

MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

SEPTEMBER, 1978



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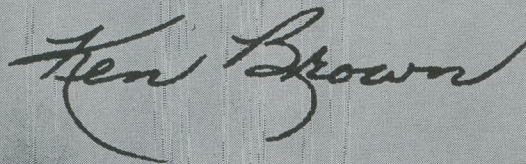
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MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

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September, 1978

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- Sept. 20-22: ABA Senior Operations Management Seminar, Palm Beach, Fla., The Breakers.
- Sept. 24-26: ABA National Correspondent Banking Conference, Chicago, Continental Plaza Hotel.
- Sept. 24-27: ABA National Personnel Conference, Denver, Denver Hilton.
- Sept. 24-27: Bank Marketing Association Bank Librarians Conference, Chicago, Water Tower Hyatt House.
- Sept. 24-27: National Association of Bank Women Annual Convention, Las Vegas, Nev., Caesars Palace.
- Sept. 24-29: Graduate Institute of Bank Marketing, Los Angeles, University of Southern California.
- Oct. 1-4: Bank Administration Institute Community Bank Presidents Forum, Colorado Springs, Colo.
- Oct. 8-12: Consumer Bankers Association Annual Convention, Boca Raton, Fla., Boca Raton Hotel.
- Oct. 15-18: Bank Marketing Association Annual Convention, Chicago, Palmer House Hotel.
- Oct. 21-25: ABA Annual Convention, Honolulu, Hawaii.
- Oct. 22-26: Independent Bankers Association of America Junior Bank Officer Seminar/Midwest, Muncie, Ind., Ball State University.
- Oct. 29-Nov. 2: Bank Administration Institute Bank EDP Auditing Conference, San Francisco.
- Oct. 29-Nov. 3: ABA National Personnel School, Norman, Okla., University of Oklahoma.
- Oct. 30: ABA Certified Commercial Lender Examination, Norman, Okla.
- Oct. 30: ABA Certified Commercial Lender Examination, Chicago.
- Nov. 5-8: Bank Administration Institute Community Bank Presidents Forum, Phoenix.
- Nov. 5-8: Robert Morris Associates Annual Fall Conference, Dallas, Fairmont and Dallas Hilton hotels.
- Nov. 8-10: ABA Mid-Continent Trust Conference, Chicago, Drake Hotel.
- Nov. 8-10: Association of Bank Holding Companies Fall Meeting, Mayflower Hotel, Washington, D. C.
- Nov. 9-12: Assembly for Bank Directors, Phoenix, Arizona Biltmore.
- Nov. 12-15: ABA National Agricultural Bankers Conference, Nashville, Opryland Hotel.
- Nov. 12-15: Bank Marketing Association Officer Sales Call Training & Train the Trainer Seminar, New Orleans, New Orleans Hilton.
- Nov. 12-15: Independent Bankers Association of America Bank Ownership Seminar, Las Vegas, Nev., Sands Hotel.
- Nov. 15-17: ABA Operations & Automation Regional Workshop, Kansas City, Radisson Muehlebach Hotel.
- Nov. 15-17: Bank Administration Institute Financial Accounting & Reporting Seminar, Atlanta.
- Nov. 15-18: ABA Trust Real Estate Workshop, Phoenix, Hyatt Regency Phoenix.
- Nov. 19-21: ABA Consumer Compliance Workshop, Dallas, Fairmont Hotel.
- Nov. 19-22: ABA Consumer Compliance Workshop, Dallas, Fairmont Hotel.
- Nov. 26-Dec. 7: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Dec. 7-8: RMA/BAI Seminar on the Auditor's Role in the Loan-Review Process, Denver, Brown Palace Hotel.
- Feb. 8-11: 34th Assembly for Bank Directors, Boca Raton, Fla., Boca Raton Hotel & Club.
- Feb. 11-14: ABA Bank Telecommunications Workshop, Los Angeles, Century Plaza Hotel.
- Feb. 11-14: ABA National Trust Conference, Los Angeles, Los Angeles Bonaventure Hotel.
- Feb. 11-14: ABA Conference for Branch Administrators, Miami, Omni International Hotel.
- Feb. 11-23: ABA National Installment Credit School, Norman, Oklahoma, University of Oklahoma.
- Feb. 25-March 2: ABA Community Bank CEO Program, Port St. Lucie, Fla., Sandpiper Bay.
- Feb. 26-March 1: Bank Administration Institute Bank Auditors Conference, Phoenix.
- Feb. 28-March 2: ABA Advanced-Construction Lending Workshop, Norman, Oklahoma, University of Oklahoma.
- March 11-14: ABA Trust Operations and Automation Workshop, Chicago, Chicago Marriott.

MID-CONTINENT BANKER for September, 1978

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MID-CONTINENT BANKER for September, 1978

Commercial Lending

New Twist for Banks With SBA Loans

A PROGRAM has been started by the Small Business Administration that allows banks with good experience with SBA loan guarantees to process, service and, to the extent possible, liquidate loans with minimum SBA involvement. It's called the Bank-Certification Program (BCP).

The program is being initiated on a pilot basis, with at least two banks from each region to be selected for participation, based mostly on their performances in SBA lending. Criteria for selection include:

- Number of loans in a bank's portfolio.
- Lending activity for the current year and past 10 years.
- Loss-to-loan ratio.
- Performance in processing and servicing loans.
- Willingness to establish a recognized small-business-loan servicing program.

Certified banks will be expected to process guaranteed loans subject only to a summary SBA review. The agency will determine a borrower's eligibility and will rely to a great extent on the credit analysis made by the bank.

The SBA believes the new procedure should reduce considerably the turnaround time for approval of a guaranteed loan. On extraordinary or special cases, nevertheless, or any time a bank so desires, the conventional procedure would be used.

Under the program, the bank also will be responsible for closing and servicing the loan. The SBA will furnish standard forms to be used in the closing. Without the SBA's prior consent, banks will be able to perform most servicing functions, such as releasing collateral to a limit of 20% of the original amount of the loan or the excess over the unpaid balance; releasing personal guaranty and authorizing alternative plans, including deferment of payments.

The certified bank will be encouraged to establish a department specializing in SBA lending and managed by loan officers properly trained in the agency's procedures. The department's services could be made available to the lender's correspondents to help them prepare their cus-

tomers' SBA loans. After a loan is closed, a bank may opt to purchase the guaranteed portion from the correspondent and either resell it on the secondary market or hold it for investment.

The bank, with the SBA's agreement, may liquidate defaulted loans where the SBA has purchased the guaranteed portion. The bank will develop a plan for liquidating the assets serving as collateral for the loan and any other guarantees. The plan must be submitted to the SBA for approval, and the latter will notify the bank in writing. After receiving approval, the bank will proceed with the liquidation following an agreed-on plan.

To meet legislative requirements, the SBA will implement a system for conducting periodic examinations of loan records maintained by banks. These exams, which will follow certain standards, will make sure that congressional directives, as well as SBA guidelines, are met. Compliance with established procedures will serve as the basis for renewal of the bank's certification every two years.

About 700 of the nation's 15,000 banks have been identified as having 25 or more SBA-guaranteed loans in their portfolios. The goal eventually is to certify most of these banks. The SBA

says this will result in a cut in its loan-processing effort and permit a substantial increase in loan activity without a commensurate increase in staff. At the same time, because of the shorter time required for processing, banks will be able to respond faster to their small-business borrowers' needs. ••

Manufacturers Hanover Announces New Structure For Its Trust Division

NEW YORK CITY — Manufacturers Hanover Trust has announced a new organization structure for its trust division. The new arrangement, according to Joseph L. McElroy, executive vice president in charge of the division, is designed to increase external responsiveness and internal productivity. Senior management will place additional emphasis on planning, marketing, new-product development and account administration. In addition, authority, responsibility and accountability for all investment-management matters will be centralized.

Under the new structure, Willard L. Wheeler Jr., senior vice president, employee benefit trust, and Robert C. Williams, senior vice president, personal trust, are responsible for such management functions as formulating and meeting divisional profit-planning objectives for their respective areas of account administration, assisting in development and implementation of services and developing and supporting the marketing of non-investment services with significant revenue potential.

Victor J. Melone, senior vice president and senior investment officer, has been given responsibility for all aspects of investment management, including developing and executing investment policies and strategies, supervising all portfolio departments, investment research and customer investment communications.

Mr. Melone, Mr. Wheeler and Rudolph Abel, vice president in charge of investment research, constitute the investment policy committee, which is the senior policy-making body for trust-division investments.

NYC Office Opened

DALLAS — First National has opened a loan-production office in New York City, with Assistant Vice President Frank L. Cerutti in charge. The office is located in the Westvaco Building at 299 Park Avenue.

This is First National's second New York City facility. The bank announced earlier the opening of First International Banking Corp. in New York, a wholly owned Edge Act subsidiary.

The loan-production office has been established, says a bank spokesman, to provide assistance to First National's domestic and international customers in Manhattan and to complement the bank's network of international offices in Europe, Asia, South America and the Middle East.

Why banks suggested **Ætna Money** for a holding company in Missouri and a mill in New Jersey



A holding company with widely scattered subsidiaries needed money for expansion, but had reached the end of its bank credit line.

The banker suggested Ætna Money.SM In participation with the bank, we provided a loan secured by the subsidiaries' receivables and inventories. This increased the credit availability by almost 40%.

Result? The borrower doubled his sales, and increased his business at the bank.

A steel mill had a chance to acquire a multi-million-dollar finishing plant.

Management wanted to finance the acquisition with borrowings, not stock, but the funds required were beyond the bank's lending limit.

Solution? Ætna Money. Working with the bank, we provided a 10-year intermediate term loan secured by fixed assets, and the bank furnished short term credit to complete the package.

Result? The mill acquired the plant. And the bank kept a very good customer.

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You get action with Ætna because our business is to help your business.



Although certain identifying facts have been changed to protect client confidentiality, these are authentic examples of Ætna Money at work.

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The Banking Scene

The Paradox of Credit Cards

By Dr. Lewis E. Davids

Illinois Bankers Professor
Of Bank Management
Southern Illinois University
Carbondale

A UNIVERSITY student in my bank administration class raised the issue of likely trends in EFT, including the use of electronic tellers and the value of off-site locations for ATMs.

The question was directed to a leading lobbyist — formerly for retail chains, now for a state bankers association — who was attending my class as a visiting lecturer.

It was the lobbyist's belief that the major retailing establishments were moving more aggressively than bankers were in creating plastic credit card EFT switching systems.

This is occurring because there's little agreement among bankers as to what posture the industry should take on EFT. Large banks generally favor increased use of ATMs and small banks tend to be reluctant to use the machines. For this reason, legislation to permit the use of ATMs by banks is difficult to come by at both the federal and state levels.

Merchants, on the other hand, have a longer track record with credit cards than do commercial bankers. Merchants also have many more outlets than do commercial banks. In addition, a small but growing number of merchants are using credit cards for cash advances and other nontraditional services.

With the declining observance of "blue laws" in many states, merchants are moving toward longer hours and thus more availability of their services, giving them a leg up on banks. Exceptions include a few banks in the Northeast, such as Chase Manhattan, that are providing 24-hour dial-a-bank services in many credit accommodation areas. This comes at a time when knowledgeable bankers are recognizing that major financial intermediaries — mutual savings banks, S&Ls and credit unions — are expected to intro-



duce credit cards in large numbers. Some have already done so.

The major entree these intermediaries will have to give them an advantage over commercial banks is imposition of an annual interest rate of only 12% instead of the traditional

It's paradoxical that overall interest rates have been edging up but that credit card rates appear to be declining or are under pressure to be lowered.

18%. This comes at a time when some merchants also are renegotiating discount rates with the two major bank credit card associations. If the lower interest rate and discount cuts spread — and it appears likely that they will — banks will have to decide how they should meet the competition.

Michigan's largest bank, National Bank of Detroit, recently lowered its credit card interest rate from 18% to 12%. To be eligible for this rate, customers must purchase \$1,000 CDs from the institution.

As more major financial intermediaries introduce credit card plans at the 12% rate, banks in the trade areas affected will be forced to meet the competition. Bankers agree that

they don't mind meeting the competition if the competition is intelligent. But is cutting the interest rate from 18% to 12% intelligent?

If one considers that well over half the credit card users are now on revolving credit, it becomes rather obvious that a substantial rate reduction will have a definite impact on profits.

Let's throw some numbers around. As of this writing, the prime rate stands at 9%. That rate is really an understatement, because of compensating balance requirements, so the prime in reality stands in excess of 10%. Keep in mind that prime borrowers are the nation's top corporations and can borrow in any market with no perceived risk of default.

On the other hand, credit card delinquency ratios at times have been in the neighborhood of about 4%. When one considers that prime loans are made in large units and thus have inherent economies and that credit card users usually maintain considerably lower balances, economies to the scale of size must be considered.

View it another way — the prevailing rate for conventional mortgages in much of the country is 9¼%. Most observers believe the rate will move up. The prevailing rate as of this writing in California is 9½%. These mortgage rates are on secured property that has a delinquency rate of only a fraction of 1%.

One interesting source of some background information is the Fed's most recent functional cost analysis. It shows that the average loan per account was \$296 for 60 card banks with deposits of up to \$50 million; the loan size was \$343 for 97 card banks with deposits between \$50 and \$200 million; and for 79 card banks with deposits over \$200 million, balances averaged \$386. The loss per active account

from the same functional cost study shows that banks up to \$50 million in assets lost \$4.33, banks with deposits from \$50 to \$200 million lost \$3.96 per account and banks over \$200 million lost \$4.64.

The five-year average net credit losses on these accounts were 1.899%, 1.420% and 1.483%, respectively, but note that fraud losses are considered nonrecurring line expenses and are omitted from current expenses — at least for the cost analysis study.

What's probably most important about these figures is data from high-earning banks in the functional cost analysis: The most efficient banks found the loss per active account ranged from a low of \$1.87 to a high of over \$5.06. Thus, if high-performance banks find these accounts are not very profitable at an 18% rate, they will be less profitable at 12%.

As more major financial intermediaries introduce credit card plans at the 12% rate, banks in the trade areas affected will be forced to meet the competition.

While net earnings after adjustment of the total credit card operation — which includes merchants or retail volume — range from a negative 1.6% for small banks to a high of 2.977% for large banks, it should be recognized that merchandise or retail volume — and its related discount income — is increasingly coming under pressure.

It's paradoxical that overall interest rates have been edging up but that credit card rates appear to be declining or are under pressure to be lowered. But posted declines on credit cards from 18% to 12% are much more traumatic than the movement of the prime or commercial paper rates.

It's true that processing costs in a number of areas have been declining as greater use is made of computers.

If any solace can be taken from the above numbers, it's this: The data shows that competition prevails in the area of consumer credit — especially in the use of credit cards. ●●



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'Sweet Charity' Can Get Banks in Trouble

By OSCAR W. JONES

Director, Loss Prevention Services
Scarborough & Co., Chicago

SWEET CHARITY! How many crimes have been committed in your name?

Too often, bankers are persuaded to become financial officers of or lend their names to charitable and other nonprofit organizations. We don't want to discourage any bank or banker from participating in worthy community projects and civic affairs. Rather, we are concerned with alerting banks to the necessity of protecting themselves against possible liability. Because bankers are more vulnerable to this possibility than are other businessmen, they must think twice before entering into undertakings without a clear picture of the liability they're assuming.

Bankers are advised to protect themselves against possible liability when lending their names to charitable and other nonprofit organizations. They should not be discouraged from doing so, but they must take steps to protect themselves and their banks when accepting such posts.

An embezzlement involving \$159,000 is a case in point. It happened recently and involved a religious organization whose treasurer also was president of the bank. Shortly before the embezzlement was discovered, the community was mourning the death of a prominent citizen who had served many years as president of the bank and treasurer of that religious organization.

About a month after the death of this man, a \$1,000 shortage was discovered by the bank. It was traced to the ac-

This article is based on the June, 1978, issue of the *Loss Protection/Prevention Bulletin* published by Scarborough & Co.

count of the church district of which he was treasurer. Subsequent audits of the church books revealed the \$159,000 shortage. In his dual capacity of church treasurer and bank president, this man had an unusual opportunity to manipulate the church's accounts. Intermingling of funds raised the question as to the bank's liability for any acts committed by its president. The most crucial question centered around determining what acts could be construed as having been committed in his capacity as a bank officer.

His formula for embezzling was accomplished easily by means of keeping two account ledgers. One showed the correct receipts of the church district, and the other reflected the correct amount deposited at the bank. As district treasurer, the bank president had control of the district's monthly bank statements and canceled checks. Because he had the complete confidence of the district's officers, it was simple enough for him not to show them the bank statements or canceled checks. Presentation of the duplicate books, which contained false entries of checks paid, gave a purported reconciliation that reflected income and disbursements. It didn't disclose what collections were deposited and what were converted to his own use.

The annual audit compounded the situation because of its lack of control. The audit committee merely verified collections and disbursements by checks and accepted the balances in the duplicate books as correct amounts on deposit at the bank. No verification ever was made of actual amounts of deposit.

To complicate things further, donors would mail checks or take them to the bank, and many were payable to the president personally rather than to the church he represented. Obviously, checks made out in this fashion often were cashed at the bank or elsewhere and converted to his own use. In his

capacity as bank president, this man had considerable leeway and could obtain cash easily from one of his tellers and, in return, could give the teller one of the checks he had received.

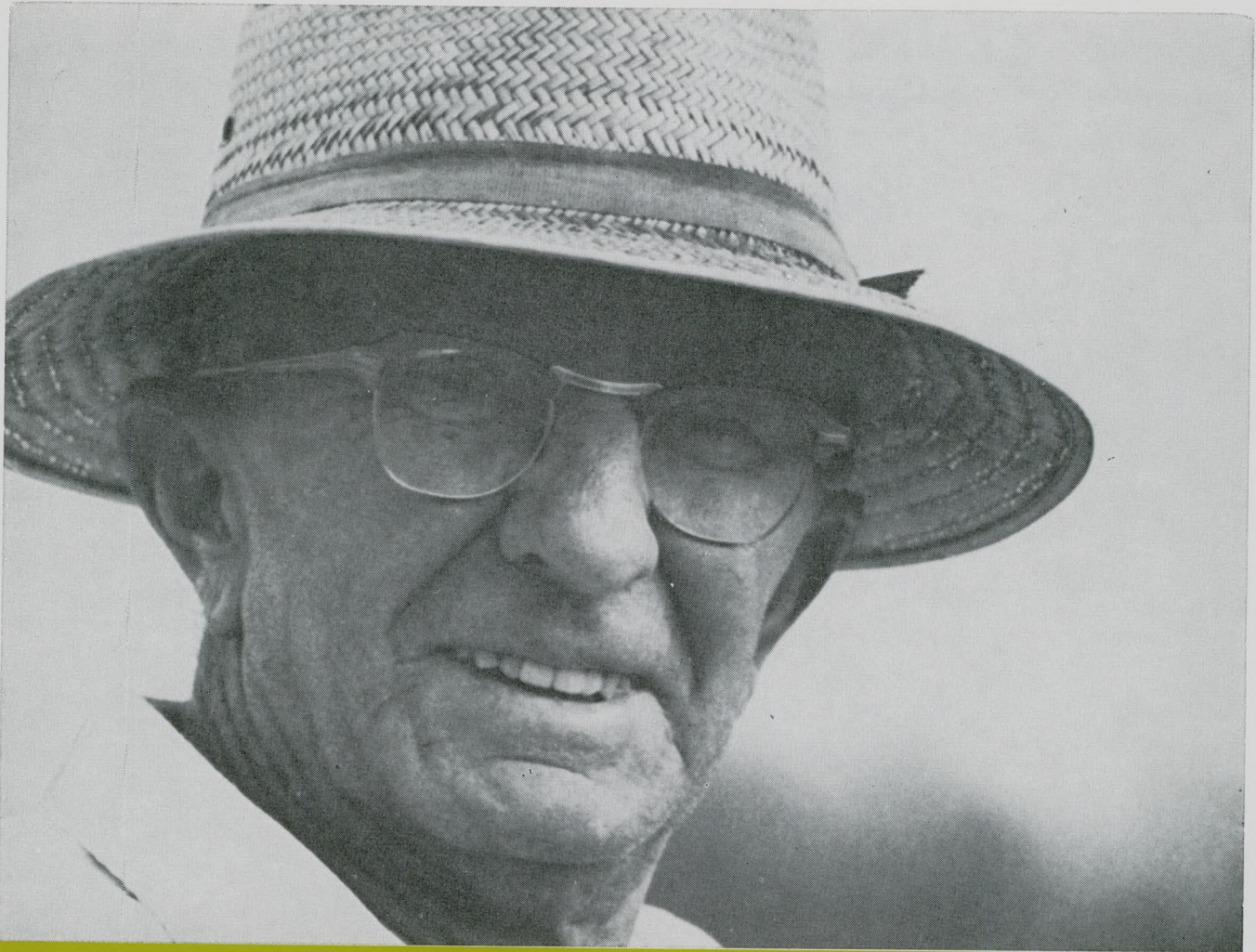
This pattern of serving as church district treasurer and functioning as a bank president is as dangerous as it is common. Losses — often sizable — have occurred, and, where such a situation is allowed to develop, it's almost impossible to untangle the affairs and establish where the liability lies. No bank officer or employee should have the unrestricted right to draw on char-

A bank president serving as treasurer of a religious organization managed to embezzle \$159,000 and was not found out until after he died. It seemed that in his dual capacity of church treasurer and bank president, this man had an unusual opportunity to manipulate the church's accounts. His formula is described in this article.

ity accounts without proper counter-signature of checks.

No bank officer or employee should be permitted to serve such organizations unless there are an outside audit and proper controls placed around the account. Lack of controls opens a Pandora's box and charges the bank with a liability with respect to the account involved when the officer turns out to be dishonest.

Any good accountant will set up a control by which a bank statement is sent, *not* to the bank officer, but to some person in the organization. Further, controls will place a restriction on handling of the account at the bank and will provide for verification of
(Continued on page 112)



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Let's Talk Selling

The Next Step to Decisive Action

By JOHN R. GINSLER

President, Financial Training Resources
Glen Ellyn, Ill.

PROFESSIONAL selling is concerned with helping a customer perceive and define needs that warrant a change in his situation, evaluate services and capacities that you can provide to satisfy his needs and take the decisive action necessary to implement satisfaction of his needs.

Why You Must Initiate Action. If you do an effective job of identifying a customer's needs and explaining how your services and capacities will satisfy them, you might expect the customer to take the initiative in acting on what you've proposed. In some cases he may. However, as countless officers have learned from long and hard experience — don't count on it! Even though a customer may be mentally sold on what you've proposed, he seldom will initiate action on his own because of:

- Fear about the consequences or effects of change that cause the customer to be indecisive.

- Complacency about status-quo thinking or practices that cause the customer mentally to resist change.

- Uncertainty about how to take action that causes the customer to look to you for guidance.

Only as you take the initiative in seeking action can you realistically expect to achieve productive results from your sales calls for both the customer and yourself.

Because the foundation for customer action is laid as you develop and define his needs, and as you explain services and capacities that will satisfy his needs, getting action should be the easiest part of a sales call. However, many calling officers acquire mental blocks about it that seriously limit their selling effectiveness. On more than one occasion, I've heard calling officers say, "I like the public-contact part of

selling — but what bugs me is having to ask people to buy."

Three common attitudes that inhibit effectiveness in seeking action are:

- *Fear of rejection.* This causes a calling officer to avoid asking for action on the premise, "If I don't ask, he can't say no, and the door is open to try again." The fallacy behind this reasoning is that he may not get a second chance, because a competitor fills the need, and prior time and effort have been wasted.

Using test questions in sales talks will elicit feedback and confirm understanding and acceptance and also will quickly flush out misunderstanding or doubt so that it can be resolved immediately.

- *Uncertainty or doubt about the action being sought.* This causes a calling officer to transmit uncertainty or doubt to the customer, resulting in indecision or inaction. Only as you seek action decisively can you expect a customer to react in kind.

- *Feeling that it's a "now-or-never" situation.* This causes a calling officer to apply high pressure to force the customer to the action he seeks. We've all experienced this with the inept insurance salesman who figuratively drives a hearse up to the door in an effort to get us to buy. The fallacy of high pressure is that it's offensive and frequently produces a strong defensive reaction from the customer, causing him to mentally tune out an otherwise beneficial and appropriate service.

Positive View of Seeking Action. In

contrast to these fearful, uncertain, negative views, the professional sales communicator perceives seeking action in these positive terms:

1. It's a logical extension of what he's already accomplished, since it enables a customer to satisfy his needs and to achieve the benefits implied by the services or capacities that have been proposed.

2. It helps a customer do what he needs to do to act on his needs decisively.

3. It supplies a motivating push that overcomes natural inertia and procrastination. People tend to maintain status-quo thinking until an appropriate mental push is applied. The key to seeking action without high pressure is to impart a push that "educates" rather than a push that "irritates." The difference is in the reasoning employed. With a push that "irritates," the salesman tends to rely on fear or reasons that are relevant primarily to him to force desired action. In contrast, with a push that "educates," the salesman not only informs the customer what the action entails, but shows why it's desirable in terms relevant and beneficial to him.

How to Seek Decisive Action. Applying this positive view of seeking decisive action involves the following communication tactics:

1. *Check readiness to act* before you do anything to be sure the customer is mentally ready to proceed and to flush out any questions, doubts or uncertainties that may block or delay decisive action. Some selling books suggest that mental readiness can be judged by such telltale signs as "nodding the head," "rubbing the hands" or the "glint in the eye." This is referred to as nonverbal communication or "body language." While it may be possible to

Not only are Christmas matchbooks effective and appreciated, they are also economical -- much more so than the usual Christmas card. They can be handed out to your customers at your bank, or mailed to them in special pre-packed Christmas design packages. Either way they will be a welcome "Season's Greetings" to your customers, and a goodwill builder for your bank.

Like the season, Christmas matchbooks are many things. They are Christmas packs that are kept and carried by your customers. . .and seen again and again, everytime a match is lit. They're Christmas gifts appreciated and used. They're advertisements in the finest spirit of the season.

There's no finer way of saying "Season's Greetings" to your customers than with a gift of Christmas matchbooks.



Order your new **IBAA CHRISTMAS MATCHBOOKS** now!

FILL OUT THIS HANDY ORDER FORM BELOW – DETACH AND MAIL

07793

Date _____

Public Relations Department
 Independent Bankers Association of America
 Bank Centre, Minnesota 56378

Please send me the quantity of matchbooks checked below (1,200 matchbooks per case):

Check here	No. of Cases	Cost Per Case	Total Cost	Freight
<input type="checkbox"/>	1	\$68.06	\$ 68.06	Prepaid
<input type="checkbox"/>	2	61.10	122.20	And
<input type="checkbox"/>	3	58.82	176.47	
<input type="checkbox"/>	4	57.50	230.02	Charged
<input type="checkbox"/>	5	56.84	284.22	
<input type="checkbox"/>	10	55.64	556.44	
<input type="checkbox"/>	20	55.28	1,105.68	Back

When requested, may be packed 4 books in cellophane with tear tape at \$9.24 per case additional.

Perfect to use as calling cards.
 Pack _____ cases in cello.

PLEASE IMPRINT AS FOLLOWS:
 No Logos Please

Bank: _____

Address: _____

City/State/Zip: _____

Telephone: _____

Ship To: _____

_____ (Zip Code)

By: _____

You will be billed open terms at time of shipment

Orders must be received by September 30, 1978

F H L ASSEM _____ T R A J B 1 2 PPD COL P&CB UPS XP PP _____

read something from such signs, I've already had difficulty in interpreting them accurately, since I don't have the gift of reading tea leaves or peoples' minds. More productive ways of taking a factual reading of a customer's understanding, acceptance and readiness to act are:

- *Ask test questions* as you explain the services/capacities you're proposing. Use of test questions was discussed in our last "Let's Talk Selling" article.

Example: "What's your reaction to the significant savings in time and expense that can be realized through Sure Pay?"

Through feedback elicited by test questions, you not only confirm understanding and acceptance, but you can quickly flush out misunderstanding or doubt so it can be resolved immediately.

- *Listen for buying signals* emitted by a customer as you explain services/capacities. These are statements or questions initiated by a customer that picture him employing the service or capacity. For example, when a customer asks: "How can I get my people to accept the change in their pay habits that Sure Pay would involve?" he's indicating that he's accepting the idea with reservations about his employees' acceptance.

As you resolve the reservation, you then have a positive basis for seeking action, since buying signals are seldom raised without some degree of acceptance.

- *Ask "green-light" questions* to check a customer's understanding of your total explanation and to draw out questions that require further explanation.

Examples: "Do you have any questions about the Sure Pay system?" "What questions might you have about anything we've discussed?"

This provides a safety check on the quality and completeness of your explanation, since you can seldom anticipate all that a customer may need to know to make an action decision. If a question or doubt is raised in response to your "green-light" questions, you should answer it by supplying the facts requested and asking whether he has any further questions. If a customer has no further questions, it indicates you have the "green light" to proceed.

2. *Review key benefits* a customer will achieve by acting on your proposal. This supplies a motivating push that educates by bringing into sharp focus benefits the customer will realize by decisive action and supplying reasons for action that are relevant to him.

Asking either/or choice questions involves offering the customer a simple choice of two alternatives for carrying out the "next-step" action because it narrows the decision.

The review should be a brief 15- or 20-second summary of the benefits that generated the strongest customer response during your service/capacity explanation.

Example: "Through use of Sure Pay, you will reduce your check and payroll preparation costs by more than \$3,000 a year; you'll free clerical personnel for more productive activity; you'll be relieved of the time and expense of handling special pays for personnel on vacation, out sick or who travel, and you'll reduce productive time lost on payday by employees taking extra time to cash and deposit their paychecks."

3. *Define "next-step" action* by stating in clear and specific terms what must be done to proceed on what you've proposed and to realize the benefits you've reviewed. Guidelines to observe in defining action are as follows:

- The suggested action should lead to accomplishment of goals set in planning your call. For example, if the goal of your call is to "get three years of financial statements to develop a tailored financing plan," that's the action you should request.

- Useful language to use in stating an action request is: "The next step . . ." since it focuses the customer's attention on what needs to be done.

Example: "To tailor a financing plan to your specific requirements, the next step is to analyze your financial statements for the last three years so that we have a basis for projecting growth trends."

- Orient the action to the customer's viewpoint by stating it in terms beneficial to him.

Example: "To provide you and other key members of your management team with details on how Sure Pay can be effectively implemented with your employees, the next step is a meeting with Bill Smith, who is the manager of our Sure Pay program."

- Define any conditions or requirements associated with the action, such as time requirements.

Example: "The next step is to meet with Don Reed of our trust department to take the inventory of assets we discussed and to develop a preliminary

plan that can be reviewed with your attorney. Such a meeting normally runs about 90 minutes to two hours, a modest investment to make when compared with your potential tax savings."

4. *Implement action with detail decisions* to help the customer complete the details involved in executing "next-step" action, such as *when*, *where* and *how* the action should be implemented. There are several ways to accomplish this:

- *Ask either/or choice questions.* This involves offering the customer a simple choice of two alternatives for carrying out the "next-step" action. It's useful in getting action because it narrows the decision, making it easier for the customer to decide.

Example: "Bill Smith is available to meet with you and your management team this coming Monday. However, if that's not convenient, he can meet with you later in the week on Thursday. Which is better from your standpoint?"

In using either/or choice questions, it's good practice to incorporate a reason into each alternative. This makes the choice a reasonable one and keeps the question from sounding like high pressure.

Example: "Recognizing how busy you are, we can arrange to set up the meeting with our trust officer at your office to save your time. However, because of the confidentiality of the discussion, you may prefer the privacy of meeting in our bank conference room. Which would you prefer?"

- *Ask detail-resolving questions.* This involves asking open-end questions to confirm action details related to methods, time, place or people involved in implementing "next-step" action. Such questions are useful when it's not practical or awkward to use either/or choice questions.

Examples: "When is the best time of day for you to set up the meeting?" "Who can supply me with a set of your statements?"

- *Use physical action.* This involves completing physical details or procedures required to implement "next-step" action, such as completing signature cards and corporate resolution, completing loan application, signing trust agreement, etc.

5. *Thank and assure customer.* This simply involves thanking a customer for the action he has taken and assuring him that you'll follow through on the details necessary to implement his decision. This is good customer relations that reinforces a customer's confidence

(Continued on page 18)

MID AMERICA MARKETING ASSOCIATES

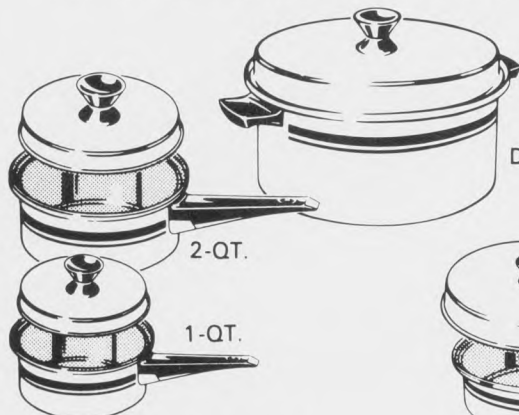
presents a proven program of

Quality aluminum rangeware with **SilverStone** interiors.



Thick, even-heating aluminum for durability and years of service. DuPont's super-tough SilverStone interiors offer unequaled non-stick

performance and fast, easy cleanup. Porcelain or natural exteriors.



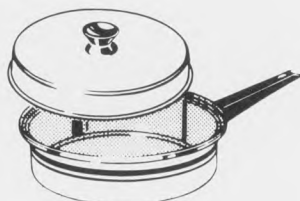
RICH ALMOND EXTERIORS WITH BROWN TRIM.

5-QT. DUTCH OVEN

2-QT.

1-QT.

COVERED SAUCEPANS



10" COVERED FRY PAN



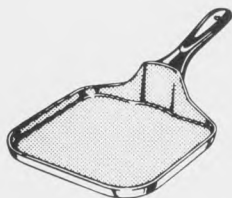
2½ -QT. WHISTLING TEAKETTLE
Heats water fast. Push-button flip-cap.



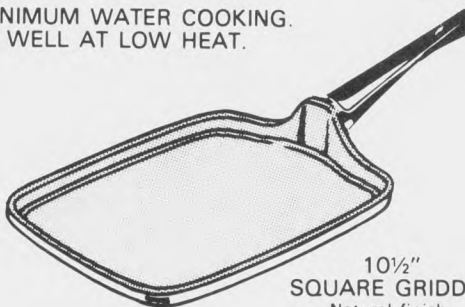
10"

8" SAUTE-FRY PANS
Sloped sides so foods slide out with ease.

VAPOR-SEAL CONSTRUCTION FOR MINIMUM WATER COOKING. SAVES ENERGY BY PERFORMING WELL AT LOW HEAT.



6½" MINI-GRIDDLE
Just right for 1 or 2 servings. Natural finish.



10½" SQUARE GRIDDLE
Natural finish.



ITEM	\$50	DEPOSITS		Subsequent Deposits of \$25
		\$1,000	\$5,000	
Mini-Griddle	Free	—	—	3.85
Teakettle	Free	—	—	4.25
Saute Pan, 8"	—	Free	—	4.95
Saute Pan, 10"	—	Free	—	6.00
Sq. Griddle, 10½"	—	—	Free	6.85
1-Qt. Cov. Saucepan	—	—	Free	6.75
2-Qt. Cov. Saucepan	—	—	Free	7.25
10" Cov. Fry Pan	—	—	Free	8.95
5-Qt. Dutch Oven	—	—	Free	9.95

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Here's a popular, value-packed program that will provide the new accounts and additional deposits you want. The program, designed to run for 45 days or for as long as 6 months, is a proven success.

*Copyright applied for.

CHRISTMAS SPECIAL

TO: ALL BANKS & SAVINGS & LOAN ASSOCIATIONS

"A UNIQUE PROMOTIONAL PROGRAM"

WITHOUT COST TO YOU

The Bel-Air Company proposes to offer to your customers and your potential customers a FREE "8 x 10" natural color portrait of their family. This program is designed to improve customer relations and add new accounts. We provide advertising material plus trained personnel, you only furnish the location.

A FEW OF THE ACCOUNTS SERVICED BY BEL-AIR

Greensburg Deposit Bank
Greensburg, Kentucky

July 23, 1976

Mr. Fred Payne
Bel-Air Studios
2606 Dixie Highway
Louisville, Kentucky

Dear Mr. Payne:

We were greatly impressed by the promotional package made available to our customers thru your studio. We were astounded by the response we received as it greatly exceeded our expectations. As you recall, we had to increase the daily hours each day and we used these more days than we had anticipated.

We especially appreciated the courtesy extended, not only to our bank, but to our customers by your studio and your staff.

The pictures were of excellent quality and everyone was highly complimentary.

Sincerely yours,
Edward Powell
Edward Powell
Executive Vice President
EP/yc

ENB BANK NATIONAL
2606 DIXIE HIGHWAY
LOUISVILLE, KENTUCKY 40216

January 11, 1977

Bel Air Studio & Publishers
2606 Dixie Highway
Louisville, Kentucky 40216

Gentlemen:

This is to let you know how very pleased we were with your pictures. Although we did not use the program to gain new customers, we feel very confident that the good will created by "our" give-away was well worth the effort involved. A good many of our customers have expressed their personal regards for the program.

Even though we were a bit skeptical at first, our employees were all delighted with the pictures. They were all gone in a quality manner and we had few complaints from any of the participants. We would be very interested in having this promotion again sometime in the future.

Sincerely,
Roger Powell
Roger Powell
President
RP/mlh

Corydon State Bank
NEW SALISBURY, IN 47161
347-2466

January 21, 1976

Mr. Fred Payne
Bel-Air Studios & Publishers, Inc.
2606 Dixie Highway
Louisville, Ky. 40216

Dear Fred,

Just a line to thank you for all your cooperation and effort in our recent "Free Portrait" promotion. We were overwhelmed with the response it received. Having recently opened a new branch location this "Free Portrait" promotion filled our situation very well. We got a lot of traffic through our new facility not just once when the photograph was taken, but also, a second time when the proofs were viewed.

It's been a pleasure working with you and your staff.

Sincerely,
Michael C. Frederick
Michael C. Frederick, Vice-President & Branch Manager
North Harrison Branch, Corydon State Bank
MCF/jas

American STATE BANK
Lawrenceburg, Indiana 47050

January 31, 1977

Mr. William C. Lacy
Bel-Air Studios & Publishers
2606 Dixie Highway
Louisville, Kentucky 40216

Dear Mr. Lacy:

I am writing to express the satisfaction of the American State Bank with your firm's family photograph program.

We have received many compliments and expressions of thanks from our customers in reference to the program. Many were especially pleased with the quality of the photographs.

It was certainly a pleasure to be associated with you and Bel-Air Studios and to be able to serve our customers with a quality product through our association. It is our hope that we will be able to offer the program again this year with equal success.

Yours very truly,
W. A. McCullough
W. A. McCullough,
N.V.P. & Cashier
WAC/mhc

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
FIRST AND BROADWAY
LOUISVILLE, KENTUCKY 40216

December 10th, 1976

Mr. Fred Payne
Bel-Air Studios
2606 Dixie Highway
Louisville, Kentucky 40216

Dear Fred,

We at First Federal Savings and Loan Association would like to thank you for the excellent job you and your employees performed while working with our Association. Needless to say, they were all professionals in their field.

We look forward to working with your company again in the future.

Should you ever want a recommendation, please feel free to call on me.

Thank you again, for a job well done.

Sincerely,
Mayne Smith
Mayne Smith
Vice President
Mf/jh

THE BEL-AIR COMPANY
2606 Dixie Highway
Louisville, Kentucky 40216

Please contact me, I'd like to discuss a portrait program.

Please send me additional information on your program.

NAME AND TITLE _____

INSTITUTION NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ PHONE _____



Bank Customers, Staff Get in Act

JUST ABOUT EVERYBODY at one time or other would like to be in show business — movies, TV, the stage, etc. In Cedar Rapids, Ia., many people did get to become part of the world of television for a short time, thanks to that city's Merchants National.

The idea for involving MNB customers and employees in some light-hearted, highly original TV spots was developed by Ron Howes and Peter Jacoby, creative director and producer, respectively, of Creswell, Munsell, Schubert & Zirbel, Inc. (CMS&Z), Cedar Rapids, the bank's ad agency.

The commercials' objective was to point out, in a memorable way, the many services that make banking easier at MNB, according to Mr. Howes.

"The theme we wanted to establish was 'Hey, That's Easy!' We wanted to talk about services such as MNB's Instant Access bank card, personal bankers, all-night banking, etc.

"In saying these services over and over in my head, they took on a sing-song meter that reminded me of the old French round, 'Frere Jacques.'"

Then, Mr. Howes reports, he was inspired by an old Nelson Eddy/Jeanette MacDonald film in which Mr. Eddy and his troop of singing dragoons marched through a swamp singing a husky version of "Stouthearted Men." Why not, he thought, adapt this idea to the TV commercial and have dozens of "extras" marching down the bank lobby in the overdone manner of Mr. Eddy's dragoons, lip-synching to a song actually performed by a professional chorus?

Although Mr. Howes thought carrying out such an idea would cost too much, he "bounced it off" Mr. Jacoby, who went wild over it. He was outlining shots within 60 seconds and came up with the idea of using MNB customers and employees for the marchers as a way to reduce expenses. Even with this local talent, the two versions of the commercial would be the most



Lobby of Merchants Nat'l, Cedar Rapids, Ia., is transformed into sound stage as cast (all MNB customers and employees) rehearses for TV commercial's grand finale. Bank took unusual step of using not only amateurs in commercial, but its own employees and customers.

expensive the bank had ever approved, but bank officials became so intrigued with the idea that they gave it the green light.

The campaign to net a bank full of budding talent was launched last winter with a multimedia effort, including radio, direct mail and handout

brochures and a large newspaper ad headlined, "So you wanna be in a television commercial." The ad, which ran in the local newspaper three weeks before the commercial was to be shot, invited MNB customers to stop by the bank and audition for parts.

The idea of possible stardom struck the fancy of some 100 customers and employees, who turned up wearing their most photogenic smiles. In true-to-Hollywood fashion, each was auditioned, photographed and information on them put on file cards for reference. After hours of careful culling, a cast of 76 customers and employees ranging in age from 11 to 80 was selected.

On the day the commercial was to be shot, the MNB lobby was transformed into a sound stage, complete with lights, cameras and plenty of action.

The willing amateurs were led by Mr. Jacoby through the intricate moves of the musical commercial — all lip-synched to an operetta score a la Gilbert and Sullivan that was pre-recorded at studios in Minneapolis. The cast acted out a series of vignettes depicting bank services with surpris-

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\$45* single issue

*Plus shipping and handling

AMERICAN Bank Directory

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ing finesse. Backed by a 48-piece instrumental ensemble and a 24-voice chorus, they strutted and lip-synched their way to a spectacular close, accompanied by tympany roll.

To increase interest in MNB's campaign, a premiere night was planned and staged in the bank's lobby, with more than 100 attending. The opening was similar to movie premieres of a generation ago: "Stars" arrived in long, black limousines. Celebrities wore tuxedos or gowns. A fountain gushed punch, and hors d'oeuvres were served to the melodic strains of a string quartet.

The evening's festivities — embellished with laudatory speeches by ad-agency and bank officials — were climaxed with several showings of the completed commercials.

As a final reminder to Cedar Rapids residents, CMS&Z created another newspaper ad announcing the TV debut of the commercials, listing a schedule of air times. The ad, reminiscent of those heralding such movies as "The 10 Commandments," featured mock reviews and thumbnail photos of featured actors and actresses who would appear in, as the ad proclaimed, "The commercial all America is talking

about." It was even given a "G" rating — for gangbusters!

Using local people in the commercials resulted in several public-relations spin-offs. For example, the casting session was the subject of a segment of a local news show and produced photo-and-story coverage in the local newspaper. Later, a Cedar Rapids TV station sent a crew to film the actual shooting of the commercial in the bank.

"Hey, That's Easy!" was aired first last January. Since then, the response has been unprecedented, according to MNB President James E. Coquillet. "I can't remember when we've ever received so many congratulatory letters, kind remarks and phone calls from customers and others who said they enjoy the commercials," he says. "People seem to find them fun and entertaining. We feel it's an effective way to remind all our customers — present and prospective — of the many services available to make banking easier at MNB."

Because of the commercials' unusual popularity, they will continue to be telecast through the end of the year, says Richard Holthaus, the bank's advertising manager.

"These commercials," continues Mr. Holthaus, "continue to attract an unbelievable amount of local interest. The tune and lyrics seem to stick. Our bank officers and employees report dozens of recognition incidents daily. That's why we are planning to incorporate 'Hey, That's Easy!' music and lyrics into some future spots, too." ●●

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Our pre-designed in partial lieu of interest promotion, "The Magnificent 7" is available to you complete with:

- Flyers
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This is a "turn-key" package that can be ready to go within 30 days.

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If our "Magnificent 7" promotion does not fit your institutional or marketing requirements, our creative staff will put together a special program fitted around your particular needs.

For information & our special Certificate of Deposit portfolio, write or call us at:



CHICAGO MARKETING SYSTEMS, INC.

Financial Marketing Division
225 N. Arlington Heights Rd.
Elk Grove Village, IL 60007
Phone (312) 956-7616

Decisive Action

(Continued from page 14)

in his action decision and your desire to serve him.

In summary, as you practice the skills of initiating action — checking readiness to act, motivating action with benefits, defining "next-step" action and implementing action with decision questions — you not only will serve the interests of your customers by guiding them to satisfaction of their needs, but you'll serve your own interests better by improving the productivity of your sales calls.

In our next two articles, we will explore the nature, causes and remedies of breakdowns that occur in sales communication — better known as customer resistance. ●●

How to make the perfect form.*



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The Pro Formers

Community Involvement

Bankers Take Part in Contractors' Finance Workshop

REPRESENTATIVES of three East St. Louis, Ill., area banks served as panelists in a management workshop for construction subcontractors sponsored by the Southern Illinois Builders Association recently.

On hand to share their financial expertise with representatives of 26 local construction firms were Robert Kassing, Bill Kassing and Tom Haley, First National, East St. Louis; Wayne Highsmith and B. J. Holt, Edgemont Bank, East St. Louis; and R. J. Louis, Southern Illinois National, Fairview Heights.

The subcontractors participated in a four-week, 10-hour course that led 34 participants representing 26 firms through the intricacies of obtaining financing, marketing construction services, obtaining bonding and managing projects.

Mr. Louis took the class through an example of cash flow of a typical construction firm. He explained the importance of cash flow management and how critical good management is to the success or failure of an operation.

Mr. Holt's presentation stressed things a banker needs to know about his customer and urged contractors to establish sound communicative relationships with their bankers.

Bob Kassing urged subcontractors to be honest with themselves and not to spread themselves too thin. If a subcontractor oversells himself to a general contractor and then can't perform, he said, he has lost his market to that general contractor and possibly to others as well.

A major consideration in the organization of the course was meeting contact people from banks, insurance firms and general contracting firms.

Rather than meet a member of a bank's board who would be unlikely to become directly involved in a small contractor's loan application, the course arranged for contractors attending the workshop to meet bank loan officers, who explained what they would require before approving a loan.

In addition to the bankers, five insurance firms participated in the workshop.

Bob Kassing told the class the reasons contractors go out of business include poor estimating, lack of supervision on projects, bad cash flow, poor record keeping and nonpayment of bills.

The need for a course of this type has been made more acute by federal spending programs that require general contractors to use some minority-owned subcontracting firms on government-funded projects. While the course was not aimed specifically at minorities, an effort was made to apprise minority contractors of the programs' availability.

In contrast to other programs that have been conducted by various governmental agencies, universities and consultants, this program brought subcontractors into direct contact with the people they would be bidding with. Each session included a short lecture or explanation of methods followed by a question and answer period where specific problems were addressed and a subcontractor's own methods reviewed.

Experience of participating firms ranged from a new contractor who had not completed his first job to a builder who had been in business for 30 years. ••

News, Not Financial Data:

Banks Create Magazine To Meet Community Need

Commerce banks in the Kansas City area have begun publishing an attractive, well-illustrated magazine to keep customers and friends up to date on activities of the banks and on other happenings in the Kansas City area. Called *Neighbors*, it's to be published on a yearly basis. Starting next year, similar magazines will be produced for Commerce banks in St. Louis, southwestern Missouri and other areas.

The first issue, containing 18 pages, featured a four-color cover photo of three youngsters at Conn-West Elementary School tending to a worm farm. This farm, which is being operated by the school's fifth and sixth graders, was made possible through a \$30 loan granted by Commerce Bank of Grandview. It all started when the classes, as part of their "Economics in Action" course, toured various Grandview businesses and then decided they wanted to go into business, too.

Neighbors also featured stories on what had been happening in Kansas City the past year, such as the flood in Country Club Plaza and the severe winter, new businesses or business additions coming into the area, articles on entertainment, sports, business/finance and real estate. The publication also spotlighted some staff members of the Commerce banks.

The magazine's objective, according to the banks' marketing director, Laura Kemper, was to create a highly readable magazine that would appeal to the general public. Thus, the banks followed a news-magazine format with stories on what Commerce bankers and customers have been doing in their own neighborhoods. According to Miss Kemper, in Commerce Bancshares' 1977 annual report, James M. Kemper Jr., chairman and president, pointed out that customers and shareholders often are more interested in activities at their own neighborhood Commerce banks than in the financial data of the holding company itself. To answer that need, the HC created *Neighbors*.

Miss Kemper edited the first edition, with help from the banks' ad agency, Valentine/Radford.



Banker participants at recent management workshop for construction subcontractors included (from l.) W. H. Kassing, v.p., First Nat'l, East St. Louis, Ill.; B. J. Holt, e.v.p. & cash., Edgemont Bank, East St. Louis; Tom Haley, v.p., First Nat'l, East St. Louis; Wayne Highsmith, pres., Edgemont Bank; and R. J. Louis, e.v.p., Southern Illinois Nat'l, Fairview Heights.

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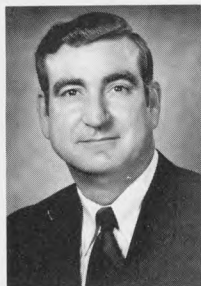
CALL TO ARRANGE FOR A LOCAL REPRESENTATIVE TO EXPLAIN HOW YOU CAN BENEFIT.



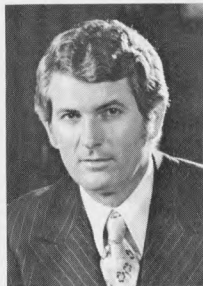
**JOHN M. KEMPER & CO.
BANCINSURE CORP.**

23900 HAWTHORNE BLVD., TORRANCE, CALIF. 90505

NEWS OF THE BANKING WORLD



ALDRIDGE



BUTCHER



BRUMMETT



KRUSE



RHODES



POELKER

• **Robert E. Aldridge** joined Nashville's First American National September 1 as senior vice president and manager, correspondent banking group. He had been with Citizens Fidelity, Louisville, for 20 years and had managed that bank's correspondent banking division since 1974. Before joining Citizens Fidelity, Mr. Aldridge was an advertising executive with Procter & Gamble Co. and a sales executive with Pillsbury Mills, Inc.

• **Jake Butcher**, chairman of the board and executive committee and CEO, United American Bank, Knoxville, last month won the Democratic nomination for governor of Tennessee. He will face a Nashville lawyer, Republican Lamar Alexander, in the November general election. Mr. Butcher also is chairman, United American Bank, Memphis, and First & Farmers National, Somerset, Ky.

• **John S. Poelker** has resigned from St. Louis' Mercantile Trust to join Citizens & Southern National, Atlanta,



LOONEY



BOWDOIN

as general vice president and chief financial officer. He had been senior vice president and comptroller at Mercantile Trust and served as chief financial officer for the bank and for its parent HC, Mercantile Bancorp.

• **The Federal Land Bank of Wichita** has appointed three new senior officers. Ray L. Brummett has been named general counsel, and Thomas R. Kruse and Darryl W. Rhodes have been made regional vice presidents. Mr. Brummett, formerly principal attorney, joined the bank in

1965. Mr. Kruse will supervise 19 Federal Land Bank associations in western Kansas, eastern Colorado and western Oklahoma. He joined the Land Bank system in 1972 and had been assistant vice president-field. Mr. Rhodes has supervisory responsibility for eight Federal Land Bank associations in western Colorado and New Mexico. He joined the Wichita bank staff in 1976, going from the Federal Land Bank Association of Colorado Springs, Colo. Most recently, Mr. Rhodes was assistant vice president-field.

• **Wilton Looney** has been named chairman of the executive committee, Trust Co. Bank, Atlanta, succeeding William R. Bowdoin. Mr. Looney, a director of Trust Co. Bank and Trust Co. of Georgia since 1961, is chairman, Genuine Parts Co. Mr. Bowdoin retired August 1 as chairman, Trust Co. of Georgia Associates, and chairman of the executive committee, Trust Co. Bank, both in Atlanta. He joined Trust Co. of Georgia in 1948 and held several top posts there and at Trust Co. Bank.

• **Schubert J. Dyche**, a former Treasury Department official, has joined Chicago's First National as vice president and senior adviser/international, business and economic research department. Mr. Dyche was Treasury representative in Paris, where he took part in monetary negotiations leading to the first economic summit meeting at Rambouillet, France, in 1976. This meeting formed the basis for reform of the international monetary system. Mr. Dyche also served the Treasury in posts in Tokyo, Latin America and Washington, D. C.

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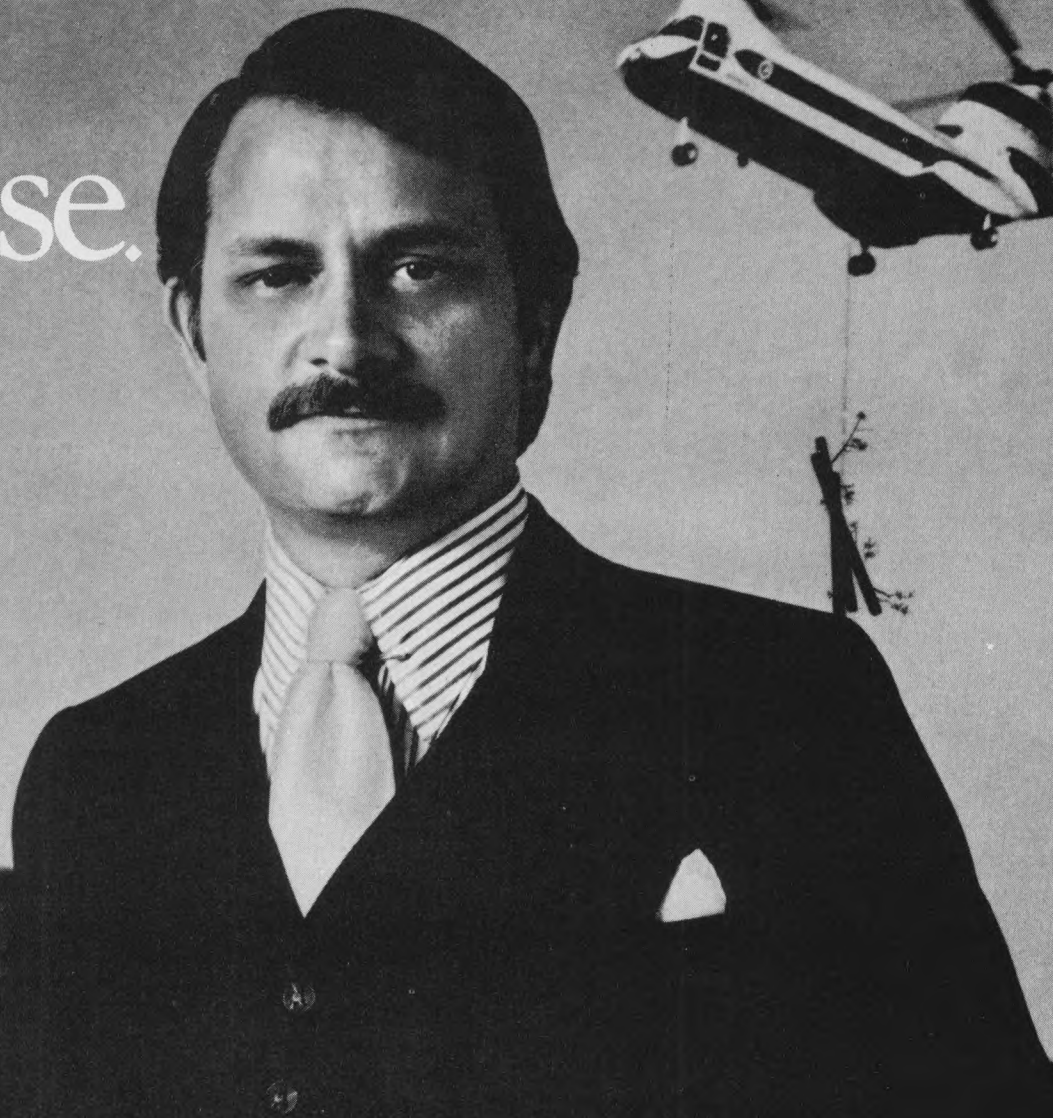
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Richard Pinney, Vice President/District Executive, Correspondent Banking

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It wasn't an easy participation. It took sound judgment and imagination—and the kind of responsiveness Dick and his Relationship Managers are geared to deliver. The result? The Oregon Bank got a fast approval on its participation proposal. And its customer got some bargain-priced helicopters.

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If you're looking for a fast response on a loan participation, call your Chase Relationship Manager. He or she is ready and eager to help you quickly meet the lending needs of your customers. No matter how complex or unusual their business may be.



CHASE

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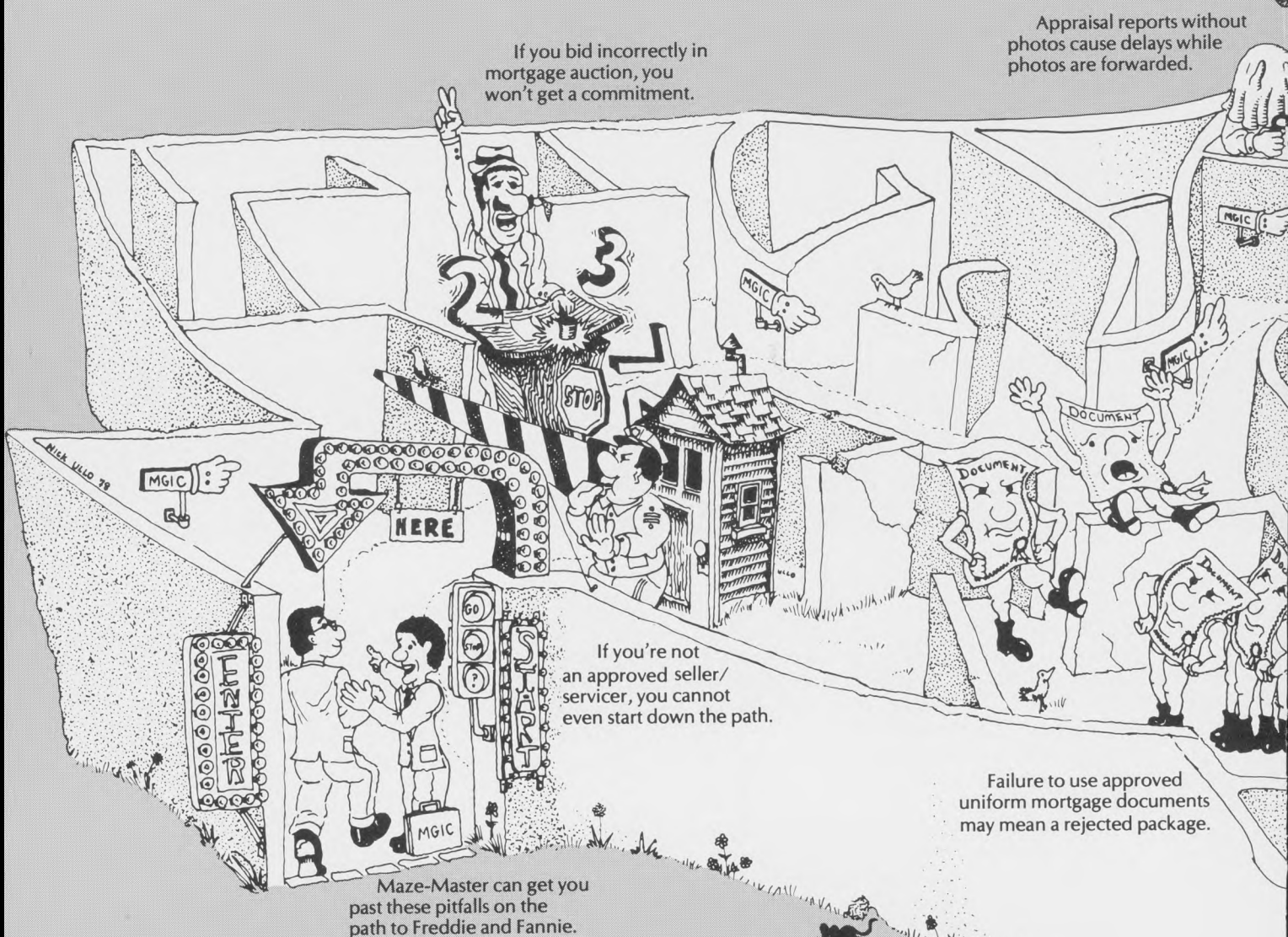
Money is getting tighter. So more and more lenders are going to Freddie Mac and Fannie Mae for mortgage money. To a lender using them for the first time, the route to these valuable secondary market sources can appear to be a labyrinth of complicated forms.

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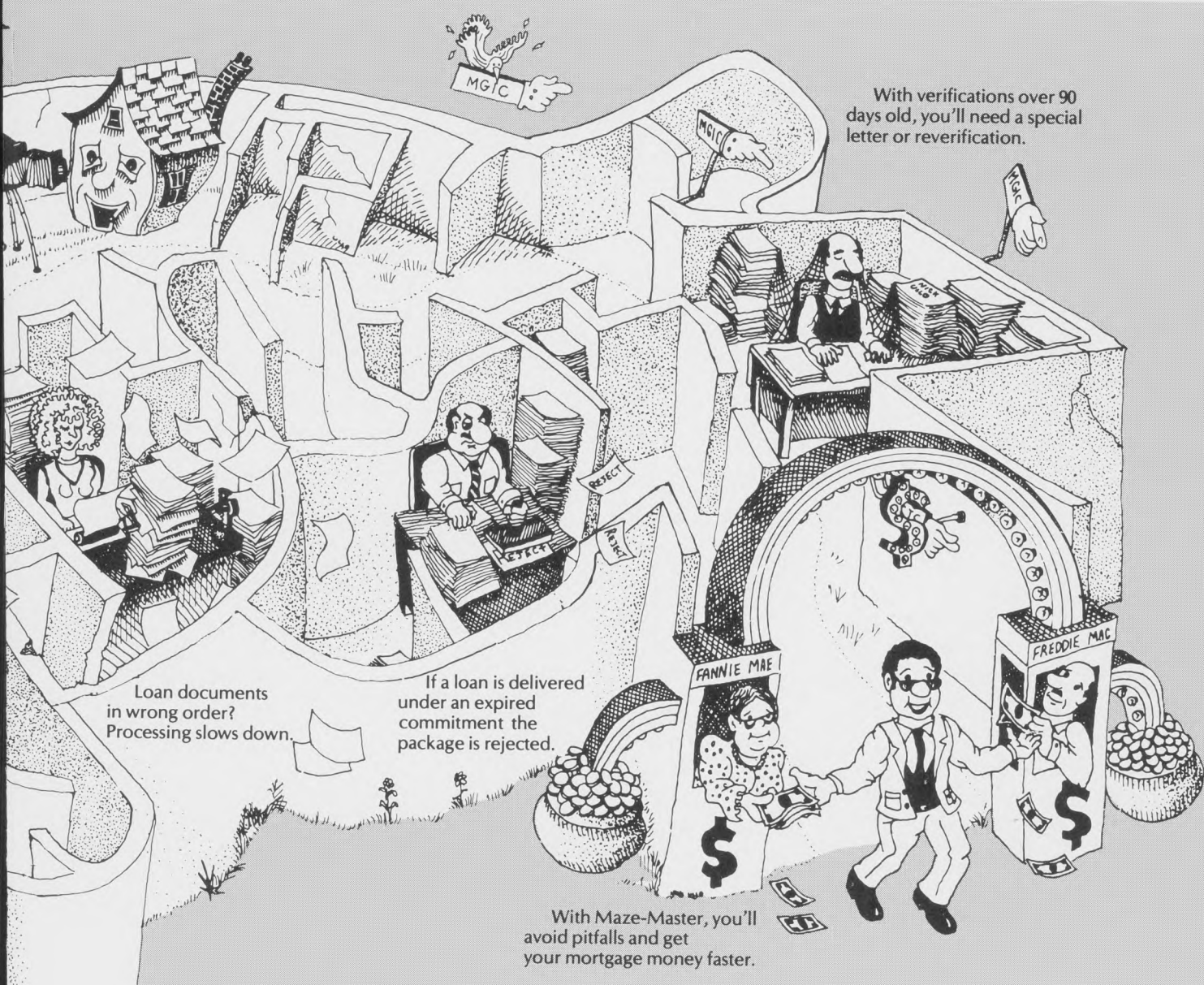
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Washington Wire

Reg Q Moves to Center Stage

Interest-Rate-Control Act to Expire December 15

THERE is no dearth of major banking issues awaiting action in Congress—the Financial Institutions Regulatory Act (which is expected to be debated in the House of Representatives early this month); legislation on the Fed's membership problem; a bill to consolidate the regulatory agencies; EFT consumer protection-bills in both the House and Senate and the International Banking Act, to name a few.

But with all these issues waiting in the wings, an old and still-unresolved issue has moved to center stage: the Interest-Rate-Control Act and Regulation Q. That law, first enacted in 1966 and extended some 11 times since

According to ABA President A. A. Milligan, bankers have found items to praise and items to deplore in regulations proposed under the Community Reinvestment Act. The ABA is urging regulators to delete provisions that would impose burdensome and unproductive reports and other paperwork on banks.

then, originally imposed interest-rate ceilings on S&Ls. However, a 1975 amendment to that act made the interest-rate gap in the S&Ls favor a part of federal law.

Looking ahead to December 15, when the Interest-Rate-Control Act would expire if it were not renewed by Congress, Representative Fernand J. St Germain (D., R.I.), chairman, House Financial Institutions Supervision Subcommittee, made the act one of the prime topics of a wide-ranging series of hearings in early August.

ABA President A. A. Milligan told the subcommittee that the 1975 amendment mandating a statutory interest-rate differential should be removed from the law and that discretionary authority to manage all interest-rate ceilings should be re-

turned to the regulatory agencies. (These legislative goals were set by the ABA's government relations council in a late July meeting.)

Mr. Milligan, president, Bank of A. Levy, Oxnard, Calif., said the ABA would support a one-year extension of the act if it were combined with relief from the interest-rate differential. A Carter Administration task force on Regulation Q and housing questions is expected to complete its work before then. The Federal Reserve Board and the FDIC also have endorsed extension of the law to December 15, 1979.

(As of this writing, leadership of the House of Representatives was suggesting that a post-election session of Congress might be necessary if Congress failed to agree on energy legislation before the elections. In that event, the Interest-Rate-Control Act and other banking issues might not see final action until late this year.)

On other issues, Mr. Milligan told the House panel that bankers have found items to praise and items to deplore in regulations proposed under the Community Reinvestment Act. The act requires regulators to take into account a financial institution's record of meeting local credit needs in connection with decisions concerning any applications for changes in the status of financial institutions — home-office relocation, new branches, new holding-company activities, etc. The law's legislative history specifically provides that it's not intended to impose new paperwork or regulatory burdens on financial institutions.

Proposed regulations would allow banks' boards of directors to play a significant role in determining the bounds of their institutions' communities, in deciding what local credit needs exist and in setting policies to meet those needs. Regrettably, the regs would require preparation and public posting of a "Community Reinvestment Act Statement," substantial paperwork and a "periodic public accounting" by banks — none of which is consistent with the legislative history of the act. The ABA is urging regulators to delete these provisions from the CRA rules, provisions that would

impose burdensome and unproductive reports and other paperwork on banks.

In separate testimony before the House Banking Committee, ABA President-Elect John H. Perkins, president, Continental Illinois National, Chicago, said that sharp reductions of reserve requirements potentially could offer an attractive and relatively uncomplicated solution to the Fed's membership problem. But the reductions would have to be more substantial than those originally put forward by the Fed. (Cuts to one-half to 10% on time and savings deposits, for example, have been proposed by the Fed.)

On the Fed's membership problem, the ABA suggests that pricing of Fed services should be on a basis that takes into account the Fed's real costs of providing services so that correspondent banks' ability to compete with the Fed would not be unfairly eroded. In other words, establish realistic prices.

Payment of interest on required reserves and explicit pricing of Fed services, issues that are tied together, are philosophically desirable, but perhaps more politically difficult to achieve, Mr. Perkins said. For example, payment of interest on required reserves would expose banks to unfounded political charges that they were recipients of a "government windfall," just as was the case with non-interest-bearing funds in Treasury tax-and-loan accounts.

Mr. Perkins said the ABA's government relations council, which arrived at a consensus on the Fed's membership problem during its July meeting, rejected outright the concept of universal Fed-established reserve requirements. While expressing a belief that the industry likely would never support universal reserve require-

(Continued on page 118)

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Regulatory News

Regulations-Analysis Office Established by Comptroller

A new regulations-analysis office has been established by the Comptroller. Its purpose is to review the Comptroller's regulations and policies as well as National Bank Act provisions. The office was created in response to a Presidential directive and is aimed at improving the efficiency and effectiveness of the regulation and supervision of national banks.

According to Comptroller John G. Heimann, it's increasingly clear to all concerned that, in some instances, the regulatory apparatus has become overburdensome both to government and the private sector.

Mr. Heimann emphasizes that the problem is not that regulation and supervision of economic and commercial affairs are inappropriate, but rather that regulation often outlives the problem it was intended to address, that sufficient care is not always taken to choose the least-costly means to achieve the desired end and that, occasionally, regulation results in unanticipated consequences that can be more severe than the problem the regulation sought to remedy.

The office, says Mr. Heimann, will pay special attention to burdens placed on small institutions that don't have the resources to handle the volume of paperwork or analysis involved in complying with existing regulatory requirements.

The new office is headed by Alan Herlands, who has been executive assistant to the first deputy comptroller since 1976. He joined the Comptroller's Office in 1974, going from the Securities and Exchange Commission.

Beginning Examiners' School Being Planned by CSBS

The Conference of State Bank Supervisors last month announced a program to increase significantly the CSBS's examiner-education capabilities.

The Joint CSBS/FDIC Examiner-Training Program currently is educating 190 state bank examiners, and that number will be increased to 220 next year. However, there are 500 applications for the program this year.

The new School for Beginning Examiners is being designed for examiners with state-banking-department

tenure of from about three months to one year. CSBS President E. D. "Jack" Dunn, Georgia banking/finance commissioner, has appointed a committee to create a curriculum for the two-week resident schools, to train experienced, high-level state examiners as instructors and to develop an extensive, preschool correspondence course that will serve as the foundation of the resident sessions and increase classroom efficiency.

A pilot school for beginning examiners from the state banking departments of Alabama, Florida, Georgia, Louisiana, Mississippi, North and South Carolina and Tennessee has been scheduled for December 4-15 in Atlanta. Tentative plans are being made for several additional schools at different locations throughout the country beginning in March or April, 1979. Eventually, the CSBS will organize a series of regional schools in more-or-less permanent locations to meet examiner training needs of neighboring state banking departments. Normal class size is expected to range from 25 to 30 students.

'Cooling-Off' Part of Reg. Z Amended by Fed Governors

The Fed's Board of Governors has amended its Regulation Z — Truth-in-Lending — concerning the "cooling-off" period for consumers who pledge their homes as security in open-end credit arrangements. Credit-card and overdraft-checking arrangements are examples of open-end credit.

Truth-in-Lending requires that where a house is used as collateral for a consumer loan, the lender must give notice that the borrower has a three-day period in which to cancel the deal. Lenders have asked the FRB how this notice should be given when they extend open-end credit that's secured by an interest in a consumer's home.

The amendment exempts from the notice requirement of Regulation Z individual transactions under an open-end credit arrangement when the creditor and seller are not the same or related persons. For example, the exemption applies to use of a bank credit card to buy merchandise from a retail seller.

To qualify for this exemption under arrangements where the creditor and seller aren't the same person, the

amendment requires that customers must be notified of their right to cancel mortgage-secured open-end-credit plans in four instances:

- When an open-end-credit plan is first opened.
- Whenever the credit limit is increased.
- Whenever terms of the account are changed.
- Whenever a security interest in a house is added to an existing open-end-credit arrangement.

Customers also must be reminded annually that their homes have been pledged as security for such accounts.

When the creditor and seller of goods and services are the same or related persons (for example, in the case of a revolving charge account established with a merchant under which the customer may buy goods or services only from that merchant), Regulation Z specifies that notice of the right of rescission must be given whenever a transaction occurs on an open-end account secured by the customer's home.

Fed's Consumer-Credit Survey Undergoes Several Changes

The Fed last month extended for three years its monthly survey of consumer credit at commercial banks. At the same time, it approved a number of changes in the report (F. R. 571 — Commercial-Bank Report of Consumer Credit) designed to reduce substantially the reporting burden on banks while retaining the major aspects of the analytical usefulness of the information gathered.

Some of the data is used by the Fed to prepare its monthly reports on consumer installment credit (G. 19) and automobile credit (G. 26).

In large part, the revisions were necessitated by the fact that distinctions among certain types of consumer credit are becoming blurred by changing market practices. Revisions include elimination of reporting number of loans made by reporting banks for autos and mobile homes and data for new and used auto loans, plus consolidation of check-credit and credit-card figures. The reporting panel of banks will be reduced from 567 to 298.

The title of the report, as revised, is "Commercial-Bank Report of Consumer Installment Credit," reflecting elimination of the only item in the report before revision that didn't involve installment credit. The report's number has been changed from F. R. 571 to F. R. 2571. The new form will be used first for the October report.

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Agricultural News

Non-Real Estate Farm Lending Again Led by Banks in 1977

WASHINGTON, D. C. — Banks continued to be the leaders among major lending institutions in providing non-real estate agricultural credit in 1977, according to figures released last month by the ABA.

Results of the annual farm credit study made by the association's agricultural bankers division indicate that last year banks provided \$25.7 billion in non-real estate loans — 10% more than in 1976 and about half the \$50.9 billion loaned by all major lenders to farm operators.

By comparison, Production Credit associations, the next leading non-real estate farm lender, provided \$13.5 billion, while the Farmers Home Ad-

ministration made \$3.1 billion in non-real estate farm loans, the ABA report says.

Total farm real estate debt as of last January 1 was \$63.3 billion, a 12% increase over the 1976 figure. Banks made approximately \$7.8 billion in new farm real estate loans — a 15% increase over 1976.

Federal Land banks provided \$21.4 billion; life insurance firms, \$8.5 billion, and the Farmers Home Administration, \$3.9 billion.

Total national farm debt in 1977 for all major lenders reached a new high of \$114 billion, a 13% boost over 1976 and a 79% increase over the last five years.

Banks in Iowa led the way in agricultural lending, providing \$2.8 billion in non-real estate and \$330 million in real

estate loans — in all, a 15% increase over the previous year.

Agriculture Exhibit Is Held By Banking Group at Fair

Roles bankers play in Illinois' agricultural community were shown the public last month at the Illinois State Fair in Springfield. The Illinois Bankers Association had an agriculture display in the AgriWorld Exhibit area.

The booth was staffed by members of the IBA's ag division. Brochures detailing ag services offered by bankers were distributed, and a drawing for a CB radio was held.

As a part of the exhibit, a commodity news service ticker gave current grain and livestock prices.

New Products



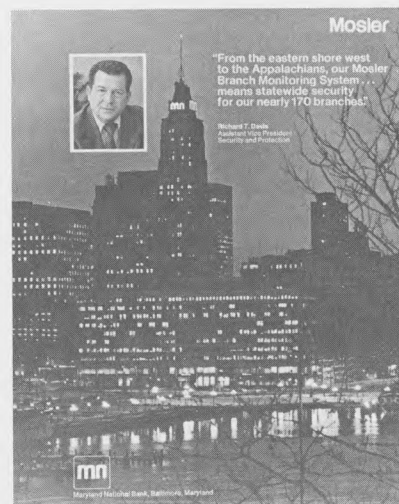
• **LeFebure Corp.** A new U/L-listed combination bag and envelope manual depository has been introduced by LeFebure, which says it features an exclusive sliding, self-closing drawer for customer convenience. With the new Model 312, says the manufacturer, envelope customers can partially open the deposit drawer without a key, exposing a deposit slot that can accommodate extra-large envelopes. Commercial bag customers insert and turn their keys, then pull the drawer open, fully exposing a 3 $\frac{3}{8}$ -inch-deep-by-12 $\frac{7}{8}$ -inch-long opening. After depositing the bag, a customer simply releases the handle, and the drawer closes by itself. Built-in

finger baffles defy "fishing" and "trapping," says LeFebure. Although the depository is operated manually, it may be connected to an electrically operated tamper switch. Write: LeFebure, P. O. Box 2028, Cedar Rapids, IA 52406.

• **Diebold, Inc.** The most recent development in this firm's TABS® automatic-banking systems is the Diebold TABS 9000 Series, consisting of modularly designed and functionally different customer-service delivery units. The new terminals operate on line to the TABS 9510 programmable control unit, which is the heart of the control system, and then to a host processor or other network supervisory devices. These terminals also can be directly on line to a host processor or other network supervisory device. The new customer terminals are the full-service automatic teller and the cash dispenser. Both can be modularly con-



figured to accommodate changing requirements. A cash dispenser, for example, can be modified on site for full-service ATM operation. The programmable video instruction screen is a standard feature with the Diebold TABS 9000 Series. Write: Diebold, Inc., Canton, OH 44711.



• **Mosler.** A new remote-monitoring system at Maryland National, Baltimore, is described in a six-page, four-color brochure published by the system's manufacturer, Mosler. The BRM-X multi-plexing system can monitor branches as far as 160 miles away, says Mosler, and can expand to include 100 additional branches. For a free copy of the brochure, write: Mosler, Department PR-145, 1561 Grand Boulevard, Hamilton, OH 45012.



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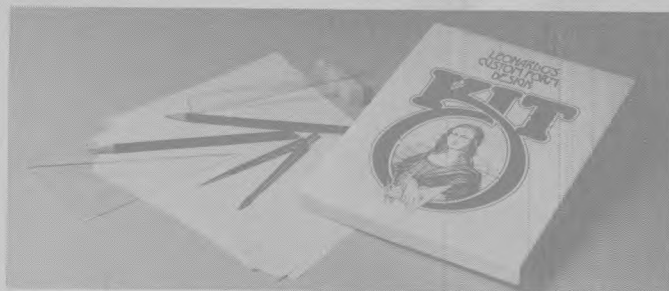
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Is Automatic Transfer a Necessary Evil? Bankers Give Opinions on New Service

By **JIM FABIAN**
Associate Editor

BANKERS in the Mid-Continent area have mixed feelings about automatic transfers, but the vast majority will be offering this new service should it become legal on November 1.

A survey of bankers in the Mid-Continent area turned up only one bank that does not plan to offer the service. The chairman of that bank told *MID-CONTINENT BANKER* that his bank will not offer the service unless he sees definite proof that the service fills a demand and can be profitable for the bank.

"In our opinion," he said, "there are many similar gimmicks that banks use to try to justify the status of progressiveness for which the use or demand is insufficient to avoid a 'sapsucking' erosion of earnings." The bank ranks among the 10% of highest-earning banks in the U. S. in its size classification.

Bankers approving automatic transfers called attention to the benefits customers will glean from the service. Several also mentioned that the service will give banks at least a temporary competitive edge over other financial institutions.

However, pricing of the service is a crucial factor, many respondents said. The vast majority of bankers surveyed expect to charge for the service, although quite a few haven't established the amount of the charge yet.

Those who have established charges expect to levy one of the following fees: 30¢ per transaction; four free transactions per quarter and 50¢ per additional transaction; 20¢ per transaction; three free transactions per month and \$1 per additional transaction; \$3 per month or 50¢ per transaction. Typical of those who have not yet established a charge was the banker who replied, "We wish we knew what the charge would be!"

Most bankers said they would not place restrictions on the customers who would qualify for this service. Those who expect to place restrictions said only those with a minimum amount on deposit would qualify. Several respondents said that the service would not be feasible for low-deposit customers, since the service charge would exceed any interest received for deposits. Others commented that only customers with more than \$1,000 on deposit could expect to make any gains in interest over charges.

The majority of responding banks stated they would not be offering automatic transfers in connection with a package plan, although several banks were undecided on this point.

Only one bank responded that it doesn't intend to advertise the availability of automatic transfer. "They'll find out about the service only if they ask for it," the banker said.

Among the comments by those criti-

A Mid-Continent Banker Survey

cal of automatic transfers were the following:

- "It's an operational monster forced on banking by unthinking regulators and it won't bring better pricing to the consumer."

- "It's a step toward NOW accounts."

- "I feel that most people who overdraw in their checking accounts don't have a savings account from which to make an automatic transfer."

- "It could be profitable, but I think we're creating a loss leader."

- "It's a costly and confusing approach to NOW accounts or direct payment of interest on demand deposits."

- "We don't like it but are being forced into offering automatic transfer."

- "Automatic transfer is a necessary evil!"

- "The service is good for the large depositor, bad for the small depositor and expensive for the bank!"

- "It's a sad state of affairs when grown men have to play such games (as automatic transfer) to circumvent the prohibition of paying interest on demand deposits."

- "Automatic transfer is a real tur-

key! It's a half-baked scheme that will be hard to sell, hard to administer, hard to price and very difficult for the customer to understand!"

But there's another side to the automatic-transfer coin. Following are the views of respondents favoring the service:

- "Automatic transfer provides an opportunity for banks to give the customer better service."

- "It seems to be the best way to allow us to compete. Credit unions and S&Ls will increasingly bid away our more profitable accounts if we don't go the automatic-transfer route."

- "It has to come, so let's get on with it!"

- "It provides an opportunity to obtain S&L funds; however, the service must be properly priced."

- "This service is a modified NOW account and has led us to become much more aware of pricing bank services. With accurate pricing and an efficient system in place, we have no objection to making the automatic-transfer service available to our customers."

- "The bottom line will definitely be affected by automatic transfer. But, if we are to survive, we will have to compete with share drafts from S&Ls." ••

Transfer Policy Announced

Among the banks that have worked out definite policies for automatic transfer is Chemical Bank, New York City, which has announced the introduction of its "5% Savings/Checking" service, which will start November 1, the date automatic transfers are authorized to begin.

Customers signing up for the service will be asked to specify a minimum balance for checking accounts. If the balance falls below the indicated level, funds will be transferred from the customer's savings account, according to the bank.

The service features a combined minimum balance for checking and savings accounts, a monthly service charge and a transfer fee. It will be applicable only for the day-of-deposit to day-of-withdrawal statement savings accounts.

Customers using the service and maintaining a combined minimum balance in their savings and checking accounts of \$500 will be charged \$3 per month for the service with a fee of 25¢ each day a transfer is effected. There will be no charge per check.

Automatic Transfer Termed Fed's Answer to NOWs, Share Drafts

AUTOMATIC transfer is an attempt to cope with the statutory prohibition against paying interest on demand deposits in the face of encroachment from competing financial institutions, such as credit union share drafts, NOW accounts, etc., said Eugene A. Leonard, senior vice president, Mercantile Bancorp., St. Louis, recently.

What the prohibition did was to, in a sense, drive underground what had been a legitimate banking activity for 135 years — the payment of interest on demand deposits, Mr. Leonard said.

The Banking Act of 1933 has never really prevented payment of interest on demand deposits, he said. There are many ways that banks pay interest on checking accounts implicitly; for example, services performed for bank customers, paying depositors in terms of convenience with more branches and facilities, entertainment of customers who keep large checking accounts, etc., Mr. Leonard continued.

There's nothing wrong with explicit interest on demand deposits, he continued. He termed such payment a way to foster competition.

"In fact," he said, "the legal prohibition can be viewed from an economic point of view as a serious mistake. For one thing, it was a political action, as are many decisions emanating from Washington."

He commented that the prohibition was passed in the middle of the great depression, which was a time when demand deposit interest was thought to be responsible for bank failures.

One of the presumed advantages of automatic transfer is that substantially lower check handling costs would result because fewer non-sufficient funds checks would be written. This premise is questionable, he said, since it's doubtful that most bad check writers have enough money in their savings accounts to cover their overdrafts.

Mr. Leonard said that automatic transfer will make it even more impor-

tant for banks to properly and accurately analyze the costs of providing services, and pricing these services profitably. "In other words," he said, "we are going to have to do our own 'unbundling' and pricing job."

Automatic transfer is a step toward single, multipurpose bank accounts, he said. Such an account would provide that when a balance is above a certain figure, banks will pay the depositor. When the balance falls below a certain figure, the depositor will pay the bank.

He added that one-statement descriptive billing would be provided the customer so he wouldn't have a separate statement for checking, savings, loan transactions, etc. Such a system would provide for the so-called "truncation" of paper. This means that cancelled checks wouldn't have to be returned to the check writer because the essential information would appear on the statement. ••

Automatic Transfers Can Be Profitable!

WITH ALL the legal dust being stirred up over automatic transfer, it's easy to forget the most important person involved: the customer. As soon as the Fed and the FDIC approved automatic transfer, S&Ls sued, seeking a permanent injunction.

Banks have the option to form an automatic transfer relationship with S&Ls, of course. However, those links will be rare, leaving S&Ls out in the cold.

Along with the legal confusion, many bankers are uncertain about the effect automatic transfers will have on profitability.

For some bankers, the prospect of automatic transfer disturbs ulcers that have been dormant since the "free" checking wave swept over us a few years back. They were able to fend off free checking; or, if they did offer it, they eventually found it a useless drain and then switched strategies. The crisis passed, but it left scars.

Automatic transfer, to them, seems like a sure-fire way to lose twice: paying interest on what otherwise might be "free" funds and losing service fee revenue from returned checks and overdraft charges. They don't want to offer automatic transfer, and they live in dread that the competition will push them into it.

A banker may not want automatic transfer, but a fair number of his customers would like to give it a try. The customers, fearing overdrafts, would like the protection automatic transfer provides.

When the regulation change becomes effective, every competitive banking market will have at least one form of automatic transfer available to the public. It behooves each banker, then, to make sure that his or her automatic transfer plan is the best in the market. The best plan, of course, is the one that turns over the highest profit per account and, beyond that, brings in the most new business.

The potential exists for profit on automatic transfer. That may seem incongruous since automatic transfer strips service fees and requires an interest outlay. Yet, the profit potential is there because of some very basic things. Today's banking customers want and expect services from their bank, and they are willing to pay for them. The foundation of every package

By **TRAVIS ANDERSON**
Chairman
BanClub Association
Nashville

checking account is based on that. Instead of offering free checking or minimum-deposit checking, a bank can actively market a package of services and amenities.

Package plans vary from bank to bank, but most include unlimited checking, personalized checks, travelers' and cashier's checks without issue fee and accidental death insurance. The customer perceives that the package's total value is far more than the \$3 to \$5 a month in costs.

Automatic transfer can be built into the package checking account program. It's a service the bank offers with a full complement of other services, becoming a true financial product. The customer understands that it costs something for the bank to transfer his

money from savings to checking. Since he's getting unlimited checking and personalized checks — not to mention accidental death insurance — automatic transfer seems like an ideal service addition to the package from the customer's standpoint.

Package-checking customers also are likely to take advantage of other, more profitable bank services, such as installment loans. And automatic transfer gives banks a tool for cross-selling savings accounts with package-checking accounts. Within the account, there is a springboard for cross-selling other services.

The package account would be marketed with automatic transfer as an important option available only to package-account depositors. The element of overdraft protection would be stressed. It would give present DDA depositors incentive to switch to package accounts and improve the bank's competitive position in attracting new

Fed to Review Automatic-Transfer Rule

AS A RESULT of requests to reconsider or postpone the rule permitting automatic transfers, the Fed has announced a review of the proposal, probably at its mid-September meeting.

Several banks and at least one state bankers' association had requested the action. In addition, the U. S. League of Savings Associations had sued to block implementation of the rule, which was scheduled to take effect November 1.

Complaining bankers state they don't have the processing capability to offer automatic transfers by the start-up date. Only a few banks maintain account information in such a manner that they could easily handle the transfers from savings to checking.

It's been estimated that about 20% of the nation's banks are equipped to handle automatic transfers. This means that the non-equipped banks would have to process transfers manually until their capabilities were updated.

The Independent Bankers Association of America estimates that thousands of banks won't have the wherewithal to handle automatic transfers effectively due to lack of capacity. It takes a central information file to enable a bank to handle automatic transfers, a spokesman has said.

S&Ls state that the rule would permit banks to pay interest on checking accounts and the S&L League has charged the Fed with "deliberately usurping the power of Congress in the decision."

accounts.

How would automatic transfer be tied into a package checking account program? It's impossible to outline one plan that is suitable for every bank. The approach a bank takes depends on several variables, including market competition, data processing capabilities, the bank's size and the local economy.

A package program in operation opens several options worth considering for banks. If transfers must be made manually, one transfer a month could be made without charge for each special-checking customer. After that, each transfer would cost some fee less than the current overdraft charge. If the bank computerizes transfers, processing costs go down, and three automatic transfers per month could be included in the package, with a service fee added for additional transfers.

Still another approach would be to provide one transfer without charge, then assess a \$1 fee for each additional \$100 transferred. Banks will have the option, depending on their data processing capabilities, to make transfers in predetermined amounts, such as \$50 or \$100.

In the beginning, we stated that it's easy to forget the customer. Now is the time to start remembering him. As soon as a bank maps out its automatic transfer strategy, it should prepare customers for the new service, and do so well before writing the first press release or advertisement.

Remember, there will not be just one customer. When starting an automatic transfer marketing plan, there are three types of customers: (1) the customer with both a checking and savings account; (2) the customer with a checking account who very likely has a savings account elsewhere; and (3) the customer with a savings account but no checking account. Each should be prepared for the coming innovation.

The dual-account customer already perceives that the checking account has overdraft protection. This customer believes that, if an overdraft occurs, the bank would honor the check because of the savings balance. The letter to the dual-account customer will announce that pre-authorized transfers are available to eliminate confusion in case the checking account is accidentally overdrawn or an emergency forces the customer to overdraft. The checking customer will be informed by letter that there is a new reason — namely, overdraft protection — for opening a savings account. The savings customer, likewise,

Transfer Handbook Offered

A handbook on automatic transfer of funds from savings to cover demand overdrafts has been published by the Weiland Computer Group.

The free handbook explores issues surrounding enabling legislation for the service, discusses data processing features and functions necessary to support automatic transfers and offers planning and implementation guidelines.

For a free copy, write: Jim Miller, vice president, marketing, Weiland Computer Group, 1515 W. 22nd St., Oak Brook, IL 60521.

will be advised that overdraft protection is available by opening a checking account.

In each case, the package will be stressed as the vehicle for tying the two accounts together. The letters will sell the other services and amenities, with automatic transfer as a prime reason to take advantage of the package.

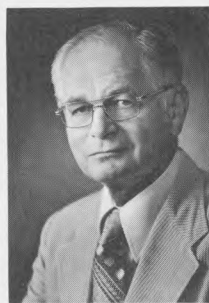
By combining automatic transfer with the package account, a very marketable device for generating new revenue is created. The loss of overdraft and insufficient funds fees may be overemphasized. It should be pointed out that the income from these sources is substantially diluted by handling costs and loss of investment and income that banks experience from "reverse float balances."

The package account, it should be noted, was developed to counteract free checking offers. When correctly marketed, it does the job. Package accounts help banks retain customers — and deposits — and bring in revenue on what might otherwise be another giveaway.

Now, with automatic transfer looming ahead in a cloud of dust, package accounts still offer a way to retain business and increase revenue. ●●

George LeMaistre Resigns

George LeMaistre resigned last month as FDIC chairman to teach law at the University of Alabama. Comptroller John G. Heimann, an FDIC director, will be acting FDIC chairman until President Jimmy Carter chooses a permanent replacement. Mr. LeMaistre joined the FDIC as a director in 1973 and became chairman in the summer of 1977. Previously, he was pres., City Nat'l (now First Alabama Bank), Tuscaloosa. Before taking that post in 1960, he practiced law in Tuscaloosa.



Football in Spotlight Of ABA Ad Campaign

The ABA and 14,000 full-service bankers will kick off the biggest fall football program ever. During the 1978-79 pro season, the ABA will sponsor 22 games across the country, including the play-offs and the Super Bowl.

The association has developed a series of new full-service TV commercials that will continue to tell millions of viewers why "no other financial institution can help you or your community more" than a full-service bank. The ABA has increased its budget to \$5 million for its total 1978-79 ad campaigns.

An extensive line of tie-in materials has been created by Full Service Bank Productions, Inc., Bethlehem, Pa., a

Here's "Complete Quarterback," which will be featured in ABA ad campaign during 1978-79 pro football season. Graphic will be used as tie-in with full-service banks' sponsorship of 22 games, including play-offs and Super Bowl.

division of Christmas Club a Corporation, which was awarded the contract last year by the ABA. Utilizing the imaginative and artistic talents of sculptor John Martin Gilbert, Full Service Bank Productions has created "The Complete Quarterback," an eye-catching, impossible-to-pass-by graphic, says John H. Guinan, president, Full Service Bank Productions.

"The Complete Quarterback" is available as a 17x22-inch easel-back display card with a "take-one" box for bank lobbies and teller stations, statement enclosures imprinted with bank name, pocket schedule cards with local pro team and bank name printed on the reverse side and a 28x20-inch wall poster for giveaways and promotions.



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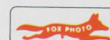


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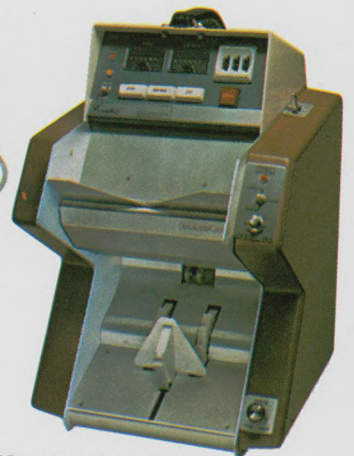
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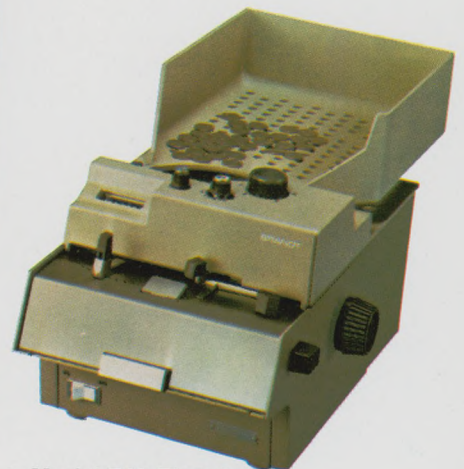
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What Regulatory Issues Lie Ahead for Bankers?

RECENTLY, I marked the completion of my first full year as the 24th Comptroller of the Currency. As this is an opportunity for reflection, I will review some accomplishments of the past year and consider developments we're likely to witness in the future.

Undoubtedly, the most important contribution of governmental supervision to banking's welfare has been the periodic examination. Since the national banking system was created in 1863, it has prospered under the tutelage of seasoned, professional, objective examiners.

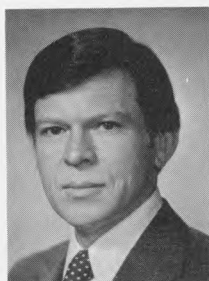
A watershed in the evolution of the commercial-bank-examination process was reached in 1976, when the Comptroller's Office adopted the most sophisticated examination procedures

After a year in office, Comptroller Heimann reviews some accomplishments and discusses some long-standing regulatory issues still to be resolved.

ever designed. We now are into the second complete year under the new approach, and real progress has been made.

Accounting for much of this success is the continuing refinement of the national-bank-surveillance system (NBSS). Since its inception three years ago, the division responsible for its operation has compiled a seven-year history of call-report data on every national bank. This data is distilled periodically for each bank into a 20-page bank-performance report (BPR), which displays trends of various ratios and dollar figures and generally shows the effects of management decisions on a bank's performance. Since the start of 1977, BPRs have been mailed quarterly to all banks.

In a significant advance in NBSS, our data base now has developed to the point where we can make special runs for specific items of interest. For example, if we expect interest rates to



By **JOHN G. HEIMANN**
Comptroller
Of the Currency
Washington, D. C.

rise, we can extract a list of banks that depend on rate-sensitive deposits or that exhibit declining capital ratios. In addition, we now have the capacity not only to analyze individual banks, but also to observe trends of the national banking system as a whole. All this information is proving increasingly useful in formulating broad policies for our office.

NBSS has received national and worldwide recognition during the past year. In accordance with recently concluded agreements, we expect — by year-end 1978 — to be producing BPRs for the Fed and bank supervisors in two states. We also are hopeful that an accommodation soon can be reached with the FDIC to extend coverage of NBSS to state nonmember banks. From this enlarged data base, we should have, by 1979, the unprecedented capability to monitor trends of the entire U. S. commercial-banking system.

Closely allied with NBSS are specialized examinations in the international, trust, consumer and EDP areas. In recent months, we have determined that conducting specialized examinations at the same time as general commercial examinations will greatly reduce the burden on national banks. This combined examination report also will provide directors with a complete analysis of bank operations.

Combined examinations now are being conducted in selected regions on a test basis. With experience gained from these tests, we hope to issue for-

mal standards and procedures soon. Our year-end goal is to combine all examinations for large banks and to alternate combined and separate examinations for small ones.

Some of the most significant improvements in bank supervision this past year have been made by the relatively new Inter-Agency Supervisory Committee (ISC), representing the three federal banking agencies, the Federal Home Loan Bank Board and the National Credit Union Administration. The ISC's accomplishments range from a uniform bank-rating system and a uniform review of shared national credits to joint examinations of data processing centers, joint policy on excessive management fees and joint training of examiners in trust and consumer areas. Topics currently under

Mr. Heimann warns that a substantial capital shortfall may occur by the early 1980s unless banks begin immediately to plan their capital needs.

discussion should result in even greater progress. These include, among others, joint training facilities for examiners in all examination areas, a uniform country-classification system and a uniform early-warning/monitoring system.

Clearly, the art of bank examination has come a long way. However, governmental oversight at its best should serve only as a guide. Never can it substitute for internal controls generated by banks themselves to reflect and preserve the integrity and prudence that are quintessential to a successful banking system.

Almost invariably, self regulation ensures that banks are better attuned than government to the play of competitive market forces. Marketplace forces long have been recognized as fostering an acute sensitivity to changing public needs. For this reason, the Comptroller's Office has given high priority to a concerted program of

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deregulation and has been successful so far in several areas.

One achievement, in the trust area, is the forthcoming elimination of two reports relating to holdings of equity securities by national banks. We expect this move to reduce by more than 7% total working hours related to reporting requirements imposed by the Comptroller's Office. The need for this information has been obviated by new SEC reporting requirements.

In response to a Presidential directive, we plan to undertake — in the coming months — a fresh and even more comprehensive review of our regulations. The four major areas targeted initially are investment securities, office organization, real estate loans and trust powers.

Our deregulation efforts will continue, but responsibility also rests with bankers, who must work with the rules on a daily basis. We urge bankers not only to bring problems to our attention, but also to suggest specific approaches to their solutions.

The need is clear for increasing our sensitivity to the burdens of over-regulation. At the same time, we will not abandon our responsibility to exercise our authority whenever the need arises.

One of the most active issues during my first year in office has been insider abuse. Our office has dealt firmly with insiders, holding them to the highest standards of public trust and accountability. All directors, all officers and all principal shareholders have a solemn obligation to preserve the financial integrity of banks, contribute to the stability of their local economy and provide financial leadership for their communities. To this end, we encourage all banks to adopt strict standards of conduct. These expectations are not exaggerated. In June, a Gallop poll found that of nine American institutions, only organized religion ranks above banking in the level of public confidence it evokes.

In the past year, the Comptroller's Office has taken two major actions aimed at curbing misdealings by insiders: 1. A regulation barring bank officials from profiting personally from sales of credit life insurance. 2. A policy statement warning against insider transactions on preferential terms. For the most egregious cases, we have developed a computer system, called the enforcement and compliance information system, for more effective tracking of criminal referrals.

On the legislative front, we have worked with the Administration and Congress in promoting legislation that

authorizes civil money penalties against insiders who violate banking laws and that permits supervisors to regulate changes in bank control.

In the courts, the Comptroller's Office has been particularly successful. Last January, the Eighth Circuit Court of Appeals, in the first decision ever to be handed down on the Financial Supervisory Act since its enactment in 1966, upheld a final cease-and-desist order directing insiders to reimburse their bank for many thousands of dollars in excessive salaries. In May, the Fifth Circuit Court of Appeals handed down a landmark decision that strengthened the Comptroller's cease-and-desist powers and specifically interpreted the law to allow the Comptroller to fashion a final order in as broad a scope as necessary to prevent future abuses.

Integrity and good faith unquestionably are cornerstones of successful banking, but even in the earliest days, it was plain that no matter how benevolent the intent or honest the purpose of bank management, no bank could remain healthy for long without a strong capital base.

Unfortunately, today the capital growth of the nation's banking system simply has not kept pace with expan-

sion of the resource base, particularly risk assets. This development probably has occurred more as a function of the dramatic growth in bank resources, influenced by the inflationary environment of the 1970s, rather than as a result of any conscious effort on the part of bankers to accept a lower level of capital.

Bank-capital ratios, in general, have been declining, and I'm concerned that a substantial capital shortfall may occur by the early 1980s if the trend continues.

The answer to the problem is an immediate effort by banks to plan their capital needs. As an aid to the industry, our national-bank-surveillance system is generating projections of individual banks' capital requirements for the next two years. I call for the commitment of all bankers to incorporate formal capital targets in their strategic planning efforts. Only in this way can individual banks expect to remain capable of serving existing markets efficiently and achieving new long-range objectives.

Any plan for sound capitalization must recognize the need to protect against concentration of loans.

During the past year, the Comptroller's Office has focused squarely on this principle as it relates to international-banking activities. With the increase in public-sector lending by commercial banks in recent years, our office recognized that the applicability of legal lending limits under 12 U. S. C. 84 to foreign governments, their agencies and instrumentalities eventually would become an issue. Intending to clarify conceptually the traditional application of the law, we proposed an interpretive ruling in January. The thoughtful comments received have aided us significantly in grappling with difficult definitional questions and countervailing needs for specificity on the one hand and flexibility on the other.

In anticipation of the final ruling, even now some discipline has been added to the international-banking market. Today, we see bankers asking more thorough and probing questions about balance-sheet and cash-flow figures. Some foreign government borrowers already have responded by strengthening their financial information systems to demonstrate more clearly their economic capabilities. These developments can only benefit the entire banking community, including, in the long run, the borrowers themselves.

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worked intently to promote inter-agency discussions on a joint federal supervisory approach to analysis of "country risk." These discussions have been fruitful. The three agencies are in conceptual agreement, and we are all committed to settling on the various particulars in the near future. I expect the resulting program to encompass not only the difficulties experienced by certain borrowers, but the risk monitoring and control capabilities of lending banks as well.

Returning to domestic shores, since the end of World War II, our economy — and particularly methods of delivering financial services — has moved increasingly toward fulfilling consumer needs. Almost everyone has a checking account and at least a credit card or two. Last year, consumers borrowed more than \$200 billion. Banking has entered the most personal areas of our lives by providing the wherewithal to rear families, expand educational opportunities and generally ameliorate living conditions and life-styles.

Needless to say, the responsibility entrusted to our nation's bankers has taken on heroic proportions. The responsibility of bank supervisors is no less challenging.

On taking this office, I promised myself that it would be highly sensitive to

consumers' needs and aspirations. With this goal in mind, I met in August, 1977, with representatives from 22 consumer, civil-rights and fair-housing groups to discuss areas of concern and exchange ideas. As a result, our office now enjoys a positive relationship with a variety of consumer-interest groups. This relationship has been extremely beneficial in soliciting comments and suggestions on such matters as our new consumer-complaint pamphlet, the Fair-Debt-Collection-Practices Act and enforcement guidelines for Truth-in-Lending and Equal-Credit Opportunity.

We also have improved our direct assistance to individual consumers. The 8,224 written complaints handled in 1977 represented a 25% increase over the 6,593 received the previous year. Already as of this writing, we have handled more than 5,000, and this doesn't reflect complaints from bank customers who soon will be using our new consumer-complaint pamphlet. Our consumer-complaint-information system, now in its third year of operation, is used to record and process all complaints. Data provided by the CCIS not only is useful to examiners in their consumer exams, but also helps us identify specific areas of

concern.

The special consumer examination, initiated by our office in late 1976, has been the prototype for all federal banking agencies. During the past year, more than 82% of all national banks have undergone their first such exam. Results so far suggest that the program is effective both in detecting violations of consumer-protection laws and in delivering the supervision necessary to promote future compliance. We anticipate that all banks will have been examined once by the end of this year and twice by year-end 1980.

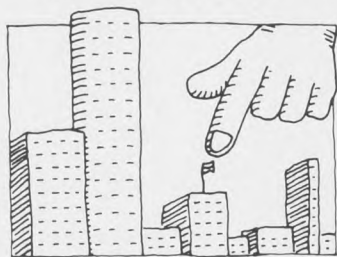
The task of correcting monetary and other harm to consumers resulting from violations of law is one of the most important challenges we face and one of the most difficult. The Comptroller's Office has been actively involved with the other federal banking agencies in developing uniform guidelines for enforcing Truth-in-Lending and Equal-Credit Opportunity. The agencies now have outstanding for comment a proposal that would require banks to take affirmative action to correct violations of the law prohibiting discrimination in lending.

Enforcement of civil-rights laws also received special attention during the past year. Six Fair-Housing exams were conducted jointly by the Comptroller's Office and the Justice Department's Civil Rights Division. These examinations generated an exchange of ideas and investigatory techniques that enabled us to improve our procedures. In addition, we expect soon to add to our staff a civil rights officer who will coordinate our enforcement program. We currently are considering several alternative data collection and analysis systems for use in detecting discriminatory real estate lending patterns and practices.

The most recent effort of the banking agencies on behalf of consumers is implementation of the Community Reinvestment Act, which requires the agencies to encourage financial institutions to help meet their local communities' credit needs consistent with safe and sound operations. Soon after the act was passed, federal supervisors scheduled several months of joint hearings around the country to solicit the assistance of financial institutions and the public in designing a regulatory approach. Comments received were given full consideration and were invaluable to our deliberations.

In July, proposed regulations were published that, we believe, will ac-

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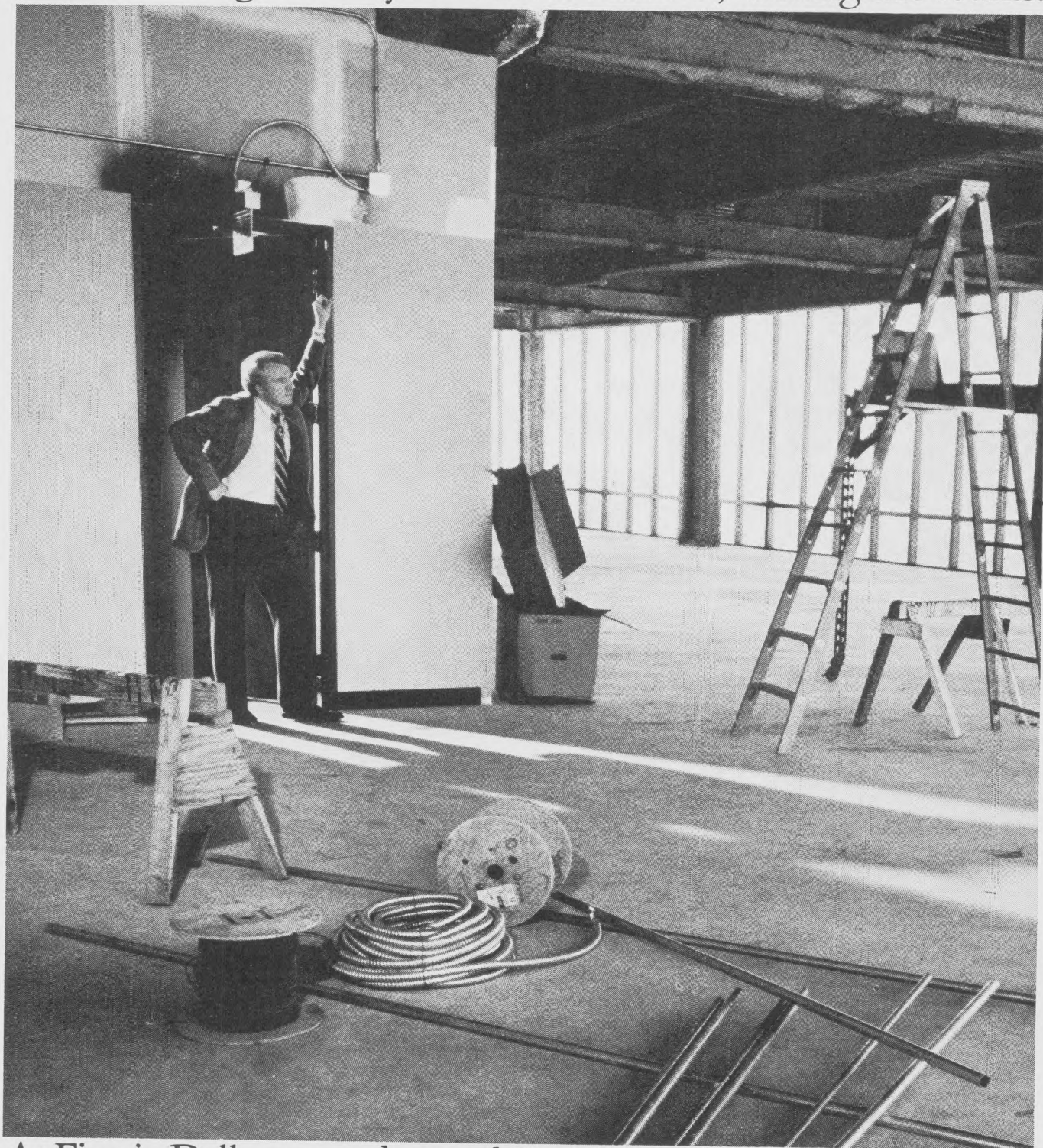
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(Continued on page 112)

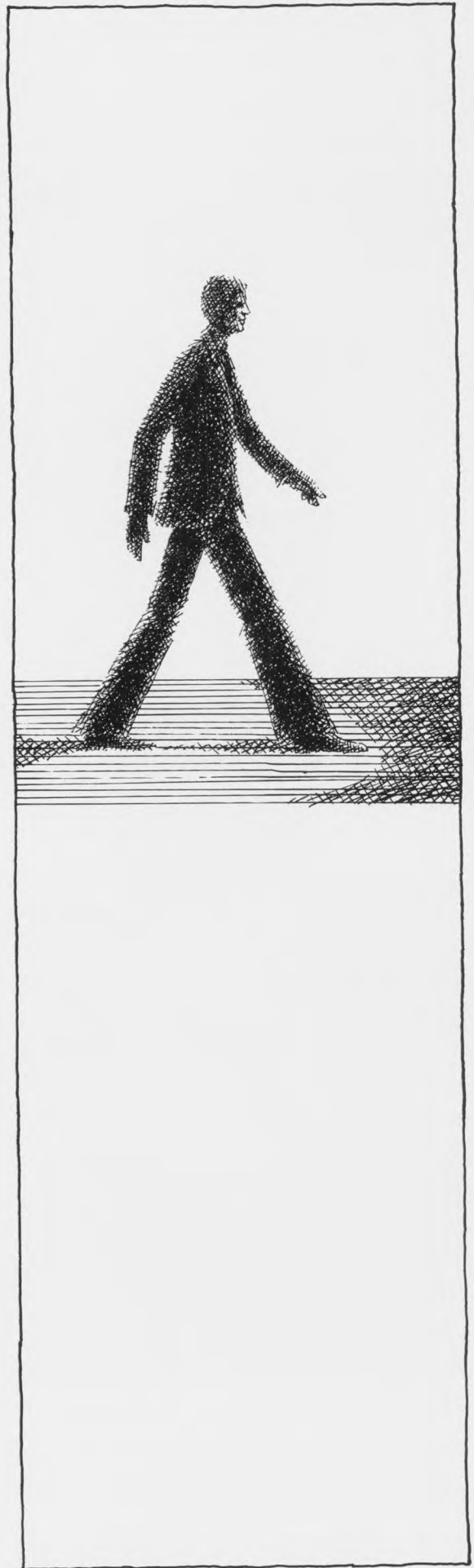
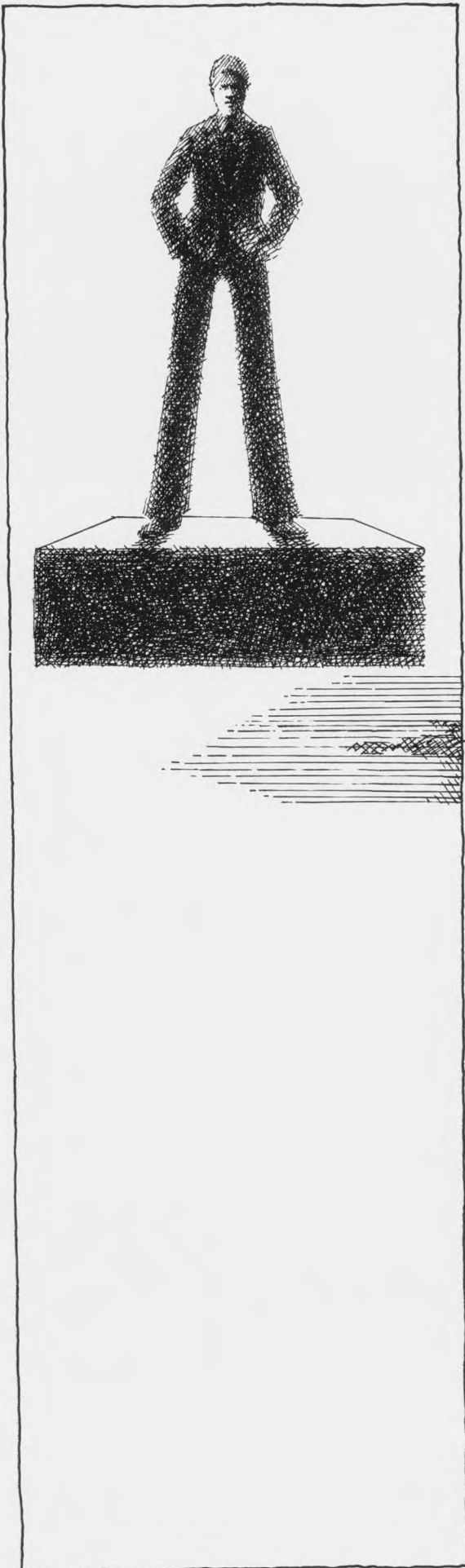
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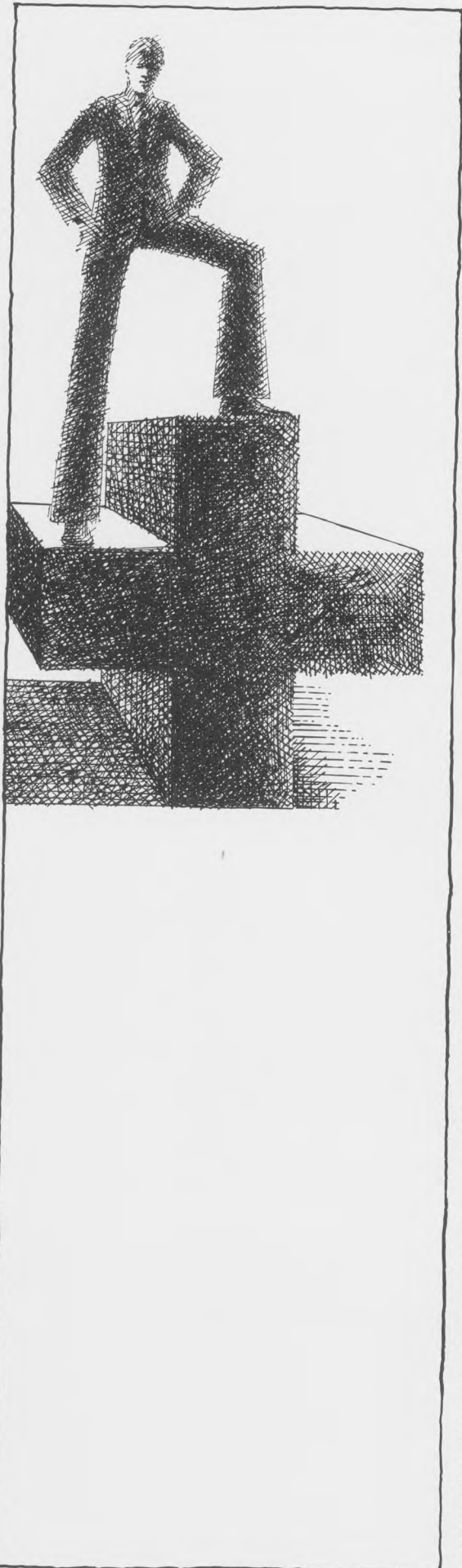


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Forms-Management Program Produces Price Stability, Savings, Assured Supply

By J. B. GRANBERRY JR.
Operations Officer
Fourth National Bank
Wichita



A FORMS-MANAGEMENT program, initiated when we became aware of our vulnerability to paper shortages, has brought us a capital investment savings of close to \$71,000, assured us of supply and price stability and provided us with such valuable ancillary benefits as technical advice, forms-design assistance, reduced purchasing paperwork, saving of time and other benefits.

We decided to adopt such a program in 1973, when our vendors at the time, selected by low bid, began to fall behind in deliveries. The result was a series of forms stockouts that seriously affected our operations. As the largest bank in Kansas, Fourth National provides data processing services of various kinds for 72 smaller banks throughout the state. To fulfill our obligations, we must have a dependable supply of forms, particularly those used in our data processing operations.

The paper shortage of 1973 alerted us to our situation. The one-vendor concept augmented by forms management appeared to be the answer to

our problem. We suggested this solution to our management, and it was accepted. We called in the major national forms companies and asked for proposals. To help them, we gave each a sample of every form involved with information as to average monthly usage. Standard Register Co. provided the most professional and complete approach and, since 1973, we have worked closely with its specialists in monitoring and administering the program.

At the time of our changeover, we were using between 185 and 190 continuous forms, both stock and custom designed. There now are more than 200 because of additional clients and operations. The purchasing department was responsible for maintaining inventories, and this was done by posting withdrawals from stock to ledger cards. Using departments would file requisitions with us for their needs. This gave us a perpetual inventory record of sorts. When records indicated a need to order a form, we advised our seven vendors, who bid for

the order. Except in special instances, the low bid usually was awarded the order.

While the paper shortage was the primary reason for wanting to change procedures, there were other problems associated with this operation. Data processing personnel, for example, work in shifts and must, therefore, have keys to the stockrooms. Occasionally, withdrawals by the night shift would not be recorded or postings would be illegible or made on the wrong cards. Because we couldn't trust the perpetual inventory completely, we had to take a physical inventory every two months — a time-wasting job.

Misinformation brought about unforeseen shortages requiring rush orders (at increased cost) and delayed data processing operations on occasion. Incorrect postings also resulted in ordering some forms too often, resulting in overages. We also handled our own design work and simply gave the supplier a copy of what we wanted. As a result, some forms did not meet machine specifications. It was obvious that we needed proficient, professional forms management.

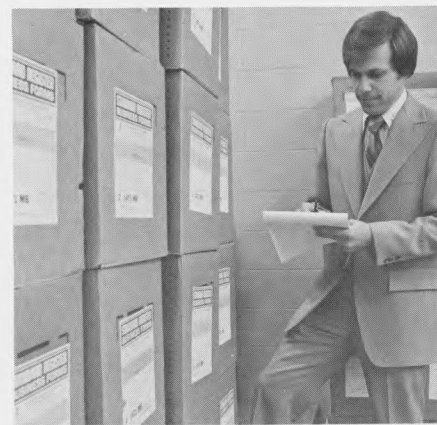
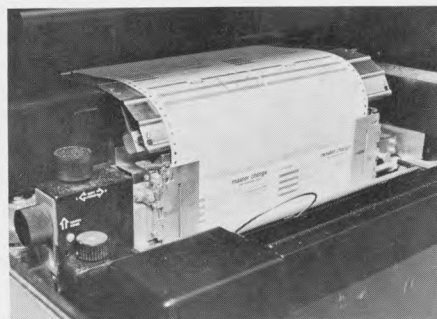
Assurance of supply was the primary requisite, and our current forms-management program, which incorporates Standard Register's FORMIC plan (forms management and inven-



LEFT: Fourth Nat'l of Wichita's forms-management program covers continuous forms associated with computer and data processing operations. Bank performs data processing services for smaller Kansas banks.

CENTER: Forms under program include DDA documents, bank credit-card statements and card carriers and variety of other documents.

RIGHT: Standard Register representative checks inventories of forms in three bank locations, reports quantities to Home Office computer, which turns out monthly reports reflecting their status.

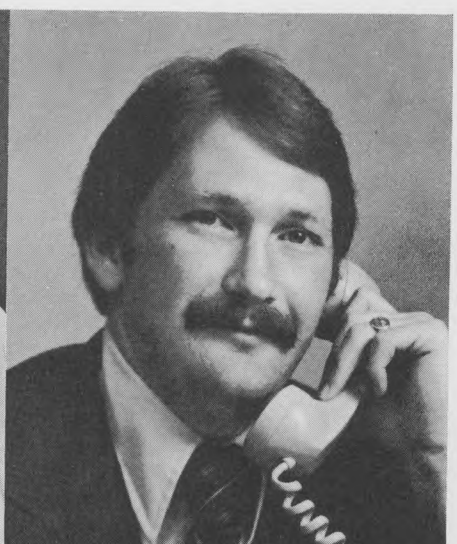




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Jim Burkholder, Assistant Vice President



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tory control), meets that objective. The vendor's representative keeps close watch on forms supplies, inventorying them at least once a month. We maintain stocks in three bank locations — two close to data processing for immediate needs and a third holding large volumes of supplies.

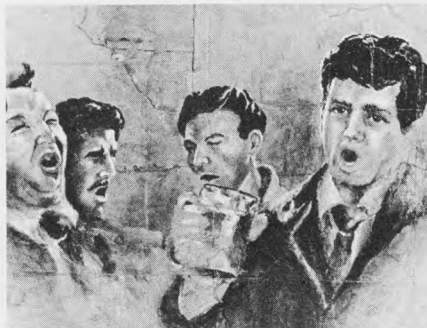
In preparing its proposal, Standard Register surveyed all our forms with the idea of redesigning them for standardization of sizes. This was one of the first steps taken. The objective is to bring as many forms as possible into as few standard size groups as possible. This enables the supplier to produce several forms at the same time, reducing the per-thousand prices significantly. We were able to cut the number of size groups by 50% and now have seven accounting for over 80% of our forms. This approach, known as grouping, is a continuing operation.

The representative taking the inventory reports it to Standard Register's data processing center. The information is added to the existing data base, started when the program was initiated, and each month the basic reports are issued — one covering stock status, the other a grouping analysis. The first lists forms by their assigned identifying numbers and gives information as to usage, dollar value, open orders, etc., to help determine which to order and in what quantities. The grouping analysis lists forms by their size groups and augments the first report to help determine which should be ordered, what the combination should be and when the orders should be placed.

These monthly reports are checked against our inventories and updated. They serve as guides so we can determine which forms must be studied for possible changes as well as what to order. They also help us reduce our inventories because we now have more accurate figures with which to work. Through the life of this program, we have been able to reduce our investment in forms substantially. At its inception, inventory levels were approximately 10-11 months. Two years later, that had dropped to seven-eight months, and currently we are operating with supply levels at 5½-6½ months. At current usage levels, this is a capital investment savings of about \$71,000.

Another valuable element in our forms-management program involves design work. This aspect covers more than simply moving features around on the sheet to achieve efficiency and attractiveness. It includes the knowledge required to make sure that form

Bank Shows High School Art



Detroit Bank exhibited the art works of students at Marian High School in its lobby recently, including this watercolor rendition entitled "Friday Night at an Irish Pub," painted on a large grocery bag. The school has received national recognition for the work of its student-artists. The show included 90 pieces of art.

layout does not become distorted in its translation from raw art to finished product. It also includes proper selection of papers needed to do the job correctly, knowledge of the capabilities of printing equipment and familiarity with the equipment over which the forms are to be processed.

The initial surge of redesign, for efficiency improvement as well as for grouping purposes, covered a large percentage of forms. Since then it has tapered off. The FORMIC plan, however, includes a continuing program of review, study and discussion by the supplier and personnel in using departments, data processing and purchasing — the objective being to upgrade the forms and maintain or improve their efficiency as working documents.

As noted above, Fourth National performs many data processing services for 72 banks in Kansas. As a result, we are dealing with about 225 different forms. For example, we do demand-deposit accounting for 30 of those banks; savings accounting for 35 of the banks; trust-related work for a number of others. All these continuous forms for computer-related operations are monitored and inventoried under the forms-management plan. They include Visa and Master Charge statements and card carriers, loan statements, checks, loan applications, forms for bond-portfolio programs and many others in addition to a variety of report forms for management review and use.

While our principal objectives were to ensure a reliable source of form supply and to have price protection, we have benefited in a number of other ways from this program. There has been the saving of one person's time that used to be spent inventorying our

stock, getting bids, writing orders and handling all the other paperwork associated with maintaining form supplies. Standard Register handles these aspects, and the purchasing department's job is to oversee it and review requirements as they arise.

Thus, we have one person who knows the forms, their rate of usage, who uses them and how they are used. Inventories have been reduced and stockouts cut to almost zero. There's an occasional problem due largely to unforeseen events such as an additional computer run of a form.

It might be possible to obtain lower prices through the bidding procedure, but benefits accruing from the one-vendor concept far outweigh that single advantage. And through use of grouping and associated redesign work, our forms cost less than did their counterparts in 1974 despite price increases occasioned by inflation. We have become firm believers in the forms-management concept. ●●

Marketing Seminar Set For St. Louis Sept. 18 By Ill.-Mo. BMA, MBA

The 1978 Marketing Seminar sponsored by the Illinois-Missouri BMA Chapter and the Missouri Bankers Association will be held September 18 at the Cheshire Inn, St. Louis.

The day-long meeting will spotlight automatic transfer, marketing communications, effective use of premiums, video production, misconceptions about marketing and other topics. Registration is limited to 180 persons.

Speakers will include Eugene A. Leonard, senior vice president, Mercantile Bancorp., St. Louis; Ernest A. Malone, vice president, Millikin National, Decatur, Ill.; and Jon Housand, Jr., vice president, First National, Elkhart, Ind. Keynoter will be Donald McCoy, president, Communications Centers of America.

Illinois-Missouri BMA officers are: president — Larry D. Bayliss, vice president, Boatmen's National; first vice president — Fletcher E. Wells, senior vice president and cashier, St. Johns Bank; second vice president — Marcy Massie, vice president, Bank of St. Louis; and secretary — Carl T. Martinson, manager, advertising and promotion, Mercantile Bancorp., all from St. Louis; and treasurer — Bonnie J. Booten, assistant vice president, First National, Alton, Ill.



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Complete Internal Control Over Proof/Transit Operations Achieved at Louisiana Bank

DISTRIBUTIVE-document processing offers important benefits to banks relying on service bureaus as well as financial institutions with their own data processing departments, says Robert J. Fabacher, vice president, First National, Lafayette, La.

First National began distributive-document processing last February, with installation of six NCR 7750 multi-pocket proof machines controlled by a central mini-computer. Its primary goals were to gain complete internal control over proof and transit operations and to upgrade quality standards.

Though First National still depends on a service bureau to handle all other data processing applications, its item processing is totally independent. Items never leave its proof and transit department until they are filed by bookkeeping or sent out in cash letters.

Mr. Fabacher credits distributive-document processing with a variety of benefits: better security, faster preparation of cash letters, fewer lost items, faster and more dependable retrieval of microfilmed exception items, decreased mainframe memory requirements, backup for item processing and

flexibility to adapt to whatever the future holds in store.

In First National's case, future options are important, since statewide branching reportedly soon may become a reality in Louisiana. Because of this, the bank is contemplating expanding its correspondent/processing services to smaller banks in a larger geographic area.

First National, established in 1891, is Lafayette's second-largest commercial bank with total assets of \$180 million and more than 65,000 DDA, savings, commercial and loan accounts. An average of 55,000-60,000 items flow through its proof and transit area daily, with peak volumes of up to 100,000 items. Daily cash letters must be ready for 6 p.m. courier pickup to reach New Orleans by deadlines set by First National's correspondent bank and the New Orleans Branch of the Atlanta Fed.

"Proof/transit is a critical area for any bank," Mr. Fabacher says. "Items simply can't be held over for next-day processing if something goes wrong. In fact, if a bank has a three-day item-processing backlog, the Fed can close its doors. Even a one-day delay in item processing can be costly in terms of negative public opinion and loss of interest on excess cash.

"If customers deposit money in their accounts, and the funds aren't credited



TOP: Installation at First Nat'l, Lafayette, La., of six NCR 7750 multi-pocket proof machines has enabled bank to maintain total internal control over item processing, even though service bureau handles all other data processing applications.

SECOND FROM TOP: Robert J. Fabacher, v.p., First of Lafayette, uses NCR 796 data display terminal to enter commands for central processor that controls bank's six NCR 7750 proof machines.

THIRD FROM TOP: With First of Lafayette's NCR 7750 equipment, items never leave proof/transit department until they are filed by bookkeeping or sent out in cash letters. Here, one of department's six operators begins separating incoming items into in-clearing and on-us batches for processing.

BOTTOM: NCR 7750 proof machines offer one-step item processing. Unit edits MICR numbers and keyed-in information, microfilms, proofs and sorts items. Items with errors are delayed in view station indicating error for immediate correction. However, such items can be processed as unqualified and be pocketed for handling next day, eliminating processing delays.



Proof operators discuss cause of balance problem detected by NCR 7750 proof machine. According to Robert J. Fabacher, v.p. of bank, one of advantages of distributive-document processing is centering of responsibility with experienced bank employees who are intimately familiar with source documents and potential causes of item-processing problems.

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when they want to write a check or make a withdrawal, they may be publicly embarrassed as well as inconvenienced," he continues. "A day's cash letters may represent \$2 million to \$3 million worth of investable funds that can earn 10% interest. So, backup is crucial."

First National, however, did not have adequate item-processing backup with its service bureau. In fact, in recent years, it experienced two 30-hour processing delays when the service bureau's high-speed reader/sorter was out of commission. The nearest compatible backup equipment with MICR-capture capabilities was located in Lynchburg, Va.

Now that First National is using the NCR 7750 proof machines and software written by NCR to make tapes created by the system compatible with the host computer, it has a number of backup options within driving distance.

With the old system, duplication of efforts in the proof department and the service bureau slowed preparation of cash letters and updating procedures.

"We are getting our cash letters out an hour earlier, and we are ready for updating two to three hours earlier," Mr. Fabacher says. "That's because

there is no reject/reentry delay with the new system. Invalid account numbers or operator mistakes are detected immediately, and errors either are corrected or the document is processed as an unqualified item and pocketed for qualification the next day."

When the service bureau handled item processing, items went first from teller stations to the proof department for separation of bond coupons, Master Charge and other documents. Then, NCR 7750 single-pocket proof machines were used to encode the documents and proof the batches, which were assembled in larger blocks.

Next, the items were microfilmed on a rotary microfilmer. Finally, they were sent to the service bureau, located one floor up in the same building, to be read on the 830-document-per-minute reader/sorter. That's when MICR numbers were captured. The items then had to be proofed again and fine-sorted. Reject items weren't detected till midway through processing and had to be sent to keypunch to go back through the entire system again.

With the new system, items are separated into in-clearings and on-us items in the proof and transit department. Usually, three of the NCR 7750 units handle in-clearings, while the other three process on-us items. However, either type of item can be run on any proof machine when workloads aren't evenly distributed or when there is a delay in receipt of in-clearings.

Proof machines read MICR information and dollar information coded by the operator and edit the information to validate account numbers, balances, etc. Items are microfilmed as they pass before a camera on their way to being deposited in pockets for the various banks.

Though the equipment also will fine-sort items in account-order sequence, First National has elected to retain the high-speed reader/sorter for this function. The reader/sorter now operates as a stand-alone unit and has been moved to the proof/transit department. The high-speed tapes generated by the NCR mini-computer, which controls the six proof machines, are sent to the service bureau to update accounts.

"Elimination of a separate microfilm operation really has improved exception-item retrieval," Mr. Fabacher says. "The consecutive number now is imprinted on the film below the document, so the image is cleaner. The piggybacking problem has been eliminated. With our old system, we often

would have to search 200 to 300 items to find a particular exception item in a 3,000-document block. Now, we usually can go directly to the document."

Another advantage is that control is in the hands of proof station operators who are experienced bank employees and intimately familiar with source documents. "No keypunch or reader/sorter operators in the service bureau handle the items," Mr. Fabacher adds. "With fewer people involved, there are fewer problems and lost items."

The cost of the new system is almost identical to the service bureau's charge for item processing. For banks with their own data processing departments, reduction in mainframe memory resulting from a conversion to distributive-document processing might provide sound cost justification, Mr. Fabacher points out.

Since little mainframe time is needed to read in the highspeed tapes generated by the NCR system, First National now can expand its correspondent-banking relationships and offer processing services. Distance presents no difficulty, and the addition of smaller banks would not put a burden on the service bureau.

"We could add banks just by changing headings on reports," Mr. Fabacher says. "As far as item processing, we have two options for remote NCR 7750 installations. We can transmit the data on-line or physically have tapes brought in, depending on the distance involved.

"If statewide banking goes into effect, the same alternatives would be open to us for First National branches outside of our current parish boundaries. We have much more flexibility than we ever had before." ●●

Stephens Is Elected President, RMA's Southeastern Chapter

Gerry U. Stephens, executive vice president, American National, Chattanooga, Tenn., has been elected president, Southeastern Chapter, Robert Morris Associates.

Other new officers are: vice president, J. Leo McGough, executive vice president, Calcasieu-Marine National, Lake Charles, La.; secretary, J. W. Collins, president, Bank of Mississippi, Tupelo; and treasurer, Clyde O. Draughton Jr., executive vice president, First National, Augusta, Ga.

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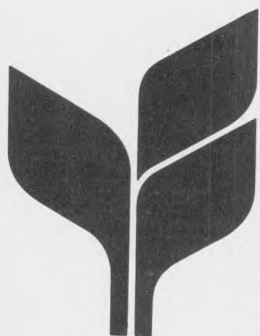
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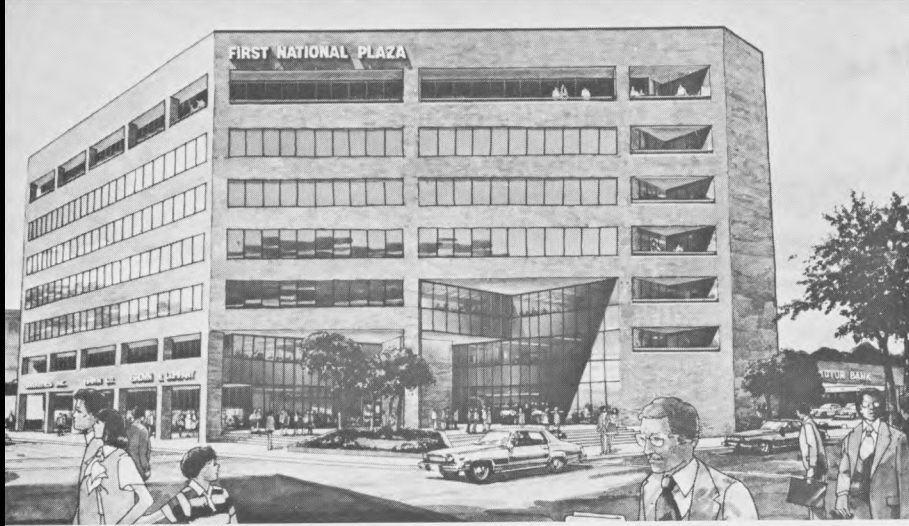


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MID-CONTINENT BANKER for September, 1978



This is artist's sketch of new building planned by First Nat'l, Amarillo, Tex. It will be across street from main bank and will be called First National Place, not First National Plaza as indicated in this photo.

'Fast-Track' Method to Be Used In Texas Bank-Building Project

FIRST NATIONAL, Amarillo, Tex., which occupied a new building just last year, has announced plans to erect another structure just across the street from and immediately southeast of the existing one. The site has been used for employee parking.

The new building will contain seven stories, with 100,000 square feet of leasable space. It will be called First National Place, and there will be a convenience banking center on the ground floor, offering a full range of services, and lease space on the six upper floors. Construction begins this month, and completion is set for early in 1980. The cost will be approximately \$5 million.

The fast-track method, previously used to build First National's quarters that were opened last year, will be used at First National Place. That method permits construction to begin almost immediately and allows work to proceed on lower portions of the building while plans for upper areas are still being completed.

The building is a project of Clark Brothers, a development firm, which has leased the entire block — bounded by Eighth and Ninth avenues between Fillmore and Pierce — from the bank. In turn, the bank will lease the first floor from Clark Brothers. The site had been acquired by the bank early in 1977.

"We knew that the best use for the land was a multistory office building, rather than surface parking," says Gene Edwards, First National's president and chairman. "Because banking

regulations restrict how the bank could build on the site, the proper course for us was to lease to a developer, who would construct the appropriate structure."

The new building's design will harmonize with the existing First National complex. Like the main bank building, First National Place will have an unusual configuration. The base will be an oblique parallelogram, with north and south sides parallel to Eight Avenue and east and west sides at 45-degree angles to the street. The exterior will be earth-tone brick and bronze-colored glass, similar to that used on the present banking house. A balcony will surround the seventh floor, and some offices on other floors will have individual balconies. An underground parking area, covering much of the block, will provide spaces for approximately 90 cars, and surface and structured parking will be available for about 180 cars.

First National Plaza will be connected to existing bank facilities by a tunnel under Fillmore, leading to the

bank's parking garage. The main entrance of the new building will be on the west side, diagonally across the Eighth and Fillmore intersection from the bank.

Grounds around the new structure will be extensively landscaped.

According to Mr. Edwards, the bank is exercising options on other adjacent land, equivalent in size to the block being leased to Clark Brothers, for use as employee-parking areas.

The convenience banking center in the new building will offer almost all services available in the main bank. In addition to teller transactions, the mini-bank will handle installment loans, sell CDs and open new accounts.

Ten motor-banking lanes are planned, with one lane to be served by an automatic teller machine, which will be accessible at all hours. The new ATM will be the fourth such machine in the bank's complex and the second provided for drive-up customers. Traffic for all drive-up banking will enter from Ninth Avenue and exit to Fillmore.

The convenience center in First National Place will be able to offer full services, explains Bob McMurry, executive vice president/administration, because the new building will be within 500 feet of the main bank, thus conforming to state banking law.

The design of First National Place and the surrounding block of land will accommodate construction of a second, identical building along Pierce in the future. ●●

Gene Edwards (c.), pres. and ch., First Nat'l, Amarillo, Tex., discusses new-building plans with Eddie Clark (l.) and David Clark, partners in firm that will erect new structure.



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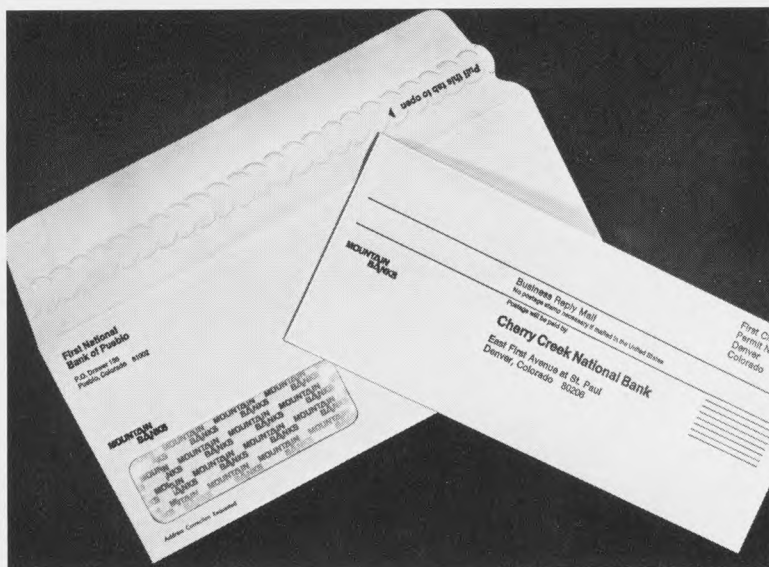
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Functional, Yet Attractive Is Verdict for Building Designed for Sloping Site

THE NEW HOME of First National, Lawrenceburg, Tenn., contains three stories, but — from the front — gives the appearance of a two-story structure. The reason: It's located on a lot that slopes away from the town square, and so the three stories are visible only at the rear of the building. The structure is a welcome addition to the plaza with its brick pavers, planters and benches. First National is an affiliate of Third National Corp., Nashville.

This is the latest bank project of James M. Wilson, architect and engineer, and Beverly Anderson of Interior World, Nashville. The building, which contains 29,184 square feet of space, has a contemporary design and contains brick and white precast concrete with gray solar glass and bronze aluminum.

As in other buildings he has worked on, Mr. Wilson's objective at First of Lawrenceburg was to create a structure that is both attractive and functional, with the bank's operations and customer convenience being of prime importance. Mr. Wilson has 30 years' experience in designing bank buildings. His affiliated firm, Interior World, is responsible for continuing his good design throughout by using pleasing interior colors and coordinated furnishings.

The ground floor contains the boardroom, bookkeeping department, employee lounge, drive-up facilities and several storage areas. On the first floor is the main banking area with eight teller stations, four note teller stations, officers' platform, five private offices with one conference room and a large credit department. The second floor is roughed in for expansion with two rest rooms and air conditioning completed.

The main lobby has a terrazzo tile

floor in a soft brown tone with gold/rust carpeting in the officers' area. Supporting columns are faced with black marble and vinyl wall covering coordinated with lobby walls. A custom-designed "tree" mural decorates the wall behind the teller stations. Walnut wood is used on these stations, officers' railing and repeated in desks and chairs. Furnishings are contemporary in shades of gold, green and orange with a soft green/gold striped fabric. Both vinyls and fabrics are used. Private offices have either gray, gold or green vinyl wall coverings resembling grass cloth and more traditional furnishings. Of interest is a mixture of wildlife prints and works of art by local artists. Live plants also help soften the furniture's straight lines.

The boardroom presents a dramatic appearance, with deep rust carpeting, walnut wainscot, natural rust/tan grass cloth with a bold linen print of black/rust/white used on two love seats and

TOP: This artist's sketch shows exterior of new home of First Nat'l, Lawrenceburg, Tenn. Note how structure sits on sloping site so that it appears to have two stories in front, but actually has three floors, as can be seen at back.

SECOND FROM TOP: Main lobby of new quarters is uncluttered. "Tree" mural behind teller station is complemented by live plants placed strategically around lobby.

THIRD FROM TOP: Other side of lobby has officers' area and private offices. Gently curved railing is made of walnut, as are desks and chairs.

BOTTOM: Boardroom features 24-foot-long walnut table, walnut wainscot, natural rust/tan grass cloth with a bold linen print of black/rust/white used on two love seats and in draperies. Paneling also is walnut, and there are three brass chandeliers.



in the draperies. The lighting is designed for multiple uses, with cove lighting, three brass chandeliers and recessed spots over the seating area in front of the fireplace. The latter is flanked by walnut built-in bookcases filled with old books and pieces of Tennessee pottery with brass pieces used

as accents. Several hunt-scene engravings blend well with large photos of past directors. The 24-foot-long table was designed by Mr. Wilson and manufactured by a local Lawrenceburg firm out of walnut from trees in the area. The table is finished to blend with walnut paneling. Chairs are black

Low Cost, Speedy Construction Cited As Advantages of 'Pre-Engineering'

THE NEW HOME of Bank of Southwest Louisiana in Oakdale is an excellent example of how a "pre-engineered" building can provide attractive quarters for a bank and still be erected generally at a lower cost and more quickly than through conventional methods. So says Butler Manufacturing Co., Kansas City.

The bank's two-story structure is the product of Brown Builders, Inc., Bossier City, La., which is authorized to market and erect Butler's building systems. For the Oakdale bank, Brown Builders offered comprehensive turnkey services that included commissioning of design, construction, bank equipment, landscaping, interior decorating and furnishings.

At a completed cost averaging about \$55 a square foot, the bank saved perhaps \$60,000 to \$75,000 and four to five months' time over what a facility built in the conventional manner would have required, estimates Leroy G. Fontenot, a bank director who was building committee chairman. By the way, Mr. Fontenot is a general contractor and in the building materials business.

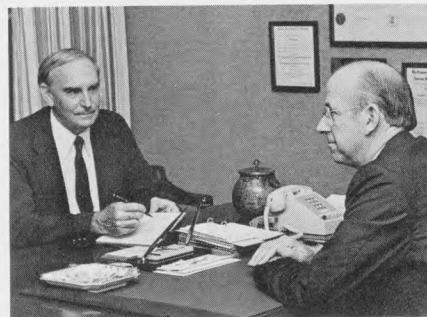
According to Butler, the pre-engineered building offered several advantages to this \$22-million institution, chartered in 1961. Not only did the contractor's "single-source" services greatly facilitate the program,

but using the system enabled more predictable pricing for major material requirements and better management of labor once it was mobilized at the work site. Only eight months' time elapsed from the time the design commitment was signed to completion of the building.

A Shreveport architect who designed the structure says he wanted to take the basic design premise and then prove that pre-engineered buildings don't all have to look as though they came out of the same cookie cutter. He believes that goal was achieved in Oakdale through proper use of materials and careful attention to interior spaces.

Ordinary masonry in warm, earthy tones is the predominant side-wall treatment except for a contrasting horizontal band of white stucco midway up the building. White stucco also was used effectively to define the entrance and to provide a strong, visual identity to the building from either of its two traffic approaches.

Access to the lobby is separate from the one serving the upper level. Separating the lobby access from the executive offices and boardroom upstairs enables officers to enter and leave without passing through the lobby. Also, the boardroom is used for community functions whose traffic otherwise might disrupt lobby activities during regular banking hours. ●●



B. A. Wright (r.), ch., First Nat'l, Lawrenceburg, Tenn., confers with James M. Wilson, architect, who designed bank's new quarters along with Interior World, Nashville.

leather-like vinyl in a traditional club-chair design. Chairman B. A. Wright, his directors and staff have said they are especially pleased with the boardroom.

The entire building was designed to provide a warm and pleasing atmosphere, yet be able to take heavy traffic. This objective, says Mrs. Anderson, was achieved through a close working relationship she and Mr. Wilson had with Mr. Wright. This, she believes, resulted in a well-designed, extremely functional and aesthetically pleasing new main office for First National of Lawrenceburg. ●●

It's Not Junk!

Curios, Collectibles Show Sponsored by Detroit Bank

"Curios, Collectibles and Conversation Pieces" was the title of an exhibit of some of the more unusual items people accumulate. It was sponsored by Detroit Bank recently.

Merry-go-round memorabilia was featured at the display, including two carousel animals, both dating from the 19th century, tickets, postcards, song sheets and other items associated with carousels.

Another portion of the exhibit was devoted to items associated with cats, including reproductions of all kinds from a variety of materials, such as glass, ceramic and wood.

Other items displayed included toy fire engines, antique glass salt wells, silver church ornaments used in memorial services, decorative brass hardware, decorative boxes, carvings of angels, a cigar band collection, autographs of famous people and a rare collection of blue onion pattern china by Meissen.

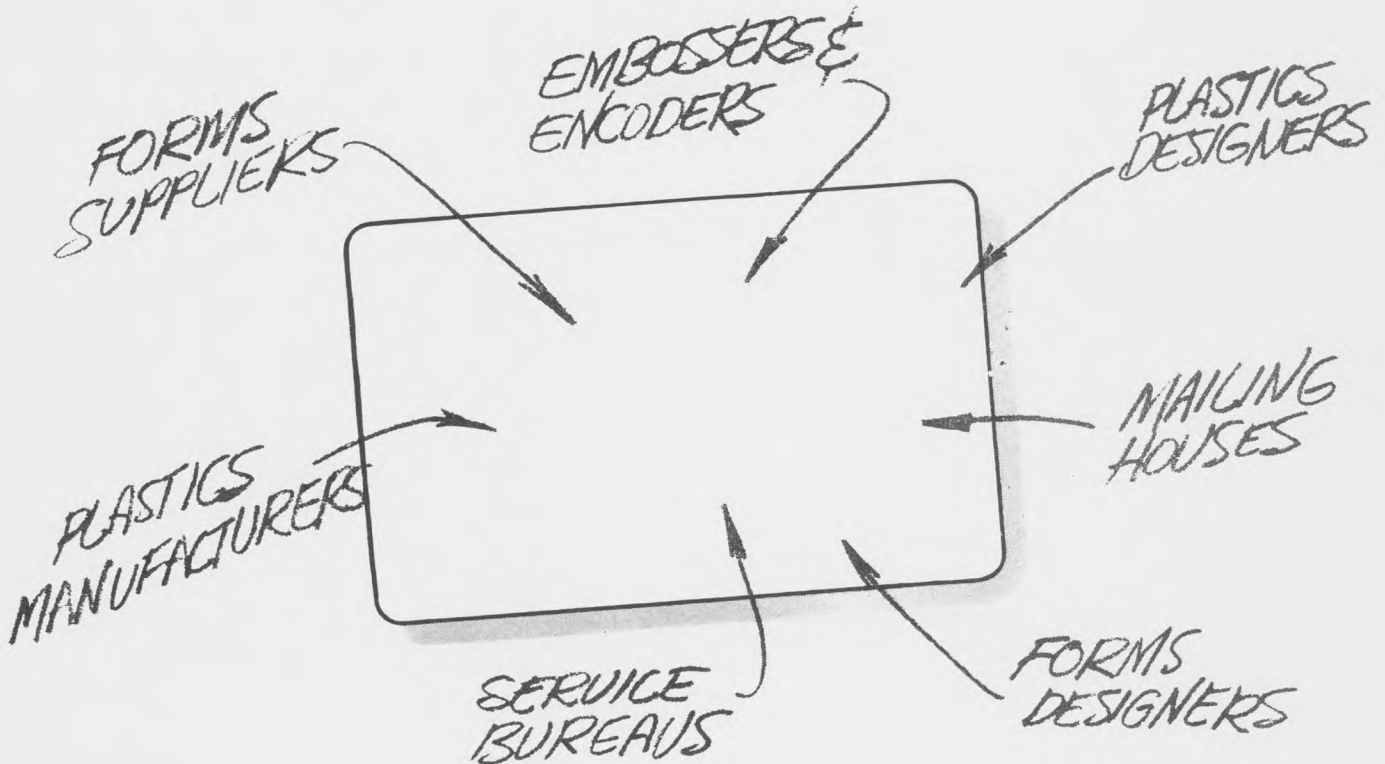
The bank's exhibits are open daily on weekdays at no charge to the public.



This new home of Bank of Southwest Louisiana, Oakdale, is example of pre-engineered building.

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New Buildings Provide Needed Space For Banks in Arkansas, Texas

SPACE is a vital ingredient to any efficient bank operation. Without enough of it, banks can't offer the scope and quality of services their communities need.

Lack of space, occasioned by increased business, often forces a bank's management to consider relocating. That's what the managements of Merchants National, Fort Smith, Ark., and First State, Gainesville, Tex., did. Both are now located in new buildings that are expected to provide ample space for years to come.

Merchants National had outgrown its latest location, an eight-story structure. The bank had limited space in the building and its offices were scattered among the various floors. The bank didn't own the building, so it didn't have control over it.

A new building — which is the bank's fourth home since its founding in 1882 as part of a grocery company — was constructed on property adjacent to the previous home of the bank. The

By **JIM FABIAN**
Associate Editor

bank already had a two-lane drive-up on the site and there is plenty of space available for future expansion.

The bank opened its doors in its new 37,000-square-foot two-story building in September, 1976. The buff-colored brick structure features large arched bronze glass windows and a covered brick canopy that extends over the sidewalk at the main entrance. Everything about the structure is contemporary.

The interior is decorated in earth tones of rust and gold accented with touches of blue. A brick floor complements the color scheme.

The massive modern furniture is made of walnut and the same kind of wood is used throughout the building, especially in the tellers' area, which is highlighted by blue pearl granite deal plates.

A focal point of the interior is a stairway leading to the trust department on the second floor. The stairway wraps around an elevator shaft.

When Merchants National opened its new home, management staged three events, including one for directors and out-of-town customers, one for employees and their families and a general open house for the public. Grand prize was a microwave oven.

Damon Bowersock, bank president, had this to say about his bank's new Main Office: "Studies established in advance the growth of our new building, the size, timetable and cost. When we finished we were on time, within budget and found that growth was well ahead of schedule.

"It was predicted that our investment in a new building would stimulate our growth by now to \$75 million," he added. "Instead we're at \$101 million. We've grown more than \$25 million in the past four years.

"If a banker friend of ours visited our

LEFT: Contemporary exterior of First State, Gainesville, Tex., features recessed bronze windows. Steel frame structure is covered with a golden-brown-tone brick. Skylight allows sunlight to flood interior.

RIGHT: Interior of First State features carpeted stairway and antique grandfather clock. Copper, blue and gold accent decor.



ON THE COVER

This is colorful interior of new home of Merchants National, Fort Smith, Ark. Growth of bank was established by studies made by Bank Building Corp., consultant and construction manager. When construction was finished, growth was found to be ahead of schedule, according to Damon Bowersock, bank president.



TOP: Exterior of Merchants National, Fort Smith, Ark., features arched windows and canopied main entrance. BOTTOM: Zigzag teller station with 12 windows is set off by warm-toned walnut paneling and earth-tone brick floor.

bank and asked our advice about building — and many have — I would emphasize the critical importance of having the best possible professional assistance,” Mr. Bowersock said.

Bank Building Corp., headquartered in St. Louis, was the consultant and construction manager for Merchants National. “With a minimum of input from us, Bank Building determined what we wanted, took over and created for us a beautiful and work-efficient bank,” Mr. Bowersock said.

First State, Gainesville, Tex., needed more space, too — not only inside its building, but outside in the parking lot. So it pulled up stakes and relocated some eight blocks away from its previous home, which it first occupied 15 years ago. The new site is in a residential part of the community.

The bank moved into its four-story, contemporary brick building on February 1, 1977. The exterior is a steel frame structure covered with a golden-brown-tone brick and accented

with recessed dark bronze windows. A large, solar bronze glass skylight allows sunlight to flood the interior, creating an open, outdoor atmosphere.

A carpeted stairway with walnut handrails provides a focal point to the interior. Varying tones of copper, blue and gold are used throughout in carpeting, wallpaper, wall coverings and upholstery.

The transitional-style walnut furniture is square in shape.

Near the stairway is a large antique grandfather clock that hangs on a brick wall that doubles as a stairway support.

The new building is First State’s third home since its establishment in 1905. The bank has the distinction of holding the second oldest state charter in Texas.

The top two floors of the 20,000-square-foot, four-story structure are being leased until the bank needs the space. The second level houses the bookkeeping department and a coffee bar.

The bank has already enlarged its drive-in area from four to six lanes, one of which is for commercial use. A time-and-temperature message-center sign publicizes community activities.

According to William Lewie, chairman and CEO, the bank held a grand opening celebration with an uninvited guest — almost nine inches of new snow! Despite the bad weather, more than 4,000 persons attended the event and two of them won free trips to sunny Hawaii. Door prizes included a TV and microwave oven.

Bank Building Corp. was the consultant and construction manager for First State.

Both Merchants National and First State now have enough space to carry on their operations efficiently. Should the need arise for them to enlarge their quarters, plenty of space remains.

Both banks testify to the fact that pleasant surroundings and ample space are good for business! ●●

'Garage Sale' Helps Bank Get Rid of Surplus Furniture And Make Some Money, Too

A "GARAGE SALE" at a bank? Well, not exactly, but Commerce Union Bank, Nashville, did hold a public auction of furniture, equipment and removable structural items when it moved last year from its old quarters to a new home. Thousands of items were offered, including two elevators, which, by the way, were sold. After deducting expenses, the bank realized about \$100,000 from the auction.

Commerce Union wanted to get rid of all items that weren't being moved to the new building, do it quickly and, at the same time, make some money. The answer was to hold one public sale and have it conducted by a professional auctioneer. This precluded a private sale to employees and/or friends of the bank. However, according to William E. Burt, the bank's manager of administrative services, an auction had these advantages:

1. It would save bank employees' administrative time.
2. It would eliminate the problem of placing values on all items to be sold.
3. It would provide for complete disposal; whereas, many items could be left after a private sale.
4. It would be more equitable for items requested by more than one employee.

The bank thought first of making items from the old building available first to staff members, then to the public. However, because so many employees had expressed interest in obtaining these items, Commerce Union thought holding a sale on a bid basis would be the fairest for all employees. Because it wasn't practical to have a private auction first and then a public one, the bank scheduled one public auction, but made it as easy as possible for employees to take part. For example:

1. It was held on Saturday (June 18, 1977), instead of on a weekday.

2. Employees were given several days to inspect and select items on

By ROSEMARY McKELVEY
Editor

which they wanted to bid.

3. Employees who could not, or did not want to, attend the auction in person could submit in writing a sealed maximum bid. A bank employee then could bid on the employee's behalf and purchase the desired item at the lowest possible price up to the maximum bid. If the two highest bids were sealed bids, the highest sealed bid was given the item at \$1 above the second-highest sealed bid.

4. The sale was an *absolute auction*, which means that *all items* were sold regardless of bid prices.

5. Successful bidders were responsible for removing purchased items. However, Commerce Union offered to obtain delivery service for its employees, if needed, for nominal fees.

The following items were put up for auction: furniture, pictures, draperies, lamps, plants, unattached and attached carpets, wall paneling, doors, marble, rest-room fixtures, vault doors, brass (mailbox, rails, elevator doors), elevators, boilers/air conditioner and windows. Even the flagpole was purchased and donated to a local school.

Commerce Union then used this five-step approach to the auction: 1. Employees were notified of the pending auction. 2. Items available for sale were labeled with auction numbers. 3. Employees were invited to the old building to look at the available items. 4. Employees were invited to submit sealed bids containing maximum prices for items they wanted. Employees also were informed that a bank representative would be available to bid on their behalf (limited to employees for their personal use, not for friends or relatives). 5. Employees would have the option of attending the auction in person.

In addition, the bank sent letters about the auction to such non-employees as directors and advisory directors and made arrangements for them to submit sealed bids.

Available items were placed on display from 8 a.m.-5 p.m. for three days preceding the auction.

The bank hired a professional auctioneering firm, located in Nashville, to conduct the auction. This firm announced the sale to the public through ads in the Nashville *Tennessean* on two successive Sundays just prior to the date of the auction. The bank also publicized the sale with auction circulars, which were sent to the main bank and its branches for distribution among customers.

The bank wanted the items moved as quickly as possible after the auction was over and so set up a schedule to get this done:

June 18 (date of the auction) — remove small items that can be carried by one person without the aid of handling equipment.

June 18-20 — remove furniture, equipment and other loose items on the first floor only.

June 19-20 — remove furniture, equipment and other loose items on all floors but the first one.

June 20-25 — remove structural materials, except elevators, front doors, marble and light fixtures.

June 26-30 — remove elevators, front doors, marble and light fixtures. Removal of these items had to be coordinated with designated Commerce Union officials.

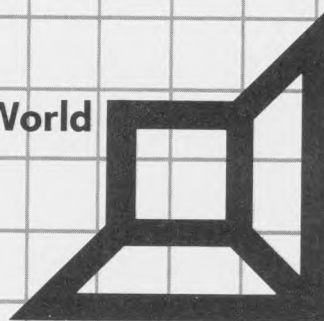
All auction buyers had to sign agreements that they would follow this schedule or forfeit items purchased with no recourse. The agreement also stipulated that each item was being sold "as is" and without any warranty whatsoever, and it contained a "hold-harmless" agreement to indemnify the bank in the event of an injury to a buyer. ●●

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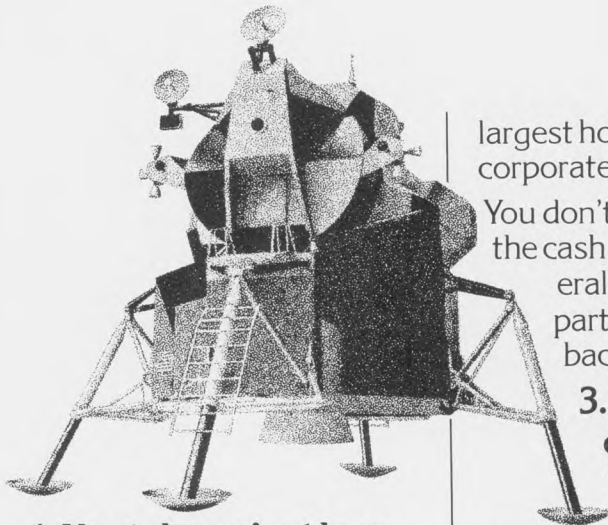
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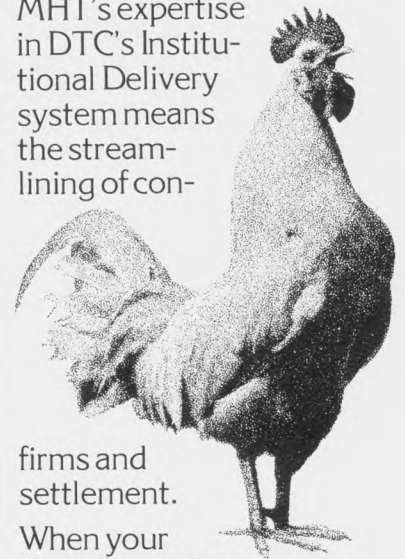
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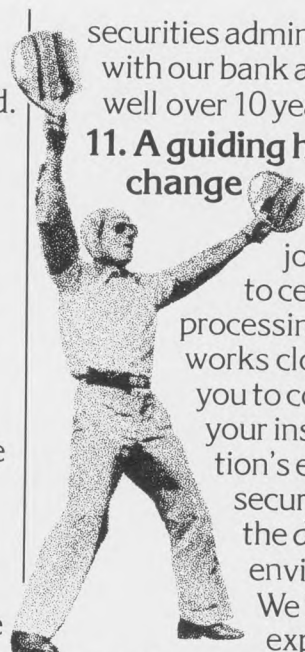
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In Drive-Up Installations:

Eliminate Trenching Costs By Using Up-Send System

RECENT DEVELOPMENTS in drive-up construction have opened new possibilities for banks that had been reluctant to expand because of the high cost of digging culverts.

Three Texas banks provide excellent examples of how to use these new approaches to saving on installation costs and possibly on operating costs as well. In some instances, pneumatic tubing is concealed in planters, adding to a drive-up area's attractiveness.

At El Paso's First City National, a new 10-lane motor bank operates five days a week from 7:30 a.m. to 6 p.m. Thousands of dollars in trenching costs were avoided by using an up-send system, which sends carriers to an overhead teller station, under which drivers pass after they complete their transactions.

According to Jim M. McVay, senior vice president and cashier, "Not only did our priorities include cost savings and aesthetics of an up-send system, but we wanted to provide a wide-open, well-lighted atmosphere where our customers would feel secure and comfortable. In addition, after detailed traffic pattern studies were made, special attention was given to ease of ingress and egress. We now have the capacity for 55 cars off the street either

COVER PHOTO: This 10-lane motor bank at First City Nat'l, El Paso, Tex., makes use of Mosler Pneu-Vista® 3 system described in the article beginning on this page.

being serviced or waiting for service. Additional security is built in with our continuous videotape coverage of every customer transaction. Recently, this equipment was instrumental in apprehending a known check forger."

By using the Mosler Pneu-Vista® 3 System, First City National is able to keep personal contact with a customer. A number of customers have commented on the relative ease with which the system works. The captive-carrier system allows the teller to see the customer and transaction tray in a head-on configuration. The customer pushes a button, and the transaction tray appears immediately. Then the customer places his transaction beneath a clip on the tray. He applies slight upward pressure to the tray to send the transaction to the teller on the second floor. Sight contact always is maintained between teller and customer.

First City National tellers like the PV3: The transaction tray opens immediately on carrier arrival, and there

are no buttons or switches to worry about. When the teller completes the transaction, she simply places the item or items beneath the clip on the tray and applies slight upward pressure to the tray. The carrier then returns automatically to the customer.

A Garland Installation. First Security Bank, Garland, installed an up-send system in December, 1976. The bank uses a Mosler Trans-Vista® Vision System. Three lanes are equipped with TV monitors in the traditional drive-up system. Maximum use is made of available space by locating tellers on the second floor of a tower. First Security has been able to realize considerable savings by using an up-send transmission system for its carrier so that trenching costs were avoided.

Assistant Vice President Martha Dillard has been closely associated with the drive-up operation since First Security moved into its five-story building in 1971. At that time, the bank installed four Mosler drive-up lanes with underground pneumatic tubing. These were serviced from tellers at a drive-up window that also provided commercial service. The drive-up was so successful, and Garland, a Dallas suburb of 120,000 people, was growing so rapidly, the



Drive-up installation at First City Nat'l, El Paso, Tex., features Mosler Pneu-Vista® 3 System, which allowed bank to save thousands of dollars in trenching costs. This up-send system sends carriers to overhead teller station, under which drivers pass after completing transactions.

bank believed five lanes no longer were adequate.

As Mrs. Dillard puts it, "There was a serious problem of insufficient space and, with heavy traffic through the drive-up lanes, we couldn't afford any serious interruption in service. Since we were very happy with the previous Mosler installation, we were receptive to ideas about locating the new drive-up lanes behind the existing ones and off at an angle and using overhead tubing and TV tellers located on the second floor of our main office building.

"The three new lanes began operating in December, 1976, and have been a huge success. Even though the TV screen and customer station are 160 feet from the teller, there is almost no delay.

"Customers and tellers find the system easy to operate. The three TV lanes are serviced by two tellers even under extremely busy conditions.

"Waiting time has been cut substantially with the three new lanes."

First Security handles as many as 7,000 cars a week at its drive-up lanes and offers service there from 7 a.m. to 7 p.m. Monday through Thursday and from 7 a.m. to 8 p.m. Friday.

According to Mosler Regional Sales Manager Tom Spaid, "We expect increasing use of up-send systems as construction costs increase sharply. When expansion is taking place on rocky soil or in other unusual subsurface conditions, we look immediately to the advantages that an up-send system can provide. Even in relatively easy soil conditions, a bank usually can enjoy considerable savings by combining an up-send system with one of the wide variety of drive-up installations available."

Up-Send in Irving. At Las Colinas Bank, Irving, President John West studied the relative merits of trenching versus an up-send system. He says, "In

the very active soil in this part of the country, we felt we could not justify the sizable additional installation expenditure that burial of the pneumatic tubes would involve."

As a result, the bank now has tubes that run up and overhead and are concealed by planters, columns and a canopy.

The Las Colinas Bank installation makes use of Mosler Trans-Vista up-send systems. The seven lanes have six remote units with a side-view configuration.

Las Colinas Bank has had the installation in operation for about nine months, and customer response is reported to be enthusiastic.

"As construction costs continue to mount," says Mosler's Mr. Spaid, "bank management owes it to itself to make sure that it has thoroughly checked out the possibilities of an up-send system in its planned drive-up installation." ●●

Installing Drive-Up Across Street Eliminates Bank's 'Growing Pains'

SEVERE GROWING PAINS combined with a prohibition of branching in Texas presented a problem to Plains National, Lubbock.

When the bank was opened in 1955, it had one drive-up lane. In 1957, another facility was built — this one with three drive-up lanes. In 1962, expansion again became necessary, and the bank erected a one-story structure with a one-quarter basement and five lanes. In 1971, Plains National expanded to its parking lot, where it built a five-story structure with full basement and seven drive-up lanes.

Then, in the last several years, the bank began to need additional space and found it in a vacant lot across the street from its main office. The bank could make use of this site since it was within a maximum number of feet allowed, under Texas legislation, from a bank's main office.

On this lot, the bank installed 18 Mosler Pneu-Vista® 800 drive-up units, possibly the largest single drive-up banking facility in the country. The site on which the former seven units were located now is being used as a much-needed parking area.

Nine tellers operate the 18 Pneu-Vista 800 lanes, and the facility is completely self sustaining. In its small commercial lobby are four Mosler protected work stations that feature

TOP: This is aerial view of Plains Nat'l, Lubbock, Tex., including its recently opened drive-up installation (in foreground). Bank solved its "growing pains" by locating new facility across street from main bank (building at top of photo) and thus freeing up area containing old drive-up units for much-needed parking.

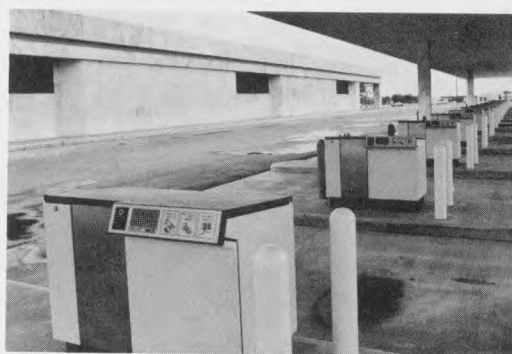
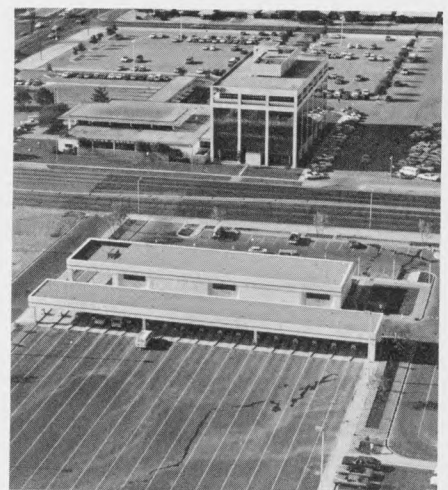
CENTER: As seen from this angle, new facility of Plains Nat'l, Lubbock, presents seemingly endless line of drive-up units. There are 18, thus reportedly making installation largest single drive-up banking facility in country.

BOTTOM: New Plains Nat'l of Lubbock facility is completely self sustaining, with four Mosler protected work stations inside in addition to 18 drive-up units at rear, Mosler money vault and Mosler Photoguard surveillance cameras.

bullet-resistant glass and an armored service window. The latter also is behind bullet-resistant glass. A Mosler money vault with lockers and coin bins services these windows and the drive-up lanes. Protecting the vault is a Mosler American 3½-inch vault door.

Mosler also supplied Photoguard surveillance cameras throughout the new facility. All outside doors, work areas and night depository are monitored from the home-office console, which already had a complete surveillance system.

Plains National, located in suburban Lubbock, has nearly doubled its deposits since 1972, when they were \$37 million, to \$73 million as of last December. ●●



MID-CONTINENT BANKER for September, 1978

Don't Overlook Effective Identification When Planning a Construction Project!

“CAN you name the business located in the big glass and aluminum tower you see on the skyline as you come in from the airport?”

This question was asked of 500 new residents of a city. All those questioned were heads of households, had college degrees, were under 50 years of age and had above-average incomes. They had moved into the community during the previous 60 days.

Obviously, they were potential bank depositors.

Only 9% of these people could give the name of the bank that was located in the tower. And all of the potential depositors had placed their bank accounts elsewhere.

The bank located in the tower had no

By **JACK BUCKLEY**
Marketing Manager
Federal Sign Division
Burr Ridge, Ill.

identification other than its name in five-inch letters over the front entrance!

Effective identification signage is a vital link in the marketing plan of any financial institution. How effectively a bank operates among its competitors has a strong impact on its growth. How well it fares in competition for replacing or obtaining business from the one-in-five families that move annually can be decisive in the bank's marketing success.

Convenience is a prime reason for selection of a bank by potential depositors. Sound identification of a bank's convenient location and its image is inseparable from effective signage. Sound identification planning is a good marketing investment.

Among their identification objectives, many bankers make plans to meet such needs as building recognition among corporate customers, improving morale and pride of employees, meeting new competitive thrusts, boosting the market value of the bank's stock, etc.

Preliminary signage planning as it assists in implementing the marketing plan starts with these considerations:

- Basically, there are just two ways to increase business — by attracting new customers and by selling more services to present customers.

- Attracting new customers must come from two sources — new customers moving into the area and persuading customers of other financial institutions to switch.

- To sell more to present customers, sales must be expanded in two directions: by selling the full-service aspect of the bank and by selling one or more added services, such as checking and savings accounts, safety deposit boxes, small loans, etc.

Studies indicate that the typical bank customer uses an average of fewer than two services out of a total of 10 to 50 available and that the more services any customer uses, the greater his loyalty to the bank.

Many bankers, recognizing how important cross-selling is to their institution's growth and earnings, put emphasis on it in print and electronic advertising. On-premise advertising can provide a basic, strong, continuing and economical method of helping to sell and cross-sell other products and services.

Electronic display signs can be highly effective in establishing a bank's location. Timely and newsy information on time-and-temperature displays may meet individual business needs.

There are six basic steps in the planning and implementation of a sign program:

- *Analysis and survey.* The objectives should be defined in the areas of image desired and directions or information to be transmitted. Details that should be covered include traffic counts, local codes, surrounding visual environment and installation requirements.

- *Design.* An effective sign must be creative, yet practical. It should be custom-designed to achieve the aesthetics and prominence desired. It should project the bank's image in a manner that will result in new business.

(Continued on page 94)

Sign Brings Publicity to Bank



Message-center signs are useful in attracting the public's attention as they operate on bank property, but they can also be the focus of wider publicity.

For instance, Marshall (Tex.) National recently had its message-center sign pictured prominently in the local newspaper on the first day the temperature hit 101 this year in the community. A perspiring passerby was pictured trying to cool off in the shade of the sign while the sign's temperature display registered the 100-plus reading!



St. Louis-area banks make good use of individual letters of titles that tie in with logos. Top: Landmark Bank; bottom: Mark Twain Bank. Signs were made by Federal Sign.

Banks Put Signs to Good Use To Identify, Promote, Inform

A BANK that isn't properly identified by signs stands to lose out, as evidenced by the case described in the preceding article by Jack Buckley at Federal Sign.

Signs tell the public where a bank is located; they lead customers to their destination, from "open" drive-in lanes to the new accounts desk; they enable a bank to provide a public service via a message-center sign or a time-and-temperature unit; they enable the bank to promote its services. In short, signs are vitally important.

Following are brief articles about sign installations in various parts of the Mid-Continent area that attest to the importance of signs to the banking business.

* * *

Bank's Message-Center Sign Gives 'Best' Advertising

"THE BEST type of advertising for our community," is the way Don H. Kelly, president, Peoples National, Belton, Tex., assesses his bank's

new message-center sign.

The sign, which graces the front of the bank, has been in operation since May and, according to Mr. Kelly, "Each day our officers and employees receive favorable comments" about it. The unit is a FED 3000, manufactured by Federal Sign, Burr Ridge, Ill.

But the people at the bank and in Belton don't refer to Peoples National's sign as "the sign"; rather, they call it "Flicker," said Mr. Kelly.

The bank gained an extra measure of publicity when it erected its sign by conducting a "name the sign" contest. "Flicker" was the winning entry because the word aptly describes the messages that play across the signboard.

Mr. Kelly says the messages are "fed" to the sign via a keyboard computer that can be operated by almost anyone. The messages are provided by nonprofit organizations in the bank's trade area. They include coming events, sports news — almost anything of a nonprofit nature.

Of course, the bank makes use of the message-center sign to promote its services, Mr. Kelly says. One of the unusual features of the sign is its ability to flash symbols, such as a car, a house or a boat, that can be used to "illustrate" sales messages. These symbols are especially useful in promoting various types of loans, he added.

Services most often promoted with the sign include home improvement loans, drive-ups and bank-by-mail. Time and temperature appear regularly on the message center.

The bank's message center staff has a sense of humor, according to Mr. Kelly. For instance, as the May date for increased first-class postage rates approached, the message center advised passersby to mail their Christmas cards early to avoid the increased postage! Another instance: "Don't kiss our girls; some of them are tellers!"

Public-service messages are carried, too, in connection with events in the area. After a bad flood, the sign asked people to help the victims by donating food, clothing or other useful items.

Bank's Sign Stops Cars As Drivers Scan Messages

"IT'S WORTH a bank's while to have the only message-center sign in town," said Robert A. Lemler, president, State Bank, Sullivan, Ill.

His bank had a message-center sign installed a year ago that was manufactured by Daktronics, Inc., Brookings, S. D. The sign is capable of presenting traveling and changing messages, time-and-temperature information and displays in single- and double-stroke letters. The unit can store more than 500 characters, which can be displayed up to 18" in height.

Mr. Lemler said his bank's sign sometimes slows traffic on the busy state highway on which the bank is situated. "We've had cars park along the curb so their occupants could read our sign's messages," he said.

The sign comes in handy for advertising bank services, he added. Sometimes the sign's messages tie in or reinforce advertising in the local newspaper and sometimes he places an "exclusive" message on the sign. Last winter the sign pushed loans for snowmobiles and, within minutes, two people came in to inquire about snowmobile loans, he said.

Other bank services advertised on the sign include Christmas club, license plate distribution and safety deposit boxes. Mr. Lemler said there has been a noticeable increase in the



Electronic message-center sign enables bank to promote services, present civic messages. This FED 3000 unit is at Worth (Ill.) Bank and was made by Federal Sign.



Message-center sign at State Bank, Sullivan, Ill., is traffic-stopper. It's only such sign in town and was made by Daktronics, Inc.

use of these services since they have been advertised on the bank's sign.

The sign is also available to promote community events, as long as the event is not a commercial one, Mr. Lemler said. Service messages are often flashed on the sign, as are announcements about school and church functions. All a person has to do to get a noncommercial message on the sign is to call Mr. Lemler or his secretary and dictate the message. It takes only minutes to type the message into the sign's memory apparatus, Mr. Lemler said.

State Bank's sign is operated around the clock, but the message center operates only during bank hours, Mr. Lemler said. Time-and-temperature messages are flashed during other hours. Mr. Lemler feels messages retain more of their freshness if they are not flashed to the community continuously.

He said the bank purchased the sign because it knew it would be the only message-center sign in town. The additional cost over that for a conventional time-and-temperature sign wasn't that significant, he said. One other bank and one S&L are in Sullivan.

"Our sign is one of the most effective forms of advertising I've ever used," Mr. Lemler said when asked to assess the value of the sign to the bank.

Sign Without Light Bulbs Has Fluorescent Discs

"YOUR public image and identity can shout in a subtle whisper," says the people at Time-O-Matic, Inc.,



FlipOmatic II time-and-temperature display by Time-O-Matic, Inc., is owned by Gary (Ind.) National. Sign features metal rectangles to form numerals, eliminating light bulbs.

sign manufacturer headquartered in Danville, Ill.

The firm is marketing a sign called "FlipOmatic" that operates with discs that are jet black on one side and brilliant fluorescent yellow on the other. The discs reverse electronically to show time and temperature in Fahrenheit or Celsius. The system is said to be more effective than using light bulbs.

Sales points for the signs center on the facts that less energy is needed to operate them and there are few burned out bulb problems.

Waterford (Wis.) Bank recently purchased one of the FlipOmatic time-and-temperature signs and had it in-

corporated into the sign that hangs at the bank's entrance.

"The fact that its electrical consumption is considerably less than the bulb-type sign is only one factor in our decision to purchase the unit at this time," a spokesman said. "It's also easier to service and therefore less costly to maintain."

The spokesman said the bank has had excellent customer reaction to the sign. Customers are intrigued by the way the numerals change in sequence and the sign has been a conversation starter.

"The sign is easily readable, both during the daylight and at night," the spokesman said.

Howard Savings Bank, Newark, N. J., also has installed a FlipOmatic time-and-temperature sign.

"Now that the unit is in operation, it has exceeded all our expectations," said Henry W. Mueller, senior vice president and secretary. "The readability and clarity of the unit are tremendous. The precision movements from left to right of the numerals add to the attention-gaining aspect of the entire sign. The first week the sign was in operation, our branch manager reported over a half-dozen comments, all favorable, regarding the sign."

FlipOmatic signs are said to operate on less power than an instant-on color TV set, while most time-and-temperature signs using bulbs consume as much energy as an average household. It's been estimated by the firm that FlipOmatic signs can save up to \$100 per month in electricity costs.

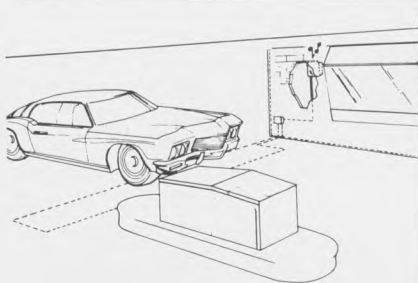
Time-O-Matic's newest sign is a solid-state time-and-temperature bulb display unit that is said to utilize 25% less electrical energy than that required on other manufacturer's time/temp electric displays.

Known as the LampOmatic line, the displays feature electronics with fewer components and improved reliability, according to the manufacturer. Light bulb replacement and maintenance are said to be greatly reduced as a result of new technology and a Time-O-Matic innovation known as Sta-Alive. Solid-state dimming circuitry also is said to extend lamp life and conserve energy.

Glare-Proof Drive-up Signs Are Readable in Bright Sun

SIGNAGE is very important at drive-up facilities, says Mac O'Malley, assistant vice president, Beverly Bank West, facility of Beverly Bank, Chicago.

(Continued on page 76)



CUSTOMERS AUTOMATICALLY SIGNAL THEIR ARRIVAL WITH

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Pleasant chime sounds when car passes over electronic detection area, alerting tellers who may be away from drive-in window. Customers receive fast service. Tellers operate more efficiently. Also counts cars.

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“Our new 37,000 square-foot bank was finished substantially below our anticipated figure and within the



Daman Bowersock, President
Merchants National Bank
Fort Smith, Arkansas

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MC-978



Drive-up lane signs at new Beverly Bank West, facility of Beverly Bank, Chicago, were installed by Actron, Inc. Signs are readable despite intensity of sun.

The new facility opened last month. It features 11 inside teller windows and a five-lane drive-up, staffed by three tellers.

"It's important to have 'open' and 'closed' signs on your drive-up lanes that are readable even if the sun shines directly on them," Mr. O'Malley says. Beverly Bank's other drive-ups have experienced difficulty with lane signs due to the sun, he says. At one installation, where the signs face due east, motorists couldn't tell what the signs said when the sun was shining directly on them during morning hours.

The lane signs at the new drive-up were supplied by Actron, Inc., Arlington Heights, Ill. Mr. O'Malley liked the Actron equipment because it's glare-resistant and is generally "a good piece of goods."

Actron also installed a queue system inside the bank that assures fast service for customers waiting for free tellers.

Beverly Bank West is the third drive-in facility of the bank. It's located about a mile and half from the Main Office.

The new facility is busiest on Fridays and Saturdays, Mr. O'Malley says. The bank is open until 1 p.m. on Saturdays.

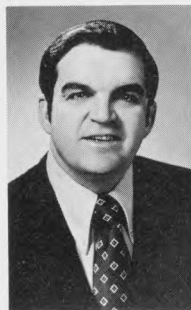
BMA Convention Oct. 15-18 in Chicago To Feature 'Ways to Win' as Theme

WITH "WAYS TO WIN" as the theme, the Bank Marketing Association has announced the program for its 63rd annual convention October 15-18 at Chicago's Palmer House.

Muriel Siebert, superintendent of banks, New York, will make the keynote address. Miss Siebert, who has held her post since July, 1977, became the first woman member of the New



SIEBERT



ALLEN

York Stock Exchange in 1967 while chairman and president, Muriel Siebert & Co.

Also scheduled to speak are former Secretary of Defense Donald H. Rumsfeld, now president and CEO, G. D. Searle & Co., and James E. Finks, executive vice president and general manager, Chicago Bears Football Club, Inc.

As is traditional, the program will consist of general sessions, departmentals, workshops and rap sessions. The general sessions will feature a discussion of "What It Takes to Be a Winner" October 16, "The Future Is Here" by *Fortune* magazine's editors' panel the next day and "How We View the Competition" October 18. At the latter, the Golden Coin awards will be announced. That afternoon, the "Best of TV" film screening is planned along with a discussion of "The Future Is in Your Hands."

Departmentals will cover: "The Changing Competitive Environment," "The Changing Legal Environment and Bank-Marketing Strategies," "Customer Perceptions of Financial Institutions," "The Impact of Changing Consumer Demographics on Product Sales," "Will Changes in the Bank Balance Sheet Affect Business Priorities?," "New Deposit Products — Their Effect on Market Share," "Electronic Banking — Which Direction Is Best?," "Sales-Training and Employee-Incentive Programs — Ad-

vertising or Compensation?," "Measuring Success in Today's Economy," "Pricing Strategies — Market Driven or Cost Based?," "Bank Advertising — Budgets, Media and Markets" and "Direct Bank Marketing Comes of Age."

Workshops will feature these subjects: "Commercial Marketing — a Line and Staff Job," "Product Knowledge in Sales Training," "How to Measure Advertising Performance," "Electronic vs. Branch Banking: Which Is More Profitable?," "Premiums," "Women in Banking — the Wave of the Future," "Corporate EFTS," "Sales Training — Investment or Expense?," "Goals and Objectives — How Premiums Can Help Achieve Them," "Market Planning and Efficient Advertising," "How to Sell Management on Marketing" and "Getting the Most Out of Image Advertising."

Rap sessions will be held on: "Location-Analysis Procedures and Techniques," "Branch Profitability," "How to Close a Branch," "Facilities as Part of the Marketing and PR Plan," "How to Increase Community Business Deposits," "Personal Financial Planning/Counseling," "Going Dual — How To," "EFT Hardware and Access Instruments," "Managing the Advertising Function More Efficiently," "Employee-Incentive Programs That Work," "How to Train for Product Knowledge," "Motivating Your Staff to Sell," "Newest Premium Approaches and Ideas," "Consumer Compliance — Get Ready," "Direct Mail — What You Need to Know," "How to Get Your Marketing-Dollar Request Endorsed," "Entering the ATM Market Late," "Issuing Debit Cards," "NOW Accounts — What to Do About Them," "How to Position Your Bank in the Marketplace," "Market Planning — How It Pays Off," "What a Full-Service Application Can Do for You" and "Automatic Transfer From Savings to Checking."

Current BMA president is Martin J. Allen Jr., senior vice president, Old Kent Bank, Grand Rapids, Mich. ●●

Gerard J. Creamer Dies



Gerard J. Creamer, 62, s.v.p./administration, national division, Manufacturers Hanover Trust, New York City, died August 3 after suffering a heart seizure. Mr. Creamer also was deputy general loan officer. He joined the national division in 1946; was v.p. in charge of the

Mid-Atlantic district, 1958-61; headed the northeastern district, 1961-66; assumed supervision of the Southwest-western district in 1966 and became s.v.p. and head of Region III in 1969. In 1975, Mr. Creamer was named s.v.p./administration.

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THE BANKERS HANDBOOK (\$35.00). Edited by William H. Baughn and Charls E. Walker (former ABA executive manager and former Assistant Secretary of the Treasury). This book is considered the most complete and definitive reference source covering current banking practices. It places the money knowledge of 90 of the country's leading bankers at the fingertips of the reader in a concise, analytical style. Easy to use: contains 11 major sections, 87 chapters. Over 1,200 pages!

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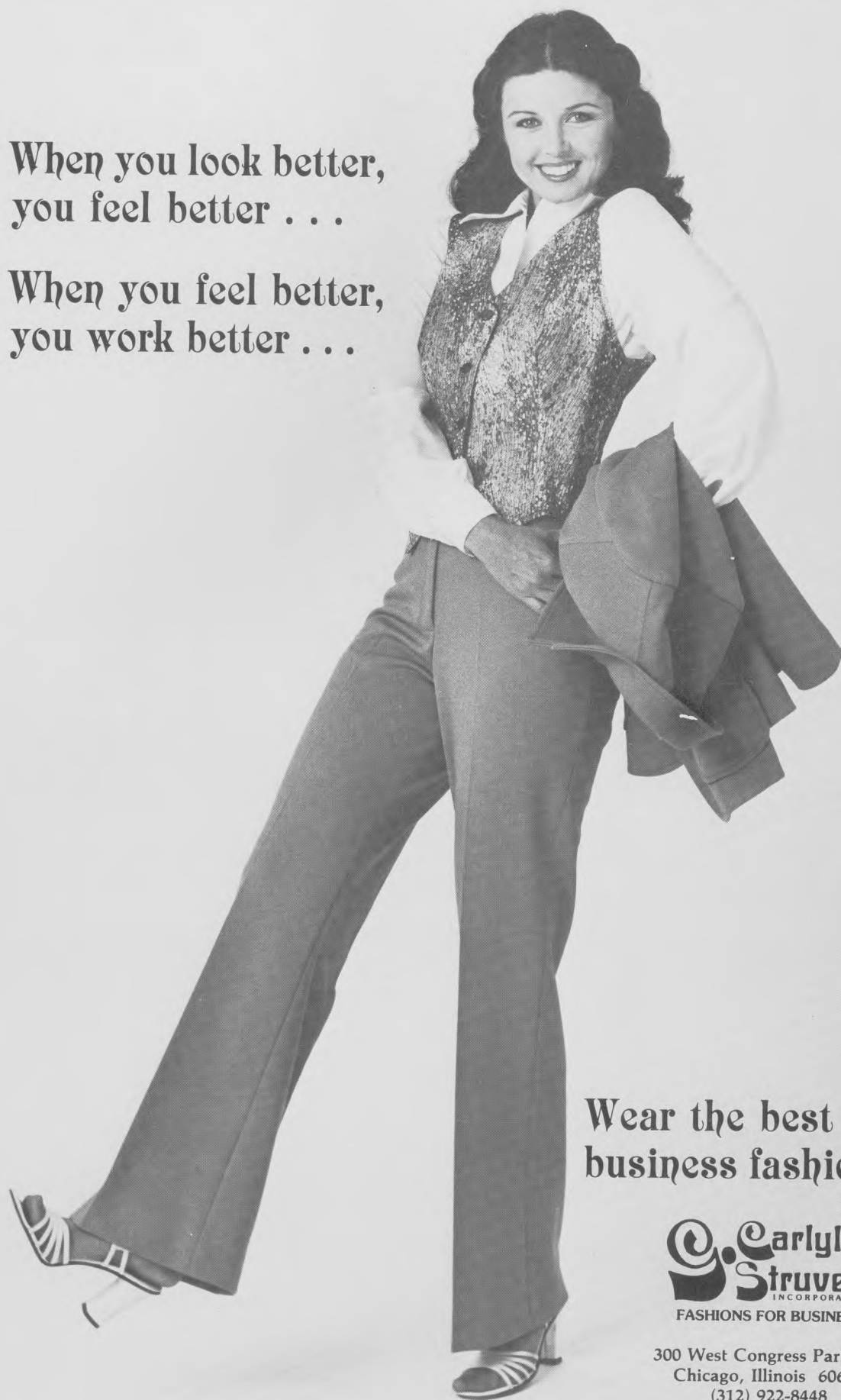
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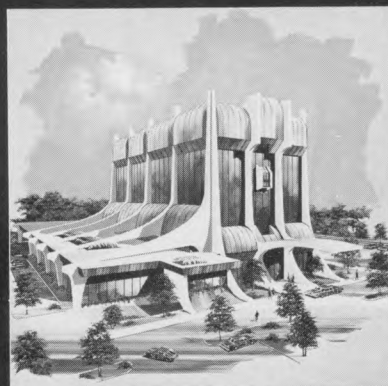
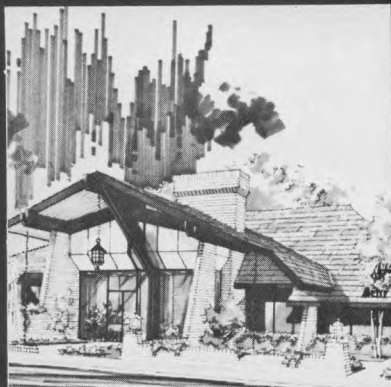
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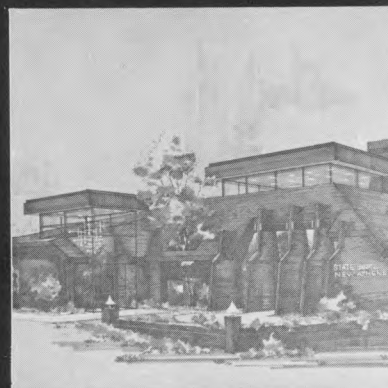
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To Overcome Possible Objections:

Bank Checks Facility Plans With Local Residents

HOW DOES a bank win public support for a drive-up facility in an area where residents traditionally oppose any kind of commercial development? Especially when two similar facilities had been turned down in surrounding communities? This opposition was based on fears of increased traffic congestion, pollution and traffic hazards for children.

State National, Evanston, Ill., is a \$250-million bank located in a downtown shopping area. When Illinois banking laws were changed to allow an off-site banking facility within two miles of the main bank, State National began looking for an appropriate site. Last spring, a lot formerly occupied by a service station was put up for sale. The bank found the location and accessibility attractive except for possible objections from nearby residents.

Clearly, what the bank had to do was to win public support for and political (City Council) approval of the project. In analyzing where other plans had failed, the bank realized that community input was not solicited and that seldom were community concerns incorporated into these projects' planning stages. Usually, it's only after a bank goes public with such projects that community residents react or, in some cases, overreact to them. State National determined that if community concerns existed, they should be listened to and dealt with *before* actual planning for the project began.

To get local people involved, the bank sent 7,500 letters last April 19 to residents of northwestern Evanston and Skokie, along with mail-in questionnaires and postage-paid return envelopes. These letters were the first public announcement of any kind. The

bank wanted to be a "good neighbor" and let the residents involved be the first to know. Next, the media were informed that the bank had bought the site for a banking facility. According to a bank spokesman, local media generally are opposed to any expansion they believe won't enhance residential areas, but they took a wait-and-see approach to the bank's announcement.

Within a short time, the bank received 1,527 (20.4%) responses to the questionnaire. Many contained lengthy comments expressing preferences for such things as a low, attractively designed structure, well landscaped. Many welcomed the bank to their area and expressed gratitude for the letter. More than 50% of the returned questionnaires contained comments of some kind, and they were overwhelmingly favorable. The only conclusion the bank could draw was that those who responded were pleased to have a banking facility coming to their neighborhood, but wanted it to fit into the area's residential character.

After sending out the questionnaires, the bank selected a representative group of residents and designated them neighborhood advisers who were to act as liaison between the bank and community. One of the advisers is a homemaker who has been active in ecology issues. Another is a local businessman. There are a minority representative and a home-owned association member.

The next step was to hold a public meeting on May 10, and the place chosen was a room in the Ecology Center,

which is less than a block from the site of the proposed facility. The turnout was good, and a presentation by the bank and a traffic consultant was short. Questions were asked by the audience and answered by bank personnel.

Questions such as the following were asked and answered: Will the exit on McCormick be dark during the winter months? Will traffic back up on McDaniel? Will traffic back up on Golf? Can the bank add a fifth drive-up lane to take care of excess traffic if cars are stacked up? Will this change cause speeding on McDaniel? Increase traffic northbound on McDaniel? Would the bank be willing to join its neighbors in asking the city to reduce the speed limit on McDaniel to 25 miles per hour? Regarding the exit of drive-up traffic on McCormick, is a left turn safe, and would it be possible to put up a right-turn-only sign? What type of barrier would be erected on the north side of the property between the bank facility and houses? The bank points out that the person who asked this question lives in a house directly north of the site and hoped that a fence would not be erected.

During the meeting, the project leader and neighborhood advisers were introduced, and the function of the latter was explained. After the meeting, a number of residents stayed for coffee and cookies baked by bankers' wives. The bank describes this meeting as informative and cordial for both sides.

The advisers have met regularly with bank executives as plans for the facility have progressed. The bank has

This is architectural model of proposed drive-up facility of State Nat'l, Evanston, Ill. It may have solar power to generate part of energy that will be needed; hence, slanted windows on roof. Bank obtained comments from local residents before going far with plans for facility.



To gain public support for its proposed drive-up facility, State National, Evanston, Ill., sought advice from local residents of the area in which the facility is to be located. One method used was a questionnaire sent to 7,500 persons. It asked the following questions:

1. If you were to use a banking facility located at Golf Road and McCormick Boulevard, which services would you use?
 - _____ Checking-Account Services
 - _____ Savings-Account Services
 - _____ Master Charge
 - _____ Travelers Checks
 - _____ 24-Hour Automated Teller Machine
 - _____ Other _____
2. What weekday banking hours would be most convenient for you (Circle One)?
 - 7 a.m.-5 p.m.
 - 8 a.m.-6 p.m.
 - 9 a.m.-7 p.m.
3. If the banking facility were open on Saturdays, would you use it?
 - Yes _____ No _____
4. If a 24-hour automated teller machine were available, would you use it?
 - Yes _____ No _____
5. Would you make application for personal loans such as auto, home-improvement, vacation at a bank facility if allowed by Illinois banking laws?
 - Yes _____ No _____
6. If a bank facility were located in your neighborhood, would it save you trips to your main commercial bank's office?
 - Yes _____ No _____

How many trips would it save per month?
7. General Comments (use reverse side if necessary):

kept them informed every step of the way, and their advice has been valuable. By the way, they are working strictly on a volunteer basis. The bank explains that the best reward they can have is a facility compatible with their interests.

After careful review of the questionnaires and comments made at the meeting, the bank selected an architect for the project. Among qualifications for the job were that the firm be locally respected and have previous experience in erecting bank buildings.

One concept the bank still is studying is the feasibility of solar power. If possible, the plans will include such power to generate part of the energy necessary for the facility. Although this has not been decided definitely yet, the architects have incorporated the concept into the initial renderings and architectural model. The bank believes its neighbors would like this. It also believes they will be pleased with the way trees and extensive landscaping now on the site will be used, not destroyed.

A bank spokesman says the community input the bank has received has been a positive force in the project.

Many corollary public relations benefits have accrued, but the main one is that State National has proved itself to be responsive to neighborhood needs. Both customers and prospects in the area are aware that the bank has given its facility careful consideration and has listened to their concerns. ●●

Bank Sponsors Derby Entry



City Bank (formerly Grand Avenue Bank), Kansas City, sponsored an entry in the local 1978 Soap-Box Derby. The car was built by bank Vice Chairman Frank Victor (r., foreground) and his 12-year-old son, Paul (l. foreground), who also drove the vehicle. The car featured the bank's sunrise logo and was displayed in the lobby of the bank's Crown Center Facility prior to the race.

Six Correspondent Services To Be Phased Out Over Year By Continental Bank, Chicago

CHICAGO — Over the next year, Continental Bank plans to phase out six computerized-accounting services now used by 45 of its correspondent banks in the metropolitan area here. Vice President John B. Tingleff, head of the financial institutions division, says the move is "a stand-alone decision" that won't affect any other services Continental Bank provides to its more than 2,500 correspondent banks across the country.

As Mr. Tingleff explains, during the year-long phase-out, the bank will help correspondents select new suppliers for the six accounting services: demand-deposit accounting, on-line savings, mortgage and installment loans, CDs and check-credit processing.

"While on the surface it might appear that the data processing needs of Continental and its correspondents are the same," continues Mr. Tingleff, "from a systems-design standpoint, it becomes clear that there is little compatibility between the system best suited to Continental's internal needs and a system that would meet the requirements of our correspondents.

"The data processing needs of correspondent banks are developing along different lines from those of major money-center banks such as Continental. Correspondent-bank activities are more oriented toward the retail sector, and there also is a major difference in scale of operations."

The six affected services currently are profitable to Continental and useful to correspondents, according to Mr. Tingleff, but Continental's increasingly complex data processing network "may not be the kind of system that can most effectively serve correspondent-bank needs in years to come."

CBA's Central/Western Section Elects Madden to Top Post

Thomas J. Madden, senior installment loan officer, First National, Louisville, has been elected president of the Consumer Bankers Association's Central/Western Section.

Other new division officers are: vice president, Richard A. True, vice president, United Bank of Arizona, Phoenix; and secretary, Charles S. Hourigan, second vice president, National Bank of Detroit.

The division will hold its 1979 meeting June 10-12 at Detroit's Renaissance Plaza Hotel.



BANKING'S SHOWROOM This may look like the place bankers get together with their customers, an area well-designed for that purpose and furnished tastefully. Actually, it's a place we at Arrow Business Services get together with our customers. This is part of our 16,000 square feet of custom showroom and there's 25,000 square feet of active inventory right behind it. You see, as an affiliate of Memphis Bank & Trust we uniquely understand the needs of bankers. Our Design Department caters to those needs. Furniture. Decor pieces and accessories. People and paper flow systems. Even supplies. We'd like to get together with you and discuss your needs. When you call, you'll find us more than reasonable and very understanding.

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901/345-9861



Focal point of first-floor lobby is 60-foot custom-woven carpet hung behind teller line and designed expressly for Citizens Nat'l, Decatur, Ill., by St. Louis artist, Rich Schallert. Mural pattern

depicts various stages of land use in central Illinois in collage of textures and color. All Citizens National of Decatur, Ill., photos, including cover, by Barbara Elliott Martin of St. Louis.

Bank's Decision to Stay Downtown Results In Beautifully Remodeled Quarters



Lobby at remodeled Citizens Nat'l, Decatur, Ill., is bright and cheerful thanks to effective use of overhead lighting system. Strategic placing of plants and small trees adds to attractiveness of area. Information booth is in foreground.

CITIZENS NATIONAL, Decatur, Ill., soon will complete a major remodeling project that boldly exhibits unique foresight and the courage to follow a commitment it had made to remain in the city's central area. The bank is located adjacent to the central park and borders one side of the recently completed landmark mall.

Citizens National was faced with a

COVER PHOTO: White granite predominates in remodeling program at Citizens Nat'l, Decatur, Ill. It's used on exterior of two buildings that have been made into one unit and is carried through to interior walls and columns of lobby, shown here. Behind teller line is custom-woven carpet, designed for bank by St. Louis artist, Rich Schallert. Customer lounge area is in foreground.

MID-CONTINENT BANKER for September, 1978

problem a few years ago: facilities not adequate enough to provide good customer service, operational efficiency and physical growth. The answer was to undertake a major remodeling and expansion program, which has transformed a cramped and dated layout, confined within the walls of the original building, to a spacious, efficiently planned, contemporary banking environment. To achieve this goal, the bank utilized the design, planning and construction management services of the Bunce Corp., St. Louis.

The first floors of an adjacent building were tied to the original building to create greatly expanded ground-level bank space. The separate structures were unified by cladding the exteriors with white granite and completely rearranging the interior space. A mezzanine level and second and third stories of the original building also have been included in the remodeling process.

The Bunce Corp. carefully studied the engineering, architectural and economic aspects and thoroughly reviewed operational and organizational factors with the management and ownership of the bank. Then, the firm developed a plan to expand the ground-level bank space and remodel upper floors of the existing building.

The overall project, completed this fall, will have extended over 25 months since construction began in September, 1976. An expanded time frame was selected to avoid interrupting bank operations during construction. All departments were relocated temporarily in convenient space nearby. An area of the existing building to be remodeled in the second phase of the project absorbed the main customer-service functions. A neighboring building took those departments that depend to a lesser extent on heavy walk-in customer contact.

During the planning process, several important objectives and considerations were addressed by the Bunce Corp. in planning and designing the layout and project schedule.



Boardroom of Citizens Nat'l, Decatur, located on second floor, is tastefully rich in appointments, with parquet floors, rugs of oriental design and traditional furnishings, highlighted by 16-foot-long table.

1. Space Adequacy and Flexibility

Each functional area meets today's demands plus projected needs for the next 10 years. These estimates were determined by carefully projecting personnel and equipment needs, using a sophisticated forecasting system developed by Bunce, based on input from Citizens National's management.

The changing role of banks in providing more and different financial services is addressed by providing sufficient space in lobby and loan areas for additional personnel. Space is provided for additional automatic-teller-machine units and increased after-hours traffic.

2. Efficiency and Convenience of Layout

The efficiency of communication and operation is maximized by physically linking closely associated departments. Trust officers and the trust

LEFT: Bright red chairs grouped in circle in employee lounge of Citizens Nat'l, Decatur, are complemented by colorful framed posters, easily maintained tables and chairs and light from many windows. RIGHT: Quiet elegance that pervades remodeled quarters of Citizens Nat'l, Decatur, is followed in trust department. Individual trust offices maintain open appearance through use of large glass opens in partitions.

work area are in adjacent rooms. The tellers line and cash vault are stacked above each other with a "dumb waiter" to transport currency between the two floors. The coin-counting operation is situated in the cash vault. The commercial loan department, located at one end of the first floor, with its own outside entrance besides the lobby entrance, has a separate notes counter, three conference rooms and a collateral record storage nearby. Farm management is placed immediately off the elevator lobby on the third floor. It's convenient to the elevator and designed to provide a comfortable atmosphere for its particular customer sector. Bookkeeping and auditing occupy more isolated areas of the building because direct customer contact or regular interaction with other departments is not a critical factor. A spacious, brightly decorated employee room and cafeteria serving line with a kitchen are located on the third floor.

Also convenient to the trust and marketing area on the second floor is a



separate employee lounge with a coffee bar. Extensive storage rooms are located on the second, third and lower levels.

Executive offices have been placed on the mezzanine level in sight of all who enter the bank lobby. These offices, however, are buffered by their own reception area. Situated a half floor above the lobby, they are visible to all customers, but still physically separated from the traffic. Privacy and minimum distraction are ensured by limiting direct access from the operating departments. The safe deposit operation is directly below the executive offices, also easily accessible from the lobby area. Executive offices on the mezzanine level and safe deposit operation are serviced by an elevator, in addition to a handsome staircase in full view of the lobby entrance.

3. Architectural and Interior Design

William Bliss, manager of interior design for Bunce, summed up the overall design criteria, "A design was specified that would be striking in effect, timeless in its appearance, sophisticated, yet inviting in its style and durable and practical in its material components." Bunce says both the architectural and interior design admirably meet each of these points.

The exterior catches one's eye immediately as one walks along Landmark Mall. White granite walls update the facade and tie the two remodeled buildings into one unit. The granite is carried through to the interior walls and columns of the bank lobby. Entrance to the lobby is over a bridge that spans a large fountain and planter located on the lower level. This dramatic space is softened by a custom-woven circular carpet, which is hung above the planter on the two-story white granite wall. Blue-gray quarry tile floors, accented with a rich charcoal-brown quarry tile border, extend throughout the lobby space. A sandy brown carpet is used in lighter traffic areas. Bold grained red oak furniture, tellers line, doors and railings lend warmth and richness to the lobby. This same wood is used throughout all office areas of the building. Focal point of the first-floor lobby is a 60-foot custom-woven carpet hung behind the tellers line and designed expressly for Citizens National by artist Rich Schallert of St. Louis. A mural pattern depicts various stages of land use in central Illinois in a collage of textures and color. This striking piece of art graphically illustrates the area's various uses of land resources that are so vitally important to the livelihood of the Decatur community.



Cafeteria and vending area on third floor of Citizens Nat'l, Decatur, feature sand-colored tan quarry tile and diagonal plank paneling. In right background is employee lounge.

Very important to the design is the interplay of space and floor levels. Describing this visual effect, Glenn Pauly, senior architectural designer for Bunce, commented, "The eye is quickly caught by the intrigue of changing floor and ceiling heights — the upper or lower mezzanine, the elevator lobby several steps above the bank lobby or the lower-level planter and fountain. The variety of work spaces, each with a character of its own, and a multitude of floor and ceiling levels, produces a fascinating composite of spacial units."

The overall impression, as one views the first floor, is one of dramatic space, tempered slightly by warm wood tones and humanized by the easily defined functional areas. The classic white granite lends dignity and a hint of tradition to the fresh contemporary design of this main floor.

Stepping off the elevator onto the second floor — which houses the trust and marketing departments, boardroom and executive lounge — one is immediately impressed by the warmth and sophistication of the traditional design employed in this area.

Corners in the entryway and in each trust office are curved to soften the lines and provide a more formal atmosphere. Individual trust offices maintain an open appearance through use of large glass panels in the partitions.

The boardroom and executive lounge are tastefully rich in their appointments. Parquet floors, rugs of an oriental design and traditional furnishings, highlighted by a 16-foot-long mahogany board table, convey this impression.

The third floor houses the farm management and accounting departments and employee lounge and cafeteria. Sand-colored tan quarry tile and diagonal plank paneling lend a warm and casual atmosphere to the lounge

and cafeteria. A grouping of bright red lounge chairs, colorful framed posters and light from the many windows bring brightness and a feeling of vitality to the area.

The floor plan is designed so that employees enter the lounge through a food-service corridor bordered by a cafeteria line on one side and vending machines on the other. A kitchen is located immediately behind the cafeteria line.

4. Minimization of Inconvenience to Customers During Construction

To minimize disruption of everyday banking business, Bunce planned the project to allow the construction to be separated into two phases. While demolition and remodeling activity took place in the original bank space, the tellers, installment loan officers and customer service personnel moved temporarily to the adjacent "Phase II" area. While somewhat cramped, all primary retail functions were represented in the area. In the temporary quarters, informative and decorative graphics were painted on the walls depicting a construction worker bearing Citizens National's logo. This colorful figure was used on all direction signs and bank publicity. This technique helped customers become more involved and aware of the project, thereby promoting understanding and tolerance of any necessary inconvenience caused by the construction. The temporary bank lobby was isolated from noise and dirt by the building elevator lobby. Commercial loan, trust, farm and executive offices, as well as the employee cafeteria, were moved to an adjacent building across from the bank's parking garage.

Because they were separated from the distractions of nearby construction activity, banking operations were carried on with little interruption.

Chairman William Barnes III discussed the project, "This 25-month period of demolition, reconstruction and remodeling was accomplished with a minimum of disruption and inconvenience to our customers. The result is a striking new banking operation that we are proud to offer to the Decatur community. The remodeled space will allow us to continue to provide the best service possible to our customers and much-needed space for our continuing growth."

This project stands as a bold declaration of Citizens National's stake in the economy of central Illinois. The design, said to be one of the most distinctive in the Midwest, appropriately dramatizes the unique style of this successful \$180-million bank. ●●

For 24 years we've been competing with FHA Title I ...and winning.

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Building Idea 'Library' Can Help Planners

YOU'RE giving thought to constructing a new bank or remodeling your existing quarters. You know you can ask a competent bank construction firm, bank designer or remodeling expert for advice. But you think you really should have some ideas of your own to contribute to the discussions that will take place during the planning stages. Where can you go to obtain reliable information?

To bank construction and equipment firms.

But you don't have to do any traveling, or ask a representative to call when you're in the thinking stage. You can write for brochures such as those described below and build a "library" of information that can be useful when it comes to making decisions about the project.

The literature on bank building and equipment described in this article is merely the top of the iceberg. It is presented to offer a few possibilities of "volumes" you might want to place in your "library" of building and remodeling ideas.

* * *

• **Bank Building Studies.** A colorful booklet describing more than a dozen building projects carried out by Bank Building Corp., St. Louis. Each project

is described in the words of the customer and the projects vary in size and are located in all parts of the U. S. Emphasis is placed on new business traceable to the "new look" each bank has taken on as a result of its construction project.

Write: Bank Building Corp., 1130 Hampton Ave., St. Louis, MO 63139.

* * *

• **TWIG — a Small Branch.** This brochure, published by Bank Consultants, describes the firm's pre-built permanent or relocatable drive-up, walk-in banking facility, which is said to be economical and quicker to build than a brick-and-mortar project. Designs range from limited facilities to full-service offices.

Write: Bank Consultants, Inc., 5155 E. 65th St., Indianapolis, IN 46220.

* * *

• **Cawthon Concepts.** This brochure describes financial buildings for a wide range of applications, all of which are capable of being relocated. Also described are free-standing ATM facilities that are factory-built and equipped. The firm also offers a free booklet entitled "How to Plan a Financial Building on a Low Budget."

Write: Cawthon Building Systems,

Inc., 505 Interstate, 35E, De Soto, TX 75115.

* * *

• **Choosing a New Bank Site: Guidelines to a Decision.** This booklet, written by a vice president at Real Estate Research Corp., St. Louis, gives guidelines on locating a new banking office that will be profitable because the location decision was made with the use of a strategy study. The booklet tells how to define a service area, how to estimate deposits in a given area, how to obtain cost information and how to compare costs and desirability.

Write: The Bunce Corp., 1266 Andes Blvd., St. Louis, MO 63132.

* * *

• **Design Services.** This pamphlet describes the services a banker should expect to receive from the designer of a financial construction project in the areas of feasibility studies, site selection, building planning and design, working drawings and specifications, bidding procedure and the construction process.

Write: Richard L. Bacon & Associates, P. O. Box 403, Ste. Genevieve, MO 63670.

* * *

• **Design a Profitable World.** This booklet presents concepts of interior design for financial institutions. The author says that effective interior design is more than icing on the cake. It's a basic element to be considered in the analysis of profit and loss.

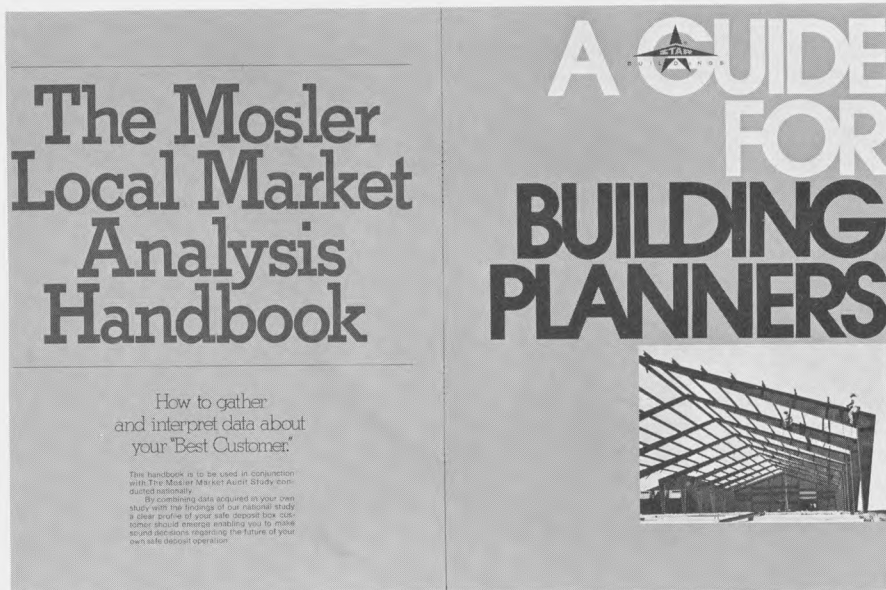
Write: Interior World, 124 Seventh Ave. South, Nashville, TN 37203.

* * *

• **A Guide for Building Planners.** This folder presents factors to be considered before building. It discusses size, location, building codes, topographic surveys, insurance rates, exterior appearance and people needs. Another section is devoted to energy sources and costs. Included is a building planner's checklist that covers numerous aspects of a project, from design to landscaping.

Write: Star Manufacturing Co., Box 94910, Oklahoma City, OK 73143.

(Continued on page 90)



Covers of two of numerous brochures available from firms involved in construction and equipping of financial buildings. LEFT: Mosler handbook is helpful in planning for safe deposit operation. RIGHT: Building Planners Guide includes checklist for smoother construction project.



**CONDENSED STATEMENT OF CONDITION
AS OF JUNE 30, 1978
RESOURCES**

Cash and Due from Banks	\$ 198,762,725.01
U. S. Treasury Securities	403,197,540.18
U. S. Government Guaranteed Securities	40,000,771.87
Obligations of States and Political Subdivisions	73,231,806.82
Stock in Federal Reserve Bank	1,500,000.00
Federal Funds Sold and Securities Purchased Under Agreements to Resell	23,650,000.00
Loans	782,287,437.85
Less: Valuation Portion of the Reserve For Possible Loan Losses	7,482,097.12
	<hr/>
Bank Premises and Equipment	774,805,340.73
Other Real Estate	10,882,893.02
Customers' Acceptance Liability	23,577.21
Accrued Income Receivable	413,957.97
Other Assets	15,943,543.45
	8,959,808.62
TOTAL	\$ 1,551,371,964.88

LIABILITIES

Deposits	\$ 1,212,133,355.56
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase ...	192,130,000.00
Acceptances Outstanding	413,957.97
Dividend Payable July 3, 1978	1,873,725.10
Special Dividends Payable	2,381,734.94
Accrued Taxes, Interest and Expenses	17,265,827.59
Deferred Income Tax Portion of the Reserve For Possible Loan Losses	1,692,027.20
TOTAL LIABILITIES	\$ 1,427,890,628.36

CAPITAL ACCOUNTS

Capital Stock	\$ 2,800,000.00
Surplus	47,200,000.00
Undivided Profits	70,785,299.10
Capital Portion of Loan Loss and Securities Reserves	2,696,037.42
TOTAL CAPITAL ACCOUNTS	\$ 123,481,336.52
TOTAL	\$ 1,551,371,964.88



• **HBE Bank Facilities Corp.** offers a folder describing the services of this firm that includes sketches of bank building projects.

Write: HBE Bank Facilities Corp., 717 Office Parkway, St. Louis, MO 63141.

* * *

• **Guide to Bank Building Security.** This booklet explains how financial institutions can protect themselves against various types of crime. Sections deal with protection against burglary and robbery; protecting sensitive areas, such as the computer department; the use of surveillance cameras; outside alarm connections and proprietary systems. A digest of the provisions of the Bank Protection Act of 1968 is also included.

Write: Mosler, Hamilton, OH 45012.

* * *

• **The Mosler Local Market Analysis Handbook.** This publication tells how to gather and interpret data about a bank's "best customer" to be used to provide a profile of safe deposit box customers that will help a bank planner anticipate the future of the institution's safe deposit operation. The handbook can be used in conjunction with "The Mosler Market Audit Study," which is conducted nationally.

Write: Mosler, Hamilton, OH 45012.

* * *

• **Diebold Financial Buildings.** This illustrated brochure presents color photos and floor plans of pre-manufactured financial buildings in use in the U. S. These buildings are constructed in a factory and trucked to the building site. They are expandable and enable banks to set up new branches or facilities quickly.

Write: Diebold Contract Services, Inc., Canton, OH 44711.

* * *

• **Drive-up Systems.** Brochures describe bay window and flush installation designs for drive-up windows for multi-lane systems. The designs are engineered to enable tellers to handle more drive-up business in less time.

Write: LeFebure, Cedar Rapids, IA 52406.

* * *

• **Vault Doors.** Brochures are available describing two LeFebure vault door series — the 7000 and the 5000. The 7000 is considered top-of-the-line, while the 5000 is considered to be

moderately priced.

Write: LeFebure, Cedar Rapids, IA 52406.

* * *

• **Signs and Your Business.** A publication from the Small Business Administration gives advice on how signs can improve a business. It includes a checklist for ordering a business sign. The authors are from the University of California and the Institute of Signage Research.

Write: U. S. Small Business Administration, Washington, DC 20416.

* * *

• **A Signage System for Financial Institutions.** This folder discusses basic types and the history of financial signage. It includes illustrations of various types of financial signs from pylons to computerized message centers.

Write: Arrow Sign Co., Inc., 401 N. Trumbull Ave., Chicago, IL 60624.

* * *

• **Message-Center Signs.** This brochure describes message-center signs as they are being used by financial institutions. The signs are considered to be community service oriented and the brochure illustrates their use in promoting civic activities.

Write: American Sign & Indicator Corp., N. 2310 Fancher Way, Spokane, WA 99206.

* * *

• **Drive-in Signs and Sensors.** Printed information is available describing drive-in lane signs and electronic sensor alert systems that make drive-in operations flow smoothly. The signs enable customers to determine which drive-in lanes are open and the sensors alert tellers to the presence of an auto.

Write: Actron, Inc., 810 E. Crabtree Dr., Arlington Heights, IL 60004.

* * *

• **Next Customer System.** A catalog sheet describing a stanchion system for bank lobbies is available to explain the merits of the system that enables tellers to handle customers on a "first come, first served" basis.

Write: Actron, Inc., 810 E. Crabtree Dr., Arlington Heights, IL 60004.

Illinois Banker Dies Of Burns Suffered While Being Robbed

MASCOUTAH, ILL. — Joseph H. Dressler, 34, vice president, Mascoutah Bank, died August 12 of burns over 90% of his body suffered August 6, when he was abducted and set on fire by two unknown assailants.

According to what Mr. Dressler was able to say, he was leaving the Mascoutah homecoming celebration when he was taken in his car to a lonely section south of the city. There, the men demanded money from him, and he gave them what he had although he told them he had no "big money" on him. The men poured gasoline on him and on the car, forced Mr. Dressler inside the vehicle and set it on fire. A nearby farmer heard the banker's screams, found Mr. Dressler wandering outside the car with nearly all his clothes burned away. Mr. Dressler was rushed to a hospital in Belleville, Ill., and then transferred to one in St. Louis.

Mr. Dressler was born in Yugoslavia and came to this country in 1951. After working with Edgemont Bank, East St. Louis, Ill., and Illinois Bancservices, Inc., Fairview Heights, Ill., he joined Mascoutah Bank in 1973. He was married and has two children, Joseph, 8, and Judy, 5.

Mascoutah Bank's trust department has set up a \$5,000 fund, with money collected for it to go to the person or persons who contribute information leading to arrest and conviction of those responsible for Mr. Dressler's death. Anyone may contribute to the Joseph Dressler Fund by making a check out to Mascoutah Bank & Trust Co. and sending it to the bank at 9 East Main Street, Mascoutah, IL 62258. If more than \$5,000 is raised, the surplus will be given to Mr. Dressler's family. Also, if after a certain length of time, no one qualifies for the \$5,000, that money will be given to the Dressler family.

The Illinois Department of Investigations (IDOI), which is conducting the search for the killers, has set up a special number — 618/397-0380 — that anyone with any information on the case can call between 8:30 a.m. and 5 p.m. any day. The caller will be treated in strictest confidence and if he or she wishes to remain anonymous, will be assigned a number and code name to be used in future calls. During the hours when the special number is not available, the Illinois State Police are to be contacted at 618/345-1212.

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Trust: Public fund custodial accounts. Personal and corporate trusts.

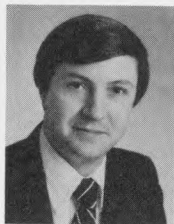
Bank Cards: Master Charge. Visa.

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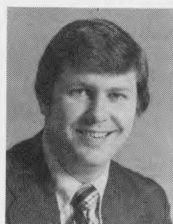
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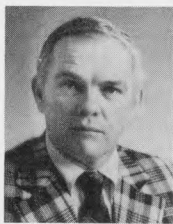
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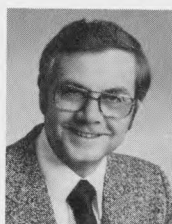
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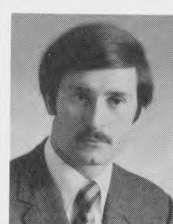
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Pre-Manufactured Buildings Find Favor As Solution to Bank 'Growth Pains'

A BANK has several options when it comes to obtaining a new building to solve its "growth pains." It can buy an existing structure and renovate it to meet its needs, it can contract for a "stick-built" edifice, it can arrange for a mobile home-type office to be wheeled to the site and it can order a pre-manufactured building.

Each option has its supporters and each can be beneficial to a bank. But, if you talk to C. Vernon Cooper, vice president and security officer at Peoples Bank, Hazard, Ky., or John A. Eggert, vice chairman and cashier, First National, Mishawaka, Ind., you'll find out why these men selected pre-manufactured structures.

Mr. Cooper is about to order a third pre-manufactured unit for Peoples Bank. He'll place his order as soon as the bank receives regulatory approval for a new branch that is expected to open before the end of this year.

Mr. Cooper ordered his first pre-manufactured branch building from Diebold Financial Buildings in Clearwater, Fla., some five years ago. He ordered a large, five-unit structure that measures 40x60 feet because he wanted his building in a hurry and he didn't want to deal with numerous contractors.

On the Cover

Peoples Bank, Hazard, Ky., operates out of this pre-manufactured building, one of three such facilities owned by the bank, which is located in a coal-mining area.

"Diebold is a well-known name," he said, "and they have a good service department in this area." He said the pre-manufactured route was "the easiest way to go," because the finished bank was in place within the 90 days promised by the manufacturer.

The five units were bolted together in less than 24 hours, he said, and the next day the roof was finished. Within two weeks after the units had arrived in Hazard by truck, he added, the unit was open.

He likes the fact that the pre-manufactured units can be ordered complete with pictures on the walls and carpets on the floors. "All you have to add are money and personnel," he said.

After five years of service, Mr. Cooper says the building "looks like new." It requires little maintenance other than an occasional hosing down of the brick exterior.

The second building Mr. Cooper ordered from Diebold was a 48x48-foot four-section unit that includes a drive-in. The unit was scheduled to open last month as the bank's Airport Gardens Branch. It includes a drive-in window serving two lanes and three interior teller stations.

Mr. Cooper likes the pre-manufactured buildings because they're structurally sound, they save time and he doesn't have to deal with numerous contractors. He said that Diebold arranges for the foundation with a local contractor so everything is ready when the units arrive on the site.

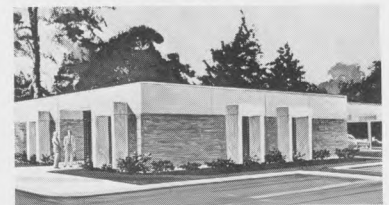
One reason Peoples Bank has been

Energy-Saving Units Offered

A new line of financial buildings that emphasizes design and construction keyed to lower energy usage is being offered by Diebold Contract Services, Inc., a subsidiary of Diebold, Inc.

The energy-conservation features of the new buildings have been effected without sacrificing the basic advantages of the structures, such as their functional flexibility and installation speed, a spokesman said.

The new designs include 6" fiberglass batt insulation in exterior walls; seals, sealants and weath-



erstripping that protect potential air leakage points; double-glazed windows tinted bronze for heat absorption; minimal-height ceilings to save on heating and cooling costs; and roof insulation of rigid fiberglass with joints staggered in both directions to minimize vapor leakage.

Heating and air conditioning controls are installed in each section of the building so temperatures can be varied in each unit.

Optional energy-saving features include single- or double-door vestibules, "eyebrows" for solar protection at windows and additional ceiling insulation.

TOP: Front view of pre-manufactured building housing Peoples Bank, Hazard, Ky. **BOTTOM:** Side view of bank shows drive-up at rear of building. Structure was made by Diebold Financial Buildings, Clearwater, Fla.





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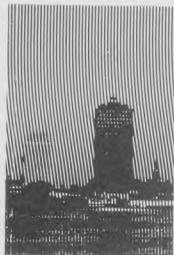
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expanding so rapidly is the new emphasis on coal as a fuel. The bank grew from \$19 million to \$50 million in a recent 12-month period due to the rising fortunes of the coal industry.

Mr. Eggert says his bank's 40x60-foot full-service pre-manufactured branch is furnished with a vault and safe deposit area. "It looks like a stick-built structure," he said, "and has a brick facade." The bank also has a pre-manufactured drive-in building that is one-third the size of the branch. The drive-in unit is positioned adjacent to a mall that houses a walk-in branch of the bank.

Mr. Eggert described how the building arrived on four trucks from the factory. If it hadn't been that one of the units was damaged in a traffic mishap, the building would have been completed within the 30 days advertised by the manufacturer, he said.

"The branch is very attractive," said Mr. Eggert. "We've had compliments on both the interior and exterior. It's very functional and has a customized floor plan. It's an easy way to order a building — you don't have to work with a number of builders and decorators."

He liked the fact that no architect

was necessary and that the elimination of working with contractors enabled him to concentrate on his banking duties while the building was being manufactured in Florida.

The primary advantages to pre-manufactured structures are their simplicity and the short time between placing an order and using the building, he said.

"And the price is comparable to stick-built buildings," he added. ●●

Identification

(Continued from page 72)

- *Engineering.* Construction aspects to consider include structural strength, combinations of materials, climatic conditions, building codes, installation needs, ease of maintenance, appearance, etc.

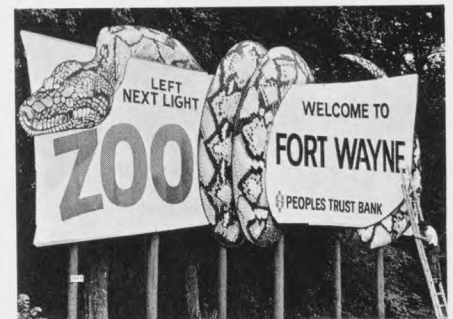
- *Manufacturing.* Rugged durability must be combined with pleasing appearance to make a sign a good long-term investment. The correct combination of quality materials and craftsmanship is essential, especially when a sign is exposed to the elements.

- *Installation.* Physical requirements must be met and built-in design objectives must be maintained. Compliance to safety standards and codes is vital. Proper specialized equipment and sound engineering skills are musts when installing signs.

- *Financing and maintenance.* Some sign firms offer the option to purchase the sign or lease it. Leasing results in tax write-off advantages and usually includes all major maintenance.

No matter how large or small a sign job is, it's important to select a sign firm that's capable of doing the job correctly. Once such a firm has been engaged, on-site identification can be developed that will result in a strong marketing assist for a bank. ●●

Bank Spotlights Zoo



New welcome sign pointing way to zoo in Ft. Wayne, Ind., was erected by Peoples Trust as part of community involvement program. Design of sign provides a "crushing" welcome to Ft. Wayne!

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Careerlook

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Career Apparel Adds to Pleasing Decor At Boatmen's City Center Square in KC

“EVERYBODY likes our career apparel — employees, management and customers,” said D. Eugene O'Connor, executive vice president, Boatmen's Bank, Kansas City.

The bank's customer-contact employees began wearing career apparel when the bank moved into its new City Center Square two-level downtown office in early 1977.

“It was the first time we'd used apparel,” Mr. O'Connor said, “and it has enabled us to present a more professional appearance to our customers.”

The bank, formerly known as Baltimore Bank, moved a short distance up Baltimore Avenue from its former location when the City Center building opened.

About 40 employees — women and men — are outfitted in the apparel, which was supplied by the Careerlook Division of Unitog Co., Kansas City. They are all stationed in the bank's retail lobby in the contemporarily de-

signed skyscraper in the heart of the downtown financial district.

The bank's quarters feature three splashing brickworked fountains, a wood-and-glass modified Empire-style stairway, large expanses of glass and numerous tropical plants. Decor colors

“Unified” rather than “uniform” look gives each employee of Boatmen's Bank, Kansas City, opportunities to create individual career-look ensemble. Colors of outfits are brown check, bittersweet and parchment. Supplier: Careerlook, Division of Unitog Co.

are earth tones of beige, soft gold, brown and muted orange.

“The apparel fits in well with the bank's decor,” Mr. O'Connor said. “It picks up most of the bank's colors.”

He added that wardrobes of each employee vary somewhat, since employees were permitted to select the items of apparel they wanted. So, some employees have no dresses, but have more pantsuits than others.

The bank subsidizes the cost of the wardrobes, he added, and employees can keep the apparel if they leave the

(Continued on page 124)



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Career Apparel Concept Expands Again; Materials, Colors, Policies Updated

AFTER REACHING a plateau of being adopted by financial institutions as a way to present a better image to the public, the career apparel concept is on the move again.

Most financial institutions in the recent past used apparel only for customer contact employees — and they were mostly women. Now, banks and other financial intermediaries are outfitting non-contact people of both sexes, resulting in organizations that previously outfitted only a small portion of their staffs now putting 100 or even 200 people in career apparel.

According to the Career Apparel Institute in New York City, some banks that have charge card sales representatives who call on potential clients and existing accounts are dressing these personnel in outfits that are color-coordinated with the colors of the charge card. This practice also is becoming popular with banks issuing plastic debit cards that activate ATMs.

Career apparel has long been seen by financial institutions as a tangible fringe benefit that provides a "boost" to both employer and employee, for the following reasons:

- It cuts the cost of work wardrobes for employees.
- It solves the nagging problem of what to wear to work.
- It eliminates dress competition among employees.
- It enables a bank to present a unified corporate image to the public.
- It solves dress code problems.
- It aids in recruiting new employees.
- It cuts down on employee turnover and absenteeism.

Since its inception, the traditional career apparel wardrobe has included skirts, blouses and pantsuits for women and sports jackets, blazers and slacks for men.

A large number of outfits for both sexes are featuring graphics of corporate logos in their print designs. This is expected to become even more prevalent in the near future, according to the Career Apparel Institute.

Polyester knits remain a basic fabric in apparel programs because of their easy care, flexibility and wearability. Woven texturized polyesters are gaining popularity because of their wearability and long life. They also help present a crisp, tailored look that

is appealing to employer and employee.

A growing interest in a nylon knitted soft satin clinging fabric is being noted. This fabric wears well and is primarily used for blouses and men's shirts. The material denotes a casual appearance.

Fashion colors, which were predominantly red, white and blue, have lately changed significantly toward dark green, brown and earth tones. Muted, lighter colors in pastel and "heather" shades are still popular, the Career Apparel Institute says.

One of the most significant changes in the career apparel concept in financial institutions has been the trend away from any sense of "institutional" appearance. When the concept was new in banks, every outfitted employee was dressed alike; now their outfits are coordinated in style and color, and the variety of different items in a typical wardrobe enables employees to mix and match so that few wear the same outfit on any given day. ••

Two Illinois Banks Lease Career Apparel; Each Outfits 50 Persons

Career apparel can be leased as well as purchased by banks. Such an arrangement eliminates the need to purchase a sizable stock of outfits, to not only clothe existing employees, but to maintain a backlog of outfits for new employees.

Among banks leasing apparel are



Outfits worn by employees of Springfield (Ill.) Marine Bank include blazers, slacks, vests, skirts, blouses. Apparel is leased from Means Career Apparel, Willowbrook, Ill.



At last, a look at the unheard-of: an actual overline ad.

You may have noticed that not many banks exactly advertise the fact that they offer overlines to their correspondents.

But Continental Bank does. In fact, we're running this ad to make a bid for overlines—from our correspondent banks, and from a lot of other banks we'd like to have as correspondents.

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Call John Tingleff at 312/828-2191 with your request. If we can get together with you over an overline, Continental might just become more important to you overall, as a correspondent. And that's exactly what we're trying to do.

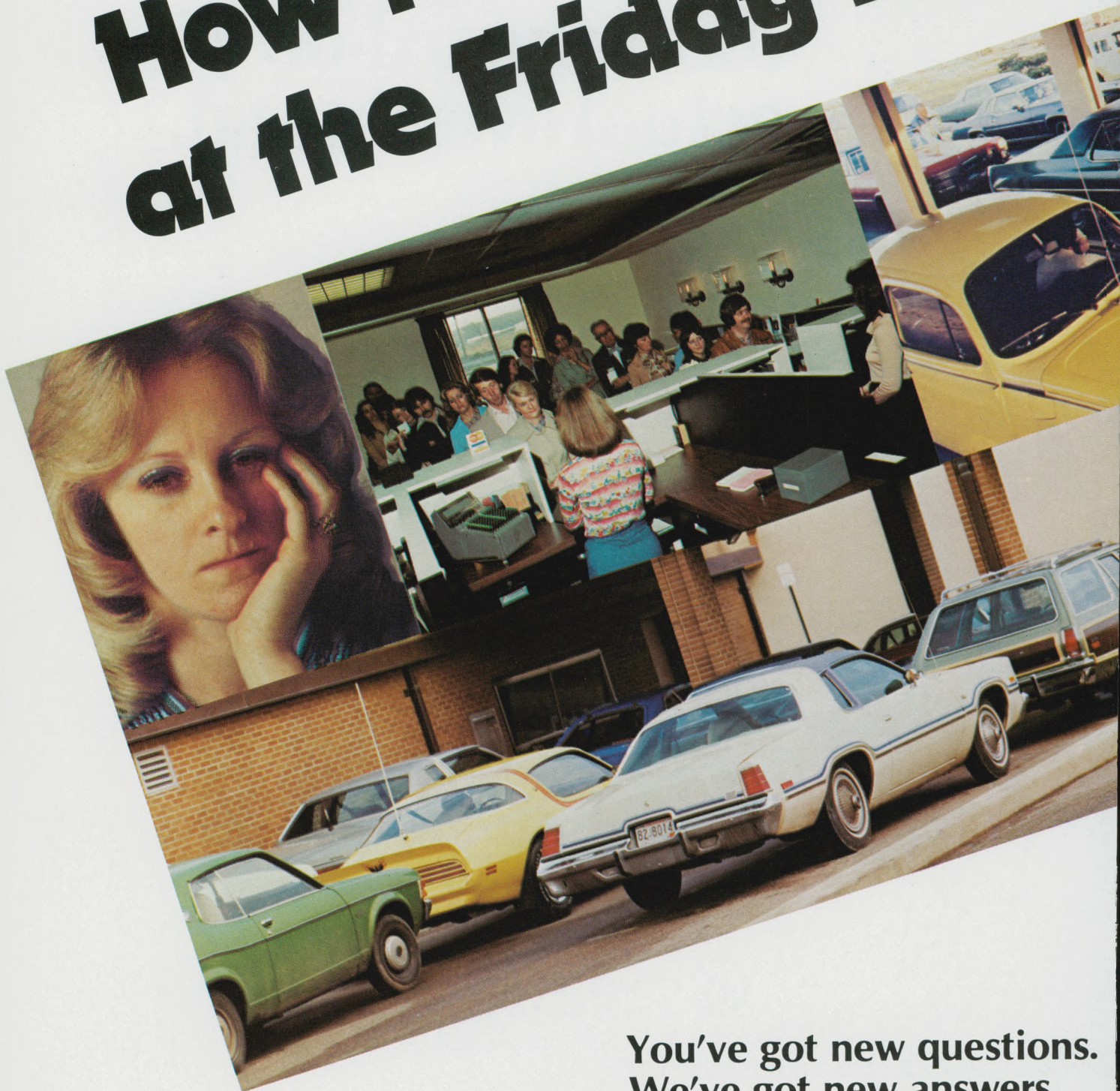
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Fights.

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They've put in a whole week working hard. It's been tough. Their feet ache. Their heads throb. Their backs are ready to cave-in. One more upset and they'll riot.

And, unfortunately, one more upset is just what some financial institutions give them. Especially when the drive-up lanes outside are as hopelessly backed-up as the lobby lanes inside.

Consider this: Many new drive-up systems are designed to lessen the aggravation of banking, and not only fail to do so but make it even worse.

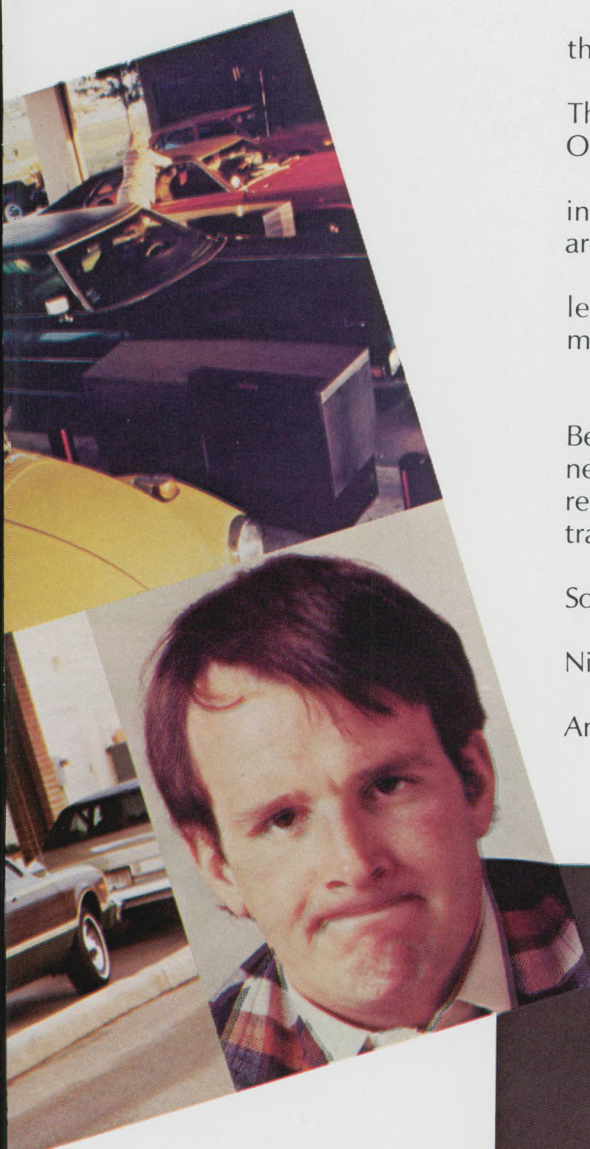
The solution? The first time you buy a system, buy the right one.

The right system for you could be our new Trans-Vista III.[®] Because its fast, reliable performance is backed by Mosler engineering. Mosler installation. And Mosler service. All of which reflects our years of experience in designing a variety of transaction systems.

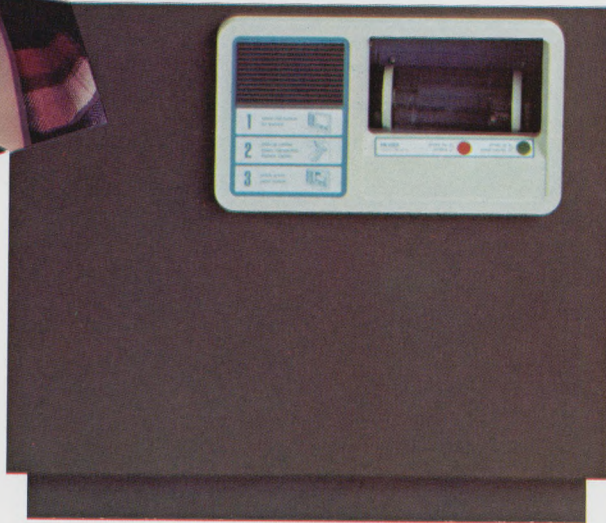
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Springfield (Ill.) Marine and Champaign County Bank, Urbana, Ill. Both banks lease their outfits from Means Career Apparel, headquartered in Willowbrook, Ill.

Springfield Marine has been supplying apparel to its personnel for more than 10 years. Colors and patterns have varied through the years, but every outfit has included royal blue, the bank's "marine" color.

The bank provides each outfitted employee with six pieces of apparel.

Female employees receive a blazer, a reversible vest, two skirts and two pair of slacks. Male employees are issued two blazers, a reversible vest and three pairs of trousers.

It's up to each of the 50 employees outfitted to mix and match the outfits.

Champaign County Bank has been leasing apparel for five years and outfits between 50 and 55 employees. Each person is issued four pieces of apparel — two bottoms and two tops — and the outfits are worn for 18 months


before being replaced. Colors are brown, camel and cinnamon.

Employees leaving the bank have the choice of purchasing the apparel. Outfits not purchased are recycled to fit new employees, if possible.

One of the best things about the Means program, says Edith Woolridge, assistant cashier, is that outfits can be ordered one at a time as needed. The outfitter, not the bank, maintains the backup supply.

The two banks pay flat monthly fees for leasing the outfits. All clothing is made from fabrics that are easily cared for. Employees are responsible for maintenance.

The Means people customize their apparel for bank clients and offer to present fashion shows to bank personnel when outfits are being considered.



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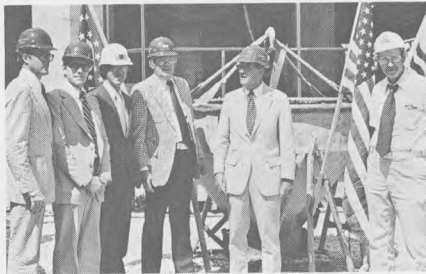
Recent Bank Modernization Projects

New Buildings, Remodeling Projects Stress Originality

Topping-Out Ceremony Held By Central Trust and HC For Future Headquarters

CINCINNATI — A topping-out ceremony was held July 18 at Central Trust Center, future headquarters for Central Trust and its parent company, Central Bancorp., Inc. The observance consisted of a ceremonial raising of the last bucket of cement to be poured on top of the 27-story office tower. Flags of the U. S., state of Ohio and city of Cincinnati were hoisted to positions atop the tower along with the final concrete.

The center is a joint venture of Centralbanc Realty Co., affiliate of Central Bancorp., and Gerald D. Hines Interests, a Houston investment building firm. It encompasses about 545,000 square feet of executive office space and ancillary retail space. Scheduled for completion early in 1979, the tower and a connecting five-story, 500-car parking facility constitute the first phase of development of Cincinnati's urban-renewal Block E, which, when fully developed, will consist of approximately 1,000,000 square feet of space.



Waiting to take part in topping-out ceremony for Central Trust of Cincinnati's Central Trust Center are, l. to r.: Kenneth W. Hubbard, v.p., Gerald D. Hines Interests, developers; Thomas D. Owens of Gerald D. Hines, project mgr., Central Trust Center; Richard Keating, associate partner, Skidmore, Owings & Merrill, architects; Francis R. Dugan, pres., Dugan & Meyers Construction Co., Inc., gen'l contractor; Oliver W. Birckhead, pres. and CEO, Central Trust and Central Bancorp., Inc.; and Gustave A. Linder of Dugan & Meyers, project director, Central Trust Center.

Turn-of-Century Decor Featured at Facility In Historic Building

Problem: How to place a modern bank facility in a building constructed in the 1860s, a time when a neighborhood bank was as much a part of the community as it was a place of business.

Merchandise National, Chicago, faced this issue when it was planning its Germania Club Building facility, which opened for business this summer.

The building, located on Chicago's fashionable near north side, retains its turn-of-the-century appearance. The bank's management wanted to have its facility blend in with that appearance.

It engaged Bank Building Corp., headquartered in St. Louis, to tackle the project. According to the firm, the interior decor of the facility is in keeping with the old-world atmosphere of the building. The most desirable details of the period were adapted and combined with functional, traditional furnishings.

The custom-designed teller's counter is walnut with a granite ledge. The lobby floor is designed in three colors of granite set in similar rectangular patterns. The pattern is repeated on the ceiling with a Victorian chandelier suspended from the middle of each pattern. Custom-designed leaded glass panels are set in the window transoms.

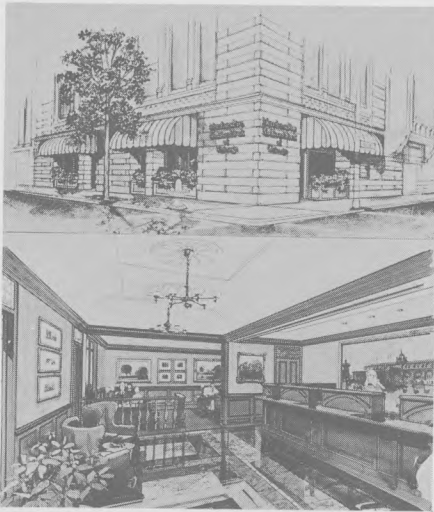
It's expected that the look and feel of this new, old-fashioned facility will help Merchandise National bring back the old-fashioned attitudes toward banking, including a relaxed, personal,

Bank Moves Into Depot, Retains Decor



There's something about trains that's good business for Union National, Tulsa! The bank moved into a building resembling a train depot last year when new management took over and assets grew from \$9 million to \$32 million in the ensuing 13 months! At l. is exterior view of "depot," which is a former restaurant. Center photo shows ticket-window decor of teller

stations. At r. is loan department, with plush decor associated with railroad days of yesteryear. Bank has adopted steam engine as its logo and uses railroad terms in its advertising, such as "We're on the right track to serve you best."



TOP: Exterior of facility of Merchandise Nat'l, Chicago, in German Club Building. BOTTOM: Interior decor recreates 1890 look with granite fixtures and floor, chandeliers. Project was handled by Bank Building Corp.

friendly place in which to do business.

The grand opening of the facility included a variety of turn-of-the-century entertainment — a calliope, a Dixieland band, popcorn from an antique wagon and a grand prize of a grandfather clock.

Solar-Heated Drive-Up Passes Practicability Test For Bank in Tennessee

An experiment to try solar heating for a bank has proved to be successful, according to Jerry Garrett, executive vice president, Bank of Goodlettsville, Tenn.

The bank opened a new drive-up

branch directly across from its main office recently. Solar heating was included in the branch so management could determine if solar heating would be feasible for its new main bank office, which will be built soon.

"Even during the severe winter last year, our solar heating in this branch proved practical and efficient," Mr. Garrett said.

(Continued on next page)



Success of solar-heated drive-up branch of Bank of Goodlettsville, Tenn. (pictured), helped bank decide to use solar heating in its new main office.

Galleria Bank Opens Remodeled Lobby

Galleria Bank, Houston, opened its newly remodeled lobby recently. The remodeling doubled the floor space of the bank and provided for a new entrance onto the Galleria Shopping Mall adjoining the bank.

The additional 3,800 square feet of lobby space enabled the bank to expand facilities for paying and receiving tellers, collections, commercial loan and new accounts. Installment loan personnel also are accommodated.

"Since we opened our entrance onto the mall, our new account openings have increased by about 150 per month," said Jay Barbee, senior vice president. Lobby traffic has shown a significant increase since the remodeling.

A highlight of the new lobby is a wall of mirrors with "Galleria Bank" in letters in unsilvered areas. The mirrored wall is covered by 10 panels 12 feet high extending more than 49 feet in

length. The lettered mirrors stand about a foot from a white stuccoed wall that serves as a background. Fluorescent tubes backlight the mirrors.

The new paying and receiving windows are set at an angle to the mall entrance and the floor area features hardwood strips laid at the same angle as the windows. Behind the teller windows is a large piece of sculptured wall relief made of handwoven aluminum and linen entitled "Procession."



LEFT: Newly remodeled lobby of Galleria Bank, Houston, features bank's name on mirror-wall stretching almost 50 feet in length. RIGHT: Angled



hardwood floor strips guide customers to teller windows backgrounded by woven aluminum and linen wall relief.

Bank Finds 'Togetherness' Solution By Adept Placement of Panel Dividers

HOW CAN four distinct banking departments be housed in a one-floor, open-space area without intruding on one another? Memphis Bank found the answer by calling on Arrow Business Services, Inc., also in Memphis.

Arrow utilized its design staff's expertise in the placement of Steelcase panel systems to develop facilities for correspondent banking, real estate, bank card center and central information on the sixth floor of the bank building.

Along the south side of the area, Arrow developed an executive-office setting, complete with informal conversational area, a conference room and private offices (see the two top photos). Glass panels create the spaciousness desired and — coupled with movable, solid panels — give two executive departments six private of-

fices with adjacent reception and meeting facilities.

The Master Charge/Visa bank card center (bottom-left photo) requires extensive filing capabilities, which Arrow produced. Note the horizontal record storage cabinet in the top right of the picture and the open-tray storage equipment at left. The latter gives quick accessibility to credit-card information.

In the bottom-right photo are Memphis Bank's computer terminals, which are on line to the data processing center's central information file. These terminals feed dates and figures to all bank departments and branches. Privacy and sound deflection are provided each operator through use of Steelcase's panel system. The panel color matches the daisies' golden center and brightens the work area. ●●

Solar-Heated

(Continued from page 103)

Four southern-exposure rooftop panels heat circulating water and a fan blows the heat from this water throughout the building. "With this experience behind us, we wouldn't hesitate to use solar energy for our new main office," said Mr. Garrett.

With the opening of the drive-up branch, the bank expanded its drive-up services from three lanes at its main office to seven across the street at the branch. Four lanes of Mosler Trans-Vista remote transaction system units are on one side of the building and three on the other.

The seven lanes have enabled the bank to triple its drive-up traffic, which now averages 2,000 cars per week. Documents and money are transferred from the new facility to the main office through pneumatic tubes installed under the street separating the two offices.

Parking Control System Used by Kenosha Nat'l

How can a bank's management be happy about running a five-level parking garage that's limited to monthly parkers?

When the garage is equipped with an automatic access control system!

Kenosha (Wis.) National took over an adjacent 180-car parking garage recently so tenants of its building would have a convenient place to park during the day. It enjoys a 97% occupancy rate.

In searching for an access control system, the bank's officers discovered the Cintac system, made by Cincinnati Time Recorder Co.

Key to the system is a plastic card that is punch coded with the parker's number. The card is inserted into a reader that automatically raises the entrance gate if the card is valid. A similar procedure is used by parkers to leave the garage.

Mounted in a small guard enclosure, the Cintac unit automatically prints

Monthly parker inserts card into Cintac access control system reader to gain entrance to parking garage at Kenosha (Wis.) Nat'l.



the date, time and card number of any invalid attempt from either of two readers. Should a card be invalid, a buzzer sounds to alert a parking attendant, who investigates the situation.

Invalid attempts are usually made by parkers who have not paid their monthly fees, which are due by the fifth of the month. After that date, all nonpayers are removed from the system until payment is made.

The system also has an anti-passback feature that can be used to deny gate operation if the proper sequence of entering and exiting isn't observed by the parker.

Each Cintac is programmed for a particular installation.

Customer Service Enhanced By New Motor Facility

One of the primary reasons First National, Magnolia, Ark., has grown from \$28 million in assets in 1970 to more than \$71 million today is the bank's concept of customer service.

Included in that concept of service

TOP: First Nat'l East is newest motor bank to serve customers of First Nat'l, Magnolia, Ark. **MIDDLE:** Facility features three LeFebure Tel-Air kiosks, bag and envelope depository and electric deal drawer built into 12-foot-wide flush drive-up window. **BOTTOM:** Drive-up window accommodates two tellers who can serve up to five lanes. Window features bullet-resistant glass, formica countertop, two-way sound system, deal drawer and teller pedestals.



are the bank's three drive-up installations, all located in Magnolia. Since 1975, two new motor banks have been built and a third has been expanded. All the facilities have proved to be extremely profitable, according to First National President William H. Handy.

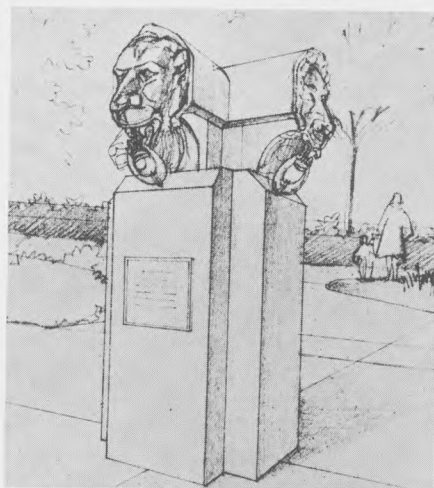
The newest installation, the bank's East Main Motor Bank, was completed recently. Located in the vicinity of a proposed shopping center, the branch is already doing well, having contributed more than \$2 million to the bank's resources.

The facility has a flush drive-up window measuring 12 feet in length, three kiosks and a bag and envelope depository. All equipment was supplied by LeFebure, Inc., Cedar Rapids, Ia.

"One reason we have chosen motor banks over full-service branches is their lower cost of construction, maintenance and staffing," said Mr. Handy.

Another reason is the small size of Magnolia — 12,000 population. "It's never a problem for customers to come to our main office for major banking tasks," he said. "So drive-ups are the simplest way of providing our patrons added convenience for most transactions and — as a result — bringing in new business."

Bank Plans Lion Head Pedestal



Four of the 21 ornate lion heads removed from the roof of First Alabama Bank, Montgomery, when the bank's building was modernized will be preserved as part of a pedestal-style monument in First Alabama Plaza, adjacent to the bank's building. The monument (see sketch) will include a plaque indicating the historical significance of the heads. The Montgomery Museum of Fine Arts and the State of Alabama Department of Archives and History each have received a lion head for their exhibits and a committee is considering requests from individuals and organizations for the remaining heads. The lion heads had "guarded" the bank's building for more than 70 years.

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EFT's Effect on Building Plans Minimal

A SURVEY of predominantly rural banks in the Mid-Continent area reveals that EFT has had little or no effect on plans to build or remodel bank structures.

Of 95 banks responding to the survey, only one said EFT had influenced a construction project "extensively," 18% said EFT had "moderately" affected plans and 81% said EFT had no influence on building or remodeling plans.

Banks that have had their building or remodeling plans influenced by EFT stated that the influence centers around the installation of an ATM or the expectation to install such a device.

Yet, 81% of the respondents said they do not use ATMs and 48% said they do not expect to have ATMs installed by 1980.

The number of responding banks that have included EFT services in their building or remodeling plans coincides roughly with the number of banks actually planning to build (25%) or remodel (16%) in the next two years. However, only 8% of the respondents said they expect to have an ATM on

their premises by 1980.

Thirty-five percent of the banks reported that they had constructed new buildings in the last five years and 47% said they had remodeled buildings in that time period. Thirty-two percent reported building facilities over the last five years and 22% said they plan to build new facilities in the next two years. Fifty-four percent said their bank has one location, 24% have two locations, and 11% have three offices.

Among services banks offer at their off-premise facilities are new accounts (40%), drive-up (38%), walk-up windows (31%), loans (30%) and safe deposit boxes (30%). Ninety percent of the respondents offer direct-deposit services to customers.

When a banker contemplates a building or remodeling project, he normally considers what special features he wants the project to include. Survey respondents listed the following features they would prefer, in descending order: customer convenience, employee convenience, adequate parking, adequate security and an operation that saves energy. ●●

Provide for Insurance

As bankers make plans for building or remodeling, they are reminded to beware of short-term risks involving construction. The warning comes from the July issue of *Risk Management News*.

As the publication put it, "... you probably have indemnification and 'save-harmless' agreements in your favor from here to the middle of the next century. So what's to worry about? Plenty."

Then, *Risk Management News* described what "surprises" could lie ahead that could become a bug in a bank's balance sheet for years. The publication suggested that bankers make up a "risk diagram," which should follow the construction schedule and be designed to provide a closer look at the design and building contracts so as to pin down the bank's specific obligations.

The publication asked several questions bankers should ask themselves: Will the "save-harmless," legal liability or indemnification agreements hold up? Are they clearly and tightly written to reflect the mutual intent of the parties? Or is the "canned" language so broad that a court might throw out such an agreement entirely? Who's responsible for site preparation? Are there subcontractors involved? When? Who's responsible for construction-site safety and security including access and egress on or across public roads? What happens if, due to accident, default or other circumstance, the new or extended facility is delayed from opening on schedule?

Many other questions also were posed and insurance suggestions made.

For a copy of that issue, write: *Risk Management News*, Cornerstone Publishers, Inc., 262 Mountain Avenue, Springfield, NJ 07081.

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Bank Cited by Committee For Support of Arts

Liberty National, Louisville, has been honored with a business in the arts award by the publishers of *Forbes* magazine and the New York-based Business Committee for the Arts.

The bank was cited for its "outstanding record of support of the arts in the Louisville area." It published a commemorative book on the historical community of Anchorage, established an art gallery in its Main Office, proposed and underwrote a series of heritage weekend art posters and supported a Rembrandt portrait acquisition fund at a local museum.

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MID-CONTINENT BANKER for September, 1978

Victorian Facility Opened by Bank



The first new building to be built in the historic community of Ferndale, Calif., since 1890 is this facility of Bank of Loleta. The structure is said to come as close to duplicating the Victorian style of architecture as was economically feasible. When the facility opened, the community celebrated "Bank of Loleta Week" with a parade featuring the high school band wearing bank tee-shirts and three horse-drawn buggies filled with dignitaries. The bank made a \$500 donation to the Ferndale Museum in the name of all guests attending the grand opening. Cost of the 1,600-square-foot structure was \$160,000.

ABA Correspondent Conf. Planned September 24-26; Reuss to Be Keynoter

CHICAGO — Topics ranging from the Fed membership dilemma to competing in a changing market will be featured at the ABA's national correspondent banking conference September 24-26 at the Continental Plaza Hotel here. It will be sponsored by the ABA's correspondent banking division. The theme will be "Encounter: Expertise Meets Opportunity."

Representative Henry Reuss (D., Wis.), chairman, House Banking Committee, will be the keynote speaker for the opening general session September 25. He will be introduced by ABA President-Elect John Perkins, president, Continental Bank, Chicago. Long considered a foe of banking, Representative Reuss earlier this year told bankers, "It's time we buried the hatchet and pooled our resources."

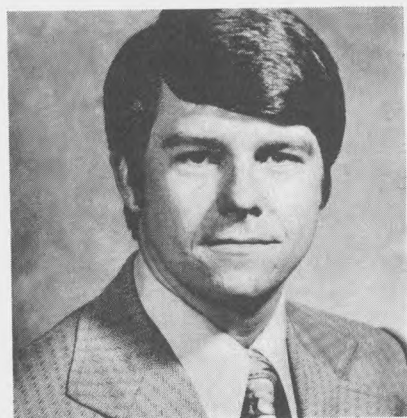
In a panel on "Competing in a Changing Market," industry leaders will exchange views on factors having the greatest impact on changing correspondent relationships, according to the conference chairman, R. Molitor Ford, senior vice president, First Tennessee Bank, Memphis. He says emphasis will be on how the traditional correspondent-banking structure is changing and how these changes affect correspondent-banking services.

In a panel on "Fed Membership — a Regulatory and Banking Dilemma," bank and regulatory perspectives will be shared on the Fed's efforts to resolve its membership problem. Among issues to be spotlighted will be explicit pricing of services, access by non-members and interest on required reserves.

In addition, the conference will feature a series of concurrent workshops and special-interest sessions. Workshop sessions will cover organizing for performance, the respondent's perspective, effective selling, credit — correspondent style, profit management and asset/liability management — meeting the respondent's needs.

Luncheon speakers will be Gerald M. Lowrie, executive director, ABA government relations; and Bruce McClory, president, Brookings Institution, Washington, D. C.

A special program for newcomers to the conference will be held at 7:15 a. m., September 26. It will be directed as an interbank lending case study. Moderator will be William T. Dwyer, vice president, First National, Chicago.



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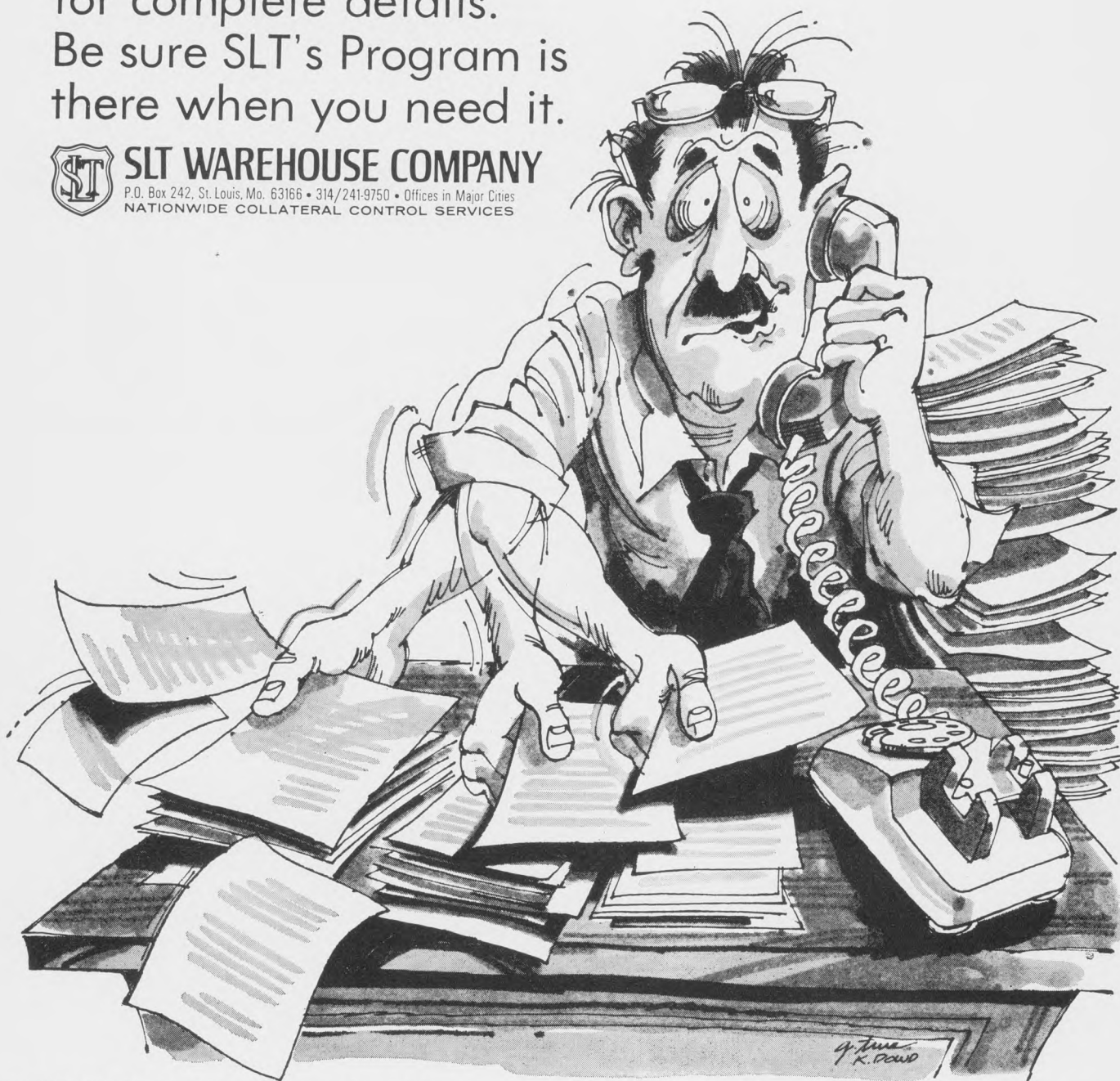
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'Winning Game' Is Theme Of NABW Convention Sept. 24-27 in Las Vegas

LAS VEGAS, NEV. — "The Winning Game/Strategies for a Competitive Era" is the theme of the 56th annual convention of the National Association of Bank Women September 24-27 at Caesar's Palace here. Ruth Smith, president, First State, Kansas City, Kan., is NABW president.

General-session and workshop speakers will answer such questions as: "What will our services be? What will the rules of the game be? What markets will be profitable for us? How will we sell our services most successfully? How will we deliver those services most effectively?"

Participants also will discuss how their banking careers may change with the industry in the next decade.

Speakers will include U. S. Air Force Major General (Ret.) Jeanne M. Holm, former special assistant to the President for women, who will deliver the keynote address, "The Name of the Game for Professional Women." Hank E. Koehn, vice president, Security Pacific National, Los Angeles, will have the topic, "The Future Begins in Three Days." Alene H. Moris, consultant to NABW's Educational Foundation, will talk on "Making the Odds Work for You."

In addition, there will be concurrent workshops September 24 and 25 on "Forming the Strategies for Your Bank," "Forming the Strategies for Your Career," "Match Your Present Skills to Your Future Career," "Your Management Style — Is Flexibility the Key?," "Communication: the Selling of Ideas," "Negotiation," "What Are Our Services Going to Be in the '80s?," "What Are the Rules — Regulation, Deregulation, Consumer-Credit Laws, etc.?" "Where Should Our Market Be — Corporate, Community, Retail or a Balance of All?," "How Will We Sell Our Services Tomorrow?" and "How Will We Deliver Them — Coping With the Needs of People While Creating a Computerized Banking System?"



SMITH

Banks Can Have Facelifts, Too!



These photos show the dramatic effect a facelift can have on a bank building! At l. is facade of First Nat'l, Alma, Kan., prior to remodeling by HBE Bank Facilities Corp., St. Louis. At r. is finished job, which features native fieldstone pilasters and solar bronze colored glass in windows and doors.

Bank to Feature Atrium

Security Bank, Harrison, Ark., has announced plans to build this new bank and tower structure, with completion expected by 1980. Connecting the two buildings will be a five-story atrium that will include a glass-backed elevator that will enable visitors to view countryside from tower floors.



Publications on Security Are Available From ABA

WASHINGTON, D. C. — The ABA's insurance and protection division has three new publications connected with bank and customer security.

"Computer Security Guide for Financial Institutions" explains in non-technical language how to provide safeguards for electronic data processing operations. The guide is specially geared for those concerned with bank operation, automation and protection. Because of the confidential nature of the publication, it's being made available only to bank security and risk management officers. Its objective is to help bank security and protection officers formulate, implement and evaluate safeguards for a bank's EDP resources.

A folder called "Robbery Without a Gun — Don't Let It Happen to You" is available to banks for distribution to their depositors. It's intended to familiarize individual and business

checking-account holders with safe check-handling and cashing methods. An illustration highlights the parts of a check and purposes they serve, while guidelines for consumers cashing checks and business people accepting checks identify how to avoid becoming a check-fraud victim.

"Operation EYES: Equip Yourself With Effective Security" was adapted from a successful educational service folder developed by Detroitbank Corp. It's available to banks also as a consumer service for their customers.

The folder is designed to help people look at their houses as criminals might and tells how to shore up weak points with clear illustrations and step-by-step security measures for crucial areas like construction, locks, doors, windows and exteriors.

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Regulatory Issues

(Continued from page 44)

comply with the purposes of the CRA while preserving the flexibility every bank must maintain to operate with prudence and imagination. Basically, it's left to the individual institution to define community and to draft an appropriate statement of loan policies. Oversight will come through regular agency evaluations of these statements, an inspection of loan files and a review of public comments.

In an even broader attempt to involve financial institutions in urban revitalization, at the President's direction, I have organized the Commercial Reinvestment Task Force. Its purpose is to expand the Urban Reinvestment Task Force housing concept to the commercial-credit area, using local organizations composed of merchants, residents, government officials and private lending institutions. The new task force, which includes the departments of Commerce and HUD, the Small Business Administration and the federal banking agencies, now is formulating a nationwide policy. It soon will begin four new innovative

neighborhood commercial projects geographically distributed in the Northeast, Southeast, Midwest and West.

Our vision always must be to the future. I consider the challenges I have faced in the first year in office to portend greater challenges to come.

The call is increasingly urgent to address a number of long-standing regulatory issues:

- *EFT*. We must support development in this area in such a way as to encourage innovation and, at the same time, protect consumers and assure the public's right to privacy.

- *Community Development*. Banks must rethink their lending and investment priorities when the Community Reinvestment Act is implemented.

- *Allocation of Resources*. We must consider the effects of paying interest on demand deposits, removing usury ceilings, eliminating the savings-interest-rate ceiling and differential (Regulation Q) between commercial banks and thrifts and authorizing nationwide NOW accounts:

- *Banking-System Structure*. We must undertake a comprehensive re-examination of statutes (e.g., the McFadden and Glass-Steagall acts)

that no longer may reflect the current market environment in which all types of financial institutions are competing.

- *Inter-Agency Coordination*. Federal and state banking authorities must join in a productive partnership to share expertise and develop modern examination standards and techniques.

- *Rationalization of the Existing Regulatory Structure*. We must establish a federal bank examination council, as conceived in the Financial Institutions Regulatory Act, and realign jurisdiction over bank HCs to give the federal agency responsible for supervising the lead bank authority to supervise the HC as well.

- *International*. We must broaden our understanding of the global financial market as we gauge the impact of foreign bank expansion in the U. S. and the growing involvement of U. S. banks abroad. ●●

'Sweet Charity'

(Continued from page 10)

the bank balance through a source other than the bank officer handling the account.

A short time ago, an unfortunate incident occurred that, once again, brought to our attention the importance of an outside audit. A prominent banker allowed a charitable organization to use his name as treasurer. However, this banker didn't participate actively in the role of treasurer, but left the operation in the hands of an individual who was raising funds. This professional fund raiser created sizable losses through forgery and theft. As in similar situations, an attempt was made to charge the bank for the loss because its officer technically was the organization's treasurer, and the bank had the funds on deposit. It was alleged that the bank should have known what was going on in its midst.

In the name of sweet charity, if you do serve or if any of your staff serves in an official capacity for a charitable or not-for-profit organization, by all means insist that there be an outside audit for the good of the organization itself as well as for the bank. Otherwise, your bank unwittingly may donate, via a "shotgun," a large sum to charity. ●●

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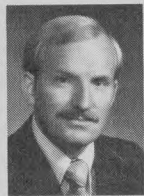
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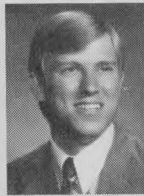
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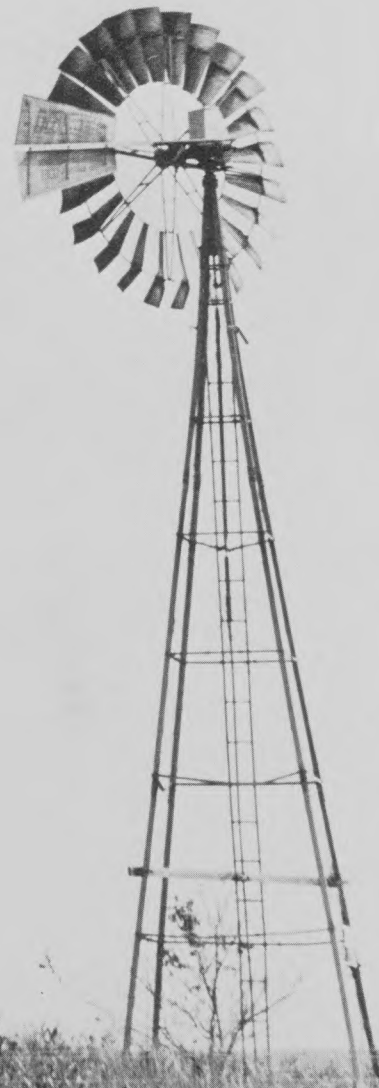
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At Regionals This Month:

Automatic-Funds Transfer To Be Studied in Kansas

First Week

September 19 — Region One — Lawrence — Union Bldg.

September 20 — Region Four — Wichita — Wichita Hilton

September 21 — Region Two — Chanute — Neosho County Community Junior College's Administration Bldg.

Second Week

September 26 — Region Five — Colby — Colby Community College's Cultural Arts Center

September 27 — Region Six — Dodge City — Dodge City Community College's Little Theater

September 28 — Region Three — Manhattan — K-State Union's Forum Hall

AUTOMATIC TRANSFERS of funds will take the spotlight at the annual series of regional meetings of the Kansas Bankers Association this month. Beginning November 1, as the result of a Fed ruling, commercial banks will be able to transfer funds from customers' savings accounts to their checking accounts to cover overdrafts on demand-deposit accounts or to maintain specified positive balances in checking accounts. The service will be optional for banks.

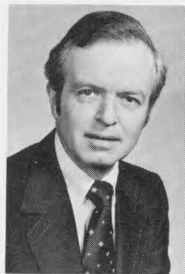
At the KBA regionals, Carl C. Nielsen, chairman, College of Business Administration, Wichita State University, will discuss, "Financial Planning for Interest on DDA-Automatic Transfers . . . and Beyond." The session will present "the

bad news — What's It Going to Cost? — and "the good news" — "Survival: How You Can Protect Your Bottom Line."

Under the bad news, these questions will be answered: How much interest are banks going to be paying? How much OO and NSF income will banks lose with automatic transfers? How many accounts probably will convert to interest-bearing form or utilize automatic transfers from savings to checking? Delegates to the regionals will be shown how to estimate added costs for their banks for the first few years of interest-bearing checking accounts.

Under the good news, these questions will be answered: What can banks do to offset added costs? What are

Regional Vice Presidents



NICHOLS



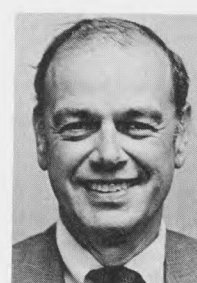
OAKES



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LOOMIS

some approaches to increasing revenues and cutting costs? Attending bankers will be shown some pricing strategies for automatic transfers, unbundling and repricing services, asset allocation and maintaining "spreads."

The automatic-transfer discussion will be held during the chief executive officers' session, as will a talk on "Guaranteed Student Loans" by Dyce Bonham, Kansas Higher Education Assistance Foundation, which will be followed by a look at legislative and regulatory matters.

Other officers and supervisors will have a session on "Improving Supervi-

sion Skills," which will be presented by Kent Stickler, executive vice president, Financial Shares Corp., Chicago. Front-line sales people (tellers, new accounts, customer service) will hear about "The Bottom Line and the Changing Banking Environment" from Trish Faulkender, training director, Financial Shares.

During the first week of regionals — September 19-21 — Arthur J. Holst, president, Promotivation, Inc., Peoria Heights, Ill., will speak on "The Challenge of a Banking Pro." During the second week — September 26-28 — humorist Charles Jarvin, San Marcos,

Tex., will tell how "Things Are More Like They Are Now Than They Ever Were."

Each regional will be opened with an agricultural key-banker luncheon at 11:45 a.m., followed by registration at 1:15 p.m. and general sessions from 2-5 p.m. A social hour is planned for 5:15 p.m. and a banquet at 6:30, except at the Wichita regional, which will hold its social hour at 5:45 and banquet at 7 o'clock.

Regional Officers. Heading the KBA regions this year are: *Region One*, David A. Nichols, president, Tower State, Kansas City; *Region Two*, W. E. Oakes, president, State Exchange Bank, Yates Center; *Region Three*, Elmer F. Heiman, president, Baileyville State; *Region Four*, Robert W. Asmann, senior vice president, Fourth National, Wichita; *Region Five*, Jay L. Jelinek, president, Munden State; and *Region Six*, Howard K. Loomis, president, Peoples Bank, Pratt.

Mr. Nichols entered banking in 1961 and joined his present bank in 1965. He moved up to president in 1972.

Mr. Oakes worked part time at First National, Wichita, from 1951 to 1955 while attending college. He joined his present bank in 1958 and was promoted to president in 1969.

Mr. Heiman went into banking in 1939 at Baileyville State and moved up to president in 1970. A photo of Mr. Heiman was not available.

Mr. Asmann's entire banking career — since 1955 — has been spent at Fourth of Wichita, where he began as a management trainee. He became senior vice president/operations division in 1971.

Mr. Jelinek became a banker in 1946 and became president of his bank in 1965.

Mr. Loomis has spent his whole career, since 1963, with Peoples Bank, Pratt, where he became president in 1967. ●●

Federal-Funds Plan Initiated By Commercial Nat'l, KCK

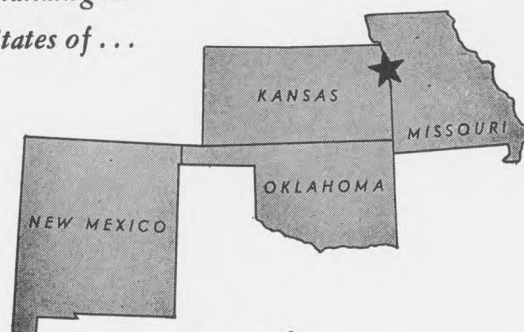
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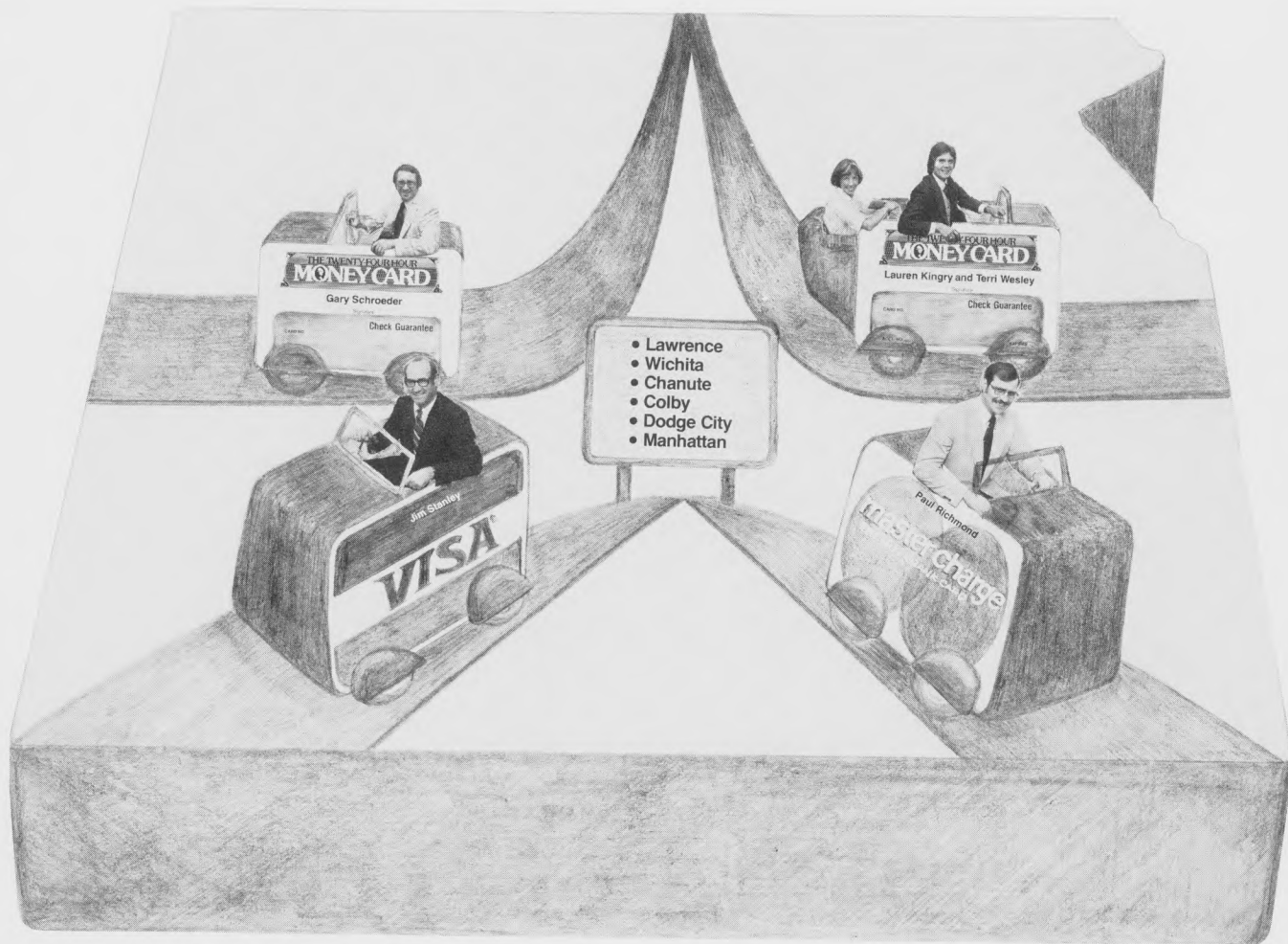
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MID-CONTINENT BANKER for September, 1978

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According to Senior Vice President Max Dickerson, correspondent division, the bank believes F*F*R*A*N is the ultimate service to provide maximum profitability from federal funds. He reports that Commercial National has had many requests for such a service, since many of its correspondent banks depend on federal funds for an income source.

■ **THE OPERATIONS CENTER** of Wichita's Fourth National will be occupied November 15. The renovation project, costing more than \$1 million, will provide 60,000 square feet of space and will house the Kansas BankCard Center, Via debit-card program and all operating departments of the bank. The building, previously occupied by the J. C. Penney Co., is being completely remodeled internally and externally. Following completion of the operations center project, the Fourth Financial Center will undergo a remodeling program.

■ **MICHAEL T. ROSALES** has joined First National, Wichita, as assistant vice president/commercial lending. He formerly held management positions with the Kansas office of Minority Business Enterprise.

■ **MERCHANTS NATIONAL**, Topeka, has elected David J. Clark and Edward D. Marchant Jr. vice presidents, Joyce Binkley, James H. Mai and Thomas R. Pfannenstiel assistant vice presidents, Rosemary Strole, Steven D. Reichle and Marguerite Slocum assistant cashiers and Maxine Seaman manager, Fifth and Jackson Facility. Miss Slocum also was made manager, White Lakes Facility.

■ **THE FED** has approved the appli-

cation of First Hays Bancshares, Inc., Hays, to become a bank HC by acquiring First National, Hays. On completion of the acquisition, the HC will control the 77th largest commercial bank in Kansas. First National has deposits of \$33.9 million.

■ **APPROVAL** has been given by the Fed of the application of First Kansas Bancorp., Leavenworth, to become a bank HC by acquiring First National, Leavenworth, which has deposits of \$35.9 million. The acquisition will give the HC control of the 64th largest bank in Kansas.

■ **INDEPENDENCE STATE** has filed an amendment with the state banking department allowing for full trust powers.

■ **BANK OF THE SOUTHWEST**, Dodge City, has filed an amendment with the state banking department allowing for limited trust powers.

■ **SILVER LAKE STATE** has changed its name to Silver Lake Bank.

Reg Q

(Continued from page 26)

ments, the bankers said they were absolutely convinced this would be the case if the universal reserve requirements were to apply only to commercial banks.

Instead, Mr. Perkins suggested, the Fed should be authorized to establish reserve requirements on transaction accounts for all federally chartered financial institutions (including federal credit unions), state-chartered Fed members and state-chartered S&Ls that are members of the Federal Home Loan Bank Board.

Pricing of Fed services should be on a basis that takes into account the Fed's real costs of providing services so that correspondent banks' ability to compete with the Fed would not be unfairly eroded, Mr. Perkins continued. Establishment of realistic prices on Fed services would allow fair and equal access to those services by all types of financial institutions.

The government relations council's

conclusion was that a simple but substantial reduction of reserve requirements in all likelihood would increase desirability of Fed membership.

Legislation proposed by the Fed would allow it to lower reserve requirements, establish universal reserve requirements on transaction-account deposits, pay interest on required reserves it holds and establish prices on Fed services.

By contrast, House Banking Committee Chairman Henry S. Reuss (D., Wis.) has introduced a counterproposal, which would permit the Fed to pay out in interest on reserves no more than it takes in on fees for its services. The bill also would link the Fed's discount rate inflexibly to that of 92-day Treasury bills and would make specific required-reserve levels for Fed members a part of law.

At press time, additional proposals by both Representative Reuss and the Fed were being studied by the ABA.

Mr. Perkins told the House panel the Fed should not be deprived of flexibility in administering its discount rate and that specific reserve levels should not be incorporated in federal statutes. Only broad ranges of reserve levels should be included in such legislation, he said. ●●

Two Appointments Announced By Bank of America

SAN FRANCISCO — Bank of America has named Richard Puz executive vice president, world banking division, where he heads administrative services, and Merrill Ring senior vice president and head of the research department, bank investment securities division.

Mr. Puz headed credit administration, world banking division, as a senior vice president before being named earlier this year to head global administrative services for the division. He joined BofA 19 years ago. On leave in 1972 and 1973, Mr. Puz was on the President's Commission for Personnel Interchange at the Commerce Department.

Mr. Ring, with the bank since 1964, has headed investment research in BISD for six years and became a vice president in 1973.



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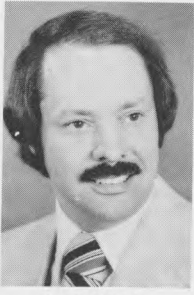
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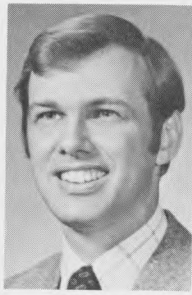
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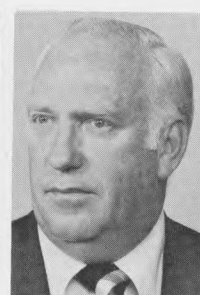
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WARREN



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HORNE



MOTTAZ

Automatic Transfers Head List of Topics For Missouri Bankers' Regional Meetings

AUTOMATIC transfers, blanket bonding programs, political action and the 1979 Missouri legislative program will be spotlighted at the 1978 regional meetings of the Missouri Bankers Association, which begin September 11 in Hannibal and conclude September 28 in Springfield.

MBA President Pat Lea will speak at all sessions, as will Wade Nash, MBA counsel, and Richard Mason, head of Missouri BankPAC. Mr. Lea is chairman and president, First National, Sikeston.

Banquet speaker will be Robert E. Shepherd, psychologist and management consultant from Independence. His topic will be "Don't Just Stand There — Worry."

The Region One meeting will be held September 11 at the Holiday Inn, Hannibal. Registration will begin at 3:30 p.m., followed by a business session at 4:30, social hour at 6 and banquet at 7.

Region Two will meet September 25 at the Trenton High School. Program hours will be the same as those for Region One.

Region Three will meet September 26 at the Ramada Inn, St. Joseph. Registration will begin at 11 a.m., followed by a men's luncheon at noon, the business session at 1:30, the social hour at 4:30 and the banquet at 6:30.

Region Four will meet September 27 at the Radisson Muehlebach Hotel, Kansas City. Registration will begin at 3:30 p.m., with the business session set for 4:30, the social hour at 6 and the banquet at 7.

Region Five will convene September 12 at the Breckenridge Inn, Highway 40 at Lindbergh, St. Louis. The business session is set to begin at

3:30 p.m., followed by the social hour at 6 and the banquet at 7.

Region Six is set for September 13 at the Ramada Inn, Sikeston; Region Seven will meet September 28 at Howard Johnson's in Springfield; and Region Eight will meet September 14 at the Ramada Inn, Jefferson City. All three regionals will follow the Region One schedule.

J. W. Ballinger III, executive vice president, Bank of Cairo, is Region One vice president. He entered banking in 1974 at Bank of Cairo and has been executive vice president since January, 1975.

Region Two vice president is Larry Richards, president, Community Bank, Chillicothe. He entered banking in 1963 at Bank of Gallatin and joined his present bank in 1975. He was named president in 1976.

Charles D. Maxwell, executive vice president, Farmers State, Cameron, is Region Three vice president. He entered banking in 1947 in Stanberry and joined his present bank in 1957. He has been executive vice president since 1974.

Heading Region Four is Paul E. Warren, senior vice president, First National, Liberty. He entered banking

at First of Liberty in 1957 and has been senior vice president since 1975.

Robert E. Finley is vice president of Region Five. He is executive vice president and CEO, Colonial Bank, Des Peres, a title he has held since joining the bank in 1967. He entered banking in 1958 at St. Johns Bank, St. Louis County.

Region Six vice president is Doyle Horne, president, Missouri Delta Bank, Hayti. He entered banking in 1955 at Cardwell State, served as a bank examiner from 1958 to 1970, joined Bank of Sikeston in 1971 and served as executive vice president until March of this year, when he moved to Missouri Delta as president.

Charles Spangler is vice president of Region Seven. He's president of Aurora Bank and Bank of Carthage. He entered banking at Aurora Bank in 1953 while still in high school and moved to Bank of Carthage in May of this year.

Region Eight vice president is Waldo F. Mottaz, president, State Bank, Hallsville. He entered banking in 1940 at Bank of Wellsville, which he still serves as chairman. He became affiliated with his present bank in 1966 at president. He is vice president, Little Dixie Chapter, BAI.

The following people are expected to be elected to regional offices at the meetings this month:

Region One: John R. Hancock, vice president and cashier, Monroe City Bank — vice president; Glenn Miller, executive vice president and cashier, Canton State — secretary.

Region Two: Ed Robertson, executive vice president, United Missouri Bank, Brookfield — vice president; Richard Miller, chairman and presi-

1978 Regional Meetings

- Region 1 — Sept. 11 — Hannibal
- Region 2 — Sept. 25 — Trenton
- Region 3 — Sept. 26 — St. Joseph
- Region 4 — Sept. 27 — Kansas City
- Region 5 — Sept. 12 — St. Louis
- Region 6 — Sept. 13 — Sikeston
- Region 7 — Sept. 28 — Springfield
- Region 8 — Sept. 14 — Jefferson City

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dent, Merchants & Farmers, Salisbury — secretary.

Region Three: Larry Ellington, vice president, Farmers Bank, Gower — vice president; Don Folks, vice chairman, Farmers State, St. Joseph — secretary.

Region Four: Thomas L. Palmer, vice president, Traders National, Kansas City — vice president; James E. Smith, executive vice president, Union State, Clinton — secretary.

Region Five: Merle M. Sanguinet, chairman and president, St. Louis County Bank, Clayton — vice president; James Crismon, president, Iron-

dale Bank — secretary.

Region Six: R. T. Reed, executive vice president and cashier, First Bank of East Prairie — vice president.

Region Seven: George R. Curry, president, Central Bank, Lebanon — vice president.

Region Eight: H. Duncan Edmiston, president, Rolla State — vice president; Lanham L. Woods, president, Jonesburg State — secretary. ••

**Relocation of One Bank,
Establishment of Another
Sought in Wellston**

WELLSTON — Landmark Central Bank has asked the Missouri finance commissioner, Edgar Crist, for permission to move to Clayton, which, like Wellston, is a St. Louis suburb. The bank also has requested permission to open a new bank in Wellston that would be called Landmark Bank of Wellston. If the Clayton move is granted, Landmark Central Bank will change its name to Landmark Bank of Clayton.

At hearings last month in Clayton and in Wellston, opposition to the proposed move was voiced by Darryl R. Francis as official spokesman for a group of Clayton banks. He formerly was president of the St. Louis Fed. The Association of Community Organizations for Reform Now (ACORN) also appeared to protest the move. Richard Ratcliff, ACORN's research coordinator, charged that, according to public records, Landmark Central Bank made no mortgage loans to Wellston residents last year and that the bulk of its home improvement loans were made to residents of the county's affluent areas. Mr. Ratcliff also maintained that evidence showed that a smaller community bank would not serve Wellston's financial needs any better than has Landmark Central.

Ralph G. Broeker, the bank's senior vice president, told MID-CONTINENT

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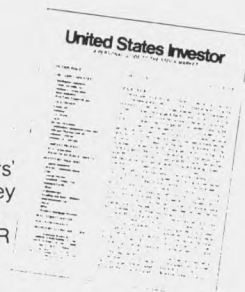
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BANKER that the bank is drafting a reply to Mr. Ratcliff's charges and will send it to Commissioner Crist this month. He said there wasn't enough time to answer the charges during the hearings. The commissioner has indicated he would rule on the two petitions — one for the move and the other for a new bank — within seven weeks of the hearings.

Mr. Broeker emphasized to MID-CONTINENT BANKER that the bank will not leave Wellston unless it's allowed to open a new bank there.

According to Mr. Broeker, the bank wants to go to Clayton because its customer base is there, with 67% of the bank's deposits coming from that area. The bank believes that it can serve a large metropolitan area better from Clayton than it can from Wellston, which is only four-tenths of a square mile in area.

What the bank proposes is to split its assets so that \$20 million will go to its new Wellston bank and \$80 million to the bank in Clayton. Mr. Broeker points out that the building housing the bank in Wellston is only 23 years old and that its drive-up facilities were opened just two years ago. The new bank would use the building and drive-up. In addition, the data processing firm that services all banks belonging to Landmark Bancshares Corp. is headquartered in the Wellston bank and will remain there.

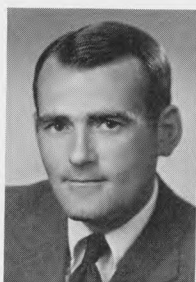
If the bank is allowed to move to Clayton, it will lease quarters in a colonial-style building at South Brentwood and Carondelet.

■ HORD HARDIN II, executive vice president, Manchester Bank, St. Louis, has been elected president, St. Louis Chapter, Robert Morris Associates. Other new officers are: vice president, Harold Uthoff, senior vice president, St. Louis Fed; and secretary/treasurer, Donald B. Wehrmann, executive vice president, Mercantile Trust.

■ FIRST NATIONAL, Kansas City, has promoted Roy A. Paul and John M. Ericsson from assistant vice presidents



PAUL



HARDIN

MID-CONTINENT BANKER for September, 1978

CAMARADERIE

That's a word you don't hear too often these days. But, it's what the MBA region meetings are all about — comradeship and good fellowship. We are looking forward to seeing our Missouri friends at the meetings to exchange ideas, share good fellowship. In other words, camaraderie!

MARKETING SEMINAR '78

The Missouri Bankers Association and the Illinois-Missouri Bank Marketing Association jointly invite you to attend the 1978 MBA/BMA Marketing Seminar September 18 at the Cheshire Inn, St. Louis.

Seminar Highlights

General Sessions

Keynote Speaker Dr. Donald McCoy, President, Communication Centers of America

Some of the topics that will be discussed in rap sessions and workshops:

- Marketing Communications — Myths and Realities
- Automatic Transfer
- Missing Signals
- Positioning
- The Media
- Effective Use of Premiums
- Misconceptions About Marketing
- Video Production and the Bottom Line
- Credit Unions

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to vice presidents, Fred Adams, James Hopkins and Paul Weeks to assistant vice presidents and Si P. Kendall, Gary A. Thompson, Judith A. Benjamin, Kathryn A. Webster, Ron H. Allison, Mark T. Massey and A. Abigail Woods to assistant cashiers.

■ **MERCANTILE TRUST**, St. Louis, has named these assistant vice presidents: Douglas C. Drawe and Thomas S. Lombardo. Lona L. Friedman was elected a trust officer and Paul H. Garrison, an assistant trust officer. William H. Marvin was elected an assistant vice president, Mercantile Bancorp.

■ **RUSSEL KANSTEINER** has joined First State, Union, as vice president and cashier. He formerly was senior vice president and cashier, First State, St. Charles, and has been in banking 30 years. The Union bank also promoted Sue Hellebusch to loan officer.

■ **ST. LOUIS COUNTY BANK**, Clayton, has elected Gerald P. Fagin assistant vice president. He had been data processing officer. The bank also named two trust officers: Gerald L. Wedemeier and James T. Dodds. Mr. Fagin joined the bank in 1962; Mr. Wedemeier, in 1974; and Mr. Dodds is a new addition, having previously been president, Ladue-Innerbelt Bank.

■ **COMMERCE BANK**, Kansas City, has announced these appointments: vice president/marketing, trust department, David B. Anderson; assistant vice president, correspondent department, Stephen E. Erdel; assistant vice presidents, retail banking, Alice Slepakis, and E. Wendell Williams; and senior trust officers, Thomas E. Weiford and George H. Wood. Mr. Erdel formerly was assistant vice president, Commerce Bank, Mexico.

George I. Baggott Dies

George I. Baggott, 68, retired pres. and CEO, Manufacturers Bank, St. Louis, died August 18 after a long illness. He entered banking in 1933 at a small southern Illinois bank, spent some time with the St. Louis Fed, first as an assistant examiner and then a senior examiner, then joined Manufacturers Bank as v.p. in 1952, became e.v.p. in 1956, pres. in 1960 and ch. and CEO in 1964. He retired in 1976. His son, George M. Baggott, is v.p. of Manufacturers Bank.



HCs' Proposed Merger Reaffirmed by Fed Despite Challenge

Commerce Bancshares, Kansas City, and Manchester Financial Corp., St. Louis, took one more step toward their proposed merger August 16, when the Fed reaffirmed its decision to approve the merger.

The Fed originally approved the merger in June following an unprecedented hearing last March in St. Louis, held by the Fed's Board of Governors at the request of the Association of Community Organizations for Reform Now (ACORN), a St. Louis citizens-action group that opposes the merger under the new Community Reinvestment Act (CRA). This hearing was the first to be held under the new act, which yet is to be implemented. According to ACORN, the merger would result in a reduction of service to the community around Manchester Bank, lead bank of Manchester Financial, and would have an adverse impact on community credit needs.

Another challenge to the merger came from William H. Kester, financial columnist, St. Louis *Post-Dispatch*. He based his opposition in large part on what he says was an unequal offer to majority and minority shareholders of Commerce Bank of Mound City, St. Louis, by Commerce Bancshares, which purchased the Mound City bank in 1974.

On the basis of the reaffirmation by the Fed of its approval of the merger, Manchester Financial will ask its shareholders to vote on the proposal November 1.

Career Apparel

(Continued from page 95)

bank. Employees are encouraged to mix and match their outfits so they all won't wear the exact outfit on a given day. On Fridays, they can wear their own clothing, but many elect to stay with the career outfits.

The Unitog Careerlook people, who have their office across the street from the bank, were asked to make a presentation when the bank decided to take the career apparel route. The presentation was made to a committee of employees, who made their recommendations for outfits to the bank's personnel department, which placed the order.

Periodic additions of garments are

MID-CONTINENT BANKER for September, 1978

made to the wardrobes, a feature that makes them "open end" as far as wearability time is concerned, Mr. O'Connor said.

The bank's management is extremely pleased with the career apparel effect, Mr. O'Connor said, because it presents a coordinated appearance that's not regimented in any way. The outfits are eye-pleasing and they have eliminated clashes that had occurred at times before the career apparel program was begun.

"Employees appreciate the outfits, too," he added. "They consider them to be a fine fringe benefit — something they didn't expect when they joined the staff. They realize that they're wearing high-quality clothing that is costing them very little, due to the bank picking up part of the tab."

New employees usually are outfitted by the time their probationary period is over — which is 90 days, Mr. O'Connor said.

"Career apparel has enhanced the pleasing effect customers see when they gaze at the bank's quarters," Mr. O'Connor said. "Everything blends in harmoniously to make ours one of the most beautiful banking floors in Kansas City!" ●●

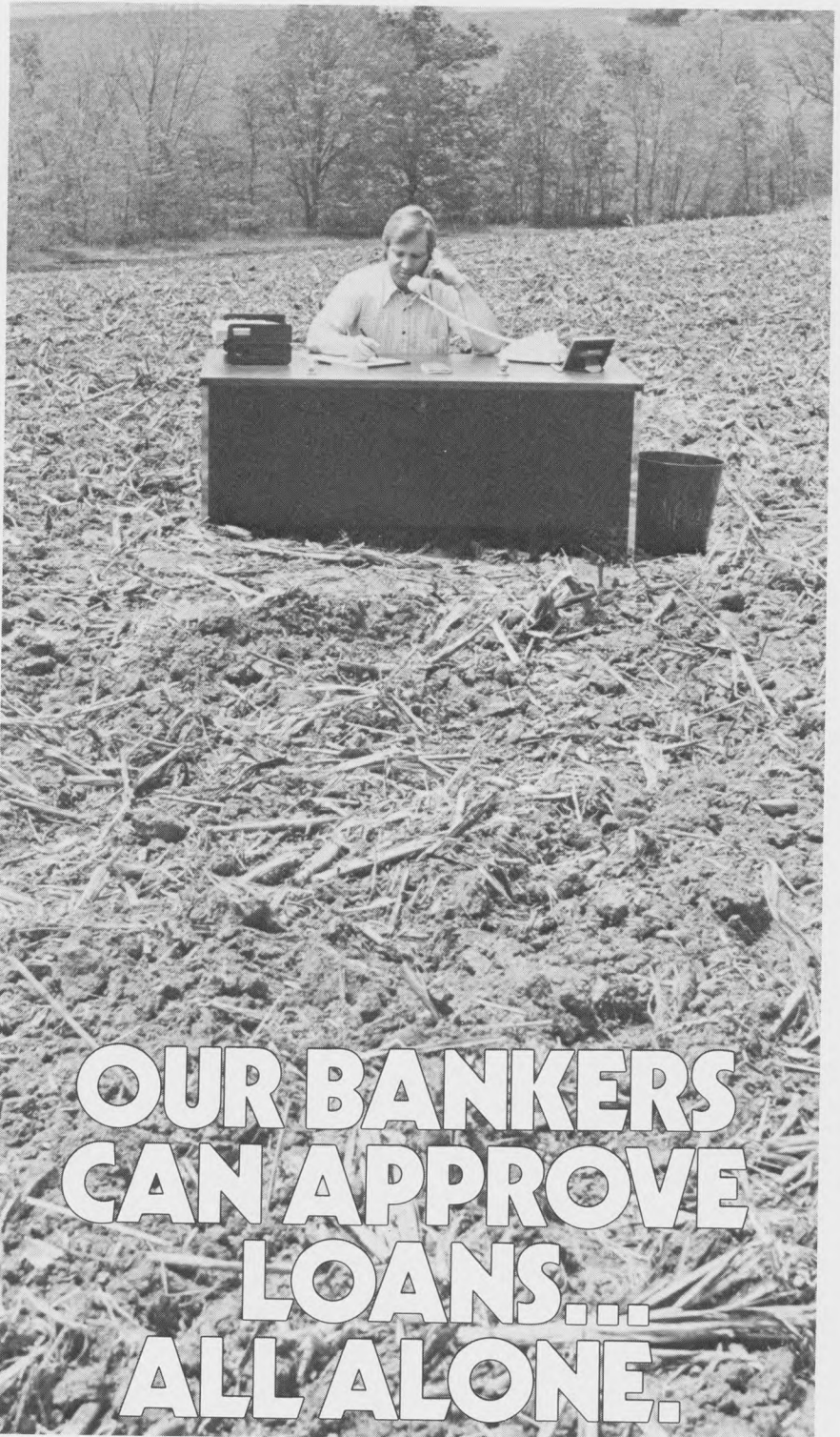
EFT Association Plans Forum Sept. 24-26 in Washington

WASHINGTON, D. C. — The Electronic Funds Transfer Association will hold a forum here September 24-26 to discuss the impact of current federal legislation on EFT systems and service.

The forum, open to association members and guests on a first-come-first-served basis, will review current legislation and permit discussion between congressional staffs responsible for EFT legislation and conference delegates.

Taking part in the discussion will be Lewis Taffer, assistant counsel, U. S. Senate Subcommittee on Consumer Affairs, who will discuss the Riegle bill; James McMahan, counsel, House Subcommittee on Consumer Affairs, who will talk about the Annunzio bill; and Philip Manuel, staff member, U. S. Senate Subcommittee on Permanent Investigations, who will review the Computer-Security bill sponsored by Senator Abraham Ribicoff (D., Conn.).

The Communications Act of 1978 will be reviewed by American Telephone & Telegraph Co. staff members.



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NEWS

From the Mid-Continent Area

Alabama

Faunsdale Bank Closed

FAUNSDALE — The Watkins Banking Co., by a vote of its directors, was placed in the hands of Kenneth R. McCartha, acting superintendent of banks for Alabama, July 21. Mr. McCartha appointed the FDIC receiver and liquidating agent.

On July 24, the FDIC began paying insured deposits. Virtually all the bank's deposits, estimated at \$1,276,000, either were insured or within the \$40,000 FDIC maximum, according to the FDIC. The bank had about 492 depositors.

■ **FIRST NATIONAL**, Birmingham, has promoted C. Dowd Ritter from vice president to senior vice president and Michael G. Gyurko from vice president and comptroller to senior vice president and comptroller. Mr. Ritter joined First National's training program in 1969. He was made head of the branch administration department this year. Mr. Gyurko joined Alabama Bancorp. in 1974 and had been vice president and comptroller since 1976.

■ **W. ROSS WRIGHT**, formerly regional auditor, First Alabama Bancshares, Montgomery, has been named assistant vice president and auditor, with expanded responsibilities. Bryan Poole has been elected credit officer, corporate loan department. Mr. Wright went to First Alabama in 1967 and Mrs. Poole, in 1976.

■ **FRED L. CAVER** became president, CEO and a director, Eastern Shore National, Daphne, August 31. He has been a banker 18 years.

Arkansas

■ **COMMERCIAL NATIONAL**, Little Rock, has elected C. Randolph Warner Jr. to its board. He is president, Fairfield Communities, Inc., Little Rock. He also is a partner in the law firm of Warner and Smith, Fort Smith.

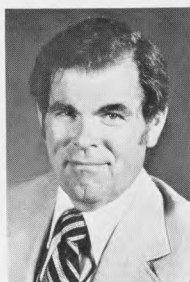
■ **UNION BANK**, Benton, plans to relocate its Bryant Branch this year. It will be moved from Reynolds Road in downtown Bryant to the southwestern

corner of Reynolds Road and Interstate 30. Its new location will be in Union Plaza, a 15,000-square-foot shopping center and office complex. The branch will have quarters more than double the size of its present building, plus four drive-up lanes and a 24-hour ATM.

■ **LARRY C. WHITLEY** has joined Elk Horn Bank, Arkadelphia, as president. He formerly was president and trust officer, First National, Warren. In other action, Elk Horn Bank has opened what it says is Clark County's first full-service branch at 26th and Pine in Arkadelphia. Called the West Pine Branch, it is managed by Johnny McAnally and has three drive-up stations and a community room.

Illinois

■ **JOHN J. CROTTY JR.** has joined Drovers Bank, Chicago, as senior vice president in charge of the correspondent banking division. He was vice president, correspondent banking division, LaSalle National, Chicago, serving banks throughout Chicago and the Midwest. Before that, Mr. Crotty serviced correspondent and corporate accounts for nine years at Chicago's National Boulevard Bank.



CROTTY

■ **DuQUOIN STATE** last month unveiled its completed expansion and remodeling project, which included a 4,200-square-foot addition on the west and south sides of the building and the addition of about 1,000 square feet of space on the mezzanine floor. All receiving, paying and discount tellers stations were relocated and enlarged. All ceilings were lowered approximately eight feet, and an integrated heating/cooling system was installed. The building's interior was redesigned, and new lobby and office fur-



This is architect's sketch of remodeled and expanded quarters of DuQuoin State.

nishings were installed. The program gave the bank four new eye-level visual drive-up kiosks. Two two-story commercial structures were razed for the expansion project. Bank Building Corp., St. Louis, was prime contractor and architect.

■ **NATIONAL BOULEVARD BANK**, Chicago, has elected Mark H. Fromm assistant vice president, marketing department, and William W. Reynolds bond officer. Both men joined the bank late in July. Mr. Fromm was a vice president, salesman and trader, George H. Elliott Co. Mr. Reynolds now is a salesman in municipal bonds and government securities for National Boulevard. He also is responsible for portfolio management for correspondent banks. He has 20 years' experience in sales and before going to National Boulevard, was at another Chicago bank, where he sold municipal and government securities to correspondent banks.

■ **JAMES V. BOWERS** became president, First State, Rockford, August 1. He had been president, Community Bank, Beloit, Wis., since 1974.

■ **MICHAEL D. TRAVELSTEAD** has been named president, First National, Tuscola, effective August 7. He formerly was vice president, University Bank, Carbondale.

■ **NORMAN C. PETERSON** has been named administrative vice president, Illinois Bankers Association, Chicago, and Donald X. Murray was made vice president and general counsel. Mr. Peterson formerly was IBA assistant secretary. Mr. Murray was general counsel.

■ **JOHN J. POSH** has joined Bunce

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MID-CONTINENT BANKER for September, 1978

Corp., St. Louis, as contract manager, northern Illinois, including Chicago, and southern Wisconsin. Mr. Posh was regional manager in Milwaukee, bank/systems division, Diebold, Inc., Canton, O.

■ **LOUIS E. RIEGER** has been made chairman emeritus, Old Orchard Bank, Skokie. He was a founding director and officer in charge of the bank's organization and was director and president from 1957 to 1975, chairman from 1973 to 1976 and director and consultant from 1976 to last April 15. He was a founding director and CEO, Sheridan Bank, Peoria, and now is president, Bank of Illinois, Normal. Harold R. Pehlke, president, Old Orchard Bank, presented Mr. Rieger with a certified resolution recognizing his services to the bank and an engraved silver platter and portrait. The latter is displayed in the bank's boardroom.

■ **M. J. MARTY JR.** has succeeded Harry H. Hans as chairman, First National, McHenry. Mr. Hans resigned for personal reasons, but remains on the board. Mr. Marty is president, Chicago Manufacturing Co. Ronald L. Graves, formerly executive vice president, Riverside National, has joined the McHenry bank as president. William J. Busse Jr. was made executive vice president of First of McHenry, going from First National, Mount Prospect State, where he was investment officer. Messrs. Graves and Busse also were elected bank directors, as was Marian H. Busse, vice chairman, Mount Prospect State. In other action at McHenry, Guenter O. Scheel was promoted to assistant vice president, loan department. He joined First National in 1971.

Indiana

■ **JENE R. LINDSEY**, formerly executive vice president, Etna Bank, Etna Green, has moved up to president, succeeding Avis Iden Mason, who became chairman. Mr. Lindsey is chief trust officer and a director of the bank. Anna M. Lindsey, daughter of Mrs. Mason, has been elected a vice president and director. Also elected to the board were Jack I. Hamlin, Robert R. Knepper Jr., William Fackler and Dennis Schori. Mr. Hamlin lives in Annandale, Va.; Mr. Knepper, in Madison, Wis.; Mr. Fackler is president, Poulson Ford, Inc., Etna Green; and Mr. Schori is cashier and secretary to the board of Etna Bank. The bank was opened in 1900 by its first president, Seth B. Iden, father of Avis Iden

Mason, Vice President Amy I. Knepper and Althea I. Hamlin, a bank director.

■ **NEIL AILES** resigned September 1 as senior vice president, Northern Indiana Bank, Valparaiso, because of health reasons. He joined the bank in 1956 and had been senior vice president since 1974. He was honored at several bank functions before leaving.

■ **JAMES E. PETERSON** has moved up from investment officer to vice president and investment officer at Lafayette National, which he joined in 1967.

■ **GORDON JOHNSON**, director, administrative services division, Peoples Trust Bank, Fort Wayne, has been named senior vice president. He joined the bank in 1971. In other action, the bank promoted Madelyn Taylor from accounting officer to assistant vice president. She has been there since 1972.

Kentucky

■ **FRANK J. GITSCHIER** has been named security director, Liberty National, Louisville. He recently retired from the Federal Bureau of Investigation after 23 years' service in New York and Kentucky. He was a football coach at the University of Louisville, 1950-53.

■ **J. THOMAS ZETTEL** has been named vice president and regional manager, branch division, First National, Louisville. He had been senior banking officer. Douglas J. Wright was made associate bank investment officer at the bank's affiliate, First Kentucky Trust, Louisville. Margaret L. Eggington was made counsel for First Kentucky National Corp. She is the HC's first woman counsel.

■ **MICHAEL N. HARRELD**, senior vice president, Citizens Fidelity, Louisville, has been named manager, correspondent banking division. He succeeds Robert A. Aldridge, who resigned to join another bank. Mr. Harrelld most recently was marketing

director of the bank, which he joined in 1969. In other action in Citizens Fidelity's correspondent department, Kendall S. Reinhardt was promoted from assistant vice president to vice president.

■ **PAYTON F. ADAMS**, president, General Telephone Co. of Kentucky, has been elected to the board of Lexington's First Security National. He replaces E. L. "Buddy" Langley, who recently was promoted by the telephone company.

Louisiana

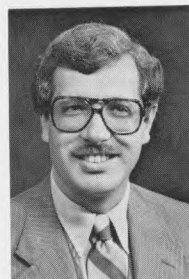
New Whitney Nat'l Branch



This is the Read Boulevard Branch of New Orleans' Whitney Nat'l. The two-story concrete and steel structure has a multi-lane drive-up facility that currently has four lanes in operation and four units available for future use. The interior, like the exterior, is contemporary in design and decoration. Although the branch is modern in every respect, it has the outdoor Whitney clock, a New Orleans tradition. The four-faced timepiece was placed on a wrought-iron pylon at the property's sidewalk edge.

■ **M. WAYNE McVADON** has joined American Bank, Baton Rouge, as vice president and marketing director. He formerly was with another bank in Baton Rouge. Mr. McVadon is a faculty member of the Louisiana Banking School for Supervisory Training at the University of Southwestern Louisiana, Lafayette, and a member of the board of advisers of the Graduate Institute of Bank Marketing, sponsored jointly by the University of Southern California and Louisiana State University.

■ **WALTER B. STUART III**, immediate past president, Louisiana Bankers Association, has joined



HARRELD



REINHARDT



McVADON



STUART

American Bank, Lafayette, as president and CEO. He formerly was vice chairman, First Commerce Corp. and First National Bank of Commerce, New Orleans. At American Bank, John B. Hutchison retired as president and chairman August 11. His post of chairman was taken by J. J. Burdin Sr., M.D. Both Mr. Hutchison and Dr. Burdin were founding directors of the bank. Mr. Hutchison remains on the bank's board.

■ **FIRST GUARANTY BANK**, Hammond, has promoted Parker C. Gabriel to executive vice president, banking division, and Anil C. Patel to executive vice president, administration division. Richard E. Brown was made vice president and trust officer and John C. Adams, trust officer.

■ **IAN ARNOF** has joined First National Bank of Commerce, New Orleans, as executive vice president and chief financial officer and First Commerce Corp. as treasurer. He was a senior executive, First Tennessee National, Memphis. In other action at First NBC, Vernon P. Grundmann, Harvey A. Timberlake and Donald B. Vallee were promoted to vice presidents and Charles D. Catlett, William B. Dudoussat Jr., Ricardo B. Kawas, Arthemise B. Luke, Lawrence J. Miller and Andrew T. Whitley to assistant vice presidents.

Mississippi

■ **CITIZENS NATIONAL**, Columbus, held its grand opening August 24-25, with ribbon cutting and other festivities. The new bank is located in a leased building called Court Square Towers in the city's downtown section. The bank has eight teller stations and two drive-up windows. William Aston Covington is president, and Ronald L. Good is vice president and cashier. Mr. Covington entered banking in 1958 at Jackson-Hinds Bank (now Mississippi Bank) in Jackson. He also has been with two other Mississippi banks — Bank of Hazlehurst and Bank of the South, Crystal Springs. He was president and cashier of the latter until last November, when he began to set up the new Columbus bank. He also served with Planters Bank, Hopkinsville, Ky., during his career. Mr. Good had spent his entire career — since 1963 — with the Hopkinsville bank before joining Citizens National. Most recently, he was vice president and cashier and had charge of the operations division and personnel function

at Planters Bank. The new bank has capital and surplus of \$625,000 each.

■ **FIRST NATIONAL** and its HC, First Capital Corp., Jackson, has elected these advisory directors: Ruben V. Anderson, Hinds County Court judge; G. D. "Sonny" Fountain, owner, Fountain Electric Co. and Fountain Fixture & Supply Co.; Norman B. Gillis Jr., a McComb attorney and real estate developer; and William Neville III, president of two men's stores, Rogue, Ltd., Jackson, and Rogue & Co., Memphis.

New Mexico

■ **SECURITY NATIONAL**, Roswell, has promoted George M. "Corky" Fernandez to vice president. He joined the bank in 1975 and is agriculture officer in the commercial loan department.

■ **FIRST NATIONAL**, Santa Fe, has promoted Glenna Jarvis and Fred W. Reynolds to vice presidents and trust officers, Cindy Perez to assistant vice president and assistant trust officer and Renee Duran to assistant branch manager. In addition, Phyllis I. Crist has joined the bank as assistant vice president and trust officer. She has been practicing law since 1975 and had been with a Santa Fe law firm. Miss Jarvis and Mr. Reynolds formerly were assistant vice presidents and trust officers, and Miss Perez was an assistant trust officer. Miss Duran, head teller, Main Office, now supervises the lobby and tellers there.

■ **FIRST NATIONAL** of Lea County, Hobbs, plans to open a branch in Eunice in December. The full-service office will have a drive-up window, three teller stations, safe deposit boxes and night depository.

Oklahoma

■ **BANK OF OKLAHOMA**, Tulsa, has elected Len Duren and Larry D. Sweet assistant vice presidents. Mr. Duren, regional department, joined BOK last April after eight years' banking experience in Tennessee and Kentucky. Mr. Sweet has just joined the energy department after four years with Atlantic Richfield Co. and two years with Houston's First City National.

■ **BEN R. BYERS** has been promoted to vice president, Liberty National, Oklahoma City, and Raymond R. Burch has joined the bank as assistant

vice president. Mr. Byers, with the bank since 1972, is manager, corporate trust and employee benefit plan administration department. Mr. Burch formerly was with Citizens Commercial & Savings Bank, Flint, Mich.

■ **FIRST NATIONAL**, Oklahoma City, has elected two vice presidents, Jerry Baskin and Kenneth E. Schuerman, and an assistant vice president, Rodney D. Stell. Mr. Baskin has been with the bank 16 years. Mr. Schuerman, savings department, formerly was with American First Title & Trust Co., a subsidiary of First Oklahoma Bancorp. Mr. Stell, municipal bonds, had been with Thomson McKinnon as a salesman.

■ **FIDELITY BANK**, Oklahoma City, has elected Richard Gallman and Gary Spence assistant vice presidents. Mr. Gallman joined the bank July 1 as a marketing officer, going from Oklahoma Publishing Co., where he was a marketing representative. Mr. Spence also was named financial planning director. He served in the same capacity at Bank of Oklahoma, Tulsa.

■ **LARRY WATSON** has joined Bartlesville's First National as trust investment officer. For the past 10 years, he specialized in stocks and fixed-income securities at Merrill Lynch, Pierce, Fenner & Smith, Oklahoma City. Felix Roquemore has been promoted to assistant trust officer and manager/home sale division at First National.

■ **DOUG CARTER** has been named personal lending officer at F&M Bank, Tulsa. Karen Smith was elected opera-

Here's Liberty!



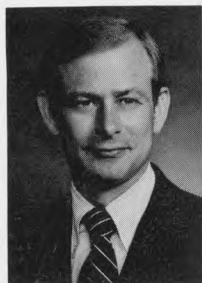
Ed McMahon (l.) of the "Tonight" show is pictured with two officers of Oklahoma City's Liberty Nat'l, for which Mr. McMahon is the new TV spokesman. In the photo are Marketing Officer Linda Moore and Willis J. Wheat, s.v.p./marketing. A series of 30-second commercials has been videotaped in Hollywood, and they highlight the professionals of Liberty Nat'l's commercial banking department. The picture was taken during a taping session.

tions officer/central information files, and Mary Alice Smith was named personal lending officer/operations. Mr. Carter and Karen Smith joined the bank in 1976 and Mary Alice Smith, in 1960.

■ **HERSHEL SCHWARTZ** has been promoted to senior vice president/commercial loans, United Oklahoma Bank, Oklahoma City. He joined the bank 25 years ago. Marsha J. Henry, who recently joined the bank, has been promoted to vice president. She has charge of the investment department. She formerly was a bond investment officer, Northern Trust, Chicago, and Sun First National, Orlando, Fla. In other action at United Oklahoma, A. Thomas Loy and Bob Westerman were promoted to assistant vice presidents.

Tennessee

■ **DAVID W. NEWELL** has joined Jackson's First National as executive vice president, director and member of the executive committee. He formerly was senior vice president and manager/regional and international divisions, Citizens Fidelity, Louisville. Mr. Newell is the son of W. E. Newell, who was chairman, First National of Sullivan County, Kingsport, at the time of his death last December. Before going to Citizens Fidelity, the younger Mr. Newell was with North Carolina National, Charlotte, from 1967 to 1974. He also taught night school for five years at Central Piedmont Community College, Charlotte. The subjects were related to business and finance.



NEWELL



CLARKE

■ **E. B. "PETE" CLARKE**, executive vice president, Nashville CityBank, has been named head of its marketing and correspondent division. He formerly had charge of the lending division and has 31 years' banking experience. J. Richard Chambers has moved up from senior vice president to execu-

tive vice president and has assumed responsibility for commercial lending, loan administration and branch operations.

■ **THIRD NATIONAL**, Nashville, has promoted the following: to vice presidents and trust officers from trust officers, Calvin W. Fite Jr. and Earl W. Hagler; to vice presidents from assistant vice presidents, J. Allen Kennedy, Bobby T. Logue and Timothy W. Wagner; to assistant vice president from investment officer, Jack C. Herndon Jr.; to assistant vice president from commercial officer, Barbara S. Malone; to assistant vice president from commercial officer, Ruth G. Mitchell; and to trust officer from assistant trust officer, Joseph K. Presley. James A. Ives, who joined Third National in June as systems development director, has been named a vice president.

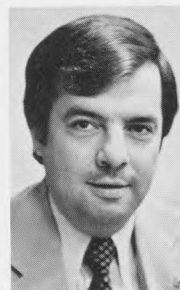
COBBLE



■ **PAUL R. COBBLE** has joined Commerce Union Bank, Nashville, as a senior vice president and manager, correspondent banking department. He reports directly to Executive Vice President Jerre R. Haskew, who also is responsible for Tennessee Valley Bancorp.'s planning, human resources and management-trainee programs. Charles Ozier continues as associate manager, correspondent banking. Mr. Cobble formerly was executive vice president, Commerce Union Bank, Chattanooga, also an affiliate of TVB. He also was manager, correspondent banking department, at the former Hamilton National, Chattanooga.

Texas

■ **JACK T. THOMPSON**, regional/correspondent banking, First City National, Houston, has been elected an assistant vice president. The bank elected David W. Howe and Robert D. Wagner Jr. vice presidents. Both recently joined the bank. Other new assistant vice presidents are: Michael P. Adkins, Kenneth Cordova, Milton D. Hall, Barry J. Macklin, James C. Marlal, Randall B. Pettit, Donald E.



THOMPSON

Thomas, Alfred F. Woodson Jr., Lawrence S. Spooner, Latrell A. Bellard Jr. and John Phillips. Mr. Spooner and Mr. Phillips also are trust officers.

■ **J. HARLON IZARD** has been promoted to assistant vice president, Bank of the Southwest, Houston, which he joined in 1951.

■ **C. BARRY BROWN** has moved up from vice president to senior vice president and executive committee member, Republic National, Dallas. He joined the bank in 1969 and since 1974 has been manager, special loans division, a post he continues to hold. He also manages the loan review division. He is a CPA.

■ **MERCANTILE NATIONAL**, Dallas, has reached an agreement in principle with the Hunt interests to take part in a joint-venture construction of an office-building complex in downtown Dallas on land presently owned by N. B. and W. H. Hunt. The complex would be called Mercantile Plaza. Completion is set for 1981. However, Mercantile National's primary banking facilities will remain at their present location, and specific banking functions to be located in the new complex have not been determined.

■ **TEXAS BANK**, Beaumont, has elected Rupert Leon Hamilton senior vice president, cashier and secretary to the board. He formerly was with First National, Lancaster.

■ **FIRST NATIONAL**, Longview, has announced plans for a three-phase renovation program. First, an anodized aluminum and glass canopy will be erected around the main building. Next, the parking garage will be completely refaced. Then, the main building's interior will be extensively remodeled. Completion is scheduled for this year-end.

■ **GERALD A. KELLER**, chief operations officer, Citizens National, San Antonio, has been elected senior vice president and cashier. He went there in 1968. Dexter D. Babcock Jr., with Citizens National since 1971, has been

MID-CONTINENT BANKER for September, 1978

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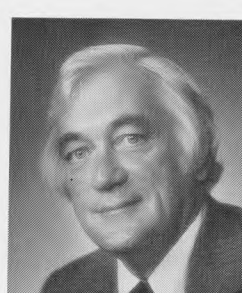
Charles Kilpatrick
15 years



Granville Ramsay
6 years



Richard Fletcher
25 years

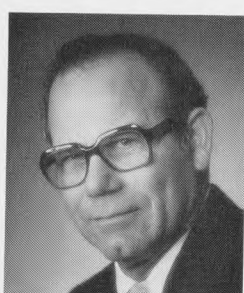


Stuart McCown
21 years

BANK ON INVESTMENT OPERATIONS



Margaret Colucci
12 years



Oral Kee
10 years



Pam Nelson
3 years



Debbie Totty
6 years

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promoted to vice president. He is operations manager.

■ **ROBERT E. CHENOWETH** has been named assistant vice president, commercial lending, Capital National, Houston. He was a commercial banking officer with another Houston bank.

■ **FRANK D. ARNOLD** of Santa Fe, N. M., has joined Plains National, Lubbock, as senior vice president. He is a third-generation banker and rancher.

Planning/Budgeting Conference To Be Held Oct. 16 in Dallas

DALLAS — The third annual bank planning and budgeting conference will be held October 16 at the Fairmont Hotel here by the Foundation of the Southwestern Graduate School of Banking. William S. Townsend, the school's director, is conference director.

The program will feature discussions and talks on "Profit Planning and the Budgeting Process," "Business-Condition Outlook in 1979," "Financial Markets in 1979," "Strategies in Bank Asset-Liability Management in 1979" and "Analyzing Your Bank's Performance."

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Consumer-Compliance Workshop Scheduled November 19-22

DALLAS — The ABA will hold a consumer-compliance workshop at the Fairmont Hotel here November 19-22. It will be designed to help bankers comply with the growing number of consumer regulations.

The three-day session will review requirements of consumer laws and compliance-examination procedures, with special emphasis on the Truth-in-Lending, Equal-Credit-Opportunity and Fair-Housing acts. The format will be instructional with support coming from consumer-compliance examiners and regional consumer specialists from the Office of the Comptroller of the Currency, plus representatives of the Fed and FDIC.

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PRODUCT DEVELOPMENT MANAGER

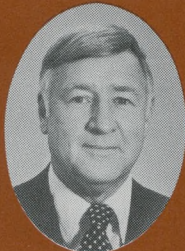
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DON BALDWIN



KEN BROWN



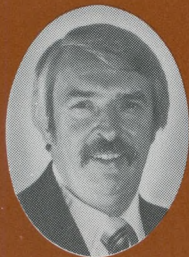
CHARLIE EATHERTON



VIC GRANDA



BOB HELFER



BILL BAGOT



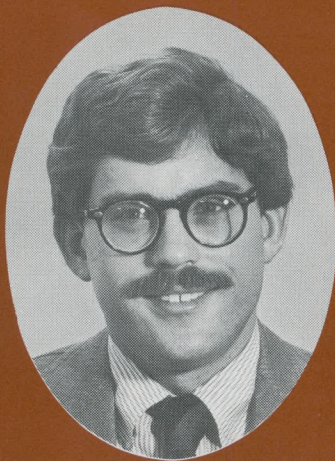
RUSSELL SPAULDING



TED SMOTHERS



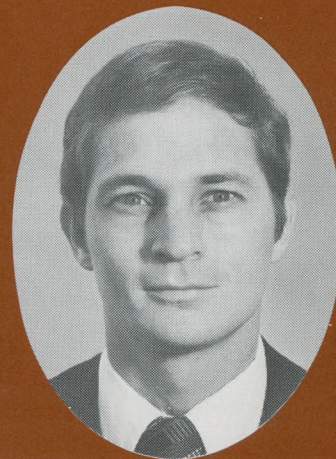
BILL SPRINGER



AL ACKERMANN



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A correspondent bank should give you more than just a correspondent banker.

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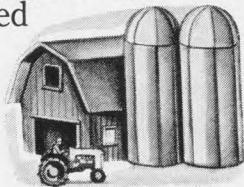
When you choose First National Bank in St. Louis as your correspondent bank, you get more than a correspondent banker.



You get an entire staff of specialists who offer you daily assistance for daily needs.

For example, the "Rabbit Transit" check-clearing systems our people have developed can help improve your earnings, because your transit items become collected balances rapidly.

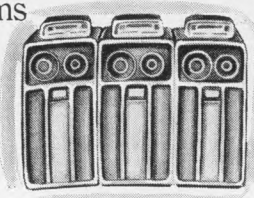
We also offer you the services of agricultural finance specialists who can help you provide your customers with expert advice as well as flexible loan arrangements.



In the area of Fed Funds, investments and the safe-keeping of securities, we offer a performance record that's highly regarded in our industry.



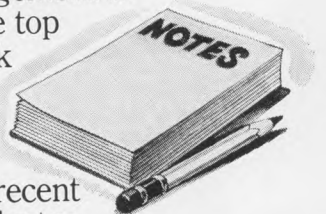
Our electronic data processing team brings you the most sensible systems for getting work done—reliably and accurately. And our computer specialists offer counsel and advice in all phases of EDP systems.



Our capacity for overline lending, based on our sizable assets, allows you the opportunity to make

larger loans than you otherwise might.

We sponsor timely seminars where you and other top management of your bank meet with the top management of our bank to exchange ideas and share expertise. These seminars also serve to keep you up-to-date on recent developments in our industry.



Of course, your correspondent banker is always available for individual consultation. He's the key to our relationship and the person we depend on to make fast decisions on our behalf. He's the one you can depend on, too, when you want to get more from your correspondent bank. He can help you plan for your bank's future and for our future together.



If you're not already seeing a First National Bank in St. Louis correspondent banker, just call Chuck Betz at (314) 342-6386. He'll make sure you get a correspondent banker... and a whole lot more.



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