



# MID-CONTINENT BANKER

*The Financial Magazine of the Mississippi Valley & Southwest*

**YEAR-END STATEMENT ISSUE**

**FEBRUARY, 1973**

**A Bond Insuror  
Views  
the Blanket Bond  
Situation**

*Page 44*

**Bankers' Insurance  
Practices, Policies  
Revealed by  
Reader Survey**

*Page 48*

## **INSURANCE ISSUE**

**Bankers Can Profit  
by Being Alert  
to 'Key Man'  
Insurance Situations**

*Page 56*

**Alternatives  
for Insuring Loans:  
Which Is Best  
for Borrower, Banker?**

*Page 58*





## How is it possible to locate, hire, hold and retain vital young employees?

by W. K. Bonds  
Executive Vice President  
Trust Department

Bright young people today seek career opportunities with certain specific benefits, fringe persuaders like Pension Plans and Profit Sharing. Intangibles of the moment that offer economic stability and job security while advancing to positions in management.

Consider this example. Perhaps you have talked to an exceptionally able young person, admirably suited to work up to management responsibility. But that fine prospect has refused a job — because his chances for advancement are

hampered. In his advancement path he sees present employees who've out-lived their usefulness but cannot be retired because of a non-existent or inadequate pension plan.

Profit Sharing, on the other hand, offers continuing appeal. The prospect of sharing in the fruits of their efforts — meaningfully — can be more persuasive than many other factors in the hiring and holding of the right kind of people. The profit share that can result from doing a good job is a

constant stimulus.

Prospective employees look, of course, to other benefits like Accident and Health Insurance, Group Life Insurance, Vacation Plans, and more. The Liberty National Bank & Trust Company of Oklahoma City can help you put your personal plans in proper perspective.

Contact Liberty's Correspondent Division for the advice you need to start you on the right track to hiring and holding the people you need . . . now and in the future.



The Liberty National Bank and Trust Company of Oklahoma City P. O. Box 25848 73125 Phone 405/231-6163 Member F.D.I.C.

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# FIRST COMMERCE CORPORATION

and its wholly owned subsidiary

## FIRST NATIONAL BANK OF COMMERCE

NEW ORLEANS, LOUISIANA

### COMPARATIVE CONSOLIDATED STATEMENT OF INCOME

	Twelve Months Ended	
	Dec. 31, 1972	Dec. 31, 1971
<b>OPERATING REVENUES</b>		
Interest and Fees on Loans	\$28,186,000	\$22,544,000
Interest on Funds Sold	1,219,000	1,007,000
Interest and Dividends on Investments	5,041,000	4,121,000
Service Charges, Exchange and Underwriting Fees	3,864,000	4,464,000
Other Operating Revenues	2,831,000	2,111,000
<b>Total Operating Revenues</b>	<b>\$41,141,000</b>	<b>\$34,247,000</b>
<b>OPERATING EXPENSES</b>		
Salaries and Employee Benefits	\$ 8,008,000	\$ 7,306,000
Interest on Deposits, Funds Purchased	16,126,000	10,854,000
Occupancy Expenses on Bank Premises, Net	1,836,000	1,804,000
Equipment Rentals, Depreciation & Maintenance	1,846,000	1,759,000
Provision for Possible Loan Losses	1,646,000	1,500,000
Other Operating Expenses	5,703,000	4,685,000
<b>Total Operating Expenses</b>	<b>\$35,165,000</b>	<b>\$27,908,000</b>
Operating Income Before Income Taxes and Securities Gains or Losses	\$ 5,976,000	\$ 6,339,000
Applicable Income Taxes	1,076,000	1,666,000
Operating Income Before Securities Gains or Losses	\$ 4,900,000	\$ 4,673,000
Net Securities Gains or Losses (After Tax Effect)	577,000	355,000
<b>Net Income</b>	<b>\$5,477,000</b>	<b>\$ 5,028,000</b>
Earnings Per Share Based on Average Shares Outstanding (2,117,327 and 2,008,965 shares respectively)		
Operating Income Before Securities Gains or Losses	\$2.31	\$2.33
Net Income	\$2.59	\$2.50
Earnings Per Share Assuming Full Dilution		
Operating Income Before Securities Gains or Losses	\$2.14	\$2.12
Net Income	\$2.39	\$2.27

### COMPARATIVE CONSOLIDATED STATEMENT OF CONDITION

	December 31	
	1972	1971
<b>ASSETS</b>		
Cash and Due from Banks	\$173,355,000	\$114,096,000
U. S. Treasury Securities	42,825,000	32,167,000
State and Municipal Obligations	74,501,000	87,952,000
Federal Reserve Bank Stock and Other Securities	1,632,000	1,022,000
Federal Funds Sold	90,750,000	55,750,000
Loans	505,927,000	340,955,000
Buildings, Furniture & Equipment	12,863,000	9,546,000
Advances to Canal-LaSalle Joint Venture	-0-	2,989,000
Customers' Liability on Acceptances	561,000	315,000
Accrued Interest on Bonds and Loans and Other Assets	8,366,000	5,787,000
<b>Total</b>	<b>\$910,780,000</b>	<b>\$650,579,000</b>
<b>LIABILITIES</b>		
Demand Deposits:		
Individual and Business Banks	\$257,552,000	\$211,839,000
U. S. Government and Other Public Funds	105,936,000	101,381,000
	17,621,000	15,255,000
<b>Total Demand Deposits</b>	<b>\$381,109,000</b>	<b>\$328,475,000</b>
Time Deposits:		
Savings	\$ 78,054,000	\$ 72,577,000
Other Time Deposits	225,544,000	144,412,000
<b>Total Time Deposits</b>	<b>\$303,598,000</b>	<b>\$216,989,000</b>
Total Deposits	\$684,707,000	\$545,464,000
Funds Purchased	140,006,000	45,745,000
Mortgages Payable	2,010,000	2,263,000
Acceptances Outstanding	561,000	315,000
Accrued Taxes, Interest & Other Liabilities	7,775,000	6,132,000
<b>Total Liabilities</b>	<b>\$835,059,000</b>	<b>\$599,919,000</b>
Reserve for Possible Loan Losses	\$ 6,017,000	\$ 3,983,000
<b>CAPITAL ACCOUNTS</b>		
4-7/8% Convertible Subordinated Debentures Due 1997	\$ 20,000,000	-0-
4% Convertible Capital Notes due 1991	\$ 3,340,000	\$ 5,661,000
Stockholders' Equity		
Preferred Stock, no par value Authorized and Unissued 500,000 Shares	-0-	-0-
Common Stock, \$5 par value Authorized 5,000,000 Shares Issued 2,151,714 and 2,061,680 Shares	\$ 10,759,000	\$ 10,308,000
Capital Surplus	24,771,000	22,770,000
Retained Earnings	10,834,000	7,938,000
<b>Total Stockholders' Equity</b>	<b>\$ 46,364,000</b>	<b>\$ 41,016,000</b>
<b>Total Capital Accounts</b>	<b>\$ 69,704,000</b>	<b>\$ 46,677,000</b>
<b>Total</b>	<b>\$910,780,000</b>	<b>\$650,579,000</b>

Member FDIC

#### OFFICERS

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Executive Vice President

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**CHARLES C. LeBOURGEOIS**  
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Senior Vice President

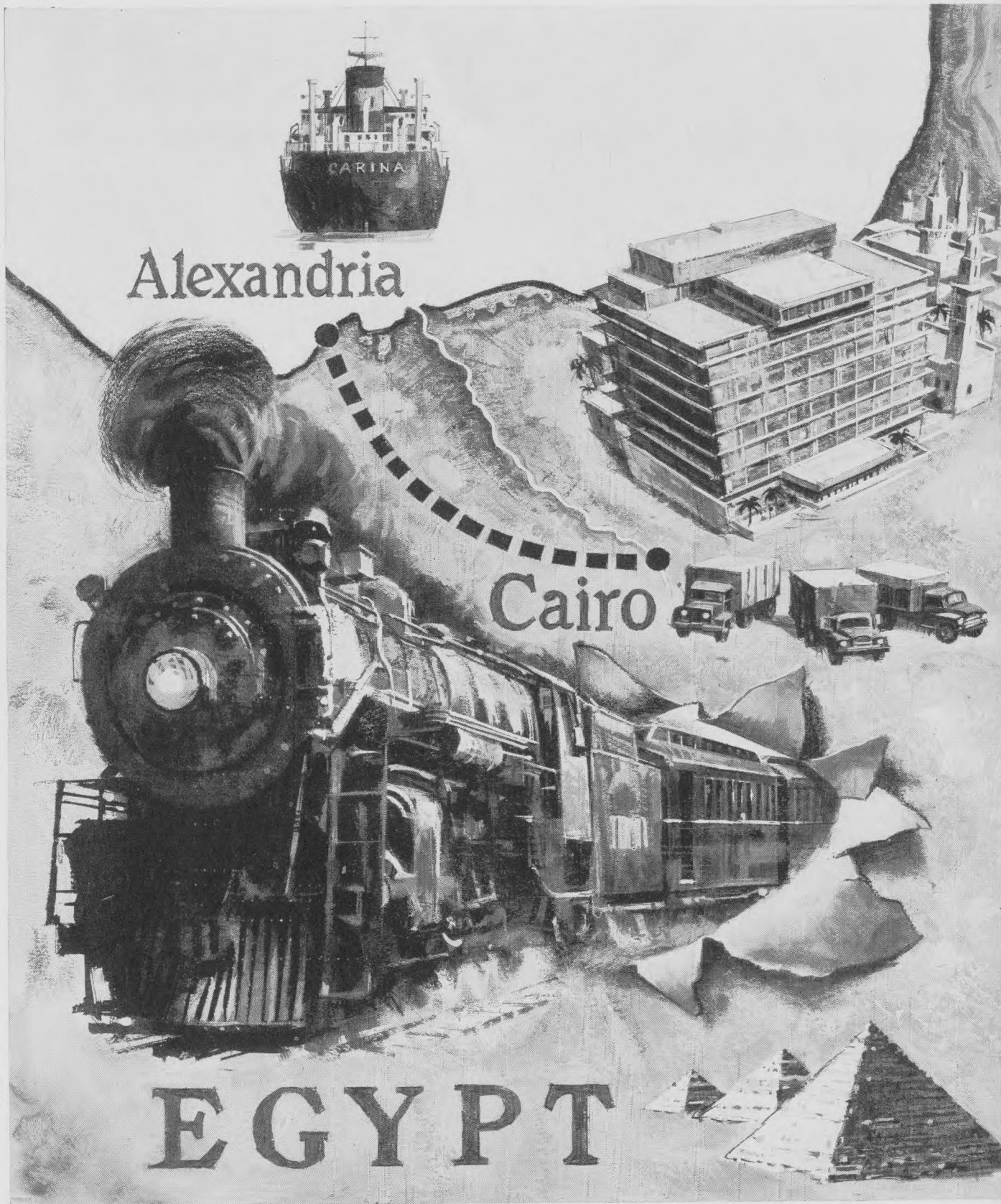
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Senior Vice President

**MICHAEL J. RAPIER**  
Senior Vice President

**FRED M. SMITH**  
Senior Vice President



**JUNE 5, 1967.  
THE OUTBREAK OF THE SIX-DAY WAR.**





# AS THE CAIRO NIGHT ECHOED WITH GUNFIRE, THE FATE OF 73 AMERICANS WAS ENTRUSTED TO ONE MAN.

VOL. CMXI No. 32

## 73 Americans Evacuated By American Express Official

### Evacuees Spend Fear-Filled Night

CAIRO, JUNE 6—The manager of American Express of Egypt, Limited's Cairo office arranged for the evacuation Monday of 73 American tourists from that city as war broke out in the Middle East. The manager, John C. Calhoun, spent a sleepless night arranging for an evacuation train to transport the beleaguered Americans to safety in Alexandria. The tourists themselves were helpless because their cash, travelers cheques, jewelry and personal belongings had all been confiscated. As the gunfire grew closer to the city, Calhoun secured three transport trucks to carry all the American citizens to the Cairo station where an evacuation train stood waiting.

The seventy-three Americans who boarded the train that night all reached Alexandria safely. There they were placed on board the "Carina," a ship which was leaving the war zone for Greece. John Calhoun stayed with the evacuees until they reached the safety of the Greek port of Piraeus.

While on board he arranged for funds for all who needed them. He also reimbursed all those evacuees who had had their American Express Travelers Cheques confiscated. He even arranged hotel reservations in Piraeus for those who wanted them.

American Express Company and its subsidiaries worldwide are justly proud of John Calhoun. In a time of crisis, his was an uncommon dedication.

June 5, 1967. An historic day. But for people like John C. Calhoun, it was business as usual.

### ALL TRAVELERS CHEQUES ARE NOT THE SAME

We'd like you to consider American Express Travelers Cheques as an extension of the service arm of your bank. American Express Company and its subsidiaries extend to your customers a broader range of services than any other travelers cheque issuer.

Here are a few more reasons you should recommend them.

MID-CONTINENT BANKER for February, 1973

### THE MOST RESPONSIVE REFUND SYSTEM IN THE WORLD

If your customer's American Express Travelers Cheques are ever lost or stolen, he can get a refund—usually on the same day he reports the loss at any one of the 885 American Express Company, subsidiary or representative offices around the world.

Note: Each office is staffed with English-speaking personnel for your customer's convenience.

### REFUNDS 365 DAYS A YEAR

The American Express Travelers Cheque has an emergency system called *Refund 365*.™ This system can provide a partial refund of up to \$100 on weekends and holidays in key travel areas throughout the world.

Most other travelers cheques can't be refunded outside normal banking hours. In some countries, the number of weekends and holidays when banks aren't open totals as many as 120 days. That's four months out of the year those travelers cheques can't be refunded.

### AMERICAN EXPRESS, THE WORLD'S MOST ACCEPTED TRAVELERS CHEQUE

The American Express Travelers Cheque is welcomed from Auckland to Zurich. Because of its name, our Cheque is as negotiable in out-of-the-way places as it is in major cities. Which is one reason more American Express Travelers Cheques are used than all other travelers cheques combined.

### BACKED BY THE WORLD'S LARGEST TRAVEL COMPANY

If your customer carries our Travelers Cheque, he will have the global net-

work of offices of the American Express Company, its subsidiaries and representatives at his service.

In addition to cashing or refunding Travelers Cheques, these offices provide a complete range of travel-oriented services: transportation, car rental, and hotel reservations; passport and visa information; sightseeing tours.

### IT'S ISSUED IN FIVE IMPORTANT CURRENCIES

The American Express Travelers Cheque can be purchased in U.S. dollars, Canadian dollars, Swiss francs, pounds sterling and Deutsche marks. Only American Express Travelers Cheques are available in all these important currencies.

### WHAT AMERICAN EXPRESS TRAVELERS CHEQUES CAN DO FOR YOU

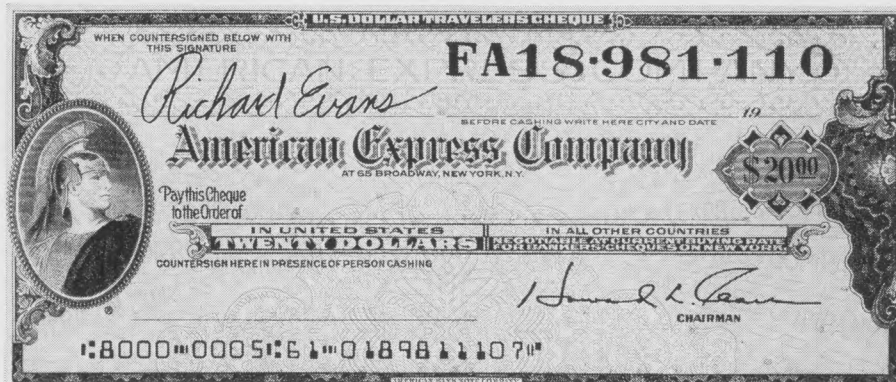
They assure customer satisfaction (no small thing today). The kind of satisfaction that allows the relationship you have with your customer to continue untarnished. And in his lifetime, a customer will come to you for his mortgage, car loans, personal loans, home improvement loans, etc.

Why jeopardize your relationship with your customer because he has an unfortunate incident with the wrong travelers cheque?

When you sell him American Express, you can rest assured he has the right Travelers Cheque.

Whether your customer is traveling domestically or abroad, make sure you recommend American Express Travelers Cheques for his next trip.

Because all travelers cheques are not the same.



AMERICAN EXPRESS

The Travelers Cheque



# Bank of America Consolidated Statement of Condition

<b>RESOURCES:</b>	<b>December 31, 1972</b>	<b>December 31, 1971</b>
Cash and Due from Banks . . . . .	\$11,053,538,000	\$ 7,154,027,000
United States Government Securities . . . . .	\$ 3,013,825,000	\$ 2,807,632,000
State, County and Municipal Securities . . . . .	2,718,792,000	2,890,810,000
Other Securities . . . . .	1,103,179,000	986,871,000
<b>Total Securities</b>	<b>\$ 6,835,796,000</b>	<b>\$ 6,685,313,000</b>
Loans . . . . .	19,356,854,000	16,823,751,000
Funds Sold . . . . .	1,852,787,000	1,340,099,000
Customers' Liability for Acceptances . . . . .	418,847,000	573,686,000
Bank Premises and Equipment . . . . .	508,866,000	457,391,000
Other Resources . . . . .	818,788,000	675,115,000
<b>Total Resources</b>	<b>\$40,845,476,000</b>	<b>\$33,709,382,000</b>
<b>LIABILITIES:</b>	<b>December 31, 1972</b>	<b>December 31, 1971</b>
Demand Deposits . . . . .	\$12,772,338,000	\$ 9,707,008,000
Savings and Time Deposits . . . . .	22,655,827,000	19,393,877,000
<b>Total Deposits</b>	<b>\$35,428,165,000</b>	<b>\$29,100,885,000</b>
Funds Borrowed . . . . .	1,883,638,000	1,544,843,000
Liability on Acceptances . . . . .	423,178,000	579,899,000
Other Liabilities . . . . .	1,184,743,000	813,839,000
Reserve for Possible Loan Losses . . . . .	295,377,000	276,102,000
Capital Funds:		
Capital Notes . . . . .	\$ 225,845,000	\$ 75,845,000
Common Stock . . . . .	214,618,000	214,618,000
Surplus . . . . .	687,207,000	687,207,000
Undivided Profits . . . . .	403,109,000	326,800,000
Reserve for Contingencies . . . . .	99,596,000	89,344,000
Equity Capital . . . . .	<b>1,404,530,000</b>	<b>1,317,969,000</b>
<b>Total Capital Funds</b>	<b>\$ 1,630,375,000</b>	<b>\$ 1,393,814,000</b>
<b>Total Liabilities</b>	<b>\$40,845,476,000</b>	<b>\$33,709,382,000</b>

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION  
MEMBER FEDERAL RESERVE SYSTEM





# Statement of Condition as of December 31, 1972

# HIBERNIA national Bank In new ORLEANS

## RESOURCES

Cash on Hand and Due from Banks .....	\$ 94,529,634.75
Federal Funds Sold .....	41,400,000.00
U. S. Treasury Securities .....	91,432,270.93
Obligations of Farm Credit Banks .....	794,103.75
Municipal Bonds .....	63,358,467.33
Stock in Federal Reserve Bank .....	750,000.00
Loans .....	251,051,732.16
Interest Earned .....	3,867,836.86
Customers' Liability on Acceptances .....	23,200.00
Bank Buildings, Furniture and Equipment .....	5,304,025.92
Other Real Estate .....	266,353.44
Other Assets .....	568,206.30
<b>TOTAL .....</b>	<b>\$553,345,831.44</b>

## LIABILITIES AND CAPITAL ACCOUNTS

Demand Deposits .....	\$245,297,240.83	
Savings Deposits .....	59,341,154.09	
Time Deposits .....	<u>166,739,052.54</u>	
<b>Total Deposits .....</b>		<b>\$471,377,447.46</b>
Federal Funds Purchased .....		29,130,000.00
Liability on Acceptances .....	\$ 779,804.37	
Less: In Portfolio .....	<u>756,604.37</u>	23,200.00
Quarterly Dividend, Payable		
January 2, 1973 .....		360,000.00
Accrued Taxes, Interest and Expenses .....		<u>6,809,110.41</u>
<b>Total Liabilities .....</b>		<b>\$507,699,757.87</b>
Reserve for Possible Losses on Loans .....		\$ 2,482,779.18
<b>Capital Accounts</b>		
Capital Notes Due 1997 .....		\$ 10,000,000.00
Stockholders Equity		
Common Capital Stock .....	\$ 9,000,000.00	
(900,000 shares @ \$10. par)		
Surplus .....	16,000,000.00	
Undivided Profits .....	<u>8,163,294.39</u>	
<b>Total Stockholders' Equity .....</b>		<b>33,163,294.39</b>
<b>Total Capital Accounts .....</b>		<b>43,163,294.39</b>
<b>TOTAL .....</b>		<b>\$553,345,831.44</b>

## Summary comparison of earnings and dividends for year ended

	<u>December 31,</u> 1972	<u>December 31,</u> 1971	<u>December 31,</u> 1970
Net Income From Operations	\$3,174,029.10	\$3,282,309.62	\$3,502,111.44
Profit from Sales and Redemption at			
Maturity of Securities .....	211,406.98	637,815.00	52,687.18
<b>Total Net Income</b>	<b>3,385,436.08</b>	<b>3,920,124.62</b>	<b>3,554,798.62</b>
*Total Net Income Per Share	3.76	4.36	3.95
Cash Dividends	1,440,000.00	1,440,000.00	1,320,000.00
*Cash Dividends per share	1.60	1.60	1.47

(\*—Based on the 900,000 shares presently outstanding.)

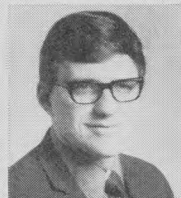
Member Federal Deposit Insurance Corporation



Commerce men  
in motion:

**Ben Caldwell goes  
almost anywhere  
to keep  
his customers'  
money in motion.**

At the end of almost every road there's a Commerce Bank customer—a small or large bank that relies on Commerce and its Commerce man, Ben Caldwell, to keep them up to date on investments, new methods and systems, regulations, trends and everything involved in the changing pace of banking today.



Ben has an advantage over his competitors since he can draw upon hundreds of Commerce Bank specialists. Call Ben Caldwell and you call Commerce Bank—the Midwest's most experienced correspondent.

**COMMERCE BANK**  
of Kansas City<sup>NA</sup>





# 1972. It was another good year.



**Highlights:**  
(Compared with December 31, 1971)  
Deposits up 16.6%  
Loans up 14.6%  
Capital up 31.8%  
Net Income up 9.6%

## CONSOLIDATED STATEMENT OF CONDITION At the close of business December 31, 1972

RESOURCES		
<b>CASH</b>		
Cash on Hand and Collection Items	\$	161,905,885
On Deposit in Federal Reserve and Other Banks		84,298,855
<b>TOTAL</b>	\$	246,204,740
<b>BONDS AND INVESTMENTS</b>		
U.S. Government		134,479,577
States and Political Subdivisions		382,524,359
Federal Agencies		35,817,587
Other Securities		5,758,341
Money Market Investments		216,098,423
<b>TOTAL</b>	\$	774,678,287
<b>LOANS</b>		
Agricultural and Livestock		199,644,810
Commercial and Industrial		500,461,090
Instalment Loans		385,288,076
Credit Card Loans		51,517,033
Mortgage Loans		369,133,654
<b>TOTAL</b>	\$	1,506,044,663
<b>OTHER</b>		
Accrued Interest Receivable		18,200,240
Bank Premises and Equipment (Net of Depreciation)		83,952,712
Customer's Acceptance Liability		21,653,152
Other Assets		7,772,334
<b>TOTAL</b>	\$	131,578,438
<b>TOTAL RESOURCES</b>		\$2,658,506,128
<b>LIABILITIES</b>		
<b>DEPOSITS</b>		
<b>Demand Deposits</b>		
Individuals, Businesses and Banks	\$	788,222,571
U.S. Government and Other Public Funds		46,966,443
<b>Total Demand Deposits</b>	\$	835,189,014
<b>Time Deposits</b>		
Savings Accounts		472,023,570
Certificates of Deposit — Regular		763,531,522
Certificates of Deposit — Public Funds		108,955,133
<b>Total Time Deposits</b>	\$	1,344,510,225
<b>TOTAL DEPOSITS</b>	\$	2,179,699,239
<b>OTHER LIABILITIES</b>		
Funds Borrowed & Repurchase Agreements	\$	214,213,438
Unearned Income		46,381,754
Acceptances Outstanding		21,653,152
Accrued Expenses and Reserves		6,344,987
Accrued Income Taxes		6,207,945
Other Liabilities		1,472,680
<b>TOTAL OTHER LIABILITIES</b>	\$	296,273,956
<b>RESERVES ON LOANS</b>		
Reserve for Possible Loan Losses (Under Treasury Tax Formula)	\$	18,330,567
<b>CAPITAL ACCOUNTS</b>		
Capital Notes — Convertible	\$	12,875,900
Capital Notes — Subordinated		30,000,000
Equity Capital		
Capital Stock		22,176,097
Surplus		52,235,173
Undivided Profits		46,915,196
<b>Total Equity Capital</b>	\$	121,326,466
<b>TOTAL CAPITAL ACCOUNTS</b>	\$	164,202,366
<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	2,658,506,128
Number of Shares Outstanding		8,870,439

## Board of Directors

Hal D. Adamson, Jr. <i>President, Mobat Adamson Tire Co.</i>	J. Paul Jones <i>Vice-President and Director of Corporate Staff, Motorola, Inc.</i>
John G. Babbitt <i>President, Babbitt Brothers Trading Co.</i>	John A. Lentz <i>Vice-President and General Manager, Western Operations, PHELPS Dodge Corp.</i>
Earl L. Bimson <i>President, Valley National Bank</i>	Robert B. Leonard <i>Surgeon</i>
Tom W. Chauncey <i>President, KOOL Radio &amp; Television Inc.</i>	Walter T. Lucking <i>Management Consultant</i>
Norman Fain <i>President, Fain Land &amp; Cattle Co.</i>	James B. Mayer <i>Chairman of the Board, Valley National Bank</i>
Weldon B. Gibson <i>President, Stanford Research Institute International</i>	Joseph T. Melczer, Jr. <i>Partner, Snell &amp; Wilmer, Attorneys</i>
Robert W. Goldwater <i>Chairman of the Board, Goldmar Inc.</i>	R. B. O'Rielly <i>President, O'Rielly Motor Co.</i>
Devens Gust <i>Partner, Gust, Rosenfeld &amp; Divelbess, Attorneys</i>	Lewis J. Ruskin <i>Investments</i>
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	Kenneth W. Watters <i>President, Watters Ranch &amp; Investment Co.</i>
	J. Charles Wetzler <i>President, Circle One Livestock Co., Inc.</i>

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E. Ray Cowden <i>President, Cowden Livestock Co.</i>	



## Valley National Bank of Arizona

Home Office: P. O. Box 71, Phoenix, Arizona 85001

Member F.D.I.C.





NATIONAL DETROIT CORPORATION

# NATIONAL BANK OF DETROIT

Member FDIC

## CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1972

### ASSETS

Cash and Due from Banks .....	\$1,582,106,592
Securities—At Amortized Cost:	
U.S. Treasury .....	576,495,022
States and Political Subdivisions .....	766,461,176
Other Securities .....	29,464,810
	1,372,421,008
Federal Funds Sold .....	422,150,000
Loans:	
Commercial and Consumer .....	1,929,993,140
Real Estate Mortgage .....	727,624,922
	2,657,618,062
Bank Premises and Equipment— (at cost less accumulated depreciation of \$26,751,952) .....	49,851,376
Other Assets .....	63,954,095
Total Assets .....	\$6,148,101,133

### LIABILITIES, RESERVE AND CAPITAL FUNDS

Deposits:		
Demand .....	\$1,952,838,168	
Certified and Other Official Checks .....	434,256,110	
Individual Savings and Time .....	1,694,887,119	
Other Savings and Time .....	415,807,936	
Foreign Offices .....	684,006,267	
	5,181,795,600	
Other Liabilities:		
Federal Funds Purchased and Securities Sold Under Agree- ments to Repurchase .....	\$379,593,051	
Unearned Income and Sundry Liabilities .....	94,412,315	474,005,366
Total Liabilities .....	5,655,800,966	
Reserve for Possible Loan Losses .....		54,338,274
Capital Funds:		
Capital Notes:		
Capital Notes (6 <sup>7</sup> / <sub>8</sub> % due 1979) ..	50,000,000	
Convertible Capital Notes (5% due 1993) .....	50,000,000	
Shareholders' Equity:		
Common Stock—Par \$12.50 (Authorized 7,000,000 Shares; Outstanding 6,000,000 Shares) ..	75,000,000	
Surplus .....	175,000,000	
Undivided Profits .....	87,961,893	437,961,893
Total Liabilities, Reserve and Capital Funds .....		\$6,148,101,133

### BOARD OF DIRECTORS

A. H. Aymond  
Chairman and President—  
Consumers Power Company

Henry T. Bodman  
Detroit, Michigan

Ivor Bryn  
Former Chairman—McLouth Steel  
Corporation

Harry B. Cunningham  
Chairman of the Executive and Finance  
Committees—S. S. Kresge Company

William M. Day  
Former Chairman—The Michigan Bell  
Telephone Company

Charles T. Fisher III  
President

A. P. Fontaine  
Director and Chairman of Finance and  
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The Bendix Corporation

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Former President—General Motors  
Corporation

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Vice-Chairman—Dayton Hudson Corporation

Ralph T. McElvenny  
Chairman—American Natural Gas Company

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F. W. Misch  
Detroit, Michigan

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George Russell  
Director—General Motors Corporation

Robert B. Semple  
Chairman—BASF Wyandotte Corporation

Nate S. Shapero  
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and Chairman of Executive Committee—  
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Corporation

Peter W. Stroh  
President—The Stroh Brewery Company

John C. Suerth  
Chairman—Gerber Products Company

Robert M. Surdam  
Chairman of the Board

Norman B. Weston  
Vice Chairman of the Board

Subsequent Event—On January 1, 1973 the Bank became a wholly-owned subsidiary of National Detroit Corporation, a newly-formed bank holding company. Under this plan, each share of the common stock of the Bank was converted into one share of common stock of National Detroit Corporation. In addition, the Bank's capital notes became the joint and several obligations of the Bank and National Detroit Corporation. The Convertible Capital Notes became convertible into shares of Common Stock of National Detroit Corporation on the same basis as they were convertible into shares of Common Stock of the Bank.

If the transaction had been consummated in 1972, and the financial statements of the Bank had been consolidated with those of National Detroit Corporation, the consolidated financial position at December 31, 1972 would not have been materially different than that presented by the Bank's financial statement.

Assets carried at approximately \$407,000,000 (including U.S. Treasury Securities carried at \$72,000,000) were pledged at December 31, 1972 to secure public deposits (including deposits of \$34,789,112 of the Treasurer, State of Michigan) and for other purposes required by law.



Main Office, Woodward at Fort

MICHIGAN'S LEADING BANK

MID-CONTINENT BANKER for February, 1973



# Independent Bankers Assn. To Meet March 18-21 At San Francisco Hilton

More than 2,000 bankers are expected to attend the 43rd annual convention of the Independent Bankers Association of America March 18-21 at the San Francisco Hilton Hotel.

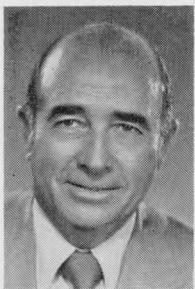
Scheduled as speakers are IBAA President H. L. Gerhart Jr., president, First National, Newman Grove, Neb.; FDIC Chairman Frank Wille; Dr. John Bowyer, economist at Washington University, St. Louis; and Dr. Beverley Meade, chairman of the department of psychiatry, Creighton University School of Medicine, Omaha.



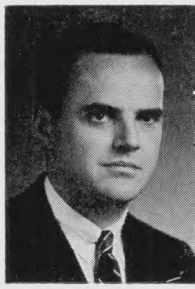
GERHART



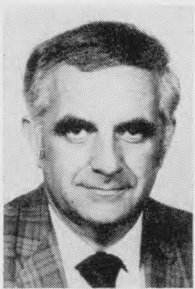
BROOKS



EASTERLY



WILLE



MEADE



BOWYER

Slated to take over as president of the IBAA at the end of the convention is current First Vice President Fred T. Brooks, president, Merchants State, Dallas. New first vice president is expected to be Embree K. Easterly, president, Capital Bank, Baton Rouge, La.

The first day of the convention will be devoted to registration, committee meetings and a reception and dinner for council and committee members.

*(Continued on page 71)*

**MID-CONTINENT BANKER for February, 1973**

# MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

Volume 69, No. 2

February, 1973

## FEATURES

- 35 REGULATIONS D AND J AND RCPCs  
How they will affect banking's future *Larry C. Hempel*
- 37 CUSTOMER PROFITABILITY ANALYSIS  
A workable approach *Thomas and Pisa*
- 39 AUTOMATED BRANCH SITE SELECTION  
Scientific method worked out in Louisville
- 41 "WE WANT TO HEAR FROM YOU"  
Bank puts this message across to customers *W. P. McMullan Jr.*
- 62 TRENDS IN BANK INSURANCE  
What's new around the country?
- 80 ILLINOIS BANKERS DEFEAT MULTI-UNIT PROPOSAL  
Two-to-one vote retains status-quo in state *Jim Fabian*
- 84 BOARD ROOM NEWS  
Promotions, staff changes, earnings reports

## DEPARTMENTS

- |                          |                      |                        |
|--------------------------|----------------------|------------------------|
| 12 THE BANKING SCENE     | 16 NEW PRODUCTS      | 24 CUSTOMER SERVICES   |
| 14 COMMUNITY INVOLVEMENT | 18 SELLING/MARKETING | 26 INSTALLMENT LENDING |
| 30 CORPORATE NEWS        | 22 HOLDING COMPANIES | 28 TRUST NEWS          |
|                          | 32 NEWS ROUNDUP      |                        |

## STATE NEWS

- |              |                 |               |                |
|--------------|-----------------|---------------|----------------|
| 104 ILLINOIS | 110 TENNESSEE   | 116 LOUISIANA | 122 OKLAHOMA   |
| 106 INDIANA  | 112 ALABAMA     | 118 ARKANSAS  | 124 NEW MEXICO |
| 108 KENTUCKY | 114 MISSISSIPPI | 120 TEXAS     | 126 KANSAS     |
|              | 128 MISSOURI    |               |                |

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## THE BANKING SCENE



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

# Bank Directors' Conflicting 'Hats'

**T**HERE IS a naive, simplistic, but well-intended, school of thought that holds that directors in general, and especially bank directors, should have no conflicts, no legal corporate interlocks, that the board be composed of some unreal magical mix of well-qualified individuals who, apparently, have never done anything in meaningful leadership in their communities. These directors would have no stock ownership, not be customers of the bank or other financial institution. Incidentally, it's a fact that *not* being a customer of the bank can result in conflicts of interest just as easily as being a customer.

There are, indeed, many "hats of conflict."

**Inside directors.** The British tradition of directors, on which American corporate practice has been built but modified, holds that all directors are equal in stature. British corporations rely on higher proportions of inside directors than do U.S. firms. *Legally*, all directors are equal with one vote. Since the chief executive officer typically nominates an officer of his corporation for inside or management directorship, it is rare to find the inside directors presenting other than a united front at a board meeting. The higher the proportion of inside directors to outside directors, the stronger the front. The nature of such a strong "front" leads to the CEO or board chairman having an initiating voice in nominating future board members.

Some subcommittees of the board may be composed of outside directors, but the information they will be using in their deliberations will be obtained for the most part from inside management—and probably be thoroughly (if informally) discussed with the CEO prior to its formal presentation to the entire board.

The New York Stock Exchange and the Securities and Exchange Commis-

sion favor boards where outside director representation is significant. A great number of, but not all, banks get high grades for the "mix" of outside and inside directors. Naturally, the rationalization of the "mix" of directors can be different between a small family-owned country bank and a publicly owned multi-national bank.

By and of itself, there is no magic in some stated ratio of outside to inside directors. What is important is that the "inside" directors, even though presenting a "united front" at board meetings, have recognized that they are more familiar with the operating data in their bank, that this, in one sense, gives them an "edge" over outside directors. Withholding material policy information from outside directors is in conflict with the inside directors' and managements' obligation to the board.

The CEO, in turn, should strive to encourage his inside director "peers" to recognize that their loyalty to the CEO and the bank does not preclude fair and full presentation of both the good and bad sides of alternatives before the full board. A "stacked" one-sided presentation of a loan, investment or other type of decision is a form of advocacy. Inside directors and operating officers appearing before a bank board are presumed to be advocates of their departments and branches. The inside director must "switch" hats from an advocate to a neutral stance of supplying objective data.

### An IBM Suit

A recent situation involving a suit against the International Business Machines Corp. is reported in the *Wall Street Journal*. The *Journal* states that because of the popularity of IBM as an investment, there is difficulty in finding judges who are not stockholders of IBM to hear cases against it. Already, two members of the federal courts of appeal of New York have disqualified

themselves from hearing the case. The case against IBM and a three-judge panel to decide the matter have had difficulty in being formed. This is probably because of stock ownership of the judges. A pretrial order in the IBM case necessitated moving it from St. Louis to Omaha after a federal court judge withdrew. Further, three of the United States Supreme Court justices have indicated they would not participate in a patent case involving IBM because of unstated reasons, but it likely was due to their stock ownership.

Another published article concludes that lawyers are worrying about observance of the policy on conflicts of interest because it not only makes it difficult to assign judges, but it also restricts the judges' abilities to make almost any personal investments. Even investing in United States government bonds or placing savings in banks or savings and loan associations could result in a conflict of interest.

Put this in a context involving many of our smaller communities or even larger ones as well where there may be one, two, three or, at the most, four banks in a district, community or area. Also think of the problem as not involving just one bank director but as a problem involving the entire board—that is, the influence of a situation, such as stock ownership or interest in real estate.

It soon becomes obvious that a bank probably could not operate without having at least one of its board members and, indirectly through that one member, the other members, having some technical conflict of interest. The nature of a technical conflict of interest does not necessarily preclude a board from effective operation.

**Conclusion.** The purpose of this column has been to point out that it is quite unrealistic and overly naive for

(Continued on page 70)





**HOW BIG CAN A BANK THINK?**

**ASK  
HELLER.**

It's embarrassing when a good customer, for good reason, needs more money than a bank cares to lend. And disturbing that he may go elsewhere.

A Heller-bank participation can solve that problem neatly, with your bank supplying part of the financing, and the rest supplied by Heller. With this cooperative approach, you keep your good depository relationship . . . your position is secured . . . and you also demonstrate your ability to handle larger loan requests to the entire community.

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**Walter E. Heller & Company**

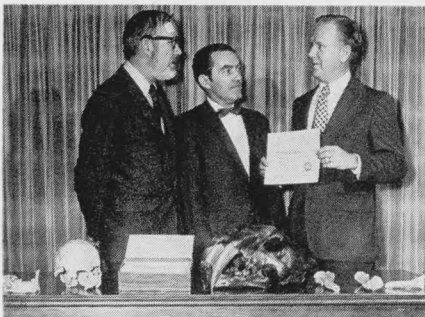
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companies in Canada and eighteen other  
countries around the world.*



• **First American National**, Nashville, recently received a certificate of commendation from the national awards committee of the American Association for State and Local History for "enlightened support of archeology in Nashville."

The certificate was based on the bank's part in preserving the archeological find, made in August, 1971, of human and animal bones in a cave at the site of the bank's 28-story tower and four-story banking center now under construction.

Dr. William T. Alderson, director of the association, made the presentation and noted that the bank altered building plans of First American Center "at considerable expense in order to make the cave into a permanent facility where scientists can continue their explorations in the future."



William F. Greenwood (r.), vice ch., First American National, displays the bank's certificate of commendation to Robert M. McBride (l.), ch., and Dr. William T. Alderson, director of the American Association for State and Local History, who made the presentation. On table are archeological specimens unearthed at the site of the bank's new building now under construction.

## Community Involvement

• **Lenexa (Kan.) State** hosted residents of the Lakeview Village retirement center at its annual Christmas open house. The bank provided a special bus for the visitors' transportation. Following a brief reception, those attending received a silver dollar as a Christmas present from the bank.

• **American Fletcher National**, Indianapolis, will sponsor a major women's tennis tournament the end of this month in the Indianapolis Convention Center. The tournament, called the American Fletcher Indy Tennis Classic, is expected to draw the top professional women players in the country. The \$25,000 event is the fifth stop on the Virginia Slims Tennis Tournament circuit.

• **Frost National**, San Antonio, entertained 132 underprivileged girls from various homes throughout the city at a Christmas party in the bank's restaurant. The party featured refreshments, a sing-along of Christmas carols and a visit from Santa Claus, who personally gave each child a beautifully dressed doll. The bank purchased the dolls for the sixth annual Frost Bank Dress-a-Doll Contest. Costumes were designed and sewn for the dolls by bank staff members.

## First Nat'l Recycles Phone Books



As part of its concern with ecology and the environment, First National, St. Louis, recently collected all the bank's out-dated telephone directories and donated them to the Salvation Army for recycling. Clarence C. Barksdale (r.), pres., presents the directories to Capt. Marcus Stilwell, director of the Salvation Army's recycling program.

• **American National**, Chattanooga, recently was presented a recognition award by the Tennessee Women's Division of the Freedoms Foundation at Valley Forge, Pa. The bank received the award in appreciation of its participation in and support of the Freedoms Foundation's scholarship program.

Scholarships awarded through the program enable Chattanooga-area school teachers to attend summer seminars at Valley Forge, dealing with the "Preservation of the Principles of Freedom." The seminars are conducted by experts in economics, history, political science and related fields.

• **Archer National**, Chicago, is a co-sponsor of "Art for the Adult" classes being held at the Balzekas Museum of Lithuanian Culture in Chicago. The other co-sponsor is the Illinois Arts Council.

The six-week classes in art are expected to draw 50 students.

## Bank Donates Holiday Ornaments



Centennial State, Mission, Kan., donated Christmas tree ornament kits to the children of the Life-Line Home in Johnson County. Each kit could be assembled to make a colorful, jeweled ornament. L. A. Billings, sr. v.p., is shown with two children of the home.

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Dallas, Texas 75234  
214/241-9444

## New Products and Services

- **Diebold, Inc.**, has a new accelerated cash terminal that dispenses the exact amount of money specified by a check and does so in currency and coin as required. As it dispenses the money, says Diebold, it prints the exact amount dispensed on the back of the check and keeps a running total of the amount of cash dispensed on a series of registers.



These registers provide a quick and easy way for the teller to balance at the end of the day, according to the manufacturer. A system of interlocks is designed to help prevent unauthorized access either to processed checks or to currency. The system will not operate unless a check moves through the imprinting mechanism to the storage tray. Diebold says an average transaction takes only 16 seconds.

Write Diebold, Inc., Canton, O. 44711.

- **Lippmann/Porter**, a partnership comprised of educational psychologist Dr. Glenda K. Lippmann and financial-promotion writer Grady C. Porter, is offering a new service called "Letters to Bank On." The service consists of some 51 sample form letters that can be used in all areas of banking.

Object of the letters is to turn the bank's investment in postage into a profitable promotion through use of friendly form letters that are personally signed.

The letters are offered to only one bank in a market area and come in a

workbook of 36 sample letters and the choice of 15 other letters designed especially for the bank.

Write Lippmann/Porter, Star Route, Box 3, Bastrop, Tex. 78602.

- **Delbridge Computing Systems, Inc.** New daily interest computers for rates of 6% to 10% in  $\frac{1}{4}\%$  increments are being offered by Delbridge Computing Systems, Inc., St. Louis.

Based on 365 days per annum, each mini-computer gives to-the-penny charges on one to 370 days in one-day increments and one to 10 years in annual increments. This includes calculations on principal amounts from \$1 to \$500,000. The slender mini-computers have sturdy covers, multi-ring binders and measure  $7\frac{1}{2}$  inches by 8 inches for desk or attache case storage.

For more information, write Delbridge Computing Systems, Inc., 2502-10 Sutton Blvd., St. Louis, Mo. 63243.

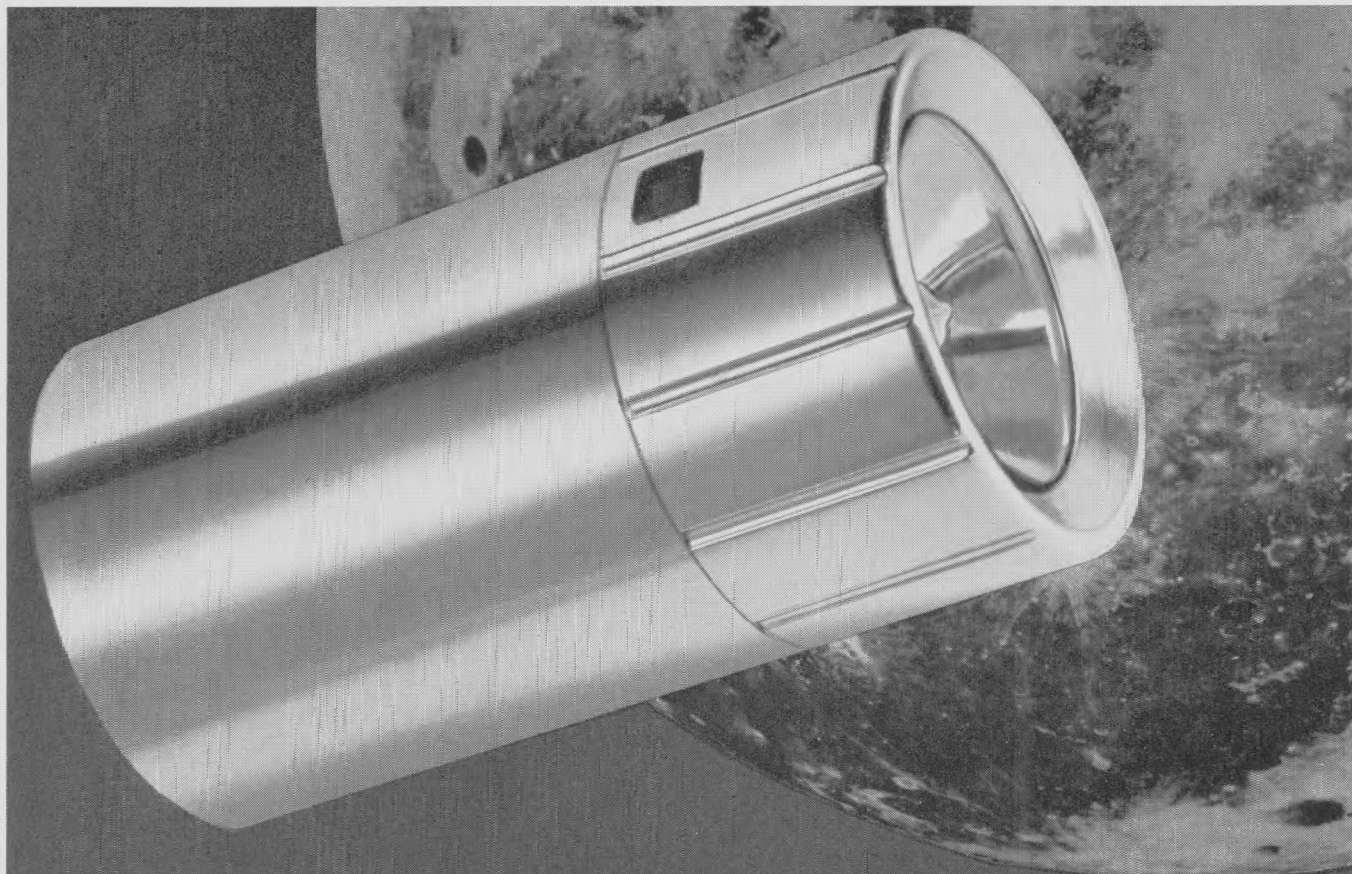
- **The ABA** has developed a manual for banks called "Consumer Deposit Services." The manual summarizes 20 consumer deposit services and explains customer benefits and bank considerations involved with each service. It's in looseleaf format so that bankers can easily add additional information on their own particular services. The price is \$10.

Write Order Processing Department, ABA, 1120 Connecticut Avenue, N.W., Washington, D. C. 20036.

- **Meilink Bank Equipment** now offers a pass through that's designed, says the manufacturer, for security, convenience and appearance. The front is of brushed stainless steel, and the double doors cannot be opened at the same time. Meilink literature points out that the dimension of the inner chamber allows abundant room for money bags and other bulk transactions.

Write Meilink Bank Equipment, 3100 Hill Avenue, Toledo, O. 43607.





## How the Astronaut Flashlight that lasts 5 years, landed \$8 million of new deposits in just 5 weeks

From the people who made the flashlight for every manned moon mission, comes the most effective, low cost premium on earth—available exclusively from J. Edward Connelly Associates.

When a \$150 million suburban savings institution offered the amazing five-year Astronaut Flashlight with features like the one that actually landed on the moon, the results were out of this world! Over 4,000 new accounts and \$8 million in new money inflow, all in just five weeks.

Now you can run this timely, success-proven program on an exclusive basis in your area, with complete promotional assistance and guaranteed refund on reasonable amounts of unused merchandise. This entire pre-packaged promotion—including ready-to-use advertising, teller cards, window and lobby displays, envelope stuffers, mailers, and more—is available to you only from J. Edward Connelly Associates.

### Lunar research results in amazing new savings promotion

Operating on the same principles as the flashlight developed by world-famous Chromalloy Corporation for every manned moon mission, the Astronaut Flashlight features a proven *five year* power storage capacity . . . *ten times* the staying power of ordinary flashlights! Add a sleek, space-age design with no external switches to corrode or break (NASA wanted a fool-proof switch for their moonbound flashlights), and you've got a most dramatic premium . . . perfect for launching new deposit drives, boosting loan volume, and creating excitement for your bank or savings institution.



J. Edward Connelly Associates  
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Pittsburgh, Pennsylvania 15233  
412/391-3382

America's leading financial promotion company

### Prompt reply reserves rights—there's no obligation

When you request complete information about the Astronaut Flashlight program, J. Edward Connelly Associates will reserve exclusive promotional rights for your institution in your market area. If you wish, we also will send you a sample with no obligation. Even if you decide not to run the program, you may keep it for just \$3.95 (we'll bill you), or simply return it without cost.

Why not phone us or mail the coupon now? It's one small step for you, but it can be a giant leap forward for your financial institution.

J. Edward Connelly Associates  
1401 Reedsdale Street, Pittsburgh, Pennsylvania 15233

Reserve the Astronaut Flashlight program for us in our market area. No obligation, of course.

Rush sample and information.  
 Send information only

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Title \_\_\_\_\_

Financial Institution \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_



# Selling/Marketing

## Banker Maintains Customer Contact With Financial Newsletter Mailings

"AN IDEA is only as good as the good you can make of it!"

This is the opinion of William A. Marbury Jr., president of Ruston (La.) State. And the proof of his success in making the best use of ideas is the fact that in the four years he has been president, total resources of the bank have grown from just over \$15 million to a solid \$31 million. This is all the more remarkable when you consider that Ruston, a small city in northern Louisiana, has a population of only 19,000, and the fact that there are two other banks in town.

One of the ideas that Ruston State has made capital use of is "The Living Picture," a monthly financial newsletter published for banks by the Bankvertising Co., Champaign, Ill. The newsletter reports topical information, pri-

marily bank-service-oriented. Mr. Marbury uses an option that makes it possible to include a special message over his signature in each issue.

In March, 1969, the bank contracted for 1,000 copies of "The Living Picture." The bank has been increasing the list as newcomers were added and as requests came in to be put on the mailing list, and so the total mail-out now is in excess of 4,300.

Using a standard format, "The Living Picture" comes folded for a No. 10 envelope or as a self-mailer. Some banks use the addressing-mailing services offered by the publisher. Others, like Ruston State, take delivery of the newsletter in bulk and mail from the bank. Mr. Marbury believes this adds an important "personal" touch.

"We go the 'extra mile,'" he says,





William A. Marbury Jr. (l.), pres., Ruston (La.) State, discusses "Living Picture" mailings with Earl F. Crouse, pres., The Bankvertising Co., Champaign, Ill.

"addressing each envelope individually with an attractive type face, marking each envelope 'personal,' and sending each piece by first-class mail. We feel that this procedure adds to the value of 'The Living Picture,' and many have told us that they appreciate the way our mailings are handled. Of course, it costs a little more, but we think it's worth it."

Major emphasis is given to address additions and updating to assure prompt delivery to over 99% of the mailing list, which is maintained by the bank's ad-

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No, it's  
**pic  
chek**

	John Q. Public Jane Q. Public 710 W. Texas Anytown, U.S.A. 00000 999-9999		101
PAY TO THE ORDER OF _____		_____	40-84 1011
_____		_____	19 _____
_____		_____	\$ _____
_____		_____	_____ DOLLARS
	<b>Wichita State Bank</b> where the Customer is King	WICHITA, KANSAS	
FOR _____		_____	
⑆ 10 1 100084⑆		⑆ 10 1 100084⑆	

Increase your new account activity and please your present customers with Pic Chek, "the ultimate in personalized checking". Imprinted photographs make check cashing easier for your customers and for merchants. Be the first in your market (county or state) to offer this exciting new program.

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Title \_\_\_\_\_

Bank \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_



# DAYS ON END CALENDAR™



A New Look in Christmas Club premiums, and ideal Year-End gift!

Your customers have never seen a calendar like this one, because it will be your bank's exclusive. It isn't available anywhere else. No retail store, no other bank in your market area. This can be your exclusive customer development program.

Days-On-End brings back advantages of a note calendar with the appeal of a contemporary wall hanging. This new look in calendars is an impressive three feet tall and a slim four inches wide. It hangs almost anywhere. Since the dates run from top to bottom, we have named our calendar Days-On-End. Weekdays are in the left column with Saturday-Sundays in the right column. And, there is plenty of room for those important notes by each date. There are six sheets in the calendar, each with one month per side.

This quality calendar is printed in bright blue ink on Strathmore Electric Green paper. The calendar can also be printed in school colors with football-basketball schedules on special order.

See reverse side of this sheet for details on this exciting NEW LOOK in business development.

## SELF-MAILER ORDER FORM



Please reserve DAYS-ON-END CALENDAR for our market. (Exclusivity afforded to first bank returning reservation card in their respective market)

NAME OF BANK \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS OF BANK \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

QUANTITY OF 1974 CALENDARS: \_\_\_\_\_ (Minimum order 500 to qualify for advertising materials) Earlybird calendar orders prior to April 1, 1973 \$ .75 each; \$.80 regular price. Calendars delivered 100 per carton. Rolled in a 4" diameter, labeled, and sleeved in plastic.

STANDARD BANK NAME IMPRINT

SPECIAL SPORTS SCHEDULE IMPRINT ( \$50.00 set-up charge )

SCHOOL COLOR CALENDAR (1,000 minimum calendars. Select one color ink to run on one color background.)



Bankers like



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80 million dollar Hutchinson National Bank set new membership high

20 million dollar East Side National Bank and Trust Co. doubled \$2.00 memberships

for **STUDENT ACCOUNTS**  
Citizens State Bank attracted 500 college student accounts

for **CUSTOMER APPRECIATION**  
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**FREE**

1,000 PRESSURE-SENSITIVE ENVELOPE SALES STICKERS

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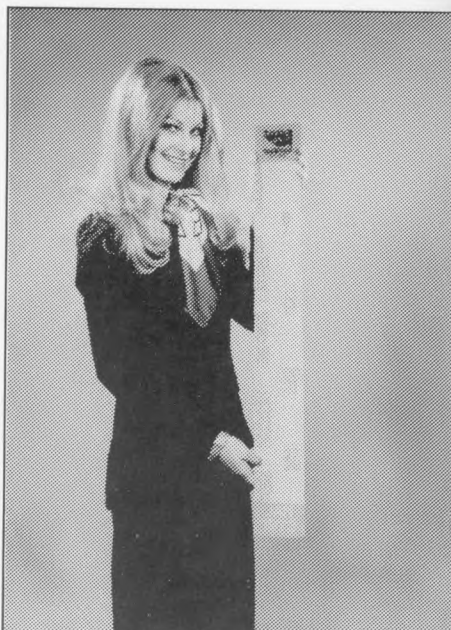
ACTUAL SIZE: (STICKERS ON DISPENSER ROLL)

**FREE**

4-11" x 7" COUNTER CARDS WITH EASEL BACKS

**FREE**

NEWSPAPER AD (4 col. x 17") MAT AND SLICK



OPTIONAL SPORTS SCHEDULE IMPRINT

**GO BIG RED**

**YOUR BANK'S NAME**  
ADDRESS Member F.D.I.C.

1972 FOOTBALL SCHEDULE

SEPT. 9 - At UCLA	*OCT. 28 - OKLAHOMA STATE (Homecoming)
*SEPT. 16 - TEXAS A&M	NOV. 4 - At COLORADO
SEPT. 23 - At ARMY	NOV. 11 - At IOWA STATE
*SEPT. 30 - MINNESOTA	*NOV. 18 - KANSAS STATE
*OCT. 14 - MISSOURI	*NOV. 25 - OKLAHOMA
OCT. 21 - At KANSAS	

\*Home Games (Cornhusker Home Games Start at 1:30 p.m.)

Your bank's name and address is printed on both sides of every calendar sheet.

Your team's basketball and football schedule can be imprinted on respective months of the calendar for additional \$50.00 set-up charge.



**FREE**  
Just by opening a \$1.00 Christmas Club Savings Account

You have never seen a calendar like this one... because it was designed especially for East Side National Bank's Christmas Club accounts. Our calendar is three feet tall and just four inches wide. And, you can write down all your important events on each date. Since the dates run from top to bottom, we call it this unusual calendar, Days On End. And, the calendar is printed in bright fun colors with Electric Blue ink on Envy Green paper. We think it is the greatest in calendars since the calendar watch. Our calendar even has a "hang up", because we include a gummed hook to hold your calendar anywhere from the side of your refrigerator to the hall closet. This contemporary and practical calendar is great to give and fun to give as a gift. So, get your FREE Days On End Calendar by just opening a Christmas Club Savings Plan for \$1.00 or more. Just think how nice it will be for Christmas when your Christmas Club plan helps buy those gifts for your loved ones.

East Side National Bank and Trust Co.  
829 E. KELLOGG 684-5123

\*Calendars available while supply lasts.

another bank marketing idea from advertising concepts, inc. / 6572 e. central, wichita, kansas 67206 / (316) 684-0461

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Wichita, Kansas

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Postage will be paid by:

**advertising concepts, inc.**

6572 East Central  
Wichita, Kansas 67206

vertising agency as an integral part of the client-service package. The agency head relates: "We . . . feel that direct mail is a 'must' for our client. In addition, we place several copies in the bank's Main Office and two branches, suggesting that officers and tellers make special efforts to present copies to visitors and new account holders."

Mr. Marbury also sees to it that "The Living Picture" serves as a vehicle to carry other items of interest and importance to customers and friends of the bank. As new customer services are added, informative brochures are prepared for inclusion with mailings. For example, not long ago the bank began a time-and-temperature service and slipped a brochure explaining the service in detail into a regular mailing. This was one more means in a coordinated effort to publicize the new community service.

Ruston is a college town, the home of Louisiana Tech University. Six miles to the west is Grambling College. Often, as members of the schools' faculties leave for further study or for new posts, the bank receives requests for a continuation of "The Living Picture" mailings to their new addresses.

"The fact that our friends move from our area does not necessarily mean that we lose them as depositors," Mr. Marbury points out. "We find that 'The Living Picture' is an excellent way of keeping in touch with our friends wherever they live. In fact," he says, "our mailings now go into many states outside our immediate region, and abroad."

Mr. Marbury concluded, "We look on 'The Living Picture' as an important part of our continuing effort to keep personally in touch with our customers and friends in a helpful, valuable way. The information contained in 'The Living Picture' is the sort that can be used to advantage by everyone. So, every month we capitalize on a good idea in a practical way and add our own ideas to it."

Mr. Marbury also is president of Homer (La.) National. And he makes good use of "The Living Picture" there, too. • •

#### Five Receive Promotions At Stockyards National

WICHITA—Stockyards National has named two new vice presidents and three assistant cashiers.

The new vice presidents are Miss Avagene Newell and Mrs. Margaret Selfridge. Miss Newell, former assistant vice president, has been with the bank since 1957. Mrs. Selfridge joined the bank in 1959 and had been serving as

assistant vice president and public relations officer.

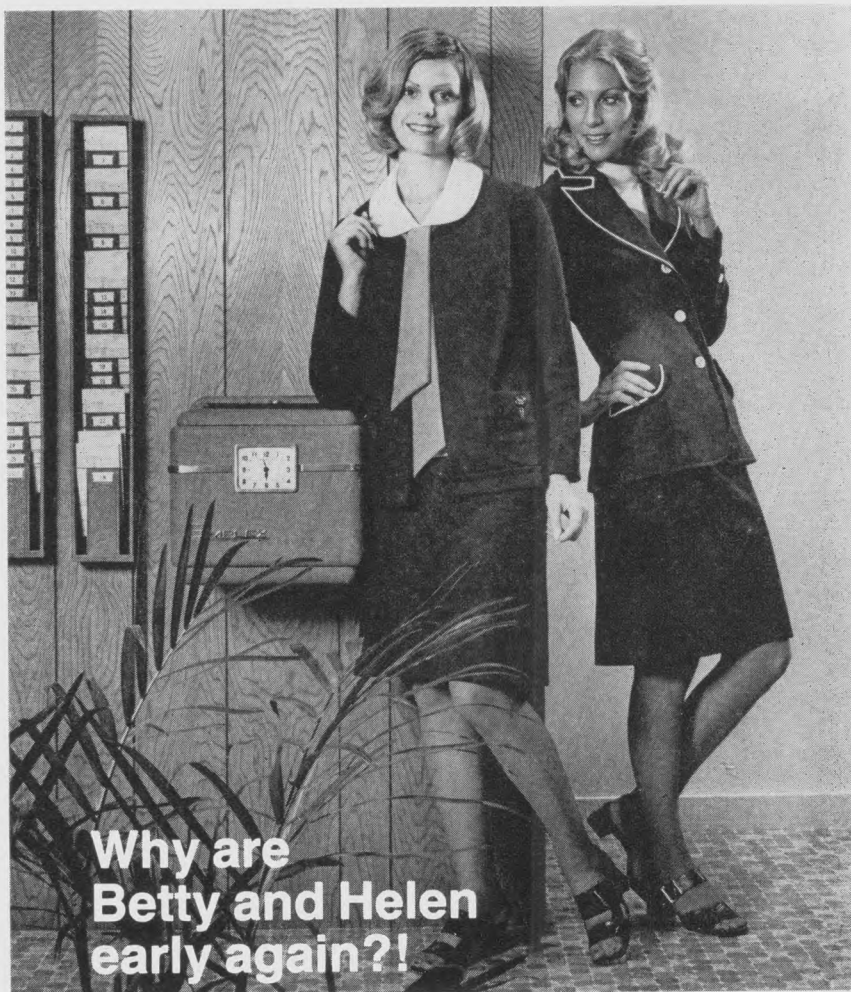
Named assistant cashiers were Miss Elenora Selenke, Miss Carrol M. Brust and Mrs. Peggy Frenkle. Miss Selenke joined the bank in 1968 and Miss Brust in 1964. Mrs. Frenkle has been with the bank 14 years and has served as supervisor of the bookkeeping and transit departments since 1967.

#### Pullen Named VP & Trust Off. At Amarillo National Bank

AMARILLO, TEX.—Amarillo National promoted Don Pullen from trust

officer to vice president and trust officer. He is head of the trust department estate planning division. Before joining the bank last year, Mr. Pullen was trust administrative officer at a Dallas bank.

Bill Ware, business development and correspondent bank department, and D. M. Vaughan, head of new accounts, were elected assistant vice presidents. Others elected were: Roy Deaver, controller; Jerry Foote, assistant controller; Allen Kohlsteadt, auditor; John Stanford, assistant auditor; Dorothy McInnish, assistant trust officer; and Lou Ella Knox, David Ellis, Dorris Evans and Joan Veazey, assistant cashiers.



Why are  
Betty and Helen  
early again?!

They always didn't start the day with such enthusiasm, but now they have a Creative Image wardrobe to choose from in the morning. Creative Image, the stylish, comfortable, durable, and eye-pleasing look. Without even a hint of a "uniform," these colorful and economical outfits give a girl a new outlook on work, and your operation benefits with a happy, well-dressed work force and high customer recognition. Contact Creative Image for full details. The gals may not come in as early as Betty and Helen, but Creative Image Career Apparel will be a real morale builder . . . and that's worth a smile.

Martin Shampaine, president

Please send your free color brochure describing this exciting new service:

(Six girls or more)

Name \_\_\_\_\_

Title \_\_\_\_\_ No. Girls \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

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# NEWS OF HOLDING COMPANIES

## Third Nat'l Corp., Nashville HC, Plans to Open Bank in Memphis

A NEW BANK is planned for Memphis by Third National Corp., Nashville bank HC that owns the \$750-million Third National Bank of Nashville. If the charter application is approved, the new bank's name will be Third National Bank in Memphis.

Ten Memphians, all active in business, civic and community affairs, have agreed to serve as directors, and a downtown location has been selected.

In other action, Third National Corp. has completed acquisition of Friendly Finance, Inc., Paducah, Ky., a commercial and financial loan firm operating through 19 offices in Tennessee,

Kentucky, Mississippi and Oklahoma. It has assets of more than \$10 million. Its earnings will be consolidated with Third National Corp.'s for the fiscal year 1972. Friendly Finance's current fiscal year began May 1, and—for the first four months—its earnings were up 40%. Net income for the fiscal year ended last April 30 was \$371,305.

The Fed has approved the proposed affiliation of First National, Lawrenceburg, Tenn., with Third National Corp. The HC also announced plans to acquire Dayton (Tenn.) Bank, subject to approval of shareholders and regulatory authorities.

• **Mercantile Bancorp.**, St. Louis, has named Harold M. Gilbert to its staff to provide consultation services in connection with bank construction projects for the HC. His services also are available to correspondent bank customers.



GILBERT

Mr. Gilbert was formerly a senior consultant with Bank Building

Corp., St. Louis, for 13 years.

In other action, the HC has elected James J. Lanning a vice president. He is chairman and president of Kansas City's Red Bridge Bank and continues in those posts.

• **The Federal Reserve Board** has approved the application of First State Bancshares Corp., Wellston, Mo. to become a bank holding company through acquisition of First State, Wellston; First North County Bank, Jennings; and First Northwest Bank, St. Ann. The three banks are known as the First Family of Banks in St. Louis County.

Joe Simpkins and Frank Chervitz own controlling interest in the three banks. Mr. Simpkins is chairman and president of the holding company and chairman of the three banks. Mr.

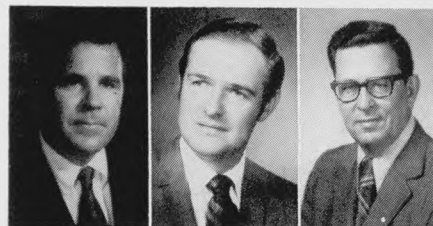
Chervitz is vice chairman of the holding company and of First State, Wellston. He also is vice president of both First North County Bank and First Northwest Bank.

• **First Oklahoma Bancorp., Inc.**, Oklahoma City, has announced shareholder approval of the merger of the First National Holding Co. into First Oklahoma Bancorp. First National Holding Co. had been organized previously solely to acquire all the stock of First National Bank, Oklahoma City. On completion of the merger—expected early this year—the bank will be a wholly owned subsidiary of First Oklahoma Bancorp.

• **First National City Corp.**, New York City, plans to establish a wholly owned subsidiary in San Francisco to provide portfolio investment advisory services in California. The firm's name is to be Citicorp. Investment Management, Inc., and is expected to be in operation early this year, subject to supervisory approval.

Thomas C. Theobald, executive vice president in charge of Citibank's investment management group, will be president and chief executive officer of the new company. William D. Robertson, a Citibank vice president, will be vice president and treasurer.

• **First Commerce Corp.**, New Orleans, has elected Thomas S. Davidson president and a director and Walter B. Stuart III and Allen R. Houk executive vice presidents. James H. Jones is chairman and chief executive officer. First Commerce is a one-bank HC of which First National Bank of Commerce is a wholly owned subsidiary.



DAVIDSON

HOUK

STUART

Mr. Jones is president and CEO of the bank; Mr. Davidson is executive vice president and chairman of the executive committee; and Messrs. Houk and Stuart are executive vice presidents.

In other action, First Commerce has formed another wholly owned subsidiary, First Investment Advisors, Inc., which will advise First Commerce Realty Investors on investments, investment policies and day-to-day operations.

• **First National Charter Corp.**, Kansas City, has announced an offer to buy 100,000 shares of its common stock at \$57 a share. Invitations for tenders of common stock were mailed to shareholders December 21, and the offer was due to expire January 29.

The offer, according to Chairman Barrett S. Heddens Jr., is aimed at acquiring shares to be used in implementing employee thrift-incentive and stock-option plans voted by shareholders last August. Shares acquired through the offer also may be used in future acquisitions.

• **The Federal Reserve Board** agreed to permit Delta Loan & Finance Co., St. Louis, to retain control of the \$84-million-deposit Jefferson Bank in a recent grandfather-clause decision. The review and decision were made under the 1970 amendments to the Bank Holding Company Act.

The firm, which owns 97% of the bank, is involved in consumer and commercial lending, installment time sales contracts and loan participations with the bank. The company also has four non-banking subsidiaries.

the "Countess"<sup>TM</sup>  
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currency,  
food stamps,  
checks,  
coupons,  
et cetera  
et cetera  
et cetera

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**BRANDT**

The finest all-purpose document counter available — the "Countess." Counts 600 to 1200 items a minute in batch or continuous count. Let us tell you more about it. *Write for Bulletin BAC-816.*



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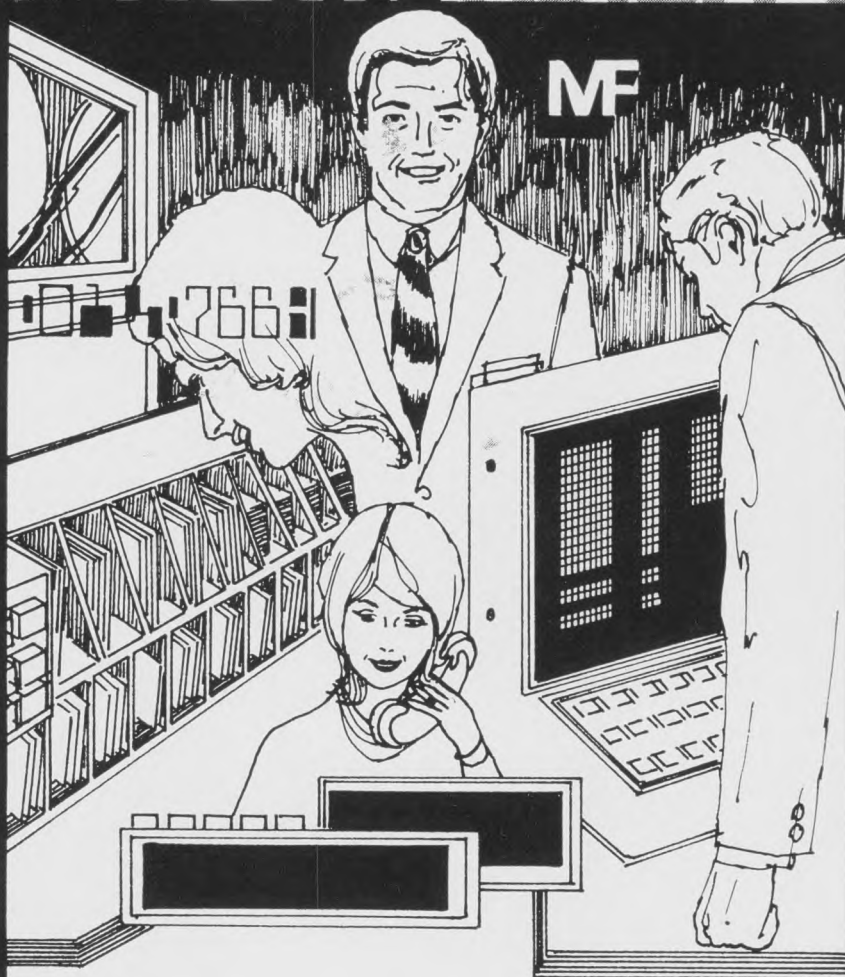


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We have the ability to respond to all of your correspondent needs: A smooth telecomputer system to speed each morning's reports to your doorstep . . . monthly analysis of your bond portfolio . . . plus quick answers on loan participations. Your daily calls are handled by operating people who develop a fast familiarity with your special problems—that's responsibility. See what we mean now by calling Ken Nunn collect at 314-652-1400.

We'll see you at the Missouri Banker's Association  
Bank Management Conference Feb. 13-15, 1973 at Tan-Tar-A.

## Manchester Bank

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A FULL  
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BANK

FDIC

### Continental Opens 'Hot Line' To Stop Check Forgeries

CHICAGO—Continental Bank has opened a 24-hour-a-day, seven-day-a-week telephone "hot line" to stop check payments and stop possible forgeries.

This central reporting system is open to all checking account customers, who can call the "hot line" number if they believe any of their checks have been lost or stolen. Bank representatives take pertinent information from the customer regarding his checking account, such as the number of checks involved, and place a stop payment on those checks.

### 'Family Banker' Publication Issued by American Nat'l

CHATTANOOGA—American National has begun circulation of "The Family Banker," a new bi-monthly publication described as a guide to better money management.

The publication is included in checking account and charge card statements.

Featured in the January issue were three subjects—"How Liquid Should a Family Be?" "Social Security Is Changing" and "A Better Way to File Your Personal Records."

### Dow-Jones News Service Offered by Victoria Bank

VICTORIA, TEX.—Victoria Bank has announced the addition of Dow-Jones business news to its list of customer services. The bank said local businessmen now can keep posted on latest happenings in their own and related fields by checking with the Dow-Jones instant news ticker located in the bank lobby.

The service offers complete coverage of business activities, including latest quotations from all exchanges, frequent prices and government decisions that affect business.

■ FEDERAL RESERVE BANK of St. Louis has re-elected David H. Morey a member of the Federal Advisory Council to represent the Eighth Federal Reserve District for 1973. He is chairman, Boatmen's National, St. Louis.

**Don't take our word for it . . .**

**ASK THE LADY  
IN YOUR HOUSE!**

We'd like to present you with a gift copy of the sensational 148-page, full-color, hard cover "Money Saving Meals" by Pillsbury. As a gift for new deposits . . . add-on deposits . . . as an incentive for home improvement loans . . . this book has no peer! Mrs. America is actively seeking ways to assist her in stretching her food budget dollars. This unusual, tested-recipe volume holds many answers for her.

**But don't take our word for it. When you receive your gift copy, take it home to the lady in your house. Ask her whether she thinks her friends would enjoy having a book like this.**



**MONEY SAVING MEALS**

is one of a series of ten nationally-known Pillsbury cook books . . . recognized by experts as having the finest, kitchen-tested recipes all America wants.

They offer unusual continuity quality and may also be used as a gift not only for new depositors but also for borrowers.

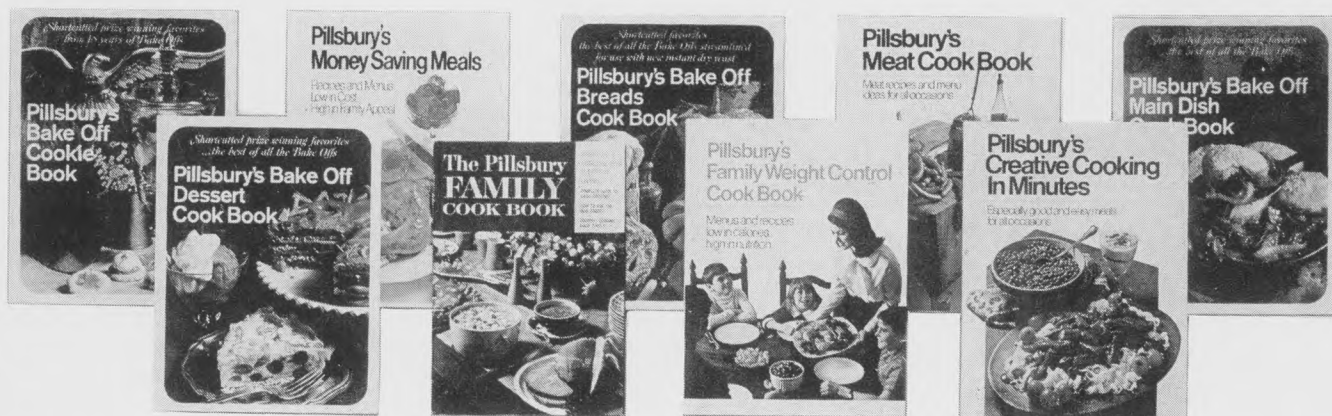
To receive your free copy and a brief presentation of how "Money Saving Meals" can aid you in your promotions, write on your company stationery. Please include your title and telephone number.

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THE INFORMATION PACKAGERS

Maplewood, New Jersey 07040





# Installment Lending

## Credit Granters' 'R' for Responsibility Should Be Added to Three Cs of Credit

By **JAMES M. SKIOTES**  
Vice President  
& Manager  
Installment Loan  
Division  
Louis Joliet Bank  
Joliet, Ill.

**M**ANY OF US who have been exposed to credit granting have heard of the three Cs of credit: a borrower's capacity, character and collateral. I should like to add a letter to this adage, the letter "R" for "responsibility" — the credit granters' responsibility.



credit granters' responsibility.

Credit granters have seen bankruptcies spiral at an alarming rate, and they continue to increase, causing businesses to charge millions of dollars to bad debt each year. We can do little to mend the damage already done, but we can attempt to control the factors causing bankruptcies in the future, if we will exercise *responsibility* in granting credit. Too frequently, a loan officer will review an applicant's request for credit

and will make his decision based alone on how well the applicant is paying his current and past obligations. More emphasis should be placed on the new extension of credit and what it will do to the borrower's entire financial position.

Will he have the capacity to repay the new debt plus all his other obligations that still exist? Even if he does, will this new extension of credit reduce his surplus income to a dangerous low?

A good rule to follow is to allow a minimum of 15% surplus over all other monthly obligations including allowance for the borrower's living expenses.

Close scrutinization of each borrower's application for credit and credit report should be made to determine if he has accurately listed all of his obligations, as this is a major consideration in granting the new extension. An overzealous credit seeker invariably will omit liabilities that may influence the credit granter in a negative manner and cause his request to be rejected. Careful review of the credit report and a careful interview with the prospective borrower will bring out these omissions and possibly ward off an extension of credit that would cause the borrower to become over-obligated and avert a possible bankruptcy, creating losses for

many creditors.

Credit granters' responsibility plays an important factor when the borrower is in his office for the final consummation of the loan. It is our responsibility as credit granters to review carefully with the borrower his responsibilities regarding his new obligation. Communicate with him as to what the lending institution expects of him and what he may expect of the lending institution. Review with him the interest rate charged, how it is calculated, all terms and conditions and "tell it like it is." Review with him the net income he will have after deducting his monthly expenses. Ask again if he has accurately listed all his monthly obligations. This will help make him aware that it is important. Even if he has a surplus, explain to him his need to ensure that he maintains this surplus so as not to upset his current financial position in the future with another obligation.

When he has left your desk, he should be completely cognizant of his need to exercise financial responsibility and will take seriously this new extension of credit and your position regarding his responsibilities.

I am not saying that all borrowers should be given a lesson in money management, but I feel it is our responsibility to see that those who need it, get it! To have a customer sign a note, give him a check and to say "have a nice day" is an over-simplification that only requires a technician, secretary or clerk. But to explain properly to a borrower his responsibilities takes the expertise of a financial adviser.

Now that many states have lowered the legal age requirements of borrowers to 18, how do we exercise our responsibilities to communicate with a whole new group of potential credit seekers? We did not do a good job on their parents. My recommendation is to get to them while they are still in school. Set up a speakers' bureau or form one within your organization. Select people who are qualified to talk on money management, credit and banking, and make these people available to local high schools, junior colleges and colleges. Notify the schools of your willingness to provide speakers for classes on these subjects; tell them your purpose is to better inform a whole new segment of our credit society. This is a terrific public relations technique, but more importantly, it shows your responsibility in informing this group of the importance of credit discipline and the proper use of credit as an asset. Without instruction in the

(Continued on page 54)

### 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.

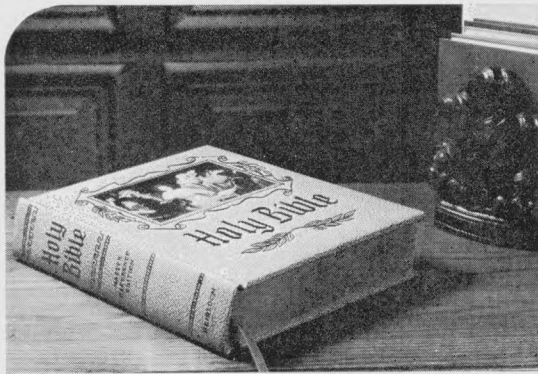
**Perforand** gives a different style for every perforator model, including machine readable.

**Randpunch** is the fastest and most economical system for small volume users, particularly branch office operations.



**RAND McNALLY**  
Coupon Payment Division

Box 7600, Chicago, Ill. 60680  
10 East 53rd Street, New York, N.Y. 10022  
206 Sansome St., San Francisco, Calif. 94104



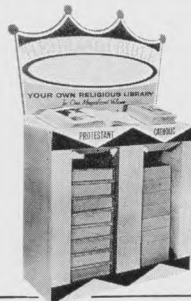
# INCREASE YOUR DEPOSITS WITH HEIRLOOM BIBLES

## PROMOTIONAL MATERIALS AVAILABLE:

Your bank can attract new checking and savings accounts, and build goodwill, when you offer the Heirloom Family Bible to depositors for less than \$10. It normally sells for much, much more. Your cost is only \$7.95 each direct from the publisher.

This is one premium promotion that virtually pays its own way. For example, if you sell the Bible to new depositors for \$9.95, your margin per book generally covers all advertising and promotional costs.

More importantly, when your bank offers the Heirloom Family Bible, you get more than just a premium item. You get a **complete promotional package** that's been **proven** in more than 300 banks coast-to-coast. (Banks ranging in assets from 700 million down to 3 million.) Plus, it's a program that will not compete with your present bank customers.



### ← DISPLAY STAND

Attractive three-color display stand that allows your customer to examine the Bible in your lobby is furnished without charge. Bottom part of stand accommodates 20 Bibles, boxed and ready for delivery.



### COUNTER CARDS →

Full-color counter cards with easel-backs are provided free for use in your bank at tellers' windows.

### ← STATEMENT STUFFERS



This full-color promotional item can be used as a stuffer or self-mailer. It features the Heirloom Bible in full-color with the remainder of the card blank so your printer may imprint your message and address. The cost is only \$17.50 per thousand.



### ← NEWSPAPER ADS →

Mats and proofs of complete newspaper ads ready for your own bank identification are supplied at no charge. Also glossy photos of the Bible are included if you prefer to design your own ad.

### ← BROCHURES

Up to 100 full-color brochures promoting the Heirloom Bible are provided free of charge.



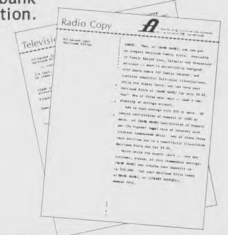
### RADIO & TV COMMERCIALS →

Filmed television commercials and taped radio spots are also available at nominal charge. They're complete, ready for your own bank identification.



### RADIO & TELEVISION SCRIPTS →

If you want to produce your own commercials, we'll send you scripts for two television spots and four radio commercials at no charge.



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# Trusts

## Bank Employs 'Pro' Farmer, Forester To Care for Property Held in Trust

**E**XTRA acreage of timber and farm properties can represent a valuable leverage in the present economy, but the city dweller or professional person who would like to take advantage of these investments has no way to manage them.

Take the case of a doctor or a business executive already swamped with professional commitments. Where is the time to tour the properties personally or find anyone to keep regular tabs on the holdings, not to mention keeping up with the paper work or coping with other problems that may arise?

There is also the helpless beneficiary of a will, perhaps a widow, who can get the shock of a lifetime to find herself suddenly the owner of a working farm when she has no talent for barnyard chores or knowledge of tilling anything other than a small flower garden.

### Professionals Engaged

It was in part to avoid just such debacles in the lives of its clients that First National, Birmingham, Ala., engaged the services of professionals—a farmer and a forester.

Five years ago, bank officers decided to employ professionals to manage the nearly 100,000 acres for which its trust department was responsible. The result was the team of Henry A. Long Jr. and Thomas Waymon Paul.

About the last place one might expect to find a working farmer is in a bank. Henry Long, however, is a bona fide farmer with a degree in agriculture from Auburn University.

He grew up on a farm, and after serving in the Air Force, returned to work with his father. Concluding that there wouldn't be sufficient income on the farm for two families, he went to work for the Federal Land Bank. In 1967, he joined First National, and, after learning about trust management, was placed in charge of a new division as an officer of the trust department.

To make up the other half of the team, Mr. Long found Waymon Paul, an Auburn graduate with a degree in forestry, and a fraternity brother whom he hadn't seen since college days. At that time, Mr. Paul was a state forester, a position he had held for seven years in a six-county area of the Piedmont

section of the state. He is now an assistant trust officer and charged with overseeing approximately 90,000 acres of timberland.

The farm and timber division, as an arm of the trust department, handles management of farm and timberlands when the bank has been named executor of a will or trustee under a trust or named as agent under an agency agreement that involves farm and timber properties. But the team assignments don't end there. The men are often sought as consultants, appraisers or just for knowledgeable opinions.

A typical investment assignment might involve lands purchased by a professional man for capital gain. After a program of improvement, the land will be resold for the client at a substantial profit.

Sometimes agreements with investors are quite informal with only the necessary legal instruments, such as a power of attorney, held by the division, which is charged with overseeing management and improvements. On occasion, the assignment involves only selling some timber, locating a farm manager or investigating a lease for mineral rights.

Henry Long describes a typical problem that came down from a trust not too long ago. A group of beneficiaries fell heirs to a tract of farm land in Alabama, but none could decide how to manage it. They had a renter on the land by informal agreement who felt property improvement was a waste of his time and money since the heirs were in dispute and the land might be out of his hands soon, anyway.

The bank's team, though only representing a half interest, stepped in and did an in-depth study of the tract's potential. It presented a strong, long-range program to revamp the farm, the object being to improve income. Even the dissidents were won over.

In other instances, the bank is named trustee to a living trust. Mr. Long calls these trusts "good estate planning."

"One woman has several thousand acres of land and because of estate taxes, she's deeding this property into trusts for her children and grandchildren each year. Her husband and the bank are co-trustees of her land," he explained.

The land is rented out and each year the woman's children and grandchildren receive their shares of the income derived from the rental. The trusts may own all the land before she dies, Mr. Long pointed out, meaning that the heirs escape estate taxes. As co-trustees, the team manages the woman's property as it does that of many persons in similar situations.

Many of his property owners are women, Mr. Paul said. Others may be "younger family members who don't have any interest in the land or capabilities for managing it," Mr. Long added.

Even if raised on a farm, these city dwellers most probably haven't kept up with the vast changes in agriculture over the past 15 years, the men say. In fact, the team anticipates that within a few years, there will be a high incidence of absentee land ownership. The average age of farmers in Alabama is 60 and most of their children live in cities and either cannot, or won't, return to the farm.

### Define Problem

Whether the investment is a farm, a timber stand, a herd of cattle, or mineral rights, and regardless of the type of account, according to Messrs. Long and Paul, procedure is first to assemble, check, file and "set up" all records. "In other words we attempt to define the problem."

As Waymon Paul commented, sometimes city heirs to rural property will come in with "a big envelope or a pasteboard box full of deeds and other papers," which the team will "sort out" to start with.

"We can get rolling then," Mr. Paul continued, "get on the ground, look at the properties, make preliminary investigations and see what we have."

"We set up a primary card with all pertinent information, legal descriptions, list of buildings on the property, utilities in the neighborhood and zoning laws, if applicable," Mr. Long explained.

All of this will have been thoroughly checked out, the tax situation investigated, assessments made, if necessary, and aerial photographs substantiating the location taken.

From the summary, the team moves on to making a "priority list" of improvements. At this stage, the two men are likely to deliver a sharp analysis of the situation in a convincing mix of farm forestry terms along with those of sophisticated investment management.

Having "wrassled" with a particular property problem, Mr. Long states that "the management objective is to pro-

*(Continued on page 42)*



## FIRST SERVICES FOR THE SEVENTIES

Jack Sanders likes to say that he spells Progress: p-r-o-f-i-t.

He's First's man on the spot in northeastern Oklahoma, Arkansas and Louisiana. He works with co-banks to make necessary extra funds available for growth and expanded earnings.

Jack needs insight, imagination and bankers' instincts to be effective. The banks he visits

regularly know him not only as a diligent researcher but also as a farm owner himself who practices the same resourcefulness and flexibility he urges on others.

The First National Bank of Tulsa invites you to consider full service thinking. Put Jack Sanders on the spot to spell progress his way for you. Call (918) 560-5157.

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*you deserve MORE... Think First!*

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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



A FULL SERVICE BANK

MID-CONTINENT BANKER for February, 1973

29



# THE FIRST NATIONAL BANK JACKSON, TENNESSEE

Statement of Condition December 31, 1972

## RESOURCES

Cash and Due from Banks	\$12,535,828.13
U. S. Bonds and Securities	11,149,406.50
Other Bonds	9,681,255.78
Loans & Discounts	32,444,586.93
Federal Funds Sold	1,500,000.00
Stock in Fed. Reserve Bank	54,000.00
Bank Premises	853,177.00
Furniture & Fixtures	286,361.93
Other Real Estate	45,000.00
Interest Accrued—Not Collected	699,657.94
Other Assets	77,161.15

## LIABILITIES

Capital	\$69,326,435.36
Surplus	\$ 800,000.00
Undivided Profits	1,000,000.00
Reserve for Loan Losses	2,416,500.07
Interest Collected—Not Earned	542,101.99
Accrued Payables	257,027.26
Dividend Payable	311,058.16
Deposits	32,000.00
	63,967,747.88
	\$69,326,435.36

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<b>LILLIAN J. CASON</b> Vice President & Trust Officer		Vice Presidents	
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<b>WILL H. FOSTER</b>		<b>J. BENJAMIN SHELTON, JR.</b>	
<b>JAMES FREEMAN</b>		<b>GEORGE R. SHELTON</b>	
<b>JOE GOBELET</b>		<b>EARL WILLIAMSON</b>	
<b>JAMES NATHAN BUCKLEY</b>		<b>TED MOORE</b> Cashier	
<b>BENNY D. FESMIRE</b>		Assistant Vice Presidents	
<b>MARY LOUISE HAMILTON</b>		<b>MARGUERITE L. HOLDER</b>	
<b>JERRY N. FLANAGAN</b>		Assistant Cashiers	
<b>PATTI LONG</b>		<b>MAMIE PETTY</b>	
<b>JAMES L. ELLIS</b> Auditor		<b>TOM PHELAN</b> <b>IRWIN VANN</b>	

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# Corporate News Roundup

• **Bank Building Corp.** Three appointments have been announced by Bank Building Corp., St. Louis.

John F. Kolb is now manager of sales for BBC's northern bank facilities division, headquartered in Chicago. In this post, he directs sales in Indiana and upstate Illinois and six other states. Before joining BBC, Mr. Kolb was regional sales manager, Hilti Fastening Systems.



KNOBLAUCH KROUSE KOLB

Chet Krouse has been made consultant services manager for BBC's central bank facilities division, with primary responsibility for Kansas and western Missouri. He had been a sales trainee for Pitney-Bowes, Inc.

Grant E. Knoblauch has been named S.A.M. representative for the central bank facilities division, with primary responsibility for pre-planned building programs. Prior to joining BBC, he was regional manager, Sunco Manufacturing Co.

• **Wisdom, Kelly & Colon, Inc.** Cecil K. Colon Jr. has become a member of the firm of Wisdom, Kelly & Colon, Inc., investment counseling firm in New Orleans. He formerly was a senior vice president of Hibernia National, New Orleans, where he was a senior commercial lending officer and member of the trust investment committee. Mr. Colon is a graduate of Tulane University and holds a master's degree from the Harvard Graduate School of Business.

• **Insured Credit Services, Inc.** This Chicago firm recently topped the one billion dollar level in credit insurance underwritings on bank-held home improvement loan portfolios. The firm is said to be the world's largest underwriter of property improvement loan credit insurance.

## OFFICERS

<b>W. V. ALLISON</b> President
<b>DONALD D. DOTY</b> Executive Vice President
<b>BEN HARNED, JR.</b> Senior Vice Pres. & Cashier
<b>R. W. BUTLER</b> Vice President
<b>BARRY M. HUDSON</b> Vice President
<b>BRUCE E. OAKLEY</b> Vice President
<b>NEAL T. SEIDLE</b> Vice Pres. & Trust Officer
<b>CHARLES SPRUELL</b> Comptroller
<b>FRED N. BROWN</b> Assistant Vice President
<b>NELSON V. ROGERS</b> Assistant Vice President
<b>RICHARD F. LEE</b> Auditor
<b>ROBERT C. BEARD</b> Assistant Cashier
<b>CHARLES BRANNAN</b> Assistant Cashier
<b>E. LYNN CASWELL</b> Assistant Cashier
<b>DENNIS O. CUBBAGE, JR.</b> Assistant Cashier
<b>JOHN SPANGENBURG, JR.</b> Assistant Cashier
<b>RONALD E. SWIGART</b> Assistant Cashier
<b>KENNETH YOUNG</b> Assistant Cashier
<b>BETTY H. DALRYMPLE</b> Assistant Trust Officer
<b>WESLEY C. MATTHEWS</b> Assistant Trust Officer

## CONDENSED REPORT OF

# First National Bank In Bartlesville, Okla.

At the close of business, December 31, 1972

## RESOURCES

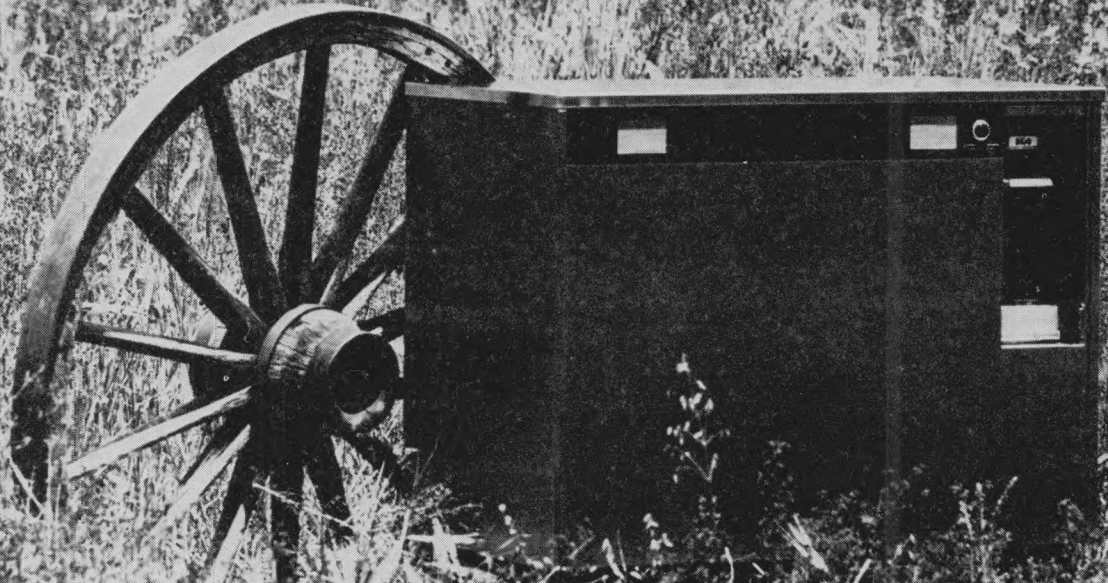
Cash and Sight Exchange	\$ 11,969,660.80
Federal Funds Sold	20,600,000.00
U. S. Government Securities	21,016,139.46
Municipal Bonds	24,538,086.10
Other Securities	10,150,001.00
Loans and Discounts	35,015,042.98
Overdrafts	348.34
Leasing	1,616,034.21
Bank Building	289,850.83
Furniture and Fixtures	None
Interest Earned—Not Collected	895,909.04
Customers Liability, Letter of Credit	1,842.60
Other Assets	18,707.26
	\$126,111,622.62

## LIABILITIES

Deposits	
Demand	\$96,443,060.78
Time and Savings	13,557,168.53
Total Deposits	\$110,000,229.31
Interest Collected—Not Earned	404,460.44
Letter of Credit Liability	1,842.60
Reservations	1,075,438.26
Capital Accounts	
Capital	\$ 2,000,000.00
Surplus	3,000,000.00
Undivided Profits	9,629,652.01
Total Capital Accounts	14,629,652.01
Total Liabilities and Capital Accounts	\$126,111,622.62

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# MID-CONTINENT BANKER

## NEWS ROUNDUP

News From Around the Nation

### Attempts Made to Combat NOW Accounts

With the convening of many state legislatures now taking place, bankers and state associations in some New England states are submitting bills to put a halt to or at least curb the growing practice of savings banks offering "negotiable orders of withdrawal" or NOW accounts that pay up to 5¼% interest.

The Massachusetts and New Hampshire bankers associations have sponsored bills to place a moratorium on the offering of such accounts. Other bills seek to halt the paying of interest on the accounts, freeze the interest rate at a lower figure and permit commercial banks to offer similar interest-bearing accounts.

Savings banks in Massachusetts are said to have attracted 20,000 customers with NOW accounts. It is estimated that these customers are receiving up to \$150,000 in interest per month on the total of \$30 million invested in the accounts. At least 70 savings banks in the state offer NOW accounts.

Each NOW check costs the customer 15¢, in contrast to the free checking plans offered by most commercial banks.

### Treasury Amends Record-Keeping Rules

The Treasury has adopted amendments easing the controversial record-keeping requirements it had ordered for financial institutions under the Bank Secrecy Act.

The amendments were aimed at meeting the objections of critics, who had said the record-keeping requirements that were designed to help catch criminals would be too burdensome for banks and might permit invasion of the privacy of bank customers.

The revisions exempt all checks of \$100 or less from the rule requiring banks to keep microfilmed copies of all checks for five years, except for routine checks; exclude credit-card systems from the definition of financial institutions covered by the act; assure that information collected under the act must be kept confidential; and delete a phrase allowing the Treasury Secretary to impose additional record-keeping or reporting requirements without amending the regulations.

### Unmanned Unit Stand Eased in Indiana

The Indiana banking commissioner has adopted a more lenient attitude on the installation of unmanned teller machines in order to encourage banks to take advantage of new electronic technology.

One Indiana bank taking advantage of the new attitude is Peoples Trust, Fort Wayne, which has installed an unmanned teller unit in a supermarket. The unit is connected to the bank via pneumatic tube. A branch of the bank is located some 500 feet from the market.

The unit was installed at the request of the market, whose management wanted to get out of the check-cashing business.

The action in Indiana was prompted by the Ohio banking commissioner, who has said that cash machines should not be considered as branches.

### Fed Proposes Seasonal Credit

The Fed has proposed to make available to smaller banks a seasonal borrowing privilege at the discount window. The proposal would permit Fed-member banks to negotiate a line of credit at the discount window if average total deposits fluctuated seasonally by more than 5% during the preceding calendar year.

Banks would be required to negotiate the line at the Fed, demonstrating the seasonal need for deposits. Credit under this arrangement would be extended to member banks for periods of up to 90 days, and, under ordinary circumstances, renewals could be granted extending the borrowing for the duration of a demonstrated seasonal need.

The privilege would be available only to member banks that lack reasonably reliable access to national money markets.

Comments on the proposal will be accepted through February 28.

### FTC Bolsters Due-Course Ban Provisions

The Federal Trade Commission has announced additional provisions intended to strengthen its year-old proposal to prohibit the use of holder-in-due-course and waiver of defense clauses in credit card as well as consumer installment transactions. Hearings for the new provisions will be held later in the year.

The new provisions would specifically include credit card transactions among those that would be affected by repeal of holder-in-due-course and waiver of defense.

### Fed Raises Discount Rate to 5%

The Fed approved discount rate increases from 4½% to 5% in mid-January for all 12 district banks.

The move is designed to bring the discount rate into better alignment with short-term market rates, which have risen considerably in the past few months.

The Fed noted that the widened gap between the discount rate and other sources of bank funds has contributed to a sharply increased level of borrowing by banks in recent weeks.

It noted that in the four weeks ended January 10, member bank borrowings averaged \$1.2 billion, almost double the average for the period from early October through mid-December.



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Clockwise from left, George C. Dudley, C. J. O'Connor, John E. O'Connor,  
Larry T. Pitts, John T. Fowler, Eugene B. Foncannon



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First National Bank of Kansas City

# *Fed's Regulations D and J and RCPCs— How They Will Affect Banking's Future*

By **LARRY C. HEMPEL**  
Special Representative  
Federal Reserve Bank  
St. Louis

**T**ODAY is the first day of the rest of your life! Most of us have heard this numerous times, but it holds particular relevance for members of the banking system in the 1970s because of the accelerating pace of change around us. One interpreter concludes that the banking industry, in the past, has not modernized as quickly as some industries, but it is awakening to the fact that all future progress begins with *today*. It is surely with this kind of optimistic attitude that future banking leaders will succeed.

Some of the most recent and far-reaching changes—steps in the Federal Reserve System's project to improve the nation's payments mechanism—were implemented recently. This article puts the magnifying glass on three such topics—Regulation D, Regulation J and regional check-processing centers (RCPCs). One purpose in doing so is to review events during the past year which have become landmarks and are significant for their bearing on future directions of financial innovation. Another objective is to recognize that the interest of many readers centers on bank profits and on their future relationship to this changing financial system. Of particular interest is how the

November 9, 1972, changes affect sample banks.

The goal of the first section is to examine some details of the recent changes. The second major area reviews the framework of reasoning behind the changes. Next is a brief perspective on the sequence of modifications accomplished during 1972, followed by analysis of the effects on some sample banks and their cash letters. The last section discusses future implications of the recent modernizations.

**What Has Changed.** Throughout 1970, 1971 and 1972, regional check processing centers (RCPCs) were established in major cities to increase the speed and efficiency of check handling. An RCPC can be thought of as a facility serving a geographic area wherein all banks have immediate credit and immediate payment privileges for checks payable therein.

In cities that have Federal Reserve offices, this project has involved extending present clearing arrangements into

larger zones wherein checks are collected from the depositing bank, processed overnight and presented to the "drawee" bank for payment in immediately available funds. Emphasizing accelerated overnight processing, RCPCs dispatch checks at an early morning hour so that the drawee bank receives the checks by 11 a.m. By making debits and credits to reserve accounts on its books, the Federal Reserve RCPC simultaneously can charge the paying bank and credit the depositing bank. This is equivalent to a cash transaction—one party in the transaction providing and the other acquiring immediately usable funds.

RCPCs also have been established in cities not having Federal Reserve offices, again with the objective of increasing the speed and efficiency of check clearing by achieving faster "presentation" of checks and then obtaining same-day payment once the checks arrive at the bank.

Banks not in an RCPC clearing area nor in an announced RCPC expansion of boundaries also are subjects of ongoing planning by the Federal Reserve System. Handling *more checks faster* at a Federal Reserve RCPC, however, requires ordering and then installing additional equipment, hiring and training new employees and contracting for changed courier transportation of checks. As additional areas are studied and found to be consistent with transportation possibilities and check volumes, more banks will be included within the RCPC boundaries.

Most bankers want to gain the benefits of being an RCPC participant—earlier credit for checks and accelerated return of dishonored items. "Support for the accelerating pace of changes to the payments mechanism" has been the typical response from most bankers

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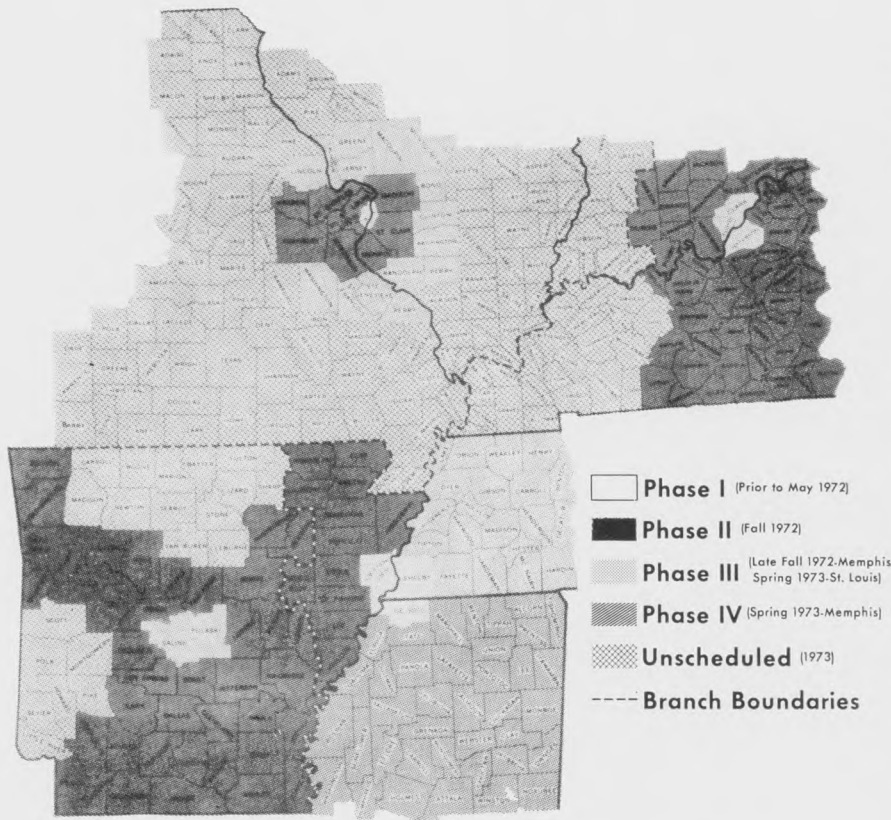


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## *Reserve Requirement Scale*

<b>Amount Of Net Demand Deposits</b>	<b>Reserve Percentages Applicable</b>
First \$2 million or less	8%
Over \$2 million-\$10 million	10%
Over \$10 million-\$100 million	12%
Over \$100-\$400 million	13%
Over \$400 million	17½%





This map of Eighth Federal Reserve District shows present planning for RCPC expansion. Large "uncharted" areas are receiving continuous attention within and outside Federal Reserve System as plans evolve for mix of resources that can be allocated efficiently to provide best means of settling financial transactions for these points.

their payment of checks presented by the Fed.

Temporary waivers of penalties when deficiencies occur are being granted by the Fed to a small number of banks where the amendment to Regulation J has resulted in certain reserve deficiencies. In addition, nonmember banks realizing a significant impairment of liquidity or of ability to serve their communities have been extended special access to the Federal Reserve discount window for temporary credit.

**Regulation D—“Reserves of Member Banks.”** This regulation structures amounts of funds member banks must keep on reserve behind their deposits. The November, 1972, amendments to Regulation D lowered the structure of reserve requirements on net demand deposits and removed the traditional geographic distinctions among banks. Reserve requirements on time deposits and other liabilities were not altered.

The old reserve-requirement structure viewed the business of an outlying bank as entirely different from that of a city bank. It was assumed that greater volatility for city banks justified a different structuring of reserve requirements.

This view was severely outdated long ago as the business of banks became increasingly similar, and yet banks with the same business and same net demand-deposit levels faced different reserve requirements because of location.

(Continued on page 64)

visited by this bank's representatives. One banker asked, "Why has it taken this long?" Another banker asserted, "My bank has a lot to gain from faster return of dishonored items." Such eagerness and involvement likely will provide the catalyst to solidify planning and implementation of an action program for outlying areas.

**Regulation J—“Collection of Checks and Other Items by Federal Reserve Banks.”** This FRS regulation specifies terms and conditions under which it will accept checks for collection. The Federal Reserve Act of 1913 provided

the authority to establish a comprehensive and economical plan of bank clearings. The November 9, 1972, amendment to Regulation J requires banks served by the Federal Reserve check-collection system to pay for checks, in immediately available funds, the same day the checks are presented for payment by the Fed. An easy method of doing this is by signing an agreement whereby the bank authorizes the Fed to charge a reserve account for checks sent to the bank. The result of Regulation J is to place all banks, city and in outlying areas, member and nonmember, on the same footing regarding

EXAMPLE BANK A—Small Suburban Member

Loss from Earlier Payment.....\$270,000	Gain from Earlier Credit.\$70,000
	Gain from Reg. D.....\$300,000
Net Gain.....\$100,000	

EXAMPLE BANK C—City Bank

Loss from Earlier Payment.....-0-	Gain from Earlier Credit.\$75,000
	Gain from Reg. D.....\$7,000,000
Net Gain.....\$7,075,000	

EXAMPLE BANK B—Country Nonmember

Loss from Earlier Payment.....\$220,000	Gain from Earlier Credit (from correspondent).....\$150,000
	Possible Gain from Lower State Res. Req. ....\$250,000
Net Gain.....\$180,000	

These examples of three different types of banks demonstrate varying impact of faster credits and faster payments, plus bonus of Regulation D, according to author of accompanying article. Effect of these changes on banks will vary, depending on banks' sizes, locations, methods used to clear checks and compositions of cash letters.

CUSTOMER profitability analysis has been one of the most talked about and dreamed about topics for bankers in the last 10 years. With various computer software companies installing workable central file systems throughout the country, the problem of identifying all of a customer's relationships appears solvable. The more comprehensive central file systems have room for accumulation of volumes in each of the activities.

Now, therefore, with the knowledge of the customers' accounts and of the volumes of activities in each of those accounts, the only remaining hurdle is

pleteness we desired—costs. Our finalized objectives were restated as follows: "A model that will accept volumes of transactions as input, and that will produce as output—number of people required, amount of square footage required and cost."

Cost was defined as those expenses, direct and indirect, attributable to the operation of a work station. The sum of the portions of work stations needed to fully process a transaction would constitute the cost of the transaction.

At least three approaches were seriously considered. The first was called the "list" approach. This method in-

# A Workable Approach To Customer Profitability Analysis

By **W. NOLAND THOMAS, CPA**  
and **JOHN C. PISA, Ph.D.**  
Louisiana National Bank  
Baton Rouge

to establish and maintain meaningful *transaction costs*. It has been recognized for some time that to associate income with individual accounts was not the major problem.

The project described in this article is an effort by Louisiana National to find a way to inexpensively obtain, but more importantly *maintain*, realistic and usable transaction costs.

The original project was a study prior to the planning of our operations center. The bank needed to find a way to determine the number of square feet that would be required in the new building to serve our needs for a five-year period. It was clear that if the number of people required were known, the space requirement could be easily calculated. The task then was to relate a projected volume of activity to the personnel required to service that volume.

It was decided that transactions would be used as the determining volume. This choice excluded the use of such things as number of accounts and number of dollars in a given account. It seemed apparent that the transaction volume was generating the work and not the existence of any given number of accounts or their balances. It was conceded early, however, that the number of accounts was a great help in predicting the number of transactions.

Having reached this point in defining what was about to be attempted—a model that would accept volumes of transactions as input, and that would calculate the personnel required to service that volume as output—we found that only one factor remained, which, when included, would give us the com-

pleted simply making a list of every operation performed in the bank. The problem with this approach is that since the operations are not interconnected in any fashion in the list, the level of activity of each operation has to be determined, maintained and forecasted individually if the list is to be used. Thus, due to the number of operations performed in a bank, the list approach was abandoned as a bookkeeping nightmare.

The second idea was the "matrix" concept. This approach consists of building a matrix in which the rows correspond to the different types of transactions and the columns correspond to the different work stations in the bank. If a transaction passes through a particular work station, an entry is made in the corresponding row and column of the matrix. Since no sequencing of events is given in the matrix, maintenance is a serious problem with this approach.

The concept finally adopted was the "chain" approach. In this approach, a chain—a *sequential* listing of the operations performed on a transaction—is developed for each transaction. Since the volume for each operation is determined by the volume of the preceding operation, one input volume for a chain determines the level of activity of each operation in the chain. Once the chains are developed and verified—neither of which are difficult tasks—forecasting can be accomplished by merely changing the input volumes.

It should be emphasized at this point that the initial output of the model is expressed in terms of the numbers of people, or portions thereof, required for each operation. The derived cost

*Mr. Thomas is manager, administrative services, at Louisiana National. He is an accounting graduate of Louisiana State University and a member of various technical and professional associations. Mr. Pisa is an assistant professor of quantitative methods at Louisiana State. He has been lead consultant with Louisiana National in the development of the model discussed in this article.*



factor is then applied to the number of people shown.

The last really important aspect of cost definition is that the costs associated with each work station (one work station = one person) are segregated among the following:

- Direct costs—incurred at the work station;
- Indirect departmental costs—e.g., supervisors, secretaries, other overhead;
- Allocated costs—those allocated from outside the department.

Since the model was developed to assist in planning an operations center, only those transactions relating to the operations center were drawn. The technique used to develop the chains was to have the affected departments build their own. A coordinator was assigned to each major department to assist in the developmental effort and to aid in the model verification. The actual sequential listing of the operations performed on a transaction was a simple matter for the departments to handle.

The other two essential ingredients of the model were a little more difficult to obtain.

First, the average level of activity of each operation in a chain had to be determined. This data was usually found in old records or in data processing print-outs.

Second, the capacity of a work station to perform an activity had to be estimated. The more sophisticated the available work measurement data, the easier it is to obtain these numbers. However, lack of such work measurement data does not preclude or even greatly complicate the task; it merely makes verification a little more difficult. (LNB is a good example of this.) Once these numbers are determined, the number of people needed for each operation in a chain follows by simply dividing volume by capacity.

Verification was a two-step process. First, average input volumes for the preceding three to six months were run in the model. The departments and coordinators then adjusted the model until the calculated number of people aligned with the appropriate existing staff levels.

The second step in the verification process was to run live data for a three-week period. Actual transaction levels for the preceding day were input daily into the model. The actual number of people used on the test days was then compared to the output of the model for the same days, and the necessary adjustments were made. The verification process was easy to apply, yet it quite accurately fine-tuned the model so that the chains gave a true representation of bank operations.

While the task of data collection to generate the basic model was being

performed, another effort was underway to develop the cost factors to be applied at each work station. The proof of the factors is accepted when the total of all the work stations times their factors equals the total cost of operations.

The uses of transaction costs in customer profitability analysis are obvious. The uses of customer profitability analysis must necessarily be left to the creativity and ingenuity of the individual banker in his own locale.

Another door has been opened, however, and that is the opportunity to effectively *plan* and *control* individual transaction costs. • •

## Bank 'Gift Wraps' New Building, Cuts Huge Ribbon at Opening

GALVESTON, TEX.—When First Hutchings-Sealy National held a ribbon-cutting ceremony to officially open its new building late last year, it was a Texas-style ribbon cutting. The \$4.5-million structure was "gift wrapped" for the Christmas season with a 150-foot-tall, seven-foot-wide bright red sailcloth ribbon and a huge, 24-foot bow.

At the grand opening, a section of the ribbon was cut by Robert K. Hutchings, vice chairman, and Robert Sealy, a director, with help from 10-year-old John Henry Hutchings Jr. All three are direct descendants of the 118-year-old bank's founders, John Sealy and John Henry Hutchings.



TOP: First Hutchings-Sealy Nat'l, Galveston, "gift wrapped" its new quarters in keeping with Christmas season. BOTTOM: Vice Chairman Robert K. Hutchings and John Henry Hutchings Jr. (partially hidden) at left on first balcony and Robert Sealy, bank director, cut huge ribbon, officially opening building. All three are direct descendants of bank's founders.

## McShane Promoted to V.P. At United Missouri of K.C.

KANSAS CITY—United Missouri Bank (formerly City National) has ad-



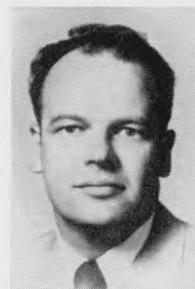
McSHANE

vanced Edward L. McShane Jr. from personal trust officer to vice president and personal trust officer. He joined the bank in 1967.

John V. Gabhart was elevated from assistant cashier to assistant vice president and Mrs. Doris Y. Hardesty was elected an assistant cashier. Mr. Gabhart joined the bank in 1969 and Mrs. Hardesty has been with the bank since 1956.

## Lynn Gets Correspondent Post At C & S Nat'l, Atlanta

ATLANTA—Citizens & Southern National has named Vice President



LYNN

Kirk Lynn group manager for the southern region correspondent and corporate banking.

Mr. Lynn, with C&S since 1956, has worked in various departments, most recently as group manager for the eastern region of the corporate accounts department. He is a graduate of Auburn University, the AIB and the School of Banking of the South and has just completed the program for management development at Harvard Business School.

## Marchesi Appointed Senior VP At Northern Trust, Chicago

CHICAGO—Northern Trust has named John H. Marchesi senior vice president in the trust department. He will serve as senior investment officer.

Promoted to vice presidents were: Perry R. Pero, William S. Trukenbrod, Stephen B. White, banking department; Herbert B. Gofman, William A. Inskeep, Bernard H. Kailin, Robert M. Matasar, trust department; and David L. Eddy and John H. Robinson, administrative department.

New second vice presidents are: John J. Beatty, John M. Dardis, David M. Dixon, Robert C. McCall, Harold J. Wiaduck Jr., banking department; and Edward J. Den Dooven, Richard R. Miller and Douglas F. Mitchell, trust department.

# Automated Branch Site Selection System Developed by Citizens Fidelity, EDP Firm

**T**HE SELECTION of sites for branch banks almost always is a tricky matter, often based on intuition and sometimes on whims. But such is not the case at Citizens Fidelity, Louisville, and other banks using the technology Citizens Fidelity has worked out with Alcon Data Corp., Bridgeport, Conn.

The two firms have come up with what the bank terms "one of the most unique and flexible customer analysis programs in the banking industry."

Called the Customer Account Location System (CALs), the system represents a merger of two independently developed programs: Alcon Data's Customer Profile Service and Citizens Fidelity's CALs System.

Alcon Data, a systems and data processing firm, has for several years marketed a customer profile service with the capability of merging by household all of the bank's account records, savings, DDA, charge cards, mortgages, etc., by match-keying on name and address. The program generates detailed and summarized information with applications to a wide variety of operational and marketing management decisions.

For example, the information can be used in:

- Analysis of customer relationship profile;
- Planning cross-selling promotions;
- Customer profitability analysis;
- Generating master mailing lists;
- Relationship of selected household accounts.

Citizens Fidelity's program was developed by Gary E. Icenogle, a vice president in charge of marketing research, and the systems and programming departments.

The idea for the bank's program was conceived in 1964 in conjunction with a major policy commitment by management to aggressively expand in the retail banking area. Citizens Fidelity was then servicing its customers through 17 branch locations.

Before beginning a branch expansion program, management felt that finding a method for maximizing the opportunity and profit while reducing risk would be vital to the program's success.

The means for accomplishing this objective provided the fundamental concepts from which the current CALs System has evolved.

To successfully expand the branch office system, it was essential that the bank know how effectively its existent branches were operating; what the market area was, the branch's potential business in that area and its share of the market. Similar data on *potential* branch sites would be a help in reducing risk and increasing the profit of new locations.

In 1964 the means for getting these plans off the drawing board and into practice emerged. The key was a special census of the metropolitan Louisville area. This special report provided current population figures by sub-areas (enumeration districts) within census tracts.

With this data, Mr. Icenogle was able to answer the important question of where Citizens Fidelity's customers are located. Concentrating on checking accounts, a unique geographical code was assigned to each account. By locating each account by its census tract and enumeration district, he was able to determine the bank's customer distribution and market penetration.

This fundamental approach was used until 1970 to locate an additional 10 branches. The data was also used to locate potential branch areas, which were then field-checked to provide additional information on competition and the banking practices of the residents.

The bank found this method of evaluating potential branch areas highly successful and profitable. Marketing research also learned from its experiences with the first CALs report that by making certain improvements and using new techniques—notably including all bank services and developing reports by branches—the program would be more flexible and complete.

With these objectives in mind, marketing began to explore the possibilities of converting this program to a completely automated system. Data from the 1970 census was to be made available on tape and the Census Bureau was also making available specialized programs that could be utilized to fit the bank's particular requirements.

The 1970 census data was reported on the basis of block levels, which meant that the population of Jefferson



County, Ky., was broken down into approximately 650 unique, block group sub-areas.

Furthermore, the Census Bureau was also offering a program, called Admatch, which, when used in conjunction with an address coding guide (ACG), would enable the user to computerize the account address and geographic coding match process.

After studying the various alternatives utilizing the 1970 census and associated systems, management decided that the new CALS System should include a bank report-by-block group within census tract, a report for each branch office-by-block group within census tract, a report on commercial activity-by-block group within census tract and an analysis procedure that would permit retrieval of selected information from the various files.

In addition to providing banking data, the system was designed to run in conjunction with the census first count summary tape for the inclusion of demographic data.

One problem immediately recognized was, if the bank's checking, savings, CDs and charge-card files were to be included in the new system, it would be confusing to relate each of the single services into a meaningful overall bank relationship with respect to households.

Alcon Data's customer profile package enabled the bank to eliminate this separate service problem because it had the capability of merging the files by household relationship. Thus, the CALS System could be developed in a manner that would permit analysis by household and by type of account. The Alcon Match Key could also be used in conjunction with the address coding guide to geo-code the bank's files.

Citizens Fidelity's CALS System produces three separate reports and has file retrieval capability through two analysis programs. The commercial CALS report provides data on all commercial accounts. The retail CALS report provides information on five separate services—including such data items as population, families, families with banking relationships, balances, loans, average balances and potentials—for each block group. The branch CALS report provides essentially the same data except that a report is generated for each branch.

The two analysis reports permit retrieval of data from the various report files based on selective configurations of census tracts and block groups as requested. The area analysis report will retrieve data on *all* accounts within the selected area while the branch analysis report selects data on the specified branch within the specific area re-

quested. These two reports run in conjunction with the census first count summary tape and the bank files to provide banking information, demographic data and projections of potential and existing market share.

By utilizing the CALS System, the bank was able to study and evaluate each existing branch office, to identify potential branch areas and to quickly retrieve data on each potential area. With the complete data provided by the CALS System, marketing research and branch administration have identified a number of prime branch locations and evaluated each on a priority basis.

The incorporation of Alcon Data's Customer Profile Service into Citizens Fidelity's CALS System has given management these additional capabilities:

- Measure family penetration by area;
- Measure relative strengths of present bank operations within each primary market area;
- Measure performance of branch managers;
- Identify low-performing branches that may need specialized marketing programs;
- Measure and identify weak or strong sections of the branch primary market area;
- Identify branches most or least successful at cross-selling services;
- Measure branch market share based on computed potentials;
- Measure demographics of branch

service areas and other areas with no representation;

- Assign priorities for the establishment of new branches in potential areas;
- Measure or identify areas with highest loan potentials or deposit potential.

While the CALS System has proved to be unique in its flexibility, scope and applications, both Citizens Fidelity and Alcon Data have found it easily adaptable to the operations of any bank, regardless of size. • •

### Officer Promotions Listed By Tower Grove Bank

ST. LOUIS—Robert A. Wendel, treasurer, Tower Grove Bank, has been promoted from vice president to senior vice president. William L. Patton Jr., former assistant comptroller, was named vice president and comptroller. Donald R. Potthast and William E. Stuart were advanced from assistant vice presidents to vice presidents, while Herbert W. Waltke Jr. and William J. Eichens were elected vice presidents and trust officers.

Appointed assistant vice presidents were Ron G. Sherrill, Arthur H. Cremer, Thomas H. Brouster and Carl H. Allinger. Others named to new posts were: George J. Pflueger Jr., assistant auditor; Donald W. Frein, installment loan collection manager; Mrs. Shirley M. Neun, manager, customer service; Mrs. Alma J. Kimlin, manager, new accounts; Mrs. Emily V. Schepers, safe deposit manager; Mrs. M. Colleen Stuetzer, secretary; and Wayne A. Beugg, commercial loan officer. Mr. Beugg formerly was a banking representative with Boatmen's National.

### Promotions, New Appointments At Harris Trust, Chicago

CHICAGO—Harris Trust has announced a list of recent promotions and new appointments. Promoted to vice presidents in the banking department were: Elwaine W. Hardtke, real estate division, and Raynor C. Leonhardt, business services division.

Named assistant vice presidents were: Charles H. Davis, Russell W. Holdych, Bruce F. Osborne, Robert A. Sprowl, C. William Whitlock Jr., Hans J. Eigner and James C. Seyfarth, all of the banking department; Howard R. Sahlin, investment department; Thomas I. Hutcheson and Wayne W. Thomas, trust department; and Thomas A. Wick, economic research office.

Newly elected banking officers are William Berg, real estate management officer; Kenneth J. Davis, international banking officer; and Dale F. Jacobs, corporate services officer.

### Radishes Grow Big!



Radishes do grow big . . . in Oklahoma . . . as Wilfrid B. Johnson, pres., First Nat'l, Ponca City, demonstrates in the above photo. Actually, the radish Mr. Johnson is holding is a special Japanese hybrid variety that will do well in Oklahoma or anywhere else. Want some of these seeds to test your "green thumb" next season? Send a self-addressed envelope to Ralph Cox, editor, MID-CONTINENT BANKER, 408 Olive, St. Louis, Mo. 63102.



### DART-O-GRAM

D.A.R.T.\*  
Deposit Guaranty National Bank  
P.O. Box 1200  
Jackson, Mississippi 39205

Gentlemen: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone Number \_\_\_\_\_

\* Direct Action Response Team © 1972 DEPOSIT GUARANTY NATIONAL BANK

DART-O-GRAM message forms are available at bank offices to enable customers to send in queries about bank services.

## D.A.R.T.'s Message to Bank Customers:

# 'We Want to Hear From You!'

**G**O AHEAD, please; we're listening! This, in effect, is what we at Deposit Guaranty have been saying to our customers in recent months as part of a plan to find out what the customer is thinking about the bank and its services.



McMULLAN

In mid-1972, our bank originated this program under a copyrighted term known as D.A.R.T., the letters representing what we have called our "Direct Action Response Team." This "team" is composed of experienced personnel in Deposit Guaranty's marketing division, and its objective was (and still is) to respond to customer inquiries regarding any and all facets of the bank's operation.

Utilizing mass-media advertising in a concentrated five-week campaign, Deposit Guaranty invited the public, in effect, to "talk and we'll listen." And talk the public did. In a 12-week period, the Direct Action Response Team fielded more than 500 inquiries from customers and non-customers alike, ranging from banking hours to the absence of a water fountain at a certain branch.

D.A.R.T. was conceived in response to banking's need to become more con-

By **W. P. McMULLAN JR.**  
**President**  
**Deposit Guaranty National Bank**  
**Jackson, Miss.**

sumer-oriented and, specifically, to convey to the public Deposit Guaranty's desire to offer the finest financial services available. D.A.R.T. has proved to be unique and one of the most successful public relations/customer service tools ever used by Deposit Guaranty.

Mechanically, D.A.R.T. can be termed almost simple in make-up. It was not initiated to replace the bank's account service or any other departmental inquiry function, but rather to complement them.

Five members of the marketing staff were designated as the Direct Action Response Team; special telephones were installed (red for effect); divisional managers were asked to designate key personnel in their areas to support the team internally; meetings were held to inform the staff; and D.A.R.T. was announced via TV, radio and newspapers.

The campaign theme was, "We want to hear from you." Inquiries were invited via the special telephone number dubbed DARTLINE or by postage-paid DART-O-GRAMS.

By funneling the DARTLINE calls and DART-O-GRAMS to a centralized location, the bank was able to make good its promise of response to an

inquiry within 24 hours after receiving the inquiry. If for some reason, definite action on the inquiry could not be taken within the 24-hour period, the individual inquiring was given a firm date

*(Continued on page 114)*

**We want to hear from you.**  
**Dial D.A.R.T.\* 354-8123**

DART-LINE is a direct telephone communication with a team of experienced personnel appointed by management of Deposit Guaranty National Bank. We want to hear from you regarding any question you may have concerning our services, or any ideas or suggestions you may have for improving our services. D.A.R.T. assures you of immediate action regarding your problem, suggestion or request. In fact, within 24 hours after we hear from you.

**CALL . . .** our special DART-LINE. The number is **354-8123**. Please call anytime between 8:00 a.m. and 5:00 p.m., Monday through Friday. Let us hear from you!



**DEPOSIT GUARANTY NATIONAL BANK**  
GROW WITH US JACKSON, MISS. MEMBER F.D.I.C.

\*DIRECT ACTION RESPONSE TEAM © 1972 DEPOSIT GUARANTY NATIONAL BANK

Series of newspaper ads made purpose of D.A.R.T. plain to Deposit Guaranty customers. More than 500 responses were received in six-month period.



## Fort Worth Nat'l Corp. Completes S&L Divestiture; Buyer Is Multiple Texas Savings & Loan HC

FORT WORTH NATIONAL Corp. and Southwestern Group Investors, Inc., Houston, last month jointly announced execution of an agreement for purchase of the Mutual Savings & Loan Association, Fort Worth, by the Houston firm. Terms were not disclosed.

The sale was the result of an agreement between Fort Worth National Corp. and the Federal Savings & Loan Insurance Corp. for the divestiture by the Fort Worth HC of its stock in the

S&L. The agreement followed a decision handed down by the U. S. Fifth Circuit Court of Appeals in New Orleans last October.

SGI is a multiple Texas S&L HC that owns savings associations in five cities.

Fort Worth National Corp. is acquiring American National, Amarillo, Tex., and awaiting approval of the merger of Exchange Bank, Dallas, into the HC.

## 'Pro' Farmer, Forester

(Continued from page 28)

duce the highest possible income level consistent with proper maintenance and improvement of the property," adding that "the management program is tailored to fit individual needs as applied to income and tax status."

In the case of an investment for an individual, not the beneficiary of a trust or an estate, a parley may be held which includes the client's attorney and tax consultant so as to fit the land yield into his total investment picture.

Sometimes a sale is indicated in settling an estate. Some legacies are "real estate heavy," Mr. Paul remarked, "and we can't let the widow or orphans starve."

"We're not in farming just to farm," Mr. Long continued. "We see a wide variety of property types in the area we cover, and we think we can recognize uses other than agriculture or trees better than almost anyone else. In other words, looking at land as an investment, with potential in mind, we may recommend subdivision or recreation development as the best use."

The procedure following analysis of forest lands is roughly the same as with a farm. The "priority list" will include determining volume, marking trees to cut and sell, putting out bids for sales of timber to neighborhood sawmillers and a schedule of culling dead and sick trees and planting new ones.

The team makes a regular practice of taking advantage of the numerous government incentive programs available for both farms and timberlands. One such program for timber pays \$40 an acre, but no more than \$2,500 in one year, for improvement. Under this program, after some culling and cutting, hilly areas were planted with pine.

On a farm, it may be economically

feasible to eliminate hedgerows or to change crops to whatever is a money crop in an area, such as cotton. Similarly, it also may be advisable to change the type of trees on a given stand, Mr. Paul says, and this can be done on an organized and productive cutting and planting program.

The team also leases mineral rights on properties, such as for oil, natural gas or coal. Land reclamation is a requirement in strip-mining leases to the greatest extent possible, without destroying royalty rights. In other words, the team remains in control of leased lands to the extent that it can require considerably more reclamation than is required by the state.

To be sure, there is a charge for the services of Messrs. Long and Paul—\$250 minimum per annum, with a sliding scale thereafter, depending upon the yield of the holding and what has to be done. In cases of consultation or "a one-shot deal," such as cutting and selling excess timber for an owner, the charges are usually per diem.

Henry Long says, however, "We believe that we can do a much better job than a nonprofessional because we have the management tools, know what and how to use them and we use them every day. We also have the contacts to get things done."

The bank gives the team plenty of latitude to use its own judgment, and the men stay out of the building a good bit, believing that it is impossible to manage land well from an office 100 miles away.

As for how the two men feel about their dual profession: one word—fascinating! • •

■ SAN FRANCISCO—Kenneth C. Garner has been named vice president and manager of Wells Fargo Bank's San Francisco consumer loan center. He joined the bank last September and had 21 years' previous financial experience.

## Sale of Debentures Announced By New Orleans Bancshares

NEW ORLEANS—New Orleans Bancshares, Inc., parent company of Bank of New Orleans, has announced the sale of \$8.5 million of the holding company's 8% debentures due in 1997. The debentures were placed with institutional investors through Howard, Weil, Labouisse, Friedrichs, Inc., of New Orleans and First Boston Corp. of New York.

The sale will increase the bank's total capital by \$5.7 million, after repayment of \$2.8 million of the bank's capital notes presently outstanding. Of the total sale, \$4.25 million will be used to purchase common stock of Bank of New Orleans and another \$4.25 million will be used to purchase a subordinate capital note from the bank, including provision for repayment of the bank's outstanding capital notes.



D. B. H. Chaffe III (r.), exec. v.p., Howard, Weil, Labouisse, Friedrichs, Inc., presents proceeds from the sale of \$8.5 million of New Orleans Bancshares capital notes to Lawrence A. Merrigan (c.), Bank of New Orleans pres., and Jacques A. Livaudais, bank exec. v.p.

## Vink Named Senior V. P. At Union Nat'l, Wichita

WICHITA—Union National has announced the following promotions:



VINK

Dirk W. Vink, from vice president to senior vice president; Robert D. Hoffman, from computer center manager to vice president of the computer center; A. Dwayne Brodrie, from assistant trust officer to trust officer; Larry N.

Adler, from collection officer to assistant vice president; Fred H. Schulz, from Master Charge officer to assistant vice president; Robert A. Phillips, from investment officer to assistant vice president; Marge Siroky, to assistant cashier; and Robert G. Wall, from credit manager to assistant cashier.

Mr. Vink is responsible for the investment department. He joined the bank in 1961.



# Now what do you do?

**Last half. 18 seconds to go. Score's tied. Your center just fouled out and you're being pressed in the backcourt.** What do you do? Charge through? Go for the fast break? Pass off?

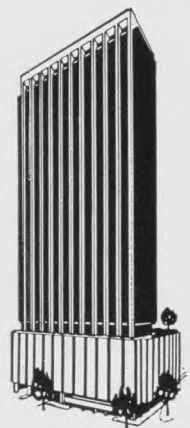
Same is true with your correspondent. Sometimes it is the better part of valor to call "Time" and talk it over with someone who's on your side. Like Fourth National . . . The *Action Bank* of Tulsa.

The Fourth can really prove its worth to you when you're starting your big drive by putting our many specialists to work on your team.

Does this sound like the Fourth National is the type of correspondent you'd like to have on your team? If so, call Glenn "Red" Ward or Wilbur Waters and tell him what you have in mind. They have the know-how to help you get things going . . . and keep them that way.

Remember: When you want *Action* from your correspondent, contact the *Action Bank* of Tulsa . . . Fourth National. That's where it all starts.

The  
Action  
Bank  
of  
Tulsa





# A Bond Insuror Views the Blanket Bond Situation

**B**ANKERS blanket bond coverage is in the spotlight today, perhaps as never before. The complexities and costs of this vital coverage keep increasing.

Banks that are members of the American Bankers Association recently received detailed questionnaires from the association's Bankers Blanket Bond Task Force, headed by Nat S. Rogers, former ABA president, and president, First City National, Houston. The purpose of the questionnaire is to identify the problems associated with bankers blanket bond coverage and to determine how to solve or, at least, minimize them. (See page 46 for more on the ABA survey.)

As the tabulation of the ABA survey was being made, MID-CONTINENT BANKER called on a prominent bond insuror to learn the current situation regarding bankers blanket bond coverage from the insuror's viewpoint. The following interview resulted.

**Q.** *Is it true that bankers are being denied blanket bond coverage?*

**A.** In few, if any, cases. Banks that adhere to the insurors' checklists of internal controls, burglary and robbery, etc., will find that they have little difficulty in obtaining BBB renewals. However, any bank worth its salt will find its coverage being expanded due to bank growth and the offering of additional services, which, of course, results in a higher bond premium.

**Q.** *What have bankers been doing to*

*stabilize or lower their banks' blanket bond premiums?*

**A.** Actually, bankers have been doing an admirable job in adjusting to the "facts of life" of BBB coverage. On the whole, they have been following the recommendations bonding firms have been making. Through communication, insurors have been able to convince bankers why their bond premiums have been on the rise so dramatically since 1968. Bankers have thus come to realize that they must satisfy the insuror's

requirements in order to qualify for coverage. Bankers are improving their internal controls, often arranging for CPA audits, enforcing annual two-week vacations for all key personnel, verifying at least 20% of their accounts annually, etc. And they are adopting sensible deductibles. As a result, they find that in many cases their premiums have leveled off.

**Q.** *What recommendations do you have concerning the role of the internal*

*(Continued on page 46)*

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## ABA Bulletin Cautions Banks on Embezzlements

Embezzlement, along with other internal crimes, is still the primary security problem in the banking industry, according to a recent issue of the ABA's Bank Protection Bulletin.

The Bulletin says that dishonest acts of bank officers and employees reported during the past five years emphasize the need for constant maintenance of effective safeguards to strongly discourage and quickly detect internal wrongdoing.

The Bulletin included a table of the larger defalcation losses based on reports of federal supervisory authorities during the years 1967-1971. In 63 cases reported during the period, losses exceeded the limits of blanket bond coverage carried by the banks involved. Fifty-six of the 63 banks carried \$1 million excess fidelity insurance under which a portion, approximately

\$2.1 million, of these losses was insured.

In three of the 63 banks, the amount of the reported loss exceeded the total fidelity insurance provided under both the bankers blanket bond and the \$1 million excess fidelity coverage.

The Bulletin says that small- and medium-sized banks are especially vulnerable to severe embezzlement losses when they allow one officer to have complete control of operations. For this reason, the Bulletin states, internal controls and audit programs must be effective enough to reach the top executive level. No internal or independent audit should be considered complete without direct verification of deposit and loan account balances. Even the smallest bank should rotate key personnel to prevent manipulation of records.

# **Bankers Special Bond** thru Scarborough is truly the select coverage. It is the special bond, designed to meet the needs of today's bank with the broadest blanket bond protection available to the banking industry.



How does your present program compare? In your next insurance review, make an objective comparison to the special bond. Expansion, individual requirements, or changing conditions may have increased your exposure.

On your request we will furnish a comprehensive description of the Bankers Special Bond and also a summary of what your bank is risking without this true broad form protection.

Depend on the specialists

## **Scarborough the bank insurance people**

33 N. Dearborn Street,  
Chicago, Illinois 60602



# ABA Adopts Four-Point Blanket Bond Program

THE ABA adopted a four-point plan to help solve blanket bond insurance problems last month. The plan was a recommendation of the Bankers Blanket Bond Task Force, headed by former ABA President Nat S. Rogers, chairman, First City National, Houston.

The purpose of the plan is to deal with such insurance problems as rising costs, deductible coverage and the threat of cancellations.

The four points include (1) to assist and encourage state banking associations in developing programs to improve the competitive insurance climate in their states; (2) to expand industry education programs dealing with blanket bond insurance; (3) to expand the close working relationships already established between banking and the insurance industry and with the bank regulatory agencies; and (4) to build and have ready for implementation a definitive contingency plan for the establishment of an industry-owned blanket bond capability.

The recommendations of the task force headed by Mr. Rogers were based in part on initial results from a member-wide survey on the topic conducted by the task force. More than 50% of the nearly 13,000 survey questionnaires have been returned, Mr. Rogers said. The ABA's Research and Planning Department is continuing to tabulate, analyze and interpret other segments of the confidential eight-page questionnaires for future use by the ABA's Insurance and Protection Division.

At the time the survey was mailed last fall, Mr. Rogers wrote that the purpose of the survey was to provide industry statistics about blanket bond coverage from which the task force could extrapolate solutions to the problems of this type of coverage.

One of the conclusions realized by the task force is that there is a great need for, and a responsibility on the part of banks for, risk management, according to Willis W. Alexander, ABA executive vice president.

Mr. Alexander said that the survey showed that blanket bond problems were not as severe in some areas as originally thought. This has led the panel to conclude that many problems could be solved by closer coordination and negotiation with the insurance industry. Despite the fact that the task force seriously considered setting up its own bonding agency, the new information gleaned from the survey makes this route less attractive to the task force.

Mr. Alexander said that some of the evidence from the survey showed that in certain states banks were doing good jobs of getting coverage through aggregate buying, in effect, arranging group rates for members. He singled out Ohio, Missouri and Kansas as states taking the lead in group-rate buying.

Although it will be some time before all questionnaires are tabulated, there is some doubt whether the results will be made public. • •

## Bond Insuror

(Continued from page 44)

auditor?

A. He should be beholden to no one but the board of directors. He should have a free hand in checking out every department and should submit periodic reports to the board that include all losses and the reasons for them. He should maintain records on each teller as to mysterious disappearances and losses so dangerous situations can be detected and corrected promptly. There is a tremendous psychological factor involved with giving an internal auditor a free hand. When personnel know that the auditor will be poking into their operations, they are much more likely to follow the rulebook to the letter.

Q. Are banks increasing their deductibles?

A. There is hardly a bank today that does not take deductibles. Those under \$1,000 are considered to be underwriting deductibles; those of \$5,000 or over are termed self-insurance. Insurors try to explain to bankers that the filing of claims for small losses is detrimental in the long run because these losses, which are likely to occur the most often, are the ones that usually result in

a higher bond premium, simply because of their frequency. The amount of a deductible should be based on the bank's losses. If the average loss is under \$1,000, the amount of the deductible should be \$1,000.

Q. By what percentage has the basic rate for blanket bond coverage increased in the past few years?

A. There has been no across-the-board basic rate increase since 1968. At that time the rate was boosted about 25%. Should there be a bank today that had not changed its situation since 1968, it would find its premium no higher today than in 1968. It's the additional coverages and losses, the increases in employees, deposits, loans and discounts that raise the premium.

Q. Is there sometimes confusion on the part of the bank as to what is covered by the blanket bond, such as in kidnap/extortion situations?

A. Yes. There have been times when even the insurors have not been clear as to what is covered and what is not. Kidnap/extortion situations took many by surprise. Banks would file claims under their blanket bond coverage and the insurors had to hash out many points to make sure the claims were legitimate. The result was the providing of an extortion rider to the bond that specifies certain actions that must

be taken on the part of the bank before a claim can be valid.

Q. Are there any dangers in "shopping around" for a lower bond premium?

A. Yes. For one thing, a mutual familiarity is built up over the years between a bank and its insuror. A bank that hops around from one insuror to another breaks this chain of familiarity, which could result in less consideration for the bank's best interests on the part of the insuror, simply because of lack of previous records.

Sometimes an insuror will offer a reduced premium to a bank to get the business, then discover that the bank's record warrants an increase in the premium at renewal time. In such cases, the initial savings is the only savings.

The bank does not always know if the insuror has experienced claims men on its staff. It is a jolting experience to file a claim and learn that the insuror's personnel are incompetent.

There certainly is no reason why a bank should not "shop around" for coverage, but it should remember that the cost of the premium is not the only thing to be considered.

Q. What period of years was the roughest regarding banker-insuror relations?

A. 1968-1971. These are the years

(Continued on page 83)

# There Is More To Running An Insurance Company Than Meets The Eye

## “Common Sense Is Not So Common”

(and Voltaire didn't even know about the problems of starting insurance operations) but at Old Republic we do. We have an uncommon sense about how to avoid pitfalls, serve customers well and achieve a sound operation quickly. It is based on 50 years of helping others get into the insurance business — hundreds of consumer finance companies, retailers and other consumer-oriented companies — and 50 years of managing our own life and casualty operations successfully.



### Old Republic Areas of participation with Banks

Feasibility studies including pro-forma operation statements for bank holding company life and disability insurance subsidiaries.

All insurance coverages permitted in Regulation Y including:

- Consumer loan Credit life and disability
- Agricultural Credit life and disability
- Mortgage life and disability
- Fire, extended coverage and homeowners
- Credit guaranty
- Mobile home coverages
- Leasing
- Crop Hail
- Automobile coverages
- Trust Department — Employee and Pension Plan Coverages
- Maturity value savings plan insurance
- Usual bank holding company coverages
- Commercial Loans

PARTNERSHIP FOR PROFITS

# OLD REPUBLIC

international corporation

INGENUITY IN INSURANCE

\$6.1 billion life insurance in force  
\$212 million consolidated assets

*For more information, please contact*  
William R. Stover, President  
Old Republic Life Insurance Co.  
307 N. Michigan Avenue, Chicago, Ill. 60601  
312-346-8100



# Bankers' Insurance Practices, Policies Revealed by Reader Survey Tabulation

RESULTS of a survey sent to a sampling of MID-CONTINENT BANKER readers reveals the following about bank insurance practices:

- Almost half the responding banks (46%) do not recommend or require accident and health coverage in connection with credit life.

- Approximately 60% of respondents recommend permanent ordinary life, level term or decreasing term insurance coverage for key-man types of loans.

- Sixty percent of respondents have found ways to stabilize or cut the premiums of their blanket bonds.

- Some 90% of reporting banks have experienced increases in their blanket bond premiums, ranging from a modest 2% to an incredible 340%.

- Almost 60% of respondents report they do not have directors and officers liability coverage.

- Ninety-two percent carry kidnap-extortion coverage, usually through a rider to their blanket bonds.

Although the number of questionnaires tabulated in this survey was not great (52), the general agreement among bankers selected from throughout the Mid-Continent area on most topics supports the conclusion that the survey results are typical among banks in general.

A complete breakdown of the survey follows.

**Credit life.** Only one bank reported that it does not insure any loans with credit life. All other respondents reported that all or most installment type loans normally include credit life coverage (no breakdown is available as to whether or not the coverage is automatic or at the borrowers' option). One bank provides credit life only if the customer requests it, while two banks recommend credit life for some types of commercial loans.

Only two banks require accident and

By **JIM FABIAN**  
Associate Editor

health coverage on installment loans, while 26 (50%) banks recommend it.

Bankers were asked if they recommended other types of insurance for borrowers with large outstanding loans. Approximately 60% said they did.

Permanent ordinary life, level term and/or decreasing term is recommended in key-men situations, when repayment of the loan is dependent upon the well-being of a single individual or a partnership.

Instances of such loans included Small Business Association loans, large commercial loans, unsecured loans, single-payment loans, real estate loans and loans made by older borrowers needing insurance to protect their estates.

**Blanket Bonds.** Sixty percent of respondents have found ways to stabilize or cut the premiums for their blanket bond coverage. Larger deductibles were

cited by 44% as the best way to cut the bills, while 11% mentioned tighter security precautions and 6% recommended tighter audit control.

Insurance carriers have been recommending such cost-cutting procedures for some time. Firms like Scarborough & Co., Chicago, advise bankers to maintain good controls. The firm gives premium credits for management practices and control procedures that are considered good enough to have telling effects on risk exposure. Scarborough also has been urging deductibles for some time, advising banks that small losses covered by deductibles should be considered trade losses.

Insurers also pass on helpful information to enable banks to cut losses. Scarborough publishes its Loss Prevention Bulletin on a regular basis. The publication is designed to aid bankers in recognizing potential areas of loss in banking operations.

Another way to achieve blanket bond savings is to become an affiliate of a holding company and place the coverage on a system-wide basis. Only one bank reported that it took bids from other insurers and found one that offered lower rates.

In answer to the query as to how much blanket bond premiums had increased in the past three years, four banks reported *decreases!* The decreases came about through increased deductibles and excellent loss experiences. The same reasons were cited by the three banks that reported no increase in premiums over the past three years.

Blanket bond premium increases ranged from 2% to 340%. Reasons most often cited for these increases were larger losses, a general increase in crime, inflation, extended coverage and new

## Reward Fund Established

ST. LOUIS—A special fund of \$100,000 has been established by the Associate Bankers of St. Louis and St. Louis County to encourage the average citizen to help in the arrest and conviction of bank robbers.

Award grants will be made from the fund to persons who provide information or otherwise aid in the arrest and conviction of "persons attempting to rob, burglarize, vandalize, defraud or extort from, or otherwise victimize, any participating bank or bank employee," according to Harry J. Krieg, president, Associate Bankers, and president, Cass Bank, St. Louis.

(Continued on page 60)



## Keeping them healthy and wealthy is wise.

Group Wealth Insurance — Directors' and Officers' Liability from MGIC — usually costs less than group health insurance. Yet the potential dollar benefits can be substantially greater. D&O protects you against personal financial loss from legal liabilities, actual or alleged. And it reimburses banks which indemnify their own personnel.

Tailored especially for the needs of bank directors and officers, MGIC D&O Insurance covers defense costs as well as settlements and judgments. Whether you settle or fight, with MGIC

you're in the driver's seat in deciding how best to protect your financial interests, and your standing in the community.

You depend on your management team, and they depend on you for financial security. Protect them with Directors' and Officers' Liability from MGIC. With lawsuits becoming more and more prevalent, it's a wise policy. Ask your MGIC representative for full information. Or call Dennis Layne in our home office. Dial toll-free 800-558-9255; in Wisconsin, the toll-free number is 800-242-9275.

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# Kidnap/Extortion Attempts Remain in Headlines

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**T**HE BIZARRE murder of a banker and most of his family in Grandin, Mo. (see below) last month was a forceful reminder that kidnap/extortion threats are still a major problem of financial institutions.

The prudent bank manager will be sure that his institution and personnel are protected with kidnap/extortion insurance coverage. However, vital as this coverage is, it is important that bank personnel be constantly on the alert to abort kidnap/extortion attempts.

The FBI has repeatedly urged bank security officers to design precise instructions on what to do when a kidnap/threat is received. (Despite the facts of the Grandin case, most kidnap threats are received over the telephone.)

Authorities agree on the following hints on what a banker should do while speaking to a kidnap/ransom caller on the telephone and what to do after receiving the call:

- Keep calm. Remember that the caller is depending on you to panic so you will not be able to think clearly.

- Request proof that the caller actually is holding a member of the banker's family by asking to speak to the hostage.

- Delay the caller as long as possible by asking questions. The longer the caller remains on the phone, the more valuable information can be obtained. Try to get a note to another officer to have the telephone operator secretly put a trace on the call.

- In delaying the caller, ask such

questions as the following: Who is calling? Where are you calling from? Is this a prank? How do I know it is not a prank? May I talk to the hostage so I can be sure? What do you want? How do you want the money? How shall it be wrapped or packaged? Where should the money be delivered? How will I recognize the person to whom to give the money? Exactly where and exactly when must the money be delivered? How will I know the hostage is all right?

- If the caller hesitates in answering or says he will hang up, ask another question immediately.

- After the call, note the exact time the call was received, the exact words of the threat, the tone of the caller's voice, the caller's sex and any background noises heard during the call.

- Attempt to verify the validity of the threat by trying to locate the would-be hostage by calling at home, at school, etc.

- Notify another bank officer of the threat and of your intention to deliver the money.

- Notify the FBI immediately, giving as much information as you have. Remember that the FBI and police are at an extreme disadvantage if there is any delay in reporting an incident.

- When packaging the currency, make certain "bait" money is included.

Only one individual should be in charge of giving details of a kidnap/extortion case to the press. The bank should not release names, addresses or photos of bank employees or families,

amount of money taken or the fact that bait money was used.

In cases when the banker is the hostage and he is being accompanied to the bank for the ransom by the kidnapper, the following recommendations have been suggested:

Use a code name previously circulated and approved at the bank. This code name could be utilized in such a way as to inform a guard or another bank officer that the victim is in the company of a robber. The code name could be a fictitious officer's name. Use of the code name should notify bank personnel about the situation without alerting the robber.

The code name can also be used by a teller confronted by a robber by stating that her available funds are inadequate and she will have to obtain additional money from a neighboring teller, who is addressed by the code name. This would permit the victimized teller to comply with the robber's request and still alert other tellers who would be responsible for notifying authorities.

Authorities agree that an established procedure is extremely valuable in thwarting kidnap/extortion attempts. The sooner the authorities know about the case—along with as many details as possible—the sooner they can act to prevent the successful completion of an extortion. At the same time, they can be in a better position to protect the wellbeing of the individuals involved. • •

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## Banker, Wife, Daughter Slain in Kidnap/Ransom Plot

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GRANDIN, MO.—One of the latest kidnap/ransom plots in the banking field ended in tragedy January 17 in this Ozarks town located about 120 miles south of St. Louis. Slain were Robert R. Kitterman, 43, president, Bank of Grandin, his 38-year-old wife, who was assistant cashier, and their 17-year-old daughter, Roberta. They were found shot to death and tied to trees in a rural area.

The bizarre event began to unfold about 1 p.m.—about 1½ hours before the discovery of the bodies—when Mr. Kitterman returned to the bank after having had lunch with his wife and daughter at home. He told a bookkeeper that "they" (whom he never identified) had dynamite strapped to his chest and so no lights must be turned on or the telephone used, although incoming calls could be received. Mr. Kitterman added that "they" had his wife and daughter and he had to have money to free them. Mr. Kitterman seemed to have bulges under his shirt, but no dynamite was found on his body.

The three bodies were found in a wooded area of Ripley County by the county sheriff and his deputy and a Doniphan, Mo., manufacturer, who were looking for cattle stolen from the latter about a week before. Before finding the bodies, the three had heard a broadcast that foul play involving Mr. Kitterman was suspected. Highway Patrol officers also had rushed into the area after the extortion plot was reported, hoping to intercept the banker's car.

Both Mr. Kitterman's and his daughter's cars were found at an abandoned farmhouse near the death scene. Officers speculated the farmhouse may have been a rendezvous point with the killer or killers.

A police check at the Kitterman home revealed that nothing had been disturbed. Two younger daughters, 14 and 15 years, were in school while the tragic plot was being carried out.

As of press time, three men—all from the Grandin area—had been arrested and charged with the murders. The ransom money was recovered.



## **Stockholder Joe got a tip today.**

## **Now he'll get rich wiping you out.**

Joe owns a few shares in your bank. And today someone leaked a juicy bit of information about you; a little goof you made in your capacity as a director and officer. It wound up costing the bank money.

When the waitress gets back with Joe's change, he'll call his lawyer to set up one of those "failure-to-use-good-faith-and-due-care" suits against you.

Of course, if you'd attended every meeting, read every report and double-checked every move of every employee, the goof never would have happened. And you never would have gotten home to see your family, either.

We had guys like Joe in mind when we developed our Directors' & Officers' Liability Insurance. One policy protects both the bank and your own personal estate against liabilities arising from wrongful acts in your capacity as a director or officer. We look out for the big guys.

Better have your agent call us. Before someone's lawyer calls you.



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312/427-4737



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# What's New in Bank-Related Insurance?

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- A new key man insurance plan for banks has been introduced by **Financial Insurance Service, Inc.**, Des Plaines, Ill. The program offers a substantial reduction in ultimate cost through an arrangement that permits banks to retain the entire 10-year premiums on deposit.

The plan offers the usual features of any fringe program designed to attract and retain capable management personnel. Several benefit options are available depending on circumstances, including payment of income to the officer for 10 years beyond normal retirement.

The program meets the regulations and standards of the Comptroller of the Currency, FDIC, regional Adminis-

trator of National Banks and various state banking departments.

- **American Financial Security Corp.**, Peoria, Ill., is offering coverage of commercial loans, level-single-payment note loans and coverage provided in excess of the limits approved by any one insurance firm. Many bankers see the necessity of insurance protection on such loans for small businesses as an added protection because of higher risks and limits on the interest charges that can be included to offset the risks. Elimination of lengthy medical applications and reduction of medical requirements is a plus factor for this type of coverage, reducing the bank's workload for coverage of this class of borrower.

The firm also offers credit insurance

coverage at a reduced rate in financing mobile homes which can amount to a savings of \$5 or more per month for the borrower. Although creditor compensation is reduced, the bank or dealer does not have to reduce the interest rate to allow the borrower to acquire credit insurance protection.

- **Old Republic Life**, Chicago, has announced plans to actively pursue a role of cooperation with bank holding companies wishing to exercise the credit life and credit accident and health underwriting privileges authorized by the Fed last December.

The plan is a continuation of the firm's role of assisting members of the financial community with the formation of reinsurance subsidiaries. • •

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## What Do Bankers Think of D&O—What Are the Risks?

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**L**ESS THAN half of the bankers surveyed by this publication (see page 48) carry directors and officers liability coverage. The most often-stated reason for not carrying this coverage is its high cost.

Although several reporting banks said they were investigating the coverage, many said their boards did not feel the need for it at this time.

D&O is still relatively recent as insurance coverages go. Bankers who do not keep abreast of current situations in the liability area may not realize the extent and type of risks the coverage insures.

Following are some of the lawsuits reported under the D&O liability program for financial institutions by MGIC Indemnity Corp., Milwaukee:

- An officer of a bank was sued for having released the balance of a deceased individual's savings account to the wrong party. The rightful heir sued, naming the officer who authorized the withdrawal as a defendant.

- An officer was sued by a mortgagor charging that his rights were violated in a foreclosure action. Damages sought are \$49,000.

- An officer was sued by a mortgagor. The claim was that said mortgagor requested assistance from the officer in purchasing real estate for investment. The officer obtained three properties for the plaintiff through a listing and acted as broker for the sell-

er. The financial institution granted a blanket mortgage to the plaintiff. Subsequently, the properties declined in value and the plaintiff disposed of them at a loss. The plaintiff alleged misrepresentation by the officer and sought damages of \$15,000.

- A casualty insurance company prepared a complaint against the entire board of a financial institution because of its refusal to accept the plaintiff insurance company's homeowners' policies for properties on which the financial institution holds the mortgages. The complaint alleged violations of the antitrust laws and antioercion statutes and \$3 million in damages was requested.

- A black attorney filed suit against an officer for refusal to lease office space in the building owned and occupied by the financial institution. The plaintiff alleged violation of his constitutional rights and racial discrimination. Damages sought were \$60,000, plus injunctive relief.

- A class-action suit has been filed against the boards of directors of three mutual savings and loans. The suits filed by a depositor in each association claim that the giveaway programs of the associations constitute payment of additional dividends which should apply prorata to all shareholders. The suit asks that the dividends to which each depositor is entitled be calculated and distributed.

- A suit has been brought against all directors of a financial institution by two shareholders. The complaint alleges that inexperienced relatives have been hired, that three directors are too old to serve as such and that the proxies voted by the directors should be declared void and illegal. The complaint further alleges that five of the directors have been improperly attempting to force a merger with another financial institution, and such merger would financially benefit only the directors.

- An officer of a financial institution authorized the payout of funds on a commercial construction loan. The loan had not been approved by the board and appropriate first mortgage documents had not been executed. As a result, a loss of approximately \$75,000 was sustained because of the negligence of the officer who is liable for the loss.

- An officer was sued for having brought legal action against a borrower for collection of a delinquent commercial loan. Such action resulted in the borrower losing his license to do business. The borrower brought suit alleging that the officer maliciously instituted the collection procedures, thus depriving the borrower of his livelihood.

- The president of a financial institution was sued by a real estate developer. The developer had obtained a loan for the development of 50 residential lots. The financial institution



## Some Officers and Directors Play a Little

That's fine . . . as long as you don't come across that rare individual who'd rather fiddle around than tend to business.

Financial Insurance Service, Inc. now offers a new two-part form that not only contains all the excellent features of our well known Directors' and Officers' Liability coverage, but provides better protection for the *innocent* director as well.

Directors' liability is *not* the same as officers' liability. It could be to your advantage to learn how we see the difference in terms of your own cost and coverage.

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MID-CONTINENT BANKER for February, 1973

53



had allegedly agreed to release its lien on individual deeds of trust as each lot was sold in consideration of a proportionate payment of the loan principal. Several lots were sold but full payment of the loan was demanded and received before release of any mortgage lien. The developer alleged financial loss and damage to his reputation, for which he is asking \$1 million in damages.

As indicated by the above cases, the dramatic changes that have taken place and continue to evolve in the field of commercial banking place an exacting demand on the judgment and performance of bank officers and directors.

D&O liability insurance provides these key individuals with protection against personal financial loss. It is insurance similar in protection to malpractice coverage for lawyers, doctors and accountants.

With D&O coverage, directors and officers are protected against personal financial loss resulting from a legal liability, whether it be actual or alleged. Costs for defense charges are covered as well as out-of-court settlements.

In addition, the bank is covered to the extent that it reimburses directors and officers for liability losses in accordance with an indemnity agreement.

The variety of claims being filed against directors and officers is limited

only by the imagination of many astute attorneys. The more common claims involve disputes over the bank's lending practices and can come from regulatory authorities, aggrieved borrowers, injured third parties or others. There has been a distinct upsurge in the "consumerism" type of complaint, or class-action. These can develop over rates charged on loans, loan policies and practically any segment of the banking business which some enterprising attorney or law student would choose to attack.

Any bank not carrying D&O coverage is practicing self-insurance in this area. However, a growing number of officers and directors are insisting on professional coverage as a condition for service. • •

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## 'R' for Responsibility

*(Continued from page 26)*

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proper use of credit, it will quickly turn into liability on the part of the borrower and continue to plague us with losses.

There is a lot of meaning in the phrase, "Buy now, pay later," for if we do not watch over our borrowers

now, we will pay "later." We will pay in increased losses, ill-will from overburdened borrowers, and we will have to increase our rates to new credit-seekers to offset our losses. So let us put the "R" with the 3 Cs and exercise greater "responsibility" in watching over our brothers. • •

### **Mercantile Bank, Kansas City, Announces Six Promotions**

KANSAS CITY—Mercantile Bank has advanced W. E. Oram from executive vice president to vice chairman, Murray H. Davis from senior vice president to executive vice president, and David N. Weber from vice president and controller to senior vice president and controller.

Also promoted were N. J. Starkey, from assistant vice president and assistant trust officer to trust officer; David W. Harrop, from assistant controller to assistant vice president and assistant controller; and Kenneth A. Grigsby, to assistant secretary, trust department.

■ NEW YORK—Bankers Trust has named Carlos M. Canal Jr. senior vice president in charge of the international banking department. He succeeded Ellsworth Donnell, who has joined Lloyds & Bolsa International Bank, Ltd., as an executive director.

## Directors' and Officers' Liability Insurance

Many believe that buying this type of coverage is like buying automobile insurance. The first decision is the most difficult—whether to buy it. Once this is decided then it is simply purchasing a policy that states—"Directors' and Officers' Liability Insurance."

This could be an error in judgment, since there are a number of important differences between the current policy forms. This is the type of error (wrongful act) you are trying to insure against. Consult . . .

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3. ICS insured home improvement loan portfolios enjoy a guaranteed profit return of 12-14% with 100% credit protection against every unpredictable default . . . such as bankruptcy, divorce action, strikes and recessionary cycles.
4. We can demonstrate and document how your ICS protection program will provide a 28.3% increase in profits on a One Million Dollar 48 month portfolio, compared to FHA coverage.
5. Insured Credit Services underwriters are the industry's most experienced. With prior backgrounds in banking, FHA Title I, commercial and consumer installment credit areas, they provide an ongoing source of portfolio evaluation and marketing counsel. Each is a thoroughly trained professional who spends virtually 100% of his time advising lenders in improving the profitability of their HIL program.
6. In 18 years of working with the smallest to the largest lending institutions, we have streamlined ICS reporting procedures to minimize data input. Our systems permit you and your staff to spend time where it can be most productive: in consumer marketing programs or new business calls to dealers, contractors and the commercial home improvement market.

We'd like to detail these and the many other advantages of Insured Credit Services programs. Call or write William F. Schumann, President, for an immediate followup. After all, as the world's largest home improvement loan insurance services company, credibility is what we're all about.

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## Bankers Can Profit by Being Alert To 'Key Man' Insurance Situations

**T**HE PROFESSIONAL life insurance man is a keen analyst of situations that are good for his business, i.e., that produce the sale of life insurance—and often in big chunks. Always, the professional life underwriter watches for situations where the success (or failure) of a business often depends on the talents and abilities of one man. In insurance terms, this is a “key man.”

If the insurance man had access to much of the “privileged” information with which the banker comes in daily contact, the insurance man would have available to him a ready-made list of prospects—profitable prospects at that!

If the insurance man is alert to situations that help protect the interests of the “key man,” then certainly the banker, who is extending loans in many of these same situations, also should be aware of the problems of that business—and often recommend the use of ordinary life (or term life), not only to protect the interests of the borrower, but to protect the interests of the bank as well.

Where the banker maintains close contacts with life insurance men in his community, he can “pass these situations around” to professional life underwriters so as not to show favoritism. However, if the banker himself is a licensed insurance agent, or if he maintains a close working relationship with his credit life representative on this type of business, then he finds himself in an enviable position of being able to pick up rather sizable insurance commissions! And there should be no conflict of interest, particularly where it is clearly demonstrated to the borrower that his business (and his family) will be placed in severe jeopardy if something should happen to him (the borrower) while the bank (and/or others)

have large loan claims against the business.

Alert loan officers have used life insurance in “key” situations such as these for years. Yet it is worth a reminder to the veteran loan officer constantly to be on the lookout for new situations that “suggest” the support of life insurance. And for the relatively new loan officer, it is recommended that he discuss with management and even prepare a checklist of situations where the use of life insurance should be explored.

Perhaps the following situation, explained by a professional life insurance man in a national insurance sales journal, will emphasize the fact that there are relatively “hidden” banking situations that can be protected by life insurance.

For example, in the past few years it has been rather common for larger corporations to acquire smaller firms and to operate them as subsidiaries. “Digesting” these acquisitions is not always an easy task for the acquiring firm.

A case in point is a major public corporation that set up a building products division, then proceeded to acquire several small, closely held businesses in that field. Not long after, however, several of the acquisitions were spun off, some of which were purchased by people who had previously had interests in them.

When a former owner takes back a previously controlled company, the loans he takes out to cover the repurchase call for life insurance coverage in almost every instance.

Often it is necessary for the new owner to defer profits for a time in order to build the firm back up to a healthy state. This is the testing time—a time when the presence of the

owner is needed every day to make sure the firm is “nursed” back to health. Should the owner die, the business—and the loan—are likely to go down the drain.

When a key owner-executive dies, a whole series of interrelated problems comes into sharp focus. Each of these problems can have a deflationary effect on the estate of the borrower. Some are specific and simple to measure, such as the funds required to repurchase stock. Others are not so easy to measure, such as the loss of business momentum and an impaired credit rating.

But no matter how specific the problem and the effect of it, there is the possibility of the assets dwindling to an extent that recovery of the loan is improbable.

Life insurance, therefore, should be considered the primary antideflationary safeguard for the loan. Both personal family protection and key man insurance serve the purpose of offsetting the deflation that occurs with the loss of human-life values and estate shrinkage.

No business can continue to exist without its key personnel, and often this is just one person. Every small business partnership or sole proprietorship is the extension of the skill, experience and energy of a few key people. Think of the havoc that would result with the death of one of these key people!

It might be necessary to effect a whole or partial sale of the deceased's stock so the executor of his estate will have the necessary liquidity for estate and inheritance taxes.

It would be expensive to hire an outside executive to take over the deceased's duties. Such a person might not be available at any price.

*(Continued on page 78)*

# Some of the things you might think you need to insure all your customers.



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All the credit life policies you need to insure everything from small loans to large, long-term loans.

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you'll deal with one company, one man. You'll get a complete credit life kit from him and much more. He's an expert who can set up a system tailored to your system.

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## *The Alternatives for Insuring Loans:*

# Which Is Best for the Borrower, Banker?

ONE OF the generally accepted methods of protecting loans is through insurance on the borrower, and one of the first types of such insurance to come to mind is credit life.

But credit life is not the only type of coverage a banker can recommend. An increasing number of bankers are making it a point to suggest the type of coverage that is most beneficial to both the bank and the borrower.

Permanent ordinary life, level term and decreasing term coverages are being suggested in situations that warrant such insurance. These coverages are offered by many of the insurers that also offer credit life. In many cases, banks can profit from any of these coverages as they do with credit life, because, as licensed insurance brokers, they can handle the transactions as the insurance agent.

Credit life insurance is designed for short-term monthly installment loans of comparatively small amounts. Auto and other types of installment loans are typically covered by credit life.

However, when a borrower maintains open-end loans, such as farmers often do, or when the amount borrowed is large, such as in the case of a small business owner, permanent ordinary or level term life fills the bill.

Consider the case of the young farmer, who borrows in the spring for seed and fertilizer, then increases his loan to pay for a piece of equipment, then reduces the loan when the crops are sold. Chances are his loan is never completely paid off. Since this farmer has little or no liquidity, the banker can see that it is not only vital for the loan to be protected, but the farmer should have some way of providing funds to settle his estate tax when he dies (assuming he has an estate prob-

lem, which the banker can easily determine).

Then there is the small businessman who borrows to increase his inventory. Insurance often is vital to protect the loan, but the banker can see that, should the borrower die, the business possibly could die, too, since the success of a small business (and particularly the one-man business) often is dependent upon the borrower's know-how. Thus, the businessman should have additional insurance coverage to protect his key-man situation.

It is becoming common for banks to suggest term or permanent life coverage for all borrowers with \$10,000 outstanding; level term coverage for borrowers with \$25,000 outstanding; and decreasing term coverage for those with \$50,000 or more outstanding.

All these coverages go beyond what credit life was designed for. By issuing a permanent life policy to the borrower, assigned to the bank, the borrower not only has protection to cover current borrowings, but he also can build up an investment in the policy and can be assured of at least some funds to pay taxes on his estate when he dies.

Take the case of young farmer Jones, age 37, who operates a moderate-size, diversified farm. He maintains a bank loan of from \$8,000 to \$15,000 and carries credit life at \$14 per thousand per year, averaging about \$130 annual premium.

The same \$130 could be used to pay the premium on \$5,000 ordinary life with a \$5,000 term insurance rider to age 60. All this, plus a disability waiver of premium—which is not available with credit life coverage—makes his premium only \$139.30 per year. This provides \$10,000 coverage all the time, so that if he dies when his loan balance

is under \$10,000, his family will get the balance of the insurance proceeds.

If Jones lives to age 65, he still has \$5,000 of insurance that can be used for credit life or estate tax or any other purpose. Or he can discontinue premiums and have the policy endorsed as paid-up for \$3,580, approximately the amount of his total premiums.

Upon surrender of such a policy at age 65, the farmer could realize a cash value of some \$3,200, with only the amount received in excess of the total premium paid being considered as taxable profit.

The banker who is a licensed insurance broker could point out to farmer Jones that he needs another sizable policy to provide liquidity to settle his estate taxes when he dies.

Credit life covers only the top signer of a note. But a banker suggesting ordinary life could also propose joint life coverage to protect the signer and a partner in business or the signer and his wife in the case of a farm situation. The joint-life policy would pay on the death of the first to die. If both parties live, the policy could provide paid-up insurance or cash surrender values.

An alternative would be a policy on each life, using term coverage. There would be no cash value with this coverage, but the two individuals could be insured for slightly more than the price of one under ordinary life rates. If one dies, the coverage remains in effect on the other.

Rates for term insurance have decreased through the years, while rates for credit life have not. Today's young borrower could, therefore, carry about \$40,000 of term insurance for the same premium as his bank gets for \$10,000 of credit life coverage.

No matter what type of coverage is

# CLOSING GAPS

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Does your bank have a low-cost protection for the big borrower? If not, you have an "insurance gap," but it can be closed.

How? With SINGLE-PREMIUM TERM INSURANCE, the perfect supplement to credit life when a loan exceeds \$5,000 or the term exceeds five years. AND HERE'S SOMETHING THAT CAN BE EXTREMELY IMPORTANT TO YOUR BORROWERS: We offer coverage of \$40,000 on a non-medical basis up to age 50; and \$20,000 on a nonmedical basis from ages 51 to 64.

Two flexible plans are available under this program:

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2. Single-Premium Level Term . . . for the line-of-credit borrower whose loan fluctuates during the year. Just write this insurance for the maximum line of credit . . . the borrower's beneficiary would receive any benefits over the loan total.

May we show you how Single-Premium Term Insurance can protect your bank and your borrowers?

We invite your inquiries on the specialized insurance plans listed below. Our representatives are available at any time.

- CREDIT LIFE
  - CREDIT FIRE
  - PERMANENT LIFE
  - MORTGAGE PROTECTION
- AUTO PHYSICAL DAMAGE
  - TRIP INSURANCE
  - HOSPITALIZATION
  - SUB-STANDARD LIFE
- ACCIDENT & HEALTH
  - MOBILE HOMES
  - BOAT INSURANCE
  - BANKERS BLANKET BOND

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**a. Level term. b. Level term in excess of normal amounts and older ages.**

**B. Physical Damage and Liability.** 1. Automobiles. 2. Mobile homes. 3. Motor homes. 4. Recreational vehicles. 5. Snowmobiles.

**C. Single interest and non-filing for automobiles and other loan portfolios.**

**D. Consultants in forming re-insurance companies.**

**E. Special bonding services.** 1. Bankers blanket bond. 2. Officers and directors liability. 3. Extortion or kidnap insurance.

**F. Credit Bonds.** 1. Mobile home. 2. Home modernization.

**G. Group Coverages—bank controlled mailing programs to bank customers.** 1. Mortgage insurance. **a. Life and Disability.**

**b. Life only. c. Disability only.**

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sold, the banker can profit. He not only can often make a commission on the insurance coverage (if he is licensed to sell insurance), but he can profit from the goodwill he will earn from his borrowers, who realize that their banker has suggested the wisest and most beneficial insurance coverage for their individual situation. • •

## Reader Survey

(Continued from page 48)

rating formulas.

**Directors and officers coverage.** Fifty-eight percent of the banks reported they do not provide D&O coverage for their personnel, although a couple of banks are considering this coverage. Primary reasons for not purchasing D&O are its cost in relation to its coverage, and the opinion of management that such coverage was not yet necessary.

Of the 42% having D&O, the most popular amount of liability was \$5 million, with \$1 million in second place. Lowest amount was \$50,000.

Reasons banks gave for buying D&O included the protection of the assets of personnel, fear of possible suits being filed and requests on the part of officers and directors for the coverage.

**Kidnap/extortion.** Ninety-two percent of the banks carry some form of kidnap/extortion coverage. Most-often mentioned coverage amounts were one-quarter, one-half and one million dollars. Highest amount was \$250 million and lowest was \$50,000.

The coverage takes the form of an extortion rider to the blanket bond, according to 75% of the respondents.

**Self insurance.** Bankers were asked to list the risks they felt could be self-insured. There was a general consensus that increased deductibles were the most practical form of self-insurance. Any risk that can be reasonably assumed by the bank can be self-insured, many said. Several bankers replied that any risk under a given figure, such as \$1,000, should be self-insured, as they realize that small claims are the most numerous and these claims have been responsible for boosting blanket bond premiums in the past.

One banker reported that any type of coverage that is considered to be too costly must be self-insured, which, in essence, is what the banks not carrying D&O are doing.

Specific risks that are being self-insured by many banks include automobile, plate glass, workmen's compensation, teller shorts, forgery and stop payment, fraudulent documents and stolen securities, errors and omissions, em-

ployee life, comprehensive and lenders' single interest. Only one banker replied that there are no risks that should be self-insured.

**Critical issues.** Bankers were asked to state what they considered to be the most critical issue regarding bank-related insurance.

There was little general agreement on the answers, except in the area of spiraling costs for coverage. Selected comments included the following:

- I think the most critical issue is that insurance companies fail to recognize (premium-wise) a bank's record of no claims on blanket, employee fidelity, robbery and burglary, safe deposit liability and robbery, etc. People who try to run their banks right, maintain sound internal audits, etc., still have to pay the piper for the mistakes of people who don't know how to run their banks.

- The narrowing market for bankers blanket bonds makes us even more vulnerable to more stringent requirements, narrower coverages and increased costs.

- The general lack of awareness of exposures and coverages on the part of bankers.

- Instituting a good, efficient system of loss prevention. We want to give our insurance to a commercial insurance carrier and do not want to join any bank cooperative.

- Getting the underwriters to recognize and cover growing operations, particularly in the area of subsidiaries.

- The ability of banks to secure adequate blanket bond and D&O coverage at reasonable cost.

- Educating bank officers on risks involved and not relying on bonds and insurance as a cure-all for improper loan procedures.

- Inflation, leniency of the courts on prosecutions and failure of banks to take adequate steps to protect themselves.

- The availability of blanket coverage in the face of increasing losses.

- Companies that stop writing a particular type of insurance or stop writing in a particular area with no regard to the experience of individual banks.

- The increasing rates in all areas of liability and surety coverage brought on by public attitudes and increased crime. • •

■ **MEMPHIS**—National Bank of Commerce has promoted J. Hallam Boyd Jr. from vice president to vice president and trust officer. Elected new vice presidents were Mrs. Elisabeth K. Althaus, John F. Hemphill, Walter B. Howell and Charles F. Schadt Jr. Mrs. Althaus is the bank's first woman vice president.

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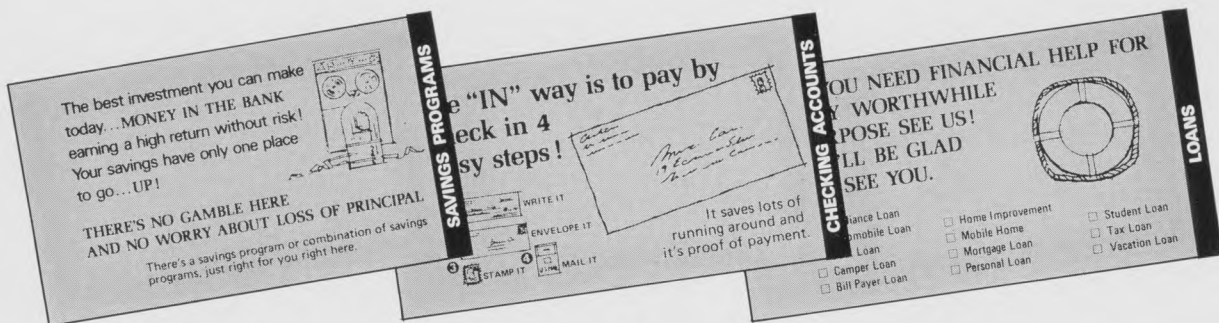
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# TRENDS

## *in the bank insurance field*

---

### **Premium Charge Plan Offered**

Holders of BankAmericard or Master Charge cards in three states can charge their insurance premiums under a plan developed by Mayflower Enterprises, Beverly Hills, Calif.

Termed the "automatic premium program," the plan permits cardholders to use their credit cards to pay life, health, auto, homeowners or any insurance premiums directly to any insurance firm.

The program offers banks the opportunity to penetrate a \$66.5 million market, according to an official of Mayflower. The heart of the plan is an automatic premium draft, which is acceptable to all insurance firms as payment for premiums. The draft is handled on a cash-advance basis by participating banks.

Participating banks mail four drafts to each cardholder annually. Each draft enables the cardholder to pay one insurance premium to the firm of his choice and the amount is automatically charged to his account.

Bank of America and Bank of California were the initial participating banks. Banks in New York and Idaho have since become participants.

### **Accidental Death Coverage Offered**

Accidental death insurance in the amount of \$10,000 per account is part of a new "All-Citizens Club" being offered by Citizens National, Bowling Green, Ky.

The insurance coverage is provided by Life Insurance Company of North America. Accountholders between the ages of 70-74 receive \$5,000 and those over age 75 receive \$2,500. Coverage is divided equally for joint accounts.

Membership in the club is \$3 per month. Accountholders are entitled to free personalized checks, unlimited checking activity with no additional charge, free \$1 savings account for each newborn child, travelers checks with no issue charge, unlimited bank money orders with no issue charge, planned tours, trust counsel, financial counsel, social events, club newsletter and foreign money pre-packs with no issue charge.

The bank is working on a merchant discount plan for club members.

Membership is open to customers of any age.

### **Bank 'Introduces' Employees to Agent**

Hibernia National, New Orleans, is participating in a plan to permit bank employees to purchase automobile insurance protection and services from The Hartford Insurance Group. The bank serves as a means of bringing employees and the insurance agent together. Announcement of the plan was made in the bank's employee publication.

Depending on each employee's situation, savings in auto insurance premiums are possible.

### **Fed OKs Insurance Sales for HCs**

The Fed has ruled that underwriting credit life insurance and credit accident and health insurance that is directly related to extensions of credit by a bank holding company system is a permissible activity for a HC.

The ruling amended Regulation Y to add this activity to the list of businesses closely related to banking or managing or controlling banks in which a HC may engage, subject to approval of individual applications.

The ruling stipulated that the Fed would approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. "Normally, such a showing would be made by a projected reduction in rates or increase in policy benefits due to bank holding company performance of this service."

### **Banks Honor Underwriters**

Banks continue to honor insurance people by means of displays and luncheons.

First National, Fort Worth, recently honored eight new chartered life underwriters with a special exhibit in the bank lobby. The exhibit featured caricatures of the new CLUs as rendered by a local artist.

Republic National, Dallas, recently honored an estimated 250 Dallas-area members of the Million Dollar Round Table of the National Association of Life Underwriters at a luncheon. The luncheon marked the 11th consecutive year that Republic has recognized life underwriters who have written \$1 million or more of life insurance during the year.

MID-CONTINENT BANKER for February, 1973

# The Louisville Trust Company

STATEMENT OF CONDITION DECEMBER 31, 1972

## RESOURCES

Cash and Due from Banks .....	\$ 48,992,960
Investment Securities	
U.S. Government Obligations.....	17,632,699
Obligations of States and Political Subdivisions .....	17,935,844
Federal Funds Sold.....	71,000,000
Loans, Net of Unearned Discount.....	101,389,360
Stock of Federal Reserve Bank.....	450,000
Bank Premises and Equipment.....	3,081,320
Accrued Interest Receivable and Other Assets.....	1,241,527
Total.....	<u>\$261,723,710</u>

## LIABILITIES

Deposits:	
Demand.....	\$152,801,535
Time.....	64,996,020
Total Deposits.....	<u>217,797,555</u>
Federal Funds Purchased and Securities	
Sold Under Agreements to Repurchase.....	24,039,500
Accrued Taxes and Other Expenses.....	477,595
Other Liabilities.....	337,966
Total.....	<u>242,652,616</u>
RESERVE FOR POSSIBLE LOAN LOSSES.....	2,020,167

## CAPITAL ACCOUNTS

Capital Stock.....	4,000,000
Surplus.....	11,000,000
Undivided Profits.....	2,050,927
Total.....	<u>17,050,927</u>
Total.....	<u>\$261,723,710</u>

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## The Louisville Trust Company

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So the Regulation D amendment modernized the way we look at each other in the banking system—it recognized that the business of Joe's bank is very similar to the business of John's. Such similarities in bank activities are increasing. Holding companies are tying banks into a similar mold. Loan participations are being used more to provide outlying banks with the capability to initiate loans to the same clientele as city banks. We live in an increasingly sophisticated money market.

The new reserve-requirement scale is more graduated, that is, it has more steps in it. Many of these steps are lower than they were before (see table on page 35). Most important is that banks of the same size, in terms of net demand deposits, face identical reserve percentages on their net demand deposits.

**Why the Changes.** Since the Federal Reserve System was established almost 60 years ago, it has tried to foster a comprehensive and efficient mechanism for settling financial transactions. During these years, relevant contributions have been made mainly to the check-collection process. An urgent call for modernization was contained in a policy statement June 17, 1971. Basic reasons for the urgency included projections of check volume doubling by 1980, expectations of rising costs from the high labor component of the check-clearing process and the need to build a foundation for a high-speed, electronic system. The first objective of the call to action was to assure settlement of transactions between parties in "good money" (*immediately available funds*). This objective was viewed as a prerequisite to any further improvements in the payments system, which involve replacing checks, truncating checks or just accelerating checks.

**Regulation J.** A vital requisite to achievement of this immediate settlement goal, modernizing the Fed's collection-deferment schedules, was long overdue. Separating "deferment" into two categories—deferment of credit and deferment of payment—may help us in understanding these key terms. Deferred credit, of course, is the arrangement by which Federal Reserve banks give themselves time to collect payment of checks. In other words, when a member bank presents checks to a Federal Reserve bank for collection, it may not receive payment immediately (the credit to its account may

be deferred). The Federal Reserve pays the bank (credits a reserve account) in accordance with a published time schedule providing for immediate and deferred credit. This schedule is designed to allow time for the Federal Reserve bank to *process, transport and present* the checks to the paying bank.

Maximum deferment in the Federal Reserve System is two business days. For checks on banks in another Federal Reserve territory, the first day may be used to process and transport the checks to a Federal Reserve office in the other territory. Checks are processed by that Federal Reserve bank, transported and presented to the paying bank on the second day. *What happens and what doesn't happen on this second day*, after the checks arrive at the drawee bank, provide us with an understanding of where the problem is and why a modernization of deferment schedules was sought.

### Second-Day Credit

Because the Fed guarantees to give credit at least by this second day, it pays the bank that deposited the checks (credits a reserve account). In many cases, the other side of the transaction (payment by the paying bank) also is completed the second day. That is, on receipt of checks on which payment is owed, member banks subtract the amounts of the checks from records showing their reserve balances at the Fed, knowing the Fed will automatically charge their reserve balances. The problem arose with some outlying banks, which, before modern communications and transportation, responded to the presentment of checks on the second day by dispatching bank drafts through the mails or overland as settlements. Such tangible evidence of payment would take at least a day—and perhaps several days—to reach the banks' Federal Reserve banks, at which time the paying banks' reserve accounts would be charged. Thus, "payments" were deferred at least until the third or fourth day of the collection process, while the Federal Reserve banks under their self-imposed "crediting" time limit already had paid for the checks.

Between days two and three, we encounter Federal Reserve float, which represents interest-free credit in the amount of checks for which the funds are available to one bank but have not been charged by the Fed to another bank.

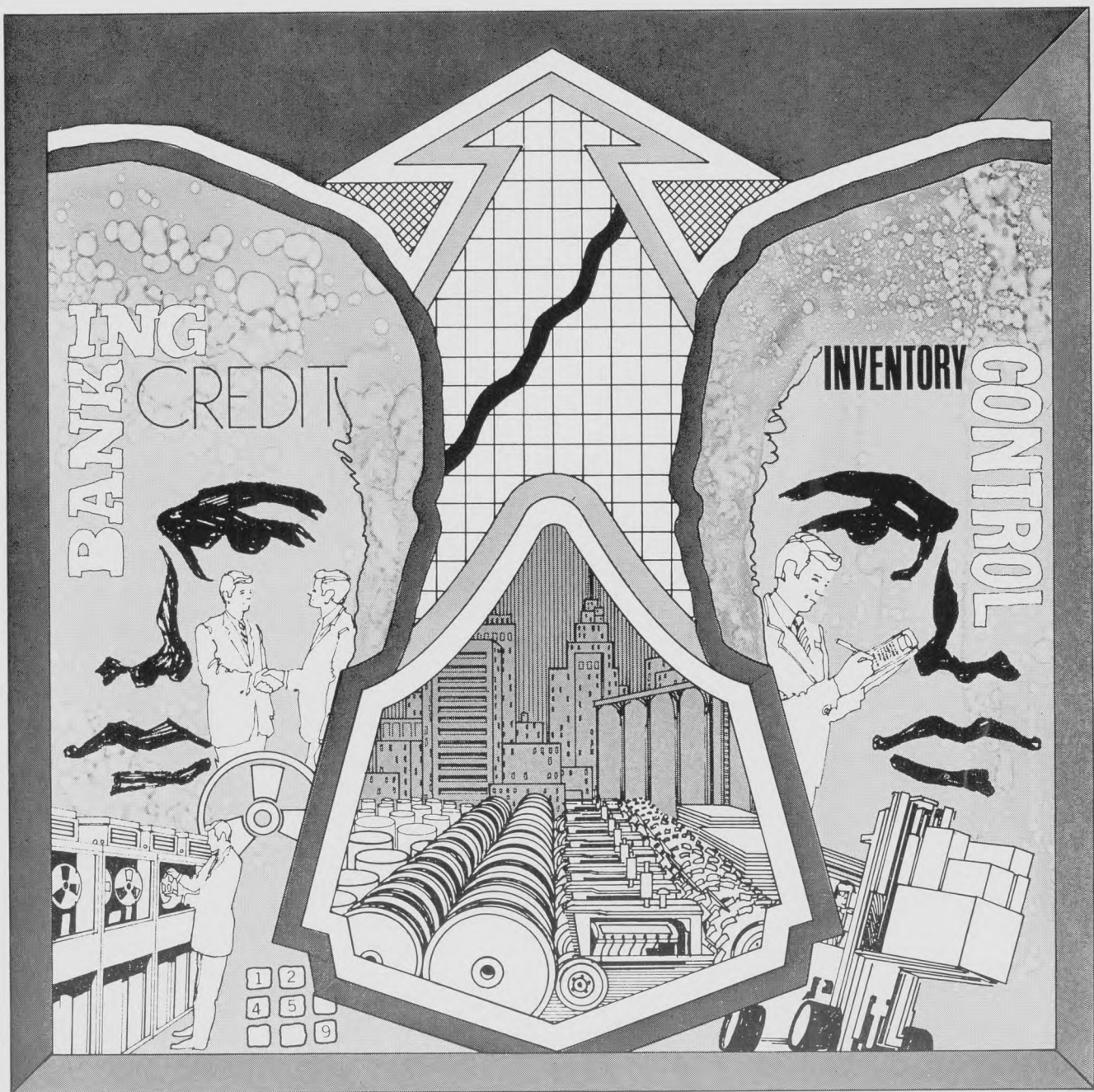
The deferred-payment privilege providing outlying banks with extra remittance time has received nationwide attention in the light of modernizations. Rapidly advancing transportation and communications arrangements such as new check-courier routes are a recog-

nized modernization. But the most important factor is the automatic-charge agreement, which eliminates physical transportation of the remittance because banks authorize the Federal Reserve to charge a reserve account. If a case were made for banks *needing* an extra day to convey their remittances to the Federal Reserve, then the equitable adjustment would alter the Federal Reserve's crediting time frame from two days to three. But this has been recognized by most bankers and analysts as a giant step "backward," in view of today's communications and transportation technologies. In other words, if the Federal Reserve bank presents checks on Tuesday, banks can pay in funds that are available immediately on Tuesday. Moreover, delayed payment is not compatible with a future electronic payments mechanism featuring immediate settlement of transactions. Indeed, an increasing proportion of transactions is being accomplished electronically, without the costly physical transportation, sorting, bundling and reconciling associated with checks.

Eighty-five percent of the dollar volume of checks was being paid immediately before Regulation J was amended, so it was becoming increasingly inequitable for some banks to continue paying by draft, or on a delayed-charge basis. Since November 9, 1972, the remaining 15% of checks by dollar volume has been paid for on an immediate-payment basis. So the amendment to Regulation J put all banks on the same footing regarding payment for checks.

**Regulation D.** Why did the amendment to Regulation D occur and why simultaneously with Regulation J? Basically, the answer to the first question is one of needed reserve structure reform—change the Fed had been considering for a long time to remove traditional, but outdated, distinctions among banks based on their locations. The *timing* of amended Regulation D implementation, to occur simultaneously with Regulation J changes, solved an otherwise serious barrier to implementing either regulation—the problem of impacting heavily on monetary policy. Reserve reform made additional funds available to the banking system; immediate payment for checks reduced "float" and thus reduced funds available to the banking system. By coordinating the two, the need to strengthen RCPC expansions and to make immediate payment universal coincided with activation of lower reserve requirements and actually resulted in net additional funds becoming available to the banking system in the late fall to phase in with seasonal reserve needs.

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MID-CONTINENT BANKER for February, 1973



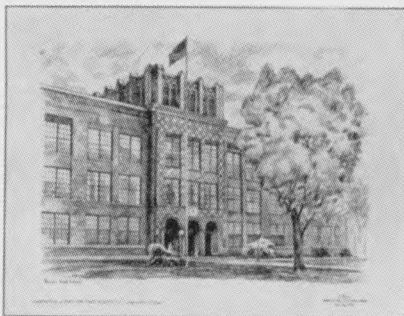
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amendments might be "equity—equity for all." Regulation J achieves equity among banks, city and outlying, on their payment in "good" funds for checks on presentment. Regulation D achieves equity among member banks on their reserve requirements, based only on the size of the bank as measured by net demand deposits.

**Sequence of Modifications.\*** The Board of Governors of the Federal Reserve System released its proposals for Regulations D and J on March 27, 1972, for comment through May 15. The roughly 500 letters received during the comment period, feedback from discussions with bankers individually and in groups and analysis of hundreds of individual bank situations resulted in modifications apparent in the June 21 revised amendments. After careful consideration of all comments, the Fed again released these proposals to the banking system.

One modification was further revision of the restructured reserve schedules. The reserve percentage required on net demand deposits ranging from \$10 million-\$100 million was lowered from 13% to 12% in response to medium-sized banks' concern that they would, under the March 27 proposal, receive a proportionately smaller benefit from Regulation D than the very small and large member banks. In addition to helping the medium-sized banks, this modification released extra reserves to the banking system.

Another common concern in regard to Regulation J was that the Federal Reserve banks would charge banks before checks arrived. This concern has been accounted for by a standing provision where any bank recognizing a delay in the scheduled arrival of checks is asked to telephone the Federal Reserve bank collect. The Federal Reserve will delay the charge until notified, again by collect phone, that the checks have arrived.

Still another point, raised by banks in which combined effects of both amendments would have a net adverse affect on funds, urged that a phasing-in framework be devised to give adjustment time for asset redistribution and any impact on earnings. The final amendments provide for a cushioning of adverse impact through a "waiver" of penalties on reserve deficiencies. The waiver applies to the few member banks where the *net* loss as the result

of amendments to Regulation J and Regulation D exceeds 2% of their net demand deposits. And special access to the Federal Reserve discount window was extended to nonmember banks.

As a measure of the Federal Reserve's desire for parity in the results achieved by its amendments, the following list might indicate to some observers the attempts made to assist each category of banks affected adversely by Regulation J: 1. Many banks—reserve reform offset. 2. Many banks—some offset from faster credit on checks. 3. Medium-sized member banks—extra gain from June adjustment of Regulation D. 4. Some member banks—waiver provision on reserve deficiencies. 5. Nonmembers—special availability of the discount window.

With these steps taken, the Federal Reserve moved toward the September 21 implementation date. On September 19, the U. S. District Court for the District of Columbia issued a temporary restraining order against implementation of the amendments. The action resulted from a petition filed by the Independent Bankers Association of America and the Western Independent Bankers, which contended that the amendment plan would do serious injury to banks that are not Fed members because nonmembers had no method of cushioning deposit losses by the avenue the Fed was offering to members. On September 20, the Fed's Board of Governors postponed amendments to Regulations D and J.

A month later, the D. C. court denied a motion for a preliminary injunction sought by the plaintiffs on the grounds that the plaintiffs had failed to carry the burden of establishing (1) that they would be irreparably injured if the amendments to Regulation J were put into effect and (2) that they would be likely to succeed on the merits of the case after full trial. The Fed announced on October 24 that its regulatory amendments would become effective November 9, timed to be neutral with respect to monetary policy and to give banks time to make necessary adjustments.

As a result of Regulation J, member banks not presently included within the boundary of an RCPC will, nevertheless, realize faster credit for checks on banks in their territories which are sent to the Federal Reserve banks in their territories. If a Federal Reserve bank can now collect payment on checks in one day instead of two, it will pass credit in one day. For checks going out of a territory to outlying banks in another territory, there will not be a speedup in credits from Regulation J, of course.

The Fed had been passing credit in

\* Many points in this section were discussed in an affidavit submitted to the United States District Court for the District of Columbia on October 3, 1972, by the Board of Governors of the Federal Reserve System.

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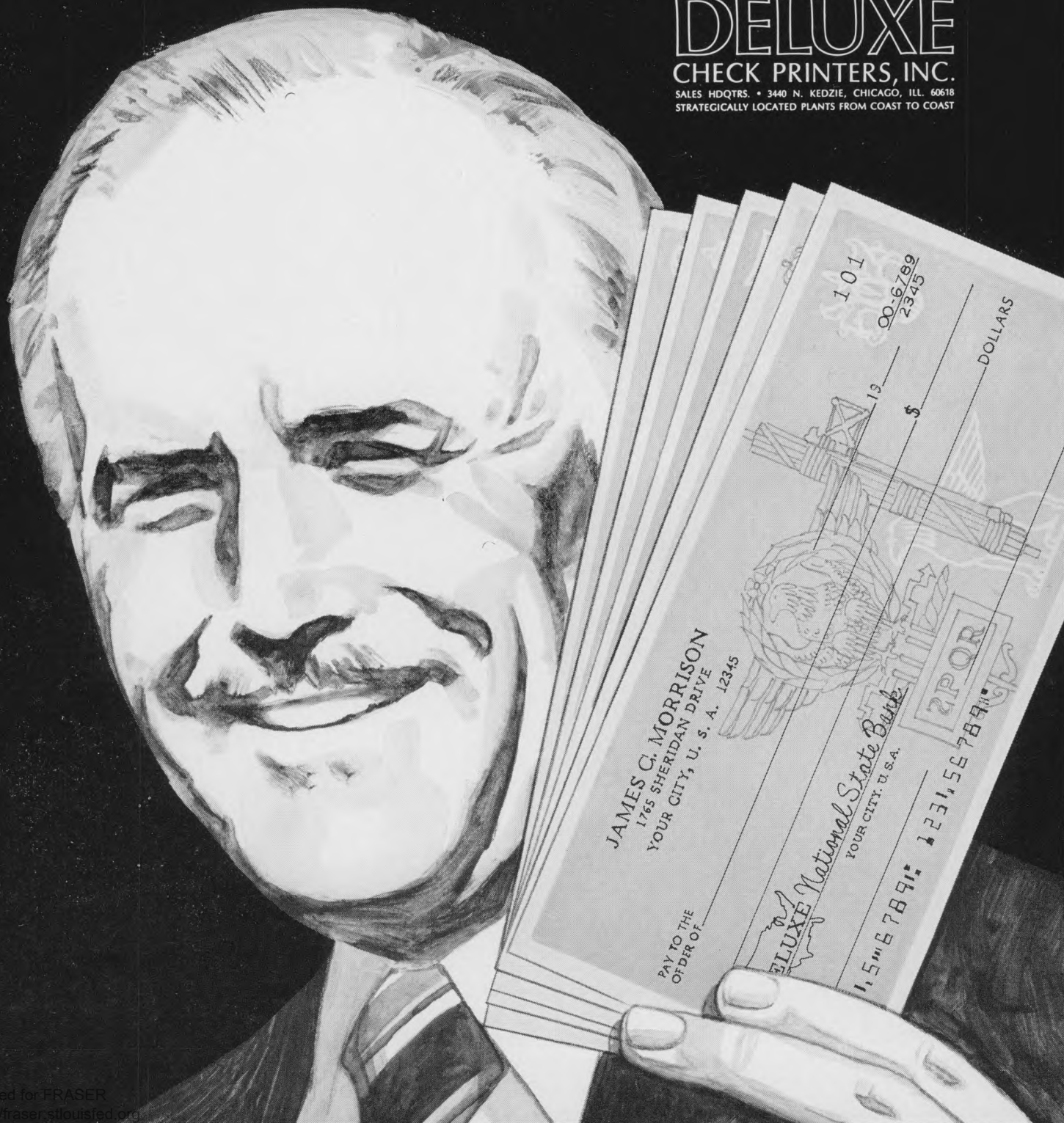
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# Growth leadership biggest assets.

## Statement of Condition

	DEC. 31 1952	DEC. 31 1962	DEC. 31 1970	DEC. 31 1971	DEC. 31 1972
<b>ASSETS</b>					
Cash and Due From Banks	\$ 4,138,159	\$ 4,284,717	\$ 9,475,823	\$ 8,848,317	\$ 15,303,829
Investment Securities:					
U. S. Government Securities	3,324,493	8,386,595	7,224,672	6,821,586	6,426,418
Public Housing Authority Bonds	—0—	—0—	240,423	130,984	116,043
State and Political Subdivision Bonds	1,888,547	3,392,367	6,908,952	10,891,782	15,201,524
Other Securities	16,800	85,480	1,049,412	3,040,674	3,200,077
Total Investment Securities	<u>5,229,840</u>	<u>11,864,442</u>	<u>15,423,459</u>	<u>20,885,026</u>	<u>24,944,062</u>
Discounts and Discounts	4,235,621	9,126,390	35,710,689	56,148,600	69,242,137
Federal Funds Sold	—0—	—0—	450,000	700,000	—0—
Bank Premises & Equipment (Less Depreciation)	120,000	599,029	698,046	580,413	1,020,395
Real Estate Owned Other Than Bank Premises	—0—	2	695,996	893,356	844,304
Customer Liability on Letters of Credit	—0—	—0—	92,152	541,005	1,208,645
Interest Earned—Not Collected	—0—	—0—	396,129	813,557	949,962
Other Assets	—0—	10,804	376,459	143,428	247,264
<b>TOTAL ASSETS</b>	<u>\$13,723,620</u>	<u>\$25,885,384</u>	<u>\$63,318,753</u>	<u>\$89,553,702</u>	<u>\$113,760,598</u>
<b>LIABILITIES</b>					
Deposits:					
Demand	\$10,619,968	\$15,634,820	\$26,242,843	\$31,554,381	\$ 39,299,636
Time	2,170,384	7,831,439	28,956,318	40,973,259	52,675,560
Total Deposits	<u>12,790,352</u>	<u>23,466,259</u>	<u>55,199,161</u>	<u>72,527,640</u>	<u>91,975,196</u>
Interest Collected—Not Earned	—0—	—0—	686,936	846,746	1,383,194
Discount Collected—Mortgage Loans	—0—	—0—	210,844	344,000	130,669
Liability on Customers Letters of Credit	—0—	—0—	92,152	541,005	1,208,645
Accrued Taxes and Other Expenses	97,000	64,350	382,293	681,393	684,090
Securities Sold Under Agreement to Repurchase	—0—	—0—	—0—	301,318	—0—
Other Liabilities—Borrowed Money	—0—	—0—	1,830,000	7,953,843	9,600,953
Dividends Payable	—0—	—0—	110,000	121,000	130,438
<b>TOTAL LIABILITIES</b>	<u>12,887,352</u>	<u>64,350</u>	<u>58,511,386</u>	<u>83,316,945</u>	<u>105,113,185</u>
<b>RESERVE ON LOANS</b>					
Reserve for Possible Loan Losses	88,012	152,276	544,605	632,739	730,158
<b>CAPITAL ACCOUNTS</b>					
Capital Debentures	—0—	—0—	—0—	818,500	2,250,000
Common Stock	400,000	650,000	1,100,000	1,210,000	1,331,000
Surplus	300,000	1,350,000	2,100,000	2,650,000	2,650,000
Undivided Profits	48,256	202,499	1,062,762	925,518	1,686,255
<b>TOTAL CAPITAL ACCOUNTS</b>	<u>748,256</u>	<u>2,202,499</u>	<u>4,262,762</u>	<u>5,604,018</u>	<u>7,917,255</u>
<b>TOTAL LIABILITIES, RESERVE AND CAPITAL ACCOUNTS</b>	<u>\$13,723,620</u>	<u>\$25,885,384</u>	<u>\$63,318,753</u>	<u>\$89,553,702</u>	<u>\$113,760,598</u>

# Bossier Bank & TRUST COMPANY

Bossier City, Louisiana 71010  
Member FDIC

Member FDIC



two days on checks it was taking three or four days to collect, and now Regulation J has brought this collection time back to equate with the credit-passing lag of two days only. Only this float gap has been closed.

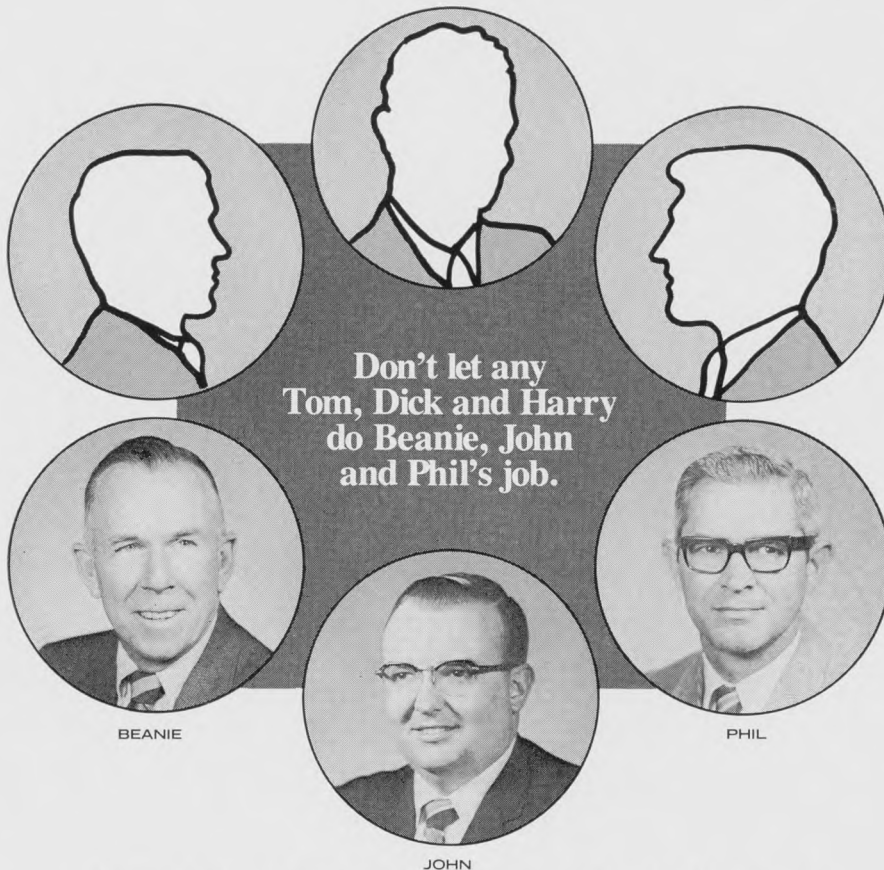
For RCPC participants, intra-territory checks arriving at the RCPC in the very early hours of the morning on a Tuesday (12:01 unsorted, somewhat later if fine-sorted) will be processed, presented, credited and debited the same day—Tuesday. Member banks outside the RCPC area but having checks drawn on RCPC participants can achieve Tuesday credit if they meet

the early morning cutoff hours at the RCPC.

**Implications for Future.** Implications for the future include faster settlement of many financial transactions now made by checks and establishment of some vital cornerstones in the foundation of a high-speed electronic system of financial settlement and communications. Because of the complex logistical problems related to speedy transportation over the 200- to 300-mile distances that separate some areas from a regional RCPC, several alternative plans ultimately may be studied in arriving at

a strategy for overnight settlement of financial transactions between such distant points. Helicopters and airplanes might be considered to move checks quickly within regional boundaries. A plan to waylay the check itself and transport only the message (truncation) is another possible strategy. Continued cooperation with check-handling facilities of the commercial banking system may result in some centralized facilities for settlement of financial transactions.

As most banks are included within the boundaries of an RCPC, the relevance of immediate settlement of financial transactions as equitable among individuals, corporations and banks should become increasingly evident. Such RCPCs might become the nucleus of a modernized payments mechanism. The next step in evolution is to replace paper checks to some extent with electronic transfer of funds; major improvements would include reducing costly physical transportation, sorting, bundling and reconciling of checks. An increasing proportion of transactions will be accomplished electronically, and—as these regional hubs are connected by high-speed equipment—a nationwide system can evolve. ••



BEANIE

PHIL

JOHN

Because it takes an expert thoroughly trained in their field to do their job — correspondent banking.

And Beanie, John, and Phil of the First Stock Yards Bank are the experts to help you. Men knowledgeable in all phases of the correspondent banking market — they can give accurate credit information, financing assistance, efficient collection and remittance services.

So if you have a check to cash, perhaps you should see Tom, Dick or Harry. But if it's correspondent banking you want, call Beanie Broadhead, John Karn, or Phil Miller at the First Stock Yards Bank. Your correspondent banking experts.



SOUTH ST. JOSEPH, MISSOURI 64488  
TELEPHONE 816/238-1738

MEMBER  
F.D.I.C.

## Conflicting 'Hats'

(Continued from page 12)

well-intended individuals and government regulatory agencies to take the simplistic position of conflict-of-interest situations. They frequently and probably, almost every day, exist not only in banks but S&Ls and other financial institutions and, for that matter, in other types of business firms and other organizations, such as charitable and government agencies.

If the imperfectness of man in this area is acknowledged, attention can then be redirected to what can be done about it. There are two factors here: one is the tendency for boards, in subjectively recognizing a conflict-of-interest situation, not to include this as an overtly recognized situation. The board minutes do not include a written commentary by the board secretary to this effect, noting the potential conflict of interest.

The board minutes do not show that the "conflictee" director either abstained from voting or absented himself from the board room or refrained from any discussion. The faulty logic for this is: Why draw attention to a situation that could be misconstrued by an unknowing individual? The rebuttal to that argument, of course, is that at times, and increasingly so today, the nature of legislation on freedom of information, of reporting to

government agencies and the willingness of dissatisfied employees or other dissatisfied individuals to speak to an issue does bring the topic into the open. Without exception, when this occurs it is in an unfavorable context. The situation in the board room might have been handled in a most decorous manner.

It is recognized that many boards, while subjectively recognizing conflicts of interest, have adopted the policy of publicly ignoring the situation in their board minutes. It is proposed here that boards reconsider their attitudes on this and establish, as board policy, that the board in its entirety be provided with a formal document that shows how each board member may be related to areas of conflict, such as stock ownership and property ownership. Beyond the formal documentation of a "conflict" in board minutes, there should be a positive understanding on the part of all board members that each is to advise the board not necessarily on the specifics of a potential conflict of interest, but that—because of a potential conflict—a director must refrain from taking an active part in the discussion of a loan, investment or banking decision at issue. This proposal probably will not be acceptable to many of the boards, but it is submitted as being in tune with the trend of contemporary studies and banking. • •

#### New Directors Appointed At Grand Avenue Bank

KANSAS CITY—Grand Avenue Bank has elected two new directors. They are John C. Collet, former advisory director and president of Rupert Manufacturing Co., and William A. Reasoner, president of Waddell and Reed, Inc.

The bank also transferred \$316,667 from undivided profits to surplus, bringing surplus to \$2,104,167 and capital to \$562,500.

### Independent Bankers

(Continued from page 11)

The second day will feature exhibits, meetings of the executive council and resolutions committee, a reception and dinner-dance and floor show featuring the Mills Brothers and Ernie Hecksher's Orchestra.

The first general session will convene on Tuesday, March 20, followed by cocktails and men's and women's luncheons. The afternoon and evening will be free to tour San Francisco sites.

The final day of the convention will be taken up with a final general session, reception and the traditional banquet with dancing.

#### St. Louis Promotions

ST. LOUIS—Bank of St. Louis last month announced the following promotions to vice presidents: Martin E. Harrington, correspondent banking; Donald R. Naert, commercial loans; Harry B. Seybt Jr., real estate; and John R. Kovach, home management.

In addition, the bank elected the

following assistant vice presidents: Thomas L. Palmer, correspondent banking; Thomas J. Carter, auto dealer finance; John C. Barlow, personal loans; Ruth S. Nasser and Gerald G. Brooks, commercial loans; and Terence H. Boyle, real estate. Bernice Siedentop was made assistant trust officer and Warren Paule, assistant cashier, demand deposits.

## Ask KCIC about a complete financing program.



Full service is what you get from KCIC. Mobile Home Dealer solicitation, finance procedure supervision, delinquent account collection, claims processing, insurance handling and computing, personnel counseling, plus a claims department to handle repossessions, resale and salvage make up the comprehensive plan offered. You also get 100% security against repossession loss. Ask KCIC how a complete financing program can help your consumer credit department.



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MONEY BROKERS FOR BANKS AND BANKERS

## NATIONAL MONEY MARKET

IN

FEDERAL FUNDS

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EUROCURRENCIES

REPURCHASE AGREEMENTS



### George Palumbo & Company, Inc.

Established 1962

26 BROADWAY, NEW YORK, N.Y. 10004

Cable: PALUMAC Tel: 212-269-3456





Louisiana Nat'l, Baton Rouge, tried personal approach to advertise its LNB24 electronic teller units. Two young women telephoned 12,000 persons to invite them to Mini Branch and try one of the machines. Here Mary McDonald (l.) looks up phone numbers of LNB24 customers and Malinda Chambliss telephones them. They are seated in "customer conversation area" of branch, which also has self-service postal center.

## Two Southern Banks Use Special Promotions To Publicize Electronic Tellers

By ROSEMARY McKELVEY  
Managing Editor

ONE OF THE latest banking services sweeping the nation is the so-called "unmanned teller" or "electronic teller" machine. With some of these installations, banks can, in a sense, offer 24-hour service. These machines—as described in the December issue of MID-CONTINENT BANKER—range from simply taking deposits to

offering many services: withdrawing cash from credit card, checking or savings accounts, depositing to checking or savings accounts, transferring funds from checking to savings or savings to checking or credit card to checking and making payments from checking or savings accounts or with money enclosed.

Banks that install these machines obviously want to provide extra services for their customers, but how do they tell their customers and the public about them? How do they market them effectively?

Two Mid-Continent-area banks—American National, Chattanooga, Tenn., and Louisiana National, Baton Rouge—used different means to publicize their electronic teller machines, but they proved successful. In fact, according to DeArnold R. Barnette, vice president of American National's marketing and planning department, consumer/public response exceeded the bank's expectations and marketing goals so that it's now likely the bank will enlarge its network of electronic teller units around the city.

Both banks have installed units manufactured by Docutel Corp., Dallas, with American of Chattanooga calling its installation Teller 24 and Louisiana National referring to its units as LNB24.

American National set three advertising objectives for its Teller 24. First of all, it developed target market profile and characteristics of potential users by studying existing machine installations in other similar markets. Using these guidelines, the bank compiled demographic data and developed guidelines for potential users.

The bank decided to seek as cus-

**Teller 24 is here with Free Money!**

That's right, you may win up to five dollars just for trying American National's Teller 24. It's on display in our main lobby at 8th and Market. Stop by and try it. Find out what the "First 24 hour bank" is all about. You may win yourself some "cash."

See what has made Teller 24, the automatic banking unit. It's the first of several Teller 24 units to be installed at American National's East Brainerd, Red Bank, Northgate, Brainerd and Rossville branch locations. Get ready for 24 hour banking.

Now, at American National, you pick your kind of banking hours. You can make cash withdrawals, borrow extra money, move money from one of your accounts to another, make loan payments, even make deposits anytime of the day or night. Teller 24 is here, for the people who need a bank, after the banks are closed.

**Teller 24** for the people who need a bank, after the banks are closed!

**Teller 24** It's for the people who need a bank, after the banks are closed!

American Nat'l, Chattanooga, ran series of newspaper ads spotlighting its Teller 24 electronic teller installations. This ad provided incentive by offering a chance to win some money merely by trying one of the units. Machines were loaded with \$1 and \$5 dollar bills in random sequence, varying at each location.

**AMERICAN NATIONAL**  
Just being a "Daytime" bank isn't enough anymore!  
MEMBER FDIC



## Statement of Condition

### December 31, 1972

#### Assets

Cash and Due From Banks	\$135,826,331
Investment Securities	
U.S. Treasury Securities	\$47,698,624
Securities Guaranteed by U.S. Government	24,207,850
Obligations of State and Political Subdivisions	82,517,986
Other Securities	<u>9,841,843</u>
 Total Investment Securities	 164,266,303
Federal Funds Sold and Securities Purchased Under Agreements to Resell	84,055,655
Loans	440,564,210
Bank Premises and Equipment	16,487,329
Income Earned - Not Collected	3,873,420
Other Assets	<u>1,005,969</u>
Total Assets	<u>\$846,079,217</u>

#### Liabilities and Stockholders Equity

Deposits:	
Demand	\$331,575,827
Time	<u>345,824,622</u>
Total Deposits	677,400,449
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	74,295,000
Acceptances Outstanding	482,871
Income Collected - Not Earned	10,202,480
Accrued Interest and Other Liabilities	5,263,523
Federal and State Income Taxes, Including Deferred Taxes of \$3,121,688 in 1972, and \$2,323,191 in 1971	3,435,043
RESERVE FOR POSSIBLE LOAN LOSSES	6,616,952
Capital Funds:	
Capital Notes - 4¼% due 1991	7,500,000
Stockholders' Equity:	
Common Stock, par value \$10:	
Authorized, Issued and Outstanding	
2,020,000 shares in 1972; 2,000,000 shares in 1971	20,200,000
Capital Surplus	25,000,000
Undivided Profits and Contingency Reserve (after Dividends of \$6,000,000 to Third National Corporation in 1972 and \$2,000,000 to Shareholders in 1971)	<u>15,682,899</u>
TOTAL STOCKHOLDERS' EQUITY	60,882,899
TOTAL CAPITAL FUNDS	<u>68,382,899</u>
	<u>846,079,217</u>

# THIRD NATIONAL BANK IN NASHVILLE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



tomers those having the following user market characteristics: young progressive segment of the population (25-40 years of age); professional rather than blue-collar worker; middle-income to higher-income level.

The bank then adopted creative, visual and copy strategy for its advertising and finally chose the advertising media for the promotion. These media included newspapers, TV, radio, outdoor, lobby display and print material, statement stuffers, telephone time-of-day service and specialty advertising, such as key rings and play money.

To really get the attention of Chat-

tanooga residents, American National—during the first week of public use of its Teller 24—offered “free money” to get people to try the units. Anyone who stopped for a “do-it-yourself” demonstration with a demonstration card had a chance at winning \$1 or \$5 bills when the cash drawer opened during the trial demonstration. The machines were loaded with \$1 and \$5 bills in random sequence, varying at each location so that no “system” could be established but so that a broad audience of trial users could be developed. Simply stated, during the introductory period of the units, anyone had

a chance to win merely by having an on-site staff member explain how to operate the machine and then going through the process himself.

American National's advertising of the Teller 24 emphasized its personal benefits, such as 24-hour-a-day, seven-day-a-week banking, simplicity in using, security precautions, no charge, etc. In addition, the bank pointed out that Teller 24 was Tennessee's first 24-hour banking facility.

By the way, a Memphis Art Directors Club award of excellence went to Proud Crowd Productions of Chattanooga (creative advertising and design group) for the newspaper campaign promoting American National's Teller 24 service. The award was one of 16 selected from more than 400 entries submitted from throughout the Southeast. The winning entry consisted of four 1,500-line, black and white newspaper ads chosen on the basis of “the most creative and effective uses of the newspaper medium for a product or service campaign.”

**LNB24.** When Louisiana National's LNB24 electronic tellers went into operation last November, the bank personalized its marketing efforts by having two young women telephone 12,000 customers.

The calls went something like this: “Hello, Mrs. Brown. This is Mary McDonald from Louisiana National Bank. We'd like to invite you to stop by our new Mini Branch on Drusilla Lane, have a cup of coffee with us and try out LNB24, our new automated teller. . . .”

Initially, LNB mailed LNB24 cards to 12,000 persons in Baton Rouge, these 12,000 including BankAmericard holders who already had overdraft checking privileges and BankAmericard holders in good standing who lived in the suburban neighborhood surrounding the new Mini Branch.

The bank has installed two automated tellers—one on the plaza level of its downtown office building and the other as the core of the Mini Branch on Drusilla Lane.

The Mini Branch contains a 24-hour self-service postal center in addition to LNB24. The bank said this combination is a first for the city as well as for the state. Thus, at any hour of the day or night, a person may perform 11 banking transactions with LNB24 and also conduct postal business. The self-service postal center has machines that dispense stamps, envelopes, post cards and even parcel post insurance. There are scales that give rates for letters or parcels and depositories for parcels and letters.

Two LNB24 women are on duty from 8:30 a.m. to 5:30 p.m. to help

If correspondent  
banking leaves  
you tired  
and rundown. . .

try our  
**HNB**  
**Vita-Men**

Hutchinson National Bank and Trust Company's Correspondent services contain all the ingredients necessary to provide your bank 100% of its daily adult correspondent needs. Our Vita-Men offer quick relief of common or severe correspondent bank needs. So, if business problems persist, just try one of our Vita-Men, like Joe Newsom or Dean Johnson . . . or both. Hutchinson National Bank and Trust Company's Vita-Men have brought relief to dozens of banks throughout the state. Isn't that food for thought?

**Hutchinson National**  
bank and trust company

ONE POLARIS PLAZA, HUTCHINSON, KANSAS  
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





Mrs. C. W. McCoy, wife of ch. & pres., of Louisiana Nat'l, stops to mail letter at bank's Mini Branch, which is combination bank and self-service postal center. Mrs. McCoy lives near branch.

customers learn to operate the machines and solve whatever problems they might have. These Louisiana National representatives can connect a customer with any banking department via telephone or can photograph them for picture checks. In the evenings from 5-8, management trainees take turns running the Mini Branch.

The Mini Branch has a special "conversation area" for customers during the day. It's furnished in bright, cheerful yellow. Here customers may sit down, have coffee, talk on the phone to the Main Office or obtain help with their accounts.

Louisiana National said it has created a relaxed atmosphere at the Mini Branch, where a person may transact his banking business with privacy and without paperwork.

The bank's future plans include installation of more such LNB24 units and putting them on line with the main computer. Then, LNB24 customers will receive instantaneous debiting and crediting of their accounts when they withdraw, transfer or deposit money.

These new electronic teller machines can be competitively advantageous for banks that install them. However, to get as much public relations and publicity mileage out of them as possible, it would be wise to center an ambitious marketing program around them as did American National of Chattanooga and Louisiana National of Baton Rouge.

#### Wells Fargo Makes Appointment

SAN FRANCISCO—James K. Dobey, executive vice president, Wells Fargo Bank, has been named chairman of the newly organized management committee. Mr. Dobey will join President and CEO Richard P. Cooley and Chairman Ernest C. Arbuckle as a member of the bank's executive office.

Mr. Dobey joined the bank in 1946. He had been executive vice president since 1967.



When  
the talk  
turns to  
hospital  
financing...

turn to  
**Ziegler.**

Don't make a move before you check with us. We're the leader in the field. Since 1913, B. C. Ziegler and Company has underwritten \$1.3 billion in institutional financing.

Our track record includes over 1700 loans to hospitals, schools, homes for senior citizens, and religious institutions all over America. In 46 of the 50 states. Loans big and small that in 1971 added up to 67 issues totalling \$217,000,000.

We market our issues to a wide cross-section of the public—not to just a few large investors. Your hospital's financial control is protected. And you get quick action through our coast-to-coast facilities.

From the standpoint of your own portfolios and those of your bank's customers, consider this fact: many of our issues are currently yielding up to 8%.

If your hospital needs financing for expansion, write or call Thomas J. Kenny, President, or Kenneth C. Marsden, Executive Vice President. Offices in leading cities, coast to coast.



**B. C. ZIEGLER and COMPANY**

West Bend, Wisconsin 53095 • Phone (414) 334-5521  
Creative Financing for America's Hospitals



# Banks Find Instaposit Machines Reduce Customer Complaints

**F**EW BANKERS would not jump at an opportunity to reduce—or even eliminate—customer complaints about service.

And, since last March, bankers have been jumping to install an uncomplicated device called Instaposit in their lobbies. Instaposit accepts deposits or payments that do not require cash returns and issues time-dated receipts to waiting customers. And it does this in but five seconds. The receipt, in the customer's own handwriting, also shows the total amount and description of transactions desired by the customer.

The customer doesn't need teller assistance to use Instaposit. He doesn't need a credit card to activate the machine. And he doesn't have to memorize a code number or scan an array of buttons to tell the machine what to do.

All he does is place his deposit in a special Instaposit envelope, fill out the deposit slip that's part of the envelope and insert the envelope into the Instaposit's tray. In the elapsed time of five seconds, the machine accepts the envelope, time-dates it, separates the receipt from the envelope and returns the receipt to the customer.

The customer doesn't have to wait in line—a fact that eliminates the number one complaint of bank customers. He can save even more time by keeping a supply of Instaposit envelopes at home or at the office, so he can fill one out before even arriving at the bank.

The Instaposit is most efficiently used during the peak periods that occur maybe twice a month or so. This allows payroll check-cashers to deposit their checks and not jam the teller lines that normally build up during these periods. This means the bank's more frequent customers can enjoy quicker access to personalized services. It is the daily

Bank Computer Network Corp., Chicago, developer of the Instaposit automated banking device, has announced plans to develop "The Money Desk," an automated cash dispensing system that will accept several types of cards or checks and can be programmed to issue any specific amount of cash.

The new device will augment the Instaposit machine, to enable bank customers to make withdrawals or deposits automatically.

By **JIM FABIAN**  
Associate Editor

bank customer who complains most when a bank is crowded. Bankers installing Instaposit machines find that the units tend to squelch numerous complaints from these customers.

But that's not all. The installation of the machines provides banks with abundant opportunities to proclaim a new service. The machines can be used for Christmas club payments, for recording deposits of new account-holders—any kind of deposit that does not require a cash return.

Investigation by Bank Computer Network Corp., Chicago, developer of Instaposit, reveals that some 48% of bank transactions do not require cash returns. Providing Instaposit service for almost half of a bank's transactions frees tellers to serve the other 52% requiring personalized service.

The first Instaposit installation was made at Central National, in Chicago's Loop. On the first day of operation, the machine handled 153 transactions before a program of customer education was initiated. Since then it has, at times, handled more than four times that number of transactions in a single day.

Customers who become familiar with Instaposit say they prefer it to teller service, even if there are no waiting lines. For one reason, customers using Instaposit regularly usually fill out their deposit slips and envelopes before coming to the bank. As the Instaposit machine is normally located close to the entrance to the bank, customers don't have to walk very far to transact their business. They don't have to enter the congested teller area.

Many customers say they prefer the speed and efficiency of the machine—not to mention the privacy afforded by its use.

A study of Central National's customers using Instaposit has indicated that, when more than three customers are in line at a teller's window, 13% of the customers choose to use Instaposit; when from one to three customers are in line, 10% use Instaposit; and when no customers are in line, 7% still use Instaposit.

There is no need for elaborate training programs for either customers or employees; a simple five-minute introduction is all that is needed. Printed instructions are posted on the machine

as well as on the envelopes.

Banks using Instaposit have found that it pays to have personnel on hand during the first few days of operation to call attention to the machine's availability. A bank representative often helps the customer with the first transaction to illustrate the machine's simplicity.

Among the banks testing Instaposit are Security Pacific, Los Angeles, which has 10 units located in as many branches. Al Clements of the bank has said: "We originally bought Instaposit as a vehicle to reduce congestion at peak banking periods. In this, it has performed well. It is a definite customer benefit." Mr. Clements also said that the machines performed well operationally, with little downtime.

Chase Manhattan, New York City, is using 10 machines at some of its busiest branch locations. According to David H. Larsen, second vice president and senior product planning officer, the machines are heavily used, especially at the beginning and middle of the month and during the noon hour.

Mr. Larsen says the use of the Instaposit machines exceeds that of the bank's former quick-drop deposit boxes. He also says merchant acceptance of the machines has been excellent. Merchants sometimes use the units several times a day, as they prefer to make extra trips to the bank to deposit excess funds rather than risk keeping the funds on their premises. The availability of Instaposit units makes this practice feasible, Mr. Larsen says, since there is no need for merchants to waste time standing in line to get receipts for their deposits.

The machines have also proved to be



Leonard Fish (l.), pres., Bank Computer Network Corp., Chicago, demonstrates use of Instaposit machine with Steve Bernthal, personal banking manager at Central Nat'l, Chicago—first bank to install an Instaposit unit.

# The RECEIPT that solved peak period problems...

Long lines...  
Customer complaints  
... Not enough tellers  
for an unexpected rush  
... And 48% of your  
customers only wanted  
to make a deposit or  
payment not requiring a  
cash return.

Sound familiar?

For years, bankers have  
sought "solutions" to these  
peak period problems. But  
most "solutions" have failed  
for one major reason:  
*no receipt.*

Customers insist on a *receipt*  
whenever they make a  
transaction involving money.

Of all the suggested "solutions,"  
only INSTAPOSIT issues a *complete,*  
*itemized receipt* validated with time,

date, and bank name. A *receipt*  
showing the *total* amount and  
*description* of your customer's  
transaction.

All in your customer's *own*  
handwriting. And in *just*  
5 seconds!

That *receipt* is the reason  
why INSTAPOSIT has  
grown to become  
banking's most used,  
most accepted  
"solution" to peak  
overload problems.

For further details,  
please write or call  
Mr. Don Alger  
collect.

INSTAPOSIT  
It Really Works!

145365  
BANK IMPRINT  
INSTANT DEPOSIT AND PAYMENT SERVICE  
INSTANT RECEIPT

INSTRUCTIONS FOR USE:  
1. Fill out deposit form  
2. Fill out information on this envelope  
3. Place cash and/or checks with deposit and/or payment form in envelope (include book on savings or Christmas Club transactions)  
4. Place envelope in Special Instaposit machine tray and get an instant Receipt (savings or Christmas Club book will be mailed back)

Name Joseph Talman Date 1/16/73  
Address 1067 Coast Drive 107 W.

CREDIT TO MY ACCOUNT(S)			
CHECKING	\$ 324	25	00
SAVINGS			
VACATION			
CHRISTMAS CLUB			
INSTALMENT LOAN			
MORTGAGE			
UTILITY PAYMENT:			
ELECTRIC			
TELEPHONE			
GAS			
TOTAL AMOUNT IN ENVELOPE		76	00
CASH		273	25
CHECKS		349	25
TOTAL			

This envelope will be opened in the presence of two persons for our mutual protection, and the contents accepted subject to our verification, count and acceptance.

**TURN ENVELOPE OVER AND  
PLACE IN MACHINE TRAY**

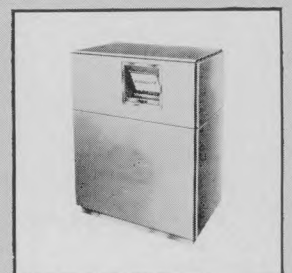
DID YOU ENCLOSE YOUR DEPOSIT SLIP?

1973 JAN - 6 AM 11:52  
(Bank Name or Branch)

PATENT PENDING  
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## Instaposit

Bank Computer Network Corporation  
333 N. Michigan Avenue  
Chicago, Illinois 60601  
(312) 368-8300





popular with customers making utility payments in residential neighborhood branches.

J. A. Funk, director of advertising at Morris Plan Bank, Wheeling, W. Va., reports that the Instaposit is a great public relations tool that is heralded as something new and progressive for customers. The installation of the unit shows that the bank is doing its utmost to offer more convenient banking services to its customers, he said.

R. F. Lawyer, president, First National, Mountain Home, Ark., reports that an Instaposit was installed in November. Although Mountain Home is

a small community (less than 7,000), it is home to many retirees, who all receive their Social Security and pension checks on the first of the month, making for heavy traffic at the bank. Mr. Lawyer says that once customers try the machine they are delighted with it.

Robert Eckland, cashier at Central National, Chicago, reports that the Instaposit was installed to help eliminate long waiting lines during peak periods, which has been one of the bank's most critical problems. "We are finding that the new unit is helping to minimize this problem by encouraging those customers wishing only to make deposits

or payments to proceed rapidly about their business. With these people using Instaposit, our tellers have more time to devote to those customers wishing to make withdrawals, cash checks or use other bank services."

Bank Computer Network Corp. plans to introduce a drive-in version of the Instaposit within a few weeks. • •

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## 'Key Man' Insurance

(Continued from page 56)

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Death of the key man triggers immediate loan repayment and refinancing, which could present a distinct hardship for the deceased's relatives. There is the possibility that all or a part of these loans will pass through the corporation and into the estate.

Oftentimes, with the death of the key man, the drive that has made the business a success is gone forever, which cuts off all prospect of a continuation of the business.

Bankers suggesting adequate key-man life coverage are not selling insurance to borrowers. Actually, they are selling them the *time* they will need, in many cases, to protect the business until it has been soundly reestablished and loans paid off.

Business-continuation and repurchase problems probably will become more costly each year, for these reasons: continuing inflation and the growth of values in a client's business. Thus, bankers recommending adequate insurance should focus their clients' attention on the need for greater amounts of key man insurance just to keep even with the economy.

When firms are merging or unmerging, acquiring new money or going through new financing, key human-life values come into sharp focus.

At such times, it is wise for the banker to include an experienced life underwriter (which could be the banker himself) as part of a planning team that also includes an accountant and an attorney. This team should cast a sharp eye on each situation to pinpoint the instances where life insurance coverage would be advantageous.

Key man coverage is also a must in cases where close corporations are planning to go public in a few years. The key individuals might not realize the importance of this coverage—in fact, they might consider it a waste of money—but it provides a vital protection and can eventually pay personal dividends to the individuals involved.

Of first importance is the fact that the coverage protects the loan and the possible continuance of the business while it remains a close corporation.

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However, after the corporation goes public and should management decide to terminate the coverage, the insured can take it over from the corporation and receive the benefit of having the heavy first-year cost loading paid by the corporation and not taxed to him.

The coverage would be extremely worthwhile should a "locked-in estate" situation develop, as it could provide for the necessary cash liquidity to "unlock" the problem.

These and other reasons make it imperative for commercial loan officers to protect their loans by recommending—and in many cases even *insisting*—that adequate life insurance coverage be employed. This protection is vital to the bank when ownership in closely held businesses is put up as collateral and when owner-executives are called upon to personally endorse loan agreements. ••

#### Allbritton Named Chairman Of Houston Citizens Bank

HOUSTON—Joe L. Allbritton was named chairman of Houston Citizens Bank and will retain the title of president and chief executive officer. Ross P. Bennett was advanced to consultation chairman of the bank.



ALLBRITTON BENNETT

Mr. Allbritton has been president and chief executive officer since late 1970. He also is chairman of the executive committee of the new First International Bancshares, Inc., Houston Citizens' holding company with First National, Dallas.

Mr. Bennett joined the bank in 1928 and was elected an officer in 1936. He became executive vice president in 1958, president in 1965 and chairman in 1970.

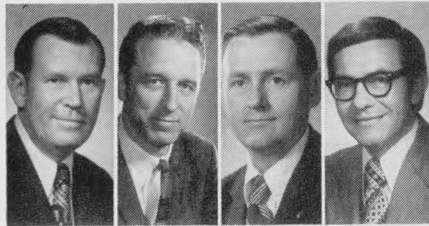
New vice presidents elected at the bank are: Charles E. Pearson, head of the personal banking division; Robert V. Ullom, head of the credit department; Daniel T. Linscott, commercial lending officer; and A. Wayne Rober-son, installment lending officer. Larry E. Farthing, accounting officer, was named comptroller.

Elected assistant vice presidents were: Kenneth T. Goedeke, correspondent banking; Steven E. Slover, installment lending department; and Harmon Ferguson and Ken Barrett, real estate department.

Barry L. Drake was elected trust auditor and Jack Thompson Jr. and William Hixon Jr. were named assistant cashiers.

#### Four Senior Vice Presidents Named at 1st City Nat'l

HOUSTON—First City National has promoted four to senior vice presidents—Pete W. Cawthon Jr., George M.



DARSEY CAWTHON GREEN ZEMANEK

Darsey, Ira H. Green and James E. Zemanek.

In addition, the following vice presidents were named: Porter H. Everts, Gary E. Stamper, Daniel B. Dowling, Alan G. Perrin and J. R. Hamilton. Robert C. Baldwin of the correspondent bank department was promoted to assistant vice president.

■ NEW ORLEANS—ICB Corp., one-bank holding company, reported income before securities gains of \$932,308, or \$1.51 per share, for 1972, compared with an income before capital gains of \$812,471, or \$1.31 per share, for 1971.

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# Illinois Bankers Defeat Multi-Unit Banking Proposal

By JIM FABIAN  
Associate Editor

IT WILL COME as no surprise to anyone that members of the Illinois Bankers Association have voted 639 to 317 to maintain the status quo in the area of multi-unit banking.

Representatives from 958 IBA-member banks (83% of the total membership) gathered in Chicago January 25 and 26 to hear pros and cons about the report of the IBA's bank structure committee, which had deliberated for some 18 months under the chairmanship of former IBA President Lewis H. Clausen, president, Champaign National.

When the afternoon business session got underway, it became obvious that delegates did not want to discuss or amend the committee's recommenda-

tions. They wanted to vote on them and return to their banks.

And vote they did, a full hour ahead of schedule. The polls did not officially close until noon on January 26, so most delegates were not on hand to learn the results.

Thus, the IBA continues to officially espouse the unit-banking concept, one that is diametrically opposed to any type of multi-unit banking. This traditional stand of the IBA was reaffirmed at the association's last annual convention in May, 1972.

There is little doubt that many Illinois bankers favor some change in the banking laws of the state. However, there also is little doubt that Illinois bankers are not ready for the broad changes proposed by the IBA bank structure committee.

Briefly, the bank structure committee proposes that banks, effective January 1, 1974, be permitted to branch *de novo* or by merger within county lines or up to 25 miles at the rate of two branches the first year, two the second year and four each year in succeeding years. Multi-bank HCs would be allowed to expand at the same acquisition ratio, but would be limited to five districts of the state and be limited to controlling no more than 10% of the deposits in a single district.

The recommendations also called for prohibition of chain banking within five years of the date of enactment of enabling legislation.

Opposition to the IBA plan was led by Robert Walton, president, Farmers & Merchants State, Bushnell, and Donald M. Carlson, president, Elmhurst National. Mr. Walton is chairman of BAMB—Bankers Against Monopoly

Banking. BAMB's initial purpose was to defeat the plan as proposed by the study committee. Mr. Walton says the group will prevail on Illinois lawmakers during the 1973 session to reject any bills likely to be introduced on branching and multi-bank HCs.

Mr. Carlson and Ben H. Ryan Jr., president, State Bank of East Moline, both members of the IBA bank structure committee, submitted a minority report to the structure document calling for retaining the prohibition on multi-bank firms, but opening up the state to limited branching over a 10-year period.

During the early part of January, the IBA held three workshops to acquaint members with the bank structure committee's recommendations. The meetings were held in Belleville, Des Plaines and Springfield. They were well attended and the consensus expressed at these meetings—even the one in the Chicago area—was that the committee's recommendations would not win approval at the convention in Chicago.

According to one member of the bank structure committee, defeat of the committee's recommendations places the IBA in a position of having to act as watchdog on any multi-unit banking legislation to be introduced this year. If the recommendations had been approved, the IBA would have been in a position to "write its own bill," so to speak, in the legislature.

After announcement of the vote, IBA President John F. McKnight (president, First Bank, Oak Park) stated that the association will appoint a special committee to study further the subject of improving the state's banking structure. • •



Presiding over convention was John F. McKnight (l.), IBA pres., and pres., First Bank, Oak Park. At right is Lewis H. Clausen, ch., bank structure committee, and pres., Champaign Nat'l.



Opposition to multi-unit banking recommendations was led by Donald M. Carlson (l.), pres., Elmhurst Nat'l, and member, bank structure committee, and Robert Walton, pres., Farmers & Merchants State, Bushnell, and ch., BAMB—Bankers Against Monopoly Banking. At right is John P. Stock Jr., v.p., Cicero State.



Larry L. McGregor, pres., Bank of Northfield, takes floor to comment on portion of IBA bank structure committee's recommendations.



Casting ballot during first voting session was Clyde E. Borman, pres., Bank of LaGrange Park. Balloting was concluded on second day of convention.



**DETROIT BANK & TRUST Consolidated Statement of Condition, December 31, 1972**

**ASSETS**

Cash and Due from Banks . . . . .	\$ 388,524,270
United States Treasury Securities . . . . .	344,372,016
United States Government Agency Securities . . . . .	19,848,801
State and Municipal Securities . . . . .	353,949,548
Other Securities . . . . .	14,812,356
Trading Securities . . . . .	32,323,789
Total Securities . . . . .	<u>765,306,510</u>
Federal Funds Sold . . . . .	<u>20,000,000</u>
Commercial and Consumer Loans . . . . .	827,099,516
Real Estate Mortgage Loans . . . . .	<u>578,565,892</u>
Total Loans . . . . .	<u>1,405,665,408</u>
Bank Premises and Equipment . . . . .	28,259,889
Accrued Income Receivable and Other Assets . . . . .	<u>25,728,297</u>
TOTAL . . . . .	<u>\$2,633,484,374</u>

**LIABILITIES**

Demand Deposits . . . . .	\$ 774,393,222
Savings and Personal Time Deposits . . . . .	1,318,549,922
Other Time Deposits . . . . .	<u>221,138,985</u>
Total Deposits . . . . .	2,314,082,129
Funds Borrowed . . . . .	80,972,469
Unearned Income . . . . .	14,967,494
Accrued Expenses and Other Liabilities . . . . .	<u>28,152,244</u>
Total Liabilities . . . . .	<u>2,438,174,336</u>
<b>RESERVE FOR LOAN LOSSES</b> . . . . .	<u>23,422,935</u>

**CAPITAL ACCOUNTS**

Common Stock—\$10 par value . . . . .	30,641,700
Shares Authorized and Outstanding —3,064,170 . . . . .	115,000,000
Surplus . . . . .	<u>26,245,403</u>
Undivided Profits . . . . .	<u>171,887,103</u>
Total Capital . . . . .	<u>171,887,103</u>
TOTAL . . . . .	<u>\$2,633,484,374</u>

On December 31, 1972, securities having a par value of \$113,782,000 were pledged where permitted or required by law to secure liabilities and public and other deposits totaling \$104,540,830 including deposits of the State of Michigan of \$4,760,193.

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—The J. L. Hudson  
Company
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Executive Vice President
- LOUIS A. FISHER**  
Director
- WALTER B. FORD II**  
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Ford & Earl  
Design Associates, Inc.
- EDWARD J. GIBLIN**  
President—  
Ex-Cell-O Corporation
- WILLIAM E. GRACE**  
Chairman—  
Fruehauf Corporation

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Director
- WILLIAM B. HALL**  
Retired Executive  
Vice President
- CHARLES H. HEWITT**  
Retired President
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Partner—Miller, Canfield,  
Paddock and Stone
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## Banker, Police Chief Associations Plan Joint Effort To Publish Comprehensive Bank Protection Manual

A MAJOR effort to stem the rising tide of bank robberies will be made under a contract signed in Washington recently.

The contract—signed by Willis Alexander, executive vice president of the American Bankers Association, and Quinn Tamm, executive director of the International Association of Chiefs of Police—is for a comprehensive bank protection manual.

Citing a five-year, 122% increase in bank crimes, Gerald J. Van Dorn, chairman of the ABA's protection committee, said, "All the techniques advocated in the 'Bank Protection Manual' will be developed by the ABA and the IACP to afford maximum protection to bank customers, the public, employees, bank officers and bank property."

The loose-leaf manual will mark the first uniform, industry-wide set of written guidelines to help prevent crimes. Moreover the manual will aid law enforcement agencies in the investigation and apprehension of bank robbers.

According to Mr. Van Dorn, who is also a vice president of Chase Manhattan Bank, New York, "Many banks

have developed good protection manuals on their own in the past.

"But with almost \$23 million in losses from robberies of financial institutions in 1971 and the inherent dangers to bank employees and the public," stated Mr. Van Dorn, "the ABA recognizes the critical importance of every bank having available a sophisticated reference book that has information that can be tailored to meet each bank's unique security requirements."

Initial copies, which will be made available as a free member service to nearly 14,000 banks this spring, will detail such topics as security systems, employee training, new surveillance equipment and the best methods of coping with bomb threats, robbery, larceny, burglary, check swindles and ransom-hostage threats.

The protection committee, and its parent ABA Insurance and Protection Division, plan to update the manual periodically and to augment its educational value through ABA regional programs. Specific plans will be developed in cooperation with the association's Educational Council and State Associa-



Principals of ABA and International Association of Chiefs of Police discuss proposed bank protection manual the two organizations will produce. From left: Willis Alexander, ABA exec. v.p.; Quinn Tamm, exec. dir., IACP; Gerald Van Dorn, ch., ABA protection committee, and v.p., Chase Manhattan Bank; Eugene Adams, ABA pres., and pres. First Nat'l, Denver; and Everett Walker, ch., ABA's Insurance and Protection Div., and sr. v.p., First Nat'l, Canton, O.

tion Division.

The IACP, whose research department is preparing the book, represents more than 8,000 chiefs of police. Its director, Quinn Tamm, is a former assistant director of the FBI. • •

### National Credit Card School Announces 12th Session

DALLAS—The 12th session of the National Credit Card School for Bankers, conducted by Preston State, will convene beginning April 30.

The 1973 session will feature an in-

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depth look at the implementation of a "live" point-of-sale terminal test currently underway in the Dallas market. The test is a joint effort of the bank and the Burroughs Corp. Students will also be provided with a study of the 24-hour combined banking and postal facility called "Prestobank," which features vestibule banking and a full complement of self-service postal equipment.

## Bond Insuror

(Continued from page 46)

when the number of claims made against blanket bonds skyrocketed and thus the time when the premiums were raised to compensate for the insuror's mounting losses. Actually, the losses began before 1968, but the 1968-1971 period was a transitory time, one in which bankers and insurors awoke to the need to confer and adjust their attitudes toward the situation.

For a period, many bankers would rely on their insurance, rather than on better security or accounting practices, to compensate for their losses. This attitude resulted in excessive claims that forced insurors to adjust premiums. It was not until the higher premiums hit home that the bankers were willing to adopt the controls necessary to reduce their losses. After bankers generally became willing to tighten their operations, the premiums leveled off to where they are today.

**Q.** *Is there a way for a bank to become "loss-proof"?*

**A.** No. All that can be done is to keep trying. There's always someone who is just as smart as the bank's auditors; someone who is busy thinking of new ways to defraud the bank. The key is in being quick to detect these new methods and to adopt controls to cancel them out. Bank crimes seem to enjoy periods of popularity—like fads. Kidnap/extortion might be today's favorite. If the industry can come up with an effective counterattack early in the game, it can stifle the spread of most types of crime before an epidemic develops.

**Q.** *There has been talk of the ABA organizing an insurance department to offer blanket bond coverage to its members. What are insurors' views on this?*

**A.** It is highly unlikely that the ABA could swing such a venture and come out even. First, it would have to form a regular, qualified, insurance company, authorized to do business in all 50 states, staffed with experienced person-

nel in the underwriting of bank insurance. Then it would have to diversify into other types of coverage in order to have a way of absorbing the losses that would probably occur through its bond division. Today, most insurors find their financial institution bond operations are not very profitable, if they are at all. They could not continue operations in this bonding area alone if they didn't have other profitable lines to fall back on. • •

### Four VPs, Six AVPs Named At First Nat'l, Chicago

CHICAGO—First National has promoted four officers to vice presidents. They are: John M. Davis Jr., business and economic research; Harry J. Fisher, operations division; Charles M. Spear, trust department; and J. Antoine Zanani, assistant general manager, international section.

Advanced to assistant vice presidents were: Emile P. Coulon, Jeffrey J. Sinclair and Wolfgang E. Wehrle, international section; Donald G. Kumorek, BankAmericard; Michael S. Saper, trust department; and Logan R. Whitcomb, public relations division.

■ SAN FRANCISCO—Thomas A. Bigelow, senior vice president, Wells Fargo Bank, has been named head of the Head Office administration division. He had been in charge of the East Bay division in Oakland. Mr. Bigelow succeeded Richard D. Jackson, executive vice president, who has been made head of the retail banking operation, credit card department and escrow activities.

### Sales Training Workshop

The Bank Marketing Association will hold its annual sales training workshop March 18-21 at the Royal Orleans Hotel in New Orleans.

The workshop is designed to help bank officers develop the necessary understanding, skills and technique to make them more effective in getting increased sales from their sales teams.

Workshop advisers will be Dr. Gus Economos, director, Graduate School of Business, and chairman, marketing department, DePaul University, Chicago; Lee Kilbourne, president, Management Training Associates, Waukegan, Ill.; and Reginald McHugh, president, Bankers' Business Development Institute, Glen Ellyn, Ill.

More information may be obtained from the BMA's division of communications, 309 West Washington, Chicago, Ill. 60606.

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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?**

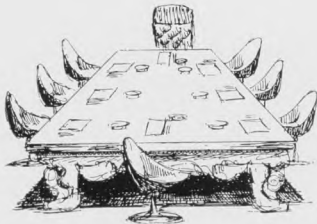
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# BOARD ROOM NEWS

Promotions • Staff Changes • Earnings Reports

## Southwestern Holding Company Formed, Brings Top Changes at 1st of Dallas

First International Bancshares, Inc., described as the largest bank holding company in the South and Southwest, came into being December 31, when First National, Dallas, and Houston-Citizens Bank became its wholly owned subsidiaries.

Officers of the Dallas-based, \$3½-billion HC include Robert H. Stewart III, chairman, and W. Dewey Presley, president. Both had similar posts with First National, but resigned them to take on the expanded responsibilities of the bank HC. Joe L. Albritton, chairman and president, Houston-Citizens, is chairman of the HC's executive committee.

Harry A. Shuford, chairman of First National's trust committee since 1966, succeeded Mr. Stewart as the bank's chairman of the board. He is a former president of the Federal Reserve Bank, St. Louis.

J. Rawles Fulgham Jr., formerly chairman of the loan committee at First National, was elected the bank's president and a director.

First National also realigned certain responsibilities. Reporting to Chairman Shuford will be the functions of trust,



Harry A. Shuford (l.) is ch. of First Nat'l, Dallas, and J. Rawles Fulgham Jr. is pres.

marketing and administrative services, as well as the advertising and public relations and organization planning and policy administration divisions. Reporting to President Fulgham will be all of general banking and international services. The investments group will report to George Nicoud, executive vice president in charge of administrative services.

In addition to the top-management positions of Messrs. Stewart and Presley in the HC, other corporate officers elected December 31 were: George C. Anson, general counsel; Leonard E. Huber, planning and investment officer; Dr. James A. Byrd, economist; James H. Merritt, secretary and treasurer; Paul L. Hill, controller; and three assistant secretaries, Maxine Ring, Charline Byers and Virginia White. Mr. Merritt, formerly senior vice president and cashier of the bank, continues as secretary to the bank's board.

Roy B. Lambert has been elected senior vice president and cashier to succeed Mr. Merritt and continues in charge of operations activities at First National. William C. Lee, who had been the HC's vice president and treasurer during its formative period, resigned from Bancshares and was elect-

ed vice president and auditor of the bank.

Mr. Stewart and Mr. Presley continue as First National directors, but carry no official bank titles.

First International Bancshares was incorporated last May 3 and received Fed approval November 30.

In 1974—on completion of the \$80-million First International Building immediately west of the present First National Building—the HC's corporate offices will be moved from the bank building into the new quarters. Bancshares officials also announced plans to seek a listing of the firm's stock on the New York Stock Exchange.

### J. C. Welman, Former ABA Head, Retires From Missouri Bank

KENNETT, MO.—Joseph C. Welman, former president of the ABA and the Missouri Bankers Association, retired as chairman and chief executive officer of the Bank of Kennett last month. He was elected chairman of the executive committee and continues as a director and loan committee member. Mr. Wel-



WELMAN

man had been with the bank 47 years.

W. F. Shelton III, with the bank 26 years, was elected chairman and CEO. Lonnie L. Kinchen, a bank employee nine years, was re-elected president and will act as CEO in Mr. Shelton's absence.

The bank's resources at year-end 1972 reached an all-time high of \$32 million.

### Holland Promoted in Chicago

CHICAGO—First National has promoted Homer J. Holland to vice president and head of the information management services division. He was formerly assistant vice president, loan division Q, which serves the transportation, public utility, rubber and leather, musical instrument and S&L industries. He has been with the bank since 1971.



Robert H. Stewart III (l.) and W. Dewey Presley are, respectively, ch. of board and pres. of new Dallas-based bank HC, First International Bancshares, Inc.

**CONSOLIDATED STATEMENT  
OF CONDITION**

**December 31, 1972**



**RESOURCES**

Cash and Due from Banks.....	\$ 367,074,000
U. S. Treasury Securities.....	233,278,000
Public Housing Authority Securities.....	48,337,000
State and Municipal Securities.....	186,816,000
Other Securities.....	21,078,000
Total Securities.....	<u>489,509,000</u>
Federal Funds Sold.....	65,600,000
Commercial Loans.....	598,850,000
Instalment Loans.....	163,166,000
Real Estate Mortgage Loans:	
Insured or Guaranteed.....	267,238,000
Other.....	412,030,000
Total Loans.....	<u>1,441,284,000</u>
Bank Properties and Equipment.....	52,495,000
Accrued Income and Other Resources.....	25,348,000
Total Resources.....	<u>\$2,441,310,000</u>

**LIABILITIES AND CAPITAL FUNDS**

Demand Deposits.....	\$ 876,796,000
Personal Time and Savings Deposits.....	1,127,526,000
Other Time Deposits.....	196,552,000
Total Deposits.....	<u>2,200,874,000</u>
Federal Funds Purchased and Securities Sold Under	
Agreements to Repurchase.....	26,050,000
Accrued Expenses and Other Liabilities.....	36,684,000
Total Liabilities.....	<u>2,263,608,000</u>
Reserve for Possible Loan Losses.....	22,830,000
Capital Funds:	
Capital Notes—4.65%, Due 1989.....	22,000,000
Convertible Capital Notes—5%, Due 1994.....	14,112,000
Shareholders' Equity:	
Common Stock—\$10 par value:	
Authorized—2,400,000 shares.....	
Outstanding—2,067,158 shares.....	20,672,000
Surplus.....	60,216,000
Undivided Profits.....	37,872,000
Total Shareholders' Equity.....	<u>118,760,000</u>
Total Capital Funds.....	<u>154,872,000</u>
Total Liabilities and Capital Funds.....	<u>\$2,441,310,000</u>

NOTE: Securities carried at approximately \$188,000,000 were pledged at December 31, 1972 to secure public deposits (including State of Michigan deposits of \$15,384,000) and for other purposes as required by law.

Member Federal Deposit  
Insurance Corporation

**MANUFACTURERS NATIONAL BANK**  
OF DETROIT

**DIRECTORS**

**LOUIS G. ALLEN**

Executive Vice President

**WENDELL W. ANDERSON, JR.**

Chairman of the Board and President,  
Bundy Corporation

**ALBERT J. BERDIS**

Vice President and Director,  
National Steel Corporation

**H. GLENN BIXBY**

Chairman of the Board,  
Ex-Cell-O Corporation

**E. PAUL CASEY**

President, McCord Corporation

**LEROY W. DAHLBERG**

Partner, Dahlberg, Mallender & Gawne

**MAX M. FISHER**

Chairman of the Board,  
Fisher-New Center Co.

**SHERMAN J. FITZSIMONS, JR.**

Chairman, FitzSimons  
Manufacturing Company

**WILLIAM CLAY FORD**

Vice President and Director,  
Ford Motor Company

**MERVYN G. GASKIN**

Chairman of the Board,  
Taylor & Gaskin, Inc.

**PIERRE V. HEFTLER**

Partner, Bodman, Longley, Bogle,  
Armstrong & Dahling

**KENNETH G. HERRICK**

Chairman and Chief Executive Officer,  
Tecumseh Products Company

**GEORGE M. HOLLEY, JR.**

Director

**HARRY J. LOYND**

Director

**WILFRED D. MACDONNELL**

President and Chief Executive Officer,  
Kelsey-Hayes Company

**WILBER H. MACK**

Chairman and Chief Executive Officer,  
Michigan Consolidated Gas Company

**WILLIAM A. MAYBERRY**

Director

**WILLIAM G. MEESE**

President and Chief Executive Officer,  
The Detroit Edison Company

**ROLAND A. MEWHORT**

Chairman of the Board

**WILLIAM T. PATRICK, JR.**

Director of Central City Services,  
Department of Environmental Research  
and Development,  
American Telephone and  
Telegraph Company

**DEAN E. RICHARDSON**

President

**ROBERT P. SCHERER, JR.**

Chairman and President,  
R. P. Scherer Corporation

**DONALD R. MITCHELL\***

Chairman of the Board,  
The Mitchell-Bentley Corporation  
\*Deceased December 29, 1972

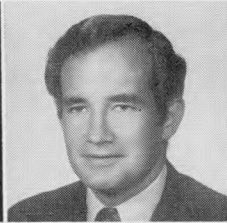




RUE



BOYD



RUDD



MARTIN

## Top Staff Changes Made in Louisville By First Nat'l Bank

LOUISVILLE—First National has announced a series of staff changes, including the promotions of four men to executive vice presidents and a fifth to senior vice president.

The four executive vice presidents will direct the bank's primary operating groups: Morton Boyd Jr. will manage corporate banking, which includes metropolitan, regional and national banking services. He was vice president and head of the regional and national divisions. James W. Martin will direct operations-data processing. He had been a senior vice president in charge

of the internal services division and was responsible for the data processing operation of First Kentucky Trust, a First National affiliate. William O. Rudd will direct retail banking. He had been a vice president of the retail banking division and, before that, headed the Master Charge department. William M. Rue will direct financial administration. He was a senior vice president-research and development.

C. Haydon Stanley will be senior vice president in charge of loan administration. He had been vice president in the commercial loan division.

In other action, First National's corporate banking group has named Leonard V. Hardin, Herbert M. Richardson Jr. and Carl J. Richert to key posts within the group, which serves metropolitan, regional and national customers.

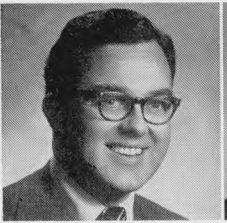
Mr. Hardin has been named vice



RICHERT



HARDIN



RICHARDSON



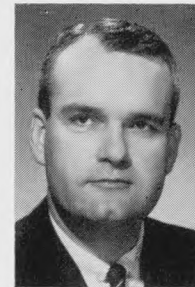
STANLEY

president and director, metropolitan banking; Mr. Richardson, vice president and director, regional banking; and Mr. Richert, vice president and director, national banking.

The bank also named three new vice presidents: William F. Stites, metropolitan banking, and Leonard T. Kernan and Henry D. Ormsby III, regional banking. All were assistant vice presidents.

## Top Correspondent Post At Bank in Nashville Goes to Thomas Butts

NASHVILLE—Third National has announced several staff changes, including the appointment of Senior Vice President



BUTTS

Thomas Butts as head of its correspondent bank division. Senior Vice President William Killebrew, who headed the division, will continue in a consulting and advisory

capacity until his retirement next December 31.

The bank also named Clifford J. Harrison Jr. executive vice president and head of the trust division, succeeding H. Leroy Austin, executive vice president, who retired at year-end. Mr. Harrison had been senior vice president and trust officer.

Also promoted were: S. C. Hieronymous, from vice president to senior vice president and loan administrator; Ernest Beazley, from assistant vice president to vice president and manager, credit department; Kennon Buttrey, from operations officer to assistant vice president and purchasing agent; Ellis Holt, from operations officer to assistant vice president and manager, proof-transit department; and Lynn Hunt, from operations officer to assistant vice president and manager, customer service department.

In other action, Third National elected John E. Moll to its board. He is regional manager, Malone & Hyde, Inc.

## Shy Gets K. C. Post

KANSAS CITY—Commerce Bank has elected Paul N. Shy vice president with responsibilities including accounts in the eastern and southeastern parts of the U. S. He had been vice president of Columbia (Mo.) National, which, like Commerce Bank, is affiliated with Commerce Bancshares, Inc.

# MERCHANTS BANK

CLEVELAND, TENNESSEE

Statement of Condition December 31, 1972

### ASSETS

Cash and Due from Banks .....	\$ 4,719,051.56
Loans and Discounts .....	20,435,196.59
U. S. Treasury Securities .....	5,887,242.89
State and Municipal Bonds .....	5,501,932.82
Fixed Assets .....	443,200.61
Federal Funds Sold .....	2,000,000.00
Other Assets .....	304,636.79
	<hr/>
	\$39,291,261.26

### LIABILITIES

Capital .....	\$ 750,000.00
Surplus .....	750,000.00
Undivided Profits and Reserves .....	2,457,036.16
Other Liabilities .....	706,134.96
Deposits .....	34,628,090.14
	<hr/>
	\$39,291,261.26

GEO. W. THOROGOOD, Chairman

GEO. R. TAYLOR, President

**Bradley County's Strongest Financial Institution**

Member Federal Deposit Insurance Corporation

## Ruth Bryant Named Vice Pres. Of St. Louis Federal Reserve



DUNNE



BRYANT

ST. LOUIS—Miss Ruth A. Bryant became vice president of the Federal Reserve Bank here January 15, coming from the Memphis Branch, where she was assistant vice president.

In her new post, Miss Bryant assumed supervision of the credit-discount and bank relations and public information departments, succeeding Gerald T. Dunne. Mr. Dunne took special service retirement, also on January 15, to join St. Louis University as a professor of law.

Miss Bryant headed the National Association of Bank-Women Inc. in 1970-71, was editor of the association's official publication, *Woman Banker* (now *The NABW Journal*), 1959-62; chairman of its national convention in Memphis in 1964 and southern regional vice president of NABW, 1967-68. She joined the Memphis Branch of the St. Louis Fed in 1943 and became assistant vice president in 1968. Miss Bryant was a recipient of the Frank K. Houston Award of the Tennessee Bankers Association.

Mr. Dunne joined the Fed in 1949 and had been vice president in charge of the credit-discount and bank relations and public information departments since 1967. He holds a law degree from St. Louis University and is an author by avocation, having written two books and occasional periodical contributions.

### Stock Split Proposed

CHICAGO—Shareholders of National Boulevard Bank will vote February 16 on a proposed one-for-seven stock dividend. The dividend would be effected through issuance of 25,000 additional shares and transfer of \$500,000 from undivided profits to capital. In addition, the bank has transferred \$1 million from undivided profits to surplus. When both steps have been completed, capital and surplus will total \$12.5 million.

MID-CONTINENT BANKER for February, 1973

# Statement of Condition

DECEMBER 31, 1972

## RESOURCES

Cash and Due from Banks .....	\$6,181,052.13	
U. S. Government Bonds .....	7,497,873.01	\$13,678,925.14
Other Bonds and Securities .....		12,586,774.03
Federal Funds Sold .....		8,000,000.00
Loans .....		27,974,882.78
Bank Building and Equipment .....		729,711.82
Other Assets .....		571,640.29
<b>TOTAL RESOURCES .....</b>		<b>\$63,541,934.06</b>

## LIABILITIES

Capital Notes .....	\$ 300,000.00	
Capital Stock .....	600,000.00	
Surplus .....	2,300,000.00	
Undivided Profits .....	2,038,013.10	
Reserves .....	883,342.55	\$ 6,121,355.65
Demand Deposits .....		40,000,042.52
Savings Deposits .....		16,547,788.28
Interest Collected Unearned .....		464,163.87
Other Liabilities .....		408,583.74
<b>TOTAL LIABILITIES .....</b>		<b>\$63,541,934.06</b>

## OFFICERS

SYLVESTER F. WITTE .....	President
WALTER C. BRANNEKY .....	Executive Vice President
FLETCHER E. WELLS .....	Vice President and Cashier
HUBERT V. KRIEGER .....	Auditor and Comptroller
JERRY L. BYRD .....	Vice President
EARL D. PEPPERS .....	Vice President
EARL R. LUNDIUS .....	Assistant Vice President
LEONARD W. HUDDLESTON .....	Assistant Vice President
JACK K. ISHERWOOD .....	Assistant Vice President
WILLIAM O. ROBARDS .....	Assistant Vice President
FRED G. FETSCH .....	Assistant Cashier
VIRGINIA F. HAUSER .....	Assistant Cashier
CHARLES C. SMITH .....	Assistant Cashier
MARIE WELLINGHOFF .....	Assistant Cashier
WALLACE J. SHEETS .....	Trust Officer
F. GILBERT BICKEL .....	Vice President
HARRY C. MUMMERT .....	Vice President
RUTH DICKEY .....	Mgr. Loan Dept.
IRMA G. HASTINGS .....	Mgr. Proof Dept.
EARLENE TAYLOR .....	Mgr. New Accounts

## DIRECTORS

HERBERT W. ZIERCHER, Chairman
JOHN H. ARMBRUSTER
F. GILBERT BICKEL, D.D.S.
WALTER C. BRANNEKY
ANDREW W. GAROFALO
FRANK J. LAMA
EARL R. LUNDIUS
HARRY A. MCKEE, JR.
HARRY C. MUMMERT
EDWIN C. RYDER, JR.
FLETCHER E. WELLS
SYLVESTER F. WITTE



8924 St. Charles Road • St. Louis, Mo. 63114

MEMBER F.D.I.C.



## Youmans Made Ch., CEO Of Hamilton Nat'l & HC

CHATTANOOGA—N. Rountree Youmans, president, Hamilton Bancshares, Inc., has been named chairman and chief executive officer of the holding company and of its lead bank, Hamilton National. He succeeds J. E. Whitaker in both positions. Mr. Whitaker was named honorary chairman of the bank and chairman of the executive committee of the holding company.

Both men are directors of both companies.

Mr. Youmans was elected president and chief administrative officer of Hamilton Bancshares a year ago. Previously, he was general vice president of Citizens & Southern National, Atlanta.

Mr. Whitaker joined Hamilton National in 1923, was named vice chairman in 1953 and chairman in 1956. He became chairman of the holding company in 1958.

In other action, Hamilton National elected Carl S. McKelvy assistant cashier at the Main Street Branch and named W. Frank Hutcheson and Gordon P. Street Jr. directors. Mr. Hutcheson is president of Rossville Yarn Processing Co. and Mr. Street is executive vice president of North American Royalties' oil and gas division.

Lloyd C. Reid and Wilbur A. Toups Jr., commercial loan officers.

Named vice presidents were: Mrs. Elaine M. Imhoff, head of the book-keeping and proof and transit departments; Donald T. Jones, branch administration department; J. Critington Lorio, trust officer; Clinton Montz Jr., head of the installment loan department; Marvin A. Piske, head of the building administration department; F. Allen Roussel Jr., commercial loan officer; and John A. Staiger Jr., head of the commercial and installment loan collections department.

Eight others were promoted to assistant vice presidents. They are Joseph W. Berey, Paul C. Boyer, Kayo Fraychineaud Sr., Ronald J. Rizzo, Richard J. Spiehler, Charles S. Stortz Jr., Ronald J. Thurman and Rafael M. Ybor.

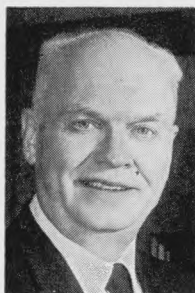
■ NEW YORK—Bank of New York has elected Roger J. Dorian, Elwood W. Schafer and Ross M. Weale vice presidents.

### John Hand Retires From First Nat'l

BIRMINGHAM—John A. Hand, vice chairman of First National, has relinquished his post in the bank's management and has moved to a 12th-floor office in the bank's new building, completed in late 1971. He continues as a director.

Mr. Hand was an assistant and a senior assistant national bank examiner from 1924-28 and then joined American Traders National, Birmingham, as auditor. Instead, however, because of the Depression, he directed operations of four smaller banks taken over by American Traders National until suitable management could be found for them. In addition, he organized two new banks for American Traders National. For several months, he was vice president and cashier of one of the latter—Woodlawn American National. When American Traders National was merged with First of Birmingham in 1930, Mr. Hand was named comptroller. Ultimately, the outlying suburban banks he had reorganized in 1929 became the first branches of First National about six years later.

Mr. Hand advanced through several posts, becoming president in 1956, chief executive officer in 1958, chairman of the board in 1968 and chairman of the executive committee the following year.



WHITAKER



YOUMANS

### Three Exec. VPs Elected By Bank of New Orleans

NEW ORLEANS—Newly named executive vice presidents of Bank of New Orleans are Ralph M. France, head of the banking services division; John E. Prevost, cashier and head of the investment division; and Beauregard A. Redmond, head of the commercial loan division.

Elevated to senior vice presidents were V. Joseph Perez III, controller;



REDMOND



PREVOST



FRANCE



PEREZ



REID



TOUPS



HAND

# Come grow with US



MAIN AND TEXAS

MEMBER F. D. I. C.

1972

\$148,522,018

1970

\$112,438,012

1960

\$54,552,675

1950

\$26,523,248

Chas. S. Signor, Senior Vice President  
Lubbock National Bank  
Phone 806 765-7661  
Lubbock, Texas 79401

# There Is Continued Growth at SECURITY NATIONAL The Banker's Bank

## STATEMENT OF CONDITION

December 31, 1972

### RESOURCES

Cash and Due from Banks .....	\$ 33,632,715.58
U.S. Government Obligations .....	22,499,761.79
State & Municipal Bonds .....	18,397,899.78
U.S. Government Agencies: Bonds ...	669,156.06
Other High Grade Bonds and Securities .....	1,696,962.00
Loans and Discounts .....	60,690,305.33
Stock in Federal Reserve Bank .....	345,000.00
Federal Funds Sold .....	8,500,062.33
Bank Building, Leasehold Improvements, Furniture and Fixtures .....	221,457.69
Customers Liability L/C .....	14,250.00
Overdrafts .....	5,724.18
Other Resources .....	672,099.79
<b>TOTAL RESOURCES .....</b>	<b>\$147,345,394.53</b>

### LIABILITIES

Capital .....	\$5,500,000.00
Surplus .....	6,000,000.00
Undivided Profits ..	5,343,350.04
Capital Reserve ..	1,046,118.00
<b>Reserve for Interest, Taxes, etc. ....</b>	<b>394,437.46</b>
Unearned Discount .....	1,734,536.43
Bank's Liability L/C .....	14,250.00
Deposits .....	114,587,702.60
Federal Funds Purchased .....	12,725,000.00
<b>TOTAL LIABILITIES .....</b>	<b>\$147,345,394.53</b>

and most importantly, the true measure of our growth... our capital account... now more than **\$17,889,468.04** Extra assets are left in for additional security to our depositors.

#### Growth Percentages and Totals

Year	Deposits	Loans	Deposits % Gain over Previous Year	Loans % Gain over Previous Year
1970	\$ 92,965,421.00	\$44,706,592.00		
1971	\$104,328,500.00	\$54,315,876.00	12.22%	21.49%
1972	\$114,587,702.00	\$60,690,305.00	9.83%	11.73%

People make the difference in progressive banking —quality banking. Security National people serve with the kind of personal banking you deserve.

Why Not Put "Security" Into Your Banking?



## SECURITY NATIONAL BANK

Seventh and Minn.—Kansas City, Kansas 66117  
Dial Direct-913-281-3165 Member F.D.I.C.



## Stallings and Stuart Promoted in Ft. Worth

FORT WORTH—First National has promoted six officers, elected two new officers and announced the retirement of James D. Reid, senior vice president and veteran real estate and commercial loan officer. He had been with the bank since 1928.



STALLINGS



STUART

Harold O. Stallings and Tommie E. Stuart, formerly vice presidents, moved up to senior vice presidents. A. L. Hudson, vice president and trust officer, was named vice president and senior trust officer. Three new assistant vice presidents were elected—Raymond Bewley, formerly operations officer-bookkeeping; J. Rick Normand, formerly international officer; and Roy L.

Riddel III, formerly real estate loan officer.

The newly elected officers are Gary P. Crenshaw, marketing officer, and Jim R. Barton, international officer.

Mr. Stallings is manager of the petroleum and chemical loans and correspondent banking departments. He joined the bank in 1963. Mr. Stuart is manager of the agricultural loans department and has been with First National since 1968.

## Fifth Third Bank Names Bolmer VP in Correspondent Division

CINCINNATI—J. Edwin Bolmer has been elected a vice president in the correspondent bank division of Fifth Third Bank. He has been in the correspondent department since 1957 and was appointed assistant vice president in 1960.

Mr. Bolmer attended the University of Cincinnati and is a graduate of the Ohio School of Banking at Ohio University, Athens.



BOLMER

## American Nat'l Elects Frohman Agricultural Representative



FROHMAN

CHICAGO—American National has appointed Warner B. Frohman agricultural representative. He previously represented Northwestern National, Omaha, as a livestock loan inspector.

Mr. Frohman has been active in the livestock industry since 1947 in the areas of ranching, cattle feeding and farm management. He has operated a livestock order buying business at the Omaha Union Stock Yards since 1950.

## Drenner Promoted to Exec. VP At First Nat'l of Topeka

TOPEKA—First National last month announced 10 promotions, including those of William E. Drenner from senior vice president to executive vice president and Charles G. Long from vice president to senior vice president.

Also promoted were: Douglas M. Lester, from auditor to assistant vice

# FIDELITY

## NATIONAL BANK OF BATON ROUGE

### CONSOLIDATED STATEMENT OF CONDITION

At the Close of Business December 29, 1972

#### RESOURCES

Cash and Due from Banks .....	\$ 50,055,543.22
U. S. Government Securities (Less Reserve for Premium \$7,476.55) .....	29,748,573.97
State and Municipal Securities (Less Reserve for Premium \$122,118.99) .....	30,679,548.29
Loans and Discounts .....	\$110,483,665.48
Federal Reserve Bank Stock .....	\$105,021,678.58
Bank Premises and Equipment .....	330,000.00
Other Real Estate .....	3,048,831.84
Accrued Interest and Other Assets .....	58,177.33
TOTAL RESOURCES .....	3,247,407.43
	\$222,189,760.66
<b>LIABILITIES</b>	
Capital .....	\$ 3,500,000.00
Surplus .....	7,500,000.00
Undivided Profits .....	4,571,295.37
Dividends Payable January 2, 1973 .....	\$ 15,571,295.37
Reserve for Interest, Taxes, etc. ....	\$ 105,000.00
Discount Collected, but Not Earned .....	556,666.42
Federal Funds Purchased and Securities Sold Under Agreement to Repurchase .....	1,585,779.97
Other Liabilities .....	6,643,000.00
Reserve for Possible Losses on Loans .....	805,838.71
TOTAL DEPOSITS .....	1,667,593.77
	195,254,586.42
TOTAL LIABILITIES .....	\$222,189,760.66

Note: Includes accounts of the bank and its wholly-owned bank premises subsidiaries  
OPENED FOR BUSINESS JUNE 1, 1937



# FIDELITY

NATIONAL BANK OF BATON ROUGE

president-operations; R. Steven Robb, from customer service officer to marketing officer; Richard M. Schroeder, from assistant auditor to auditor; Justin D. Hill, to customer service officer; Robert L. Derstein, from trust officer to assistant vice president and trust officer; Norman D. White, from trust officer to assistant vice president and trust real estate officer; Clifford W. Shinksi, from assistant trust officer to trust operations officer; and James M. Gillespie, to assistant trust officer.

Mr. Drenner went to the bank in 1968 from Denton County National, Denton, Tex. Mr. Long has been with the bank since 1958.

### Three Promotions Are Announced By Manufacturers of Detroit

DETROIT—Manufacturers National has elected two executive vice presidents, Russell B. Pember and Norbert A. Sylvester, and a senior vice president, Paul L. Hussey.



SYLVESTER

Messrs. Pember and Sylvester were senior vice presidents. Mr. Pember, who has been in charge of the bank's branch system, as-



HUSSEY



PEMBER

sumes general administrative responsibilities. Mr. Sylvester continues as officer-in-charge of commercial lending functions. Mr. Hussey was named officer-in-charge of the branch system, which includes 72 offices in six autonomous regions. He was vice president-administration.

### Chattanooga Banker Retires

CHATTANOOGA, TENN.—Cranston B. Pearce retired at year-end from American National, where he was executive vice president. He joined the bank in 1948, left in 1951 for one year to serve as clerk and master of the Hamilton County Chancery Court and returned in 1952. He became executive vice president in 1971.

## MANUFACTURERS BANK & TRUST COMPANY OF ST. LOUIS CONSOLIDATED STATEMENT OF CONDITION DECEMBER 31, 1972

RESOURCES	
Cash and due from Banks	\$ 14,408,152.98
U. S. Government Obligations	3,460,953.19
U. S. Government Agencies' Securities	9,050,309.32
State & Municipal Bonds	10,098,403.35
Stock—Federal Reserve Bank	201,000.00
Federal Reserve Funds Loaned	12,000,000.00
Loans and Discounts	63,505,021.95
Furniture, Fixtures and Equipment	155,581.87
Bank Premises	307,237.86
Overdrafts	2,092.07
Accrued Income Receivable and Prepaid Expenses	1,744,166.47
	<u>\$114,932,919.06</u>

LIABILITIES	
Capital Stock (145,460 shares—\$10.00 Par Value)	\$ 1,454,600.00
Surplus	5,245,400.00
Undivided Profits	947,544.30
Reserve Account	1,017,429.91
Accrued Taxes, Interest and Expense	1,075,416.32
Income Collected—Not Earned	224,819.84
Federal Reserve Funds Borrowed	2,000,000.00
Deposits	102,967,708.69
	<u>\$114,932,919.06</u>

## MANUFACTURERS



## BANK & TRUST COMPANY of ST. LOUIS

1731 SOUTH BROADWAY • ST. LOUIS, MO. 63104  
MEMBER FEDERAL RESERVE SYSTEM  
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## STATEMENT OF CONDITION FIRST PASADENA State Bank

PASADENA, TEXAS

AT THE CLOSE OF BUSINESS DECEMBER 31, 1972

RESOURCES	
Cash and Due from Banks	\$15,830,500.47
Securities	28,310,804.36
	\$ 44,141,304.83
Loans	50,467,077.22
Federal Funds Sold	5,000,000.00
Real Estate, Furniture and Fixtures	2,553,757.37
Other Resources	1,254,406.30
TOTAL	<u>\$103,416,545.72</u>

LIABILITIES	
Capital Stock	\$ 2,250,000.00
Certified Surplus	2,500,000.00
Undivided Profits and Reserves	5,329,481.54
Deposits	93,337,064.18
TOTAL	<u>\$103,416,545.72</u>

MRS. MARCELLA D. PERRY  
*Chairman of the Board*

J. W. ANDERSON  
*Chairman of the Executive Committee  
and Vice Chairman of the Board*

HOWARD T. TELLEPSEN  
*Vice Chairman of the Board*

S. R. JONES, JR.  
*President and Chief Executive Officer*

J. O. KIRK  
*Executive Vice President*

*Senior Vice Presidents*

GENE ALEXANDER  
G. M. MAGEE

JAMES B. CLARY  
W. E. MARSH

B. F. HOLCOMB  
WENDELL F. WALLACE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## Top Correspondent Post At First American Nat'l Goes to J. T. Walker



WALKER



TEMPLETON

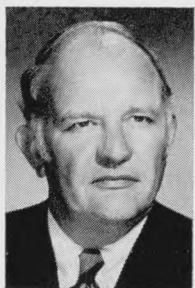
NASHVILLE—First Amtenn Corp., multi-bank holding company, and its principal subsidiary, First American National Bank, have announced several appointments.

James T. Walker, a bank vice president, last month was named head of the correspondent bank division, succeeding the late Barney W. Slayden. Mr. Walker entered banking in 1949 with the Middle Tennessee Bank, Columbia, and joined First American in 1956. He has been in the correspondent bank division since 1964 and vice president since 1971.

John L. (Sonny) Templeton Jr., senior vice president and head of the national division, has succeeded Vice President Jeff H. Dyer as director of the bank's marketing division. Mr. Dyer has joined the First Amtenn Bankgroup to assist James D. Dillon, senior vice president, with responsibility for all affiliated banks of the corporation. Harold E. (Buddy) Jackson Jr., a vice president in the national division, has been named head of the division.



DYER



JACKSON

William Boner has joined the bank as director of public relations. He is former senior staff assistant to Nashville Mayor Beverly Briley and a member of the 1971-72 General Assembly, but did not seek re-election last year.

Mr. Templeton joined the bank full time in 1949 after having worked during summers and became senior vice president in 1971. Mr. Dyer went to First American in 1955 and moved up to vice president in 1969. Mr. Jackson has been with the bank and a vice president since 1967.

## Three Sr. VPs Appointed By Detroit Bank & Trust

DETROIT—Detroit Bank has appointed three new senior vice presidents. They are: Gerald E. Brielmaier, officer-in-charge, time credit department; Richard J. Peters, officer-in-charge, mortgage loan department; and John B. Watkins, investment department.

Bruce R. Gibson has been named vice president and cashier, replacing Harold P. Carr, who has retired.

New vice presidents are: Andrew F. Butt, officer-in-charge, properties department; David L. Conrad, officer-in-charge, personnel department; Elmer L. Pfeifle Jr., personal trust; Fenton M. Remick and Charles F. Turner, international banking; Andrew M. Savel, officer-in-charge, tax services department; James R. Waterston, commercial loans; Richard G. Williams, officer-in-charge, sales development and market research department; and Thomas W. Winn, officer-in-charge, Master Charge department.

Five new assistant vice presidents include: Robert F. Chalifoux, officer-in-charge, Grand River-Redford Office; Ronald O. Frame, officer-in-charge, Woodward-Hamilton Office; Robert E. Perry, mortgage loans; Donald G. Sutherland, Master Charge; and Ted B. Wahby, officer-in-charge, purchasing department.

In other action, E. Joseph Moore was elected a director of Detroit Bank. He is president of Detroit Ball Bearing Co.

## Worthen Increases Capital

LITTLE ROCK—Worthen Bank has increased its capital by \$2 million through the issuance of additional common stock. All shares were purchased by First Arkansas Bankstock Corp., parent firm of Worthen.

## Six Senior V.P.s Named At Texas Commerce Bank

HOUSTON—Six new senior vice presidents have been named by Texas Commerce Bank, in addition to other appointments.

Stephen D. Bunten, W. Carl Galloway, Charles E. McMahan, William H. Pugh, R. Terry Shirley and H. Michael Tyson are the new senior vice presidents. Each had previously been a vice president.

William J. Sloan Jr. was elected a vice president, and Linus L. Baer, Tim N. Throckmorton, Mrs. Gene D. Voss and E. Robert Seal were named assistant vice presidents.

J. Edward Mann Jr. and Russell K. Schulze II were named senior trust de-

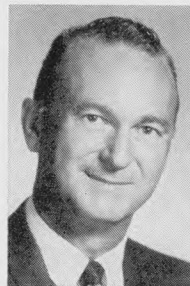
velopment officers, Richard L. Melton was named a senior trust operations officer and John C. Stohlmann was promoted to senior corporate trust officer.

Other promotions included Derek S. Munger, Bill H. Razor and Glenn A. Tripp to loan officers; Thomas D. Doppler Jr. to trust real estate officer; and Alan H. Williams to trust operations officer.

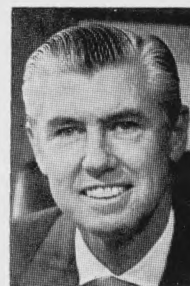
## Valley National Raises Five, 2 to Exec., 3 to Sr. VPs

PHOENIX—Five top-level promotions were made recently by Valley Bank.

Gilbert F. Bradley and Leonard W. Huck were elevated from senior vice presidents to executive vice presidents.



BRADLEY



HUCK



GUTHRIE



GIBSON



STANSBURY

Mr. Bradley, who joined the bank in 1937, is Tucson area manager. Mr. Huck, with the bank since 1957, is manager of the trust division.

New senior vice presidents include Frank L. Gibson, J. Andy Guthrie and Paul L. Stansbury. All were formerly vice presidents. Mr. Gibson joined the bank in 1942, Mr. Guthrie in 1936 and Mr. Stansbury in 1948.

## Turner Appointed Senior VP At Nat'l Bank of Commerce

DALLAS—Tom E. Turner has been elected a senior vice president of National Bank of Commerce. He will head the marketing division, which is comprised of the correspondent, business development, national accounts and advertising and public relations departments.

Mr. Turner has 11 years' banking experience. He was associated with another Dallas bank before joining National Bank of Commerce.

correspondent bank services of all varieties  
 data services for banks and for their customers  
 day-to-day investment of idle funds/change and  
 currency

Kansas Bank  
 portfolio  
 securities  
 foreign currency  
 off-premise  
 transit services  
 plans/Trust  
 overlines  
 billing by  
 mortgage

STATEMENT OF CONDITION		
	DECEMBER 31	
ASSETS	1972	1971
Cash and Due From Banks .....	\$ 75,858,315.53	\$ 48,518,970.36
U. S. Government Securities .....	19,274,035.44	19,244,686.90
Municipal Securities .....	39,123,092.29	36,821,429.22
Trading Account and Other Securities .....	5,922,154.52	19,446,227.27
Securities Purchased Under		
Agreements to Resell .....	25,000,000.00	38,500,000.00
Federal Funds Sold .....	None	10,700,000.00
Loans, Less Unearned Income of		
\$3,175,714.59 — 1972;		
\$2,466,705.69 — 1971 .....	201,756,391.96	168,412,118.47
Bank Premises and Equipment .....	9,977,596.04	6,189,290.09
Other Assets .....	2,563,908.10	2,469,788.70
<b>Total Assets .....</b>	<b>\$379,475,493.88</b>	<b>\$350,302,511.01</b>
<b>LIABILITIES</b>		
Demand Deposits .....	\$200,348,912.59	\$174,343,605.91
Time Deposits .....	117,744,212.03	98,020,786.28
<b>Total Deposits .....</b>	<b>\$318,093,124.62</b>	<b>\$272,364,392.19</b>
Federal Funds Purchased .....	4,925,000.00	3,600,000.00
Securities Sold Under		
Agreements to Repurchase .....	20,725,620.00	41,680,587.71
Accrued Taxes, Interest, and Other Expenses .....	1,911,552.88	1,334,734.30
<b>Total Liabilities .....</b>	<b>\$345,655,297.50</b>	<b>\$318,979,714.20</b>
<b>RESERVES</b>		
Reserve for Loan Losses .....	\$ 2,777,702.91	\$ 2,511,533.55
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock — \$5.00 Par Value .....	\$ 11,000,000.00	\$ 11,000,000.00
2,500,000 Shares Authorized		
2,200,000 Shares Issued		
Surplus .....	12,000,000.00	11,000,000.00
Undivided Profits .....	8,042,493.47	- 6,811,263.26
<b>Total Stockholders' Equity .....</b>	<b>\$ 31,042,493.47</b>	<b>\$ 28,811,263.26</b>
<b>Total Liabilities, Reserves, and</b>		
<b>  Stockholders' Equity .....</b>	<b>\$379,475,493.88</b>	<b>\$350,302,511.01</b>

formation  
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 keeping of  
 collections  
 ing estate  
 overnight  
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 i-business  
 ofessional  
 g payrolls  
 pensions

depository for American Express cheque sales  
 new BankAmericard services /you name it! Here  
 in Kansas, we've had a record year,  
 and our statement of condition  
 proves it. What a wonderful way to  
 end 1972; what a way to start 1973!



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CARPENTER HOSKINS BALLARD LAMON RACKLEY GREENE ISOP

### Citizens & Southern National Names New Executive VPs In List of Officer Promotions

ATLANTA—Citizens & Southern National has named Richard W. Carpenter, Charles R. Hoskins and Peter H. Isop executive vice presidents. Mr. Carpenter, head of real estate finance, joined the bank in 1959. Mr. Hoskins has been with the bank since 1963 and is director of system personnel. Mr. Isop, with C&S since 1965, heads the corporate-correspondent banking and term lending divisions.

The bank also has announced that Eugene M. Rackley III, executive vice president, has assumed responsibility for all activities of the Atlanta branch banks and the C&S charge account service. G. Raymond LaMon, executive

vice president, has assumed responsibility for C&S system operations. He will be involved in the planning and development of new procedures for the bank's computer facilities.

Named senior vice presidents were William P. Ballard, Atlanta system computer operations; and James L. Greene, Atlanta general operations. New vice presidents are: John D. Allen, term loan; Hoyt Kirby, general auditor; Charles R. Kelley, real estate; Patrick L. Flinn, corporate accounts; Louis M. Rawls Jr., Walter F. Reames Jr., Robert B. Rivers, corporate banking; and Neal M. Allen and Willis M. Everett, investment counseling.

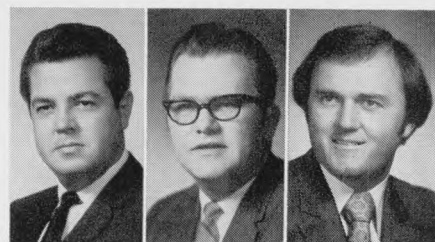
Promoted to assistant vice presidents were: Charles H. Hardy Jr., and Thomas E. Quinn, real estate; James J. Stevens, real estate finance; Richard M. Edwards, operations; and John L. Hungerbuhler, assistant manager, Buckhead Office.

### Three Vice Presidents Named By International City Bank

NEW ORLEANS—International City Bank has elected Melvin M. Marietta, Charles A. Paulina and Butler Powell vice presidents. Mr. Marietta is in charge of data processing and vice president of International Computer Bureau, a wholly owned subsidiary of ICB Corp. Mr. Paulina is manager of the West Bank Office. Before joining the bank, Mr. Powell was with a major oil company and with an international accounting firm.

The bank also named several new assistant vice presidents. They are Prenties Dieck, Donald E. Feldheim, Burrell J. Leithman, Mrs. Val Locatelli, Joseph Radford, Miss Sharon Shirey and Lawrence A. Taffaro.

Named new assistant cashiers were Vernon Besse, Michael Kane, Kenneth Kopecky and Mrs. Linda Salvage.



PAULINA MARIETTA POWELL

### COLES COUNTY'S FIRST AND ONLY 50 MILLION DOLLAR BANK

#### DIRECTORS

George W. Bock  
Donald S. Cason  
J. I. Dilsaver  
J. Logan Gover

Melvin C. Lockard  
Richard A. Lumpkin  
H. O. Phipps  
Joseph W. Schilling  
Edward N. Zinschlag

Melvin C. Lockard  
President and Chairman of the Board

#### INVESTMENTS AND MARKETING

Donald S. Cason  
First Vice President  
Robert F. Jones  
Assistant Vice President

#### COMMERCIAL LOANS

Philip S. Weller  
Senior Vice President  
Edward J. Behm  
Vice President  
Truman J. Sanner  
Assistant Vice President

#### INSTALLMENT LOANS

Floyd E. Sell  
Vice President & Manager

#### TRUST DEPARTMENT

Clark W. Brogan  
Vice President &  
Trust Officer  
C. Dean Easton  
Assistant Vice President &  
Assistant Trust Officer

#### FARM DEPARTMENT

Edward J. Behm  
Vice President & Director  
of Farm Services

#### OPERATIONS AND PERSONNEL

Grant Fleanor  
Vice President & Cashier

#### AUDITING

Melvin L. Hebert  
Auditor



### CONDENSED REPORT OF CONDITION AS OF DECEMBER 29, 1972

#### RESOURCES

Cash and due from banks .....	\$ 5,883,266.81
U. S. Government Securities .....	8,288,153.10
Other Bonds & Securities .....	11,421,298.97
Loans and Discounts .....	20,747,404.67
Federal Funds Sold .....	2,700,000.00
Banking House, Furniture & Fixtures, etc. ....	1,015,954.69
Other Assets .....	778,896.56

\$50,834,974.80

#### LIABILITIES

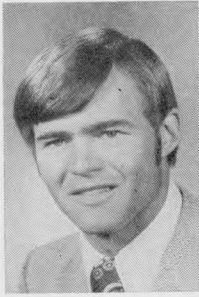
Common Capital Stock .....	\$ 600,000.00
Surplus .....	1,000,000.00
Undivided Profits .....	965,279.48
Reserves .....	1,653,724.23
Unearned Discount .....	429,072.67
Other Liabilities .....	192,407.85
Deposits .....	45,994,490.57

\$50,834,974.80



#### 4 Promoted, 6 Elected At First of Wichita

WICHITA—First National has promoted four officers and elected six persons to officer status.



MOFFET

Promoted were John Long from cashier to vice president and cashier, Mrs. Dorothy Ray from assistant vice president to vice president, Steven C. Woods from trust officer to trust officer and assistant vice president and Michael S. Faulkner from assistant trust officer to trust tax officer.

New officers include R. Kent Moffet, assistant cashier; Kent Naugle, assistant trust investment officer; A. L. Krkoska, assistant operations officer; T. H. Schupp, assistant trust officer; Roger M. King, assistant trust auditor; and Naomi Kelsey, assistant trust operations officer.

Mr. Moffet is assigned to the bank's correspondent banking department.

#### 10 Promoted, 7 Elected At First Nat'l, Tulsa

TULSA—First National has promoted 10 officers and named seven to officer status.

New vice presidents include Tommy G. Costakis, A. D. McCall, W. L. Morris, Wayne Clark and John V. Harding. New assistant vice presidents are Harry Mattix, Richard Lee, Michael R. Brooks, James D. Neel and John D. Bennefield.

New officers include Miss Barbara Wright, employee relations officer; Mrs. Frances Hanna, assistant bookkeeping manager; Tim Hayes, industrial officer; Peter Van Straten, assistant manager, BankAmericard; Jerry Gilkey, assistant cashier; Denzil Oswalt, planning officer; and Tom Scroggin, data processing officer.

#### Officer Promotions Announced By Republic National, Dallas

DALLAS—Republic National promoted William R. Pennington from assistant vice president to vice president. He is in the automated customer services group of the correspondent bank division. Roland R. Pedevilla, in the same division, was advanced from administrative officer to assistant vice president.

John R. Bauer, John J. Patterson and Robert H. Wellborn were promoted from trust officers to assistant vice presidents and trust officers. Lloyd B. Rust

and Michael G. Wadsworth, former bond investment officers, also were named assistant vice presidents. Wallace D. Montgomery was advanced from administrative officer to assistant vice president of the Howard Corp. The Howard Corp. consists of a group of corporations whose assets are held by trustees for the ratable benefit of Republic National shareholders.

Two officers of Republic National were promoted to higher positions in the Howard Corp. Keith D. Sheppard was named senior vice president, while Richard D. Cutsinger was elected controller and assistant secretary. Ed E.

Sammons Jr. became a vice president and Alvan E. Porter assistant secretary. At Republic National, Mr. Sheppard and Mr. Sammons are vice presidents, Mr. Porter is a banking officer and Mr. Cutsinger is assistant controller.

#### Citibank Names 3 V.P.s

NEW YORK—First National City Bank has named three vice presidents.

They are Charles E. Lamb, George E. Martin and Nathan I. Weinman.

Mr. Lamb joined the bank in 1962, Mr. Martin in 1959 and Mr. Weinman in 1963.

## GUARANTY BANK & TRUST CO. OF ALEXANDRIA, LA. Consolidated Statement of Condition

December 31, 1972 with comparative  
amounts for 1971 and 1970

Assets	December 31		
	1972	1971	1970
Cash and Due from Banks .....	\$ 25,490,970	\$ 22,212,633	\$ 24,092,587
Investment Securities:			
U. S. Treasury Securities .....	8,064,757	17,399,704	31,351,349
Obligations of States and Political Subdivisions .....	16,800,338	21,164,667	9,183,484
Public Housing Authority Notes .....	17,501,090	10,931,022	—
Other Securities .....	1,199,880	3,034,603	8,416
Federal Funds Sold .....	2,100,000	2,800,000	800,000
Loans .....	79,399,849	45,563,255	37,175,346
Bank Premises and Equipment (Net) .....	2,008,747	1,423,485	1,303,232
Other Assets .....	1,973,981	1,244,969	1,298,952
<b>Total Assets .....</b>	<b>\$154,539,612</b>	<b>\$125,774,338</b>	<b>\$105,213,366</b>
<b>Liabilities and Capital</b>			
Deposits .....	\$127,165,943	\$106,711,491	\$ 90,322,186
Federal Funds Purchased .....	8,265,000	2,300,000	—
Unearned Discount .....	2,999,722	1,901,457	1,053,623
Other Liabilities .....	877,241	855,396	831,888
<b>Total Liabilities .....</b>	<b>\$139,307,906</b>	<b>\$111,768,344</b>	<b>\$ 92,207,697</b>
<b>Reserve for Possible Loan Losses .....</b>	<b>1,151,200</b>	<b>731,329</b>	<b>761,129</b>
<b>CAPITAL ACCOUNTS</b>			
Capital Stock .....	1,650,000	1,650,000	1,100,000
Surplus .....	6,500,000	6,500,000	6,500,000
Undivided Profits .....	4,628,677	3,822,836	3,342,711
Reserve for Contingencies .....	1,301,829	1,301,829	1,301,829
<b>Total Capital .....</b>	<b>14,080,506</b>	<b>13,274,665</b>	<b>12,244,540</b>
<b>Total Liabilities, Reserve and Capital ...</b>	<b>\$154,539,612</b>	<b>\$125,774,338</b>	<b>\$105,213,366</b>



**Guaranty Bank & TRUST COMPANY**  
OF ALEXANDRIA, LOUISIANA

Member FDIC



### Carter Plans Early Retirement From Nat'l City, Evansville

EVANSVILLE, IND.—Robert E. Carter, senior vice president, National City Bank, will take early retirement April 30 after 43 years in banking. For the past 20 years, he has headed the correspondent division. In addition, he has charge of the commercial loan department and handles the bank's bond and investment portfolio.

Mr. Carter joined National City in 1929 after graduating from high school, was named auditor in 1946, cashier in 1950, vice president in 1960 and senior vice president in 1965. He is a past president of the Ohio Valley Conference of Bank Auditors and Comptrollers.

■ TULSA—Fourth National has promoted Bob F. Norrid, James M. Voss and James R. Wilkerson to assistant vice presidents, Sydney Jordan to trust officer and Larry Choate to assistant cashier.

### Three Senior V.P.s Named at Chemical Bank, New York

NEW YORK—Chemical Bank has named Oliver M. Mendell, Grenville H. Paynter and Henry P. Warren III senior vice presidents. Mr. Mendell was previously a regional vice president and Messrs. Paynter and Warren were vice presidents.



PAYNTER MENDELL WARREN

Mr. Mendell will be given increased responsibility in the bank's metropolitan business while Messrs. Paynter and Warren will assume new duties in the bank's corporate area.

Mr. Mendell joined Chemical in 1958 as an assistant secretary, was promoted to assistant vice president in 1959 and vice president in 1962.

Mr. Paynter has been with the bank since 1953, was appointed assistant secretary in 1958, assistant vice presi-

dent in 1961 and vice president in 1965. He has been in charge of the Frankfurt, Germany, branch.

Mr. Warren was appointed assistant secretary in 1954, assistant vice president in 1960 and vice president in 1964.

### Sidney Friedman Retires as Ch. Of Nat'l Bank of North America

NEW YORK—Sidney Friedman has retired as chairman of National Bank of North America but will remain a director. He has been elected to the full-time position of general counsel to Integrated Resources, Inc., financial services company.

Mr. Friedman became chairman and chief executive officer of National Bank in 1964. Last year he was succeeded as chief executive officer by John H. Vogel, who will continue as president and CEO. Mr. Friedman also has retired as a director of CIT Financial Corp., of which the bank is a wholly owned affiliate.



FRIEDMAN

#### OFFICERS

Jno. P. Butler, Chairman of Board  
 Wilbur A. Yeager, Jr., Executive Vice President  
 Florence M. Shade, Executive Secretary & Assistant Cashier

#### COMMERCIAL LOANS

Wm. H. McCright, Jr. .... Senior Vice President  
 Ray P. Moudy ..... Vice President  
 Edward B. Weyman ..... Vice President

#### INSTALMENT LOANS

Harlan C. Michael ..... Vice President  
 William D. Milby ..... Assistant Vice President  
 O. B. Frank ..... Assistant Cashier  
 Ernestine L. Rogers ..... Assistant Cashier

#### OPERATIONS

Wendell W. Hoover .... Senior Vice President & Cashier  
 James Stephenson .. Vice President & Bldg. Mgr.  
 John Lendrum, Jr., CBA ..... Comptroller  
 O. J. Edwards ..... Assistant Vice President  
 Carroll Gipson ..... Assistant Cashier  
 Dolores F. Scoggins ..... Assistant Cashier  
 Gladys F. Harris ..... Assistant Cashier  
 L. Wayne Merritt ..... Assistant Cashier

#### TRUST DEPARTMENT

Marshall S. McCrear, Jr. . Senior Vice President & Senior Trust Officer  
 Randall Gibson ..... Vice President & Trust Investment Officer  
 William E. Fincher ..... Vice President & Trust Officer  
 Fred G. Middleton ..... Vice President & Trust Officer  
 David Uechi ..... Vice President & Trust Officer  
 Larry Melton ..... Assistant Vice President & Trust Officer  
 Robert L. Noah ..... Assistant Vice President & Trust Land Manager  
 Bill J. Hill ..... Assistant Vice President & Trust Officer

#### SYSTEMS AND PLANNING

Robert W. Bechtel ..... Vice President

C. J. Kelly, President & Vice Chairman

#### OIL AND GAS DEPARTMENT

John Sapp ..... Assistant Cashier  
 Clinton S. Ferguson, Jr. .... Assistant Cashier  
 Jose J. Moreno ..... Assistant Cashier

#### CREDIT DEPARTMENT

John Sapp ..... Assistant Cashier  
 Clinton S. Ferguson, Jr. .... Assistant Cashier  
 Jose J. Moreno ..... Assistant Cashier

#### OIL AND GAS DEPARTMENT

Charles D. Fraser ..... Senior Vice President & Petroleum Engineer  
 J. T. Mays ..... Assistant Vice President & Petroleum Engineer  
 Autry C. Stephens ..... Assistant Vice President & Petroleum Engineer  
 Johnny S. McDonald ..... Petroleum Engineer  
 Don Easterling ..... Assistant Cashier

#### PUBLIC RELATIONS AND BUSINESS DEVELOPMENT

Jack Steele ..... Senior Vice President  
 Don B. Jones ..... Assistant Vice President

#### CORRESPONDENT BANKING & CREDIT CARD DEPARTMENT

Boley B. Embrey ..... Vice President  
 B. D. Snody, Jr. .... Assistant Cashier  
 John H. Evans ..... Assistant Cashier

#### INVESTMENT DEPARTMENT

Reid Caskey ..... Vice President

#### ECONOMIC DEVELOPMENT DEPARTMENT

Harry W. Clark ..... Vice President  
 Douglas B. Henson ..... Assistant Vice President & Economic Research Officer

#### AUDIT DEPARTMENT

L. Harold Wills ..... Auditor  
 Lonnie C. Early ..... Assistant Auditor

#### TAX DEPARTMENT

Wm. B. Johnston ..... Vice President

### STATEMENT OF CONDITION December 31, 1972

#### RESOURCES

Cash & Due From Banks	\$ 54,152,425.11
U. S. Government Securities	8,160,687.97
Municipal Securities	39,455,885.55
Other Securities	1,395,498.90
Federal Funds Sold	4,000,000.00
<b>Total</b>	<b>\$107,164,499.53</b>
Loans	122,960,920.69
Other Assets	1,552,331.01
Banking House, Furniture & Fixtures	6,154,262.35
Accrued Income Receivable	1,967,919.89
<b>Total</b>	<b>\$239,799,933.47</b>

#### LIABILITIES

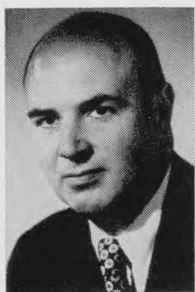
Capital Stock	\$ 5,000,000.00
Surplus	5,000,000.00
Undivided Profits	6,218,191.06
<b>Total</b>	<b>\$ 16,218,191.06</b>
Reserve for Loan Losses	4,646,273.00
Unearned Interest	1,984,800.41
Federal Funds Purchased	3,400,000.00
Other Liabilities	2,510,194.26
Deposits	211,040,474.74
<b>Total</b>	<b>\$239,799,933.47</b>



Midland, Texas

### McAuliffe Heads Midwest Group Of Harris Trust of Chicago

CHICAGO—Richard L. McAuliffe has been named a senior vice president in Harris Trust's banking department. He was a vice president. On February 1, he became head of that department's Midwest group, succeeding Harry W. Lindhorst, senior vice president. Mr. Lindhorst retired after 27 years in



McAULIFFE

banking and 18 years with Harris Trust. Mr. McAuliffe, formerly head of the corporate financial services division, joined the bank in 1960.

The Midwest group encompasses three divisions, which cover 11 states, including Illinois and Missouri, and various industries in the commodities, food-processing and other agriculture-related businesses.

### Numerous Promotions Made By First of Memphis

MEMPHIS—Numerous promotions and advancements have been announced by First National.

New vice presidents include John E. Burgess, Philip W. Fink, C. David Ramsey and Don R. Youngblood.

Elevated to assistant vice presidents were Frank R. Bloom, Jack D. Lockridge, James G. Riggan Jr. and James L. Treat.

James A. Ramsey III and Charles F. Snyder were promoted to officer status.

Messrs. Burgess and Fink joined the bank in 1964; Mr. Ramsey in 1969; Messrs. Bloom and Riggan in 1968; Mr. Lockridge in 1966; Mr. Treat in 1965; Mr. Ramsey III in 1970; and Mr. Snyder in 1971.

Mr. Bloom has been a correspondent bank officer since 1970.



BLOOM

### 14 Promoted at NBT

TULSA—National Bank of Tulsa has made 14 promotions, including three to vice presidents. They are Rex Edgar, Ronald P. Trout and William C. Bequette. Mr. Trout was also named trust investment officer and Mr. Bequette was also named senior trust investment officer.

New assistant vice presidents are John Blair and Harvey Fifer Jr.

Andrew W. Brice and James Dodd were named assistant vice presidents and trust investment officers; Jack L.

Staubus Jr., Larry Goff and Richard Halliburton were named assistant trust officers; and John Bethel, Beverly Walter, Frank Behrens and James Smalley received assistant cashier titles.

## CONSOLIDATED STATEMENT OF CONDITION MERCHANTS NATIONAL BANK OF MOBILE, ALABAMA

AND THE MERCHANTS NATIONAL BUILDING CORPORATION  
At the Close of Business December 31, 1972

### ASSETS

Cash and Due from Banks .....	\$ 51,180,748
U. S. Treasury Securities .....	30,909,984
Securities of Other U. S. Government Agencies and Corporations .....	89,820
Obligations of States and Political Subdivisions .....	65,405,871
Other Securities .....	395,000
Federal Funds Sold .....	400,000
Loans .....	137,574,635
Bank Premises and Equipment .....	4,101,957
Customer's Acceptance Liability .....	26,887
Income Earned But Not Collected .....	2,401,273
Other Assets .....	813,230
<b>TOTAL ASSETS .....</b>	<b>\$293,299,405</b>

### LIABILITIES

Deposits .....	\$264,859,453
Federal Funds Purchased .....	1,200,000
Bank's Acceptances Outstanding .....	26,887
Mortgage Payable (Merchants National Building Corporation) .....	425,000
Reserves for Accrued Taxes, Interest and Expenses .....	1,980,450
Dividend Payable January 1, 1973 .....	346,500
Income Collected But Not Earned .....	2,868,575
<b>TOTAL LIABILITIES .....</b>	<b>\$271,706,865</b>
<b>RESERVE FOR POSSIBLE LOAN LOSSES .....</b>	<b>\$ 2,068,251</b>

### CAPITAL ACCOUNTS EQUITY CAPITAL

Common Stock—Par Value \$10.00 a share .....	\$ 3,300,000
(Authorized, issued and outstanding 330,000 shares.)	
Surplus .....	9,200,000
Undivided Profits .....	5,524,289
Reserve for Contingencies .....	1,500,000
<b>TOTAL CAPITAL ACCOUNTS .....</b>	<b>\$ 19,524,289</b>
<b>TOTAL LIABILITIES, RESERVES AND CAPITAL ACCOUNTS .....</b>	<b>\$293,299,405</b>

Contingent Liability on Letters of Credit Issued But Not Drawn Against .....	\$ 2,395,372
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### CONDENSED STATEMENT OF EARNINGS

For the Year Ended December 31, 1972

Gross Income .....	\$16,939,537
Gross Expense .....	14,385,940
Income Before Income Taxes .....	\$ 2,553,597
Less: Applicable Income Taxes .....	404,558
<b>Net Income .....</b>	<b>\$ 2,149,039</b>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



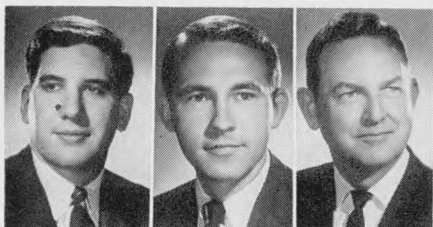


P A I N E                      K U M L E R                      P R O C T O R

**Three New Senior Vice Presidents Named at Indiana National Bank**

INDIANAPOLIS—Indiana National has promoted Andrew J. Paine Jr. and David M. Proctor III to senior vice presidents and P. Roger Kumler to senior vice president and trust officer. All were vice presidents.

Joseph W. Disque, national division; Lawrence A. O'Connor Jr., metropolitan division; and Calvin A. Wantland, loan administration, were elected vice presidents. Gerald L. Rush, metropolitan division, was promoted to assistant vice president.



O'CONNOR                      D I S Q U E                      W A N T L A N D

**Seventeen Officers Raised At Louisiana National**

BATON ROUGE—The following promotions have been announced by Louisiana National:

H. Ford Bell III, Audrey G. Monceret and Norman L. Phillips to assistant vice presidents; Paul L. Allen to data processing officer; H. Craig Davidson to business development officer;

W. Harold Paulk Jr. and T. Dwight Verges to administrative officers; Harold A. Babin to audit officer; Louis G.

Plaisance to BankAmericard officer; Clyde R. White to market research analyst;

Sue M. Booth, Linda D. Catania, Jo Ann Vasta and Mamie D. Zumo to administrative assistants; Frank E. Lewis II to branch manager; and Robert E. Hulgan and Richard S. Lupcho to assistant branch managers.

**Cordes and Bukowski Advanced At Continental Illinois Nat'l**

CHICAGO—Continental Illinois National has named Philip H. Cordes executive vice president and comptroller and Robert H. Bukowski senior vice president.



B U K O W S K I                      C O R D E S

Mr. Cordes joined the bank in 1948, became assistant comptroller in 1950 and vice president in 1960. He was named vice president, comptroller and secretary to the board in 1967 and senior vice president and comptroller in 1970.

Mr. Bukowski joined the bank's metropolitan division in 1956 and was elected assistant cashier in 1958. He was promoted to second vice president in 1964, vice president in 1968 and has been head of the personal banking department since 1969.

■ NEW YORK—John A. Kley, chairman, County Trust, White Plains, N. Y., last month was elected a director of the Bank of New York.

**Chicago Banker Joins Staff Of Fourth of Wichita**

WICHITA—Fourth National has named John L. Cooley senior vice president, corporate staff. He comes from Chicago, where he had been president and chief executive officer of United of America Bank since 1969.

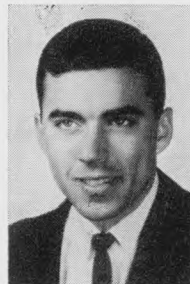


C O O L E Y

Fourth National also announced that its deposits have reached more than \$300 million for the first time. Demand and time deposits at year-end 1972 totaled \$318.1 million, a 17% gain for the year. Resources at year-end also reached a record high of \$379.5 million, compared with \$350.3 million a year earlier.

**Two Promoted, One Elected At Merchants Nat'l, Topeka**

TOPEKA—Merchants National has promoted two officers and elected a new officer.



B O N I N E

Promoted were Darvin C. Hawley from vice president to senior vice president, and Dan R. Bonine from agricultural representative to assistant vice president, agricultural services and correspondent banking department.

James H. Mai was elected assistant cashier—operations.

Mr. Hawley joined the bank in 1957, Mr. Bonine in 1971 and Mr. Mai in 1969.

OFFICERS		THE LAREDO NATIONAL BANK		LAREDO, TEXAS	
MAURICE M. ALEXANDER, Chairman of the Board MAX A. MANDEL, Chairman of Executive Committee RAMIRO SANCHEZ, President GARY G. JACOBS, Executive Vice President JAVIER GARZA, Senior V.P. A. R. YELA, V.P. and Cashier J. CLAYTON BAUM, V.P. & Controller		Statement of Condition at the Close of Business December 31, 1972			
VICE PRESIDENTS A. B. BARRERA EDWARD R. LEYENDECKER, JR. ALBERTO H. MAGNON, JR. MERCURIO MARTINEZ, JR. J. D. UNDERHILL MARIO GONZALEZ, JR., Vice Pres. & Trust Officer		<b>RESOURCES</b>		<b>LIABILITIES</b>	
		CASH AND DUE FROM BANK ..... \$20,752,812.95 U. S. GOVERNMENT BONDS ..... 3,922,820.35 ..... \$ 24,675,633.30		DEPOSITS ..... \$ 98,429,769.64 CAPITAL ACCOUNTS: Capital Stock ..... \$ 1,000,000.00 Surplus ..... 1,500,000.00 Undivided Profits ..... 2,672,617.85	
		Municipal Bonds and Other Securities ... 33,290,011.29 Federal Reserve Bank Stock ..... 75,000.00 Federal Funds Sold ..... 3,000,000.00 Loans and Discounts ..... 43,968,288.71 Accrued Income ..... 1,008,005.89 Banking House and Equipment ..... 1,163,860.35 Customers Liability on Letters of Credit ..... 329,334.56 Other Assets ..... 67,475.33		Reserve for Dividends Payable ..... 45,000.00 Loan and Securities Reserves ..... 2,036,224.62 Accrued Expenses ..... 656,670.53 Unearned Discount ..... 802,903.00 Letters of Credit Executed for Customers ..... 329,334.56 Other Liabilities ..... 105,089.23	
		<b>TOTAL..... \$107,577,609.43</b>		<b>TOTAL..... \$107,577,609.43</b>	

# ST. LOUIS COUNTY NATIONAL BANK

CLAYTON, MISSOURI

## Statement of Condition

DECEMBER 31, 1972

### RESOURCES

Cash and Due from Banks	\$ 65,074,438.75
Federal Funds Sold	18,800,000.00
United States Government Securities	65,552,636.00
Municipal and Other Securities	63,275,788.45
Federal Reserve Bank Stock	360,000.00
Loans and Discounts	90,141,983.68
Equipment Acquired for Lease	3,364,352.12
Bank Premises, Vaults and Equipment	3,215,796.89
Accrued Income Receivable	2,331,508.64
Other Resources	462,762.34
	<u>\$312,579,266.87</u>

### LIABILITIES

Demand Deposits	\$177,603,887.28
Time Deposits	108,450,714.41
Total Deposits	\$286,054,601.69
Federal Funds Purchased	6,300,000.00
Reserve for Losses on Loans	1,568,799.36
Reserve for Interest, Taxes, Etc.	1,577,206.59
Income Collected, Not Earned	700,441.46
Other Liabilities	194,000.00

### CAPITAL ACCOUNTS:

Common Stock	\$ 4,000,000.00
Surplus	8,000,000.00
Undivided Profits	4,184,217.77
	<u>16,184,217.77</u>
	<u>\$312,579,266.87</u>

### OFFICERS

**EDWARD H. SCHMIDT**  
President and  
Chairman of the Board  
**MERLE M. SANGUINET**  
Executive Vice President

#### COMMERCIAL BANKING

**DONALD P. SHINE**  
Vice President  
**C. U. IMBODEN**  
Assistant Vice President  
**LESTER O. WAGNER**  
Assistant Vice President  
**DONALD A. WIBBENMEYER**  
Assistant Vice President

#### INSTALLMENT CREDIT

**RODNEY F. HILL**  
Vice President  
**ROY J. PANCHOT**  
Assistant Vice President  
**THERESA S. KRONER**  
Installment Credit Officer

**MORTGAGE LOANS**  
**WAYNE E. GRANDCOLAS**  
Vice President

#### OPERATIONS

**RAYMOND N. GRELLNER**  
Senior Vice President  
**WALTER E. BECKER**  
Assistant Vice President  
**GILBERT E. FARRELL**  
Assistant Vice President  
**PAUL L. GIBBONS**  
Cashier  
**RICHARD A. MATT**  
Assistant Cashier  
**GERALD P. FAGIN**  
Data Processing Officer  
**MARGIE M. KING**  
Personnel Officer

#### CUSTOMER SERVICES

**JERRY E. STAMM**  
Vice President  
**WILLIAM E. CARROLL**  
Assistant Cashier  
**RAYMOND F. ERKER, JR.**  
Assistant Cashier  
**NORINNE HOBBS**  
Assistant Cashier  
**HARRIS E. WILLIAMS**  
Assistant Cashier

#### MARKETING

**CURTIS L. GILES**  
Assistant Vice President

#### COMPTROLLER

**LAWRENCE D. ABELN**  
Comptroller  
**E. W. DICKMANN**  
Assistant Comptroller

#### AUDITING

**LEO J. NIEMEYER**  
Auditor  
**RUSSELL E. ALBRECHT**  
Assistant Auditor

#### TRUST DEPARTMENT

**RICHARD J. KEMPLAND**  
Vice President and  
Trust Officer  
**WILLIAM T. EUWER**  
Trust Officer  
**JAC E. GRISWOLD**  
Trust Officer  
**WILSON F. HUNT**  
Trust Officer  
**DONALD D. DURBIN**  
Trust Officer  
**CARL ENLOE**  
Trust Investment Officer

### BOARD OF DIRECTORS

**STERLING J. ALEXANDER**  
**DONALD L. BARNES, JR.**  
President and  
Chairman of the Board  
American Investment  
Company  
**J. GORDON FORSYTH**  
President  
Forsyth Energy Coal  
Company, Inc.  
**JACK R. HENNESSEY**  
President  
Hennessey-Forrestal  
Machinery Company  
**JAMES C. LAFLIN**  
Vice President  
Southern Comfort Corp.  
**JOHN F. LILLY**  
Chairman of the Board  
Clayton Federal Savings  
and Loan Association

**H. G. McELHINNEY**

**BEN PECK**  
President  
Wohl Shoe Company

**MERLE M. SANGUINET**  
Executive Vice President

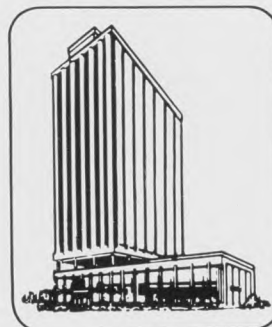
**EDWARD H. SCHMIDT**  
President and  
Chairman of the Board

**L. EDWARD SMART**  
President  
Imperial Refineries Corp.

**JULES Q. STRONG**  
Attorney

**MAHLON B. WALLACE III**  
President  
Wallace Pencil Company

Thoughtful Banking



ST. LOUIS  
**COUNTY  
NATIONAL  
BANK**

CLAYTON, MO.

MAIN BANK: 8000 FORSYTH  
MINI-BANK: 7520 FORSYTH  
Phone 862-8282 • Member F.D.I.C.





DIENES



MONTGOMERY

**Two Receive Promotions  
At Republic National**

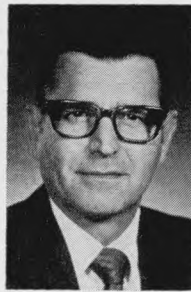
DALLAS—Republic National promoted B. G. Montgomery from senior vice president and trust officer to senior vice president and chairman of the trust investment committee. He joined the bank in 1956 and became vice president and trust officer in 1968. In 1970, he was elected senior vice president and trust officer and a member of the bank's executive committee.

In other action, John D. Dienes,

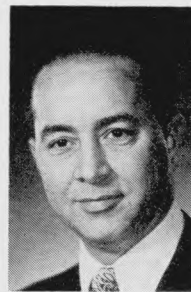
southwestern division, was advanced from assistant vice president to vice president. He travels Louisiana, Arkansas, Oklahoma and parts of Texas.

**Year-End Promotions Announced  
By American Fletcher National**

INDIANAPOLIS—American Fletcher National has announced several promotions, including those of James D. Keckley to executive vice president of administration and Larry K. Pitts to senior vice president and head of the



KECKLEY



PITTS

trust department to succeed Mr. Keckley.

In addition, Jameson Woollen was promoted to vice president and senior trust officer and R. Joseph Dennis to vice president, operations. New vice presidents in finance and profit planning are: C. Harris Weerts (also controller), Virgil H. Fountain (also assistant controller), Thomas J. Beaulieu and Horace A. Shonle. Mrs. A. Evelyn Stewart was advanced to vice president and trust officer, Mrs. Josephine M. Webster to vice president and investment officer and Thomas E. Mock to vice president, corporate division.

Named assistant vice presidents were: Lawrence R. Hoffman, H. Everett Smith, Keith J. Van Zoeren and Thomas A. Jenkins (also trust officer).

Mr. Keckley was formerly a senior vice president, and Mr. Pitts was vice president and trust officer.

**Manufacturers Hanover Trust  
Announces Int'l Div. Changes**

NEW YORK—Manufacturers Hanover Trust has appointed John A. Waage an executive vice president, member of the general administrative board and the designated successor to John H. Andren, executive vice president and officer-in-charge of the international division, effective with Mr. Andren's retirement June 1. Mr. Waage, who joined the bank in 1936, had been a senior vice president.

Tristan E. Beplat and James R. Greene have been appointed senior vice presidents and deputy general



GREENE

BEPLAT

WAAGE

**CANTON EXCHANGE BANK**

CANTON, MISSISSIPPI

Condensed Statement of Condition as of December 31, 1972

ASSETS	LIABILITIES
Cash on Hand and Due from Banks \$ 5,053,509.94	Capital Stock ..... \$ 450,000.00
United States Government Bonds ... 2,194,365.75	Surplus ..... 675,000.00
State, County, Municipal, Other Bonds and Securities ..... 3,953,919.99	Loan Valuation Reserve ..... 338,487.29
Loans and Discounts ..... 11,483,465.56	Unearned Interest ..... 289,203.95
Bank Premises, Furniture and Fixtures ..... 149,458.96	Undivided Profits and Other Reserves 14,604.19
Other Real Estate ..... 3.00	Accrued Interest on Time Deposits . 75,000.00
<b>TOTAL ..... \$22,834,723.20</b>	Deposits ..... 20,992,427.77
	<b>TOTAL ..... \$22,834,723.20</b>

**OFFICERS**

- |  |   |
|--|---|
| FRANK E. ALLEN ..... President<br>and Trust Officer                  | DOUGLAS RASBERRY .... Vice President<br>and Cashier |
| MISS ANGIE BELLE RIMMER .. Exec. Vice<br>President and Trust Officer | JAMES M. CHANDLER .... Asst. Vice Pres.             |
| EARL J. QUINN ..... Vice President                                   | MRS. EDITH H. EVERETT ... Asst. Cashier             |
| MRS. FLORA J. RIMMER .. Vice President<br>and Trust Officer          | JIMMY JAMES ..... Mgr. East Branch                  |
|  | EDWIN A. LOFTON .. Mgr. Branch Offices              |

Member Federal Deposit Insurance Corporation

IN OUR 93rd YEAR

**OFFICERS**

- C. K. McCAN,  
Chairman of the Board
- JOHN J. WELDER,  
Vice Chairman of the Board
- W. B. CALLAN, President
- ROGER WILLIAMS, V.P.
- DAVID E. SHEFFIELD, Exec. V.P.
- WM. OSTER, JR., Sr. V.P. & Cash.
- W. L. ZIRJACKS,  
Sr. V.P. & Tr. Off.
- E. A. MUNSCH, V.P.
- AL S. VOGT, V.P. & Asst. Tr. Off.
- BILLY W. RUDDOCK, V.P.
- WALTER C. RICHBURG, V.P.
- JOHN V. LARSON, V.P.
- AARON A. WIELAND, V.P. & Comp.

**FIRST VICTORIA NATIONAL BANK**

Victoria, Texas

Statement of Condition at the Close of Business December 29, 1972

RESOURCES	LIABILITIES
Loans ..... \$35,386,171.45	Capital ..... \$ 2,000,000.00
Federal Funds Sold ..... 1,500,000.00	Surplus ..... 8,000,000.00
U. S. Government Securities ..... 28,229,979.25	Undivided Profits ..... 1,354,568.92
State, County & Municipal Securities ..... 13,376,602.92	Unearned Interest ..... 467,804.81
Federal Reserve Bank Stock ..... 300,000.00	Reserve for Interest, Taxes, etc. .... 2,283,443.49
Bank Building, Furniture & Fixtures ..... 646,622.83	Reserve for Dividend Payable January 2, 1973 ..... 95,000.00
Interest Earned—Not Collected ..... 987,552.17	DEPOSITS ..... 76,090,175.76
Other Assets ..... 128,903.05	
CASH ON HAND and with Banks ..... 9,735,161.31	
<b>TOTAL RESOURCES ..... \$90,290,992.98</b>	<b>TOTAL LIABILITIES ..... \$90,290,992.98</b>

"Going One Step Further"

managers—international division. As of June 1, they will assist Mr. Waage in the administration of the division. Mr. Beplat joined the bank in 1937, Mr. Greene in 1955.

### Drovers Nat'l Elects Norris Executive Vice President

CHICAGO—Donald M. Norris was advanced from senior vice president to executive vice president of Drovers National. He succeeds Stephen O. Brattleaf, who has retired as executive vice president, but will remain a director. Mr. Brattleaf had been with the bank since 1951. Mr. Norris came to the bank in 1970 as vice president and was promoted to senior vice president in 1971.



SMYTH NORRIS COREY

Robert F. Corey was promoted from vice president to senior vice president and Joseph H. Smyth was advanced from assistant vice president to vice president. Mr. Corey came to Drovers National in 1950, was elected assistant vice president in 1966 and vice president in 1969. Mr. Smyth, also with the bank since 1950, was named assistant cashier in 1966 and assistant vice president in 1969.

Thomas E. Bush and Emmett B. Finan Jr. were promoted from assistant cashiers to assistant vice presidents.

### Two Appointments Are Made At First of Birmingham

BIRMINGHAM—Marion K. Coley has joined First National as a vice president and trust officer, and Mrs.



COLEY

Mrs. Barrow Gore Hiden has been appointed director of the women's division and assistant vice president.

Mr. Coley comes from City National, Tuscaloosa, Ala., where he headed the trust department. Before joining the latter bank, he was for many years on the faculty of the School of Commerce and Business Administration at the University of Alabama. He headed the business

law department when he left for Tuscaloosa. Mr. Coley holds a law degree from the university.

Mrs. Hiden was formerly with a major Birmingham real estate firm and has been in the real estate business since 1958.

■ SAN FRANCISCO—Richard W. Heldridge has been named an executive vice president of Crocker Bank. He was

senior vice president and manager of the bank's 44-office Los Angeles metropolitan region. Mr. Heldridge continues as senior officer of that region.

■ NEW YORK CITY—First National City Corp. and its principal subsidiary, First National City Bank, have elected a new director, Robert S. Hatfield. He is chairman and CEO, Continental Can Co.

## BANK OF KENNETT

KENNETT, MISSOURI

Statement of Condition as of December 31, 1972

### RESOURCES

Cash and Due from Banks	\$ 2,719,797.88
Federal Funds Sold	1,700,000.00
U. S. Government Obligations	\$4,213,480.81
Obligations of U. S. Government Agencies	2,881,875.69
Municipal Bonds and Other Municipal Obligations	4,848,249.08
Other Bonds and Securities	495,963.36
	12,439,568.94
Real Estate Loans—Conventional and Insured or Guaranteed	6,991,454.44
Other Loans to Corporations, Firms and Individuals	7,877,823.25
	14,869,277.69
Overdrafts	11,351.04
Bank Building, Leases, Drive-In Facilities and Parking Lots	122,444.37
Furniture, Fixtures and Equipment	31,948.55
Other Real Estate	1.00
Accrued Interest Receivable	458,322.44
Prepaid Expenses	31,455.04
Other Assets	10,746.53
<b>TOTAL RESOURCES</b>	<b>\$32,394,913.68</b>

### LIABILITIES

Capital	1,000,000.00
Surplus	500,000.00
Undivided Profits	1,111,447.88
	2,611,447.88
Valuation Reserves	184,549.33
Reserve for Interest Received in Advance	241,340.99
Accrued Interest Payable, & Reserve for Accrued Taxes, Expenses & Dividends	440,678.18
Other Liabilities	14,241.89
Deposits	28,902,655.41
<b>TOTAL LIABILITIES</b>	<b>\$32,394,913.68</b>

### OFFICERS

W. F. SHELTON III Chmn., Sr. Tr. Off. C.O.E.	ELMAN M. MERRITT Vice President
JOSEPH C. WELMAN Chmn. Exec. Committee	LARRY D. SWINDLE Vice President
LONNIE L. KINCHEN Pres. & Asst. C.O.E.	ROBERTA JACKSON Asst. Cashier
JIM ROBISON Executive Vice Pres.	WILLIAM W. MARSHALL Asst. Cashier
THOMAS H. KINSEY, Sr. Vice Pres. & Cashier	R. L. MITCHELL Asst. Cashier
JOSEPH S. KERR V. Pres. & Ag. Rep.	WILODENE MOORE Asst. Cashier
CLYDE H. MATTHEWS Vice President	JANE TODD Asst. Cashier

GRACE WESTERFIELD, Asst. Cashier

Member Federal Deposit Insurance Corporation

## DU QUOIN STATE BANK

DU QUOIN, ILLINOIS

Condensed Statement December 30, 1972

### RESOURCES

Cash and Due from Banks	\$ 1,993,715.43
U. S. Government Securities	5,577,971.01
State, County, Municipal Bonds and Warrants	2,770,126.41
Other Domestic Securities	1,293,458.53
Federal Funds Sold	350,000.00
Federal Reserve Bank Stock	45,000.00
Loans & Discounts	9,792,231.59
Overdrafts	286.53
Banking Premises (Inc. Furniture & Fixtures)	126,463.46
Other Assets	25,752.54
	\$21,975,005.50

### LIABILITIES

Capital Stock	\$ 500,000.00
Surplus	1,000,000.00
Undivided Profits	183,823.70
Reserve for Contingencies	147,503.25
Reserve for Bad Debt Losses	154,118.96
Reserve for Taxes and Interest	26,389.20
Interest Collected But Not Earned	319,886.86
Deposits	19,643,283.53
	\$21,975,005.50

### OFFICERS

Kenneth E. Cook, President	W. C. Pfeiffer, Vice President
Allen G. Rountree, Vice President	K. J. Eaton, Assistant Cashier
W. A. Jasecko, Vice President & Cashier	Hazel M. West, Assistant Cashier
Edna W. South, Vice President	Charlotte Schafer, Assistant Cashier
Member Federal Deposit Insurance Corporation	Member Federal Reserve System



**Slagg Advanced to Vice Pres.  
At National Boulevard Bank**



SLAGG

CHICAGO—National Boulevard Bank has announced seven officer promotions including that of Bruce M. Slagg to vice president.

Others advanced were: Jack F. Kroeger, Howard J. Grimberg and Thomas W. Schilf, assistant vice presidents; John V. Aguiar Jr., personal banking officer; T. Joyce Beattie, operations officer; and John G. Gerlach, assistant cashier.

**New Promotions Announced  
By Mercantile National**

DALLAS—Mercantile National promoted M. E. Peeples and John A. Taylor to vice presidents. Mr. Peeples is in charge of the accounting department and Mr. Taylor heads the bond department.

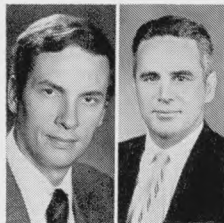
Jackie G. McClusky, proof, and Davis B. Orton, installment loans, were

advanced to assistant vice presidents. Named assistant vice presidents and trust officers were Lonnie G. Diggs, Galynd Maddox and Max Nygaard.

The bank also announced transfer of \$1 million from undivided profits to surplus, increasing surplus to \$40 million and combined capital and surplus to \$60 million. Mercantile National's 1972 net income was \$8.4 million, or \$2.11 per share, as compared to 1971 net income of \$9.2 million, or \$2.30 per share.

**Baltimore Bank, Kansas City,  
Promotes Steele, McCarter**

KANSAS CITY—Baltimore Bank has named Walton W. Steele vice chairman and C. Ted McCarter president. Mr. Steele moves to the newly created post of vice chairman after serving as president since 1959. He has been with the bank since 1946 and is a director of North Hills Bank.



McCARTER STEELE

Mr. McCarter has served as execu-

tive vice president since 1971. Before joining Baltimore Bank, he was a senior vice president with First National. He is a director of Bank of Jacomo, Blue Springs, Mo., and Quindaro State, Kansas City, Kan.

Other new appointments at the bank included: James Moffett, trust investment officer; Mrs. Shirley Behnke, assistant cashier; Mrs. Mary Lou Stith, assistant operations officer; Don Lock, personal trust officer; and Mrs. Virginia Carrington, corporate trust officer.

■ ST. JOSEPH, MO.—Belt National has elected Benton M. Calkins Jr. chairman and Billy D. Cole president and CEO. Promoted were: Jessie Calkins, from vice president, assistant trust officer and auditor to vice president, trust officer and auditor; Bill J. Pasek, from vice president to vice president and secretary of the board; John R. Wray, from vice president to vice president and assistant trust officer. In addition, the bank elected four new directors—Mr. Cole; Davis A. Beaver, C.L.U., associate general agent, Connecticut Mutual Life Insurance Co.; Richard E. Koch, treasurer, Philips Roxane, Inc.; and Milton Tootle Jr., an attorney.

**OFFICERS**

- GEORGE J. HELEIN  
*President*
- J. RICHARD FURRR  
*Executive Vice President*
- FRANK BIRCHLER  
*Vice President*
- H. WM. ROBERT  
*Vice President & Trust Officer*
- GEORGE F. BENNER  
*Vice President*
- WALTER C. HAMMERMEISTER  
*Vice President & Cashier*
- ALBIN F. OEHLER  
*Vice President & Auditor*
- WALTER E. GOEBEL  
*Assistant Vice President*
- ROBERT C. WERKMEISTER  
*Assistant Vice President*
- LEON A. BREUNIG  
*Assistant Vice President*
- RAYMOND E. KNORPP  
*Assistant Vice President*
- FRANK LEMBECK  
*Assistant Cashier*
- ARTHUR L. JEANNET, JR.  
*Assistant Cashier*
- WILLIAM E. MUHLKE  
*Assistant Cashier*
- MARGUERITE CIBULKA  
*Safe Deposit Officer*
- ALYCE L. SCOTT  
*Personal Loan Officer*

**DIRECTORS**

- HERMAN J. BEETZ
- RALPH CRANER, JR.
- HOWARD F. ETLING
- J. RICHARD FURRR
- THOMAS J. HEJLEK
- GEORGE J. HELEIN
- PAUL V. HELEIN
- CHARLES F. HERWIG
- EDWARD C. SCHNEIDER
- EDWARD ZEISLER

**South Side National Bank**

**GRAND AND GRAVOIS IN ST. LOUIS**

Statement of Condition, December 31, 1972

**RESOURCES**

Cash and Due from Banks	\$ 5,326,263.46
U. S. Govt. Obligation, Direct and Guaranteed	12,651,017.36
U. S. Agency Bonds	5,028,516.42
Federal Reserve Bank Stock	75,000.00
Obligations of state and political subdivisions	5,802,289.14
Federal Funds Sold	2,400,000.00
Loans and Discount	39,319,124.65
Banking House & Parking Lot	627,634.70
Furniture, Fixtures & Safe Deposit Vaults	141,873.99
Other Resources	626,353.66
	\$71,998,073.38

**LIABILITIES**

Capital	\$ 1,200,000.00
Surplus	1,300,000.00
Undivided Profits	1,663,275.72
Reserve for Taxes, Interest, etc.	1,142,879.60
Deposits:	
Demand Deposits	\$18,739,234.85
Time Deposits	47,136,325.43
Unearned Discount	816,357.78
	\$71,998,073.38

Member Federal Deposit Insurance Corporation

## Bank or HC Earnings

*Harris Bankcorp., Inc.* (Harris Trust, Chicago, is its wholly owned subsidiary)—1972 consolidated income before securities gains, \$18 million, or \$5.76 a share; 1971 net income, \$16.6 million, or \$5.32 a share.

*National Boulevard Bank*, Chicago—1972 net income, \$1.7 million, or \$9.44 a share; 1971 net income, \$1.6 million, or \$9.19 a share.

*Nortrust Corp.* (parent holding company of Northern Trust, Chicago)—1972 preliminary income before securities gains, \$18 million, or \$3.53 a share; 1971 income, \$17.4 million, or \$3.41 a share.

*Manufacturers National*, Detroit—1972 net income, \$14.2 million, or \$6.88 a share; 1971 net income, \$14.1 million, or \$6.85 a share.

*First United Bancorp.* (First National, Fort Worth, is a wholly owned subsidiary)—1972 income before securities transactions, \$5.5 million; 1971 income, \$4.9 million.

*Fort Worth National Corp.* (Fort Worth National Bank is a subsidiary)—1972 income before securities transactions, \$6.2 million, or \$2.49 a share; 1971 income, \$5.7 million, or \$2.27 a share.

*Bank of New York Co.* (Bank of New York is a subsidiary)—1972 income before securities gains, \$26.6 million, or \$4.24 a share; 1971 income, \$27.5 million, or \$4.34 a share.

*Valley National of Arizona*, Phoenix—1972 net income after securities transactions, \$16.1 million, or \$1.82 a share; 1971 net income, \$14.7 million, or \$1.66 a share.

*Citizens & Southern National*, Atlanta—1972 N.O.E., \$23.2 million, or \$2 a share; 1971 N.O.E., \$19.2 million, or \$1.69 a share.

*BankAmerica Corp.* (HC for Bank of America, San Francisco)—1972 net income, \$192.4 million, or \$2.79 a share; 1971 net income, \$183.1 million, or \$2.66 a share.

*Boatmen's Bancshares, Inc.* (parent HC of Boatmen's National Bank, St. Louis)—1972 earnings after securities transactions, \$3.5 million, or \$3.59 a share; 1971 earnings, \$3.4 million, or \$3.46 a share.

*Hamilton Bancshares, Inc.* (HC op-

erating Hamilton National Bank, Chattanooga)—1972 income before securities gains and losses, \$5.4 million, or \$3.20 a share; 1971 income, \$4.3 million, or \$3.01 a share.

*American National Corp.* (one-bank HC for American National Bank, Chicago)—1972 net income before securities gains or losses, \$8.9 million, or \$3.95 a share; 1971 net income, \$8.8 million, or \$3.56 a share.

*Liberty National Corp.* (parent company of Liberty National Bank, Oklahoma City)—1972 net income, \$3.8 million, or \$4.25 a share; 1971 net in-

come, \$3.6 million, or \$4 a share.

*United Missouri Bancshares, Inc.* (HC for United Missouri Bank of Kansas City, which formerly was City National)—1972 income before securities gains, \$5.9 million, or \$4.74 a share; 1971 income, \$5.1 million, or \$3.94 a share

*First National City Corp.* (HC for First National City Bank, New York City)—1972 consolidated operating earnings after tax, \$201.8 million, or \$3.56 a share; 1971 consolidated operating earnings, \$168.2 million, or \$3.08 a share.



## With the Banker's Bank

When you rely on American National Bank, you get a full spectrum of correspondent and agri-banking services.

For all your bank's needs, rely on Don Folks, Ron Loudon, Vern Whisler...all experienced in assisting you in correspondent or agri-business needs.

So when you need fast, accurate check collection, all EDP services, excess loan participation and agri-banking credit counseling, turn to the banker's bank—American National, number one in Missouri and Kansas in agri-business loans, second in Iowa, fourth in Nebraska and among the top fifty banks in the nation.

## American National Bank

Sixth & Francis, St. Joseph, Mo. Phone 816/233-6141



Member Federal Deposit Insurance Corporation

### Agriculture / Correspondent Dept:

Donald D. Folks, Vice Pres.

Ronald R. Loudon, Vice Pres.

Vernon Whisler, Vice Pres.



### Howard Beerman Named President Of Central AgFinance Corp.

CHICAGO—Howard H. Beerman has been elected president of Central AgFinance Corp., which specializes in making short-term loans to agricultural producers, raising money for these loans through public sale of commercial paper. The firm is a subsidiary of Central National Chicago Corp., holding company for Central National, Chicago.



BEERMAN

Mr. Beerman, who had been executive vice president of Central AgFinance since it was formed in February, 1972, is vice president of Central National and head of its agricultural lending division. He has been in banking 18 years.

### Todd Named Vice President Of 1st Granite City Nat'l



TODD

GRANITE CITY—William F. Todd has joined First Granite City National as vice president, commercial loans. He had been president of Bank of Egypt, Marion. Mr. Todd was appointed treasurer of Bank of Egypt in 1960, executive vice president in 1964 and president in 1966. He is a graduate of Southern Illinois University, Carbondale.

■ **MILLIKIN NATIONAL**, Decatur, promoted four staff members. Roger L. Beaman was advanced from assistant trust officer to trust officer; W. Darrell Isbell, from assistant cashier to assistant vice president-operations; John R. King, manager, Millikin Mini-Bank to assistant cashier-operations; and L. Dean Clausen to assistant cashier. In other action, Ernest A. Malone was placed in charge of consumer marketing with the rank of assistant vice president. He was formerly with Continental Illinois National, Chicago, and ASC Corp., a bank consultant organization.

### Annual Group Meeting Schedule Announced by Ill. Bankers Assn.

The Illinois Bankers Association has announced the schedule of the annual spring group meetings. The meetings will be held as follows:

- GROUP ONE: March 27, Conrad Hilton Hotel, Chicago.
- GROUP TWO: March 13, D'Amico Sheraton-Joliet Motor Inn, Joliet.
- GROUP THREE: March 14, Sheraton Oakbrook Motor Hotel, Oak Brook.
- GROUP FOUR: April 4, Emerald Hill Country Club, Sterling.
- GROUP FIVE: March 20, Holiday Inn, Quincy.
- GROUP SIX: March 22, Peoria Hilton, Peoria.
- GROUP SEVEN: March 6, Ramada Inn, Champaign.
- GROUP EIGHT: March 21, Holiday Inn, Decatur.
- GROUP NINE: March 8, Augustine's Restaurant, Belleville.
- GROUP 10: March 7, Southern Illinois University, Carbondale.

■ **FIRST NATIONAL**, Pekin, has elected Mrs. Veva Martin and Dexter Allen assistant trust officers. Mrs. Martin joined the bank seven years ago and Mr. Allen in 1965.

■ **WALTER E. DANNEBERG** retired January 1 as chairman of National Bank of North Chicago. Mr. Danneberg entered banking as a national bank examiner in 1935. In 1938, he joined First National, Bartlesville, Okla., as vice president and trust officer and in 1947 came to National Bank of North Chicago as executive vice president. He was elected president in 1950 and chairman in 1972.

■ **ELGIN NATIONAL** recently announced the following promotions: Robert W. Mogler and William B. O'Rourke Jr., vice presidents; John Sar-to, operations officer; Erven B. Jurs, Charles Holinka and Robert Schoppe, commercial loan officers; Denis Nelligan, installment loan officer; and Weston Courier, customer service officer.

### Bill Filed to Name State Park For Henry D. Karandjeff

GRANITE CITY—A bill changing the name of Horseshoe Lake State Park here to Henry D. Karandjeff State Park has been prefiled in the Illinois General Assembly. Mr. Karandjeff, chairman of Granite City Trust and of American National, led a 40-year effort to get the lake area designated as a state park. The effort was successful in 1969.



GAFFIGAN

CHICAGO—Central National promoted Michael A. Gaffigan to first vice president. He is head of two commercial lending divisions—the credit department and corporate resources group. Mr. Gaffigan joined the bank in 1965 as second vice president, was advanced to vice president in 1967 and to senior vice president in 1968.

Promoted to vice presidents were: Laurel A. Haney and Fred C. Meyers, commercial banking; Don L. Smith, information services; Christopher W. Roberts and James P. Morrow, international banking; Howard P. Blechmann and Raymond G. Ruge, investment department; Wayne D. Smart Jr., law department; and Donald S. McClave, marketing.

Named second vice presidents were: James E. Hughes, commercial banking; John A. Nevell, international banking; Martin F. Quinn, personnel department; and Adorea S. Goodman, trust department.

New assistant cashiers are: Michael E. King, commercial banking; and Frank N. Paulo, marketing.

In other action, Central National appointed Dr. Earl M. Hughes to its agricultural advisory committee. He has been administrator of the Commodity Stabilization Service, U. S. Department of Agriculture, and executive vice president of the USDA's Commodity Credit Corp.

■ **ELECTED** senior vice presidents at Bank & Trust Co., Arlington Heights, were Donald A. Carrara, commercial lending department, and Robert W. Nelson, mortgage lending department. Randall C. Wolf was advanced to vice president and Marian E. Cornell and John W. Lighthall to assistant vice presidents.

■ **STREATOR NATIONAL** has elected: Richard Geschwind, vice president and agricultural representative; Louis Weber Jr., vice president, controller and trust officer; Robert Ryon and Gene Hoag, vice presidents; Robert Russow, assistant vice president; Jack Dzuris, Ethel Ehlbeck, Theresa Lukach, Jennifer Kacvinsky and Elaine McHugh, assistant cashiers; and Ruby Brehman, Jane Ketteman and Anna Mae Negray, administrative assistants.

# National Boulevard Bank of Chicago and Subsidiary

## Consolidated Statement of Condition December 31, 1972.

Wrigley Building • 400-410 N. Michigan Avenue • 467-4100

### Resources

Cash and Due from Banks . . . . .	\$ 42,121,179
Securities:	
United States Treasury Securities . . . . .	79,353,784
State and Municipal Securities . . . . .	29,278,685
Other Securities . . . . .	12,770,615
Total Securities . . . . .	<u>121,403,084</u>
Loans:	
Commercial Loans . . . . .	91,492,770
Instalment Loans . . . . .	26,868,586
Real Estate Loans . . . . .	60,220,107
Total Loans . . . . .	<u>178,581,463</u>
Federal Funds Sold . . . . .	35,700,000
Bank Premises and Equipment . . . . .	1,674,693
Customers' Acceptance Liability . . . . .	5,679
Other Resources . . . . .	3,683,752
Total Resources . . . . .	<u>\$383,169,850</u>

### Liabilities

Demand Deposits . . . . .	\$155,905,953
Time and Savings Deposits . . . . .	175,714,899
Total Deposits . . . . .	<u>331,620,852</u>
Federal Funds Purchased and Other Borrowed Funds . . . . .	21,506,240
Acceptances Outstanding . . . . .	5,679
Other Liabilities . . . . .	3,571,634
Total Liabilities . . . . .	<u>356,704,405</u>

### Valuation Reserve

Reserve for Possible Loan Losses . . . . .	<u>3,145,039</u>
--	------------------

### Capital Accounts

8 1/4% Capital Notes (Subordinated) . . . . .	<u>7,500,000</u>
Shareholders' Equity:	
Capital Stock (175,000 shares par value \$20.00) . . . . .	3,500,000
Surplus . . . . .	8,500,000
Undivided Profits . . . . .	3,820,406
Total Shareholders' Equity . . . . .	<u>15,820,406</u>
Total Capital Accounts . . . . .	<u>23,320,406</u>
Total Liabilities, Valuation Reserves and Capital Accounts . . . . .	<u>\$383,169,850</u>

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### Board of Directors

MYRON F. RATCLIFFE  
President, Miami Corporation  
Chairman

WILLIAM O. BEERS  
Chairman and President  
Krafco Corporation

ROBERT H. BURNSIDE  
Group Vice President and Director—  
Retired, International Harvester Company

VICTOR M. CAIN  
Director, Snap-on Tools Corporation

JAMES E. FLETCHER  
President,  
Field Enterprises Educational Corp.

HENRY K. GARDNER  
President

JOHN E. GUTH, JR.  
Regional Vice President  
International Business Machines  
Corporation

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Kroch's & Brentano's, Inc.

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President  
W. W. McCallum & Assoc.

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O'Keefe, Ashenden, O'Brien,  
Hanson, Lyons and Associates

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President  
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THOMAS H. PEARCE  
Chairman  
National-Standard Company

CHARLES E. SCHROEDER  
Treasurer, Miami Corporation

IRVING SEAMAN, JR.  
Chairman Executive Committee  
Chief Executive Officer

WILLIAM L. SEARLE  
Chairman, G. D. Searle & Co.

JOHN W. SHELDON  
President, Chas A. Stevens & Co.

O. EVERETT SWAIN  
President, Kraft Foods

HENRY G. VAN DER EB  
President, Chief Executive Officer  
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J. W. VAN GORKOM  
President  
Trans Union Corporation

MAX E. WILDMAN  
Wildman, Harrold, Allen and Dixon

WILLIAM WRIGLEY  
President  
Wm. Wrigley Jr. Company

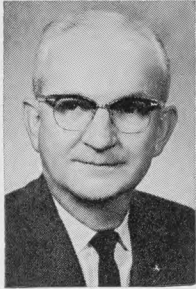
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# Indiana News

## L. J. Arnold, Danville Banker, Dies at 68; Former IBA Head

DANVILLE—L. J. Arnold, 68, president, Indiana Bankers Association, 1968-69, has died. He was chairman, First National.



ARNOLD

Mr. Arnold entered banking 48 years ago, starting as a bookkeeper at First-Citizens Bank, Greencastle. After working there 32 years, he joined First of Danville in 1956 as executive vice president and became president in 1959. He actually retired from the bank in 1970, but was made chairman and head of the building committee for construction of a new main office building, which was completed and dedicated last summer.

He actually retired from the bank in 1970, but was made chairman and head of the building committee for construction of a new main office building, which was completed and dedicated last summer.

## Merchants Nat'l Promotes 5

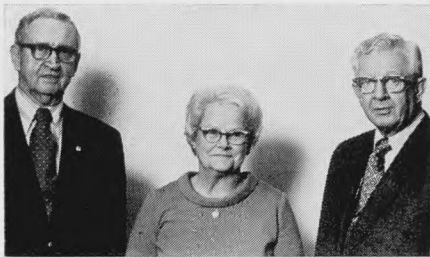
INDIANAPOLIS—Merchants National has promoted James D. Madigan to assistant vice president, James F. Biddle and Thomas P. Ewbank to trust officers and Michael C. Briley to investment officer.

Fred N. Brenner was named an assistant vice president.

Mr. Madigan was formerly an assistant cashier; Messrs. Biddle, Ewbank and Briley were formerly assistant trust officers.

■ PROMOTED from assistant cashiers to assistant vice presidents at Lincoln National, Fort Wayne, were: G. Richard Gatton, manager, Hessen Cassel Office; David L. Gray, manager, Times Corner Office; and James H. Wildermuth, manager, Georgetown Square Office.

## Evansville Retirees



Three members of Old National of Evansville's staff retired at year-end. Clarence L. Goebel (r.), was v.p.; Clarence S. Kocher (l.) was a.v.p., and Miss Helen Burdette (c.) was bookkeeping clerk. They were honored at a reception in the bank's board room December 27. Mr. Goebel joined Old National in 1924, Mr. Kocher in 1927 and Miss Burdette 18 years ago.

106

## Regional Officers Named By Ind. Bankers Assn.

Newly elected regional officers have been announced by the Indiana Bankers Association. The officers, elected at the fall regional meetings, will assume their new duties following the IBA 1973 convention to be held in June at French Lick.

New officers are:

**REGION ONE:** president, Richard A. Life, president, Wabash Valley Bank, Peru; vice president, Earl M. Caston, executive vice president, First State, Decatur; secretary-treasurer, Fred T. Stephens, senior vice president, First National, Warsaw; nominating committee member, M. James Johnston, assistant vice president, Fort Wayne National; and alternate nominating committee member, Richard A. Life.

**REGION TWO:** president, J. Paul Douglass, senior vice president, National Bank, South Bend; vice president, James L. Dandurand, president, Bank of Indiana, Gary; secretary-treasurer, Albert M. Price, president, First National, Rochester; nominating committee member, John A. Garretson, executive vice president, First-Merchants National, Michigan City; and alternate nominating committee member, William H. Replogle, president, LaPorte Bank.

**REGION THREE:** president, R. Reed Adelsperger, vice president and cashier, First National, Richmond; vice president, Robert A. Morrow, chairman and president, Union Bank, Kokomo; secretary-treasurer, H. James Barnett, president, Citizens Banking Co., Lynn; nominating committee member, James R. Davis, senior vice president, First National, Marion; and alternate nominating committee member, R. Reed Adelsperger.

**REGION FOUR:** president, William C. Farrell Jr., president, Elston Bank, Crawfordsville; vice president, Harold C. Davies, vice president and senior trust officer, Purdue National, Lafayette; secretary-treasurer, Carl R. Johnson, cashier, Cass County State, Walton; nominating committee member, Max G. Ruback, vice president and cashier, State & Savings Bank, Monticello; and alternate nominating committee member, William C. Farrell Jr.

**REGION FIVE:** president, Marsh A. Pouder, vice president and cashier, Union County National, Liberty; vice president, Dale Siekman, president, Rising Sun State; secretary-treasurer, John A. Nash, executive vice president, Irwin Union, Columbus; nominating committee member, Don C. Stimson, president, Peoples National, Lawrenceburg; alternate nominating committee member, Marsh A. Pouder.

**REGION SIX:** president, Elmer L. Smiley, president, First National, Cloverdale; vice president, Stanley Barkley, president, Bloomfield State; secretary-treasurer, Clifford E. Thompson, cashier, Citizens State, Newport; nominating committee member, Richard E. Conrad, vice president and cashier, Terre Haute First National; and alternate nominating committee member, Elmer L. Smiley.

**REGION SEVEN:** president, Forrest Byrne, vice president, Union National, New Albany; vice president, Robert E. Bartlett, vice president, Bedford National; secretary-treasurer, Kenneth W. Miles, president, Corydon State; nominating committee member, Randall Doan, vice president, Orange County Bank, Paoli; and alternate nominating committee member, Forrest Byrne.

**REGION EIGHT:** president, Charles W. Pemberton, president, Lynnville National; vice president, Harrell Haynes, senior vice president, Dale State; secretary-treasurer, Richard F. Schroeder, vice president and cashier, First National, Oakland City; nominating committee member, Paul C. Fletchall, senior vice president, Farmers Bank, Wadesville; and alternate nominating committee member, Charles W. Pemberton.

**REGION NINE:** president, Rex Stoops, president, Hamilton County Bank, Cicero; vice president, Donald W. Tanselle, executive vice president and cashier, Merchants National, Indianapolis; secretary-treasurer, Donald C. Neal, executive vice president and cashier, First National, Martinsville; nominating committee member, Ronald G. Seals, president, Edinburg State; and alternate nominating committee member, Ralph E. Waltz, president, American National, Noblesville.

## Binhammer Receives 50-Year Pin

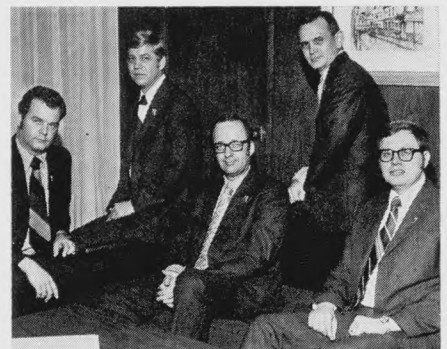


Northwest Bank, Whiting, recently hosted a surprise dinner to honor Carl Binhammer, vice ch., on his 50th year in banking. Above, Harold A. Yates (r.), pres., presents Mr. Binhammer his membership pin of the Indiana Bankers Association 50-Year Club. Mrs. Binhammer is at left.

■ TIM W. SMITHA has joined Bank of Versailles as executive vice president. He was formerly vice president, First National, Winslow.

■ TOM G. VOSS, president, Seymour National, has been appointed to a three-year term as a member of the Louisville Branch board of the Federal Reserve Bank of St. Louis.

## Promoted in Evansville



National City Bank, Evansville, has promoted four officers and elected a new officer. Those with new titles are pictured (l. to r.): Gerald B. Kirby, a.c., Taylor-Vann Branch; James L. Hobby, v.p., data processing; Daniel Ernsperger, a.v.p.-real estate loans; Levon F. Dempsey, v.p., operating department; and James G. Riggs, a.v.p., data processing.

MID-CONTINENT BANKER for February, 1973

# Merchants Bank of Indianapolis

## Statement of Condition

December 31

1972 1971

### ASSETS

Cash and Due From Banks	\$108,808,467	\$102,033,366
Investment Securities:		
U. S. Treasury	31,017,235	32,211,476
Federal Agencies	12,165,211	13,119,207
State and Municipal	67,769,750	65,834,643
Other Investments	6,564,289	966,750
Short-Term Investments:		
Federal Funds Sold and Securities Purchased		
Under Agreements to Resell	69,812,500	59,028,000
Trading Account Securities	12,169,116	10,208,046
Other Investments	56,015,602	59,858,336
Loans	410,272,704	290,633,110
Bank Premises and Equipment	11,582,551	11,396,937
Accrued Interest Receivable	4,958,341	3,636,248
Other Assets	3,434,697	2,921,962
Total Assets	<u>\$794,570,463</u>	<u>\$651,848,081</u>

### LIABILITIES AND CAPITAL ACCOUNTS

Deposits:		
Demand Deposits	\$291,348,819	\$262,794,981
Savings and Time Deposits	307,984,211	237,618,707
Total Deposits	<u>599,333,030</u>	<u>500,413,688</u>
Borrowed Funds:		
Federal Funds Purchased and Securities Sold		
Under Agreements to Repurchase	101,665,478	83,872,000
Other Borrowings	14,986,719	
Total Deposits	<u>599,333,030</u>	<u>500,413,688</u>
Unearned Interest	13,475,400	6,567,829
Other Liabilities	4,415,440	4,092,883
Total Liabilities	<u>733,876,067</u>	<u>594,946,400</u>
Reserve for Possible Loan Losses	4,867,458	5,107,384
Capital Accounts:		
Common Stock, \$10 Par Value; Authorized—1,350,000		
Shares; Issued and Outstanding 1972—1,066,054 Shares:		
1971—1,046,054 Shares	10,660,540	10,460,540
Capital Surplus	20,136,625	20,096,625
Undivided Profits	25,029,773	21,237,132
Total Capital Accounts	<u>55,826,938</u>	<u>51,794,297</u>
Total Liabilities and Capital Accounts	<u>\$794,570,463</u>	<u>\$651,848,081</u>

## Board of Directors

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FREDERIC D. ANDERSON  
Barnes, Hickam, Pantzer & Boyd

CARROLL H. BLANCHARD  
Chairman, Public Service Indiana

W. A. BRENNAN, JR.  
President, W. A. Brennan, Inc.

DAVID L. CHAMBERS, JR.  
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The Highland Investment Corporation

WILLIAM L. ELDER  
President, Southern Indiana Railway, Inc.

RICHARD M. FAIRBANKS  
President, Fairbanks Broadcasting Co., Inc.

OTTO N. FRENZEL  
Chairman—Executive Committee

OTTO N. FRENZEL III  
Chairman of the Board

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President, Denison Parking, Inc.

F. M. HADLEY  
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Eli Lilly and Company

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Chairman of the Board  
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The Hillenbrand Industries

JOHN H. HOLLIDAY  
Holliday Farms

HARRY T. ICE  
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President Ayr-Way Stores

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Capitol Brands Corporation

THOMAS W. MOSES  
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Indianapolis Water Company

JOHN D. PHELAN  
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WILLARD B. RANSOM  
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EUGENE F. RATLIFF  
Vice President-Finance  
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Stark, Wetzel & Co., Inc.

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Vice President-General Manager,  
Canned Foods Div.  
Stokely-Van Camp, Inc.

R. E. SWEENEY, JR.  
Chairman of the Board (Retired)  
Merchants National Bank & Trust  
Company of Indianapolis

DONALD W. TANSELLE  
President

## Merchants National Bank and Trust Company of Indianapolis

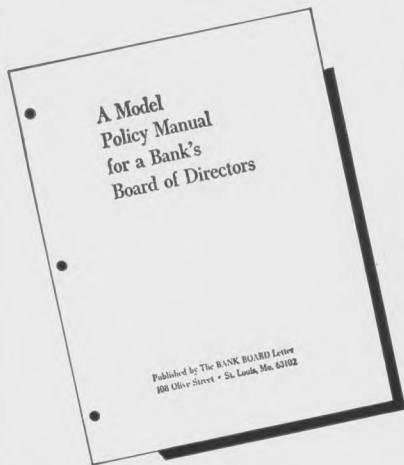
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## A Model Policy for a Bank's Board of Directors

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2. Duties and responsibilities of managing officers and various standing committees.
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4. Policies to be adopted by the board.
5. Operation and policies for the loan and discount committee.
6. Loan, investment and collection policies.
7. Outline of a suggested investment policy.

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## Kentucky News

### Hayes Succeeds Phelps as Head Of Correspondent Department At Liberty Nat'l, Louisville

LOUISVILLE—Phillip R. Hayes, vice president of Liberty National, has been named officer in charge of the correspondent bank department. He thus assumed the duties of J. W. (Billy Joe) Phelps, executive vice president, who will devote more of his time to administrative duties.

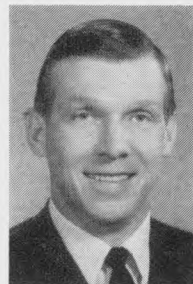


HAYES



SHIPMAN

In other action, Liberty National named Jack H. Shipman senior vice president in charge of the Master Charge department, Vice President Wesley Schissler manager of the mortgage loan department and Robert G. Scherer vice president and senior trust officer.



SCHISLER



SCHERER

Mr. Hayes joined Liberty as a management trainee in 1965, with duties initially in mortgage loans. In 1969, he was promoted to assistant vice president in the correspondent bank department and became vice president in 1970.

■ FRANK RAMSEY JR. has been elected president of the Dixon Bank, succeeding the late C. L. Ramsey. Frank Ramsey was vice president. Elmon Whitledge has advanced from vice president to executive vice president and cashier. Mrs. Opal Herrington, assistant vice president, has retired from the bank.

### Peoples Bank, Nortonville Bank Announce Completion of Merger

Peoples Bank, Madisonville, has completed its merger with Nortonville Bank. Total assets of the merged bank are about \$26 million and capital and reserves are about \$2 million.

Coyle Putman, former cashier of Nortonville Bank, has been elected assistant vice president of Peoples Bank and will manage the Nortonville Office. Also promoted were Mrs. Katherine Wagner and John Medlock, to assistant cashiers.

■ EARL V. DAVIS was elected chairman of Citizens National, Russellville, in addition to his title of president and chief executive officer. He succeeds as chairman H. O. Price, who has retired after 50 years with the bank. Earl M. Salb, who is associated with a desk and cabinet company, was elected a director of the bank.

■ J. B. HOLCOMB, former chairman, Bank of Marrowbone, has been named president to succeed Ben Hardin, former president and cashier. Mr. Hardin has resigned from the bank to join Sarasota (Fla.) Bank as assistant vice president. Mrs. Alcie K. Pace, former director, was elected chairman.

■ CENTRAL BANK, Owensboro, has announced several title changes including that of Walter H. Smith, from senior vice president and trust officer to senior vice president, trusts and investments. R. T. Allen was advanced from assistant vice president to vice president, while Mrs. Joan Lowe was named assistant cashier and Mrs. Shirley J. Thompson was elected branch manager.

■ PEOPLES BANK, Owenton, promoted Frank E. Clark from cashier to vice president and cashier and named Mrs. Jean Thornton and Mrs. Ann K. Bush assistant cashiers.

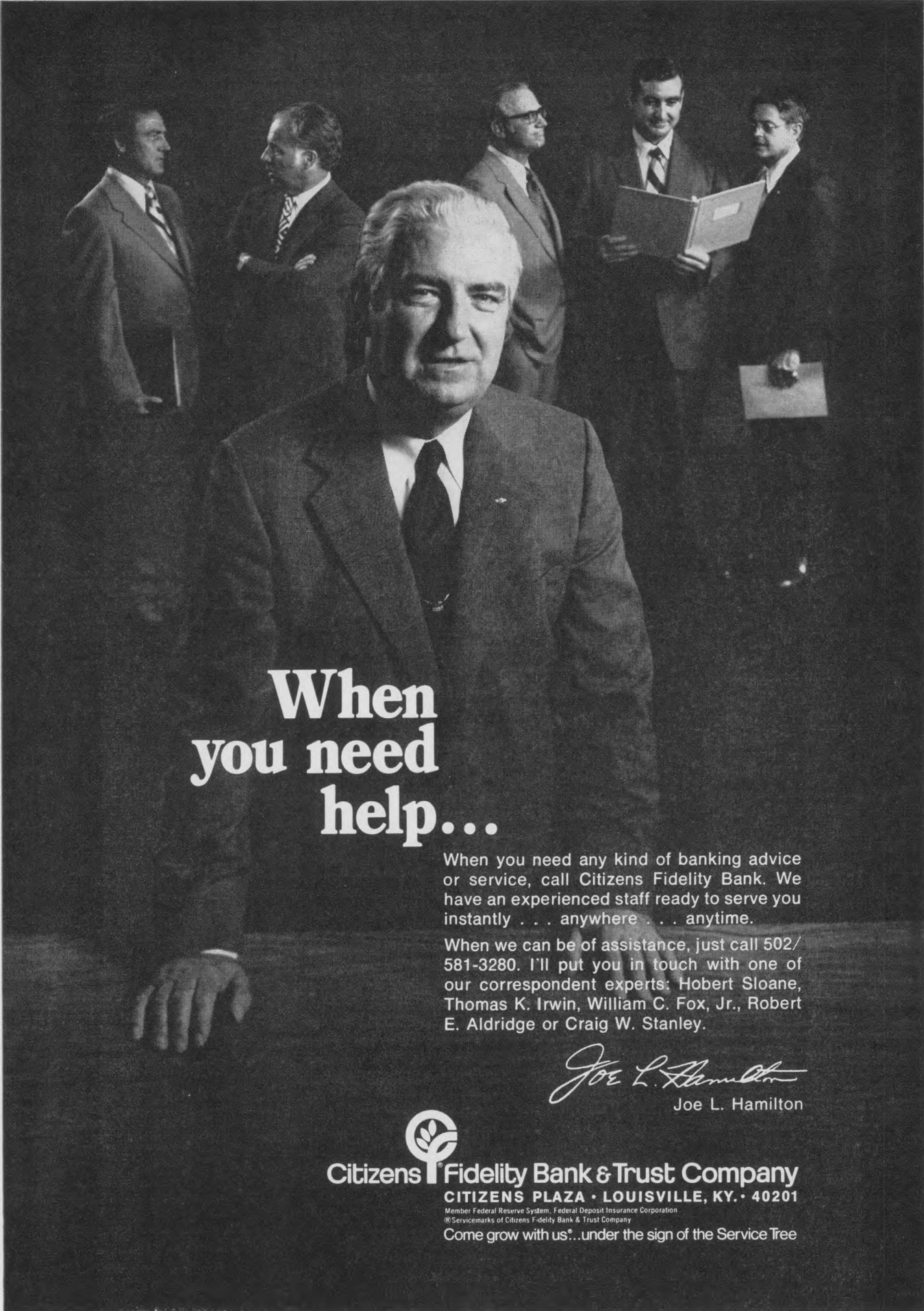
■ JOSEPH MEDALIE was elected a director of Citizens National, Bowling Green. He is an executive of Union Underwear Co.

■ SHAREHOLDERS of Citizens National, Bowling Green, will meet February 6 to vote on a proposed 100% stock dividend. The bank also announced record net earnings of \$12.36 a share for 1972.

### Kentucky Deaths

W. B. WORICK, honorary chairman, Bourbon Agricultural Bank, Paris.

FRANK ROUNTT, 73, chairman, Anderson National, Lawrenceburg. He had been with the bank 53 years.



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# Tennessee News

## American Nat'l, Chattanooga, Names Three Exec. VPs

CHATTANOOGA—Recently elected executive vice presidents at American National are: Jack R. Crigger, correspondent banking division; B. L. King, retail division; and Gerry U. Stephens, commercial division.

Mr. Crigger joined the bank in 1951 and has served in the credit department, commercial loan division and most recently as senior vice president in the correspondent division.



CRIGGER



STEPHENS



KING

Mr. King joined the bank in 1954, was named a vice president in 1964 and senior vice president in 1970. In 1971, he was chosen to head the newly

reorganized retail division.

With the bank since 1953, Mr. Stephens was named vice president and senior loan officer in 1969. He became senior vice president in the commercial division in 1971.

In other action, E. C. Barnes and W. D. Jarvis, vice presidents, were elected regional branch administrators. Mr. Barnes has been with the bank since 1948 and became manager of the Red Bank Branch last June. Mr. Jarvis joined the bank in 1961 and was named vice president and manager of the St. Elmo Office in 1971.

## Elections, Retirements Announced By National Bank of Commerce

JACKSON—National Bank of Commerce promoted Billy E. Williams from assistant vice president and branch manager to vice president and branch manager. Mr. Williams joined the bank in 1948 and was elected assistant cashier in 1960. He was named assistant vice president and manager of the Jackson Plaza Branch in 1967.

Newly elected officers are: Jerry Collins, installment loan officer in charge of dealer paper; and David Graves, Clark Melton and Mike Rowland, branch officers.

In other action, the bank announced the retirements of Miss Mamie Parkinson as assistant vice president and William R. Hudson as assistant cashier and the election of Charles E. Dunham as a director. Mr. Dunham is plant manager for the Quaker Oats Co.

## Scholarship Winners Visit Hamilton Nat'l Officers



J. E. Whitaker (foreground), honorary ch., Hamilton National, Chattanooga, and John Vorder Bruegge (extreme r.), pres., meet with students who attend the University of Tennessee at Chattanooga on scholarships sponsored by the bank. Mr. Whitaker initiated the scholarship program in 1969. Five freshmen have been added each year to make it a continuing program sponsoring 20 students each year.

## First National of Jackson Lists New Promotions

JACKSON—First National has announced several promotions including those of Raymond Mott, from comptroller to vice president and secretary of the board, and Ted Moore, from assistant comptroller to cashier.

Promoted to assistant vice presidents were: Floyd Watkins Jr.; Benny Fesmire; Gerald Longmire; Marguerite L. Holder; Nathan Buckley, manager of the Southside Branch; and Charles W. Maddox, assistant manager of the Midtown Branch.

Elected assistant cashiers were Irwin Vann, Patti Long, Mamie Petty and Jerry Flanagan.



Recently promoted at First National, Jackson, were (front row, from l.): Charles Maddox, Patti Long, Mamie Petty, Marguerite L. Holder; (back row, from l.): Gerald Longmire, Floyd Watkins Jr., Jerry Flanagan, Nathan Buckley, Benny Fesmire, Ted Moore, Raymond Mott and Irwin Vann.

## Memphis Fed Promotion

MEMPHIS—C. L. Epperson Jr. has been named assistant vice president of the Memphis Branch of the Federal Reserve Bank of St. Louis and has responsibilities for several operating departments. He joined the Fed in 1965.

■ AMERICAN NATIONAL, Chattanooga, has named James O. Brown and William J. Navel assistant trust operations officers and Herbert L. Cartwright III assistant tax officer. Mr. Brown and Mr. Cartwright joined the bank in 1969 and Mr. Navel in 1967.

■ FEDERAL RESERVE BANK of Atlanta elected Robert E. Curry, president, First National, Pulaski, and W. Bryan Woodard, president, Kingsport National, to serve on the Fed's Nashville Branch board. Mr. Woodard fills a two-year unexpired term.

## Study Conference Set

The Tennessee Bankers Association will hold its annual study conference at Vanderbilt University, Nashville, August 5-10.



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## Akridge Retires as Senior VP Of First National, Mobile

MOBILE—William E. Akridge Jr. has retired as senior vice president of First National after 49½ years with the bank. He is well-known in Mobile and around the country for his work in the new business and national accounts areas of banking.

Mr. Akridge joined the bank in 1923, was promoted to assistant cashier in 1940, assistant vice president in 1947, vice president in 1949 and senior vice president in 1968.

## Top-Management Changes Made at American Nat'l; Frazer Becomes CEO

MOBILE—American National has announced top-management changes and the election of two new directors, Dr. Albert C. Haas and Marshall J. DeMouy.

E. A. Hirs, formerly chairman, has been named honorary chairman of the board and chairman of the executive committee; A. Danner Frazer has moved up from president to chairman of the board and chief executive officer; C. M. A. Rogers III, who was executive vice president, has become president; Bernard A. Fogarty Sr., formerly senior vice president, now is executive vice president; and E. N. Cannon has advanced from senior vice president to first vice president.

In addition, the bank made the following promotions: to senior vice presidents, William C. Doty, H. H. Gallo-way, James M. Hirs and J. Edwin Rehm; to vice president and controller, Charles E. Luchte; to vice president, J. G. Hawkins; to assistant vice presidents, A. Mitchell Cobb Jr., J. B. Horst, Frederick H. Jones, W. Charles Prater and B. A. Wood III; to assistant cashiers, John P. Fitzhugh, Percy C. Fountain Jr. and William R. Seifert; and to auditor, W. C. Lowery.



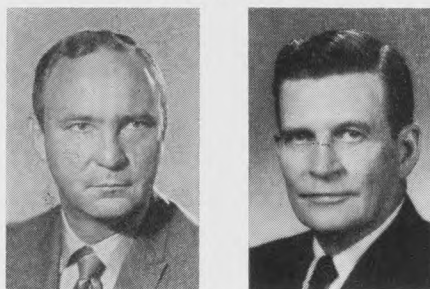
GRAY THOMAS LOVELESS deFUNIAK

## New Vice Presidents Named At First Nat'l, Birmingham

BIRMINGHAM—First National has promoted I. Claude Loveless from vice president to vice president and cashier. He has been with the bank since 1927.

Advanced from assistant vice presidents to vice presidents were Charlie T. Gray, correspondent banking division; Albert F. deFuniak III, national accounts division; and Kelly C. Thomas Jr., manager, Trussville Branch.

## Guy H. Caffey Appointed CEO Of Birmingham Trust and HC



CAFFEY

COTHRAN

BIRMINGHAM—Guy H. Caffey Jr. has been named chief executive officer of Birmingham Trust National and Alabama Financial Group, Inc. He replaces W. T. Cothran, who has stepped down as CEO but will remain chairman of both the bank and holding company.

Mr. Caffey joined Birmingham Trust in 1951, was elected senior vice president in 1966 and president in 1969. He became president of the holding company in 1970 and vice chairman in 1972.

BIRMINGHAM—Central & State National Corp. of Alabama reported 1972 income before security gains or losses totaled \$7.1 million, up 32% or \$1.7 million over comparable 1971 figures. Net income was \$7.2 million, or \$1.23 a share, after giving effect to the two-for-one stock split in the form of a 100% stock dividend approved by the board January 5.

■ **FIRST NATIONAL**, Birmingham, has elected five new assistant vice presidents: Sarah M. Prestridge, bank wire division; Kenneth W. Ray and Alene M. Deal, John A. Hand Branch; J. Maurice Yarbrough, accounting; and Ronald G. Hollis, manager, Leeds Branch. Michael Underwood, assistant vice president of the bank, was elected to the same post at Alabama Bancorp., First National's HC.

■ **JAMES LOGAN KENNEY**, senior vice president, Henderson National, Huntsville, retired at year-end after 45 years with the bank. He started as bookkeeper and teller in 1927 and was in charge of the general books until 1952 when he was made cashier and placed in charge of operations. In 1965, he was made vice president and cashier and organized the installment loan department. He was promoted to senior vice president—commercial loans in 1969.

■ **FIRST NATIONAL**, Tuscaloosa, promoted three officers and elected four new ones. Advanced were Fenner W. Smith to assistant vice president and data processing officer; and Billy R. Gause to assistant vice president and investment officer. The four new officers are Gerald J. House, James W. Eddings and Charlie D. Wade, all assistant cashiers; and Mrs. Margaret Brown, assistant marketing officer and director, women's division.

■ **ERNEST F. LADD JR.**, chairman, Merchants National, Mobile, was appointed to the New Orleans Branch board of the Atlanta Fed.



E. HIRS

ROGERS

FRAZER

FOGARTY

CANNON

DOTY

J. HIRS

REHM

GALLOWAY

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# Mississippi News

## Henry Allen Heads Bond Dept. At Mississippi Bank, Jackson

JACKSON—Henry C. Allen has been appointed to head the bond and investment department of Mississippi Bank. Prior to joining the bank he was co-owner of Allen & Co., a bond firm with offices in Jackson and Hazlehurst. Mr. Allen had been with that firm for 30 years.



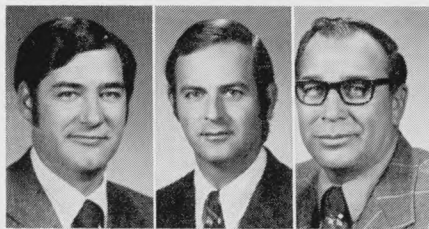
ALLEN

Mr. Allen and his brother, Max T. Allen Sr., organized the bank in 1951. It was then known as Hinds Bank and the Main Office was in Terry, with a branch in Jackson.

Mr. Allen is an advisory director of the bank.

■ BANK OF AMORY recently opened a new branch in Hatley that features two inside teller windows, a drive-in window and night depository. Mrs. Mary Nell Crook is branch manager.

## Promoted in Jackson



BARRON

LEWIS

TURBEVILLE

First National, Jackson, has elected G. Leighton Lewis, Dennon Barron and Luther B. Turbeville vice presidents. Mr. Lewis, who is in the correspondent banking department, joined the bank in 1964. Mr. Barron, manager, Highland Village Office, has been at First National also since 1964. Mr. Turbeville, head of the real estate department, has been with the bank since 1970.

■ FIRST NATIONAL, Meridian, elected Jack Bouchillon, general manager of the Meridan *Star*, to its board of directors. He replaces Alex W. Hulett, a director since 1953, who was named director emeritus.

## First Nat'l Year-End Deposits Reach Record \$491 Million

JACKSON—First Capital Corp. and its subsidiaries, including First National Bank, reported that net operating earnings before security transactions for 1972 were \$6.2 million, or \$3.95 per share, compared to \$5.6 million, or \$3.48 per share, for 1971. Earnings after security transactions for 1972 were \$6.2 million, or \$3.96 per share, compared with \$5.6 million, or \$3.51 per share, in 1971.

First National's year-end deposits for 1972 reached a record high of \$491 million, compared to \$406 million the previous year-end. Loans at year-end were \$318 million, compared to \$268 million in 1971.

■ CITIZENS BANK, Philadelphia, held an open house to celebrate the opening of its West Side drive-in branch. Drawings were held to give away five U.S. savings bonds.

■ COAHOMA NATIONAL, Clarksdale, has announced the promotions of G. Roy Andrews from vice president and cashier to senior vice president and cashier; Billy R. Littrell from assistant cashier to assistant vice president and manager, data processing; and Norman Glenn Stone to assistant cashier. Mr. Andrews joined the bank in 1963 in the computer and data processing section. Mr. Littrell went to Coahoma National in 1968 as programmer and manager, data processing. Mr. Stone has been with the bank since 1970 as an operator in data processing.

## D.A.R.T.'s Message

(Continued from page 41)

on which action would be taken.

The DART-O-GRAMS and DART-LINE calls received to date have been placed into 10 major categories. Of those responding to the D.A.R.T. program during a 12 week period (July-November, 1972), 77.8% desired action of some type regarding accounts, wanted to make suggestions or compliment the bank, while 22.2% had complaints of some type. Of the total responses, 53.76% were DARTLINE calls and 46.24% were DART-O-GRAMS.

Major category classifications:

**Checks**—includes comments by the public on check styling, deposit tickets, check companies, new service suggestions and questions about checks.

**BankAmericard**—includes comments by the public as to where one can use BankAmericard, the interest rate and wanting to apply for a BankAmericard.

**Savings**—includes comments by the public as to Deposit Guaranty's different savings plans, suggestions and miscellaneous savings questions.

**Loans**—includes such comments regarding the procedure for making a loan, questions about check credit, miscellaneous loan requests, suggestions and complaints.

**Branches**—includes a breakdown by office as to comments made and lists general suggestions and complaints.

**Account service**—includes questions, complaints, suggestions, compliments and requests concerning the account service and proof departments.

**Personnel**—includes comments on employees and job applications.

**Trust**—includes inquiries as to various trust services and holding company stock.

**Cranks**—includes comments received in jest.

**Miscellaneous**—includes questions, compliments and suggestions that would not apply to the above categories.

From July to November, 1972, Deposit Guaranty had received a total of 545 D.A.R.T. calls and DART-O-GRAMS, averaging 45 contacts per week.

Because of customer acceptance, D.A.R.T. is a continuing service of Deposit Guaranty. One indication of D.A.R.T.'s acceptance in the marketplace is garnered from recent market research efforts that reveal that of all Deposit Guaranty service advertising, public ad recall places D.A.R.T. above everything except remembrance of the bank's corporate slogan, "Grow With Us." • •

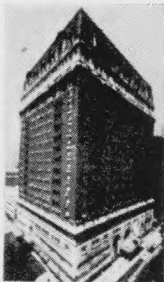
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# National American Bank of New Orleans

## Statement of Condition as of December 31, 1972

### Resources

Cash and Due from Banks.....	\$ 82,927,092.03
United States Government Securities.....	54,476,757.88
State and Municipal Obligations.....	29,142,677.35
Other Securities.....	4,257,456.68
Bank Buildings and Equipment.....	6,023,664.05
Loans and Discounts.....	107,931,367.57
Federal Funds Sold.....	600,000.00
Equity: American St. Charles Co., Inc.....	6,092,000.00
Customers' Liability Account Acceptances.....	85,669.45
Other Assets.....	3,635,494.23
<b>Total.....</b>	<b>\$295,172,179.24</b>

### Liabilities

Common Capital Stock.....	\$ 3,000,000.00	
Preferred Capital Stock.....	2,550,000.00	
Surplus.....	10,500,000.00	
Undivided Profits.....	2,701,337.91	18,751,337.91
Reserve for Taxes, Interest, etc.....	5,388,868.74	
Federal Funds Purchased.....	15,200,000.00	
Dividends Payable.....	420,918.75	
Liabilities Account Acceptances.....	85,669.45	
Deposits.....	255,325,384.39	
<b>Total.....</b>	<b>\$295,172,179.24</b>	

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ARNOLD T. McCORMICK, Banking Officer & Assistant Manager

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MARTIN E. ZELLER, Banking Officer & Assistant Manager

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FRANK C. GLASER, Assistant Cashier & Assistant Manager

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MRS. B. BERNARD, Banking Officer & Assistant Manager  
WILLIAM J. MARES, Banking Officer & Assistant Manager

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ROBERT A. TOMLIN, Banking Officer & Assistant Manager

#### PARKCHESTER

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A. ALLEN MARTIN, Assistant Vice President & Manager  
MRS. INEZ NAVARRE, Banking Officer & Assistant Manager

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ROBERT M. BEGNET, Banking Officer & Assistant Manager

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Assistant Cashier

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CARROLL R. GRIFFITH  
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Assistant Cashier

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Assistant Vice President

GERALD G. YOUNG  
Assistant Vice President

PHILIP L. BATSON  
Trust Officer

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Auditor

LUCAS H. BACINO  
Assistant Auditor

ROBERT E. AHRENS  
Assistant Cashier

RUDOLF H. BRUNKEN  
Assistant Cashier

JULES J. PATIN  
Assistant Cashier

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ELWOOD H. KEIM  
Assistant Cashier

JULES POUMAROUX  
Assistant Cashier

W. R. WILSON  
Assistant Cashier

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Manager

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# Louisiana News

## Gunter Elected Assistant VP By Guaranty Bank, Gretna



GUNTER

GRETNA—Lucien J. Gunter has been promoted to assistant vice president in the business development department of Guaranty Bank. He came to the bank last March to organize and head the department.

Before joining the bank, Mr. Gunter served four years as director of area councils for the Chamber of Commerce of the New Orleans Area. He also has been associated with American Sugar Co. and with a life insurance company.

## Rapides Bank of Alexandria Lists Year-End Promotions

ALEXANDRIA—Rapides Bank promoted Walter L. Coates and John B. Slater Jr. from assistant vice presidents to vice presidents. Mr. Coates joined the bank in 1962 and was named manager of the automobile loan department in 1966. Mr. Slater came to the bank in 1965 as a mortgage loan supervisor.

Advanced from assistant cashiers to assistant vice presidents were Edward L. Crump Jr., Otha O. Hailey, J. Leo Hopson, Victor M. Mahfouz Jr. and Felix J. Mathews.

Appointed assistant cashiers were Hymie F. Bradford, John E. Cazes, Ruby M. Coates, H. Glenn Feazell, Jerry L. Gaskey, George P. Kleinpeter, Nelson M. Laborde and Herbert E. McCann. Jerry W. Reynolds was elected an assistant trust officer.

## Hibernia Nat'l Opens New Office



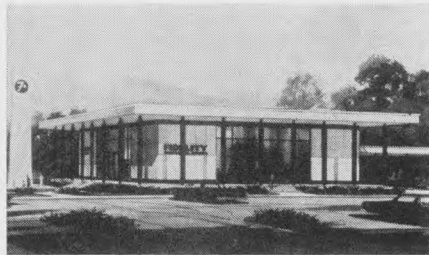
F. George Ramel (r.), pres., Hibernia National, New Orleans, and William Benard, v.p., attend the official opening of the bank's new One Shell Square Office. Mr. Benard is mgr. of the facility that includes the consumer credit division.

## New Year's Party Theme Featured At Opening of Bank Branch

BATON ROUGE—Because Fidelity National opened its eighth branch around the beginning of a new year January 4, the open house featured a new year's party theme. Refreshments, music and favors were distributed to the 5,000 persons who visited the new Woodale Branch. Visitors also had a chance to register for more than \$2,000 in prizes, including an all-expense-paid trip to Mexico City. The prize-registration period lasted for a week following the opening.

Located in northeast Baton Rouge, the white limestone and slate building features a wide use of wood on the interior in a soft, rich finish. Carpeting is extended up to counter fronts to produce a dramatic effect. Surrounding the structure are landscaped parking areas, highlighted by a fountain and a 35-foot pylon bearing Fidelity's symbol. Special light-filtering glass walls permit a view of the fountain and landscaped areas while eliminating glare.

Manager of the branch is Bruce E. Austin, vice president.



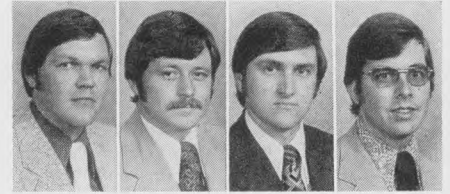
This is artist's sketch of Fidelity of Baton Rouge's new Woodale Branch.

■ ST. LANDRY BANK, Opelousas, promoted Ralph Bernard from assistant vice president to vice president and named Charles A. Richard Jr. an assistant cashier. Elected a director of the bank was Robert Voitier, president of a beverage company.

■ FIRST NATIONAL BANK OF COMMERCE, New Orleans, has advanced one officer and appointed four new ones. Michael A. Flick, former banking officer who joined the bank in 1970, was made an assistant vice president. The new officers are: William A. Arnold Jr., data services officer; and Felix L. Banton Jr., David E. Browning and Garey M. Trahan, banking officers. Messrs. Arnold, Banton and Trahan joined the bank in 1971. Mr. Browning became a staff member in 1972.



WOMACK IVY TUBBS BEAUVAIS



LYNN COLE MOORE YOUNG

## Eight Receive Promotions At Bossier Bank & Trust

BOSSIER CITY—Bossier Bank has promoted Ernest L. Beauvais from marketing assistant to correspondent bank officer. He joined the bank in 1970, worked in the credit card department and was named marketing representative in 1971.

Named assistant vice presidents were Wayne W. Ivy, Billy F. Tubbs and James R. Womack. Mr. Ivy and Mr. Womack had been commercial loan officers and Mr. Tubbs was assistant cashier.

Other promotions included Phillip Moore, assistant trust officer; Thomas L. Young Jr. and Murry C. Lynn, commercial loan officers; and Raymond G. Cole, manager of the marketing department.

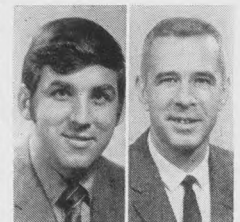
## New Appointments Announced By Guaranty Bank, Alexandria

ALEXANDRIA—Guaranty Bank named Raymond E. Cecil Jr. vice president and auditor

and A. Wade Coody Jr. vice president and comptroller. Mr. Cecil joined the bank in 1962.

Mr. Coody came to the bank last March after serving as senior accountant with Peat, Marwick & Mitchell, Houston.

Mrs. Hazel M. Rau, head of the savings department, and Steven R. Shine, marketing department, were elected assistant vice presidents. Other new appointments included: Alan Andries, assistant trust officer; C. K. Hays, loan officer; and Mrs. Doris R. Crews and Mrs. Annie I. Portwood, administrative assistants.



COODY CECIL

# Another period of record growth for BNO... signaling the upswing in New Orleans business and the progress of BNO depositors and borrowers

December 31 (millions of dollars)			
BNO	1972	1971	Growth
Total Resources	\$319.9	\$266.1	+20%
Deposits	266.7	229.2	+16%
Loans	174.3	124.5	+40%
Investments	84.8	71.4	+19%

## Comparative Statement of Condition

ASSETS	Dec. 31, 1972	Dec. 31, 1971
Cash and Due from Banks	\$ 47,080,787	\$ 49,462,280
U. S. Treasury Securities	25,659,624	28,186,952
Securities of Other U. S. Government Agencies	17,140,541	9,615,887
State and Municipal Bonds	41,677,871	33,329,314
Stock in Federal Reserve Bank	306,150	273,150
Investments in Subsidiaries Not Consolidated	106,352	—
Loans Outstanding	174,329,341	124,491,861
Federal Funds Sold and Securities Purchased		
Under Agreements to Resell	7,650,000	16,050,000
Furniture, Fixtures and Equipment	2,734,120	2,561,760
Interest Earned but Not Collected	2,384,234	1,779,104
Customers' Liability on Acceptances	385,851	81,790
Other Assets	422,973	247,508
<b>TOTAL ASSETS</b>	<b>\$319,877,844</b>	<b>\$266,079,606</b>
<b>LIABILITIES</b>		
Demand Deposits	\$128,629,913	\$113,709,786
Savings Deposits	31,862,407	28,991,137
Time Deposits	106,212,203	86,460,321
<b>TOTAL DEPOSITS</b>	<b>\$266,704,523</b>	<b>\$229,161,244</b>
Federal Funds Purchased and Securities Sold		
Under Agreements to Repurchase	26,563,000	15,775,000
Accrued Taxes and Interest	1,948,083	2,075,513
Unearned Interest and Income Collected	3,870,552	3,307,825
Quarterly Dividend Payable	116,640	93,042
Liability on Acceptances	385,851	81,790
Other Liabilities	211,468	221,861
<b>TOTAL LIABILITIES</b>	<b>\$299,800,117</b>	<b>\$250,716,275</b>
<b>RESERVES</b>		
Provision for Possible Loan Losses	\$ 2,350,000	\$ 2,075,000
<b>CAPITAL</b>		
Capital Notes	4,250,000	1,520,000
Common Stock, \$12.50 Par Value, 400,000 Shares		
Authorized, 214,760 Shares Issued and Outstanding	2,684,500	2,684,500
Surplus	8,190,500	7,415,500
Undivided Profits	2,602,727	1,668,331
<b>TOTAL CAPITAL</b>	<b>\$ 17,727,727</b>	<b>\$ 13,288,331</b>
<b>TOTAL LIABILITIES, RESERVES AND CAPITAL</b>	<b>\$319,877,844</b>	<b>\$266,079,606</b>

Contingent Liability on Letter of Credit Issued but not drawn Against— Dec. 31, 1972—\$4,729,829  
Dec. 31, 1971—\$1,839,838



Bankers with ideas

**THE BANK OF NEW ORLEANS**

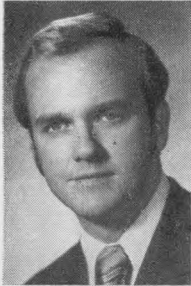
AND TRUST COMPANY HEAD OFFICE: BNO building, Common & O'Keefe MEMBER FDIC



# Arkansas News

## Retirements, New Elections At Nat'l Bank of Commerce

PINE BLUFF—J. W. Bellamy has retired as chairman of National Bank of Commerce and was named chairman emeritus. J. C. Reeves also retired as senior vice president but will remain a director and will serve the bank in a consulting capacity.



BRIDGES

In other action, Lunsford Bridges, with the bank six years, was promoted from assistant vice president to vice president. He formerly was marketing director and is now in the real estate department.

Others advanced were: James F. Stobaugh and George F. Kyle, from loan officers to assistant vice presidents; Robert Taylor and Martha Rowland, loan officers; and Ken Clark, assistant trust officer.

## Arkansas Bank Promotes 4



WHITE GRAVES HOGGARD LASSITER

Arkansas Bank, Hot Springs, has promoted Debert Graves, Ralph E. White and Dale R. Hoggard to asst. v.p.s and Phillip M. Lassiter to a.c.

## Stuart Estes Named V.P. At First of Little Rock

LITTLE ROCK—First National has promoted E. Stuart Estes to vice president in the systems and operations division. He has been with the bank 12 years.

Five new officers were appointed—Mrs. Lynne G. Gardner, international banking officer; Mrs. LaVerne Bryant and Randy Taylor, branch officers; Mrs. Mary Ellen Spann, trust operations officer; and Maurice J. Kellogg, assistant trust investment officer.

The new officers joined the bank in 1962, 1964, 1972, 1958 and 1969, respectively.

## Mortgage Banking Firm Acquired By First Arkansas Bankstock

LITTLE ROCK—First Arkansas Bankstock Corp. (FABCO) has received approval from the Federal Reserve Board of Governors to acquire approximately 40% interest in L. E. Lay & Co., Inc., Little Rock-based mortgage banking firm. The company, formed in 1968, services more than \$90 million in residential, land development and construction loans.

In other action, FABCO directors authorized the filing of a registration statement with the Securities & Exchange Commission with respect to an offering of up to 220,000 shares of FABCO common stock.



Edward M. Penick (l), FABCO pres., and Lyndell E. Lay, pres., L. E. Lay & Co., Inc., complete agreement whereby FABCO acquires approximately 40% interest in the mortgage banking firm.

■ WALTER J. RUTLEDGE has been named assistant vice president and manager, installment loan department, National Bank of Commerce, Pine Bluff. He was formerly district manager for Commercial Credit Corp. in Alexandria, La.

■ FIRST NATIONAL, Hot Springs, has named Randy Oates branch administration officer in charge of all branch offices. Mr. Oates came to the bank from First National, Little Rock, where he became an assistant vice president after working as branch office manager, commercial loan officer and sales manager in marketing. He joined First of Little Rock in 1967.

# FIRST NATIONAL BANK OF EL DORADO

EL DORADO, ARK.

## Condensed Statement of Condition December 31, 1972

### OFFICERS

H. C. MCKINNEY, JR.  
President  
W. D. MEACHAM  
Exec. Vice-President  
JAMES Y. CAMERON  
Vice-President  
JOE W. MILLER  
Vice-President  
R. G. DUDLEY  
Vice-Pres. & Cashier  
CHARLES HANKINS  
Vice-President  
E. PERRY SCHIEFFER  
Auditor  
CHARLES AINSWORTH  
Asst. Vice-President  
ROBERT BLACKWOOD  
Assistant Cashier  
MILAS REYNOLDS  
Assistant Cashier  
PETER M. O'CONNOR  
Assistant Cashier  
MRS. BETTY A. BALLARD  
Assistant Cashier  
TRUST DEPARTMENT  
ARLEN WALDRUP  
Vice-President & Trust Officer  
ARLEY KNIGHT  
Trust Officer  
TIMEPAY DEPARTMENT  
E. L. ADAMS, JR.  
Vice-President & Manager  
D. E. CANADY  
Vice-President & Asst. Manager  
BILL GIVENS  
Asst. Vice President  
DATA PROCESSING DEPT.  
JOE T. TAYLOR  
Data Processing Officer

### RESOURCES

Cash on Hand and Due from Banks .....	\$12,674,870.12
United States Securities .....	9,382,081.25
<hr/>	
State, County and Municipal Bonds .....	\$22,056,951.37
Stock in Federal Reserve Bank .....	7,676,656.70
Loans and Discounts .....	165,000.00
Federal Funds Sold .....	30,339,912.56
Income Earned, Not Collected .....	1,500,000.00
Bank Premises and Equipment .....	471,181.11
Other Resources .....	810,150.00
Customer Liability—Letters of Credit .....	311,511.64
Customer Liability—Letters of Credit .....	21,000.00
TOTAL .....	\$63,352,363.38

### LIABILITIES AND CAPITAL

Deposits	
Demand .....	\$33,130,528.59
Savings and Time .....	22,452,865.20
Total Deposits .....	\$55,583,393.79
Reserve for Taxes, Interest, Etc. ....	372,554.29
Income Collected, Not Earned .....	746,561.75
Outstanding Letters of Credit .....	21,000.00
Other Liabilities .....	45,748.29
LIABILITIES .....	\$56,769,258.12
RESERVE FOR BAD DEBTS .....	\$ 454,021.56
Capital Stock .....	\$ 1,750,000.00
Surplus .....	3,750,000.00
Undivided Profits .....	429,083.70
Reserve for Contingencies .....	200,000.00
CAPITAL ACCOUNTS .....	\$ 6,129,083.70
TOTAL .....	\$63,352,363.38

Member of Federal Reserve System  
Member of Federal Deposit Insurance Corporation



## WOMELDORFF & LINDSEY

1030 TOWER BLDG. LITTLE ROCK  
PARTNERS:  
J. E. WOMELDORFF R. P. LINDSEY

# Never put off until tomorrow securities you can get cleared today.

Chase Manhattan's safekeeping operation has invented the 24-hour day. People working around the clock on three shifts to carry out your security delivery instructions.

Chase Manhattan is the only New York bank with this 24-hour vault operation.

Any instructions in our hands by 8 A.M. will be cleared the same day. So, generally, proceeds of securities you sell are credited to your account 24 hours earlier than was previously possible.

And the early bird, you know, has distinct advantages.

**You have a friend at Chase Manhattan**





# Texas News

## Wayne Finnell Named CEO At Lubbock Nat'l Bank

LUBBOCK—Wayne Finnell, president of Lubbock National, also has been designated chief executive officer, succeeding the late Charles E. Maedgen Jr. Mrs. Maedgen has been elected to the board to fill the vacancy created by the death of her husband, who also was chairman of the executive committee.



FINNELL



MRS. MAEDGEN

Mr. Finnell joined the bank in 1940 and has been there since, except for a leave of absence during World War II. He was named executive vice president in 1971 and president last summer.

Before her marriage, Mrs. Maedgen was a professional singer and also worked in editorial and advertising departments of several publishing firms. At one time, she was advertising director for the trade division of Prentice Hall Publishing Co.

## Victoria Bank Appoints Pittman General Administrative Officer

VICTORIA—G. C. Pittman, executive vice president, Victoria Bank, has assumed the new title of executive vice president and general administrative officer. He will be responsible for the daily coordination of all bank functions. Mr. Pittman, who also is a director, joined the bank in 1940.

Promoted from assistant vice presidents to vice presidents were D. F. Peyton Jr. and Herman J. Vogt Jr. Mr. Peyton was elected an assistant cashier in 1969 and assistant vice president in 1970. Mr. Vogt was named an assistant cashier in 1968, assistant vice president in 1969 and head of the personal banking group family banking center last October.

Others advanced were: Ed Branton, assistant vice president; Philip H. Gray and Jesse N. Alvarez, assistant cashiers; and Louie R. Huehlefeld, trust operations officer.

## Austin Nat'l Promotes 10, Announces Other Changes

AUSTIN—Capital National has raised 10 officers, announced additional responsibilities for three more officers and created two new departments.

Robert H. McIntyre was raised from senior vice president and senior trust officer to executive vice president and advisory member of the board. David L. Thompson was promoted from vice president and controller to senior vice president. Sam Attal and Ben Holland were named assistant vice presidents. They were formerly assistant cashiers.

Newly elected officers include Mrs. Agnes Barker, installment loan officer; Dan Bullock, trust investments officer; Jim Cole, assistant auditor; Bassett Owens, correspondent banking officer; Randy Peschel, real estate loan officer; and Glen Snowden, manager of teller operations.

Owen P. Carpenter, vice president, has been named chairman of the officer loan committee. Milam S. Johnson Jr., vice president, will head the bank's new Austin metropolitan loan department and Will H. Garner, vice president, is head of the new regional and national loan department.

## Promotions, Election, Retirement At National Bank of Commerce

SAN ANTONIO—National Bank of Commerce has promoted Paul G. Arnold and Charles E. Miller to vice presidents. Mr. Arnold joined the bank in 1967, Mr. Miller in 1969.

Elvin J. Schofield has been elected a vice president. He will be in charge of marketing and economic research. He was formerly with Southwestern Public Service Co., Amarillo.

Elevated to assistant vice presidents were Milan (Pete) Lalick and Frank W. Patton Jr. Mr. Lalick joined the bank in 1954, Mr. Patton in 1967.

The bank has announced the retirement of Francis R. Dury, vice president and trust officer, after 47 years' service.

■ **FIRST NATIONAL**, Port Arthur, has named a new assistant trust officer and promoted two assistant cashiers to assistant vice presidents. The new assistant trust officer is John Cutrer, who joined the bank's management trainee program in 1971. The new assistant vice presidents are David McDonald, who has been with the bank since 1960, and M. E. Errington, who is in charge of bookkeeping.

## Bob Seymour Promoted to VP At Fort Worth National

FORT WORTH—Bob A. Seymour has advanced from assistant vice president to vice president of Fort Worth National.



SEYMOUR

Among others promoted are: John A. McClelland, assistant comptroller to comptroller; Boren S. Hildebrand and Buck Clary Jr., loan officers to assistant vice presidents and Richard D. Sorrelle, to assistant vice president. Mr. Sorrelle remains manager, Carswell Air Force Base Facility.

Mr. Seymour, assistant manager, marketing sales and services department, joined the bank in 1963. He formerly managed Fort Worth National's young adult department.

## Frost Nat'l Promotes Six

SAN ANTONIO—Promotions announced recently by Frost National include David W. Finger, Robert C. Kusenberger, Stanley R. Lobley and Jerry D. Bryant to vice presidents; G. N. Blair Jr to assistant vice president and Ismael Lopez to automation officer.

Mr. Finger joined Frost National in 1968, Mr. Kusenberger in 1969, Mr. Lobley in 1963, Mr. Bryant in 1970, Mr. Blair in 1971 and Mr. Lopez in 1967.

In other action, the bank has elected Fredrick Erck a director. He is chairman and president, First State, Alice; chairman, First National, Alice; and advisory director, Central Park Bank, San Antonio.

■ **SOUTHWEST NATIONAL**, El Paso, has elected Arthur L. Gonzales executive vice president. He came to the bank from Valley National, Phoenix, where he was vice president and manager of the international department. He had been with Valley National since 1960.

■ **BELLMEAD STATE**, Waco, has promoted O. B. Lusk Jr. and Rob R. Crook to vice presidents. Mr. Lusk has been with the bank since it opened in 1952 and most recently has served as loan officer. Mr. Crook came to Bellmead State in 1954 and is in charge of agricultural loans. His new duties will include direct and dealer consumer loans.

■ **ISLAND STATE**, Port Aransas, has elected Mrs. Sue Winters an assistant cashier. She has been with the bank three years.

# THE FORT WORTH NATIONAL BANK

Member FDIC  Fort Worth, Texas

## Statement of Condition

### Assets

	December 31	
	1972	1971
Cash and due from banks .....	\$138,319,168	\$ 97,338,777
Securities:		
United States Government .....	56,141,174	55,941,451
State, county and municipal .....	134,233,434	101,862,928
Other investment securities .....	11,140,643	7,418,129
Trading account securities .....	1,407,144	3,849,968
	<u>202,922,395</u>	<u>169,072,476</u>
Federal funds sold .....	33,300,000	20,000,000
Loans and discounts .....	368,696,104	305,750,308
Land, buildings and equipment—undepreciated balance .....	19,182,463	11,462,853
Customers' liability under acceptances and letters of credit .....	10,159,124	10,836,506
Income receivable and other assets .....	6,929,578	6,983,386
	<u>\$779,508,832</u>	<u>\$621,444,306</u>

### Liabilities and Capital Funds

Demand deposits .....	\$301,378,011	\$277,762,440
Time deposits .....	302,894,985	227,898,121
TOTAL DEPOSITS .....	<u>604,272,996</u>	<u>505,660,561</u>
Federal funds purchased and securities sold under repurchase agreement .....	87,781,466	39,513,502
Acceptances and letters of credit .....	10,159,124	10,836,506
Unearned income and other liabilities .....	18,397,912	9,029,541
TOTAL LIABILITIES .....	<u>720,611,498</u>	<u>565,040,110</u>
Reserve for loan losses .....	6,300,030	6,300,030
Capital funds:		
5 $\frac{3}{8}$ % Capital Notes due 1992 .....	9,625,000	10,000,000
Stockholders' equity:		
Common Stock, par value \$10 a share, 1,267,112 shares authorized and outstanding .....	12,671,120	12,671,120
Capital surplus .....	17,568,880	17,568,880
Retained earnings .....	12,732,304	9,864,166
TOTAL STOCKHOLDERS' EQUITY .....	<u>42,972,304</u>	<u>40,104,166</u>
TOTAL CAPITAL FUNDS .....	<u>52,597,304</u>	<u>50,104,166</u>
	<u>\$779,508,832</u>	<u>\$621,444,306</u>

### DIRECTORS and Advisory Directors\*

VERNON BAIRD  
President, Mrs. Baird's Bakeries, Inc.

W. HOYT BAIRD\*  
Chairman of the Executive Committee, Mrs. Baird's Bakeries, Inc.

PERRY R. BASS\*  
Oil

LEWIS H. BOND  
Chairman of the Board and Chief Executive Officer

DR. COLEMAN CARTER, JR.\*  
Investments

LESTER CLARK  
Chairman of the Board, Petroleum Corporation of Texas

WILLIAM C. CONNER  
Chairman of the Board, Alcon Laboratories, Inc.

CULLEN DAVIS  
President, Stratoflex, Inc.

E. F. FREEMAN\*  
Investments

BAYARD H. FRIEDMAN  
President

W. M. FULLER  
Oil and Ranching

H. B. FUQUA\*  
Honorary Chairman of the Board

JAMES S. GARVEY  
Chairman of the Board, Garvey Elevators, Inc.

RAYMOND C. GEE\*  
Advisory Chairman of the Board

GASTON HALLAM  
President, Ben E. Keith Co.

JOE B. HOGSETT\*  
Investments

JOHN S. JUSTIN, JR.  
President, First Worth Corporation and H. J. Justin & Sons, Inc.

B. J. KELLENBERGER\*  
Chairman of the Board and President, Shenandoah Oil Corporation

PORTER KING  
Investments

PAUL LEONARD  
Investments

LOUIS J. LEVY, M. D.  
Surgeon

WEB MADDOX\*  
President, Maddox Properties

ROY M. MAYS\*  
Vice President and General Manager, Ponca City Activities, Continental Oil Company

JACK W. MELCHER  
Vice President, Corporate Long Range Planning, Lennox Industries Inc.

ORAN F. NEEDHAM  
Chairman of the Board, The Millers Mutual Fire Insurance Company of Texas

J. C. PACE, JR.  
President, Buddies Super Markets

L. F. PETERSON  
Petroleum Consultant

W. H. PETERSON  
Executive Vice President, Retired

GUY PRICE\*  
Ranching

A. L. SCOTT  
President, Kimbell, Inc.

ROBERT F. SNAKARD  
Law, Snakard, Brown & Gambill, Attorneys

O. ROY STEVENSON  
President, The Fort Worth National Corporation; Vice Chairman of the Board, The Fort Worth National Bank

CHARLES D. TANDY  
Chairman of the Board, Tandy Corporation

GLEN TURBEVILLE  
Chairman of the Board, Morrison Supply Company

SAM P. WOODSON, JR.  
President, Fort Worth Coca-Cola Bottling Company

GEORGE M. YOUNG  
Oil



## 'America' TV Film Series Donated to Tulsa Library

TULSA—Prints of the film series "America" have been purchased by First National and donated to "the people of Tulsa County" in care of the Tulsa City-County Library. The films will be loaned free of charge to groups.

Two years ago the bank donated prints of the "Civilisation" film series.

"America" was designed to give Americans a new perspective on the nation's history and the people, places and events that helped shape it.

The films will become available for loan to local residents in the spring, following the completion of network TV showings.



Allie Beth Martin, director, Tulsa City-County Library, and Lindsay Alexander, v.p., First Nat'l, Tulsa, inspect reel of film from series "America" which the bank has donated to the citizens of Tulsa through the library system.

## W. A. Brownlee Dies at 87; Retired Officer of NBT

TULSA—W. A. Brownlee, 87, retired officer of National Bank of Tulsa, died December 26 after an illness of several months.

Mr. Brownlee retired as vice chairman of NBT in 1963 after 53 years as a Tulsa banker. He joined banking in 1910 at the old Merchants & Planters Bank, which later became Planters National, then was merged into Exchange National. The latter became the present NBT. Mr. Brownlee was president of NBT, 1956-60, and vice chairman until his retirement.

■ **FIRST NATIONAL**, Enid, has elected H. H. Champlin chairman. He succeeds the late A. F. Butts. Mr. Champlin is the grandson of the late H. H. Champlin, who organized the bank in 1894.

## First State, Oklahoma City, Names Bourn President



BOURN

OKLAHOMA CITY — Bill R. Bourn has been named president and chief executive officer of First State. He replaces Bob R. Bryan, who has resigned to become associated with a proposed new bank here. He will remain a di-

rector and will serve First State as a consultant in 1973.

Mr. Bourn had been a vice president in the commercial loan department of Liberty National since 1965. Previously, he was in the insurance and bonding fields.

■ **LARRY WELLS** was elected an assistant cashier of Fourth National, Tulsa, recently. He joined the bank in 1970.

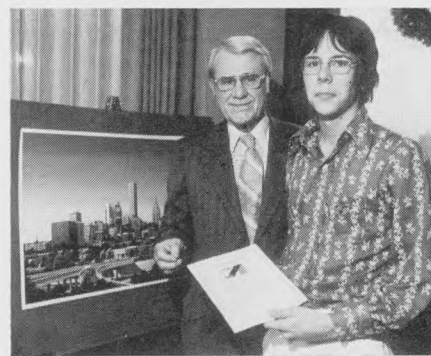
■ **ADMIRAL STATE**, Tulsa, advanced Paul Balenti and Jerry Turner from assistant cashiers to assistant vice presidents. They have been loan officers with the bank since 1969. Ralph Fagan, manager of the collections department, was elected assistant cashier. He has been with the bank since 1968.

■ **COMMUNITY STATE**, Tulsa, has announced the following new appointments: Harry O. Tipton and K. W. Douglas, senior vice presidents; Fred H. Kerr, vice president and cashier; Albert L. Smith and Helen R. Turner, vice presidents; Jean Bewley, assistant vice president; and Murel Hunter, assistant cashier.

■ **MARVIN MILLARD**, chairman, National Bank of Tulsa, was named to a third term as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City. Hugh C. Jones, executive vice president, Bank of Woodward, was named to a second two-year term as a director.

■ **TWO NEW DIRECTORS** were elected by First Tulsa Bancorp., Inc., and its principal subsidiary, First of Tulsa, last month. They are J. Otis Winters, president and director, Educational Development Corp., and R. O. Newman, president and chief executive, Public Service Co. of Oklahoma.

## Bank Supports Jr. Achievement



Russell F. Hunt (l.), vice ch., First National, Tulsa, presents a company charter to Pat Lewis, pres. of the Junior Achievement Bank Co., which is the official banking institution of Tulsa's Junior Achievement organization. Several First National employees are advisers to the organization and Jim Neel, industrial off., is on the board of directors.

## First National Names O'Kelley Senior VP & Trust Officer

OKLAHOMA CITY—Robert C. O'Kelley was advanced to senior vice president and trust officer of First National. He joined the bank in 1948 and has served in the trust division, working with corporate trusts.



O'KELLEY

Other recent promotions included: Richmond E. Kissko, Terry F. Perkins, James G. Thompson and R. G. Turnbull—vice presidents; Kurt L. Ameringer, Darrel Aten, Naomia Burd, Frances Straughn and Don D. Tapper—assistant cashiers; and Dean Beavers, Emery L. McIntosh, Carl L. Shortt Jr. and Joseph L. Talbot—trust officers.

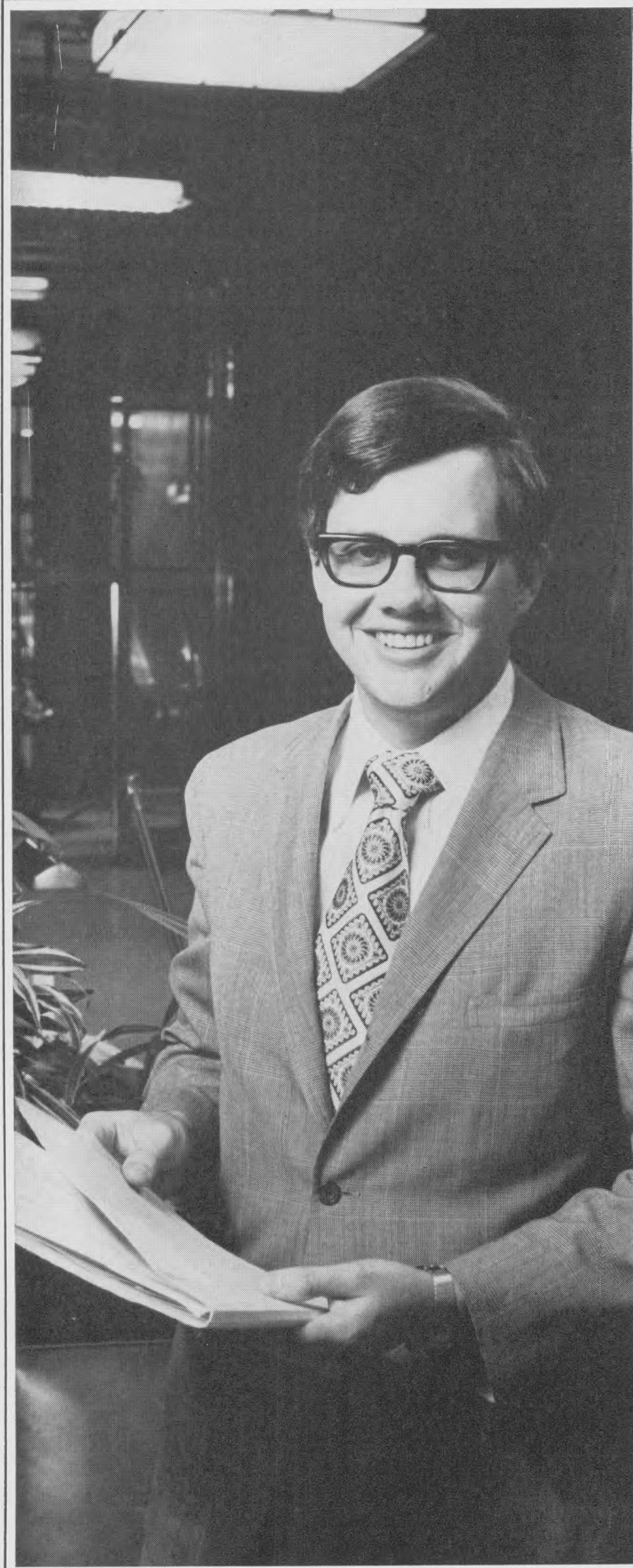
## C. D. Lents Retires as Senior VP Of Fidelity Bank, Oklahoma City

OKLAHOMA CITY—C. D. Jack Lents has retired as senior vice president and an advisory director of Fidelity Bank, after 21 years of service. Mr. Lents was active in the commercial loan field and, particularly in recent years, in the correspondent bank department.

Mr. Lents began his banking career with First National, Chickasha, and spent 19 years as a national bank examiner before joining Fidelity Bank.

## Oklahoma Death

CLIFFORD A. HALL, 49, president and chairman, Community State, Tulsa, of an apparent heart attack. Mr. Hall joined the bank when it opened in 1952, was elected president in 1966 and chairman in 1968.



## **You've got a new man (on our payroll)**

Charles A. McNamara III—a young man with an impressive name and impressive banking credentials to match it.

A native Tulsan, Charles recently joined our correspondent banking department after a highly successful two years of recruiting young depositors as head of NBT's 21-30 Pacesetter Club. He earned his BBA and MBA degrees from Southern Methodist University and, since coming to us in 1970, he's absorbed a great deal more professional "savvy" through his affiliation with the Oklahoma Bankers' Association and American Institute of Banking.

NBT is pleased to welcome Charles into its busy, growing program. We're sure you'll be pleased at his attitude and efforts on your behalf as you work with him and get to know him. Call us at 584-3411 and we'll arrange a meeting soon.

Let's  
get  
together



**NATIONAL BANK OF TULSA**  
MEMBER F.D.I.C. A FULL SERVICE BANK  
THE PACESETTER® BANK



Are You  
Prepared  
for a

# KIDNAP EXTORTION THREAT?

A bank officer receives a telephone call saying the caller has the banker's wife, child or other relative held hostage. The banker is told that if he gathers together a certain amount of money and delivers it to some destination within a short period of time, the hostage will be set free. The kidnapper usually warns the banker that if he notifies the police, harm will come to the hostage.

**Bankers must be prepared to protect themselves against this type of threat.**

**Send for the new study**

**"How to Prepare for  
Kidnap / Extortion Threats"  
published by  
The BANK BOARD Letter,  
based on material pub-  
lished in Mid-Continent  
Banker magazine.**

**PRICE: 4 for \$1**

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in your bank!**

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**The BANK BOARD Letter**

408 Olive St. (Room 505)  
St. Louis, Mo. 63102

## New Mexico News

### First of Albuquerque's New Downtown Complex Now Under Construction

ALBUQUERQUE—First National recently began construction on its new 320,000-square-foot downtown complex. The \$14-million building is the first phase of a total complex to be known as First Plaza, which will house the bank headquarters, securities firms, retail establishments and restaurants.

Instead of a traditional groundbreaking ceremony, bank officials presented a pair of plaques to the City Commission and the Urban Development Commission. The plaques carry a symbolic ecological statement made 102 years ago by Frederick Law Olmstead, the architect who planned Central Park in Manhattan.

Cale Carson Jr., president of First National, commented, "We hope development of First Plaza is the first in a series of significant steps toward redevelopment of the downtown core area as a place of beauty, free from urban blight and the problems that have plagued many older cities.

The U-shaped, six-story building will feature southwestern architecture, a landscaped plaza with brick walkways, trees, a large pool, benches and areas for relaxation and conversation.

■ LOS ALAMOS NATIONAL promoted Mrs. Mona Williams from vice president to executive vice president. She joined the bank in 1968 as head bookkeeper, was advanced to operations officer, then to cashier and last year was elected vice president and a director. In other action, Daryl Thierer was advanced from assistant vice president to vice president. He joined the bank in 1971, served as manager of the White Rock Branch and in the loan department.

■ CARLSBAD NATIONAL advanced two officers and appointed two new ones. Frank N. Pauletich was promoted from assistant vice president to vice president and Jim R. Hobbs from assistant cashier to assistant vice president. Pedro Leyva and Michael J. Levenson were named assistant cashiers. Mr. Pauletich joined the bank in 1967 as assistant cashier in the installment loan department. Mr. Hobbs joined Carlsbad National in 1968 and became assistant cashier in 1970.

### Four Receive Promotions At Bank of New Mexico

ALBUQUERQUE—Bank of New Mexico has promoted William F. Wood Jr., banking division, to senior vice president and commercial loan administrator. Before joining the bank in 1970, he was in the corporate finance department of Chemical Bank, New York.

Promoted to vice president was David R. Meyers, manager of the bank's Wyoming Office. Before coming to Bank of New Mexico, Mr. Meyers was with Midwest Bank of Westland, Mich.

Miss Shirley Scott was promoted to assistant vice president and William M. Hayden Jr. to assistant vice president and manager of the banking division's credit department. Miss Scott joined the bank in 1970 and was elected an assistant cashier in the marketing division in 1971. Mr. Hayden also joined the bank in 1970 and was named assistant cashier and assistant manager of the credit department in 1971.

### First National, Albuquerque, Names Two Senior VPs

ALBUQUERQUE—First National has elected Christopher C. Inman senior vice president and comptroller and Alan K. Miller senior vice president in charge of the investment department.

Mr. Inman came to the bank in 1970 as vice president and in 1971 was named vice president and comptroller. Previously, he had been associated with Bank of California, San Francisco, and with Bank of New Mexico.

Mr. Miller joined First National's auditing department in 1959 and became assistant manager of the Winrock Office in 1962. He left the bank in 1964 to join an Albuquerque firm and returned one year later as a specialist in investing. He became assistant cashier in 1966, assistant vice president a year later and vice president in December, 1967.

■ DARRELL PARISH has joined First National, Lordsburg, as president. He succeeded L. E. McCluskey Jr., who resigned. Mr. Parish was formerly vice president and cashier, American Bank of Commerce, El Paso, Tex., and has been a banker 17 years.

■ FARMINGTON NATIONAL elected one new officer and advanced two staff members. Homer Starr was named vice president and loan officer. He came to the bank from Grant County Bank, Silver City, where he was cashier. Mrs. Sue Gipson was elected vice president as well as cashier. She has been with the bank since it opened in 1964. Mrs. Jeanne Perry was appointed assistant cashier.

# Morgan Guaranty Trust Company

OF NEW YORK

## Consolidated statement of condition

December 31, 1972

### Assets

Cash and due from banks . . . . .	\$ 5,545,964,570
U. S. Treasury securities . . . . .	604,733,796
Obligations of U. S. government agencies . . . . .	44,380,555
Obligations of states and political subdivisions . . . . .	755,257,902
Other investment securities . . . . .	274,491,837
Trading account securities . . . . .	295,723,185
Federal funds sold and securities purchased under agreements to resell . . . . .	22,200,000
Loans . . . . .	7,922,101,593
Premises and equipment . . . . .	84,614,449
Customers' acceptance liability . . . . .	290,053,811
Other assets . . . . .	619,045,666
Total assets . . . . .	\$16,458,567,364

### Liabilities

Demand deposits . . . . .	\$ 5,696,511,775
Time deposits . . . . .	2,253,439,427
Deposits in foreign offices . . . . .	4,888,984,840
Total deposits . . . . .	12,838,936,042
Federal funds purchased and securities sold under agreements to repurchase . . . . .	938,210,135
Other liabilities for borrowed money . . . . .	484,012,563
Accrued taxes and expenses . . . . .	158,278,252
Liability on acceptances . . . . .	301,866,133
Dividend payable . . . . .	16,969,524
Convertible debentures of a subsidiary (4¼%, due 1987) . . . . .	50,000,000
Mortgage payable . . . . .	16,641,730
Other liabilities . . . . .	457,752,534
Total liabilities . . . . .	\$15,262,666,913

### Reserve

For possible loan losses . . . . .	\$ 135,800,443
------------------------------------	----------------

### Capital accounts

Capital notes (6¾%, due 1978) . . . . .	\$ 100,000,000
Capital notes (5%, due 1992) . . . . .	94,000,000
Equity capital:	
Capital stock, \$25 par value (9,123,400 shares)	228,085,000
Surplus . . . . .	336,500,000
Undivided profits . . . . .	301,515,008
Total equity capital . . . . .	866,100,008
Total capital accounts . . . . .	1,060,100,008
Total liabilities, reserve, and capital accounts	\$16,458,567,364

Assets carried at \$1,581,939,113 in the above statement were pledged as collateral for borrowings, to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member, Federal Reserve System, Federal Deposit Insurance Corporation

**New York** 23 Wall Street, Fifth Avenue at 44th Street,  
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**West Coast** Morgan Guaranty International Bank of  
San Francisco, 400 Montgomery Street, San Francisco, Ca. 94104

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São Paulo, Caracas

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WALTER H. PAGE  
President

J. PAUL AUSTIN  
Chairman of the Board  
The Coca-Cola Company

R. MANNING BROWN JR.  
Chairman of the Board  
New York Life Insurance Company

CARTER L. BURGESS  
Chairman  
Flagship International, Inc.

FRANK T. CARY  
Chairman and President  
International Business Machines Corporation

W. GRAHAM CLAYTOR JR.  
President, Southern Railway System

EMILIO G. COLLADO  
Executive Vice President  
Exxon Corporation

CHARLES D. DICKEY JR.  
Chairman of the Board  
Scott Paper Company

JOHN T. DORRANCE JR.  
Chairman of the Board  
Campbell Soup Company

LEWIS W. FOY  
President, Bethlehem Steel Corporation

THOMAS S. GATES

HOWARD W. JOHNSON  
Chairman of the Corporation  
Massachusetts Institute of Technology

DONALD P. KIRCHER  
President, The Singer Company

RALPH F. LEACH  
Chairman of the Executive Committee

JOHN M. MEYER JR.

HOWARD J. MORGENS  
Chairman of the Board  
The Procter & Gamble Company

THOMAS L. PERKINS  
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The Duke Endowment

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THOMAS RODD  
Vice Chairman of the Board

OLCOTT D. SMITH  
Chairman, Executive Committee  
Aetna Life and Casualty Company

HENRY S. WINGATE  
Director and Chairman Advisory Committee  
The International Nickel Company  
of Canada, Limited

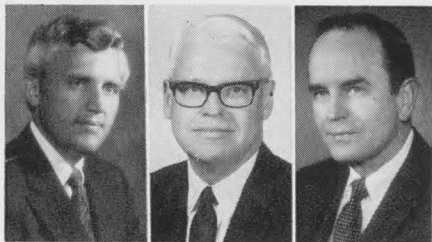


# Kansas News

## Collins Elected Ch. & CEO Of Hutchinson Nat'l Bank

HUTCHINSON—Hutchinson National has advanced A. J. Collins from president to chairman and chief executive officer. Replacing Mr. Collins as president is Howard R. Hunter, former senior vice president and loan department head.

Also promoted was Scott A. Woods, from vice president to senior vice president. In addition to his responsibilities in marketing and customer services, Mr. Woods will be in charge of the commercial loan department.



WOODS

HUNTER

COLLINS

Richard A. Eberhart, former controller, was named vice president and cashier. He succeeds Walter A. Hallman, who has retired. LuAlan Willems was advanced from assistant controller to operations officer and Darrell McCool from assistant personal loan officer to personal loan officer.

■ KAW VALLEY STATE, Topeka, promoted John J. Fernstrom from assistant trust officer to assistant vice president and trust officer. At the same time, Miss Mary L. Williams and Miss Norma Quaipe were elected assistant cashiers.



## F. Dwight Coburn Dies at 70; Was Vice Ch., Security Nat'l

KANSAS CITY—F. Dwight Coburn, vice chairman, Security National, died recently at the age of 70.



COBURN

Mr. Coburn began his banking career with the old Riverview Bank in 1918, while in high school. After attending Kansas State College and the University of Chicago, he joined the bank on a full-time basis. He was elected assistant cashier, vice president, executive vice president and became president in 1958. When Riverview State and Security National merged in 1962, Mr. Coburn became executive vice president and later vice chairman.

## First Nat'l, Shawnee Mission, Opens in Office Center

SHAWNEE MISSION—First National of Shawnee Mission is now open for business in the Fairway Office Center. The bank occupies 4,100 square feet on the ground floor of the office center, with 4,500 square feet available for future expansion.

The bank lobby features a three-story high atrium with trees, shrubs and paved brick walkways. A low circular planter leads from the wide, open lobby entrance into the teller area. Teller counters and check-writing desks are constructed with oak butcher-block tops. To the left of the main lobby is the new accounts area and to the right is the president's office and reception area.

■ HUTCHINSON NATIONAL promoted Mrs. Pauline Friesen to customer services officer. She will have charge of credit card activities. Mrs. Friesen started her banking career in 1955 with American National, which later was merged with Hutchinson National.

## Finden Buys Topeka State Control, Succeeds Snyder as President

TOPEKA—John S. Finden, senior vice president, Topeka State, has bought control of the bank from G. W. (Bill) Snyder Jr. and was elected president January 9. In his new post, Mr. Finden succeeded Mr. Snyder, who retired after 42 years with the bank. Mr. Snyder remains a director.



FINDEN

Mr. Finden joined the bank in 1958, became cashier in 1960, vice president and cashier in 1966 and senior vice president early in 1972.



GUY

MOORE

CRITES

In other action, Topeka State has appointed Don Crites to its management staff, with duties in the correspondent bank and customer relations areas. He has had more than 20 years' selling and service experience in the life insurance and auto sales fields.

Mrs. Joan Guy and John P. Moore Jr. have been promoted from assistant vice presidents to vice presidents. Mrs. Guy joined the bank in 1942 and Mr. Moore in 1971. Robert K. Petro, vice president, Petro's Surgical Appliances Co., was elected to Topeka State's board.

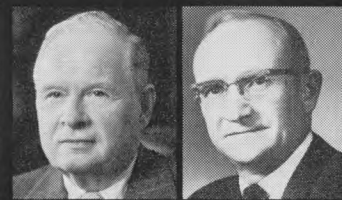
■ CITIZENS STATE, Ellsworth, has increased its capital from \$100,000 to \$200,000 through a stock dividend.

■ MISS DOROTHY ROONEY, vice president, Douglas County State, Lawrence, has been elected a director of the bank. She also recently was named chairman of the executive committee of the National Association of Bank-Women Inc.

# CNB

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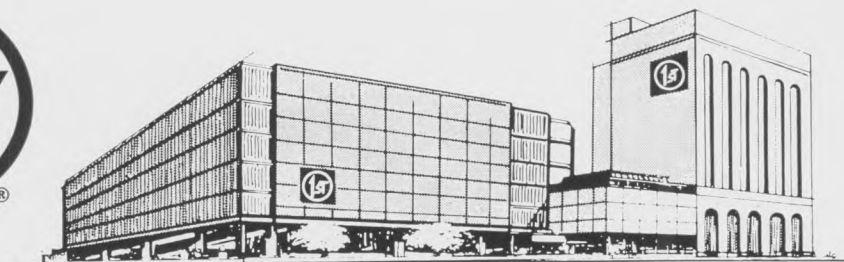
**FIRST NATIONAL BANK IN WICHITA**  
**CONDENSED STATEMENT OF CONDITION**  
**DECEMBER 31, 1972**

**RESOURCES**

Loans and Discounts .....	\$ 89,035,856.07
Direct Lease Financing .....	277,567.38
Bank Premises .....	3,820,637.06
Stock in Federal Reserve Bank .....	360,000.00
State and Municipal Securities .....	11,346,075.95
U. S. Government Securities .....	41,007,388.79
Securities of Government Agencies .....	22,502,714.63
Cash and Sight Exchange .....	36,896,235.39
Other Real Estate Owned .....	16,000.00
	\$205,262,475.27

**LIABILITIES**

Capital .....	\$ 6,000,000.00
Surplus .....	6,000,000.00
Undivided Profits and Contingency Reserve .....	7,270,352.62
Securities Sold Under Agreements to Repurchase .....	26,245,000.00
Reserves .....	2,672,371.80
Deposits .....	157,074,750.85
	\$205,262,475.27



**FIRST NATIONAL BANK IN WICHITA**

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# Missouri News

## W. J. Lumpe, Banker 50 Years, Is Honored at Open House

WARSAW—Community Bank held open house December 30 to honor its president, W. J. "Pete" Lumpe, on his 50th anniversary in banking. Mr. Lumpe's son, Jerry Lumpe, former major league baseball star and a vice president and director of the bank, and son-in-law, Kenneth F. Kammeyer, executive vice president and a director, introduced special guests during a recognition ceremony in the bank lobby.



W. J. Lumpe (r.), pres., Community Bank, Warsaw, greets James F. Mack (l.), sr. v.p., Traders Nat'l, Kansas City, and Elmo Kreisler, v.p. & ch., Union State, Clinton, during open house honoring Mr. Lumpe on his 50th anniversary.

Bankers from throughout the state and others visited the bank. Mr. Lumpe received a plaque from the Chamber of Commerce because of his service to Warsaw, both as a banker and civic leader. The presentation was one of several made during the open house. Mr. Lumpe's 12 grandchildren served coffee, punch and cake.

Mr. Lumpe started in banking in 1922 with the Farmers Bank, Lincoln, and became cashier of the Community Bank, Warsaw, in 1937. He advanced to president in 1949.

In 1968, Mr. Lumpe was given the highest award of the U. S. Treasury Department (the Liberty Bell Award) for having served 25 years as savings bond chairman of Benton County.

■ MISSOURI STATE, St. Louis, has elected Donald W. Jacobsmeyer a director and Tom L. Perryman and Lewis Tomey advisory directors. Mr. Jacobsmeyer, formerly an advisory director, is marketing manager, animal health products, Ralston Purina Co. Mr. Perryman is president and general manager of radio station WIL and Mr. Tomey is director of supply services, Union Electric Co.

## Four Promoted, One Elected At American Nat'l, St. Joe

ST. JOSEPH—Four promotions and one election have been announced by American National.



BOCELL RICHMOND ENRIGHT

W. F. Enright Jr. and Charles H. Richmond were elevated from senior vice presidents to executive vice presidents.

James R. Bocell was promoted from vice president and senior trust officer to senior vice president and senior trust officer and Reid B. Ordnung was elevated from assistant cashier to assistant vice president. Margie Stafford was named auditor.

In other action, Milton Blakemore and Charles H. Price II were named advisory directors and Louis F. Beaty retired as a director.

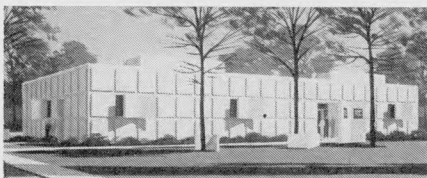
## Assets Reach Record High At Tower Grove Bank

ST. LOUIS—Total assets of Tower Grove Bank reached a record high of \$159 million at year-end. Assets increased \$4.4 million over the previous year's high of \$154.6 million.

Deposits showed a gain of \$3.9 million, totaling \$138.2 million at year-end, compared with \$134.4 million a year ago. Loans outstanding amounted to \$98.6 million, an increase of \$1.8 million over 1971, when loans were reported at \$96.8 million.

Tower Grove Bank is a subsidiary of TG Bancshares Co.

## Computer Center for Columbia



Financial Computing Corp., St. Louis, is constructing this 5,656-square-foot computer center in Columbia to serve banks in the central part of the state. Fourteen banks are participating in the ownership of the center with Financial Computing Corp. The building includes a central computer room, vault, data control room, employee lounge and executive and staff offices.

## Commerce Bank, Moberly, Names Cowperthwaite Pres.

MOBERLY—Norman R. Cowperthwaite has been named president of Commerce Bank here. He succeeds Ben M. Glassen, who has been elected vice chairman.



COWPERTHWAIT

Mr. Cowperthwaite joined the bank in 1971 as executive vice president and director. He had previously been a vice president of Commerce Bank, Kansas City, where he was long active in both correspondent banking and business development.

He joined Commerce Bank of Kansas City in 1949, was elected an assistant vice president in 1956 and vice president in 1963.

Mr. Glassen will serve as both vice chairman of the board and chairman of the executive committee of Commerce Bank, Moberly. He has been with the bank for more than 30 years and has served as president for 10 years.

In other action, Commerce Bank, Moberly, elected Carl A. Eisenhower senior vice president. Mr. Eisenhower joined the bank in 1931, when it was known as Mechanics Bank. He became a director in 1962.

■ FIRST NATIONAL, St. Louis, has promoted Phil M. Curry to assistant vice president and Dale Kurtz to data processing officer.

## Catherine Mullen Promoted

MAPLEWOOD—Mrs. Catherine J. Mullen has been elected executive vice president and a director of Citizens National of Greater St. Louis.

Mrs. Mullen joined the bank in 1950 as a bookkeeper and has served as personnel director, vice president and assistant to the president.



MULLEN

■ BIG BEND BANK, Webster Groves, has advanced two members of its installment loan department. Charles F. Luetkemeyer, who joined the bank in 1964, was promoted to vice president from assistant vice president and Fred J. Waltman, an employee since 1968, was advanced to assistant vice president from assistant loan manager.



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We invite our friends in commercial banking to inspect a list of the corporate and municipal underwritings handled by us during the last few years. After all, our interest is the same as yours—the growth of your depositors. An intimate knowledge of capital sources will serve this end. That's why Wall Street is spoken here.

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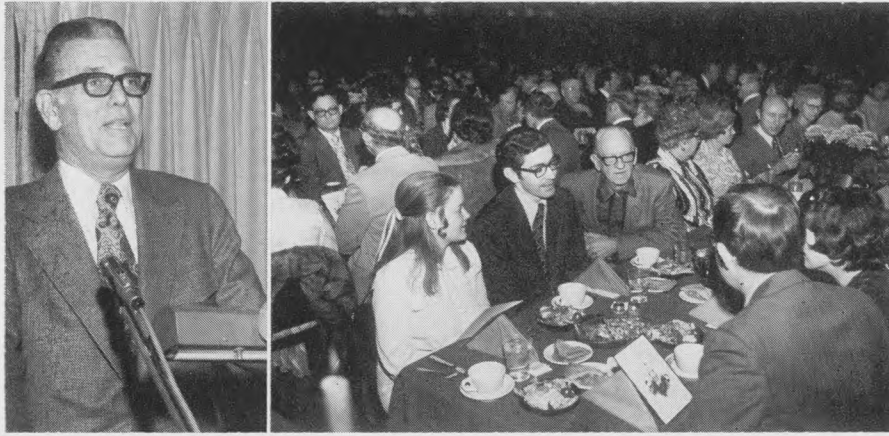
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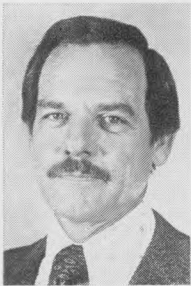


## Union Nat'l, Springfield, Hosts Correspondents



Some 360 bankers and spouses were in attendance at the 28th annual Correspondent Dinner Party sponsored by Union National, Springfield, last month. At left is Evans McReynolds, pres., host bank, who greeted guests at the combined dinner party and open house of the bank's new quarters.

### First National Appoints Comer VP and Head of New Division



COMER

JOPLIN—First National has elected Donald M. Comer vice president and head of the new real estate division. He formerly was with TI Home Transfer Service Corp. of New York, where he was vice president in charge of management of regional offices.

Ronald Record, second vice president, will work with Mr. Comer in organizing the new division. He has been with the bank since 1965 and has been a commercial loan officer since 1969.

■ **FOUR STAFF MEMBERS** who have been with Lewis & Clark State, St. Louis County, since May, 1971, have been made assistant cashiers. They are Mrs. Elaine Colter, Mrs. Linda L. Malson, Mrs. Susan Moellering and Mrs. Margaret L. Pavis.

### Bank Holds Art Exhibit



St. Johns Community Bank, St. Louis, recently held an exhibit of the paintings, metal collages and sculptures of Brother Cletus Behlmann of Vianney High School, Kirkwood. Winner of one of the paintings was Gary Brown (c.), shown with Fletcher E. Wells (l.), v.p. & cash., and Walter C. Branney, exec. v.p.

### Cahill Appointed Chairman At Peoples Bank, Branson

BRANSON—Arthur R. Cahill was elected chairman and a director of Peoples Bank, to succeed Marvin Millsap. Mr. Millsap joined the bank as a director in 1965 and had served as chairman for three years. Mr. Cahill is a director and retired vice president of finance of Brunswick Corp.

Others appointed to new posts at Peoples Bank were: Smith W. Brookhart and J. Frank Taylor, senior vice presidents; Marcella Quorollo, assistant vice president, secretary to the board and assistant trust officer; Louolla Hicks, assistant secretary to the board; Gary Jones, Berneice McCrease and Joyce Villers, assistant cashiers; and Virginia Kenyon, manager, Hollister Facility.

Elected new directors in addition to Mr. Cahill were: L. T. Fowler, retired executive vice president, Old Second National, Aurora, Ill.; Henry Loyd, owner and operator of an electric supply company; and Wayne Goodall, manager of the Farmers' Market Association and the order-buying department at the Springfield Stockyards.

■ **CITIZENS BANK**, University City, has promoted one officer and appointed two new ones. Irv Zinn, formerly assistant vice president in charge of installment loans, was elected a vice president. Bruce Harris was appointed auditor and Mrs. Maxine Reifsteck was made an assistant cashier.

■ **WILLIAM R. MILLS** has been elected president and CEO of Missouri State, Sedalia. Mr. Mills was formerly vice president and division manager of Boone County National, Columbia. He is also vice president of Region 8 of the Missouri Bankers Association.

## Chairman of Big Bend Bank Retires from Active Service

WEBSTER GROVES—J. Irvin Obst, chairman of Big Bend Bank, recently retired from active participation in the bank's daily operations. He remains chairman and will serve the bank as a director and consultant.



OBST

Mr. Obst joined Big Bend Bank when it was founded in 1955 as cashier. He later served as vice president, executive vice president and president before being elected chairman last April. Before joining the bank, he was secretary-treasurer of a machinery company.

■ **EXCHANGE BANK**, Kahoka, recently promoted four staff members. Mrs. Patsy McLaughlin was made assistant loan officer, as well as assistant cashier. Miss Carolyn Arnold, bookkeeping supervisor, and Miss Lola Belle Bogener, teller supervisor, were made assistant cashiers. Dennis Riffle was appointed assistant loan officer.

### Mercantile-Commerce Facility



TOP: Mercantile-Commerce Trust, St. Louis, recently opened this \$500,000 facility, which features four TV remote control drive-in units, five teller windows in the main building and 1,000 safe deposit boxes. BOTTOM: Shown participating in the ribbon-cutting ceremony for the new facility are: (from l.) Irvin Pernikoff, pres., Pernikoff Construction Co., general contractors; Walter Kury, v.p., Commercial Design, Inc., architects; Dr. Ralph Lee, pres., Forest Park Community College; John Obermann, pres., Mercantile-Commerce; and Tom Lombardo, banking off. and facility mgr. The "ribbon" was made of \$250 in bills, which were contributed to Forest Park Community College.

## American Nat'l Bank Cited For Agribusiness Loans

ST. JOSEPH—American National recently was cited at the ABA's national agricultural conference in Denver. The bank has moved from 46th to 38th place nationally in agribusiness loans, according to the ABA official tabulation of farm loans by the top 100 banks in the nation. The report is based on the fall report of the FDIC. American National ranks first in Missouri, Kansas and Iowa and third in Nebraska.

■ J. WELDON JACKSON, president, Citizens Bank, Belton, has been named chairman as well. He succeeded C. J. Fleetwood, chairman for the last nine years and a director for 26, who was named honorary chairman and remained a director. In other action, the bank promoted Ed Hartzler from cashier to vice president and advanced Fred Buchanan from assistant cashier to cashier.

■ FIRST NATIONAL, Neosho, recently held ribbon-cutting ceremonies for its new drive-in facility. Participating in the ceremonies were Bill B. Lee, chairman and president, along with other bank officers and representatives of Bank Building Corp., St. Louis, and Diebold, Inc., Canton, O.

■ JONESBURG STATE recently celebrated the completion of its new building with an open house. The building has a drive-up window and night depository.

## Gravois Bank Plans Facility

ST. LOUIS—Gravois Bank has received approval to open a new facility, to have four remote drive-in units and safe deposit area. Construction will be by Bunce Building Corp. The bank also is expanding the parking area at its Main Office.

## Index to Advertisers

Advertising Concepts, Inc.	19-20
American Express Co. (Travelers Cheques)	4-5
American National Bank, St. Joseph	103
Bank Board Letter	108, 124
Bank Computer Network Corp.	77
Bank of America	6
Bank of Kennett	101
Bank of New Orleans	117
Bauman Realty	131
Blender Co., Howard J.	16
Bossier Bank & Trust Co., Bossier City, La.	68-69
Brandt, Inc.	23
C. R. Sales Corp.	82
Canton Exchange Bank	100
Chase Manhattan Bank	119
Christmas Club—A Corporation	61
Citizens Fidelity Bank & Tr. Co., Louisville	109
Commerce Bank, Kansas City	8
Commercial Nat'l Bank, Kansas City, Kan.	126
Connelly Associates, J. Edward	17
Creative Image	21
DeLuxe Check Printers, Inc.	67
Detroit Bank & Trust Co.	81

Du Quoin State Bank	101
Durham Life Insurance Co.	57
Fidelity National Bank, Baton Rouge	90
Financial Insurance Service, Inc.	53
First American National Bank, Nashville	113
First National Bank, Bartlesville, Okla.	30
First National Bank, El Dorado, Ark.	118
First National Bank, Jackson, Tenn.	30
First National Bank, Kansas City	34
First National Bank, Mattoon	94
First National Bank, Midland, Tex.	96
First National Bank, St. Louis	134
First National Bank, Wichita	127
First Nat'l Bank & Tr. Co., Oklahoma City	33
First Nat'l Bank & Tr. Co., Tulsa	29
First National Bank of Commerce, New Orleans	3
First Pasadena State Bank	91
First Stock Yards Bank, St. Joseph	70
First Victoria National Bank	100
Fort Worth National Bank	121
Foundation of the Southwestern Graduate School of Banking	78
Fourth National Bank, Tulsa	43
Fourth Nat'l Bank & Tr. Co., Wichita	93
Gonterman & Associates	66
Guaranty Bank & Trust Co., Alexandria	95
Hamilton National Bank, Chattanooga	111
Hammond, Inc.	25
Hegco Industries, Inc.	131
Heirloom Bible	27
Heller & Co., Walter E.	13
Hibernia National Bank, New Orleans	7
Hutchinson Nat'l Bank & Tr. Co.	74
Insurance Programmers, Inc.	54
Insured Credit Services, Inc.	55
Insurance Enterprises, Inc.	59
International Merchandise Mart, Inc.	83
Interstate National Cos.	51
Keystone Credit Investors Corp.	71
Laredo National Bank, Laredo, Tex.	98
La Salle Hotel	114
Liberty Nat'l Bank & Tr. Co., Oklahoma City	2
Louisville Trust Co.	63
Lubbock National Bank, Lubbock, Tex.	88
MGIC-Indemnity Corp.	49
MPA Systems	131
Manchester Bank, St. Louis	24
Manufacturers Bank & Tr. Co., St. Louis	91
Manufacturers National Bank, Detroit	85
Mercantile Bank & Tr. Co., Kansas City	79
Mercantile Trust Co., St. Louis	15
Merchants Bank, Cleveland, Tenn.	86
Merchants National Bank, Mobile	97
Merchants Nat'l Bank & Tr. Co., Indianapolis	107
Morgan Guaranty Trust Co., New York	125

National American Bank, New Orleans	115
National Bank of Detroit	10
National Bank of Tulsa	123
National Boulevard Bank, Chicago	105
National Stock Yards National Bank	133
Old Republic Life Insurance Co.	47
Palumbo & Co., Inc., George	71
Rand McNally & Co.	26
SLT Warehouse Co.	65
St. Johns Community Bank, St. Louis	87
St. Louis County National Bank	99
Scarborough & Co.	45
Security Corp.	31
Security Nat'l Bank, Kansas City, Kan.	89
South Side National Bank, St. Louis	102
Stern Brothers	129
Third National Bank, Nashville	73
Valley National Bank, Phoenix	9
Wichita State Bank	18
Wisdom, Kelly & Colon, Inc.	14
Womeldorf & Lindsey	118
Yanan & Associates, J.	60
Ziegler & Co., B. C.	75

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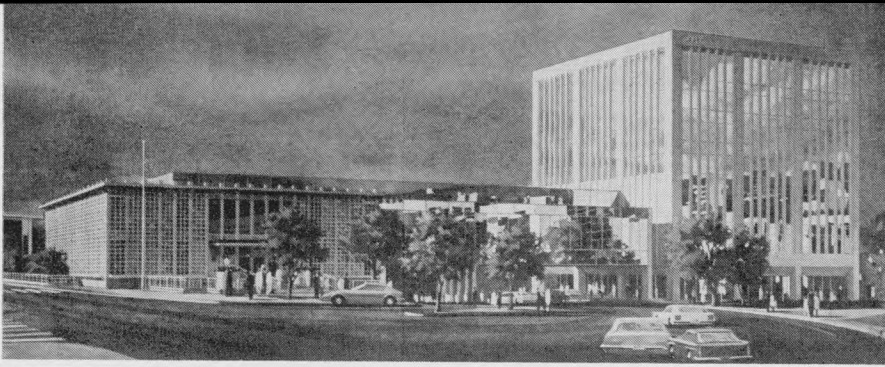
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This artist's sketch shows how Arkansas Bank, Hot Springs, will look after its expanded program is completed in 1974. In center, skyway will connect present building at left with new five-story tower at right.

## Major Expansion Program Announced By Arkansas Bank of Hot Springs

A MAJOR expansion program that will produce a five-story tower and a "skyway" was unveiled by Arkansas Bank, Hot Springs, Ark., January 9. The \$3-million program is scheduled for completion by mid- to late 1974.

The existing bank building will be connected at the third floor to the tower by a skyway that will span Broadway. In connection with the expansion, ABT has acquired 1.7 acres with a block of frontage on Market Street, 155 feet on Central and 270 feet on Broadway.

The tower, which will be an all-electric building, will contain about 60,000 square feet of floor space on five levels. There will be another 14,000 square feet in the skyway. The bank will occupy about 50,000 square feet, with the remainder to be available for tenants on the fourth and fifth levels.

The tower's ground floor will have plazas, fountains and walkways. There will be a security entrance for money transports and other areas for bank use. In addition to elevators to all levels, there will be an escalator to the second floor.

The second floor of the tower will extend across Broadway by the skyway some 15 feet above street level, join the existing ABT building and extend into the third floor of the present structure. The ABT Travel Service, insurance department, customer services, new accounts, loan officers, bookkeeping areas and main tellers area will be located on the second floor of the tower and in the skyway area.

The tower's third level will be a mezzanine with a view of the entire lobby area. It will include executive offices, board room, executive dining room and kitchen and a community

room.

The tower has been designed so that six more floors may be added as needed in the future.

The existing building will be remodeled, with the time pay department and safe deposit vault to remain on the ground floor, but each to be doubled in size. The remainder of the first floor will be occupied by an expanded employees dining room and kitchen. The existing lobby area on the second floor will be remodeled to provide expanded space for the trust and real estate departments and the Arkansas Abstract Co.

In addition to the present parking deck, the bank will build another two-level parking facility with space for 250 cars and direct entry to the tower from either level. The parking structure will have a brick paved plaza connecting Central Avenue to the main level of the new additions.

The new building will have a steel frame with steel trusses spanning Broadway. The exterior will be of precast concrete to match the present building and reflective glass for interior comfort and air conditioning control.

### Kansas State Promotes 6

WICHITA—Six promotions have been announced by Kansas State.

Robert A. Laing was raised from assistant vice president and trust officer to vice president and trust officer; Mrs. Wilma Rockett and Eldon Birdsell were promoted from assistant cashiers to assistant vice presidents; and Ronald Lindberg was elected assistant cashier.

Ruth Boes was appointed administrative assistant and Betty Lou Thompson was named customer services officer.

## Memphis Bank Offers Plan to Customers to Buy HC Stock on Monthly Basis

IN AN EFFORT to broaden ownership of stock in the registered bank holding company to which it belongs, Memphis Bank has inaugurated a monthly stock-purchase plan.

The plan, which makes it possible for Memphis Bank customers to buy shares of Memphis Trust Co. (the HC) stock on a regular basis, is being offered through the bank's trust department to checking-account and Master Charge customers. Customers wanting to participate in the plan can arrange to have fixed monthly deductions from their checking accounts or be billed for fixed monthly amounts through their Master Charge accounts. The minimum amount that can be invested is \$10 per month, and greater amounts must be in multiples of \$5.

Each month, the bank's trust department will buy Memphis Trust Co. stock in the over-the-counter market for the best possible price at the time of each transaction. Then, the bank will credit the stock in full or fractional shares to each participant's account. A fee of \$2.40 per quarter is charged to cover handling costs.

### No Certificates

No certificates will be issued unless requested by a stockholder owning 10 or more full shares or unless a stockholder terminates his account. In addition, no certificate will be issued for fractional shares. Dividends on whole or fractional shares held by the bank in a participant's account will be credited to his account and applied

to buy additional stock. All participants will receive a quarterly statement showing how much Memphis Trust Co. stock has accumulated in their accounts. Each participant also will receive a monthly statement of the stock purchased for his account that month and the price paid for it.

The dividend-reinvestment plan, which allows stockholders to reinvest their dividends in additional stock, automatically will apply to all stock held by Memphis Bank's trust department in the participant's stock-purchase-plan account. When paid, all dividends on stock purchased and held in a customer's account will be credited to this account and used to purchase full or fractional shares of Memphis Trust Co. stock. • •





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