Cope With 'Never Own Anything' Generation

---

**B**UYING on credit is a way of life to a majority of those under 30, and these young persons are highly intelligent, mobile and ready to discard traditional values. So said George H. Dempsey, executive vice president, Dempsey & Fredericks, Inc., a Chicago advertising and public relations firm, at a recent meeting of Georgia bankers. The 25-35-age group, he said, has been classified as the "credit-card generation."

Another major group is rising that could easily become the "NOA" generation, he continued. By NOA, he said he means Never Own Anything.

As an example, he cited housing. "One out of five single-family residences in the U. S. is a mobile home," said Mr. Dempsey. "These are purchased like autos and come completely furnished. The consumer doesn't select the appliance or the furniture and, in many cases, never actually owns either the mobile home or its contents. The same holds true for the current trend toward modular housing. A recent study by E. B. Weiss, appearing in *Advertising Age*, showed that already builders account for 50% of the sales of certain appliances."

Mr. Dempsey asked what then is the

future of the personal loan business? Can bankers remain content to take a diminishing share of the home-improvement-loan market? Of the decreasing major-appliance-financing market? Will bankers be content to observe the increasing trend toward auto rental as opposed to outright purchase?

Even the seemingly insatiable demand for educational loans could change radically in the near future, said Mr. Dempsey, and he pointed to Yale University's proposed plan to defer tuition payments up to 35 years after a student completes his studies! It's possible that the NOA Generation



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will never even "own" its education, he added.

The implication of all these facts is clear, said Mr. Dempsey: All bankers are faced with a need for flexibility in their thinking and planning. The traditional role of a bank in accepting deposits and lending these funds to businesses, individuals and governments on short-term bases is no longer sufficient to assure the continual success of an institution. According to Mr. Dempsey, it's time for bankers to adopt a true marketing approach, gearing their plans to the fast-changing wants and needs of their existing and potential customers.

"Take your clues from the successful retailers of our nation," he advised. "Anticipating and fulfilling the desires of the market are what keep the Sears, Roebucks of the country consistently profitable and expansionary."

Then he wondered out loud to his audience, "Which commercial bank will be the first to open on Sunday?" If banking doesn't awaken to the necessity of conducting its business when its customers can easily avail themselves of its services, how can bankers hope to cope with the NOA Generation, he asked.

"Consumer financing as we know it today could easily be as obsolete in five years as the 1%-per-annum savings account is now," said Mr. Dempsey. "The innovator, the marketer will be prepared for change. Can any of us afford not to become true marketers?" • •

## Quality of Life

*(Continued from page 6)*

sirable purposes—and when such "soft" loans become delinquent—as many do—the bank is confronted with capital impairment.

Rather than helping a community improve the quality of life, a broken bank actually adds to the problem. There is the basic problem of proper balance of the bank's social efforts that will permit the bank to stay financially sound and experience appropriate growth.

On the extreme, some banks unfortunately have shortsightedly ignored their good-citizenship role.

It is interesting to review the current annual reports of leading banks and compare them with those of only a few years ago.

In a directive to its loan officers dated August 12, 1970, which is reproduced in the Bank of America's annual report, there appear these words in bold print to help shareholders understand the bank's policy:

"It is vital that we alleviate air and water pollution, decrease traffic congestion and maintain and beautify the

MID-CONTINENT BANKER for April, 1971

landscape. Therefore, each of us should seek the opportunities to make credit available for these purposes.

“... Yet rationality alone is not enough. In economics, as in most other endeavors, we are dealing with human beings and human nature. For this reason, business policy must involve moral decisions as well as technical ones.”

Similar sentiments are surfacing in more and more annual reports of leading banks.

Other banks are taking their commitment to improve their environment beyond their shareholders and are challenging their depositors and their communities to join with the banks.

Illustrative of this good-citizenship approach is the program of the First National Bank in St. Louis, which is only one of a number of banks similarly dedicated to improving the quality of the life of their communities. (See February MCB.)

First National's board has committed a base of \$5 million of the bank's resources for reduced interest-rate loans to companies and individuals who agree to use the proceeds to improve the community and its environment.

In addition, First National is issuing what it calls “Good Earth” savings certificates. These CDs are issued in denominations of from \$25 to \$100,000. First National's board has agreed to match on at least an equal dollar basis the public's purchase of the “Good Earth” savings certificates.

Individuals, firms and foundations around St. Louis thus can profitably provide needed capital to improve their environment.

It seems to me that such a well-balanced approach is the type of good-citizenship activities bankers should espouse. They are making their contribution in an area of their competence—and letting the public not only know about it, but, in addition, First National is involving the community with the bank.

This indicates an awareness and sensitivity that are growing, an increased concern by bankers about the quality of life.

Can your bank be counted as doing its share? Has your board established policy and direction in the area? ••

### Stock Split Proposed

INDIANAPOLIS—Directors of American Fletcher Corp. recently approved a proposal for a three-for-one stock split. Shareholders will vote on the increase April 20. The number of authorized shares would be increased by this action from two million to six million and par value of shares reduced from \$10 to \$5.

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## Teller Fatigue

(Continued from page 27)

transistorized audio system. The result has been fast, personal, secure and very private banking service at a relatively low cost per customer served.

With this type of drive-up service, during off-peak hours of the day, one teller can monitor and serve up to four customer traffic lanes. As traffic increases, an additional teller moves in to assist. This concept of drive-up banking has had wider acceptance and faster growth than any other major innovation in the bank equipment industry. The result: faster, more personalized service to the bank's customers at lowest per-transaction cost. Depending on bank location and banking hours, average transaction time will range from 28 to 45 seconds per customer served. ••

## St. Louis Holding Co. Buys Downtown Building; Plans to Buy 4 Banks

ST. LOUIS—First Union, Inc., multi-bank holding company that owns First National and St. Louis Union Trust, has agreed to buy the Executive Building located in the city's downtown area.

A \$300,000 improvement program for the 20-story building is now in progress. The structure has an exterior of steel, porcelain and structural glass and contains 214,000 square feet of rentable floor space.

First National, St. Louis Union Trust and First Union occupy the second, third and fourth floors and parts of the fifth and 11th floors of the building. Other tenants include 11 corporations and professional firms.

In other action, First Union, Inc., announced plans to acquire four banks—Crystal City State; Rolla State; First National, West Plains; and National in North Kansas City. Fed approval has been obtained for the Crystal City and Rolla banks' acquisitions and applications for the other two are pending.

### Associate Bankers of St. Louis Elect Sanguinet President

Merle M. Sanguinet, executive vice president, St. Louis County National, Clayton, has been elected president of the Associate Bankers of Greater St. Louis.

Other officers elected were: first vice president, Harry J. Krieg, president, Cass Bank; second vice president, Edwin J. Kadlec, president, Bank of Concord Village; treasurer, John H. Obermann, president, Mercantile-Commerce Trust; and secretary, Alfred R. Naunheim, president, North Side Bank.

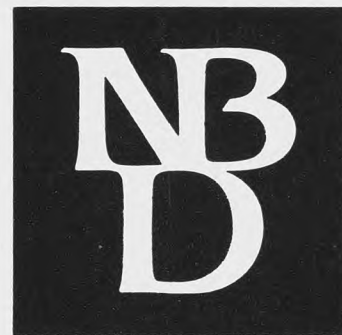
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## BAI Plans Regional Conventions in Houston and Detroit in April and May

Two regional conventions of the Bank Administration Institute are of interest to Mid-Continent-area bankers. The first—April 14-16—will be held at the Shamrock Hilton Hotel in Houston. The second—May 9-11—will be held at the Statler Hilton Hotel in Detroit.

*Houston*—Concurrent sessions will be a major feature of the April meeting. They will be held from 2-4 p.m. April 15 and 16 and 10 a.m.-12 noon April 16. Subjects will be: personnel, auditing, trust, computer and operations and control.

Topics at the personnel session will be "Acquiring, Training and Motivating Supervisors" and "Reducing Personnel Turnover." "Basic Audit Program" will be discussed at the audit session, and the subject for the trust session will be "Trust Operations and Concepts for the '70s."

Computer sessions are designed to tell operating professionals what to expect in computer interfacing in the '70s between banks, banks and their customers and between bank management and internal operations.

The keynote address April 15 will be given by Leon Jaworski, president-elect of the American Bar Association and a Houston attorney. Nat S. Rogers, immediate past ABA president and president, First City National, Houston, will speak. Also scheduled to appear are Charles A. Agemian, BAI president and chairman, Garden State National, Hackensack, N. J.; Ed. A. Stumpf III, past president and director, Houston Convention and Visitors Council, and vice president, American General Insurance Co., Houston;



Plans for BAI's 22nd southern regional convention April 14-16 in Houston were made by committees led by these major chairmen: (seated, l. to r.) Lovett Baker, gen'l chairman; Franklin D. Price and Albert E. Cleere, honorary vice gen'l chairmen; (standing) Richard J. Green (l.) and Robert E. Young, vice gen'l chairmen.

and Lee D. Herring, humorist and philosopher and vice president, Grand Prairie (Tex.) State.

Registration will be held the afternoon and evening of April 14 and will be followed by an early-bird reception from 6:30-7:30. On April 16, there will be a Mexican fiesta reception and dinner at 6:30 p.m. Women's tours will be held from 10 a.m.-4 p.m. April 15 and 9:30 a.m.-12 noon April 16.

Lovett Baker, president, Capital National, Houston, is general chairman of the regional convention. Honorary vice general chairmen are Albert E. Cleere, president, Harrisburg Bank, and Franklin D. Price, vice president, Texas Commerce Bank. Vice general chairmen are Richard J. Green, vice president and controller, Capital National, and Robert E. Young, senior vice president and comptroller, Houston National.

*Detroit*—A Chicago labor-relations

counsel will tell bankers what to do when professional organizers try to unionize their employees at the BAI's northern regional convention. John A. Sheridan, John A. Sheridan Associates, will explore the issue of unionization attempts by professional organizers when he discusses "Labor Unions and Banks."

The keynote address will be "Managing Development of Human Resources." As in Houston, there will be concurrent sessions on accounting, personnel, operations and audit. The accounting sessions will feature these topics—"Management-Control Systems," "Work Standards—a Basis for Manpower Planning and Reduction," "Developing Cost of Bank Services" and "Profit Planning in Smaller Banks." At the personnel session, subjects will be "Developing Human Resources," "Equal-Employment Opportunities in Banking" and "Building the Will to Work." Theme of the operations session will be "Developments in Data Handling," and subjects will be "Remote Processing—MICR Terminals," "Update on COM/OCR in Banking" and "Data Transmission." The audit session, "The Eyes of Management," will have these subjects: "Operational Auditing," "The Auditor's Role in EDP Systems Development" and "Measuring Audit Performance—a Management Prospective."

BAI President Agemian also will speak.

The convention will close with a banquet.

Robert M. Surdam, president, National Bank of Detroit, is convention chairman.

## Flipper-Dingers Attract Bank Robbers At First of Mobile's Branch Opening

MOBILE—When First National recently opened its new branch office in Grand Bay, no one dreamed that the grand-opening advertising campaign would be so powerful as to attract bank robbers!

Evidently, First National's famous Flipper-Dinger, an ingenious basketball game on a stick, was so appealing that the bank robbers could not resist attending the grand-opening celebration and stealing an approximate \$8,000 in cash along with a number of Flipper-Dingers.

For several months, First National had been offering the toys as perfect devices for relaxation of uptight businessmen, as well as fun for kids. The player of the Flipper-Dinger blows through a hollow tube and tries to raise a balsawood basketball high enough in the air to catch on to a metal basketball rim.

Shortly following the robbery, First National was in the process of creating a public notice full-page newspaper advertisement requesting that the bank robbers turn themselves in,

along with the Flipper-Dingers.

However, the robbers were apprehended in a motel several hours after the robbery with the money still in their possession. Rumor had it, they were so fascinated playing with the Flipper-Dingers they forgot the law was after them.

### St. Louis SBA Director Named

ST. LOUIS—Melvyn A. Harrington, former vice president of Gateway National, has been sworn in as St. Louis district director of the Small Business Administration. He succeeds Curtis Crawford, who resigned to become a member of the U. S. Parole Board.

Mr. Harrington has served on SBA's advisory committee.

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trols, or loan participations, and—without beating around the bush—he'd turn it into an answer.

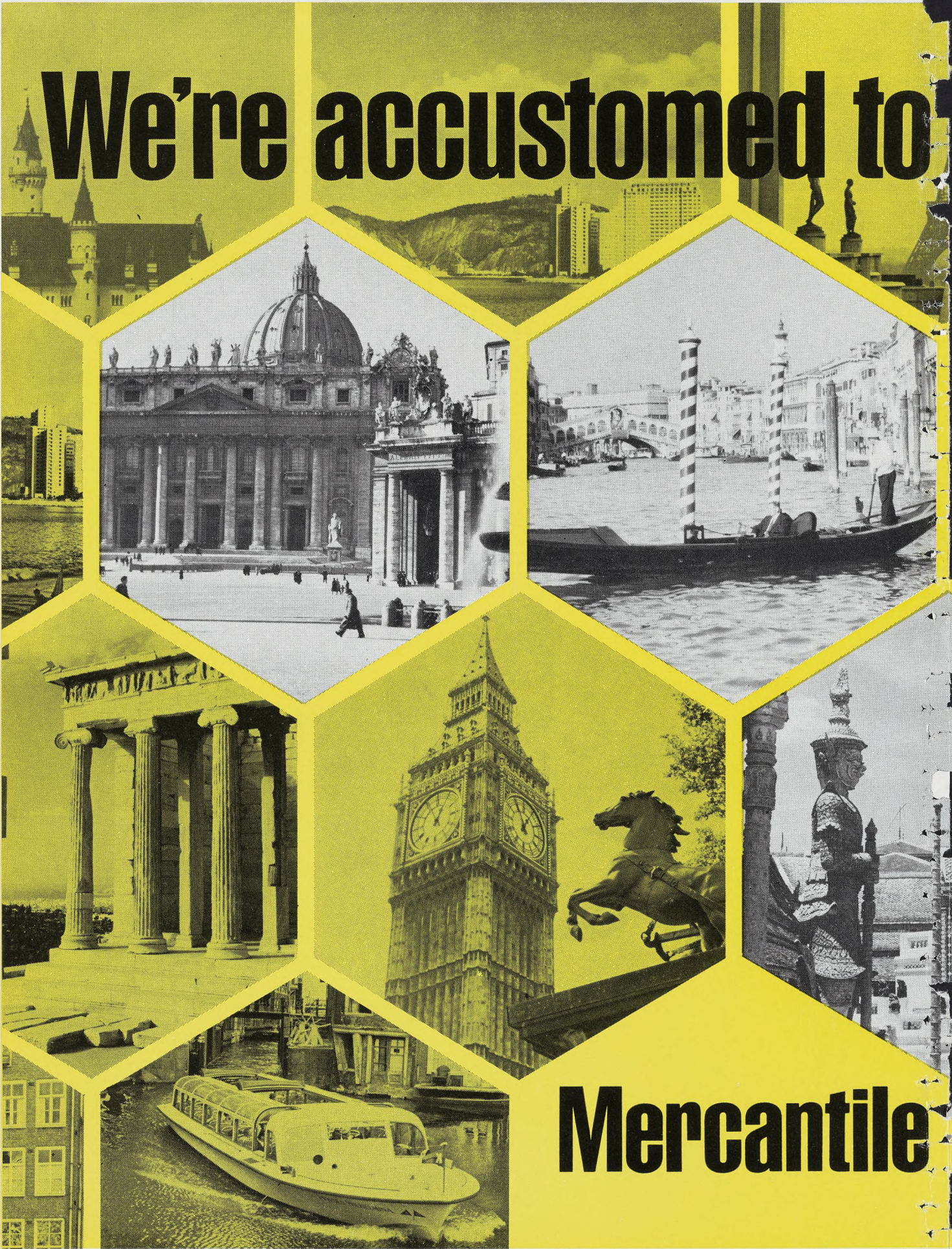
That pretty well explains why Tom is now our Senior Vice President in charge of all correspondent banking. He's a banker's banker. A guy bankers around the state know they can depend on to help get a job done.

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# Three Essential Marketing Subjects To Be Examined at BMA Conference: 'Census,' 'Customer,' 'Communications'

By LAWRENCE P. QUIGLEY\*

Assistant Vice President  
First National Bank  
St. Louis

IF YOU managed to plow through the daily stack of memos, reports, newsletters and magazines and reached the February 25th *American Banker*, you saw a seemingly endless listing of meetings, conferences, schools and conventions. Yet that partial list of 707 national, state and regional gatherings in 1971 did not begin to cover the multitude of local, group and specialized events. That's a lot of things to do and places to go, even considering each individual banker's special interests. Particularly with the constant press of daily work and the need to watch expenses this year.

So, why should you go to Atlanta on May 23 for the BMA marketing research conference? Especially one centered around research?

To be perfectly honest, the setting is one good reason. And the environment in which one learns is important. Atlanta in the spring is beautiful. Add night life at Underground City, Six Flags Over Georgia—the entertainment center of the Southeast for the whole family—plus the Atlanta Braves and you have the makings for a splendid place to meet.

Your wife will really enjoy the special ladies' day program planned by the local committee.

OK, so Atlanta in the spring is close to perfect (and your wife is taken care of), but what makes this conference important enough to make you leave your desk and use that expense money?

First, because this is a *practical* marketing conference—"Research You

Can Be Doing"—for country and city bankers, sophisticated researchers and those who want to learn.

Second, because this is a three-day conference—for a *full three days*—you will delve into three essential marketing concerns: the "1970 Census" on Monday, "the Customer" on Tuesday and "Communications" on Wednesday. Thus, you will look first at who is in the market place; next you will analyze who he is and, finally, you will learn how to reach him.

Each day has been broken down into the type of sessions most attractive to bankers. Each morning, a general session featuring a nationally known speaker, then concurrent sessions: one session for experienced researchers, another for those who want to review the basics. Lunch follows with speakers who will talk about bank marketing with authority based on exceptional backgrounds of training and experience. (There's a nice change of pace on Wednesday when sports personalities will be our luncheon speakers.) Afternoons are devoted to case studies that have been especially written for *this* conference. But let's get down to specifics.

*Sunday is registration day.* A reception has been planned by the Atlanta host committee. And you can be sure it will be in the smilax and peach blossom tradition of southern hospitality—Atlanta style!

*First thing Monday morning*—bright and early at 8:45—the program will be called to order with a rousing, heart-beating and patriotic audio-visual spectacular—yes, spectacular—using multiple projectors and stereo speakers dramatically depicting highlights from U. S. history. It was produced by Midwest Visual Equipment Co., Chicago. Then a few words of welcome by Ivan Allen Jr., former mayor of Atlanta, who led that city on its way to becoming one of the most progressive in the country.

Monday's featured general session speaker is Dr. George H. Brown, director of the bureau of the Census. Before joining the Bureau, Dr. Brown directed Marketing Research for Ford Motor Co. He holds a Ph.D. in economics from the University of Chicago and an MBA from Harvard. He is a past president of the American Marketing Association and a fellow of

the American Statistical Association. Dr. Brown will not just emphasize internal operations of the Census Bureau. He will, instead, outline and summarize what is available from the 1970 census in terms of the consumer and how the information can be used by city and country bankers.

Tuesday's general session speaker, John S. Coulson, vice president in charge of research at Leo Burnett Co., Inc.—one of the largest and continually "hot" agencies in the country—will discuss the second day's conference theme "the Customer." Mr. Coulson is an active member of the American Marketing Association, the American Statistical Association, the American Economic Association and the Advertising Research Foundation. In addition, he is an editor of the *Journal of Marketing*. He knows large and small banks—they're his clients—and he knows the consumer—that complex of human emotions to whom we try to sell bank services.

Wednesday is "Communications" day. And the general session speaker is John O'Toole, president of Foote, Cone & Belding, the 10th largest agency in the world. He began his association with the agency in 1954 in the copy department and has directed campaigns for such nationally known clients as Kraft, Hallmark, Armour and Kleenex. At 41, he is one of the youngest agency chief executives in the industry. Mr. O'Toole will target in on the role market research should play in communicating. He'll emphasize the kind of practical research that really aids in planning successful advertising, developing total marketing campaigns and determining media objectives.

After each morning's general session, registrants will be able to choose from two concurrent sessions. One is geared to experienced researchers and the other is for those who want to learn and review basic research principles and techniques. There will be a banker and non-banker in each session—to provide the proper perspective—and you'll have time to pin down these speakers with questions.

On Monday—"Census Day"—the concurrent session for registrants with research experience features Robert T. Perdue, vice president and director of marketing research at South Carolina National, Columbia, and John L. Sweeney, president, Urban Data Processing, Inc., Cambridge, Mass. Here's a banker who has been deeply involved in the use of 1970 census data and a supplier who knows what banks are doing and what they can be learning from the 1970 census.

The other concurrent session on



QUIGLEY

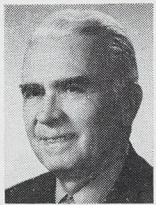
\* Mr. Quigley is program chairman for the conference. He has charge of marketing at First National. The BMA conference described in Mr. Quigley's article will be held May 23-26 at the Marriott Motor Hotel in Atlanta.



# A Long History of Service

Still impressive even at the age of 61, the stately Old Science Building at Southwestern State College serves as much more than a familiar landmark. Within its walls are the Departments of Biological Sciences and Home Economics, the Division of Language Arts, faculty offices and the auditorium. Since it was erected in 1910, virtually every student who has gone to Southwestern has attended at least one class in Old Science.

A long history of service in banking circles of the Southwest is the unparalleled performance of the Correspondent Bank Department of The First to all their member banks. It, too, is an earned tradition—earned by experience, by talent, by desire and performance.



**HASKELL McCLAIN**  
Senior Vice President



**HAROLD HOPKINS**  
Vice President



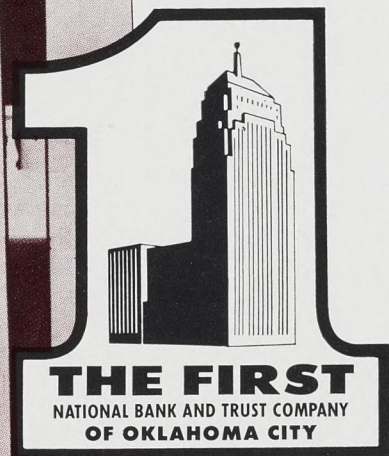
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**JOHN M. PARRISH III**  
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OVER \$55,000,000 CAPITAL STRUCTURE/LARGEST IN OKLAHOMA MEMBER F.D.I.C.

Monday, for those who want to learn what is available from the '70 census and how to use it, spotlights Allan W. Van Soest, vice president, Seattle-First National, and Edward F. R. Hearle, vice president, Booz, Allen Public Administration Services, Inc., Washington, D. C. These two speakers will explain what is in the census and how it can be used. For example, what information will be available on tape before it is in printed form.

On Tuesday, "Customer Day," the session for experienced researchers features Richard Pierce, staff officer, marketing research division, First National, Chicago, and Dr. Emanuel H. Demby, president, Motivational Programmers, Inc., New York City. From Mr. Pierce you'll hear from actual experience about MIS and CIF. Mr. Demby will emphasize why and how bank marketing researchers should go past the figures—beyond demographics—and look at behavioral patterns.

At Tuesday's session for those who would like to review basics, Wayne F. Chelikowsky, director of market research, Manufacturers & Traders Trust, Buffalo, N. Y., and Jeffrey L. Pope, senior consultant, Peat, Marwick, Mitchell & Co., Atlanta, will discuss the need for and how to go about such primary research as customer-profile analysis—and, most important, how to match your bank's profile against the market.

On Wednesday, "Communications Day," the session aimed at experienced registrants features Robert D. Reeser, Security Pacific National, Los Angeles, and Alfred Gruber of Brand, Gruber & Co., Huntington Woods, Mich. There's a wealth of experience in the backgrounds of these two speakers: a bank practitioner in the area of advertising research and a consultant who has worked in the area of consumer reaction to electronic fund transfer.

Wednesday's speakers for the other session aimed at those who want to review basics are Charles J. Ferrero, vice president, manager of retail bank-

ing services, United Virginia Bank, Alexandria, and Charles McBride, Elrick & Lavidge, Chicago. Here you'll find out what management looks for from market research—not theory but projects that relate directly to growth and increased earnings.

Lunch follows. But not a long, dragged-out affair. A good meal and speakers with important but brief messages. On Monday, Teresa Townsend, BMA director, division of information services, and Robert F. Schlax, BMA director, division of research and long-range planning, will review what's at BMA for you. Tuesday's lunch features Terrence E. Renaud, president, Twin City Bank, North Little Rock, Ark., and a BMA director. Terry will discuss the important role of BMA in bank marketing. And for a change of pace, Wednesday's lunch stars Bob Uecher of the Atlanta Braves and Pete Maravich of the Atlanta Hawks. Take their autographs back for the kids.

Each afternoon is entirely devoted to case studies. Because you—registrants at past conventions—have said you get the most out of this practical learning method. This year, the case histories are being especially written for the conference—they're not boilerplate—and the task assigned in each case is similar to what you'll run across in your own shop. The discussion leaders have been carefully selected and will undergo special training by a pro in the field of case-study techniques. Groups will be limited in size to permit maximum participation and each group will be put together taking into consideration such factors as branch and unit regulations, size of a bank and type—city or country—of market.

As we said, this is a *full three-day* conference. Catch your plane for home after the closing session on Wednesday. Roy K. Campbell, assistant vice president, Manufacturers Hanover Trust, New York City, and chairman of the BMA research council, and I will spend no more than 15 minutes wrapping up what has been discussed

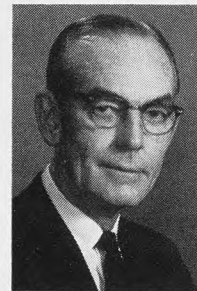
during the three-day conference. A nationally known personality will follow with a stimulating finale.

There you have it. A conference packed with information about practical research to use at *your* bank. Plan to go. (And not so incidentally, if you register before May 1, you get a discount. The registration fee prior to May 1 is \$150 for BMA members and \$200 for non-members. After that date, it becomes \$200 for members and \$250 for non-members.) For registration and hotel information, write Bank Marketing Association, 309 West Washington Street, Chicago, Ill. 60606.

It'll be one of the best conferences you ever attended. And Atlanta in the spring. Ya'll come! • •

### Nelson Retires After 25 Years With First of Kansas City

KANSAS CITY—Ford R. Nelson, executive vice president in charge of



NELSON

the trust division, First National, retired last month. He was honored at a special luncheon at the bank.

Mr. Nelson had been with the bank since 1946 and had been head of the trust division since 1967. Before joining the bank, he practiced law for 12 years.

Assuming Mr. Nelson's administrative responsibilities are Robert J. Wharton and William L. Atwood, senior vice presidents. Mr. Wharton has charge of the trust division and Mr. Atwood of the investment division.

### New Albuquerque Bank Proposed

ALBUQUERQUE—A group of Albuquerque, Santa Fe and Grants businessmen are seeking to organize a new state bank here to be called Republic Bank in Albuquerque. The organizers propose to lease a 5,000-square-foot building with drive-up windows.

## When Should Banks Reduce Interest Paid on Passbook Savings?

WITH REDUCTIONS in the prime rate and home-mortgage rates being announced by banks across the country, it was only a matter of time before interest rates on passbook savings started a descent.

First Pennsylvania Bank, Philadelphia, announced a reduction from 4½% to 4% early in February, but other banks did not immediately follow with similar actions. However, on March 12, two West Coast banks—Wells Fargo

and Crocker-Citizens National—pared regular passbook savings interest to 4% effective April 1. Less than a week later, Bank of America, San Francisco, and Security Pacific, Los Angeles, took similar action. Late last month, Third National, First American and Nashville City Bank, all of Nashville, announced the same reductions.

Before deciding to lower passbook-savings interest rates, bankers should answer these questions:

1. What are their competitor banks doing?
2. What are the local S&Ls doing?
3. What percentage of passbook savings do their banks have on the books?
4. What might be the long- or short-range effects of such a reduction on savings programs in their communities?
5. How will they announce this reduction? • •

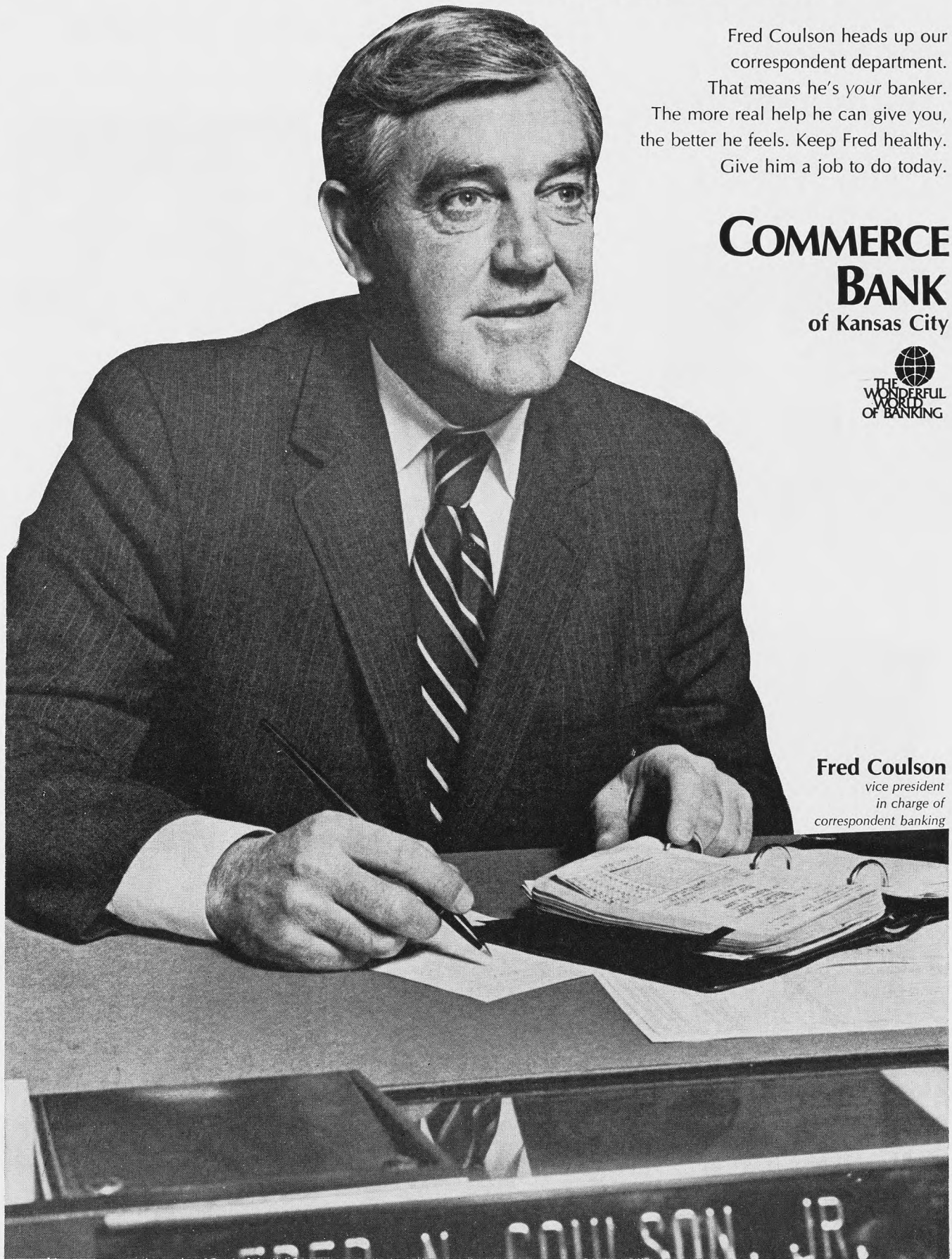
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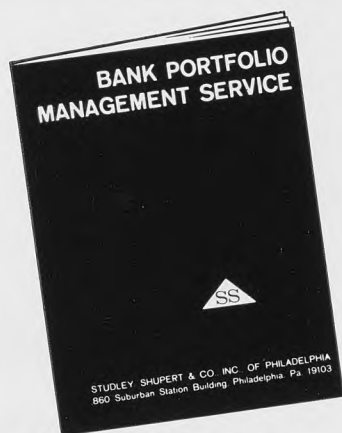
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**Loan and Investment Advice  
Sounded at Junior Seminar**

**B**ANKERS who were heavy sellers of Federal funds in 1970 should have been placing some of those funds in high-yielding investments available at that time. This was the advice given to young bankers who were hosted in St. Louis recently at a junior executives seminar sponsored by Mercantile Trust.

Investing in Federal funds was easy and profitable at the time, said Richard J. Mersinger, a senior vice president of the host bank, but putting all available money in Federal funds was a mistake. Now that rates have dropped precipitously, these same banks are scrambling either for loans or investments as a place to channel excess liquidity.

Banks that had a clear-cut investment policy (as well as available funds), said Mr. Mersinger, avoided that trap by "locking in" some of the excellent medium- and long-term yields available last year. Those that had available funds and did not lock in high yields now regret their decision to "play the Federal funds market."

The goal of every bank, said Mr. Mersinger, should be to establish a formal investment policy and to stick with that policy even as the money market fluctuates.

Every bank, he said, should set its own objectives, which usually permit the bank to invest the greatest amount of funds, to create the greatest possible return, consistent with safety and liquidity. Establishing such a program, he said, would require each bank to examine its own deposit and loan structure, its local economy and potential loan demand. The rewards of such a study, he explained, would be a "liquidity factor" for the individual bank.



James J. Reedy, v.p., Mercantile Trust, visits with two of the numerous women bankers present for the one-day conference. Phyllis Combs and Alice Davis (r.), both of Peoples Nat'l, McLeansboro, Ill.

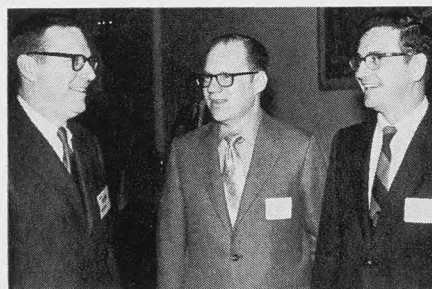
Armed with this information, the bank executive then knows how much of his available cash he can commit to various types of investments.

Mr. Mersinger's talk was one of several given to 160 junior bank executives—principally from Illinois and Missouri—who attended the Mercantile seminar.

The all-day program featured six speakers, a luncheon, a film on the building of the Gateway Arch, and tours of numerous departments of the bank.

Mercantile's president, Harrison F. Coerver, told the young group that credit losses in banks are rising. The Penn Central and Lockheed "affairs" have a snowballing effect, he said, on subcontractors, suppliers—and banks. No longer can it be said, he counseled, that young bankers are not being tested. They are getting experience today—experience that will be of great value in the years ahead.

Mercantile's chairman, Donald E. Lasater, echoed some of the advice giv-



James A. Smith (l.), v.p. in charge of correspondent dept. for Mercantile Trust, chats with Illinois bankers James Gheen and Wallace Reese, both of 1st Nat'l, Springfield.



This foursome discusses bonds. From the left: Delmar Tegtmeir, Edgemont Bank, East St. Louis, Ill.; Geo. Peterson, 1st Nat'l, Champaign, Ill.; and Richard Mersinger, sr. v.p., and Michael Searles, v.p., Mercantile Trust.

MID-CONTINENT BANKER for April, 1971



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en by Mr. Coerver. Recent banking losses, he said, had developed primarily because bankers had departed from traditional, sound banking practices. The "fast buck" people, he said, usually tempt bankers during periods of easy money. Thus, in the months ahead, as banks seek to bolster sagging loans, loan officers need to be reminded of sound banking principles as well as losses that have resulted from a departure from those principles. ••

■ CITY NATIONAL, Birmingham, recently elected William E. Brown Jr. assistant cashier and manager of data processing operations.

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## Fair Credit Reporting Act

(Continued from page 22)

writing insurance or in connection with some other legitimate business transaction such as an investment, partnership, etc. If the report ordered is for employment purposes, it is important that the bank notify the credit bureau when such report is ordered because a credit bureau has certain additional responsibilities when issuing employment reports.

No adverse information over seven years old can be included in a credit report except straight bankruptcies, which may be reported for 14 years. The only time these limitations do not apply is when the report is for a credit transaction or life insurance policy over \$50,000 or when an employment report is for an annual salary over \$20,000.

Just as the law places a heavy responsibility on the credit bureau officers or employees not to give out a credit report willfully to an unauthorized person, it also places the same responsibility on everyone else not to obtain information under false pretenses.

Anyone, a credit granter, news reporter or consumer who obtains a consumer credit report under false pretenses is subject to a \$5,000 fine or a year in prison or both. Care must be taken in banks that credit reports are not obtained for customers who might use them for purposes not permitted under the law. This is a heavy penalty which banks should not lightly assume for customer relationships.

May I suggest that all personnel, from top management to the newest clerk, be informed what can and what cannot be said in credit inquiries and in customer relationships. Credit information may be furnished or refused only in specific instances without liability depending on usage of the information. The day of the "good fellow" who tells you all about a person's new neighbors or information on a prospective son-in-law is gone. The penalties are too great for the risk.

Make sure that only trained personnel give out credit information. If possible, centralize the ordering of credit reports in one person or one department. Remember that this law not only applies to consumer loan departments, but also to all personnel and all departments who ask for or give out information on individuals.

An investigative consumer report is one that contains information on a consumer's character, general reputation, personal characteristics or mode of living. This information is gathered by outside investigators through personal interviews with neighbors, friends, as-

sociates of the consumer or others who might have such knowledge.

Most credit bureaus do not generally compile such reports. But a banker occasionally may order one for employment purposes. If he does, there are special and different notification requirements to be complied with.

A credit bureau may issue a credit report to a government agency in accordance with the written instruction of the consumer to whom it relates or if the agency intends to use the report for granting credit, review or collection of an account, insurance or employment.

Government agencies also may receive reports if they are required to check out a person's financial responsibility before granting the individual a particular license or other benefit such as a military-security clearance.

The credit bureau must furnish a credit report to a government agency in response to a court order from a court having jurisdiction. This does not include an administrative or "pocket" subpoena.

Compliance under this law for banks will be as follows: A. National banks—by the Comptroller of the Currency. B. Member banks of Federal Reserve System (other than national banks) by the Federal Reserve Board. C. Other banks—insured by the FDIC by the board of directors of the FDIC.

A few states already have legislation covering credit reporting on their books. Basically, this law says that if a provision in a state law is inconsistent with this law, the federal law will prevail. A good rule would be to follow the most stringent provision.

Bankers who have questions should see their local credit bureaus. They will be glad to help. Already in the larger cities, credit bureaus are setting up seminars to help people comply. They also will have printed material. Banks should use their credit bureaus more and leave credit reporting to them.

### Stadium Drive-In Anniversary



Clarence Barksdale (2nd from r.), pres., First National, St. Louis, and William O'Connor (second from l.), bank customer and staff member of a delivery company, were the first to sample a birthday cake prepared for the first anniversary of First National's Stadium Drive-In. Serving the cake is Mrs. Carol Lewis, teller, and watching are Arthur W. Spellmeyer, a.v.p. and manager of the facility, and Mrs. Nina Dix, retail banking rep.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

New Issue / March 22, 1971

\$100,000,000

# First Chicago Corporation

6¼% Notes due July 15, 1978

Interest is payable March 1 and September 1

Price 99.825% and accrued interest from March 1, 1971

Copies of the Prospectus may be obtained in any State in which this announcement is circulated only from such of the undersigned as may legally offer these securities in such State.

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## Kansas Multi-Bank HC Bill Killed; N.M. Branching Bill Dies

**B**ILLS TO remove restrictions against multi-bank holding companies in Kansas and create state-wide branching in New Mexico have been killed. Also killed in Kansas were proposals that would have permitted additional facilities under certain circumstances and more services at facilities and also allowed banks to have two detached teller facilities within city limits.

The Kansas Senate did pass a Uniform Consumer Credit Code. A similar code was signed into law in Indiana, and it will take effect October 1. The Indiana UCCC will repeal the state's existing 8% usury law and will apply

to all consumer credit transactions up to \$25,000 for individuals for personal, family and household purposes. Business transactions will be exempt.

The Indiana law will impose ceilings of 36% a year on loan balances under \$300, 21% on balances between \$300 and \$1,000 and 15% a year on balances of more than \$1,000. Service charges for credit sales will be limited to \$5 for amounts financed under \$75 and \$7.50 for amounts financed over \$75.

The Indiana Department of Financial Institutions will supervise the licensing of credit grantors. Any firm making loans at a rate exceeding 10%

will need a license. The holder-in-due-course doctrine was retained, but a purchaser of dealer paper will have a 60-day period during which he will be subject to claims and defenses that a buyer of goods might have against the seller.

The Missouri Senate last month passed by 26-1 SB 146, which would extend the distance a facility may be located from a main bank from the present 1,000 to 3,500 yards and also expand services to include issuance of exchange and acceptance of loan payments. The measure must next go to the House. • •

### New Director, Stock Dividend Voted at American of Chicago

**CHICAGO**—A new board member was elected and a 25% stock dividend approved by the directors of the American National Corp., one-bank holding company of the American National Bank. The new director is Edward W. Duffy, president and chief operating officer, United States Gypsum Co.

The stock dividend, subject to approval by shareholders at a special meeting May 11, would boost American National's shares from 2,000,000 to approximately 2,500,000.

### Bank Presents Photo Exhibit

**NEW ORLEANS**—First National Bank of Commerce recently acquired a special photographic exhibit from the American Society of Photographers for a two-week showing in the lobby of the bank's Main Office.

The exhibit represented the work of photographers who hold the degree Master of Photography in the Professional Photographers Association of America.

## Automated CHAs

*(Continued from page 24)*

house would work: Bank A would capture items and put the captured information on magnetic tape. The checks and tape would be forwarded to Bank B. The latter would not recapture the items, but would enter the information from the magnetic tape directly into its demand-deposit system. Any errors or mis-sorts would be caught during the filing process when the checks were fine sorted and placed in customers' accounts. No attempt would be made to automate the return process; this would be handled as it is currently.

The Seattle spokesman pointed to a number of problems in this theory. It obviously could lead to more trouble in tracing back an item in error. Currently, banks use microfilm and batch numbers and are able to follow any item from the customer's statement back to its point of origin. It is possible, he said, that with an ACH, this would become more difficult. Therefore, the basic question, as the Seattle people see it, is the degree of reliability that the system would provide them. He admitted that mis-sorted items are now received in the clearing house, but the banks have devised procedures to catch such items and direct them to their proper destinations.

The basic approach the Seattle SCOPE group is taking on this problem is to attempt to set up a test interchange between two banks where Bank B would still recapture the items, using the magnetic tape from Bank A as an aid to reconciliation and balancing. In this manner, the Seattle people believe they can determine the amount of accuracy they can expect from this system.

Peoples National of Washington and Seattle Trust are doing the initial testing work in the clearing house exchange SCOPE work. Craig B. Haines, chairman of Seattle CHA's SCOPE, said the first magnetic-tape exchange on a test basis was scheduled to begin last month. The initial stages of this exchange are designed to verify the accuracy of the exchange system and the ability to initiate inquiry on magnetic exchanges. Mr. Haines said they anticipate a number of changes in the system during this testing phase, but expect, before the end of the year, to have an actual magnetic clearings exchange on a production basis in operation between Peoples National and Seattle Trust. Mr.

Haines is a vice president of the latter bank.

Once the initial test exchange proves feasible, the other banks in the Seattle CHA will begin their required programming changes and start cutting over to full tape interchanges. Mr. Haines said he could give no time projection on this because it depends on the method in which an individual bank has designed and programmed its transit system and the amount of time it will take a bank to revise this system to both generate and accept magnetic-tape exchanges.

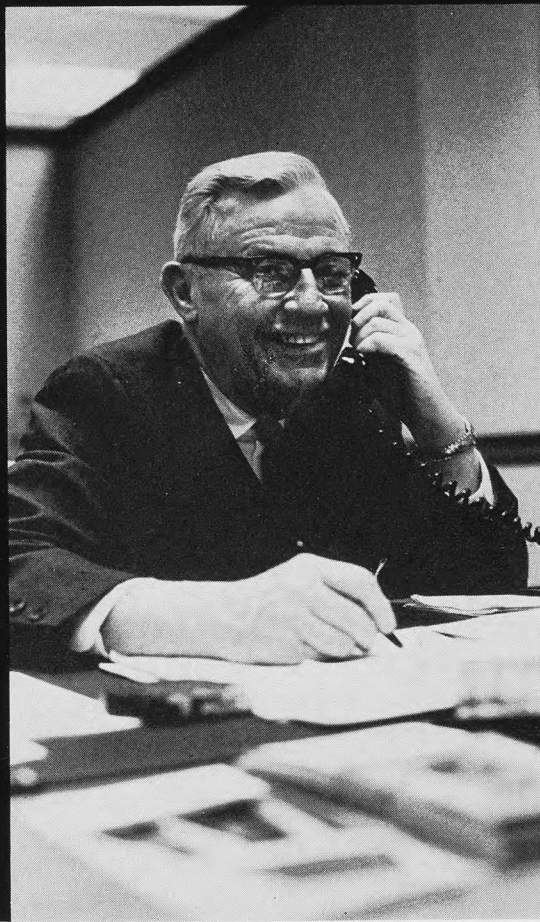
Looking to the future, Mr. Haines said that, although Seattle SCOPE members have not specifically talked with other CHAs concerning the possibilities of multiple clearing house magnetic exchanges, in theory, this would be both desirable and possible. Were all clearing house operations on the West Coast to be automated by the SCOPE theory, data transmission would be a logical extension of the process. The procedures, in fact, are all designed to include data-transmission controls and methods. At some point in the future, according to the Seattle group, the obvious SCOPE goal is to allow for data transmission throughout the country via a network of automated clearing houses.

Seattle has contacted approximately two dozen other CHAs throughout the country about the research and work the Seattle SCOPE has done on magnetic-tape clearings. Seattle has a full procedural guide for its SCOPE system, and copies of this guide are available on request to any bank or clearing house association.

**New York.** The New York Clearing House Association (NYCHA), through its automation committee, has hired Technology Management, Inc., a Cambridge, Mass., consultant firm, to make



# Who's one of the leading directors in Music City, U.S.A.?



On Nashville's Music Row the answer's likely to be Owen Bradley, the fellow on the left. He directs just about everything that goes on at Decca Records, and is generally recognized as the man who started the recording business in Nashville.

But mention leading directors downtown on Nashville's Financial Row and you'll hear the name of Bill Killebrew, the man on the right. Bill's speciality

is directing services for the Third's Correspondent Banking Division. Such services as complete computer accounting on savings, Demand Deposits, Installment Loans.

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MEMBER F.D.I.C. **THIRD NATIONAL BANK** IN NASHVILLE

MID-CONTINENT BANKER for April, 1971

a feasibility study to determine whether use of magnetic tape or some other electronic medium to accompany interbank check payments is a worthy goal. In addition, the firm has been asked to specify tangible programs NYCHA can use to improve methods of automated exchanges among New York clearing house banks.

The firm's study—expected to be completed by June—should produce a working definition of how an interbank system would evolve and operate, and it would evaluate methods of producing and receiving magnetic tape and other electronic media. Technology Manage-

ment will be concerned with types of equipment used in New York banks and what types will be needed for interbank exchange. According to Charles Block, head of NYCHA's automation committee and vice president, Chase Manhattan, TMI has been asked to determine:

- Whether the magnetic tapes should be prepared by the originating (sending) banks or whether the information should be generated through a centralized clearing computer.

- What magnetic-tape standards and data transmission standards or other operating procedures need to be adopted

or developed.

- What the legal, marketing and economic implications—and potential long-term results—are if such a plan is or is not put into effect at New York clearing banks.

For illustrative purposes only, the clearing house committee has proposed two kinds of systems and has asked the consultant to evaluate each in detail. One type of system would use magnetic tapes accompanying check exchanges without utilizing a centralized computer; the other would be with a central computer.

One obvious benefit of an automated system, according to Mr. Block, is that it could save time and money for the banks involved, improving the efficiency of funds transfer, even though at first it would not reduce the number of checks in movement.

**Kansas City.** When the Greater Kansas City Clearing House Association was originally planned several years ago, one of the principal goals was to meet the challenges of the new technologies in the payments system. The first step came with formation of the Greater K. C. CHA and implementation of an automated centralized system December 1, 1969.

The second step was taken with the appointment of an administrative committee last June 18. The new committee's primary purpose is to make long-range plans for the new CHA. To do this, the committee must determine the qualifications for a new executive director to head the new and expanded CHA. This director must have good organizational skills, technical knowledge and banking experience, and his responsibilities will be significantly greater than those expected from the director of the old clearing house. The committee also must determine, at least to some degree, the area of responsibility beyond mere check collection for the CHA.

Programs that the K. C. administrative committee and the CHA staff must consider over the longer run include:

1. Consideration of paperless-entry payments programs—commercial payrolls, wire transfers and pre-authorized payments.
2. Consideration of check truncation and charge-card terminals.

The K. C. CHA has maintained contact with the West Coast SCOPE group, the ABA's monetary and payments system planning committee (MAPS) and other CHAs that are studying similar projects.

**Chicago.** The Chicago CHA has a special senior advisory committee that is now studying electronic interbank payments exchange programs. This committee hopes to make some basic recommendations in the near future.



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## Commercial Loan

(Continued from page 42)

• *Liquidity analysis-cash flow report.* This feature shows total dollars maturing each month over the next 24 months. One-payment notes are allocated by notes to be paid in full, renewals in full, partial renewals and notes to be discussed. Term-loan payments are also projected 24 months into the future.

The system also can provide the following additional reports on a monthly basis, or as required: new and renewal loans; loans by type of collateral; loans of bank officers, employees, directors and employees of other financial institutions; loans by standard industrial classifications; and call report information.

• *Journal trial balance report.* This daily report provides complete information on all loans, with or without activity. Information set forth on each loan includes interest rate, interest currently due, a daily interest accrual, balance on the note and total liability of the customer.

A summary shows accrued interest, outstanding totals, number of active customers, and average yield in participated and non-participated loans. Credit line and loan commitment information is also listed.

Mr. Gates stresses that the FSC system comes with a guarantee of satisfaction. He says this can be offered because the system was developed by banks for banks and is backed by a history of performance in banks.

In the past 18 months, FSC has installed systems in more than 30 banks. Mr. Gates says that FSC does not install any system in a customer's bank that has not been installed at Indiana Bank, meaning that FSC knows each system thoroughly and that the customer does not buy a package of programs but a total system.

One of the principal advantages of a system developed by banks for banks, Mr. Gates says, is that it protects a bank that cannot afford to make an in-depth system study in order to evaluate programs. • •

### ABA Automation Conference Set for May 2-5 in New York

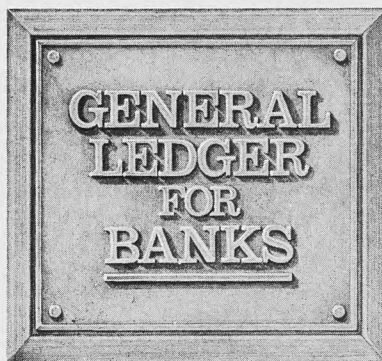
The American Bankers Association will hold its national automation conference at the Americana Hotel in New York May 2-5. Change and its effect on bank management practices is the theme of the conference.

Speech topics will include "Managing Change," "Banking: 1980 Style," and "Bank Operations—Today's Challenge." Group discussions will cover payments systems, new technology, personnel needs, security precautions and bank unionization.

MID-CONTINENT BANKER for April, 1971

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# CSC

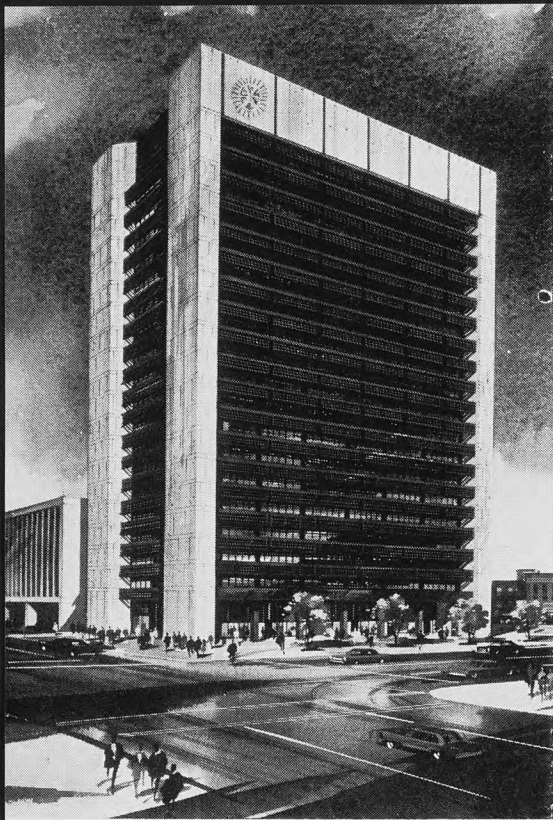
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## Frost National Bank Plans New Building; Completion in 1973

**F**ROST NATIONAL, San Antonio, last month announced plans to erect a 20-story, 400,000-square-foot building, with completion set for 1973. It will house all of the banking offices and also will provide office space for tenants.

The structure will cost more than \$20 million and will be located in the city's central business district on the south side of Houston Street between Main Avenue and Flores Street. It will be connected to the existing Frost Motor Bank and Parking Garage.

Construction of the building will conclude several years of intensive study and planning on the part of the bank's top management. Project consultant is the New York City real estate management and consulting firm, Cushman & Wakefield. The New York offices of Charles Luckman Associates are principal architects for the bank, and associate architects locally are Bartlett Cooke & Associates.

As project consultant, Cushman & Wakefield is managing every aspect of development, including selection of architects, engineers and contractors.

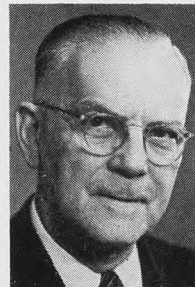
Actual announcement of the project was made by Frost National's president, T. C. Frost Jr., who also heads the Texas Bankers Association this year.

## Thomas M. Taul Dies at 75; Retired Correspondent Banker

**MOBILE**—Thomas M. Taul, 75, retired vice president, Merchants National, died last month after a lengthy illness.

Mr. Taul represented Merchants National to correspondent banks for more than 30 years before retiring in 1965. He sometimes was called "the dean of correspondent bankers" in the Southeast.

Mr. Taul went to Merchants National in 1927 after working for the Federal Reserve, Atlanta, Bibb National, Macon, Ga., and First National, Birmingham, Ala. He also had been an examiner for the Comptroller of the Currency. Mr. Taul was president of the Alabama Bankers Association in 1946.



TAUL

Architect's sketch of building planned for San Antonio's Frost Nat'l reveals structure's contemporary lines. Building, to have 20 stories and cost more than \$20 million, will be connected to existing Frost Motor Bank and Parking Garage (shown at left rear of new quarters in this photo).

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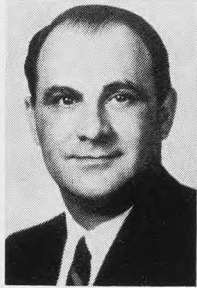
**Cheshire Inn & Lodge**

6300 CLAYTON ROAD SAINT LOUIS, MO. 63117

## Crow Elected Pres. & CEO At First National, Mobile

MOBILE—James S. Crow has been elected president and chief executive officer at First National. Robert S. Bacon, former president, was named vice chairman and Dwain G. Luce was promoted to senior executive vice president.

Mr. Crow began his banking career with First National in 1932 and was



CROW



BACON



LUCE

assistant vice president and manager of the bond department when he resigned to join an investment banking firm in Birmingham. He joined First National, Birmingham, in 1954 and re-

turned to First of Mobile as an executive vice president last June.

Mr. Bacon started at the bank in 1939 as an assistant cashier in the bond department. He was elected executive vice president in 1949 and president and CEO in 1967.

Mr. Luce, who has been in banking since 1946, joined First National as a vice president in 1961. He was promoted to executive vice president and elected a director in 1967.

Also promoted at the bank were J. Gordon Powell to forest economist officer, trust department, and James C. Burkhalter to market research officer, marketing department. Mr. Powell joined the bank last year and Mr. Burkhalter in 1969.

Elected directors at the bank were F. L. DuValle, vice president and director of a shipbuilding company, and E. B. Peebles Jr., executive vice president and director, Ryan Stevedoring Co., Inc.

## First National, Louisville, Begins Foundation Work

### On New Banking Complex

LOUISVILLE—Foundation work began recently on First National's new bank complex. Bank officials launched the pre-construction work with a brief

ceremony at the new bank site overlooking the Ohio River.

The project includes a 40-story, 495-foot tower and an adjoining six-story structure with ground-level retail shops and parking for more than 500 cars on upper levels. The structure will feature bronze-tinted glass and bronzed aluminum exterior. Construction is to be completed by the end of 1972.

The \$35-million project will occupy about three-fourths of a city block, with a landscaped plaza and drive-through banking area. First National and its affiliates, Kentucky Trust Co. and First Kentucky Co., will occupy 12 floors of the main tower building and part of the structure's six-story portion. About 719,000 square feet will be rentable space.

First National Bank Building Partnership is the owner of the building. This partnership is owned jointly by First National, Riverview Development Corp. and Equitable Life Assurance Society of the United States.

John W. Galbreath & Co. will lease and manage the development through an affiliate, Riverview Development Corp.

■ DALLAS—Two new directors have been elected at Republic National—W. C. McCord, president, Lone Star Gas Co., and Mark Shepherd Jr., president and chief executive officer, Texas Instruments, Inc.

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87TH ANNUAL CONVENTION OF THE T.B.A.

DALLAS, TEXAS

MAY 2-3-4, 1971

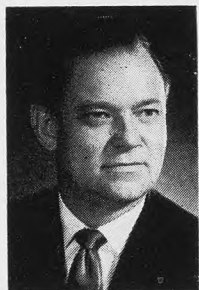
**President**



**FROST**

Tom C. Frost Jr., TBA pres., became pres., Frost Nat'l, San Antonio, in 1962. He joined the bank in 1950. Mr. Frost is a director, San Antonio Branch of the Dallas Fed.

**Vice President**



**LINDEMANN**

Oscar C. Lindemann, TBA v.p., has been pres., Texas Bank, Dallas, since 1965. He went there in 1951 after having been a college instructor. Mr. Lindemann is an associate director, First Bank, Richardson.

**Treasurer**



**WHEELER**

J. B. Wheeler, TBA treas., joined Hale County State, Plainview, in 1946 and became pres. in 1966. He is a former pres. of the old South Plains Bankers Assn. and was ch. in 1968 of TBA's state bank division.

# Texas Convention

**Dallas, May 2-4**

## PROGRAM SPEAKERS

- DR. LESLIE PEACOCK, President, Crocker-Citizens National Bank, San Francisco.
- SENATOR LLOYD M. BENTSEN JR. (D.,Tex.)
- DR. STEPHEN H. SPURR, President-Elect, University of Texas, Austin, presently, Dean, Rackham School of Graduate Studies, University of Michigan, Ann Arbor.

## SCHEDULE OF EVENTS

### SUNDAY, MAY 2

- 10 a.m.-11 a.m.—TBA Committee Meetings, Sheraton-Dallas Hotel.
- 1-5 p.m.—Registration, Statler-Hilton Hotel.
- 5:30-8 p.m.—Registration, Fairmont Hotel.
- 1-5 p.m.—Exhibit Area Open, Sheraton-Dallas Hotel.
- 6:30-8:30 p.m.—Reception, Buffet and Entertainment, International Ballroom, Fairmont Hotel.

### MONDAY, MAY 3

- 8 a.m.-5 p.m.—Registration, Sheraton-Dallas Hotel.
- 8:30 a.m.—Business Session, Sheraton-Dallas Hotel Ballroom.
- 10 a.m.-2 p.m.—“Face of Dallas Tour” for Ladies (Includes Luncheon).
- 11:45 a.m.-12:30 p.m.—Reception, Sheraton-Dallas Hotel.
- 12:30 p.m.—Luncheon, Sheraton-Dallas Hotel.
- 2 p.m.—State and National Bank Division Meetings, Sheraton-Dallas Hotel.
- 6:30-7:30 p.m.—Social Hour, Great Hall, Apparel Mart.
- 9-11:30 p.m.—Entertainment by Vikki Carr and Jack D’John Trio. Dancing to Mal Fitch Orchestra. Great Hall, Apparel Mart.

### TUESDAY, MAY 4

- 9:30 a.m.—Business Session (Election of Officers and Reports), Sheraton-Dallas Hotel.
- 11:45 a.m.-12:30 p.m.—Social Hour, Statler Hilton Hotel.
- 12:30 p.m.—Luncheon, Statler Hilton Hotel.

## Receptions, Buffet, Entertainment Planned For TBA Conventioneers

Business sessions of the Texas convention next month will not get underway until May 3, but a full day of activities is planned for the preceding day, Sunday, May 2. Registration is scheduled for 1-5 p.m. at Dallas' Statler Hilton Hotel and for 5:30-8 p.m. at the Fairmont Hotel. TBA committees will meet from 10-11 a.m. at the Sheraton-Dallas.



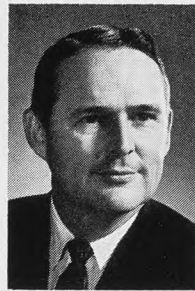
PRESLEY

A reception, buffet and entertainment are planned for 6:30-8:30 p.m. May 2 at the Fairmont's international ballroom.

On May 3, there will be registration from 8 a.m.-5 p.m. at the Sheraton-Dallas, with the first business session to begin at 9:30 a.m. in that hotel's ballroom. A "Face of Dallas Tour," including a luncheon, is planned for the ladies from 10 a.m.-2 p.m. A social



LIECHTY



MITCHELL



FREDERICK



TRIPP

hour (11:45 a.m.-12:30 p.m.) and luncheon (at 12:30) for convention delegates will be held in the Sheraton-Dallas.

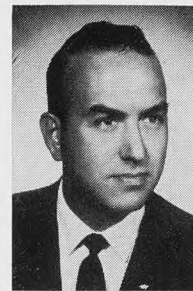
Two division meetings—state bank and national bank—will be held at 2 o'clock that afternoon, both also in the Sheraton-Dallas.

From 6:30-7:30 o'clock that night, there will be a reception, followed by a dinner in the great hall of the Apparel Mart. From 9-11:30 there will be entertainment featuring songstress Vikki Carr and the Jack D'John Trio. Mal Fitch's orchestra will provide music for dancing.

The convention will wind up May 4 with the second business session at 9:30 a.m. in the Sheraton-Dallas ballroom and an 11:30 a.m.-12:30 p.m. reception and 12:30 luncheon at the Statler Hilton.

Bus service will be furnished between the hotels Sunday night, Monday and Tuesday and to and from the Apparel Mart Monday night.

The convention planning committee is headed by TBA Vice President Oscar C. Lindemann, president, Texas Bank, Dallas, and is composed of: Henry B. Clay, president, First Bank, Bryan; S. H. Collier Jr., president, First National, Mercedes; Leon Stone, presi-



BERNARDIN



BUCK

dent, Austin National; Hilliard S. Thomas, president, Citizens National, Cameron; Wilbur A. Yeager Jr., executive vice president, First National, Midland; John M. Griffith Jr., president, Bank of Commerce, Fort Worth; and Kenneth Irwin, executive vice president, Gruver State.

The Dallas banks are planning the entertainment and arranging the housing of delegates. W. Dewey Presley, president, First National, Dallas, is general chairman of the host city committees. The chairmen of his committees (all of Dallas) are: *entertainment*: Hugh K. Frederick Jr., senior vice president, Texas Bank; *ladies*, Mrs. Oscar C. Lindemann; *luncheon, dinner and decorations*, E. Gregg Liechty, senior vice

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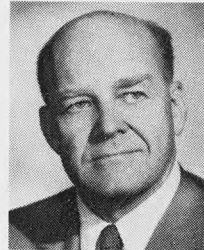
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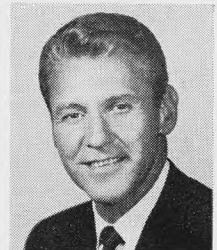


# ABOVE ALL...

See you in Dallas at the  
Texas Bankers Association Convention  
May 2-4, 1971



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Senior Chairman  
of the Board



IRBY G. METCALF, JR.  
Chairman of the Board



ROBERT W. GERRARD  
President

## CONTINENTAL BANK

CONTINENTAL NATIONAL BANK OF FORT WORTH

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MID-CONTINENT BANKER for April, 1971

president, Hillcrest State; *publicity*, Robert E. Tripp, vice president, First National; *registration and reception*, Mason E. Mitchell, senior vice president, Republic National; *social hour*, David M. Bernardin, senior vice president, Mercantile National; and *transportation*, Tom J. Buck, senior vice president, National Bank of Commerce.

■ **MEDICAL CENTER NATIONAL**, Houston, has named William E. Cole vice president and controller. He was a management consultant in Chicago and earlier was director of accounting for Union Texas Petroleum. In other action, the bank named Mrs. Margaret

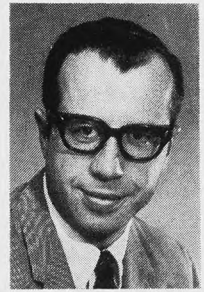
Thigpin and Mrs. Margaret Cheshire assistant vice presidents, operations. Both were formerly officers of Fidelity Bank, Houston. Mrs. Cheshire has been in banking since 1954 and Mrs. Thigpin since 1956.

■ **CHANNELVIEW BANK** stockholders approved a 6% stock dividend. If approved by the state banking commissioner, 1,500 additional shares will be issued and combined capital and surplus will be increased to \$530,000. In other action, Dr. William H. Fagan, formerly an advisory director, was made a director.

### Texas Convention 'First-Timers' To Include Hollis Rademacher

Hollis W. Rademacher, vice president, Continental Bank, Chicago, will be a "first-timer" at this year's Texas convention.

Mr. Rademacher joined the bank in 1957, became vice president in 1969 and was assigned to the national division last October. Before that, he had been in the metropolitan division since 1960.



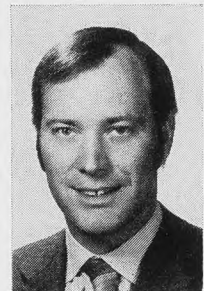
RADEMACHER

### State National Elects Moses VP in Correspondent Dept.

EL PASO—Michael R. Moses has been elected vice president, State National, and will be in charge of the correspondent banking and national accounts department in the marketing division.

Mr. Moses formerly was senior consultant in the New Orleans Office of Peat, Marwick, Mitchell & Co. He worked with clients in the banking, finance, transportation, shipping and brewing industries.

A specialist in the areas of electronic data processing and accounting systems, Mr. Moses conducted a general survey of the operations and financial systems in the Department of Finance and Utilities in Alexandria, La. He also has reviewed and evaluated data processing functions for Baton Rouge, La.



MOSES

■ **FIRST NATIONAL**, Brownwood, elected Kyle C. Mansker cashier. He had been an assistant national bank examiner since June, 1969.

■ **FIRST NATIONAL**, Abilene, has elected Kenneth T. Murphy executive vice president and director.

■ **TEXAS COMMERCE BANK**, Houston, has advanced several officers. New assistant vice presidents are Joe M. Bailey, Mrs. Virginia T. Burda, Marcus R. Dussler Jr., Weldon M. Morton and Charles L. Williams. Mark M. Johnson was named loan officer. In other action, Robert C. Hunter was elected a vice president. He will serve in London as deputy director of Burston & Texas Commerce Bank.

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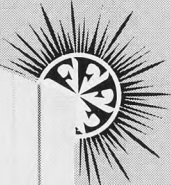


JOHN SHIVERS  
Vice President



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and responsibility with us to our new  
Frost National Bank Building. It takes far  
longer to build a tradition than it does a building.

**FROST  
NATIONAL BANK**



Member F.D.I.C.

Architect's model of new 20 million dollar Frost National Bank Building to be constructed in downtown San Antonio. Completion of the twenty story structure is scheduled for 1973.

MID-CONTINENT BANKER for April, 1971

## Educational Loans, Taxes Discussed at TBA Meeting

**T**HE SERIES of district meetings of the Texas Bankers Association got underway February 21 in Fort Worth as usual and also, as usual, with rain turning to sleet and snow and the customary big crowd of undaunted bankers and wives ignoring the weather and pouring in on Fort Worth for the Sunday-Monday meeting. Attendance fell just a few short of 2,000. West Texans were rejoicing that the storm throughout the Panhandle was bringing badly needed moisture to a parched and windy plains country.

At the time this issue went to press, district meetings had been held in Austin (District Three), February 27; Houston (District One), March 6; San Antonio (District Two), March 13; Waco (District Four), March 18; and Midland (District Six), March 20. District Five in Dallas and District Eight in Amarillo were scheduled for March 27 and April 21, respectively.

The Houston meeting rivaled Fort Worth in size, with some 1,850 registered. Others in the series ran smaller, but with several at or near the 1,000 mark.

Tom C. Frost Jr., TBA president and president, Frost National, San Antonio, spoke at each of the meetings, delivering a specially prepared talk for each meeting. When discussing TBA association affairs, Mr. Frost pointed to the technical staff in Austin, the educational programs for bankers through meetings, seminars, conferences, the increasing work of the trust committee and the highly successful work of the agricultural committee in sponsoring a farm and ranch conference.

Discussing the banking picture in general, Mr. Frost covered a wide variety of areas. In Fort Worth, for instance, following closely on the heels of a widely publicized bank failure in the state, the TBA president discussed the obligation of bankers to depositors, borrowers, stockholders and the public, pointing out that through the granting of a charter, bankers are given a privilege to operate, and they owe a responsibility to society. In the matter of personnel, for instance, Mr. Frost asked bankers if they screened prospective employees and hired only the ones who qualified or whether—through training programs—they were helping disadvantaged and minority groups become better-qualified employees.

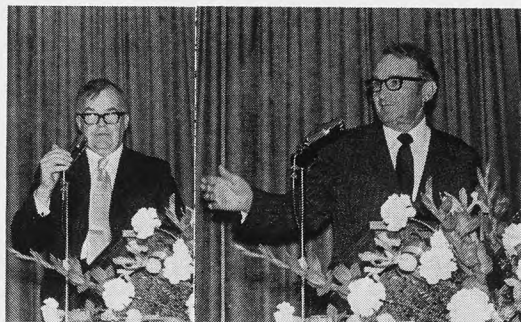
In Austin the TBA president talked about the financial plight of the state and the huge pending tax bill in the legislature. He pointed out that in Texas businesses are taxed more heavily than in most other states and that Texas bankers provide a larger part of the tax revenue than they do in most other states.

At the Houston meeting, where the business session is held following a luncheon, Mr. Frost observed the large number of wives in the audience and addressed most of his remarks to the women. He urged the wives to become more conversant with their husbands' duties as bankers, although always respecting the confidentiality of banking transactions, and to help the public, through the wives' contact with women, to become more familiar with banking functions.

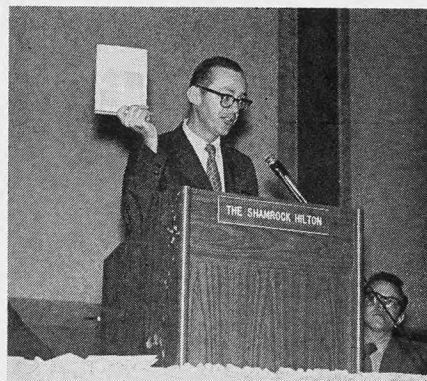
At each meeting, outstanding businessmen, bankers, educators and men prominent in public life rounded out the business sessions. In Houston, Lawrence Fouraker, dean of the Harvard Business School, spoke on a new look at fi-



**PRESIDENT'S MESSAGE.** Tom C. Frost Jr., TBA president and president, Frost Nat'l, San Antonio, gestures during president's message at District 7 meeting in Ft. Worth.



**LEFT:** Charles W. McCoy, ch. & pres., Louisiana Nat'l, Baton Rouge, addresses District 7 bankers on "Banking in the 1970s." **RIGHT:** Hugh F. Steen, pres., El Paso Natural Gas Co., speaks to District 7 bankers on "The High Cost of Bargain Price Energy."



**FIRST DISTRICT SPEAKER.** Dr. Lawrence Fouraker, dean, Harvard Business School, Cambridge, Mass., and native Texan, holds up book from which he was quoting during his talk on new look at financing higher education.

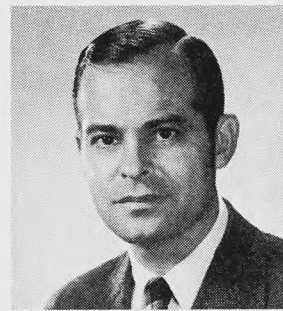
**CITY NATIONAL BREAKFAST.** Harold Jones (r.), pres., City Nat'l, Wichita Falls, and ch., District 7, stops at table to chat during bank's traditional breakfast held at the District 7 meeting. Others (l. to r.) are Miss Bonita Bell, editor, "Bankers Digest"; Mrs. George E. Payne (wife of sr. v.p., City Nat'l); and Gene Pullam, v.p., City Nat'l.



# We're Dated for Dallas



PAUL MASON



KARL T. BUTZ, JR.

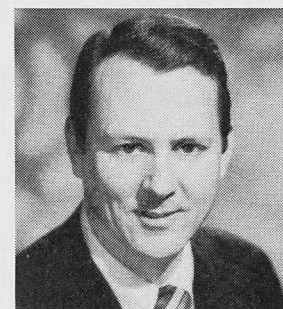
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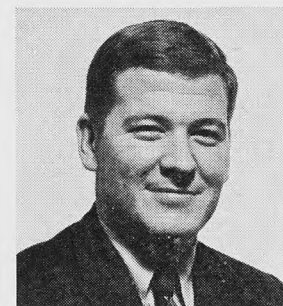
ELLIS H. BOYD, JR.



WILLIAM S. MONTGOMERY



DAVID E. BAKER



BRYAN WILLIAMS, III

## SEE YOU AT THE TBA CONVENTION!

We'll be in Dallas attending the Texas Bankers Association Convention, May 2-4, and hope to renew old acquaintances and make some new friends. See you there.

of Fort Worth  
**First**  
NATIONAL BANK

Member F.D.I.C.

nancing higher education. He advocated longer-term educational loans, which students could repay out of earnings in later years. He pointed out that although higher educational costs are mounting rapidly, the cost of schooling in relationship to the salaries earned by graduates has remained relatively stable.

At the Austin meeting, Lieutenant Governor Ben Barnes, G. F. Mutscher, speaker of the House, and Thomas M. Keel, legislative budget director, discussed the need for added tax revenues and the pending legislation to bring it about.

At Fort Worth, Charles W. McCoy, chairman and president, Louisiana National, Baton Rouge, predicted more changes in the '70s than we have seen in all of our banking experiences up to this time. He foresees consolidations in financial institutions in the decade ahead that will bring us from 22,000 financial institutions (commercial banks, savings banks and S&Ls) to perhaps 6,000 by the year 2000. He warned bankers to alert their bank officers and directors about the potential danger of having financial dealings with out-

side concerns doing business with their banks.

"When things are not the way they ought to be, people will get them changed so they can become the way they should be. So don't just react, but act. The best judgments are made when we have time for actions rather than just reactions. Put the word 'compassion' in your banking policies," Mr. McCoy said.

Officers elected were as follows:

District One—chairman, Elvis L. Mason, president, First Security National, Beaumont; administrative council member, J. W. Lander Jr., chairman, Bank of Texas, Houston.

District Two—chairman, George Casseb, president, West Side State, San Antonio; administrative council member, Charles E. Cheever Jr., president, Broadway National, San Antonio.

District Three—chairman, J. O. Nance, executive vice president, Bank of Austin; administrative council member, Monroe Hannes, president, First National, Giddings.

District Four—chairman, Robert B. Lane, executive chairman, Farmers State, Clifton; administrative council

member, Jack Elam, chairman and president, First National, Evant.

District Six—chairman, Frank Junell, president, Central National, San Angelo; administrative council member, Gus D. Chesney, executive vice president, City National, Colorado City.

District Seven—chairman, George E. Bransom Jr., president, Farmers & Merchants State, Burseson; administrative council member, W. C. Orr Jr., president, First State, Denton. ••

#### Meissner to Be 'First-Timer' At 1971 Texas Convention



MEISSNER

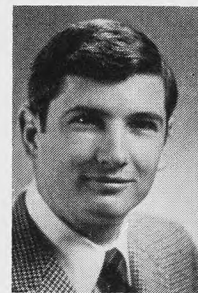
Frank H. Meissner, assistant cashier, City National, Kansas City, will attend the 1971 Texas convention this year as a "first-timer."

Mr. Meissner has been representing his bank in Texas, Oklahoma and New Mexico since mid-1970. Previously, he was a member of the metropolitan group of the bank's major accounts and business development division.

#### William Lee Is 'First-Timer' At 1970 Texas Convention

William E. Lee will be a "first-timer" as this year's Texas convention.

Mr. Lee is a correspondent bank division representative of First National, Memphis, where he is in the corporate management program. He travels in Texas and Arkansas.



LEE

Mr. Lee is a graduate of the University of Tennessee.

■ DALE DAVIS, Shell Oil Co., has been elected a director of First National, Lake Jackson.



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# Laredo, Texas



To correspond is "...to be in agreement with; to suit; to be parallel; to communicate with..." according to both Merriam-Webster and First City National Bank.


Our correspondent bankers are always "in agreement" with our correspondent banks. They provide services that "suit" your needs; and "parallel" your banking operations. And, at First City, we maintain constant "communication" with our correspondent customers...in order to better serve them.

We place overlines; arrange fast check clearance; pro-

vide credit information, investment advice...and just about anything else you and your customers may want, expect...and deserve.

Write or call First City for more information. You'll find that our services do, indeed, correspond with your needs. P. O. Box 2557, Houston, Texas 77001...or phone area code 713-225-1271. Correspondent Officers: W. J. Keitt, William R. Boyd, IV, Jack B. Good, Burney Parker, Jr., Weldon G. Humble, Grant Hollingsworth.

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Our Services  
Correspond  
With Your Needs

**Joseph H. Frost Jr. Dies at 55;  
Was Officer of Frost National**

SAN ANTONIO—Joseph H. Frost Jr., 55, senior chairman, Frost National, died March 18.

Mr. Frost became vice president of the bank in 1940, a director in 1948, chairman in 1957 and senior chairman in 1962. His cousin is Tom C. Frost Jr., president of the bank and of the Texas Bankers Association.

■ EAST TEXAS BANK, Longview, advanced two employees and named two new directors. R. B. Thomas was promoted from assistant cashier to assistant vice president and Clyde Knight

was made an assistant cashier. New directors are Robert E. Sage, president of Baxter Sales Co., and Sam E. Allison, senior vice president of Fidelity Services Corp., Waco.

**Bankers' Credit Card School  
To Begin May 31 in Dallas**

DALLAS—The National Credit Card School for Bankers, conducted by Preston State, will begin its 10th session May 31 in the new, \$3½-million Preston State Bank Building here.

About 60% of the five-day course will be devoted to theory and the other 40% to on-the-job training. Material is designed to aid banks in setting up and



William R. King, v.p., Preston State, Dallas, and director, National Credit Card School for Bankers, directs class in on-job training during 1970 session of school.

# The National Credit Card School for Bankers... is now accepting reservations.

Senior executives, junior officers, and management personnel at all levels will benefit. The comprehensive and concise curriculum is tailored by the Preston State Bank of Dallas from its more than eighteen years of outstanding credit card pioneering and operations. The intensive course combines formal class room instruction and practical on-the-job training with the emphasis on giving participants the broader understanding necessary for immediate success and elimination of high initial operation costs due to trial and error. The next five day session begins May 31. Reserve your place now.

**A tuition fee of \$500.00 includes:**

*Five days of class room theory and on-the-job instruction  
Room accommodations (5 nights)  
Reception dinner and cocktail party (Monday night)  
Breakfast and luncheon each day  
Transportation to and from motel.*

Contact: William R. King, Vice President, Preston State Bank of Dallas,  
P. O. Box 12000, Area code 214/363-1511

**PRESTON STATE BANK**  
8111 PRESTON STATE BANK TOWER/DALLAS, TEXAS

operating proper, effective credit card programs without costly trial-and-error periods. The school will be held in specially designed training areas of the bank building.

Preston State has had 18 years' experience in the credit card field and—through the school—hopes to fill the critical need for trained management and operating personnel in the rapidly expanding bank credit card field.

Bankers interested in the school may phone William R. King, vice president of Preston State and director of the school, at 214-363-1511, extension 400, or write National Credit Card School for Bankers, P.O. Box 12,000, Dallas, Tex. 75225.

# T.B.A.

Delegates:

NBC Means Good Company  
And Wants Yours.

At the 1971

T.B.A. Convention  
in Dallas.

May

# 2.3.4.

See you there.

**NBC Means  
Business.**  
And wants yours!

National Bank of Commerce  
of Dallas



# Compliments of a friend.

*Our Correspondent Bank  
Department bankers leave behind  
more than just matchbooks.*

*They leave solutions to banking  
problems. Suggestions on handling  
various situations. New Ideas.*

*They're traveling experts.  
Professionals whose  
accomplishments speak for*

*themselves. Men who carry with  
them years of banking experience.  
And a variety of useful Bank of  
the Southwest services.*

*Services that can help your  
bank and your customers.*

*Contact one of our officers.  
Let him show you how he will  
aggressively attack your banking*


*problems by putting our services  
to work for you.*

*To help your bank match the  
growing needs of your community.*

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# Illinois News

## Bertrand Named Candidate For City Treasurer

CHICAGO—Joseph G. Bertrand, president, Highland Community Bank, has been named Democratic candidate for the office of treasurer of the city of Chicago. He is said to be the first black man to run for a major position within the city administration.



BERTRAND

Mr. Bertrand started his banking career at Standard Bank in 1967, was elected assistant vice president in 1968 and vice president one year later. He was elected president of the newly organized Highland Community Bank last November.

Before starting his banking career, Mr. Bertrand was engaged in social work with the Cook County department of public aid and the Chicago Commission on Youth Welfare.

■ LLOYD H. JOHNSON has been elected chairman and president, Boone State, Belvidere. Mr. Johnson, who previously served as president, joined the bank in 1966 and has been in banking since 1928.

■ GERALD A. BENNETT has joined North Bank, Chicago, as an assistant vice president. He previously was with Olympia State, Chicago Heights.

■ ARCHER NATIONAL, Chicago, elected Mrs. Jean Sewick an assistant cashier. She has been with the bank since 1965.

## Edgemont Bank Receives Flag



Congressman Mel Price (l.) recently presented Edgemont Bank, East St. Louis, with an American flag on the formal completion of the bank's remodeling and enlargement program. The flag, flown from Washington, D. C., was on display at the bank's open house. With Mr. Price are Charles L. Daily (center), ch., and C. Wayne Highsmith, pres.

■ BUENA VISTA NATIONAL, Chester, has promoted Kent L. Wittenborn to cashier and Michael G. Ritter and Mrs. Mary F. Frye to assistant cashiers. The bank also increased its surplus from \$300,000 to \$800,000.

■ FIRST NATIONAL, Litchfield, has made the following appointments: Charles M. Long, president; R. Kent Redfern, assistant vice president; C. Ross Billiter, cashier; and Miss Joyce A. Schwab, assistant cashier.

■ LAKE VIEW TRUST, Chicago, recently named two new vice presidents. They are Emil F. Bender, investments, and Warren L. Burmeister, marketing. Previously, Mr. Bender was vice president in charge of the trust investment division, Sears Bank. Before joining the bank in January, Mr. Burmeister was with an advertising agency.

■ CONTINENTAL BANK, Chicago, has elected Harold P. O'Connell Jr. vice president, commercial banking, and Donald W. Alfvn secretary of the trust department.

## Farmers & Merchants Bank Marks 100th Anniversary

VANDALIA—Farmers & Merchants Bank recently observed its 100th anniversary with an open house celebration.

At the bank's centennial dinner, Coral H. Brooks (at right in photo), president, presented a gift to Joe Easterday, president of Ramsey National and a long-time stockholder of Farmers & Merchants.



A tiered anniversary cake was served at the open house by female employees, dressed in centennial costumes. A drawing for 100 silver dollars also was featured in the celebration.



Female employees, dressed in centennial costumes, served cake to guests attending the 100th anniversary celebration of Farmers & Merchants Bank, Vandalia.

## Illinois Death

T. R. HENNESSEY, 48, chairman, Boone State, Belvidere. He was one of the organizers of the bank and had served as an officer and director since 1965.

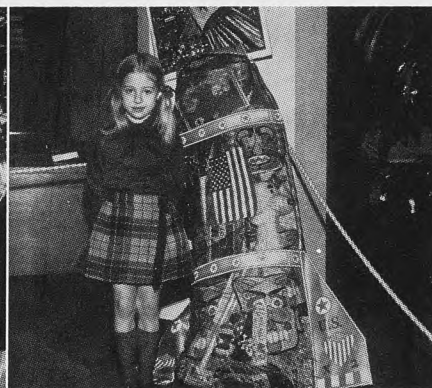
## Millikin National of Decatur Holds 11-Day Open House in New Building



Millikin National, Decatur, recently held an 11-day open house following the ribbon-cutting and dedication of its new building. LEFT: Ray G. Livasy, pres., acknowledges his birthday greetings during festivities. Women students from Millikin University conducted tours of the



bank for visitors. MIDDLE: Bud Bissey, a.v.p., inflates free balloons for children. RIGHT: Bridget Vaughn, star of Millikin National's Television commercials, stands beside the grand prize for children given away during the celebration.



Farm experts at The First like Ben Hauenstein and Jud McManigal have years of experience in agricultural financing. They understand farm operations—talk farm talk. And they are ready to participate in agricultural loans.

They can help you serve customers who are expanding their livestock and crop operations to increase farm profits. Or, they can help with term loans for capital investments in machinery, equipment, and facilities to improve efficiency and increase profits.

The farm specialists in Division F know how to get the money.

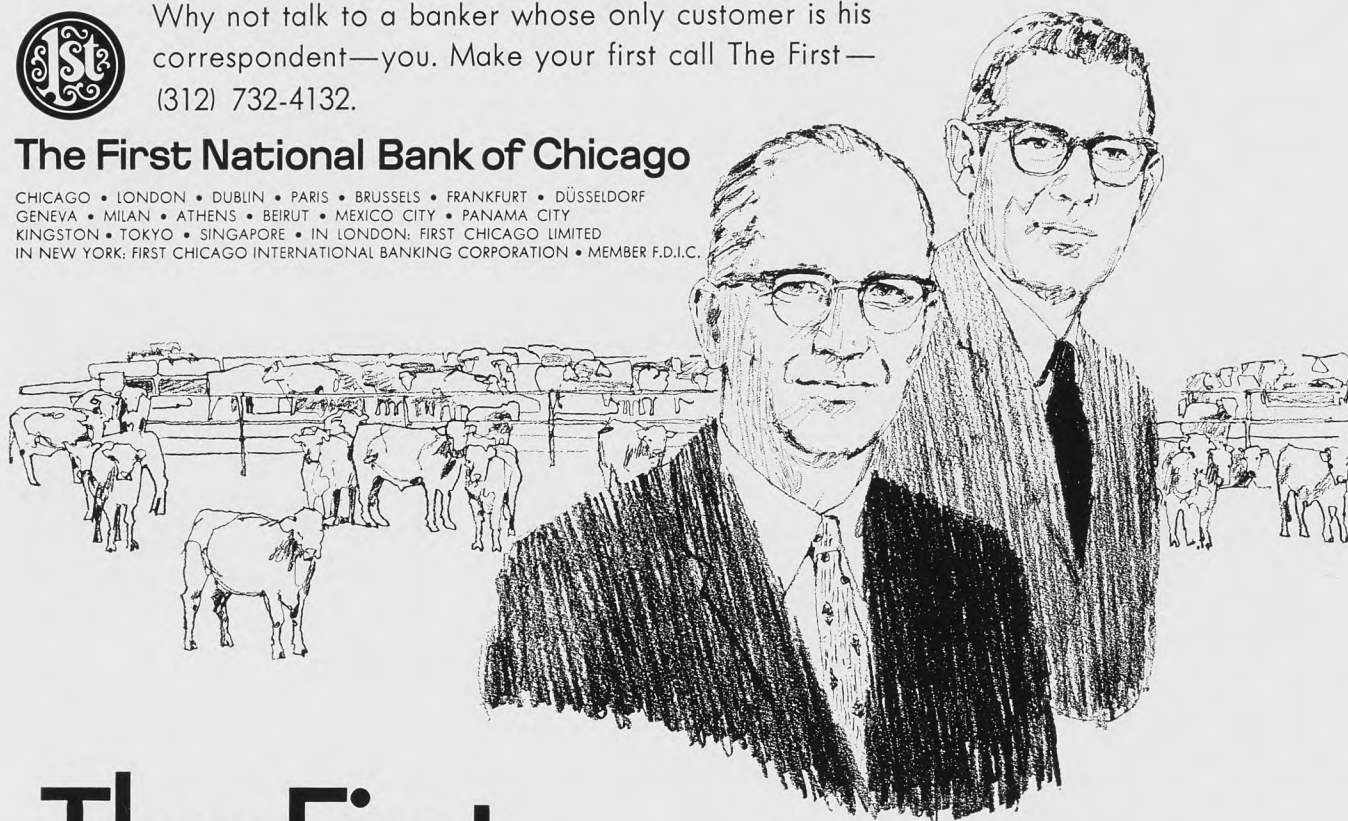
Yet helping you help your customers with agricultural loans is just one of the many ways our correspondent bankers give you expert service. We also can help you solve problems involving commercial loans, international banking, cash flow, internal operations, and many more.



Why not talk to a banker whose only customer is his correspondent—you. Make your first call The First—(312) 732-4132.

## The First National Bank of Chicago

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IN NEW YORK: FIRST CHICAGO INTERNATIONAL BANKING CORPORATION • MEMBER F.D.I.C.



# The First specialists to call for overline help on agricultural loans.

# Indiana News

## Kercheval Elected Chairman Of American State, Sheridan

SHERIDAN—American State has elected Donald K. Kercheval chairman. He had been president of the bank for the past 22 years.

Jack Remsen, former executive vice president, was elected the new president. He has been with the bank since 1963 and has served as auditor, vice president and trust officer.

Newly elected officers at American State are Mrs. Virginia Stowers, assistant auditor; Mrs. Barbara Savage, assistant cashier; and Miss Vicki Harwood, assistant trust officer.

## Northwest Bank Establishes Fund

WHITING—Northwest Bank of Indiana has established a fund for the family of James Larimer, town marshal of St. John, who recently was killed in a gun battle in the line of duty. He had been town marshal for eight years and in police work for 30 years. An initial contribution of \$500 was made to the fund by the bank.

■ CITIZENS BANK, Elwood, has changed its name to Security Bank. The name was changed to avoid confusion with the five other "Citizens" banks which operate in the bank's area.

■ FIRST BANK, South Bend, has appointed Dean F. Davis vice president and head of the installment loan department. He succeeds Arthur W. Hopper, who has resigned. Mr. Davis joined the bank last June and has served in the new business development area of the marketing division.

■ ANTHONY WAYNE BANK, Fort Wayne, recently announced the retirements of Oral F. Ice, vice president, commercial loan department; Joseph O. Drake, vice president, investments; and Thomas P. Riddle, assistant vice president, business development and customer relations.

■ NORTHWEST BANK, the former State Bank of Whiting, recently promoted three staff members. James B. Lepore, real estate officer, was made manager of the Highland branch. Allen Otto, Whiting Office manager, will serve as director of marketing. Conrad Pavuk, former Highland Office manager, was advanced to vice president and Whiting Office manager.

■ PEOPLES TRUST, Fort Wayne, has announced the following promotions: John E. Lawrence, vice president, trust operations; G. James Boeglin, trust new business officer; Michael Gaal, data processing officer; and James Luallen, systems/programming officer.

■ GLENN L. BANKS and Ronald F. Kloska have been elected directors of St. Joseph Valley Bank, Elkhart, and of SJV Corp., the bank's parent company. Mr. Banks is president of a lumber company and Mr. Kloska is executive vice president, Skyline Corp.

■ CALUMET NATIONAL, Hammond, has promoted Clemens C. Moss to controller and Marshall J. Schultz to auditor. Mr. Moss joined the bank in 1967 and was elected auditor one year later. Mr. Schultz, formerly an assistant cashier, came to the bank in 1961.

■ FRANK P. STIGLITZ has been promoted from assistant manager to assistant cashier, Highland Branch, First Bank of Whiting. He has been with the bank since 1967.

## Seven New Appointments Made At American Fletcher National

INDIANAPOLIS—American Fletcher National has announced several new appointments. Those promoted were: Paul V. Clarke, Speedway Office manager, and Gerald W. Howe, installment credit department, to vice presidents; Larry M. Campbell, banking center administration, Harold C. Funke, 30th Street Office manager, and Don E. Merrill, metropolitan division, to assistant vice presidents; William J. Hillis to investment officer; and Charles F. Roesener to security officer.

Mr. Clarke, who joined the bank in 1956, was made manager of the Speedway Office in 1964 and assistant vice president in 1966. Mr. Howe joined the installment credit department in 1969 and later that year was elected an assistant vice president.

Mr. Campbell joined the bank's career development program in 1963. He was manager of the Park Fletcher and Devon offices before being assigned to banking center administration. Mr. Funke began his banking career as a messenger in 1928 and became manager of the 30th Street Office in 1957.

Mr. Merrill, who came to the bank in 1957, was manager of the Eagledale and Park Fletcher offices before his transfer to the metropolitan division. Mr. Hillis joined the municipal bond department last May. Mr. Roesener, a former FBI agent, joined the bank a year ago as supervisor of security.

## Lauther Honored in Indianapolis



Richard G. Lugar (r.), mayor of Indianapolis, presents a key to the city to S. Edgar Lauther, ch., American Fletcher National, while proclaiming "S. Edgar Lauther Day" in the city. Mr. Lauther was honored on completion of his term as president of the Greater Indianapolis progress committee. He was succeeded by David K. Easlick, a director of American Fletcher.

■ AMERICAN NATIONAL, South Bend, has announced plans to construct a new 5,600-square-foot building for its McKinley Branch. Construction is expected to be completed by next October.

■ IRWIN UNION, Columbus, has elected Albert H. Schumaker and Harry J. Embry directors. Mr. Schumaker is president and manager, Coca-Cola Bottling Co. in Columbus, and Mr. Embry is a farmer.

■ JAMES F. BIDDLE has joined Merchants National, Indianapolis, as an assistant trust officer. Formerly, Mr. Biddle was deputy attorney general for the state of Indiana.

■ CARMON R. WENGER has been elected vice president, trust division, First National, Elkhart. He previously was assistant vice president and assistant trust officer, Hackley Union National, Muskegon, Mich.

■ ROY T. DILLEY, vice president of financial services, American Fletcher National, Indianapolis, has retired after 48 years in banking. He joined American Fletcher in 1923 and was elected vice president in 1967.

■ MERLIN J. KNAUSS has joined Industrial Trust, Muncie, as vice president and head of the commercial loan department. He previously held the same position at Olmsted County Bank, Rochester, Minn.

■ FIRST NATIONAL, Richmond, has elected Harry W. Chenoweth chairman. Promotions at the bank included: Warren C. Wright, vice president and auditor; Kermit J. Harris, vice president; and Ronald D. Lear and J. Stephen Murphy, assistant vice presidents.

*He who learns by the book shall walk in darkness.*



You can learn a lot from books.

But there's a different wisdom that comes only with experience. It's the kind of wisdom that lets a man know when it's possible to do the impossible. That tells him when it's time to expect something unexpected.

In life, and in business, that kind of wisdom often makes all the difference.

That's why at the Idea Bank we believe it's essential that our men acquire an understanding of their work not just by the book, but through first-hand experience as well.

That's especially true of our Correspondent men. To make sure they understand and know

how to use all the resources of our bank, we select men for our Correspondent Division who have experience in many areas of banking, such as commercial loans, asset management, operations, and international banking.

In addition, we encourage our men to spend some time with their correspondent customers when there's no particular problem to pre-occupy them. They have time to talk with bank personnel and get some first-hand insight into the problems and opportunities of banking in a small town, or a small city.

As a result, our Correspondent men have a unique practical understanding of the

problems they're asked to solve. And of the tools they have to use to solve them. And that means they're able to offer faster and more effective service than anyone else we know of.

The next time you've got a difficult correspondent problem you need solved quickly and creatively, consider calling our man Bill Aldrich at (312) 661-5050.

If he isn't available, one of our other men will help you.

No matter who it is, you'll be speaking with a very learned man indeed.

**American National  
The Idea Bank**

American National Bank and Trust Company of Chicago • LaSalle at Washington 60690 • Phone (312) 661-5000 Member FDIC

MID-CONTINENT BANKER for April, 1971

# Kentucky News

## Hagan Is New Vice President At Central Bank, Lexington

LEXINGTON—Clifford O. Hagan, former professional basketball player, has joined Central Bank as vice president in charge of business development and marketing. He will be responsible for developing new commercial accounts and innovations in customer service.



HAGAN

Before joining the bank, Mr. Hagan was manager of the Lexington Office of John W. Waits Associates. An All-American basketball player at the University of Kentucky, Mr. Hagan played 10 years with the old St. Louis Hawks in professional basketball. He also has acted as player-coach of the Dallas Chapparals and as a sports announcer in St. Louis.

■ MRS. JEAN C. WELLS has advanced from assistant cashier to cashier of the Citizens Bank, Morehead. Alpha M. Hutchinson, who was president and cashier, continues as president.

■ JOHN B. MASON, who was cashier of Trigg County Farmers Bank, Cadiz, is now cashier and trust officer. William G. Lawrence has advanced from assistant trust officer to trust officer.

■ JOSEPH T. CAHILL, vice president, Louisville Trust, has been elected secretary. He joined the bank in 1937 and was elected a vice president in 1969.

■ E. G. ECTON has retired as chairman and chief executive officer, Peoples Commercial Bank, Winchester. He joined Commercial Bank in 1923 and when that bank merged with Peoples State in 1961, Mr. Ecton became president. He was elected chairman and CEO in 1969.

■ CITY NATIONAL, Fulton, has promoted Kenneth E. Crews from vice president to executive vice president. Lonnie W. Duncan, who joined the bank in 1969 as installment loan manager, has been made an assistant vice president.

■ AMERICAN FIDELITY BANK, Barbourville, advanced John G. Detherage to cashier from assistant cashier. He succeeded Coey D. Prichard who joined the new Bank of Somerset as executive vice president.

■ CORBIN H. MELTON, senior vice president, Union National, Barbourville, has been elected president of the bank. He succeeds the late Howard Miller. Mr. Melton has been a director for 22 years and senior vice president for one year.

■ CITIZENS UNION Shelbyville, has announced several officer changes. G. L. Perkins, who was vice president and cashier, is now vice president. John S. Mathis was advanced from assistant cashier to cashier and Mrs. Pauline S. Adams, Mrs. Lou R. Lapsley and Mrs. Sarah B. Carpenter were elected assistant cashiers.

■ HENRY MOORHEAD, former executive vice president and vice chairman, First National, Brooksville, has been named president and chairman. He succeeds the late H. L. Corlis. Other promotions include: H. W. Hause, vice president; David Appleman, assistant vice president; and Ronnie Monahan, cashier.

■ FORT KNOX NATIONAL elected as chairman Herschel J. Roberts, superintendent of the Fort Knox school system. Norman B. Banks, a director since 1963, was elected vice chairman and Lieutenant Colonel Raymond M. Riggsby was elected a director.

## Bank of Lexington Names Eiche Executive Vice President

LEXINGTON—G. O. Eiche has been elected executive vice president, Bank of Lexington.



EICHE

Previously, Mr. Eiche was assistant vice president, Bank of Mississippi, Tupelo. He was manager of the bank's Tupelo Mall Office and had assignments in the marketing and commercial loan departments. During his years at the bank, he also managed the real estate, installment loan and Master Charge departments.

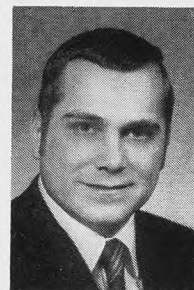
In other action, Bank of Lexington elected as directors Fred R. Kissling, insurance agent, and Donald Ball, realtor.

■ NOBLE CLARK, a vice president, has retired from Citizens Bank, Paducah, after more than 46 years of service. Mr. Clark joined the old Citizens Savings as a runner. During his tenure, the staff grew from 13 employees to more than 115, from assets of \$1,500,000 to \$52,300,000.

■ THIRD NATIONAL, Ashland, has elected Robert E. Cantrell an assistant cashier. Mr. Cantrell joined the bank in 1968.

## First of Louisville Elects Owen Assistant Vice President

LOUISVILLE—Gene P. Owen, former branch loan administrator, has been promoted to assistant vice president at First National. He will supervise five branch offices and will continue direction of branch loan administration programs.



OWEN

Mr. Owen joined First National in 1967 as a management trainee. He was assistant to the manager and a credit analyst before being named to the branch loan post.

In other action, the bank named J. Stephen Lazzari branch operations officer. Mr. Lazzari had been an assistant branch manager and analyst.

■ GROUNDBREAKING CEREMONIES for the new main office of Citizens National, Bowling Green, were held last month. Construction of a multi-story steel and concrete building is under way. The new structure will contain 40,000 square feet.

■ FARMERS STATE, Sturgis, presented F. Leslie Steelman, president, with a watch when he completed 25 years service. The Sturgis News commented editorially on the service both Mr. Steelman and the bank have rendered the town.

■ DEPOSIT BANK, Tompkinsville, is now doing business in its new ultra-modern building. The stone-faced brick structure contains up-to-date equipment and facilities. A feature is an exceptionally spacious community meeting room containing almost 1,500 square feet.

■ FARMERS BANK, Bardstown, elected Mrs. Murna C. Shelburne an assistant cashier. Mrs. Shelburne has been a staff member for 16 years starting as a bookkeeper.

## Kentucky Deaths

W. P. KNIGHT, chairman, First National, Nicholasville.

HENRY A. PALMER, chairman, First National, Carlisle.

NACE ANDERSON, president, Morganfield National.

# Banking internationally? Bank on us.

Are some of your bank's customers involved in international trade? Our International Department can help you give them the services they need: arranging letters of credit • advice on foreign collections or currency exchange rates • trade development loans to importers • credit information on foreign firms.

For more details about this additional service to bankers and their customers, dial Area Code 502/587-1151.

I'll put you in touch with our international expert,  
Charles Waters.



Joe L. Hamilton



**Citizens  
Fidelity  
Bank**

LOUISVILLE, KENTUCKY

Member Federal Reserve System, Federal Deposit Insurance Corporation

**COME GROW WITH US**

# Tennessee News

## Smith Joins Bank Building Corp. As Market Area Manager

Harry W. Smith has joined Bank Building Corp. as a market area manager for the southern division. He will have sales responsibility in North Carolina, eastern Tennessee and western Virginia.



SMITH

Before joining Bank Building, Mr. Smith was an area director for real estate procurement and development for Arby's International. Previously, he had been regional manager for real estate sites and development for Baskin-Robbins ice cream stores.

## Third National Exec. VP Dies

NASHVILLE—Wendell J. Phillips, 57, executive vice president for corporate planning, Third National, died recently of a heart attack.

Mr. Phillips joined Third National in 1937 and was elected assistant vice president in 1947. He was promoted to vice president in 1951, senior vice president in 1943 and executive vice president in 1965.

■ TRI-CITY BANK, Blountville, elected Ralph P. Harr and Mack L. Hicks directors. Mr. Harr is a court clerk and Mr. Hicks owns Kingsport Milling Co.

■ CARTER COUNTY BANK, Elizabethton, added a local merchant, A. H. Miller, to its board of directors.

■ ANTHONY H. THOMPSON has joined Valley Fidelity Bank, Knoxville, as vice president and trust officer. He came from First National, Augusta, Ga., where he held a similar position.

■ WILLIAMSON COUNTY BANK, Franklin, has opened a branch in Brentwood Village. The new structure cost \$100,000 and is in the Williamsburg style to conform to village architecture. Walter Short, assistant cashier, is branch manager.

■ BANK OF COMMERCE, Morristown, made William W. Bales a vice president as well as cashier. He has been with the bank since 1956. In other action, five women employees were promoted to assistant cashiers. They were Mrs. Eva Acuff, Mrs. Pat Brown, Mrs. Christine Douthat, Mrs. Maxine Thomason and Mrs. Oleta Tinsley.

## Officer Promotions Announced By First National, Memphis

MEMPHIS—First National has promoted Ted Cruchon, bond department officer, and Glenn Franks, loan officer, to assistant vice presidents. Mr. Cruchon joined the bank in 1961 and Mr. Franks in 1958.

Seven staff members also were promoted to officer rank. They are: Hugh M. Harwood, Malcolm V. Saxon and Michael R. Swetland, bond department officers; L. Eugene Johnson Jr., and J. Thomas Rutter, branch officers; and Robert E. Treece and Robert Munns, operations officers.

■ DARWIN LANKFORD has been advanced from vice president and cashier to president of Peoples Bank, Lebanon. He is the first president the bank has had since its reorganization in 1967.

■ FOUR PROMOTIONS and three new officers were announced recently at First National, Rockwood. Harry T. Burn, former chairman, became honorary chairman. Russell E. Simmons was advanced from senior vice president to executive vice president and cashier, Charles B. Haga from vice president to vice president and trust officer, and Mrs. Cleeda Hines from cashier to vice president. New officers are William E. Spurling, vice president; J. D. Jolly, assistant vice president; and Jack D. McCullough, assistant cashier. Mrs. Barbara H. Bryant was named secretary to the board.

■ STATE APPROVAL has been obtained by Mosheim Bank for the opening of a branch in Greeneville. Erection of a permanent building is being considered.

■ FIRST NATIONAL, Springfield, has promoted R. H. Burnett to vice president and cashier and E. M. Davis to assistant vice president.

■ JAMES E. RICE was elected a director of First National, Smithville.

■ BANK OF MONTEREY has promoted Norman Copeland to cashier.

■ JOHN R. NIXON, Smithville car dealer, has been elected a director of Liberty Savings.

■ PEOPLES BANK, Woodbury, has elected several new directors. They are James B. Yernigan, Hershel Parton, Paul T. Tinpenney and Ray Barker.

■ J. W. THREET has joined Fountain City Bank, Knoxville, as a vice president and R. G. Stewart has been elected a director. The bank also announced it has received permission to open a branch in Powell.

■ JACK JONES, vice president, Traders National, Tullahoma, was elected a director at the bank's annual meeting.

■ LIEUTENANT COLONEL A. R. CURTIS JR., recently retired from the U. S. Air Force, has joined Citizens Bank, Elizabethton, as a vice president. Before his retirement, Colonel Curtis was the executive officer of the Air Force directorate of manpower and organization at the Pentagon.

■ FIRST TRUST, Oneida, has elected Arnold P. Colditz chairman and Ben H. Draughn Jr., president. Previously, Mr. Colditz was president and Mr. Draughn was executive vice president.

■ FIRST NATIONAL, Crossville, has elected Jimmy Rogers assistant cashier.

■ PAUL E. TURNER has been elected president and chairman, First National, Pikeville. Mrs. Anna Belle Hale was named assistant vice president and cashier and Clay Roberson assistant vice president and loan officer. The bank also increased its surplus from \$120,000 to \$180,000.

■ FIRST NATIONAL, Harriman, has promoted the following officers: J. D. Edwards, executive vice president; R. H. Melton, vice president; A. D. Hembree, assistant vice president and branch manager; and D. E. Stevens and G. O. Oakes, assistant vice presidents. The bank opened a new branch with a drive-up window last month.

■ FRED L. MORGAN was elected cashier and trust officer, Dayton Bank. Harold Stutzenberger and Mrs. Joyce Fox were appointed assistant cashiers.

■ CITIZENS BANK, Rutledge, has promoted Mrs. Betty Clark to assistant cashier.

■ NATHAN WALKER JR. has been promoted to assistant cashier, Lebanon Bank. The bank also announced that it has increased its surplus from \$450,000 to \$500,000.

■ WINSTON E. ROLLINS, vice president, First National, Manchester, has been elected a director.

■ ALEXANDRIA BANK has promoted Mrs. N. B. Merriman to assistant cashier.

## Holding Company Changes Name

CHATTANOOGA—Shareholders of Hamilton National Associates, Inc., recently voted to change the company's name to Hamilton Bancshares, Inc. Officials said the new name more clearly identifies the holding company and its scope of business.

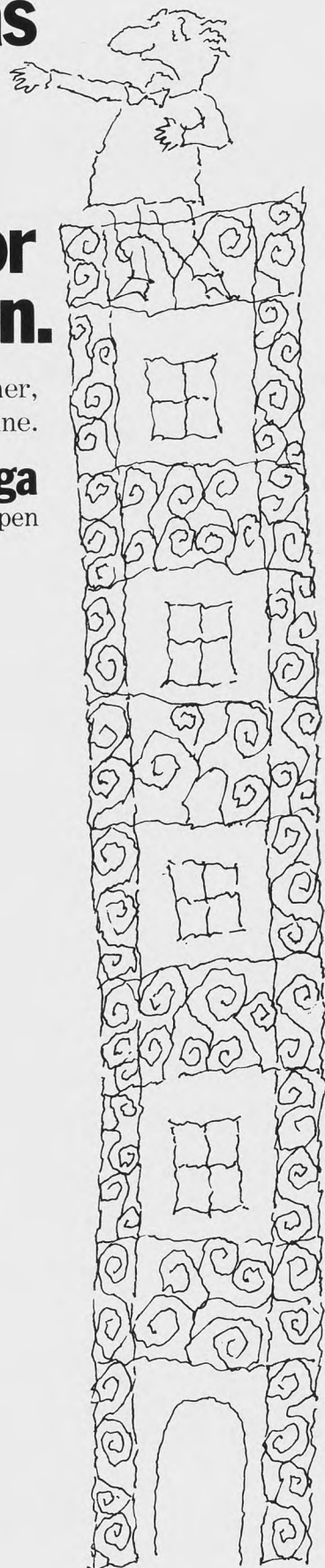


**If keeping up with  
the banking business has  
you singing the blues**

**it's about time for  
a good thing to happen.**

Head for the convention, corresponsner,  
and you'll be changing your tune.

**Hamilton of Chattanooga**  
makes good things happen



# Unfortunately, this may well be the only way that some of you will ever see your correspondent banker.

It just may take an electronic miracle someday for you to meet the man face to face (if you can call it that).

And the odds are if you ever do need to get together, you can bet that it'll be in his office and not in yours.

At First National it's a lot different. We visit every single correspondent regularly.

And we look forward to seeing him. Because it really gives us the opportunity to sit and talk things over, man to man.

We make an honest effort to try and help him solve his



problems. (Besides, no one minds being taken out to lunch now and then.)

It may seem that First National is old-fashioned in this day and age, but we're just trying to maintain some human contact in correspondent banking. We think it matters.

Yes indeed, the telephone is a great invention. And the picturephone<sup>®</sup>, even greater. But they'll never be as great as people in person.

So, we'll see you all soon. In person.

## First National Bank of Mobile

# Alabama Convention

**Biloxi, Miss., April 19-21**

**Headquarters—BUENA VISTA HOTEL AND MOTEL**

## PROGRAM

### FIRST SESSION, 9:30 A.M., APRIL 20

**Call to Order**—GEORGE A. LeMAISTRE, president, Alabama Bankers Association, and president, City National Bank, Tuscaloosa.

**Invocation.**

**Appointment of Committees.**

**Presentation of Head Table.**

**Address of President**—GEORGE A. LeMAISTRE.

**Report of Chair of Banking Committee.**

**Address**—DR. IRA L. MYERS, state health officer for Alabama.

**Recess.**

**Summary of Committee Reports**—MRS. MARY GEORGE WAITE, first vice president, Alabama Bankers Association, and chairman and president, Farmers & Merchants Bank, Centre.

**Report of Junior Bankers Section.**

**Address**—JOHN SPARKMAN, United States senator from Alabama.

**Meeting of American Bankers Association Members**—L. Y. DEAN III, vice president for Alabama and president, Eufaula Bank & Trust Co.

**Report of Taxation Committee.**

**Announcements.**

### SECOND SESSION, 9:30 A.M., APRIL 21

**Call to Order**—GEORGE A. LeMAISTRE.

**Presentation of Head Table.**

**Report of Executive Vice President**—HOWARD J. MORRIS JR., Montgomery.

**Summary of Committee Reports**—HAROLD O. GLASS, second vice president, Alabama Bankers Association, and president, Bank of Thomasville.

**Report of Trust Division.**

**Recess.**

**Report of State Legislation Committee.**

**Address**—DR. TOM HAGGAI, High Point, N. C.

**Report of Resolutions Committee.**

**Amendments to Constitution and Bylaws.**

**Report of Convention Location Committee.**

**Unfinished Business.**

**New Business.**

#### President



LeMAISTRE

George A. LeMaistre, assn. pres., has been pres., City Nat'l, Tuscaloosa, since 1960. He holds a law degree and was a practicing attorney, 1933-60. He is co-author of Real Estate Handbook, used as a Univ. of Alabama textbook.

#### Vice President



WAITE

Mrs. Mary George Jordan Waite, Ala.BA 1st v.p., became ch. & pres., Farmers & Merchants Bank, Centre, in 1957. She has been ch. of association's public relations and legislative committees. Mrs. Waite was named one of 12 outstanding bank women in U. S. in 1961.

#### 2nd Vice Pres.



GLASS

Harold O. Glass, assn. 2nd v.p., entered banking in 1946 and, in 1952, joined Bank of Thomasville, where he is pres. He is past ch., Group Six, and past pres., Junior Bankers Section. He has headed preparedness and forestry committees.

## Bank of Knowledge Session And Talk by Sen. Sparkman Planned for Convention

BILOXI, MISS.—Senator John Sparkman (D., Ala.) and a Bank of Knowledge session will be two of the highlights of the Alabama Bankers Association's 78th annual convention April 19-21 at the Buena Vista Hotel here.

Senator Sparkman, chairman of the Senate Banking Committee, will speak at the first business session on the morning of April 20. That afternoon, James

A. Davis, president, First National, Decatur, will moderate the Bank of Knowledge session during which a panel of experts will be ready to answer questions on a variety of subjects.

Senator Sparkman, reared on a farm near Hartselle, holds BA, MA and LLB degrees from the University of Alabama. He was admitted to the bar in 1923 and practiced law in Huntsville and taught school before being elected to Congress in 1936. He served five House terms, and his legislative record included sponsorship of such measures as the farm-tenant purchase program, rehabilitation loans for small farmers and lower interest rates for farm loans. He was a champion of TVA and REA programs and also supported aid for schools without federal control, aid for older citizens and wider social security benefits. He also sponsored the Soldiers and Sailors Civil Relief Act and helped write and pass into law the GI Bill of Rights.

The Alabama legislator won a special election to the Senate in 1946 for the unexpired term of the late Senator Bankhead. In 1952, he was the candidate for Vice President of the U. S. on the Democratic ticket when the late Adlai E. Stevenson II was the Presidential candidate.

Mr. Davis has been president of First of Decatur since 1967. From 1963-67, he was executive vice president, director and secretary to the board of First American National, North Little Rock. From 1956-63, he was assistant vice president and branch manager for Lawrence Warehouse Co. in Memphis, and his area consisted of Arkansas, western Kentucky and Tennessee, northern Mississippi and southeastern Missouri. He is a retired major in the U. S. Army Reserve.



DAVIS



SPARKMAN

Mr. Davis, on the faculties of the Southwestern Graduate School of Banking at Southern Methodist University, Dallas, and assemblies for bank directors, has appeared at many meetings and conferences in the banking, business and educational fields.

A golf tournament will be held April 19 at the Hickory Hill Country Club in Gautier, Miss.

A patriotic party April 19 will begin convention festivities, with its theme to be "Sold American." A seafood jamboree will be featured, and entertainment will be provided by the Levee Singers of Dallas. The following night, Ray Spivey's "Krazy Kats" of Pensacola, Fla., will entertain at a dinner dance.

A former "Mrs. Louisiana," Mrs. Audrey Childress, will entertain with a discussion of "20 Changes in a Hatbox" at a ladies' luncheon April 20.

**Convention Committees.** J. M. Barrett, president, First National, Wetumpka, is general chairman of the 1971 convention. His committees are:

*Arrangements and entertainment:* chairman, Marcus Howze, president, Commercial National, Anniston; James A. Davis, president, First National, Decatur; W. Marvin Kelly, president, First National, Bay Minette; Bill

# EXCHANGE SECURITY BANK

BIRMINGHAM, ALABAMA

**"ALWAYS ON THE GROW"**

**1970 STATISTICS ON  
EXCHANGE SECURITY BANK**

**355th IN STANDINGS  
AMONG THE NATION'S  
14,000 BANKS**

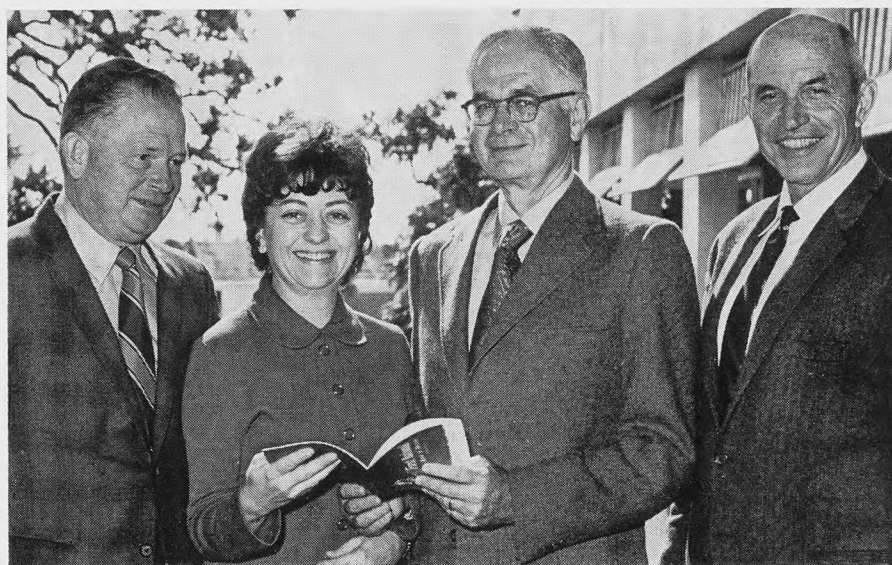
**20.4% increase in deposits  
19.5% increase in resources  
21.7% increase in income**

**COMPLETE  
CORRESPONDENT  
BANKING SERVICES  
TO  
SOUTHEASTERN  
BANKS**

FOURTEEN CONVENIENT  
OFFICES SERVING . . .

METROPOLITAN BIRMINGHAM,  
ALABAMA

*The Friendly*  
**EXCHANGE**  
**SECURITY**  
*Bank*



Making arrangements for Alabama convention April 19-21 in Biloxi, Miss., are (l. to r.): J. M. Barrett, general convention ch. and pres., First Nat'l, Wetumpka; Mrs. Sue Evers, sec.-treas., Ala. BA, Montgomery; George LeMaistre, pres. of association and pres., City Nat'l, Tuscaloosa; and Howard Morris, exec. v.p., Ala. BA, Montgomery.

**MID-CONTINENT BANKER for April, 1971**

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**WHERE SPECIAL ATTENTION  
TO CORRESPONDENT NEEDS  
IS OUT OF THE ORDINARY**

For personalized correspondent services in South Alabama, choose the American way and be sure of prompt, professional in-depth attention to your requirements.

Vice Presidents William C. Doty, James M. Hirs and Robert E. Schuster are among officers who share correspondent responsibilities at American National Bank.

**American**  
**National**  
**Bank**  
*and Trust Company*

MOBILE, ALA.

F.D.I.C.



Simms, president, Greenville Bank; Kyser Wilson, president, Farmers & Merchants Bank, Arifton; E. P. Murphree, president, First Farmers & Merchants National, Troy; Vernon Wilson, vice president, City National, Tuscaloosa; J. C. Jacobs, executive vice president, J. C. Jacobs Banking Co., Scottsboro; and Fred Payne, cashier, Marion County Banking Co., Hamilton.

**Registration:** chairman, James A. Hughes, executive vice president, Bank of Cottonwood; C. R. Thompson, vice president and cashier, First National, Greenville; E. F. Sanders, president, Farmers & Merchants Bank, Foley; James M. Gilmer, executive vice president, Marion Junction Bank; Forney Renfro, president, First National, Opelika; Ralph W. Holliman, president, First National, Aliceville; Donald Latham, cashier, First Bank, Alabaster; E. W. Buffington, chairman, Sand Mountain Bank, Boaz; and A. J. Wood, executive vice president, Bank of Hackleburg.

**Hotels:** chairman, Horace W. Broom, president, Citizens Bank, Hartselle; Lowell King, president, South Baldwin Bank, Foley; C. Gordon Jones, president, Henderson National, Huntsville; Clarence W. James, president, Citizens Bank, Russellville; and Harry Nelson, president, Citizens Bank, Eufaula.

**Golf:** chairman, Harry I. Brown, president, First National, Sylacauga; John Flowers, president, Dothan Bank; Jim Striplin, chairman and president, Bank of Prattville; Sam Robinson, executive vice president, Eufaula Bank; and John W. Gay, president, First National, Scottsboro.

**Ladies** (their husbands' titles and banks are in parentheses): chairman, Mrs. James Davis (pres., First National, Decatur); Mrs. John Flowers (president, Dothan Bank); Mrs. J. C. Jacobs (executive vice president, J. C. Jacobs Banking Co., Scottsboro); Mrs. Marcus Howze (president, Commercial National, Anniston); Mrs. Horace Broom (president, Citizens Bank, Hartselle);

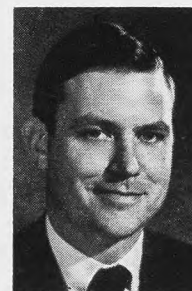
Mrs. W. Marvin Kelly (president, First National, Bay Minette); Mrs. Jim Striplin (chairman and president, Bank of Prattville); and Mrs. J. M. Barrett (president, First National, Wetumpka).

### Memphis, St. Louis Bankers Are Alabama 'First-Timers'

Dan Jasper and John B. Turner will be representing their respective banks for the first time at this year's Alabama convention.



TURNER



JASPER

Mr. Jasper is a representative of St. Louis' Mercantile Trust, which he joined as an operating trainee after graduation from the University of Missouri. He worked in the credit card department before being assigned to the banks and bankers department last year.

Mr. Turner is a correspondent bank division representative of First National, Memphis, and travels in Alabama and Mississippi. Mr. Turner, a graduate of the University of Alabama, is in First National's corporate management program.

■ ELMER WAIDE, businessman and former city council member, has been elected a director by City National, Russellville.

## Thanks, Alabama Bankers . . .



G. A. LeMAISTRE

Yes, indeed! Thanks, Alabama bankers, for your splendid cooperation and courtesies shown to me during my 1970-71 term as President of the Alabama Bankers Association. The year would not have been as enjoyable (and I hope as successful) without the help of each and every one of you!

The officers, directors and employees of my bank join with me in thanking AlaBA for the opportunity to serve during the past year and to make a small contribution to the growth and progress of banking in the state.

## The City National Bank

TUSCALOOSA, ALABAMA

**MUNICIPAL BONDS  
CORPORATE SECURITIES  
INDUSTRIAL DEVELOPMENT REVENUE BONDS**

Member  
MIDWEST STOCK EXCHANGE

## HENDRIX, MOHR & YARDLEY, INC.

First National Building  
Birmingham, Alabama

Union Bank Building  
Montgomery, Alabama

## THE FIRST NATIONAL BANK OF OPP

Opp, Alabama

Capital & Surplus \$1,500,000

Total Resources

Over \$21 Million

Our 66th Year

Member F.D.I.C.

# When you ask



# for Henry or Tommy... you get the whole team.

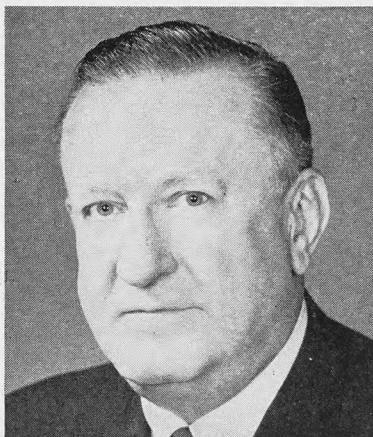
Henry Schaub and Tommy Praytor of our Correspondent Banking Department are always ready to help you. And they should be.

Because, just for the asking, they have the full support of experienced people in every department. Bond people. Computer people. Operations and lending people. Trust, foreign trade, oil, business development, advertising and personnel people. So, the next time you need help, ask for Henry or Tommy. And get the whole team at Merchants National Bank, P.O. Drawer 2527, Mobile, Alabama 36601, (205) 438-1711.

Here are three members of the team.



Victor Lott, Petroleum



Guy Faulk, Trust



James Oliphant, Foreign

## Merchants National Bank of Mobile

MID-CONTINENT BANKER for April, 1971

# Do you know enough about investments?

If you need help with this question, ask it of a 100 year old, \$225 million bank. We have the facts and the desire to help you. Call 1-800-392-5795 and correspond with us.

**The First National Bank of Montgomery, Alabama**  
Member F.D.I.C.

## Conrad to Be 'First-Timer' At 1971 Ala. Convention

Harrison W. Conrad Jr., a vice president of New York City's Morgan Guaranty Trust, will be a "first-timer" at the 1971 Alabama convention.

Mr. Conrad, with the bank since 1962, is a member of the general banking group that covers the southern states. He holds a BA degree from Princeton University and a master's from Harvard Business School.



CONRAD

## Kelsoe Elected Vice Pres. At First National, Opp

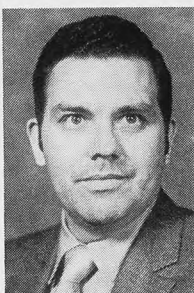
OPP—First National has promoted James C. Kelsoe from assistant vice president and cashier to vice president and cashier. He has been with the bank since 1961.

The bank also reported that deposits were up more than 125% over the past 10 years, with total resources now in excess of \$21,500,000. Loans also were up over 1969 more than 5% and included 204 loans to area students in the amount of \$203,000.

■ RAINSVILLE BANK is constructing a new 6,600-square-foot bank building which will have a pneumatic-tube drive-up facility. Completion of the building is expected by September 1.

## Robt. Gulledge Appointed Superintendent of Banks

ROBERTSDALE—Robert I. Gulledge, president, Baldwin National, has been appointed superintendent of banks. He succeeds C. E. Avinger, who has rejoined Birmingham Trust National as a vice president.



GULLEDGE

Mr. Gulledge has been with Baldwin National since 1964. Previously, he was an assistant cashier at American National, Mobile. A graduate of Auburn University, Mr. Gulledge has been active in the Junior Bankers Section of the Alabama Bankers Association and served as a director and vice president of the AIB Mobile Chapter.

■ BANK OF ARAB has elected M. K. Taylor a director.

■ H. S. CAMP, one of the organizers of De Kalb Bank, has retired as vice president, cashier and director. He was succeeded in those posts by Leroy Porter.

## Lott Named Senior Vice Pres. At Merchants National, Mobile

MOBILE—Merchants National has promoted Victor H. Lott, manager of the petroleum department, to senior vice president. Mr. Lott joined the bank in 1941, was elected assistant vice president in 1952 and vice president in 1957.



LOTT

Elected vice presidents at the bank were: William E. Deneke, administration; Roger J. Geil, manager, MasterCharge-Bancardchek department; Maynard E. Gliddon Jr., comptroller department; William B. Inge Jr., trust department; Clarence C. Keller, manager, personnel department; George A. Nichols, manager, proof-transit department; George T. Sandoz, manager, savings department; William J. Sumerlin, manager, Saraland Branch; and James W. Towey Jr., manager, Bel Air Branch.

■ FARMERS BANK, Anderson, elected Jackie Barnett a director.

■ J. C. JACOBS BANKING CO., Scottsboro, promoted Mrs. Louise K. Barclay and Mrs. Louise Henderson to assistant cashiers. Mrs. Barclay joined the bank in 1935 and Mrs. Henderson in 1960.

### Farmers & Merchants Bank

Centre, Alabama

Capital & Surplus  
\$700,000.00

Cherokee's Largest

Mrs. Mary George Jordan Waite, President



**205-325-8551**  
**WATS**  
**1-800-292-8500**

**Bruce Thomas**  
**Tom Lauderdale**  
**Glenn Giddings**  
**B. C. Mathews**  
**Leland Howard**  
**Ed Gates**  
**Don Lamon**  
**Ray Stivers**

**What else do you  
need to know about  
correspondent banking  
in Alabama?**

**Birmingham Trust National Bank**

# A 'MUST'

## for Directors of State-Chartered Banks!



### "Bank Shareholders' Meeting Manual"

A 60-page book designed to enable directors of state-chartered banks to bring their operations up-to-date. It was developed in recognition of several new trends in business and society—trends involving an increased sensitivity of the public regarding conflicts-of-interest; greater concern for minority rights; greater demand for fuller disclosure; data on control and ownership and of related business interests, including voting of trust-held securities.

The book also provides a means for state bank directors to modify procedures to bring their banks into compliance with current state banking statutes and regulations. Its use can result in economies and efficiencies for banks.

**Can Your Bank Afford to be  
Out-of-Date?**

**PRICE:  
\$6.95 each**

**SEND YOUR ORDER AND  
CHECK (sorry, no billed orders)  
TO THE PUBLISHER:**

**The BANK BOARD Letter**

408 Olive St. (Room 505)  
St. Louis, Mo. 63102

# Mississippi News

## Three Senior VPs Elected At Deposit Guaranty Nat'l

JACKSON—Deposit Guaranty National has promoted three vice presidents to senior vice presidents. They are Cecil H. Smith, marketing department head; Rodney A. Little, installment loan department manager; and Louis W. Foster, City Bank, Natchez, a branch of Deposit Guaranty.



LITTLE

FOSTER

SMITH

Mr. Smith joined the bank while still in high school and has worked in most departments of the bank. Mr. Little worked in the operations area before heading the installment loan department. Previously with First National, Shreveport, Mr. Foster joined City Bank in 1968 as a vice president.

In other action, the bank elected as directors E. L. Jenkins and P. F. Watzek, formerly advisory board members. R. Baxter Wilson and J. A. Lake retired as directors and were elected to the advisory board.

■ M. J. MOODY, president, Britton & Koontz First National, Natchez, has been named to a three-year term as trustee of Jefferson Davis Memorial Hospital and elected president of the trustees. In other action, Prentiss H. Graves was advanced to vice president from assistant vice president and the bank reported that total resources now top \$20,000,000.

■ CITIZENS BANK, Louisville, advanced Frank Stanton to executive vice president from vice president. He succeeds the late Howard F. Hamil. In other action, the bank named William A. Mitchell vice president and assistant trust officer. Mr. Mitchell came to the bank from Merchants & Farmers, Kosciusko, where he held the same positions.

■ WORK IS PROGRESSING on the new building of First National, Corinth, and the bank expects to occupy its new quarters in early summer.

■ BANK OF MISSISSIPPI, Tupelo, appointed Douglas Jumper an associate director. He is the owner of a construction company.

■ JAMES T. SPEED was elected president of Bank of Quitman. He succeeds Sam P. Carter, who was advanced to chairman.

■ NAIF JORDAN, a businessman who has been a director since 1968, was elected chairman of First National, Ocean Springs. He succeeds E. W. Blossman who resigned.

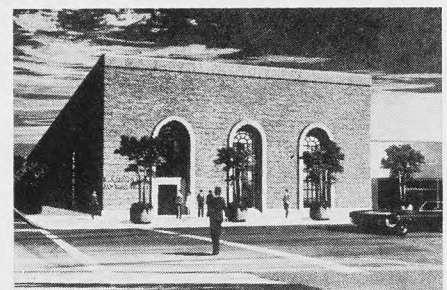
■ FRANK COOPER, chairman, Peoples Bank, Starkville, was presented with a gold tray and a color television to mark his 50th year of service to the bank. In other action, Peoples voted a 10% stock dividend.

■ PASS CHRISTIAN BRANCH of Gulf National, Gulfport, is now serving customers from its new quarters. The former facility, then one year old, was swept away by Hurricane Camille in August, 1969. Temporary trailers had been in use since the storm.

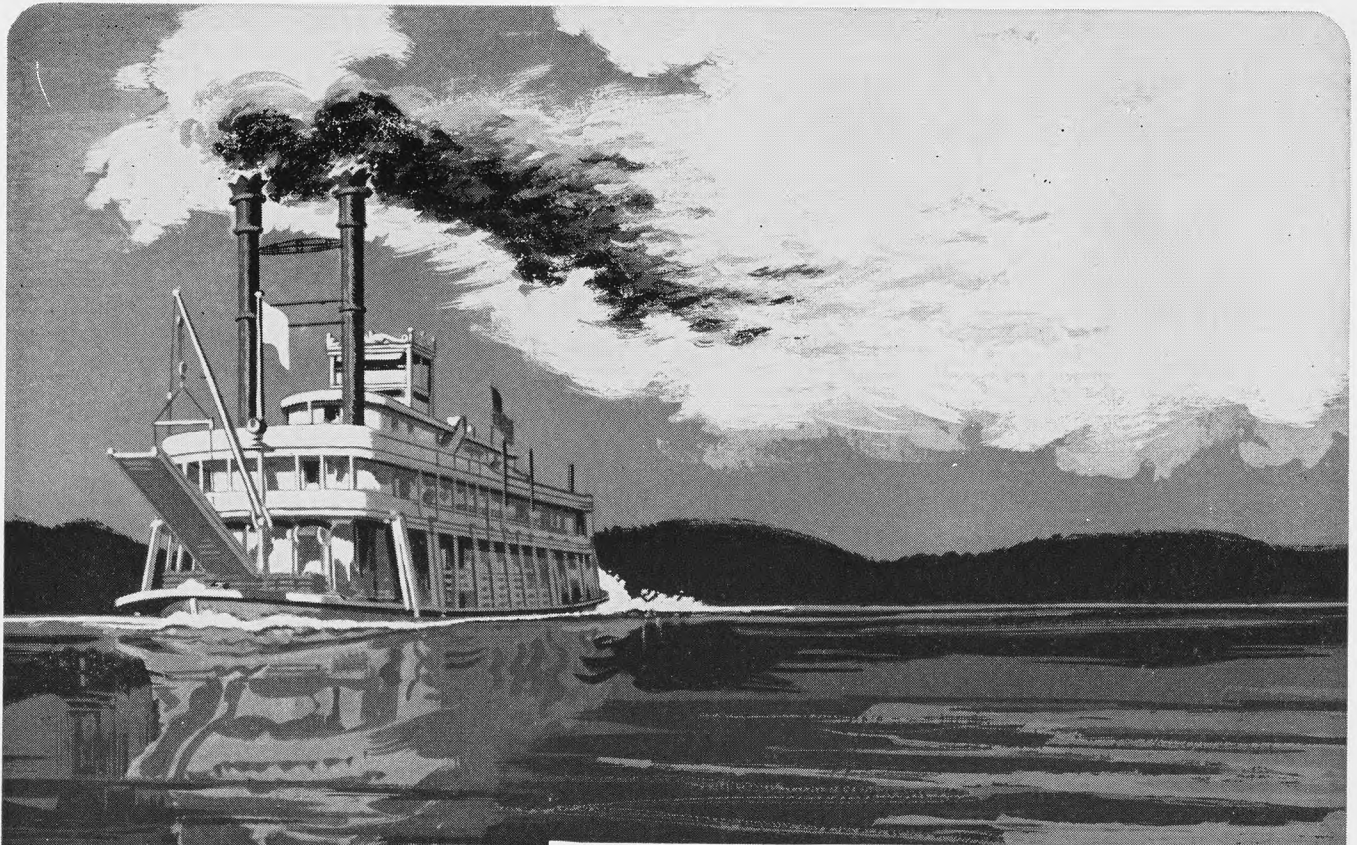
■ GRANDDAUGHTER OF A FOUNDER and niece of a president of the institution, Mrs. Maria Hunt Negus Walker has been elected a director of First National, Greenville. She is the first woman to serve the bank in that capacity. James E. Negus was a founder of the bank and Wade Negus served as president.

■ MORGAN McLAIN has joined Brookhaven Bank as branch manager and assistant cashier. Formerly, he was assistant cashier and security officer, First National, Waynesboro.

## Work Begins on Brookhaven Bank



Brookhaven Bank has begun construction on its new Main Office building, to be completed late this year. The three-story, 25,000-square-foot structure will be of contemporary and Southern design and will be faced with buff brick. White sidewalks will have special areas for plantings.



## The river bank

"Palaces on paddle wheels" the steamboats were called . . . and there were scores of them plying the river when Boatmen's National Bank began some of its correspondent affiliations which endure to this day.

Lasting relationships with the Oldest Bank West of the Mississippi are founded on Boatmen's complete facilities, personal attention, full loyalty and cooperation, and more than a century of experience.

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# BOATMEN'S



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## Enoch T. Nix Heads Shreveport American As Control Shifts

SHREVEPORT—Enoch T. Nix, former senior vice president, became president of American Bank when control of the bank changed hands recently.

Control of the bank was bought by a group including Mr. Nix, R. D. Philpot & Associates, Frank A. Tousinau and Vick Head. Except for Mr. Nix, those involved are Houston, Tex., business men. Mr. Philpot was elected chairman.

Ira E. Moss relinquished his posts as chairman and president, but will remain a director.

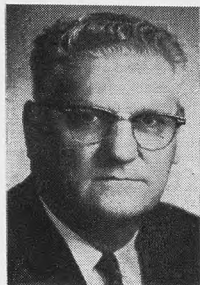
Mr. Philpot, Mr. Tousinau, and Tom Buck, vice president, National Bank of Commerce, Dallas, Tex., were elected directors.

Mr. Nix is vice president and a director of the Gibsland Bank and for three years was president of a Bossier City bank. He has served as chairman of LBA committees and is a past chairman of LBA's Northwestern Group.

Mr. Philpot owns Sterling Packing & Gasket Co., Houston, and is a director of various Southwestern manufacturing companies.

### State Banking Commissioner Announces Resignation

Clem H. Sehrt, state banking commissioner, has announced his resignation effective this May.



SEHRT

Mr. Sehrt mailed his resignation to Governor John J. McKeithen last July, but at that time the governor persuaded him to remain through the first quarter of 1971.

The reason for the resignation, Mr. Sehrt said, was the "overwhelming workload" that is involved in the commissioner's duties. He did not suggest who his successor might be.

■ **FIRST NATIONAL**, Ruston, has formed a new division to be known as First Computer Services. Glen L. Wilson will head the new unit with the title of vice president.

■ **FORMAL OPENING** of Gulf Coast Bank, Abbeville, attracted many depositors to the new institution.

■ **SAM L. PUCKETT**, who joined Calcasieu Marine National, Lake Charles, in 1956, has been promoted from senior vice president to executive vice president.

■ **GUARANTY BANK**, Morgan City, has promoted Jeffrey J. Hargroder from assistant vice president to vice president. Willis Mancil has joined the bank as cashier.

■ **FARMERS STATE**, Church Point, elevated Francis David to vice president and made Johnny Latiolais an assistant cashier.

■ **DONALDSONVILLE STATE** elected one of its directors, Dr. Roy Folse, a vice president and made James Covington an assistant cashier.

### Banking Scholarship

HAMMOND—Citizens National Bank is now offering a scholarship to Hammond area students who attend South-eastern Louisiana University. The scholarship provides a grant in aid to a freshman who contemplates making banking a career.

### Northwestern LBA Elects

SHREVEPORT—H. E. Waters, president, Springhill Bank, was elected chairman of the Northwestern Group, LBA, at the organization's annual meeting here recently. J. D. Brown, president, Peoples Bank, Minden, was named vice chairman and Charles A. Davis Jr., president, Shreveport Bank, secretary.

### New Chairman at DeRidder

DERIDDER—Charles M. Waters Jr., vice chairman of the executive committee of Bossier Bank, has been named chairman of City Savings. He succeeds Mrs. H. H. Pye.

■ **CITY NATIONAL**, Baton Rouge, has announced shareholder approval of a 25% stock dividend that will raise capital to \$2.5 million.

■ **TWO NEW DIRECTORS** have been elected by Bank of New Orleans and its parent company, New Orleans Bancshares, Inc. They are Erik F. Johnsen, president of Central Gulf Steamship Corp., and Maurice B. Sontheimer, an executive of mortuary and insurance companies.

■ **HIBERNIA NATIONAL**, New Orleans, named Robert L. Suggs a director. He is president of Petroleum Helicopters & Offshore Navigation, Inc.

### J. A. Quartemont Named AVP At Guaranty of Alexandria

ALEXANDRIA—Jean A. Quartemont has been elected assistant vice president of the Guaranty Bank. He joined the bank last September as manager of the credit department and continues in the latter post.



QUARTEMONT bank boosted capital to \$1,650,000 through a 50% stock dividend and announced shareholder approval of a stock split that reduced par value of shares from \$5 to \$2.50.

### Five Louisiana Banks Elect New Presidents

Directors of five Louisiana banks recently elected new presidents and in some cases made other promotions.

W. Roy Chaney, former executive vice president, was named president of Clinton Bank to succeed M. W. Dunn who retired. The bank is planning a drive-in facility behind its present building.

At Columbia, Hardy B. Fisher, former executive vice president, was moved up to president of Caldwell Bank to succeed A. D. Bridger who retired. Mr. Bridger became chairman. In other action, the bank promoted R. J. Lee to vice president, Rodney Chapman to cashier, and Mrs. Marjorie Fore to assistant cashier.

Bank of Commerce, Crowley, directors elected Norris Breaux president to replace Vincent Daigle who retired. Mr. Breaux was executive vice president. Other promotions moved Liny Gaspard from cashier to senior vice president and John Thibodeaux from assistant cashier to vice president and cashier.

At Port Sulphur, Delta Bank elected Clarence T. Kimble Jr. president. Mr. Kimble succeeded Felix J. Elston who remains chairman. Mr. Kimble formerly was executive vice president.

Carl T. Stuckey succeeded Marvin O. Ramsey as president of Sterlington Bank. Mr. Stuckey was vice president of American Bank, Monroe.

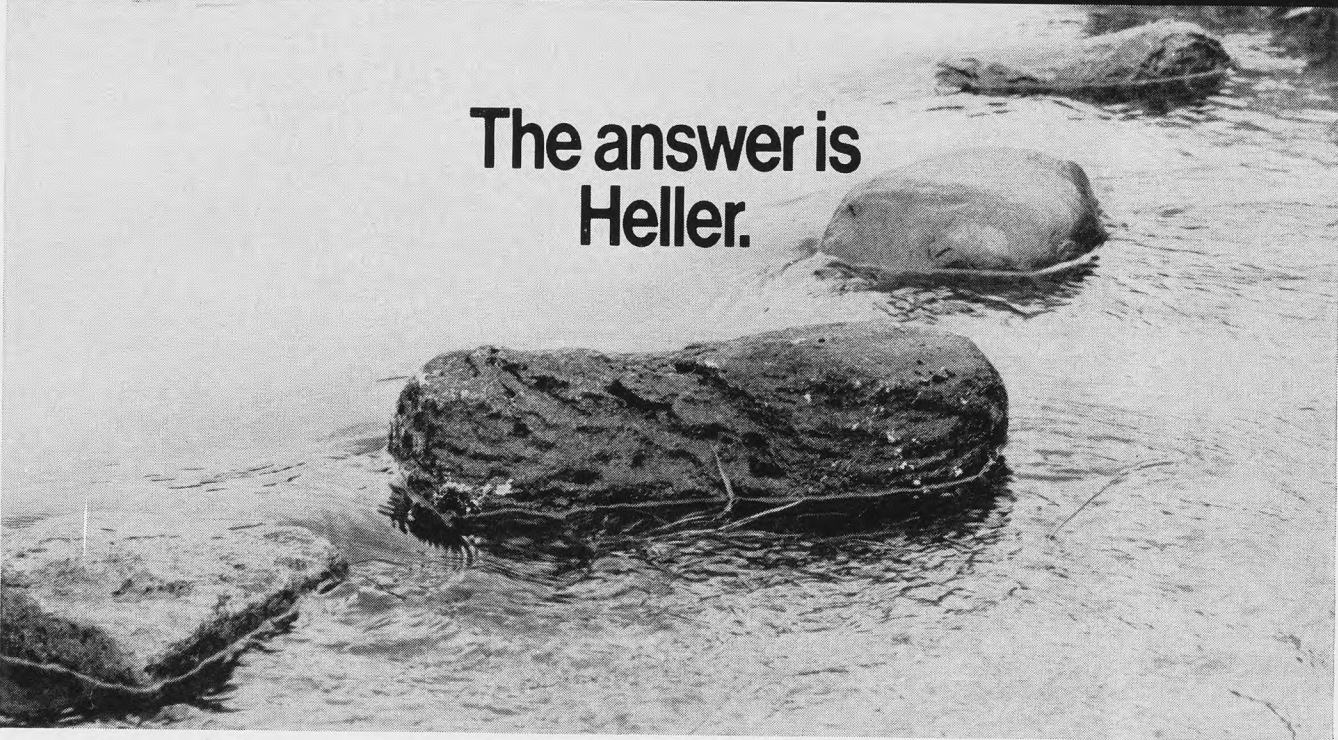
### Louisiana Deaths

GORDON J. CHRISTENSEN, 33, assistant vice president, Louisiana National, Baton Rouge, and manager of the Republic Tower office; in a boating accident.

JOHN D. RYAN JR., 57, vice president, Whitney National, New Orleans; suddenly while at the bank's main office. A pioneer in EDP for commercial banks, he was in charge of Whitney National's EDP division.

## Question:

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That's why we "succeed" when we lose some of our best clients to our bank friends. And they gain better and larger customers.

Banks refer situations to us when there's a need for more funds than the bank is able to lend, or there's a portfolio item that is causing concern.

(Or, when a bank is simply unable to accommodate a prospect, but still wants to help—and keep a depository relationship).

At Heller, if we see a potential, we can usually provide the necessary financing; with our funds alone, or through a *participation*, if the bank wants to maintain a position in the situation.

The lending arrangement normally continues until complete bank financing seems indicated;

then, *we'll arrange the transition*. That's our policy, and it helps keep bank referrals coming in... and helps replace the good clients we "lose."

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*Heller services also available in Canada.*

MID-CONTINENT BANKER for April, 1971

# Arkansas News

## City National Elects Nolte Senior Vice President

FORT SMITH—City National has announced several promotions including that of Joe Nolte to senior vice president. Mr. Nolte, who has been with the bank since 1962, is head of the installment loan department.



NOLTE

Harold Hull, assistant vice president, was named head of the bank's business development program. Formerly, he was manager of the Northside Branch.

Elected assistant cashiers and branch managers were Kenneth McMaster and Mrs. Betty Feller. Mr. McMaster will be in charge of the Northside Branch and Mrs. Feller the Eastside Branch. Bob Turnage also was promoted to assistant cashier and will head the transit-central information department.

## Commercial Nat'l Mortgage Co. Elects Aubrey Bonner AVP

LITTLE ROCK—Aubrey J. (Jack) Bonner Jr. has been elected assistant vice president of Commercial National Mortgage Co., a wholly owned subsidiary of Commercial National Bank. He is also an assistant vice president of the bank.

Mr. Bonner joined the bank in 1968 as a marketing representative. He has served in the correspondent bank department for the past year and a half.

■ J. BRICE FLETCHER recently retired as vice chairman and senior loan officer at Planters Bank, Forrest City.

■ FOUR OFFICERS were advanced and two new officers elected by Merchants & Planters Bank, Arkadelphia. James C. Hobgood, former president, was made chairman. Jett Black was promoted from executive vice president to president, Millard Aud from vice president to executive vice president, and Farrell Hall from assistant cashier to cashier. Miss Catherine Condray and Miss Nina Mae Dickson were elected assistant cashiers.

■ BANK OF TUCKERMAN held two open houses to inaugurate its new facilities. The first was for the general public and the second for fellow bankers. More than 200 bankers in Arkansas, Tennessee, Missouri, Texas and New York were invited to the event.

■ FIRST NATIONAL, El Dorado, has promoted: Charles W. Hankins, vice president, commercial loan department; Arley Knight, trust officer; Charles B. Ainsworth, assistant vice president, new account and customer relations department; Mrs. Betty A. Ballard, assistant cashier, commercial loan department; and Joe T. Taylor, data processing officer.

■ FIRST NATIONAL, De Queen, advanced H. R. Moore from president to chairman. He remains chief executive officer. At the same time, J. W. Wallace, executive vice president, was elected president.

## Seven New Bank Presidents

New presidents were elected recently by seven Arkansas banks. They were: Bill R. Brown, Bank of Ashdown; Jim Foster, Arkansas Valley Bank, Dardanelle; Edward Hurley, Exchange Bank, El Dorado; Mike S. Boyd, Citizens National, Jacksonville; Edward M. King III, First National, Jonesboro; Joe McCain, Bank of Mansfield; and R. L. Stringer, First National, Mena.

■ FIRST NATIONAL, Little Rock, appointed Louis "Biff" Morgan assistant manager of the marketing division. He has been with the bank four years and was elected an assistant vice president last year.

■ A COLOR TELEVISION and savings accounts in the amounts of \$100, \$75, \$50 and \$25 were among the door prizes when Union Bank, Mena, held an open house to introduce its new building to customers recently.

■ JAMES F. LEA has been named executive vice president of Bank of Lockesburg. He was formerly a senior vice president at Union National, Little Rock.

## Full Service Banks Foundation Names McCoy State Chairman

SHERIDAN—D. E. McCoy Jr., president and director, Grant County Bank, has been named state chairman for the Foundation for Full Service Banks. He will handle membership recruitment and liaison activities for the foundation.



McCoy

Mr. McCoy is past president of the Arkansas Junior Bankers Association, past treasurer of the Arkansas Bankers Association and is a member of the state Banking Law Study Commission.

## Ark. Bankers Assn. Groups Announce New Officers

Arkansas Bankers Association groups elected new officers at their recent meetings. The new officers include:

GROUP ONE: ch., Horace Smith, vice-ch. and exec. v.p., Bank of Harrisburg; vice-ch., Otto Miller, exec. v.p., First National, Brinkley; and sec.-treas., J. C. Vaughn Jr., pres., First National Bank of Commerce, Paragould.

GROUP TWO: ch., Joe Siebenmorgan, v.p. and cash., First National, Conway; vice-ch., I. L. Stivers, v.p., Arkansas First National, Hot Springs; and sec.-treas., Robert F. Lawyer, exec. v.p., First National, Mountain Home.

GROUP THREE: ch., Joe Hiatt, pres., American State, Charleston; vice-ch., W. R. Shaddox, v.p., First National, Harrison; and sec.-treas., James D. Sparks, v.p., First National, Fort Smith.

GROUP FOUR: ch., Ray Starkey, v.p., Commercial National, Texarkana; vice-ch., R. M. Twyford, pres., Pike County Bank, Murfreesboro; and sec.-treas., Robert G. Dudley, v.p. and cash., First National, El Dorado.

GROUP FIVE: ch., Evert M. Twyford, pres., Union Bank, Monticello; vice-ch., Neil Maynard, pres., First National, Stuttgart; and sec.-treas., Robert O. Trout, pres., Bank of Star City.

## Ownership Changes Hands at Glenwood, Quitman

Controlling interests in two Arkansas banks have changed hands recently.

At Glenwood, Victor H. Cox, a director, State Senator Q. Byrum Hurst and his son, Q. Byrum Hurst Jr., have bought control of Bank of Glenwood from Hilmon H. Duke and his son, Ronald C. Duke.

At Quitman, Donald L. Brown purchased stock interests of Mr. and Mrs. Ben F. Clark. Mr. Brown, who had been president and controller for two years, is now chairman and chief executive officer.

■ TWIN CITY BANK, North Little Rock, made several new appointments. Haskell Fuller, assistant vice president, is now also auditor; Bernard Munnerlyn is manager of the note department; David Wood is manager of the credit department; James G. Williamson is assistant controller and Ron Brown is assistant cashier and manager, Levy Branch.

■ MRS. MARGARET S. THOMPSON, assistant cashier, Warren Bank, has retired after 52 years with the bank.

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TOM FOWLER

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These are your Correspondent Bank men from the First National Bank of Memphis.

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With trust funds.

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MID-CONTINENT BANKER for April, 1971

## New Mexico News

### Van Soelen Appointed Treasurer Of New Mexico Bankers Assn.

SANTA FE—Daniel D. Van Soelen, vice president and cashier, First National, has been appointed treasurer of the New Mexico Bankers Association. He succeeds Howard J. Garling, who resigned. Mr. Garling is president of the newly chartered Western State Bank and Citizens State, both of Albuquerque.



VAN SOELEN

Mr. Van Soelen began his banking career at First National in the book-keeping department in 1952. He was elected assistant cashier in 1954 and was promoted to cashier in 1958. In 1959 he was appointed to his present position of vice president and cashier.

### Albuquerque Nat'l Advances Five; Adds Associate Directors

ALBUQUERQUE—Five officers of Albuquerque National received promotions recently and at the same time the bank created the new post of associate director to which four senior staff members were elected.

Advanced from assistant vice presidents to vice presidents were Thomas C. Roope, George E. Syme and Raymond E. Rose. Mr. Rose will continue to serve as auditor. Promoted from assistant cashiers to assistant vice presidents were James F. Atwood and Merlin Meyer.

Named associate directors were Paul H. Barnes, senior vice president and cashier; George S. Jenks, senior vice president, loans; John Y. Gannaway, senior vice president and executive trust officer; and Edgar L. Jory, senior vice president, marketing.

In other action, the bank elected six new assistant cashiers. They are John Evans, Dorothy Henry, Gary Andersen, Ronald Savage, Roland Jackson and William Thompson.

■ **FIRST STATE**, Cuba, has moved its Main Office from Cuba to new Offices in Rio Rancho Estates shopping center. The action was taken because of the rapid growth of the former branch at Rio Rancho Estates. The bank now has branches in Cuba, Bernalillo and Corrales.

### Bank Securities Buys Shares in Portales First Nat'l

PORTALES—Bank Securities, Inc., New Mexico-owned holding company which is based at Alamogordo, has purchased a portion of the stock of First National Bank. The holding company also has an option to buy controlling interest. Action on the option awaits Fed approval.

If all pending applications are approved, Bank Securities will have seven banks with offices in 13 communities. The banks are American Bank of Carlsbad, Security Bank of Alamogordo, Citizens State of Vaughn, First State of Cuba, Security Bank of Ruidoso, American Bank of Commerce, Albuquerque, and First National, Portales.

### Western State Gets Charter

ALBUQUERQUE—A charter has been granted to the new Western State Bank. Howard J. Garling, president, Citizens State, is also president of the new bank. Western State is the 35th state-chartered bank in New Mexico.

■ **AS PART OF A MOVE** to expand its mortgage lending, Albuquerque National transferred Quentin Mischke, Eastdale Branch manager, to the mortgage loan division at the Main Office. Merlin Meyer, assistant cashier, succeeded Mr. Mischke as manager of the branch.

■ **FARMERS & MERCHANTS BANK**, Las Cruces, has elected John E. Moore an advisory director. He is an insurance company executive.

■ **CLOVIS NATIONAL** has elected C. L. Moody, a vice president, to the board of directors. Mr. Moody has been with the bank since 1948. In other action, the bank advanced Owen Huffaker to assistant vice president and Patrick Kennedy to assistant trust officer. Both were assistant cashiers.

■ **FIRST NATIONAL**, Farmington, promoted Larry W. Irvin to vice president from assistant vice president and made Joe Mangum an assistant cashier.

■ **LOVINGTON NATIONAL** has received approval from the Comptroller of the Currency to establish a branch in Hobbs. A new building for the branch will be constructed this spring.

■ **DR. DONALD M. SIMMS** has been elected a director of Ruidoso State.

■ **THOMAS E. BROWN JR.** was elected a director of First National, Artesia. He is a wholesale plumbing company executive. L. B. Feather resigned as a director, after more than 50 years with the bank.

■ **RICHARD J. ZULKA**, vice president, has been named manager of the Main Office of First National in Albuquerque. Mr. Zulka joined the bank in 1956 and advanced through various official capacities. A vice president since 1966, he most recently served as commercial loan officer.

■ **ERNEST L. HARP JR.** has been named a vice president by First National, Roswell. Since joining First National in 1969, Mr. Harp has been manager of the bank's data processing department.

■ **FIRST NATIONAL**, Las Vegas, added two new members to its board of directors. They are Dr. E. H. Dellinger, a physician, and Alex Laubhan Jr., a cattle rancher.

■ **AMERICAN BANK OF COMMERCE**, Albuquerque, promoted Robert J. Rey to assistant vice president from assistant cashier. He has been with the bank three years.

■ **FIRST NATIONAL**, Clovis, recently made Mrs. Mary Lou Bagwell manager of its Melrose Branch. At the same time, she was advanced from assistant cashier to vice president. Mrs. Bagwell has been with the bank 16 years.

■ **FIRST NATIONAL**, Raton, elected Dan A. Doherty, a Folsom rancher, to its board of directors.

### Holding Company Approved

New Mexico Bancorp., Inc., has received Fed approval to become a bank holding company through acquisition of 80% or more of the voting shares of First National, Santa Fe, and First State, Taos.

Directors of New Mexico Bancorp. are J. P. Brandenburg, president, First State, Taos, and E. R. (Ned) Wood, Leland Thompson Jr., L. C. White, and Milo L. McGonagle, all directors of First National.

■ **CITIZENS BANK**, Albuquerque, has named Frank Luna an assistant vice president in the installment loan department.

■ **CENTINEL BANK**, Taos, elected Eliu E. Romero chairman to succeed Ed Lineberry. Mr. Romero was formerly vice chairman. At the same time Don Ambrose, former secretary, was made vice chairman and Orlando G. Baca president. Other new officers are Rudolph Gallegos, secretary, and Louie Maestas, assistant cashier.

■ **BENJAMIN SHERMAN** was elected chairman of Deming National to succeed William M. Burt. He was formerly an inactive vice president and director.





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# Oklahoma News

## Three Receive Promotions At National Bank of Tulsa

TULSA—National Bank of Tulsa has promoted Paul H. Mindeman to senior vice president and senior trust officer, W. Douglas Jones to vice president and senior trust officer and William R. (Bill) Nash to vice president, real estate department.



MINDEMAN

Mr. Mindeman, former vice president and senior trust officer, joined the bank as trust administrator in 1962. He was elected trust officer in 1963 and vice president and trust officer in 1965.

Mr. Jones came to the bank in 1966 as account administrator in the trust department and in 1968 was named assistant vice president and trust officer. Before his promotion, he had been serving as vice president and trust officer.

Mr. Nash, advanced from assistant vice president to vice president, is head of the real estate department. He joined the bank in 1966 as advertising manager and director of public relations and was named assistant vice president in 1968.

■ MRS. VIRGINIA DOMINGOS has been elected assistant cashier, business development department, National Bank of Tulsa. Mrs. Domingos also was the recent winner of the Tulsa Chapter AIB public speaking contest.

■ CALVIN A. DARNALL has retired as vice president and cashier, City National, Lawton. He had been with the bank 27 years. James W. Odom, former assistant cashier, was elected cashier to succeed Mr. Darnall.

## OBA Building New Home Office

The Oklahoma Bankers Association recently purchased two acres of land in Oklahoma City as the future site of its new home office building.

The one-story building, to be constructed of wood and native stone, will contain approximately 6,000 square feet. Construction will begin May 1 and is expected to be completed in 10 months.

■ FIDELITY BANK, Oklahoma City, has made the following promotions: Glyn E. Shelton, vice president, installment loan department; Mickey J. Johnson, assistant vice president, commercial loan department; L. J. Chaufty, assistant vice president, systems and computing department; Bennett Burke Jr., Don Carpenter and Scotty Roden, assistant cashiers, installment loan department; and Walter Dick, assistant cashier, systems and computing department. James H. Freeman also has joined the bank as assistant cashier.

## Liberty National Adopts New Marketing Symbol

OKLAHOMA CITY—Liberty National has adopted a new marketing identity and symbol. The bank will be known as "Liberty, The Bank of Mid-America" in all printed forms and marketing communications. The name, developed in a visual signature and trademark, was created following a corporate identity study by Walter Landor Associates, San Francisco.

J. W. McLean, chairman and CEO, said, "The new marketing name was decided on in connection with the move to the new building to reflect the momentum of change and growth occurring in the middle of the United States."

The symbol and name were chosen after in-depth research covering the bank's customers, directors, officers and employees. The survey also touched a number of business executives around the country.

While the new mark and signature will appear in all marketing communications, the legal name of the bank will not be changed.



Dale Brubaker (l.), of Walter Landor Associates, San Francisco, and J. W. McLean, ch. & CEO, Liberty National, display the bank's new emblem.

## Budd Honored at First of Tulsa



F. G. McClintock (l.), ch., First National, Tulsa, congratulates Merle J. Budd, sr. v.p. in charge of the real estate division, for being named recipient of the bank's first chairman's annual award. The award honors individuals who have displayed initiative and imagination in their duties and whose departments have contributed significantly to profits and volume of work. Mr. Budd also received an all-expense paid trip for two to Hawaii.

■ FIDELITY BANK, Oklahoma City, has elected Louis H. Brigham and Rick McSwain assistant cashiers. Mr. Brigham is manager of the credit unit of the commercial credit and collection department. He joined the bank in 1968. Mr. McSwain, who has been with the bank since 1969, is assistant manager of Fidelity Express, the bank's drive-in facility.

## Simpson Joins Bank of Chelsea

CHELSEA—Bill J. Simpson has joined Bank of Chelsea as cashier. Previously, he was with First National, Marietta, and is a past president of the Southern Oklahoma BAI.

Bank of Chelsea observed its 75th anniversary on March 27.

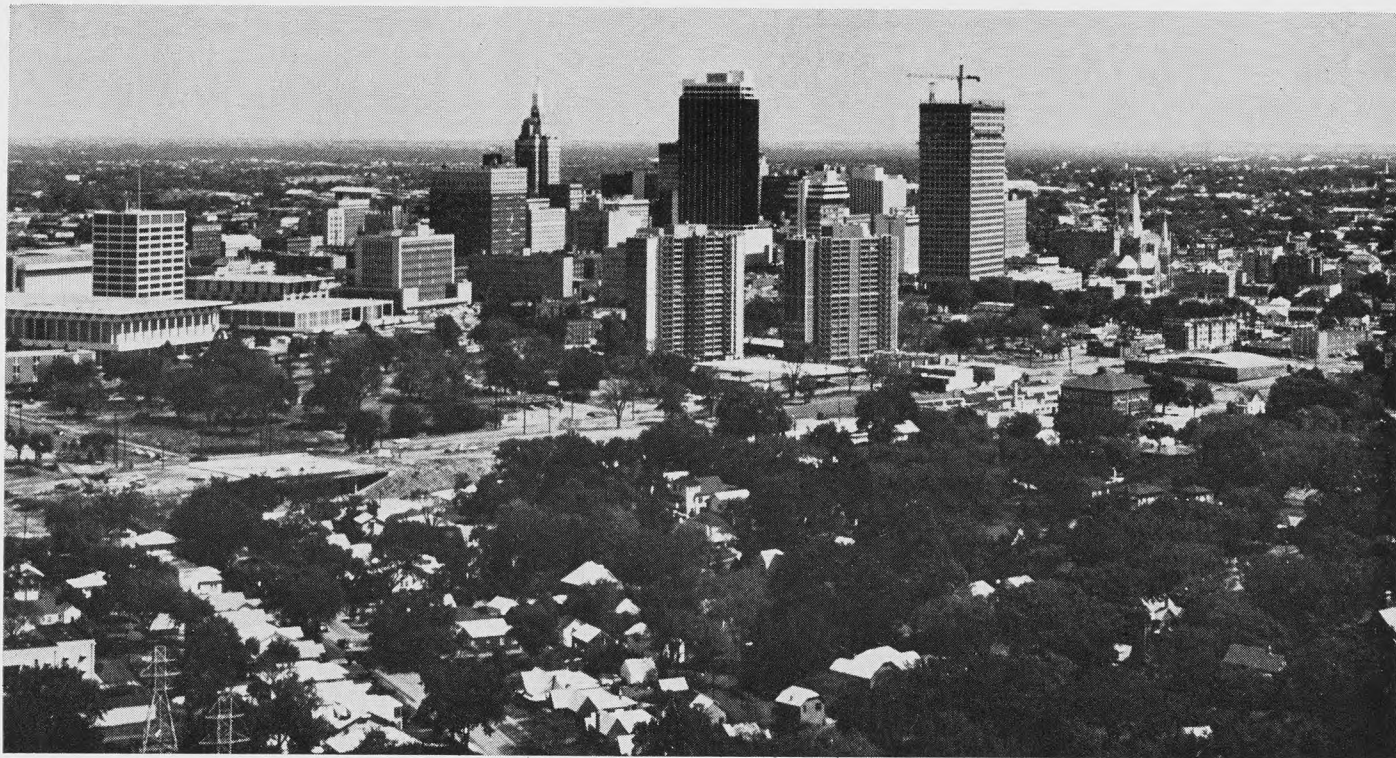
■ WILLIAM S. ELLIOTT has been elected president of First National, Marlow. He formerly was vice president of First National, Cushing, which he joined in 1969.

■ EDWIN P. FARLEY has retired as assistant vice president, Oklahoma City branch, Federal Reserve Bank of Kansas City. He had been with the bank about 41 years.

■ FRED A. SETSER, senior vice president, Fourth National, Tulsa, has been elected secretary-treasurer of the City of Tulsa-Rogers County Port Authority Board. Mr. Setser joined Fourth National in 1968 as senior vice president and director of marketing.

## Oklahoma Death

JACK MCGREEVY, 42, senior vice president, Bank of Canton, of a heart attack. He had been with the bank 23 years.



## Fourth National's Wide-Awake Bankers Are Opening Eyes Wherever They Go.

On the left, with the ready smile and rich fund of experience, is none other than our own Glenn (Red) Ward. But you knew that, didn't you? What you may not know is that Red now has a lively young associate helping him serve the needs of Fourth's growing list of correspondent banks.

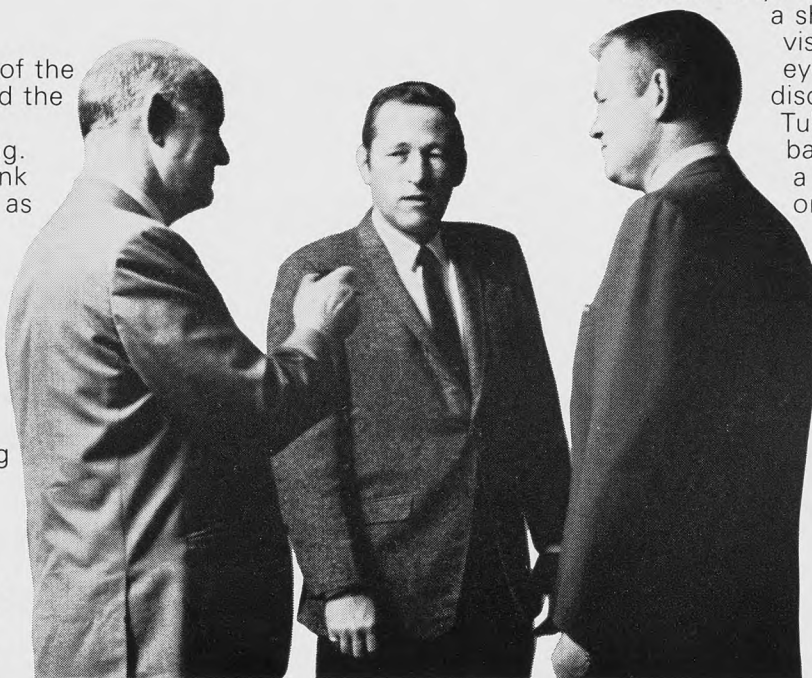
to data processing installation, from bond buying to the teller's counter. He won't be able to solve *all* your problems, but there's a good chance he can help you avoid some of the mistakes you might make by wrestling with problems on a trial-and-error basis.

Red and Wilbur together are opening a lot of folks' eyes; folks who used to think of Tulsa itself as a small, oil-centered city. Folks who didn't know about Tulsa's aerospace industries, Tulsa's brand new riverport, Tulsa's customs office.

Whenever you're in the mood for a short, friendly visit—or an eye-opening discussion of modern Tulsa and modern banking—just give us a call. Red or Wilbur or both will be there in a jiffy!

That's him on the right: Wilbur Waters. Graduate of the University of Arkansas and the University of Wisconsin's graduate school of banking. Veteran of 14 years in bank operations, three of them as supervisor of Fourth National's electronic data processing department. Instructor for the American Institute of Banking for the past eight years in Tulsa.

Wilbur started his banking career at Commercial Bank of Harrison, Arkansas. He's seen the inner workings of banks of all sizes. He's had first hand experience in every phase of bank operation, from acting chief cashier



MID-CONTINENT BANKER for April, 1971

# Kansas News

## John Breidenthal Is President Of Security National, K.C.



BREIDENTHAL

KANSAS CITY—John W. Breidenthal has been elected president in addition to his duties as chairman of Security National. He has been chairman since 1966 and will remain chief executive officer.

Mr. Breidenthal succeeds as president his cousin, Maurice L. Breidenthal Jr., who died February 16.

## Moore Joins Management Of Topeka State Bank



MOORE

TOPEKA—Topeka State has announced that John Moore recently joined the bank's staff. During a period of orientation, he will have managerial responsibilities.

Formerly, Mr. Moore was secretary-treasurer of Seltsam-Hanni & Co. He is a graduate of Creighton University where he received a B.S. degree in commerce with emphasis in the fields of money and banking.

■ ALAN G. HACK has been elected a vice president of Lawrence National. He is assigned to the commercial loan department and also is in charge of marketing, advertising and public relations.

■ METCALF STATE, Overland Park, has elected Jim Helvey assistant vice president in charge of bank marketing, new business development and employee training. Mr. Helvey, who has been with Metcalf State since 1966, formerly was manager of the bank's drive-in facility.

## Carleton Johnson Is Chairman Of First National, Parsons

PARSONS—Carleton Johnson, former president, First National, has been elected chairman. He recently bought controlling interest in the bank along with his father, Charles B. Johnson, and his brother, Howard L. Johnson, who have been elected directors. Glenn Jones, former chairman, will continue as a director.

Carleton Johnson joined First National in 1966 as executive vice president and was elected president in 1967. Previously, he was an officer of Fidelity State, Concordia.

The new president of the bank is Raymond N. Robbins, who has been executive vice president and cashier since 1967. He joined the bank in 1946.

In other action, R. Roger Moore was promoted from assistant vice president to vice president and Mrs. Beverly Robbins was elected cashier.

## JOHNSON COUNTY NATIONAL, Prairie Village, has doubled in size its safe deposit section. The vault addition is part of the bank's remodeling program which will increase the building's size by more than one-half.

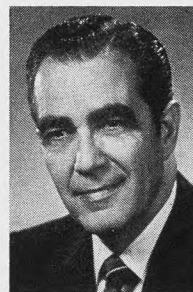
## Merchants National Reports Promotions, Stock Dividend

TOPEKA—Merchants National recently made three promotions. Robert P. Priest was advanced from assistant vice president to vice president. He joined the bank in 1968 and previously was with First National, Minneapolis.

Hal E. Cleavinger was promoted from assistant trust officer to trust officer. He has been with the bank since 1969. Jack Allen, who joined the bank in 1968, was elected assistant vice president. He had been an assistant cashier in the commercial loan department.

In other action, shareholders of the bank approved a stock dividend of 21.21%. By this action, capital of the bank was increased from \$3.3 million to \$4 million. The bank also reported record net operating earnings of \$1.3 million, equal to \$3.97 per share for 1970.

## Fourth National Names Gadberry Director of Public Affairs



GADBERRY

WICHITA—The Fourth National has appointed G. Robert Gadberry, vice president, to the newly created position of director of public affairs.

A former broadcaster, Mr. Gadberry joined the bank in 1952 as director of advertising and publicity. He was elected a vice president in 1957 and trust officer in 1960. He later was assigned to the bank's marketing division in charge of national accounts.

## Security State Establishes Banking Scholarship

GREAT BEND—Security State has established a scholarship for a graduating sophomore at Barton County Community Junior College who will enroll in the bank management curriculum at Wichita State University.

The scholarship is for \$500 for the junior year at Wichita State and will be renewed for the senior year upon satisfactory completion of class work. Following the student's graduation, Security State will award \$500 to another sophomore graduate of the junior college.

## Advisory Directors Elected At Fourth National, Wichita

WICHITA—Fourth National has elected W. Dale Critser and Mrs. James Davis Jr. advisory directors.

Mr. Critser joined the bank in 1920 as a bookkeeper. He retired as executive vice president in 1965 but remained a director and secretary to the board. Two years later he stepped down from his role as secretary and resigned as an active director last January.

Mrs. Davis is the widow of James Davis Jr., former oil producer, who served Fourth National as a director for 31 years.



BOB NILL  
Asst. Vice President

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Kansas City, Kansas

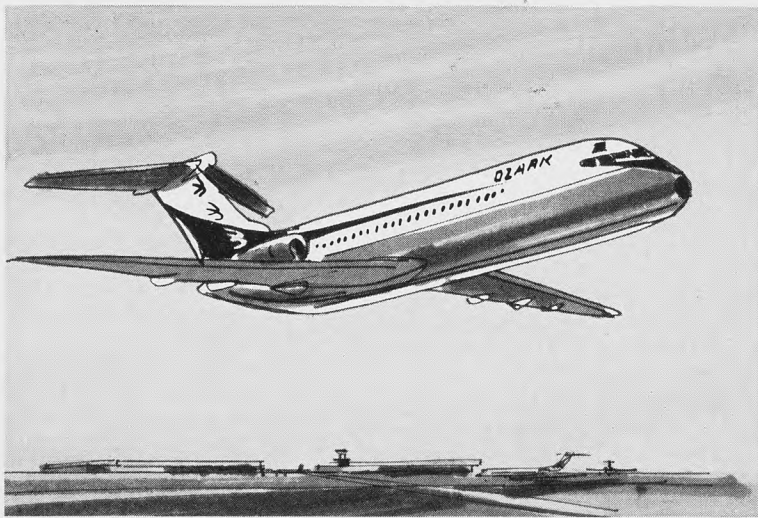
Member F.D.I.C.



MAX DICKERSON  
Senior Vice President

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# Missouri News

## Four Receive Appointments As Senior Vice Presidents At First National, St. Louis

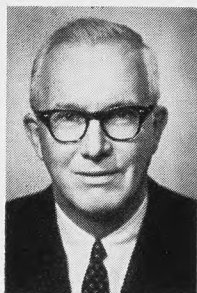
ST. LOUIS—First National has advanced four vice presidents to senior vice presidents. They are: Walter R. Klostermeier, head of the personnel department; Harry L. Smith, head of the correspondent banking department; Frank K. Spinner, senior investment officer and head of the bond department; and Robert E. Whalen, controller.



SPINNER



SMITH



KLOSTERMEIER



WHALEN

Mr. Klostermeier joined the bank in 1963 as vice president and personnel director. Mr. Smith, with the bank since 1923, was elected a vice president in 1954. He was named head of the correspondent department last August.

Mr. Spinner came to First National in 1947 and was named a vice president in 1964. He became head of the bond department in 1966 and a year later assumed responsibility for the bank's investment program. In 1964 Mr. Whalen joined the bank as vice president and controller. He is also controller of First Union, Inc., a position he assumed last July.

■ **CYRIL A. NIEHOFF**, vice president and cashier, Florissant Bank, has been elected a director. Roy F. Laramie was advanced from assistant cashier to assistant vice president.

## Correspondent Banker Joins Tower Grove Bank, St. Louis

ST. LOUIS—Charles Teschner, assistant vice president, has left the correspondent banking department of First National to join Tower Grove Bank. He will be a representative in the business development department and his duties will include correspondent banking.



TESCHNER

Mr. Teschner began his career in 1945 with United Bank, which later merged with First National. In 1949 he was appointed a junior officer in the correspondent department and represented the bank in Missouri and southern Illinois. When the two banks merged in 1956, he stayed with the correspondent department, traveling in Missouri, Ohio, Kansas and Nebraska.

## Missouri Bancshares Acquires First Security Bank, Kirkwood

KIRKWOOD—Missouri Bancshares, Inc., has announced the acquisition of First Security Bank through the purchase of more than 80% of the bank's 150,000 outstanding shares.

John R. Kirk Jr. was named the bank's new president upon the resignations of Edward J. Unwin, president, and James Rush James Jr., chairman. Mr. Kirk began his banking career in 1928 and most recently was president, Citizens Bank, University City.

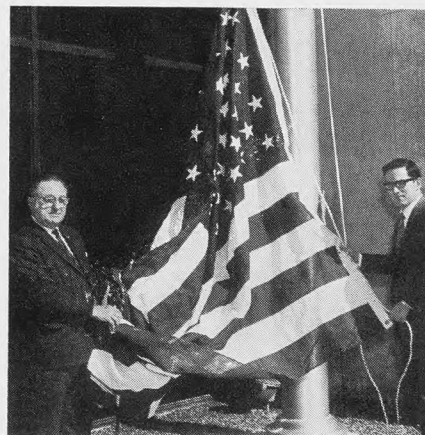
Fred J. Roedel and Robert F. Schlafly, directors, and Mrs. Etta M. Pflueger, assistant secretary, also have resigned. Former advisory directors who are now directors include F. Cameron Higginbotham, Howard D. Jayne, David Lee Jones Sr. and Jerome H. Scott Jr.

■ **NEW DIRECTORS** at First National, Clayton, are businessmen Edward L. Keyes Jr., J. H. Lloyd, Theodore C. Wetterau and Hy Waltuch, mayor of Clayton.

## Missouri Death

J. W. HUGHES, 95, chairman, First National, Salem. He was the last original shareholder of the bank, organized in 1905.

## Stars & Stripes at Lemay Bank



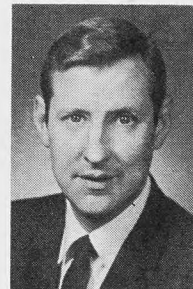
Lemay Bank, St. Louis, goes for patriotism in a big way as seen by the recent construction of a 65-foot flag pole in front of the bank building. An American flag will fly from the top of the pole 24 hours a day and will be spotlighted after dark. Raising the flag are Edgar P. Crecelius (l.), pres., and Frank Ziegler, a.v.p.

■ **MISS JEANETTE C. MUELLER** has been promoted to assistant cashier at Southern Commercial & Savings Bank, St. Louis. She joined the bank in 1955 and has served in various positions.

■ **BANK OF PERRYVILLE** has acquired property adjacent to its present building and will begin construction of a new building this summer. After completion of the new structure, the present bank building will be demolished to allow for expansion of parking and drive-up facilities.

## Campbell Elected President Of Exchange National Bank

JEFFERSON CITY—Donald L. Campbell, former executive vice president and trust officer, has been elected president and trust officer of Exchange National. He has been with the bank 23 years. Mr. Campbell succeeds as president Theo. M. Schmidt, who has retired after 50 years with the bank.



CAMPBELL

James R. Loyd, former vice president, was elected executive vice president and trust officer and John L. Ambrose was advanced from assistant cashier to vice president. Newly elected assistant cashiers are Walter H. Jens Jr. and Gerald Colvin.

CNB 254021

**City National Bank & Trust Company**  
Kansas City, Missouri 64141  
MEMORANDUM

Date January 15, 1971

TO: All Officers, Department Heads, and Staff Members  
FROM: R. Crosby Kemper, Jr.  
SUBJECT: CITY NATIONAL BANK STILL NO. 1 IN GROWTH AND NOW NO. 2 IN DEPOSITS IN THE KANSAS CITY AREA

Our customers must be the growingest in Mid-America because, as you probably noticed in the year-end bank call statements, our record high \$380 million in deposits ranks us second among all banks in this area. It is also gratifying to note that our deposit growth during the past decade was greater than the combined deposit growth of our two principal competitors.

This unparalleled growth is proof that we try harder, and I want to thank each of you for your part in continuing to maintain our bank's reputation as one of the most innovative in Kansas City. We were the first to install drive-in banking. The only bank that offers freight payment service. The only bank to extend sidewalk cash convenience with its money machine: Cash Drawer 24. Our Trust Department has grown to become the largest by several standards and the most complete and competently staffed in Kansas City. Ours is the largest and most sophisticated electronic data processing service in the entire 10th Federal Reserve District, and the City is respected for its experienced and knowledgeable Municipal Bonds Department -- unrivaled in Middle America.

My congratulations to you in giving real meaning to our slogan -- "It's great to grow with the City." LET'S CONTINUE TO REMIND OURSELVES THAT THESE ACHIEVEMENTS HAVE BEEN POSSIBLE ONLY THROUGH OUR CUSTOMERS, AND THEIR GROWING, TOO.

*Rosby Kemper, Jr.*



**City National Bank**  
& Trust Company

10th and Grand • Garden Bank, 15th and Grand  
Kansas City, Missouri

**A MISSOURI BANCSHARES BANK**

## Remodeling Completed At First of Liberty

LIBERTY—First National held three open houses last month to show its remodeled quarters—March 10 for Chamber of Commerce members; March 11 for out-of-town guests and March 14 for the public.



TOP: William B. Pence (r.), pres., First Nat'l, Liberty, and G. Gerald James (l.), exec. v.p., visit with Don Hagemann at one of bank's open houses last month. Mr. Hagemann's firm, Hagemann & Webb Interiors, planned and designed interior of bank's remodeled quarters. BOTTOM: Mr. Pence is shown with Henry Blanchard (c.), ch., Commercial Nat'l, Kansas City, Kan., and C. E. James (r.), ch., First Nat'l, Liberty.

The main banking room features a Williamsburg decor and distressed knotty pine paneling with raised mouldings. The mellow nut-brown glazed paneling has a hand-rubbed effect. The lobby, safe deposit vault and office area are carpeted, and old gold upholstered chairs accent the open officers area and waiting area for customers. A large chandelier hangs over a round marble check-writing desk. A curved tellers counter reflects the line of the elliptical ceiling over the lobby. Behind the tellers area is a bronze mosaic foil wall covering that reflects the lobby's lights and colors. Large windows behind the officers platform are treated with a soft gold-weave casement cloth drapery flanked by curtains with a traditional pattern of gold and green. A private



Williamsburg decor is evident in this photo of remodeled lobby at First Nat'l, Liberty. Bronze mosaic foil wall covering behind tellers area reflects lights and colors of lobby.

office has the same motif as the lobby, with pine wainscoting complemented by bronze-colored grass cloth. A large brass chandelier is a feature of the office.

■ J. WILLIAM MUELLER has been named vice president in charge of a newly established mortgage banking division of North Side Bank, Jennings. He went to the bank after 10 years as president of J. C. Mueller Investment Co.

### Central Trust Elects Hampton Executive Vice President

JEFFERSON CITY—Wade Hampton has been promoted from senior vice president to executive vice president at Central Trust.

Mr. Hampton, with the bank since 1937, was elected assistant treasurer in 1950 and head of the installment loan department in 1952. He was promoted to vice president in 1955 and senior vice president in 1968.

Other promotions at the bank included: Harold C. Schneider and Harold Busch, vice presidents; Robert M. Robuck, controller; Thelbert Newton, second vice president; and John J. Skain, second vice president and secretary.

### Bank Women's Conference Planned April 21-22

COLUMBIA—Special-interest sessions on "Investments," "Safe-Deposit Procedures" and "Cross-Selling Bank Services" will be featured at the seventh annual conference for women bankers to be held April 21-22 at the Ramada Inn here. The Missouri Bankers Association will sponsor the meeting.

Cavett Robert, Phoenix attorney, will discuss "We Are in the People Business," and MBA President James F. Martin Jr., executive vice president, Bank of Lee's Summit, also will speak. Allan J. Hurst of Lawrence-Leiter & Co., Kansas City management consulting firm, will talk on "Improving Memory Skills." Mrs. Marge Munro of Lake Charles, La., will describe "The Business Woman—Her Public Image." A panel discussion, "Let's All Put the Brakes on Mistakes," will feature these topics: "Auditing," "Operations" and "Management."

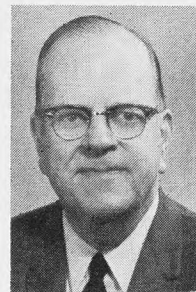
Registration will be held beginning at 11 a.m., April 21, and lasting throughout the conference. A reception and dinner are scheduled for the night of April 21, and a luncheon will be held the following day.

Miss Hulda Kowert, executive secretary, First National, St. Louis, is chairman of the MBA's committee on bank women.

## Two Sr. VPs Elected At Manchester Bank

ST. LOUIS—Manchester Bank has elected two new senior vice presidents. They are George T. Guernsey, in charge of business development, and George H. Pfister, chief lending officer. Both are former vice presidents.

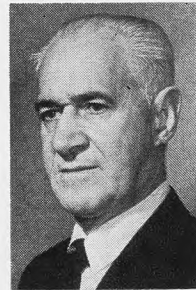
Mr. Guernsey has been with the bank since 1948. Mr. Pfister, with



GUERNSEY



PFISTER



KUEHN

the bank since 1942, has served in the commercial loan department for the past 20 years.

Raymond S. Kuehn has been promoted from assistant vice president to vice president in charge of personnel and general administration. He joined the bank in 1955 as director of personnel.

Other elections at the bank included: Miss Ann Schurter, investment officer; George W. Fitzwater, commercial loan officer; and Harold W. Wroten, operations officer.

### A. M. Price Is New President Of Boone County National

COLUMBIA—R. B. Price has resigned as president of Boone County National but will continue as chairman. He had been the bank's president for the past 47 years.

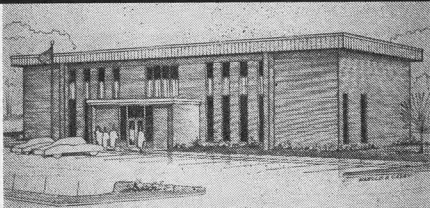
The new president is R. B. Price's nephew, A. M. Price. He is the third president in the bank's 114-year history. A. M. Price has been with the bank since 1951 and has served as executive vice president since 1964.



A. M. PRICE

■ MISSOURI STATE, St. Louis, has elected as directors Adolph K. Feinberg, realtor; Norman Gessley, general manager of the St. Louis area, Southwestern Bell Telephone Co.; and Robert M. Guion, stockbroker. In other action, Frank J. Palank was elected installment loan officer.





### Springfield National Awaits Completion of New Building

SPRINGFIELD—Springfield National, after spending a year in temporary quarters, will move into its new building in July. The bank is owned by U. N. Bancshares, a registered bank holding company which also owns controlling interest in Union National.

The bank's new building will be a two-story structure with high narrow windows of solar bronze glass (see drawing). Customer parking for 50 cars will be available adjacent to the building along with five drive-up windows and night depository.

The interior of the building will be carpeted and cherry paneling will be used throughout the first floor area.

### Hall Elected Senior Vice Pres. Of First Nat'l Charter Corp.

M. Leon Hall has been elected a senior vice president of First National Charter Corp., Kansas City-based registered bank holding company.

Mr. Hall is president of Webster Groves Trust, an affiliate of the holding company. He has been the bank's president since 1969 and also is an advisory director of the holding company.



HALL

In other action, First National Charter Corp. announced it has signed an affiliation agreement with Citizens Bank, Belton.

### New Parkway Bank & Trust Opens in Chesterfield

CHESTERFIELD—The new Parkway Bank & Trust Co. recently opened



Bob Beudet (l.) and Andrew Ernstein, among the youngest and the first customers of the new Parkway Bank, Chesterfield, open savings accounts with the help of Miss Julie McCandless, teller, and Frank H. Hamilton Jr., pres.

MID-CONTINENT BANKER for April, 1971

for business with initial capital of \$412,500, surplus of \$206,250 and undivided profits of \$206,250.

Officers of the new bank are Frank H. Hamilton Jr., president; G. Herbert Clausen, vice president and cashier; and William Levitt and William R. Victor, assistant vice presidents. Mr. Hamilton formerly was a vice president at Mercantile Trust. He had been with that bank 19 years.

The new one-story building has 4,200 square feet on the main floor, a pneu-vista drive-in and night depository.

### Registered Bank Holding Co. Formed in St. Joseph

ST. JOSEPH—American National and Belt National recently received final approval to form Ameribanc, Inc., a registered bank holding company.

Milton Tootle Jr., chairman, American National, is president of Ameribanc. Benton M. Calkins Jr., Charles K. Richmond and Gilbert Tootle are vice presidents of the company and W. F. Enright Jr. is vice president and secretary. Mr. Calkins is president, American National, and Mr. Richmond, Gilbert Tootle and Mr. Enright are all senior vice presidents.

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 Donald D. Folks, Vice Pres.

**Agricultural Dept:**  
 Ronald R. Loudon, Vice Pres.  
 Vernon Whisler, Vice Pres.

# American National Bank



Sixth & Francis, St. Joseph, Mo. Phone: 816/233-6141

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## Central Bank Elects Two VPs In Correspondent Department

BIRMINGHAM—Central Bank has promoted James G. Lovell Jr. and William H. Thomas from assistant vice presidents to vice presidents in the correspondent bank department.

Mr. Lovell joined the bank in 1966. He is a graduate of Auburn University and a member of the Institute of Internal Auditors and BAI. Mr. Thomas was with the Federal Reserve Bank before joining Central Bank and is a member of the American Association of Personnel Administrators and BAI.



LOVELL



THOMAS

## Bankers Installment Credit Assn. Elects Thomas Haley President

ST. LOUIS—Thomas L. Haley, assistant vice president, First National, East St. Louis, Ill., has been elected president of the Bankers Installment Credit Association of Greater St. Louis.

Other 1971 officers include: vice president, C. James Spinale, assistant vice president, Manchester Bank; treasurer, Richard Morrissey, vice president, First National, Clayton; and secretary, Joseph C. Abt, vice president, Southern Commercial.

## Bankers Meet in Birmingham For Two-Day Conference

BIRMINGHAM—Bankers from seven states recently met for a two-day conference here. They represented the top 1% of banks formed during the '60s, based on size and rate of growth.

Harry B. Brock Jr., president, Central Bank, was host to the conference. It was the fourth meeting of the group and was called to discuss mutual issues and items of interest.

Mid-Continent-area bankers attending the conference were: Adam Aronson, chairman, Mark Twain State, Bridgeton, Mo.; and Lovett Baker, president, Capital National, Houston.

■ REPUBLIC NATIONAL, Dallas, elected Ira O. Tittle an assistant vice president in the bond division and Raymond B. Henley a trust administrative officer. The bank also promoted John R. Bauer to trust officer. He was formerly a trust administrative officer and has been with the bank since 1967.

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## Classified Ads

### Want New Deposits?

Twenty-four-page premium booklet describes how banks have successfully used premiums in deposit-building programs, as credit card activators and in employee incentive programs. Send \$1 to Mid-Continent Banker, 408 Olive Street, St. Louis, Mo. 63102.

### \$10.00 IS

the price of a personal, air mail subscription to the Crouse Farm Business Reports. They help keep loan officers and ag representatives ahead of the changing farm picture. Samples available—Farm Business Council, Inc., P.O. Box F, Urbana, Illinois 61801.

### FOR SALE

One used MOSLER Night Depository Safe, complete. Excellent Condition—bargain. The Peoples Savings Bank, P. O. Box 269, Clanton, Alabama 35045.

### FOR SALE

Five Teller Windows, with under counter work, two wall style lobby desks and 14 feet of railing for officers quarters. All modern and in good condition. Also for sale one Mosler fire door and one Mosler 1½ inch vault door. Write Box M-59, c/o Mid-Continent Banker, 408 Olive Street, St. Louis, Mo. 63102.

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Display Models—35% Discount—ITEK Processor 335, 1824 Reader Printer, Contact Printer P.D. 303, Bell & Howell Director I, Tabtronic 575, Roll & Fische Reader Printers, Readers & Macbeth Densitometer. Contact V. O. Holmes, 2437 E. 59th Ct., Tulsa, Oklahoma 74105. Phone 918-747-4614.

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## WOMELDORFF & LINDSEY

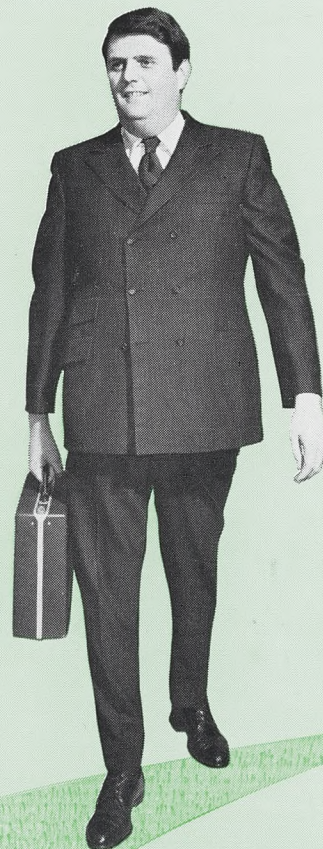
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PARTNERS:  
J. E. WOMELDORFF R. P. LINDSEY

# A MULTITUDE OF BANKS IN THE ST. LOUIS TRADE AREA ROLL OUT THE CARPETS FOR THE HARD-DRIVING MEN OF STOCK YARDS BANK

S.Y.B.'s team of banker's bankers, of course, welcome them and you, too, to Stock Yards Bank at any time whether it's a personal visit or a phone call to 618-271-6633.

But in the meantime the traveling officers roll up their quota of some 25,000 miles a year to do business with you right on your own home-town carpets . . . gaining first hand knowledge of your needs and problems, making authoritative decisions.

Several S.Y.B. men are on the road and making visits right now. Perhaps one of them is Tom Palmer on the way to see you.



"YOUR BANKER'S BANK" . . .

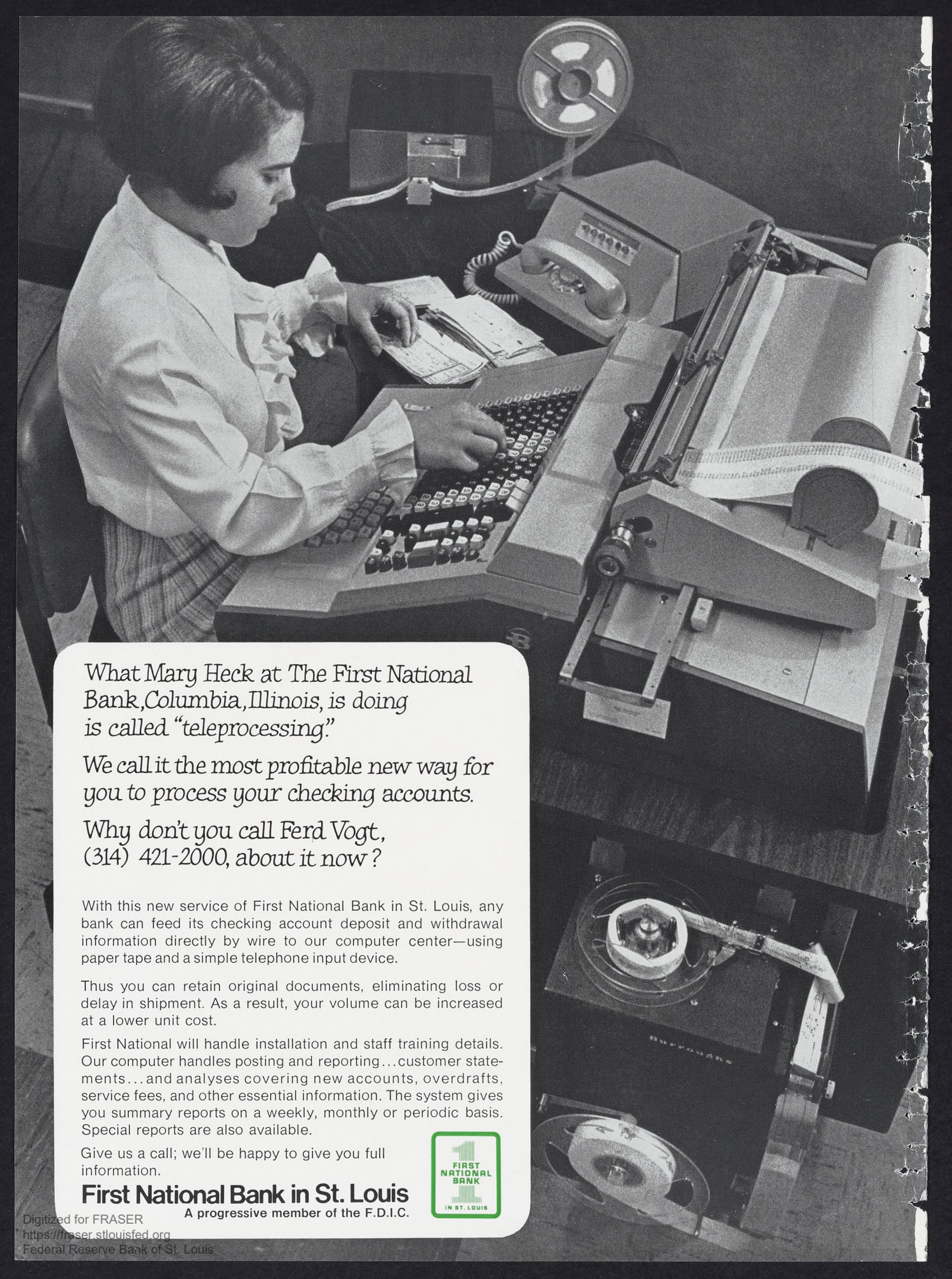
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**THE NATIONAL STOCK YARDS NATIONAL BANK**  
OF NATIONAL CITY

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A Reserve City



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