

MID-CONTINENT BANKER

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The Financial Magazine of the Mississippi Valley & Southwest

OCTOBER, 1979

Bank Modernization and Career Apparel Issue



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Free-Standing Units
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Terry Anderson
Correspondent Banking Officer

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MID-CONTINENT BANKER

The Financial Magazine of the Mississippi Valley & Southwest

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- Oct. 21-24:** Bank Marketing Association corporate marketing conference, Atlanta, Peachtree Plaza.
- Oct. 21-24:** Consumer Bankers Association annual convention, Hot Springs, Va., The Homestead.
- Oct. 21-Nov. 1:** ABA National Commercial Lending School, Norman, Okla.
- Oct. 22-23:** Robert Morris Associates Loan Quality Control Workshop, Kansas City, Alameda Plaza.
- Oct. 24-26:** Robert Morris Associates/Bank Administration Institute Seminar on audit perspectives of loan review, Kansas City, Hilton Airport Plaza Inn.
- Oct. 24-27:** 38th Assembly for Bank Directors, White Sulphur Springs, W. Va., The Greenbrier.
- Oct. 31-Nov. 2:** ABA International Operations Workshop, Chicago, Water Tower Hyatt House.
- Nov. 4-6:** ABA Underwriting Clinic, Chicago, Marriott O'Hare.
- Nov. 4-8:** Bank Administration Institute annual convention, Los Angeles, Bonaventure Hotel.
- Nov. 7-9:** Association of Bank Holding Companies fall meeting, Tarpon Springs, Fla., Innisbrook.
- Nov. 11-14:** Robert Morris Associates Annual Convention, Washington, D. C., Washington Hilton.
- Nov. 11-14:** ABA National Agricultural Bankers Conference, Salt Lake City, Hotel Utah.
- Nov. 11-17:** Executive Seminar on Retail Banking, Vero Beach, Fla., Dodgertown Conference Center.
- Nov. 18-20:** ABA National Correspondent Banking Conference, San Francisco, Fairmont Hotel & Tower.
- Nov. 25-30:** ABA National Personnel School, Norman, Okla., University of Oklahoma.
- Nov. 27-30:** ABA Central Regional Workshop, Oak Brook, Ill., Oak Brook Hyatt House.
- Nov. 27-Dec. 1:** Bank Marketing Association Essentials of Bank Marketing Course-Southwest Extension, Houston, University of Houston.
- Dec. 2-4:** ABA "How to" Secondary Mortgage Market Workshop, Dallas, Hyatt Regency.
- Dec. 2-4:** ABA Bankers Educational and Training Forum, Atlanta, Hyatt Regency.
- Dec. 2-5:** Bank Administration Institute Second National ATM Conference, Hollywood, Fla., Diplomat Resort Hotel.
- Jan. 6-9:** Bank Marketing Association EFTS Conference, Dallas, Hilton.
- Jan. 27-29:** ABA International Banking Conference, New York City, Sheraton Center.
- Jan. 27-30:** ABA National Trust Conference, Washington, D. C., Hilton.
- Jan. 31-Feb. 3:** 39th Assembly for Bank Directors, Acapulco, Mexico, Acapulco Princess.
- Feb. 3-6:** ABA Conference for Branch Administrators, Washington, D. C., Capital Hilton.
- Feb. 3-6:** ABA Risk Insurance Management in Banking Seminar, Biloxi, Miss., Biloxi Hilton.
- Feb. 10-12:** Mortgage Bankers Association national conference, Houston, Tex., Hyatt Regency.
- Feb. 10-21:** ABA National Installment Credit School, Norman, Okla., University of Oklahoma.
- Feb. 19-22:** ABA Bank Investments Conference, Los Angeles, Los Angeles Bonaventure.
- Feb. 21-24:** 40th Assembly for Bank Directors, Palm Springs, Calif., Canyon Hotel Racquet & Golf Resort.
- March 2-4:** ABA National Credit Conference, Atlanta, Hyatt Regency.
- March 2-5:** National Automated Clearing House Association Annual Conference, Phoenix, Adams Hotel.
- March 9-11:** ABA "How To" Secondary Mortgage Workshop, Kansas City, Mo., Crown Center.
- March 9-12:** ABA Trust Operations/Automation Workshop, New Orleans, Fairmont Hotel.
- March 9-13:** Independent Bankers Association of America Annual Convention, San Francisco, San Francisco Hilton.
- March 9-14:** ABA National Consumer Compliance School, Norman, Okla., University of Oklahoma.
- March 16-18:** ABA National Credit Conference, Atlanta, Hyatt Regency.
- March 16-21:** ABA National Personnel School, College Park, Md., University of Maryland.
- March 16-22:** ABA Business of Banking School, Dallas, American Airlines Learning Center.

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Starter Kit Boosts ABA Ad Campaign

BANKERS attending the ABA's annual convention this month in New Orleans were given a first-hand look at the new Full Service Bank Starter Kit developed by Christmas Club a Corp., Easton, Pa., in support of the ABA's new competitive \$5-million national advertising campaign.

Stressing how an individual bank can become "full-service headquarters" in its own area, the starter kit includes a variety of promotional and premium items designed to take advantage of the "We've Got the Answers!" national brand of banking theme currently being beamed to the American public via commercials on network television sports and news programs and promoted with full-page

ads in national consumer magazines.

The ABA's new campaign is aimed at combating the thrift institutions, which in recent years have taken an increasingly larger share of the retail market. The commercials and advertisements explain that full-service banks are the only financial institutions that really have "the answers" to the public's financial questions.

The starter kit, developed by Full Service Bank Productions, Inc., a division of Christmas Club, will enable a bank to promote the full-service-bank theme both in the bank and through its promotional efforts to customers and prospects. Included in the kit are three counter cards, 500 full-service-bank statement enclosures, 24 banker

badges, a sample full-service-bank calendar card, a glossy repro sheet of the new vault-door emblem for use in newspaper ads and other communications and a Graphics Use ("How to") Manual to show bankers how the newly designed full-service-bank symbol can be most effectively used in the bank's advertising and promotional efforts. Also available is a complete series of 18 statement enclosures selling individual services, from savings programs and checking accounts to trust services and ATMs — all tying in directly with the national "We've Got the Answers!" program. Completing the merchandising program is a full line of full-service premiums, also complementing the overall full-service theme. ●●

'Hubert' Is Back:

'Lion Spokesman' for Bank Offered as Clock Premium

"After years of helping kids get to sleep, now Hubert's going to wake them up." This is the way Chicago's Harris Bank announced the latest — an alarm clock — in its "Hubert" pre-



This Hubert doll has been offered as premium by Harris Bank, Chicago, since 1971, except for last year, when it was suspended. However, Hubert is back by popular demand.



This is Harris Bank of Chicago's latest "Hubert" premium. Hubert is "lion spokesman" for bank, and his likeness appears on face of this alarm clock.

mium line. Hubert is the "lion spokesman" for the bank.

During a six-week campaign, Harris Bank is giving the clock free to each customer who makes a deposit of \$250 or more to a new or existing savings account. The new bright red clocks are spring operated and topped with a pair of large alarm bells. Hubert illustrates the clock face.

The familiar plush-pile Hubert doll

is available to new or current savers for an additional \$4.95. The dolls have been offered as savings gifts since 1971, and more than 250,000 of them have been distributed to Chicago-area customers in previous campaigns. However, says Deborah Walker of the convenience banking division and campaign coordinator, this is the first year in which the bank has had to charge an extra payment for the doll because of government regulations that limit the cost of a premium given in recognition of a savings deposit.

"Last year," she continues, "the Hubert doll premium was suspended because its cost rose above the permissible maximum, and Harris didn't want to ask depositors to pay an additional fee. But the bank has received a great many requests to bring Hubert back."

The clock and doll are being offered via four-color newspaper ads in Chicago daily newspapers, spots on six Chicago-area TV stations and extensive lobby and window displays.



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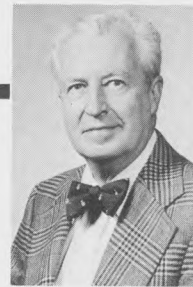
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The Banking Scene



By Dr. LEWIS E. DAVIDS

Illinois Bankers Professor of Bank Management
Southern Illinois University, Carbondale

Loan Examiner's 'Formulas' May Not Predict

ONE OF THE MOST important banking documents, which only a privileged proportion of bankers see, is the report of examination. In the last 10 years, there have been substantial changes in bank examination, both in theory and in practice. Perhaps most important is the change in philosophy attributable to special bank examiners known as compliance examiners who don't concentrate on the fundamental precept of historic bank examination, which is solvency, but rather on the opposite

In the last 10 years, there have been substantial changes in bank-examination theory and practice. An important change is in the philosophy attributable to compliance examiners who don't concentrate on solvency, but rather on compliance with socially oriented legislation.

side of that precept. They concentrate on compliance with socially oriented legislation such as the Financial Institutions Regulatory and Interest Rate Control Act (FIRA).

This month's column will concentrate mostly on ambiguities of the loan-classification process. Any discussion of loan classification among knowledgeable bankers would result in some comment such as, "Well, the examiners have gone through our loan portfolio and have classified some loans I know are good, but they have missed some loans I know are weak and subject to risk." That statement is correct in almost all institutions. There are loans that will be classified by bank examiners because they have applied ratios and rules of thumb that are con-

ventional for those types of loans and may not be aware of peripheral information such as the fact that the loan is to an individual whose parents are of substantial wealth and would not permit the loan to go into default. On the other hand, we should not criticize examiners too much in this area. There is a great probability that the banker himself knows of some loans that are doubtful or in the loss classification that has not been looked at by the bank examiners. There is a good reason for this. Regular bank examination does not examine every loan in a bank's portfolio. The typical examiner determines a dollar cutoff level for a bank and then examines only those loans above this level. Loans below the cutoff level usually are not reviewed because of their large numbers and their modest importance in the overall loan portfolio. A caveat should be issued here. A major Detroit institution avoided having some of its poor loans classified for just this reason. Bank examiners apparently failed to realize modernization and debt-restructuring loans made by finance companies and purchased by the bank were poor loans from the start. They had been brought together by finance companies, which sold them to the bank, resulting in a concentration of refinanced finance-company loans of significant amounts.

One other caveat might be given, and that is loan documentation. Bank examiners' greatest criticism of the typical community bank is inadequate loan documentation. Many community bankers tend, with some justification, to sneer at the elaborate procedures examiners would have them follow. The banker knows the account and may have known it for generations. To comply with the documentation procedure would involve additional and unnecessary work. This is a true statement from the point of view of the community banker. However, bank examiners need documentation to be able to evaluate loans properly.

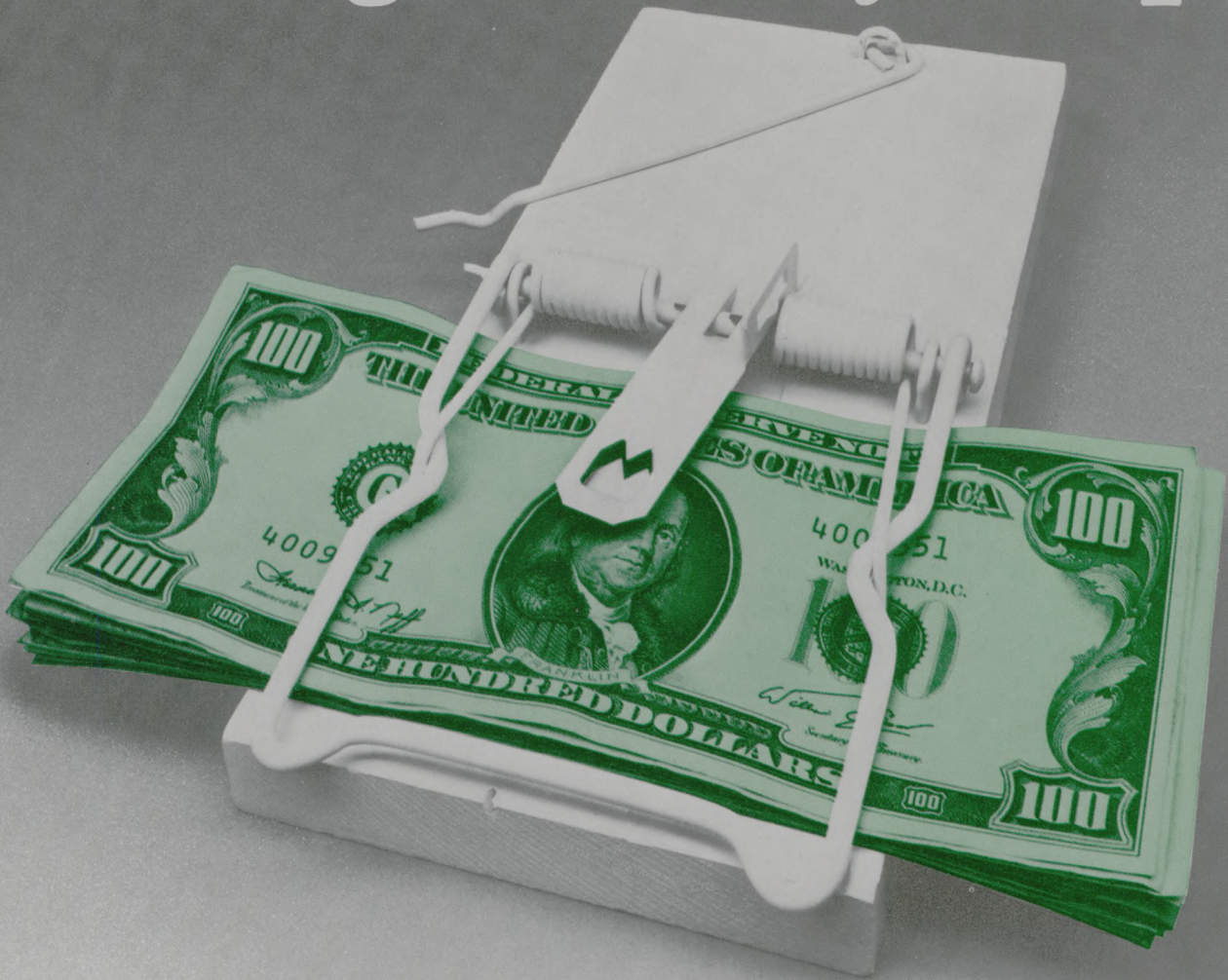
One result of this procedure is that the bank examiner bends over backward where documentation is less than complete and tends to think the worst and to classify the credit as substandard or doubtful. It will be noted that the banker had made the loan without elaborate documentation because he knew the loan was to an individual of good character, capacity and capital.

One other minor source of communication problems has been that some state examiners have tended not

It is recommended that the individual bank maintain an ongoing file on the track record of its examiner's loan classification. Knowing loans were made and paid off though classified by the examiner does put the loan officer in a better position.

to apply the standardized loan classification adopted by the Comptroller of the Currency's Office, Fed examiners and FDIC in the late 1940s. It should also be recognized that one examiner may tend to be more optimistic and another pessimistic. The optimist will tend to look at loans as more likely to be paid than the pessimist. In addition, there are what economists call exogenous factors. While a loan may be viewed as standing by itself, external conditions can have a bearing on a bank's loan portfolio. In agricultural communities, the weather can be an important factor in whether the loan will be paid when it is due or whether it will be rolled over. In other areas, substantial changes may be forced on a community

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as a result of political developments. For example, the 1974 gasoline shortage had a bad effect in areas where recreation vehicles were produced. The 1979 gasoline shortage has had a similar type of impact on tourism and automobile sales, with large, gas-consuming cars becoming less attractive in the market than the small, foreign economy cars. Banks with customers in tourism or in automotive areas certainly have noticed a significant impact on their portfolios.

Few studies have been made and published on the supervisory track record of loan classification. One 1966 study tended to indicate that one of the federal agencies was just about half right in its classification of loans. A recent study by the division of bank supervision and structure at the Kansas City Fed has an interesting table that may be viewed as showing improvement from that earlier study of total charge-offs for the period of 1962 to 1975. It appears from this limited sample that 38.8% of loan charge-offs had not been previously classified. The significant point about this particular datum is that of that 38.8%, approximately 30% were of loans not examined by bank examiners. That is, they were too small and thus only approximately 9% or one in 10 actually examined were large loans that had not been previously classified. This would indicate a significant improvement over the previous study. It must be pointed out that the sample size was fairly modest.

It would be interesting to conjecture about those large loans that were examined. Where does the fault lie — with the examiners, with the bank or, possibly, with the borrower? It is true that the accounting profession has given us what is called "generally accepted accounting principles." On the other hand, it is naive to reject the probability that more than a few borrowers engage in what at its best could be called window dressing and at its worst false financial statements.

Conclusion. It is recommended here that individual banks maintain an ongoing file on the track record of its examiners on loan classification. In addition, there might be a valuable lesson in what is called loan review — determining why loans were classified and the charge-off result. Those loans classified as a result of external deterioration beyond the scope and control of the bank loan officer obviously should be viewed in a different light than a loan that was poorly analyzed by the loan officer. In addition, there are

(Continued on page 92)

MID-CONTINENT BANKER for October, 1979

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Community Involvement

Employees Enthusiastic:

Van-Pooling Program Expands In Face of Gas Shortage

Employee response to First City National of Houston's van-pooling plan has been so good during its first six months that the bank is expanding its operation.

"We have 11 vans operating now and six on order," says J. W. Pieper, senior vice president, van-pooling administrator. More than 120 employees are riding in the vans, and at least another 400 of the bank's 1,800 employees are on a waiting list.

The bank will continue expanding the program as long as there are sufficient numbers of additional employees interested in forming van pools, Mr. Pieper says.

The bank provides the vans, which accommodate as many as 11 riders and a driver each, and pays for the insurance coverage and administrative support. Employees pay between \$20 to \$48 per month, depending on distance traveled. Employee fees cover the cost of van depreciation, maintenance and gasoline. They partially cover the cost of parking in the bank garage, which the bank also subsidizes.

"Van pooling is economical, pleasant, comfortable and efficient — a good way to cope with rush-hour traffic," says Richard G. Merrill, the bank's president. He adds that the gasoline shortage has intensified employee interest. "We could see the gas problem coming — that's one reason we decided to start the program."

In addition to benefiting employees, the program also benefits the bank.

"It's worthwhile for the bank for several reasons," Mr. Merrill says. "First, it will expand the potential downtown labor market and can be

used to recruit new employees. Second, as it helps cut employee commuting costs and parking problems, it helps First City keep employees. Finally, it allows First City to make a civic contribution. Van pooling reduces pollution, energy consumption and traffic."

Celebrating 'Year of the Child':

Bank Hosts Youth Workshop Conducted by Toastmasters

To commemorate the International Year of the Child, Roswell (N. M.) State hosted a Toastmasters International youth leadership workshop.

Held for eight consecutive Saturday mornings at the bank, the program was conducted by Toastmasters members. The only bank employee involved was



Youth leadership session attendees included (from l.) class president, contest speaker and dinner lead hostess. Session was cosponsored by Toastmasters Int'l and Roswell (N. M.) State.

the workshop's coordinator, Robert L. Knotts, business representative, who has been a Toastmaster 25 years. He is a former director of the organization.

Some 23 teenagers participated in the workshop, whose goal was to help young persons develop faith in their potential.

"In learning how to think for themselves, how to analyze the ideas of others and how to express their own ideas through effective public speaking, participants learn how to handle themselves," Mr. Knotts says.

Workshop goals included teaching the youths how to accept criticism, how to evaluate others fairly and how to organize and conduct group meetings to guide others.

Emphasis was placed on chairing meetings, speech fundamentals, group discussions, listening and evaluating, speech building, delivery and gestures, voice and vocabulary and self-confidence.

Historical Contribution:

Grant Given to Local NAACP To Purchase Film Series

American National, Chattanooga, Tenn., and Provident Life & Accident Insurance Co. have given a grant to the Chattanooga Branch, National Association for the Advancement of Colored People (NAACP), to purchase the educational film series, "The Black Contribution."

Six films in the series address contributions black Americans have made and continue to make to our common culture. Produced under sponsorship of the NAACP and funded by American Telephone & Telegraph Co., the series examines individuals who excel and have provided advances in such areas as art, music, dance, theater, literature and leadership.

Suitable for all ages, the films will be shown to student, church, government and civic groups as well as private companies.

The joint venture of American National and the insurance company "in making available to Chattanooga a series of short films, highlighting the role of black culture in the mainstream of American Society, should add new dimensions for a better racial atmosphere in our community," says George A. Key, president, Chattanooga NAACP Chapter.

"This series will be an inspiration to everyone — white and black — because it proves we can better the society in which we live. For that reason, we are pleased to join with Provident in procuring these films which honor the black Americans who have given so much to our way of life and who are a great source of pride for all Americans," says John P. Wright, president, American National.

At presentation of film series "Black Contribution" to Chattanooga branch, National Association for Advancement of Colored People, are (from l.), George Key, pres., Chattanooga NAACP Branch; John P. Wright, pres., American Nat'l, Chattanooga; and H. Carey Hanlin, pres., Provident Life & Accident Insurance Co. Bank and insurance company gave local NAACP grant to purchase film series.



Richard Merrill, pres., First City Nat'l, Houston, presents keys to 11th van in bank's van pooling program to Jeanette Krause, driver.



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- Two convenient readouts give both batch count and accumulative total . . . or both can be set to give accumulative totals.
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- Dry Ink Roll produces a sharp, no-smudge endorsing/canceling message . . . no mess even when changing rolls.
- Variable Speed Control for processing poor-quality documents . . . Extended Stacker offers operator a wide view of documents being fed to the output hopper.



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Congress Considers NOW-Account Bills

EDITOR'S NOTE: After this column was written, the Senate Banking Committee approved a measure that would allow interest-bearing checking accounts and phase out by 1990 federal interest-rate ceilings on deposits. The measure still must pass the Senate and be reconciled with a different bill passed by the House earlier last month.

In effect, the Senate Banking Committee's bill would permit banks, savings institutions and credit unions to pay interest on checking accounts by authorizing NOW accounts.

NOW-ACCOUNT (negotiable order of withdrawal) legislation is back in the news, and, as of this writing, it appeared that bills extending NOW-account powers nationwide for all financial institutions might be before the House of Representatives and Senate by late September or early October.

While it may have seemed that the NOW-account issue was on the "back burner" during the past several months, the new congressional interest in the matter has been expected for some time. The new urgency of the issue resulted from the fact that by early October the Senate is expected to turn its full attention to debate of the proposed Strategic Arms Limitation Treaty (SALT), a debate that is expected to be lengthy. Other nonbanking issues including national energy policy are expected to occupy center stage this fall.

As a result, leaders of the House and Senate Banking committees are understood to be seeking resolution of several major banking issues prior to the start of the strategic arms debate, which will narrow considerably the legislative bottleneck.

NOW-account legislation was moved to the top of the agenda for yet another reason: Congress has until

next January 1 to deal with a U. S. Appeals Court's ruling that banks' automatic transfers from savings to checking accounts, credit unions' share drafts and S&Ls' remote-service units all are illegal and must be terminated by that date.

Extending NOW accounts nationwide for all types of depository institutions would resolve the dilemma created by the court's ruling, and the ABA is actively supporting amendments to pending NOW legislation that are designed to achieve goals established by the more than 350 bankers who make up the association's policy-making Banking Leadership Conference.

For more than 2½ years, the ABA's position has been that nationwide NOW-account powers for all types of depository institutions would be acceptable if *and only if* the same legisla-

tional activity on the NOW-account issue could not be predicted with certainty as of this writing, it is possible that to many who do not ride the "Washington merry-go-round," banking legislation may appear to be moving at a whirlwind rate. In such an atmosphere, it is worth remembering that the NOW-account position set for the ABA by the members of the Banking Leadership Conference was established more than two years ago on the basis of firm competitive realities. Since then, that position has been reviewed and reaffirmed many times. Realities on which it was based persist today and, if anything, are even more formidable than they were in the past.

Banks continue to feel the intensifying pressure of unfair competition from nonbank financial institutions. Since the start of 1979, banks in the Denver area reportedly have seen

Household Time & Savings Deposits 1970-78 Percentage Growth

Credit Unions	246%
Savings & Loans	195%
Commercial Banks	153%
Mutual Savings Banks	97%

tion ended the deposit interest-rate gap under Regulation Q, which discriminates against bank customers and banks. NOW-account legislation should be utilized to achieve the broader objective of competitive equity in terms of deposit interest-rate differentials and interest rates in general.

A NOW-account law that also ended the interest-rate gap is seen as an alternative that would be more preferable to legislation that only overturned the Appeals Court's decision. In the latter case, banks' nonbank competitors (S&Ls, credit unions, mutual savings banks and money market mutual funds) could be expected to continue making inroads into banks' traditional service and loan areas and make the most of their unfair advantage in attracting deposits.

Although the actual pace of congress-

their share of the savings market decline by 27%. In North Carolina, S&Ls' share of the time-deposit market has mushroomed from 45% several years ago to approximately 60% today. Nationwide, banks rank third among the four traditional financial institutions in terms of growth of household time and savings deposits.

Deposit data on money market mutual funds, the newest and fastest-growing factor in the competitive mix, are even more alarming. Their relatively high-yielding deposits, against which the equivalent of checks can be written, have grown from \$10.7 billion in December, 1978, to \$31.5 billion as of August 15 — a growth rate of 199%. In late August, money market mutual funds also received permission from federal authorities to advertise competitively for the first time. The ABA's government relations council's ad-

Editor's Note: This column was prepared by the ABA's public relations division.

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ministrative committee has set as a major objective the challenge of addressing the money market mutual fund threat.

Even if it develops that the pending NOW-account/competitive equality measures fail to move forward during the present time, these competitive pressures can be expected to keep the objective of equity at the fore; competitive equity that can be advanced by the *right kind* of NOW-account legislation.

The ABA's position has been that nationwide NOW-account powers for all types of depository institutions would be acceptable if *and only if* the same legislation ended the deposit interest-rate gap under Regulation Q, which discriminates against bank customers and banks.

With acceptable NOW-account legislation, banks not only would have the unfair competitive disadvantage of the interest-rate gap removed, but also would be able to meet competition from thrifts offering regular checking or interest-bearing transaction accounts whenever such competition develops.

In areas where the competition demands it, banks would be able to meet the competition head-on by offering NOW accounts. Where that is not the case, NOWs or other types of interest-bearing transaction accounts would remain an entirely voluntary option open to banks.

The New England experience has shown that with realistic pricing, NOW accounts pose no serious drag on bank earnings, and in some cases offering NOW accounts reversed banks' downward trend in market share. Certainly, offering NOW accounts in that region has not reduced the attractiveness of traditional checking accounts for many consumers.

However, if bankers choose to remain outside the development of such new services as NOW accounts, it would be a virtual certainty that the thrift institutions (particularly credit unions and S&Ls) would continue to acquire more bank-like powers through regulatory and state-level actions, even while they retained the advantage of the interest-rate differential. ●●

Get to know your Commerce banker.



Michael Brixey of our Correspondent Department worked as an FDIC Senior Bank Examiner before joining the Commerce system in 1977. Michael relaxes with golf, fishing, hunting and archery. He knows all phases of banking—loans, operations and investments. When it comes to correspondent banking, Michael Brixey can do the most for you.



Frampton Rowland joined Commerce in 1963 after studying at Indiana University, Oklahoma and K-State, and stints with the U.S. Army Medical Corps and a large finance company. Now he's an experienced Calling Officer for our Correspondent Department. Whatever your needs, Frampton Rowland can help.



H.C. Bauman went to William Jewell College. Before joining Commerce in 1975, he was chief executive officer of a Kansas City area bank. Today, he's Manager of our Kansas and Oklahoma Groups. This former Air Force captain enjoys racquetball and tennis, as well as helping you with all your correspondent requirements. Look for him soon.

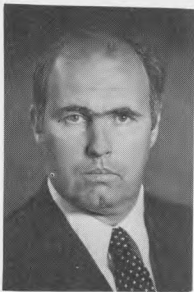
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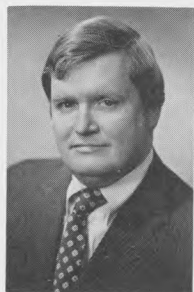
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NEWS OF THE BANKING WORLD

• **Neil B. Murphy** has been named professor of finance and holder of the first Chair in Banking at the University of Oklahoma College of Business Administration, Norman. Previously, Mr. Murphy, who has a doctorate degree in economics, was senior vice president of Payment Systems, Inc., Atlanta. Mr. Murphy's prior experience includes service in the academic community and work with research staffs of federal banking agencies and in the private sector. He started his pro-



MURPHY



TEMME

fessional career on the research staff of the Boston Fed and later was on the research staff of the FDIC and was principal economist for Leasco Systems and Research Corp.

• **Donald C. Temme**, vice president/international division, First National, St. Louis, has been transferred to Singapore to manage the bank's new representative office. Mr. Temme has had more than 10 years' international banking experience. The bank's Asian/Pacific group, operating out of Singapore, will serve the needs of First National's foreign and domestic customers dealing in Far Eastern transactions.

• **Deposit Guaranty National**, Jackson, Miss., has received Fed approval to establish a branch in Georgetown, Grand Cayman Island, in the South Caribbean. The office, which opened in August, is said to be

the first foreign branch established by a Mississippi financial institution.

• **Alfred W. Bowman Jr.**, vice president, Continental Illinois National, Chicago, has been appointed head of the bank's new representative office in Dallas. Mr. Bowman, who joined Continental in 1973, has been calling on commercial banking customers in the Dallas-Fort Worth area since 1975.

• **Bank Marketing Association** members have elected Norwood W. Pope, vice president/marketing, Sun Banks of Florida, Orlando, as president for 1979-80. Other elected officers from the Mid-Continent area include First Vice President Ronald E. Hale, executive vice president, City National, Bryan, Tex., and board members John V. Egan Jr., vice president/director, corporate communications, Continental Illinois National, Chicago; Betty Sanderson, senior vice president/marketing, First National, Pulaski, Tenn.; and T. Frank Wallace, president, Community Bank of Lafourche, Raceland, La. Others elected to top positions were Second Vice President Leonard W. Huck, executive vice president, Valley National, Phoenix, and Treasurer Barry I. Deutsch, manager/information and planning, Mellon Bank, Pittsburgh.

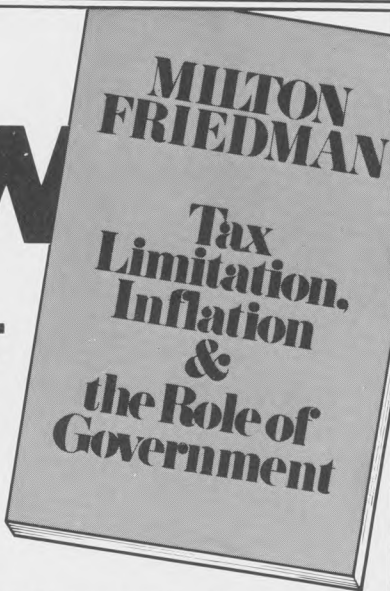
• **Manufacturers Hanover Corp.**, New York City, has opened a full-service commercial financing office in Atlanta. The office, headed by Philip Cantrell, regional manager, will be southeastern commercial financing headquarters for Manufacturers Hanover Commercial Corp.

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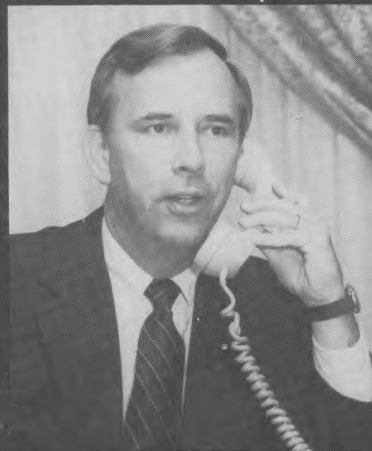


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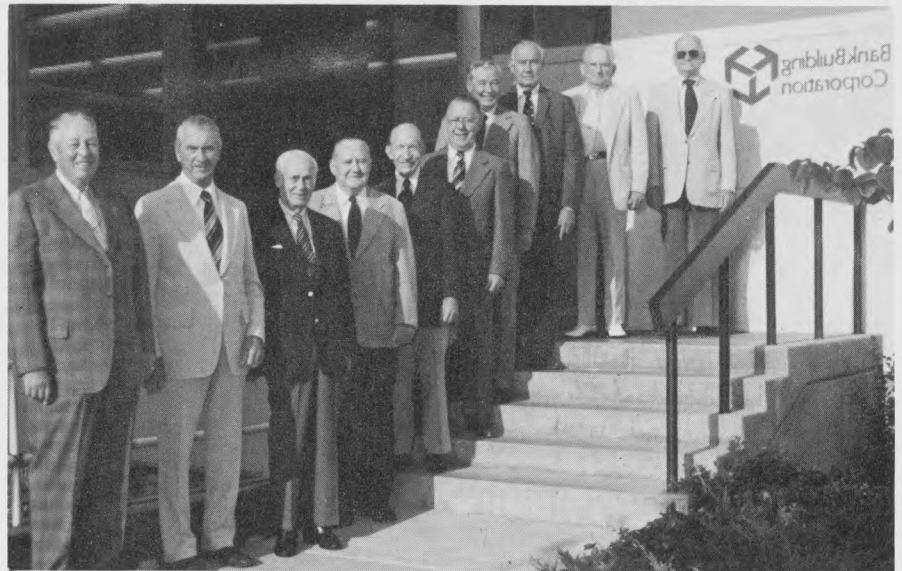


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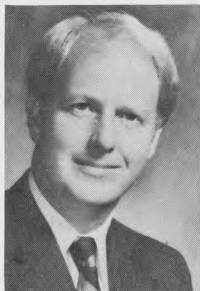
Corporate News Roundup

BBC Hosts Associates Meeting

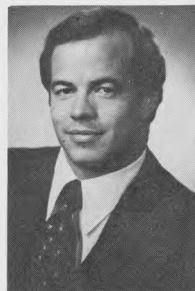
• **Bank Building Corp.** Stephen E. Wood has joined this St. Louis-based company as a consultant services manager/central division. He will be responsible for representing the company throughout Missouri, Illinois, Indiana, Michigan and Wisconsin. Prior to joining Bank Building, Mr. Wood was a senior consultant, Telecommunication Services Inc., St. Louis.



Bank Building Corp. recently held its banker associates conference at the firm's St. Louis headquarters. Banker associates are retired banking and S&L executives the firm retains as consultants. Those attending are (from l.) Orrin H. Swayze, First Nat'l, Jackson, Miss.; David T. Scott, First Nat'l, Boston; Edward C. Rogers, Irving Trust, New York City; Arnold M. Gibson, Winchester (Mass.) Savings Bank; David H. Sullivan, Mellon Bank, Pittsburgh; Bernard H. Oakley, Ohio S&L League, Columbus; Wood W. Wilkinson, Wells Fargo Bank, San Francisco; Clifford B. Marsh Jr., Marine Midland Trust, Buffalo, N. Y.; Peter J. Laninga, Continental Bank, Chicago; and Russell H. Eichman, Central Nat'l, Cleveland.



FAUST

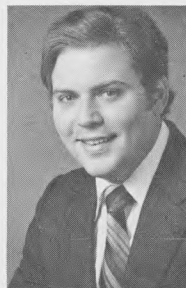


WOOD

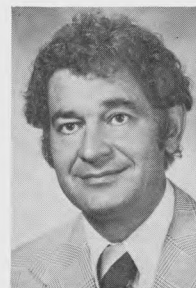
• **Diebold, Inc.** David K. Faust has joined this Canton, O., company as assistant to Robert P. Barone, vice president/general manager, automatic banking system. Mr. Faust will assist Mr. Barone with analysis and recommendations for various reports and will be responsible for development of plans, procedures and policies related to administration and control and coordination areas of automatic banking. Before joining Diebold, Mr. Faust was manager/product support, Access Corp., Cincinnati, which manufactures computer-controlled microfilm retrieval equipment for industrial and government markets.

• **Doane Agricultural Service, Inc.** Robert C. Zwerneman has been promoted to senior research project director in the marketing research division of this St. Louis firm. He will be responsible for directing and supervising all research activities for fertilizer and farm equipment studies. Mr. Zwerneman has been with Doane since February, 1978.

• **LeFebure.** Kert Larson has been appointed sales engineer at this Cedar Rapids, Ia.-based manufacturer of security equipment and electronic systems for the financial community. He



ZWERNEMAN



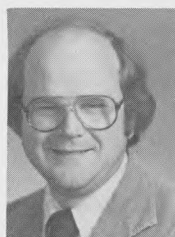
LARSON

will be operating out of the Kansas City branch and will concentrate on the metropolitan Kansas City market area.

• **Aetna Business Credit, Inc.** Thomas J. Carignan has been promoted to regional vice president/manager, loan administration for the Minneapolis office of this company, based in East Hartford, Conn. He joined the company in 1969. Four others have been promoted in the spe-

cial financing division, intermediate term-lending activity. They are James L. Belter and Barry J. Dickstein, both from divisional vice presidents to vice presidents/office heads, and Donald K. Deyo and Butler MacLean Gander, both from senior credit analysts to loan officers. All four will remain at their East Hartford office. Also, Aetna Business Credit, Inc., has moved its Midwest Marketing Center from 200 West Monroe St., Chicago, to LaSalle Plaza, 180 North LaSalle St., Chicago.

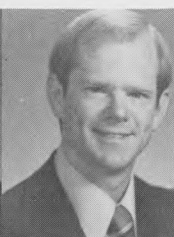
• **American Express.** This company held a ground-breaking ceremony for its money order division headquarters in Denver. Construction of the 100,000-square-foot facility has begun on an 11-acre site. Completion is scheduled for next spring. About 400 administrative personnel will be employed in the new facility. Current headquarters are in a 40,000-square-foot facility in Lakewood, Colo.



BELTER



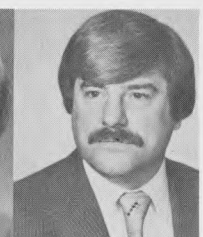
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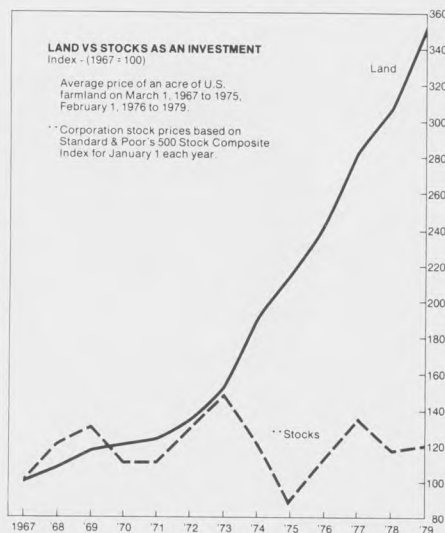
Farmland Value Uptrend Continues

ACCORDING TO the Annual Doane Farm Real Estate Situation Report 1979, written by Doane Agricultural Services, St. Louis, with the exception of a slight sag in demand during 1977, the farm real estate value uptrend line has been fairly consistent since 1972. On a national average, land values rose 14% in the year February 1, 1978, to February 1, 1979. For individual states, the lowest average rate of increase was 7% in some western states; the highest was 23% in California. Increases of 10% or more were recorded in 39 states. The Doane report is based on the U. S. Department of Agriculture's annual farmland value survey.

Optimism within the farm sector and raised farmland buyer and seller expectations have been restored by an estimated 40% gain in net farm income last year. Relatively high grain and livestock prices during 1979 and an expectation that net farm income could reach a new high are expected to keep land market momentum going. Doane predictions are that average land values will advance another 10% to 15% this year. High interest rates and limited availability of mortgage loan funds apparently are not significantly dampening the demand for land.

Many non-farmers are viewing farmland investments as a good hedge against inflation and as a safe long-term investment. During the past 20 years, there generally has been a 2% average annual rate of increase in farmland values for every 1% average annual rate of gain in the Consumer Price Index. Farm real estate values also have risen much faster than Standard and Poor's average of 500 common stocks since 1960. During this period, farmland values climbed to more than 4½ times the 1960 level while the Standard and Poor 500 common stock average rose only 70%.

Traditionally, it has been thought that farm income is the basic factor influencing farmland values. However, since the mid-'50s, farmland prices have continued to rise without an accompanying increase in net farm income. This has puzzled prospective land buyers, farm lenders and market analysts. Emanuel Melichar, an economist with the Fed Board of Gov-



ernors, recently noted that net farm income is a return not only to farm assets, but also to the farmer's labor and management. As a result of technological advances in farming, the amount and probable value of the farm operator's labor have declined; an increasing proportion of his net farm income must be allocated to production assets. Considering the vast improvements that have been made in farming techniques in recent years, it seems logical to conclude that the portion of net returns that should be attributed directly to farm assets has been climbing right along with asset prices.

Although farmland represents a good long-term investment, it should be pointed out that an expectation of continued reasonable capital appreciation is vital because net rent in recent years has seldom equaled charges for long-term loans or interest paid on bank certificates of deposit. A recent government survey of cash rental rates shows that, on the average, rent received equals 4% to 7% of cropland value and from 3% to 6% of pastureland value in the central and southern states.

One last reason farmland is a star investment is that recent tax law changes have enhanced the value of farmland as a tax shelter. While land seldom should be purchased merely as a tax shelter, there often are sound opportunities to shelter income through sound land investment and

management techniques, Doane reports. Usually a farm will include some depreciable assets such as buildings, fences, wells, breeding livestock, etc., that may also qualify for the 10% investment tax credit. In addition, improvements such as bulldozing of hedgerows, fertilizing, liming, building and fence repairs may be needed — all items that can be expensed for eventual conversion to capital gains.

Investment credit of 10% may be taken in the year of purchase up to \$100,000 worth of qualifying used assets purchased with the farm that have a useful life of seven or more years. The credit is allowed on new assets in the year they are placed in service. The Revenue Act of 1978 considerably sweetened the investment credit provisions as they relate to farms. The credit can now be taken without threat of an IRS challenge on certain confinement livestock facilities. Rehabilitation expenditures for qualifying older farm buildings are also eligible for investment credit. There's also a new 10% business energy credit that may come into play on various farm uses of energy-conserving techniques.

Expenditures for soil and water conservation can be deducted as an ordinary business expense with certain limits. Some basic requirements for the soil and water conservation expense qualification are that a person be engaged in the "business of farming" and that the land "is used in farming." This limits the expenditure to land improvement. After September 30, 1979, a variety of state and federal government conservation program cost-sharing payments that can be received for land conservation practices do not have to be counted in gross income unless the land is sold within the recapture period. The cost of making raw or uncleared land suitable for use in farming can be deducted within the limitations set by the IRS for land-clearing expenses.

The opportunity for a "farmer" to select the cash basis of income tax reporting is another major advantage of having farmland as a tax shelter. The principle involved is that in computing income tax on the cash basis, the farmer reports as income only those commodities he actually sells and re-



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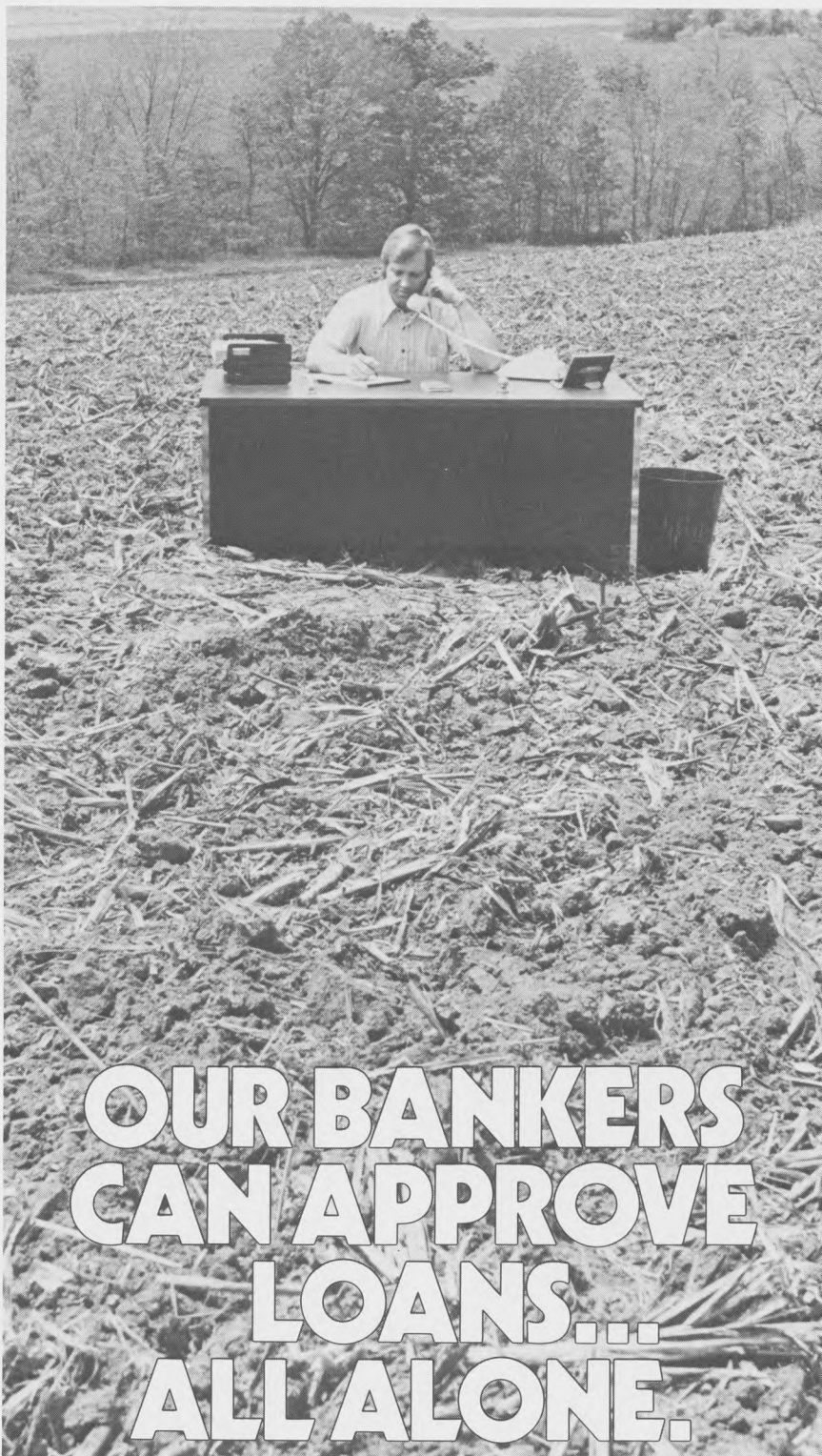
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ports as expenses only those he actually pays. Thus, cash-basis reporting offers great flexibility for the outside investor to use in conjunction with other income to achieve tax-saving objectives. Crops can be stored and held to delay income; supplies, fertilizer and seed can be purchased ahead to increase deductions.

The real plum in the 1978 tax-law changes may be in the reduction in tax on capital gains. The reduction from 50% to 40% of long-term capital gains that must be included in taxable income can be used to advantage on an operating farm, especially one that involves a commercial livestock operation. When land is sold, this improvement in the capital-gains treatment and the new "alternative minimum tax" may result in tax savings as well.

**Federal Land Bank Lending
Reaches Record Levels**

WICHITA — Farmers and ranchers have relied on the Federal Land Bank of Wichita for record amounts of long-term borrowed capital during the first eight months of 1979, according to bank President William S. May. The cooperative lending institution provides agricultural real estate financing in Kansas, Oklahoma, New Mexico and Colorado.

Mr. May's comments came as he an-

THE FEDERAL LAND BANK OF WICHITA

Financial Highlights
August 31, 1979

Mortgage Loan Balance	\$3,151,721,897
Number of Loans Outstanding	552,077
Capital	\$278,457,386
Provision for Losses	\$47,117,854
Bonds Outstanding	\$2,619,939,000
Systemwide Discount Notes Outstanding	\$237,144,175
Total Assets	\$3,354,518,141

For the Year to Date (eight months)

New Loan Volume	\$493,351,572
New Loans Closed	6,642

nounced two significant milestones in Land Bank lending — achievement of \$3 billion in loans outstanding and attainment of a new lending record by the third quarter of 1979.

"It took 57 years for our bank to reach \$1 billion in loans outstanding," Mr. May said, remembering the occasion in October, 1973. "We have since tripled loan volume in less than six years."

As recently as last year Mr. May had
(Continued on page 68)

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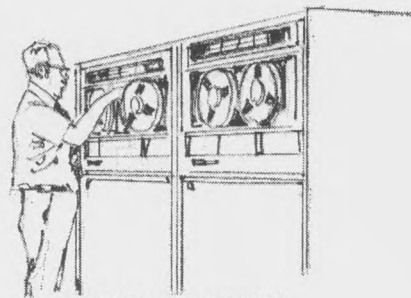
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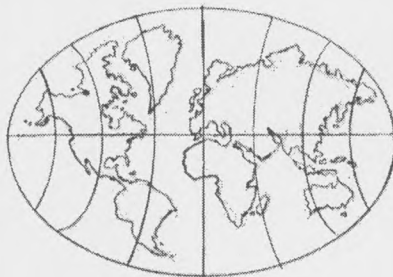
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. . . Twelve Years Later

PREDICTING change with any degree of accuracy occasionally is possible. However, in the late 1960s, a view of the future helped make today's banking possible.

In the years after World War II, expansion of the suburbs changed the financial industry. Ultimately, this resulted in some states permitting

By **BURNELL BALFANZ**

branch banking, while nearly all institutions reached out to meet the needs of retail customers with walk-in and drive-in facilities.

Time proved that meeting customer needs would be a costly process:

brick-and-mortar branches, more employees, increased taxes, rising energy costs and a growing mountain of paperwork to record all those transactions. Moreover, widespread branch networks required more extensive security. How could technology help? In the late '50s, automation applied to "back-office" operations was aimed at reducing paperwork. Later, electronic teller terminals were connected to storage devices for subsequent computer processing. But advancing technology tied the terminals on line to the computer mainframe, permitting instantaneous recording and updating of account information, thus advancing operational efficiency.

The ABA was aware of the potential impact of new technology not only on back office procedures, but on relationships with retail customers. As a result, at its automation conference in 1967, the association focused on the "Bank of the Future." How would technology impact it? What investments would be required to bring it to reality? What were the applications?

Diebold's concept of "Bank of the Future" was unmanned banking facility called "Satellite" and was introduced at 1967 automation conference.



May 3, 1974, was day "Bank of the Future" first took tangible form in Decatur, Ill., when nation's first Diebold Total Automatic Bank System (TABS) went in service at Citizens Nat'l. Bank president J. L. Hunter (l.) and E. F. Wearstler, e.v.p., Diebold, hold ribbon during opening ceremonies, while Malinda Staiger prepares to cut ribbon.





LEFT: At First Nat'l, Dickson, Tenn., "Mr. First 24-Hour Banker" delivers customer services through Diebold TABS, installed in Diebold Remote Transaction Facility.

RIGHT: Florida Nat'l Banks, Jacksonville, provide additional market coverage with Diebold-built Remote Transaction Facilities and TABS.



In East Dallas, Tex., First City Bank recently installed facility equipped with TABS. Pictured: Joseph H. Brokaw, pres.

Commercial Bank, Liberty, Mo., extends customer convenience through Diebold TABS and Remote Transaction Facility.

How would legislation affect its development?

Many companies exhibited at that convention, but perhaps the most promising idea came from Diebold, Inc. Originally a security equipment manufacturer, the company had redefined itself to meet the needs of the financial industry not only for protection (alarms, surveillance cameras, vaults and safes), but also for systems to deliver financial services to retail customers (drive-in tellers and other customer-operated devices). In the late '60s, Diebold already had begun to apply computer-age technology to providing protection and financial service delivery systems for the financial industry.

At the ABA's automation conference, Diebold's concept of the "Bank of the Future" was the "Satellite," an unmanned banking facility that could be installed in any public place. A bank's customer could insert his identification card in an operating panel slot, and a teller would appear on a TV screen. After the customer entered a secret number on a push-button panel, banking business could be conducted via electronic impulses. Conceptually, the Diebold Satellite looked ahead to

the not-yet-developed automatic teller machine (ATM). Wire services, newspapers and magazines boldly carried the story coast to coast. Was the concept a vision never to be seen? How accurate was the prediction?

In 1968, a bank tested the first point-of-sale (POS) instant-transaction system, with terminals in local stores. Also in 1968, another bank installed several remote cash dispensers in a large eastern city. It appeared as though the concept was underway, yet early experiments were less than a complete success. Customers weren't ready to interact with computers. Banking was still a "people business," and each financial transaction, whether with a machine or a live teller, had to meet human needs.

COVER: C&S Bank, Charleston, S. C., has most successful record with its Diebold TABS and Remote Facilities units. See additional article on page 29, describing how bank achieved 50% customer usage of its 60 units within five-month period.

Diebold recognized both the cost effectiveness to the financial industry of automating the delivery of services to the retail customer and the needs and desires of the financial institution's customer. Early experiences in automation clearly had established that customer acceptance was paramount. The customer must receive all the usual banking benefits — convenience, multiple services, easy access and availability, plus additional benefits, like 24-hour service, privacy and security.

In 1971, Diebold began by selling a cash dispenser to the financial market. Concurrently, the firm began developing a system that incorporated both the human engineering principles learned during the past decade of marketing drive-in and remote-banking systems and conceptual criteria of the "Satellite." Diebold had planned and was making significant investments in electronic research and development to bring to the marketplace an automated delivery system that met the needs of both bankers and customers.

Results of those investments were manifested in late 1973, when Diebold introduced the TABS® (Total Auto-

matic Banking System).

The first TABS 500 full-service off-line ATM, controlled by a mini-computer, was installed at Citizens National, Decatur, Ill. Diebold's experience in customer-operated equipment helped these new machines gain broad customer acceptance. A familiar TV screen displayed instructions. TABS "asked" hesitant customers if they needed more time and repeated instructions when necessary. As an option, TABS even offered video communication with a human teller.

Meeting the customer's needs, both psychologically with human engineered systems and economically with time convenience and multiple services, was a major requirement.

Also paramount was the requirement to automate the delivery system with an automatic teller that would communicate on line with existing installed computer systems. A contingency for off-line reversion also was necessary because in the on-line world, 100% computer uptime is a goal, not a reality.

On-Line Systems Included

In recognizing requirements of both the customer and financial institution, Diebold expanded its TABS to include on-line systems, TABS 600, that could communicate with virtually all mainframes and on-line systems that could revert to an off-line mode, TABS 550, if phone line or mainframe downtime occurred. Thus, customer uptime would be unaffected by system problems.

Further, Diebold recognized that cost effectiveness and improved price-performance ratios were increasingly important to the financial community. That resulted in the TABS 5510/610, whereby a network of TABS could be installed, all managed by their own controllers, which, in turn, could be connected to the financial institution's mainframe. Thus, by applying newer technologies to automatic banking systems, Diebold has continuously introduced systems that deliver important benefits to both customers and the financial community.

Diebold's next ATM product, the TABS 9000 series, employed micro-processor technology to provide expanded services in an even more cost-effective manner. Because the on-line 9000 series is software-controlled, it can be installed modularly as a full-service ATM, or as a cash dispenser, or to deliver any combination of retail financial services. Further cost enhancements may result because the

Fits in With Neighborhood



This elegant-looking structure in French provincial style houses Lakewood Bank of Dallas' new remote motor bank. It was designed to conform with the architecture of the adjacent Swiss Avenue Historical District. Lakewood Bank is the leading lender in this district's and Old East Dallas' home-restoration programs. The bank has loaned \$7 million to buy and restore old houses. The 5,000-square-foot building is white brick with green trim and has a mansard roof of green clay tile shingles. Teller stations face 12 drive-through lanes, which are sheltered by a 7,000-square-foot canopy. A separate area, equipped with a kitchen, is complemented with a fireplace. The motor bank is equipped with a pneumatic-tube teller system, night depository, safes, undercounter equipment and alarm systems from Mosler Safe Co.

TABS 9000 series was designed to overlay on many existing data-communications lines, thus eliminating the expense of dedicated phone lines. This product's design is directed toward the on-line large, high-transaction volume market where simplicity, speed and reliability become increasingly important requirements.

Diebold's investment in the future included a new Electronic Research and Development Center, built in 1971 and since expanded three times, and a new manufacturing facility designed exclusively for production of electronic systems. Equally important, Diebold recruited personnel with data-processing and communications skills, thus bringing the latest in technology to the service of the financial industry. Concurrently with TABS development, Diebold personnel were researching and designing micro-computer-based proprietary alarm systems to harness the power of micro-processor technology to monitor headquarters facilities and the entire branch bank network of offices and off-premise ATM installations. What with the bank's investment in communication networks, Diebold proprietary alarm systems are designed to piggyback over many existing data-communication networks, thus adding further return on the phone-line investment.

With bank computerization of pro-

tection and delivery of customer services, reliability becomes an extremely important factor. Diebold TABS and proprietary alarm systems are designed for dependability. In addition, a national service organization with more than 270 locations helps Diebold systems remain reliable, plus a computerized TABS management-information system tracks every component of every ATM installation to provide more predictable performance. For example, simultaneous monitoring and analysis of installations from St. Louis to Tulsa to Little Rock to Knoxville, Tenn., can detect regional and national trends that affect customer uptime. Not only are training classes provided for Diebold personnel, but every customer institution receives initial and ongoing training for their own people who have to make the ATM program work for their retail customers.

Marketplace Acceptance

The result has been outstanding marketplace acceptance and system performance. Diebold ATM customers include such financial industry leaders as Citibank of New York City's subsidiary, Transaction Technology, Inc., and Bank of America, San Francisco, as well as institutions with strong geographical influence. As today's banking looks to a future of continued high construction costs, salaries and benefits, the ATM will be seen as an even more cost-effective method to reach the retail customer.

And Diebold? The master plan is paying off. The vision in 1967 with the "Satellite," investments in facilities and people and Diebold's knowledge of the financial community and its customers have helped transform Diebold today into an electronics and computer-oriented corporation, with a major share of the new ATM market. These investments in technology, staff and facilities place Diebold in a strong position to continue this outstanding performance in the 1980s.

According to Board Chairman and Chief Executive Raymond Koontz, "Diebold is in the business of providing equipment and systems to the financial community. For more than a century, we have been meeting the needs of our bank customers. We are no longer known as solely a security company because banks need more than protection. Banks need the competitive edge; we see this edge in applying computer technology to better serve the retail customer and to protect his assets." ● ●

An ATM Success Story . . .

50% Usage . . . Within Five Months!

M. Marshall Weems, senior vice president and director of marketing of South Carolina's C&S National Bank, went all out to introduce ATMs in free-standing banking units. Efforts paid off handsomely. Educating the customer was the key. Headquartered in Charleston, the bank boasts 60 of these units throughout the state.

THE LARGEST single program we've undertaken in recent years was the introduction of our statewide system of ATMs. We were certain that the system's success — or failure — rode on community and customer awareness and their ultimate acceptance.

From the day we determined that ATMs were the "way to go," we established strict criteria for every step in our implementation program. We felt there were three critical areas: (1) capability, (2) convenience and (3) communications.

By M. MARSHALL WEEMS

We believed capabilities of our ATMs would be instrumental in providing a truly viable alternative to the way most customers presently use their bank. We wanted to position our ATMs as an alternative to using a banking office during regular banking hours (9-5 daily in most locations), as well as an after-hours alternative. We also wanted to position the ATM as more than a cash dispenser.

To accomplish this, we first merged customer records together into a CIF (customer information file). This would allow the customer access to *all* his basic consumer accounts with the bank. These records were put "on line."

We then determined the type of transactions we would offer. We initially offered 29 transactions, ex-

panding to 30 transactions several months later. We selected the Diebold Tabs 610 as our ATM.

Convenience was our second major criterion. We felt that the ATM needed to be as convenient as our branch network.

Neighborhood ATM sites were selected on 10 criteria. Alternate locations were selected on the basis of population density, amount of traffic (driving and walking) and accessibility to (and from) local retail merchants where our customers normally would shop. Also important: the ATM's visibility and ease of access.

Using these and numerous other criteria, we established 10 ATM sites in Columbia for the November, 1977, kickoff. Five were installed through the walls of existing branches; four were free-standing, housed in their own little buildings called remote-transaction facilities (RTF). One was a lobby model. Since then, we have in-



A MOBILE VAN, completely equipped with ATM and supporting materials, brought demonstrations to doorsteps of C&S customers, adding much to bank's educational program.



ON THE COVER: Financial Wizards, in 60 locations, are establishing new banking habits in South Carolina.



The bank's newsletter, *Action Ideas*, which had gained customer recognition and acceptance over a four-year period, was used extensively to "educate" the bank's customers on the convenience of electronic banking.

That series was followed by an introduction to the ATM, with such headlines as: "Some very unlikely people are becoming Financial Wizards"; and "You'd be amazed how easy it is to become a Financial Wizard."

Supplementing mass-media exposure, we used a variety of conventional handouts and mailers geared toward creating a positive image — thus gaining the awareness we needed.

Gaining acceptance and use — a tougher nut to crack

While extensive advertising most certainly achieved the goal of gaining customer and community awareness, we still faced the larger challenge of getting people to *use* the machines.

It is a traditionally — and correctly — accepted fact that the public generally resists change, particularly in regard to the way they handle their finances.

The third tier of our introduction focused on usage and contained four areas:

1. Mailings
 - a. Card/PIC explanation mailer
 - b. Card mailings
 - c. PIC mailing
2. Demonstrations
 - a. Roving Ambassador demonstrator ATM
 - b. Hostesses at each ATM
3. Staff solicitations
4. Customer newsletter

To get customers to become Financial Wizards, our first step was to get "cards" into their hands.

The initial mailing, which C&S customers received, was a one-piece flyer providing them with notice they would soon receive their Financial Wizard Card, followed by their personal identification code (PIC).

Following this exposure to our new program, customers were encouraged to witness demonstrations at convenient ATM locations, assisted by one of the hosts or hostesses on duty. To expand the exposure — and to break through the resistance of having customers go to the ATM locations — we took it to them with our Roving Ambassador — a mobile van equipped with one of our ATMs and all supporting

(Continued on page 64)

creased that number to nearly 60 locations throughout South Carolina.

Our commitment to locate machines on a statewide basis was a sizable one, financially. But, aside from the ATMs' capabilities and from choosing the right locations, we were aware of the numerous problems — and entire ATM network failures — that have resulted from lack of community and customer *acceptance*.

Our entire communications (the third key area) effort was, therefore, geared toward convincing customers to use the machines — to become "Financial Wizards." A per-machine monthly goal of 5,000 transactions was established.

Planning and communications paid off

Columbia had a large DDA base at the time we introduced our ATMs. Within six months we had documented a customer-use level of 50%. Over 30% of our customers had used the machines more than six times for one month.

And we have exceeded our per-machine goal — with many ATMs averaging 10,000 or more transactions monthly!

Traditional resistance — how we broke it down

Awareness. Acceptance.

The key to achieving awareness is

30

sound advertising. The key to attaining acceptance, however, is pure and simple, customer *education*.

With these two intangible goals in mind, we structured the communications phase of our introduction on three tiers.

The first tier of our communication plan was to develop an overall theme and graphic plan. The theme "Financial Wizard" was selected because it put the focus where we wanted it — on the customer. The C&S customer becomes a Financial Wizard because he is in control of his accounts any hour, any day. Strong graphic interpretation of this theme was developed and each ATM location was made highly visible with an extremely strong signage and machine identification effort.

Gaining customer — community awareness

The second tier was comprised of three areas:

1. Pre-kickoff teaser ads
2. Kickoff advertising
3. Peripheral materials (lobby posters, pamphlets, specialty giveaways, etc.)

Our campaign broke with a series of "teaser" ads on television, newspaper and radio. These ads focused on the theme: "On September 1, some very unlikely people will become Financial Wizards."

Saturation-Level ATM Campaign Left Few in Enid Unaware

SATURATIONAL-LEVEL advertising left "few Enid, Okla., citizens unaware" that Central National's automated teller machines (ATMs) were approaching their one-millionth transaction.

Leading the charge to one million were two ATM units in free-standing buildings in shopping centers, where each unit handles 370 to 390 transactions daily or more than 11,000 a month.

Advertising for the one-millionth transaction featured humorous radio spots between two "network-type" announcers. Newspaper ads carried a dialogue between the two, and cardboard cutouts of the announcers were placed in the main bank lobby and the Vance Air Force Base facility. Advertising "ran at saturation level," said F. Gordon Hubbell, vice president/marketing, "and there were few Enid citizens who were unaware of the event.

"Our goal was strictly image enhancement. Judging by the amount of publicity we received locally and in the trade press, this goal was reached."

The husband and wife who made the

one-millionth transaction — "which occurred a little sooner than I had expected, but still consistent with our media plan," Mr. Hubbell said — won a five-day expense-paid vacation to Acapulco.

ATM promotions are almost a way of life at Central National. "We weren't the first bank in town to use ATMs," he said, "but we did our homework and then promoted like crazy."

Sixty days before the Anytime Bank ATMs began operating in March, 1977, the bank launched a campaign that included teasers and educational information, "all building up to the big opening date, striving for a sense of excitement and some suspense," according to W. L. Stephenson Jr., chairman/CEO.

"To heighten interest and entice our customers to come in and use the equipment and thus, see how easy it all was, we deviated from long-standing policy and decided to offer gifts or premiums to these users during the first 30 days," he continued. Four hundred \$25 savings bonds were awarded and "there was hardly anyone who didn't personally know one or

more winners," Mr. Stephenson said.

In addition, Central National placed "field attendants" at the four units — one each at the main bank, Vance Air Force Base and the two shopping centers — for 30 days. "It's frustrating, we believe, to try the operation and have it fail," he said. "These training operators could show them what they did wrong and how to use it correctly. From the comments we received, this personal attention was important. We are convinced it was the proper thing to do.

"Everyone was part of the show. In addition to the special 'field attendants,' many hours and days were spent in training everyone on our staff, including the custodians and maintenance crews. Our goal was to make every officer and employee thoroughly familiar with 'Anytime Banking.'"

"In short," Mr. Stephenson explained, "we made a total commitment to spare no effort to see that this new customer service was a success."

After the initial 30 days, the field attendants were removed. "Our usage started strong the first day and it's picked up ever since — we've been on

COUNT DOWN.

MARK: This is Mark
LARRY: and this is Larry
MARK: standing by in Enid, Oklahoma for Central National Bank's one millionth Anytime Bank transaction.
LARRY: Mark, where do we stand right now?
MARK: Just above nine hundred thousand transactions, Larry and counting down!
LARRY: Uh, Mark, uh... I've never asked a really big favor before... have I? But, uh, I, uh, have always wanted to do a real countdown.
MARK: So?
LARRY: See, I used to watch the atrocious launch... Chris Craft was the voice of Mason Control in Houston, remember?
MARK: The squawker depends on how often people use their Anytime Bank Card
LARRY: and he'd say, "minus twenty minutes and counting. All refills are gone."
MARK: and because there are five different Anytime locations, it's more an actual countdown, kinda tough.
LARRY: This is Chris Craft in Mason Control... we're at 1: minus ten minutes and counting... we're still on a green light!
MARK: Ah, Larry, I don't think you understand.
LARRY: We're inside one minute... 10, 9, 8
MARK: Hey, Larry!
LARRY: 7, 6, 5... we have ignition.
MARK: Larry!
LARRY: 4, 3, 2, 1... we have power.
MARK: Ladies!
LARRY: we have lift-off!
MARK: Larry! Stop! Come down... we're still at nine hundred ninety-nine thousand.
LARRY: Oh, yeah... sorry, pal... Uh, I kinda got carried away.
MARK: Feel better?
LARRY: Sure do!
MARK: Good. This is Mark
LARRY: and this is Larry.
MARK: standing by in Enid, Oklahoma for Central National Bank's one millionth Anytime Bank transaction.

CENTRAL NATIONAL BANK AND TRUST COMPANY OF ENID
Member FDIC

Listen for Mark and Larry on KRCR, KGWA, KNID, and KOFM as we continue our countdown toward the one millionth Anytime Bank transaction.

Advertisement for Central Nat'l, Enid, Okla., countdown promotion (above). Right, Mr. and Mrs. Todd R. Parker, who made



winning one-millionth ATM transaction. Parkers are band directors in Enid school system. At l. is W. L. Stephenson Jr., ch./CEO.

a straight upward curve," he said. In the four-unit network's first three months, transactions totaled 66,875. The through-the-wall units at the main bank and at Vance Air Force Base were — and remain — the lowest-usage units.

"The highest activity is in the free-standing facilities located in shopping centers," Mr. Stephenson noted. "These locations now are running between 370 and 390 transactions per day per machine. That's in excess of 11,000 transactions per month per machine." A third air-conditioned, free-standing building (custom designed by Cawthon Building Systems of De Soto, Tex.) was added in February, 1978.

The free-standing ATM structures, which can be relocated as needed, have proved popular with Central National customers. Observed Mr. Stephenson: "In analyzing these transactions, it's obvious that these facilities are being used as banks. Customers'

payroll or dividend checks are deposited there. Customers are going to the ATMs on their way home from work, stopping and making deposits. That's great, exactly what we had hoped for. We wanted the little mini-branch approach and, by our results, that's what is happening."

The five-ATM network currently handles about 40,000 transactions a month. Units take savings and checking transactions, process transfers, accept loan payments and disburse prearranged loan funds from "Checkmate," Central National's overline checking program. The ATM in a shopping center on Enid's west side handled a record 12,000 transactions in June.

Mr. Hubbell, the marketing vice president, attributes the ATMs' success to a strong cross-selling effort and continuous advertising campaign since the machines were installed. "About 60% of our marketing budget for per-

sonal banking goes to the Anytime banks." The campaign focuses on customer convenience in newspapers and on radio and billboards.

The countdown to the one-millionth transaction was an extension of the on-going Anytime Bank advertising. "Count Down" in boldface type headlined newspaper ads which printed the humorous radio scripts. Small type urged readers to listen to local radio stations "as we continue our countdown toward the one-millionth Anytime Bank transaction."

"I do not believe any increase in ATM usage at the time is attributable to the campaign," Mr. Hubbell said, adding "it was not our goal to increase transactions activity." The prize, therefore, was kept a secret until the lucky couple made the one-millionth transaction just minutes before the bank opened early August 4. ●●

ATMs Blend With Bank's Architecture

WEAVING the prominent architectural features of a parent bank's main building throughout its free-standing ATM system has been one of the objectives of Cawthon Building Systems, DeSoto, Tex.

Bank of Oklahoma, Tulsa, has nine ATM facilities in Tulsa County with an architectural kinship with its downtown 52-story, modern bank building, says Larry Cawthon, president of the building company.

According to Mr. Cawthon, two other good examples of continuing the parent bank's architectural theme are American National, Shawnee, Okla., and Fourth National, Tulsa.

Several banks use the free-standing ATMs as test sites for a possible future

branch bank or because they are cheaper than a manned branch.

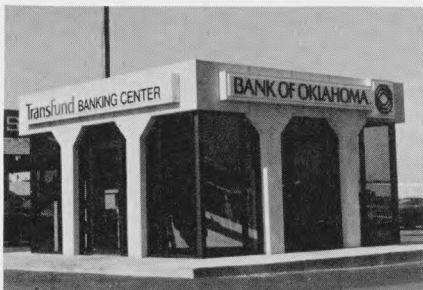
"Using a free-standing ATM in lieu of a manned branch is cheaper," Mr. Cawthon says. "The land costs less because much less is required; the building costs less and the equipment and operating expenses are materially reduced with no payroll cost."

First National, Shreveport, La., has used several of Cawthon's buildings to pretest marginal projected branch sites.

"With a relocatable ATM building, a bank can test the site and either leave it as an ATM branch or replace it with a manned branch," Mr. Cawthon says. "In either case, the ATM interval has been well worth the investment."

Commercial National is another Shreveport bank that has decided to offer 24-hour banking services to its customers through Cawthon relocatable ATM buildings. The bank plans four such buildings in shopping centers and will install five ATMs in walls of manned branches.

Mr. Cawthon recommends these relocatable buildings to any bank that needs to expand either its main building or its drive-in. He describes these buildings as an excellent new tool that increases convenience and service to a bank's customers and, at the same time, lowers a bank's cost and increases its profits. ●●



As shown by these photographs, relocatable ATM buildings can have many types of architecture. At left is one with a column-effect built for

Bank of Oklahoma, Tulsa. Fourth Nat'l, Tulsa, is shown in center. At right is modern facade of Commercial Nat'l, Shreveport, La.

Banks Find New Ways to Promote ATMs

AUTOMATED TELLER machines (ATMs) are not new to banking, by any means. However, such equipment undergoes constant refinement and improvement, and banks that install these ATMs constantly are looking for ways to promote them and encourage their customers to use them as often as possible so that their investment will be justified.

Some banks introduce their new ATMs with special promotions; others use various milestones to call attention to their ATMs and still others employ new twists to get still more mileage out of their ATMs.

Following are examples of how two banks are using ATMs to their advantage:

Hutchinson (Kan.) National struck up the band when it introduced its nine ATMs. Dignitaries boarded two buses led by a police escort and followed by an antique fire engine. The calliope mounted on the fire engine's back provided the music for the mini-parade.

Mini-parade goers went to each of the bank's Via Center locations to snip the red, white and blue Via streamer across each door. A. J. Collins, bank chairman/CEO, removed the key from each door and threw it away.

"The Hutchinson National Via centers never again will be locked," Mr. Collins said. "From now on, there's 24-hour banking."

Hutchinson National has become a

part of the Via system, a state-wide EFT system, operated through Fourth National, Wichita. Through it, customers can make deposits to checking and savings accounts, withdraw cash from either account, transfer funds and make balance inquiries.

Free-standing buildings are Diebold remote-transaction facilities and feature both walk-up and drive-up designs. Each is equipped with a TRW Teller-matic 8000 ATM.

Steve Parker, marketing officer, said that the drive-up units were custom designed. "We're the first bank in Kansas to have drive-in ATM units. And people seem to be using the drive-in units more late at night than the walk-in units" for safety reasons. Peak use of the ATMs in this town of 50,000 is Friday nights after bank hours and weekends.

During its first two months of operation, the machines averaged 10,000 transactions per month. About 35% of those were balance inquiries. Customers are making more deposits than withdrawals, Mr. Parker said. "There has been a three-to-one ratio of deposits to withdrawals. About \$450,000 has been deposited compared to \$150,000 withdrawn per month."

The bank has distributed about 11,000 Via cards to 7,000 account holders. However, only about 48% have requested personal identification numbers (PINs), necessary to activate the system. Therefore, the new system



Local dignitaries crowd in one of Hutchinson (Kan.) Nat'l's nine Via ATMs at grand opening. Via system was developed by Fourth Nat'l, Wichita.

has about 3,500 actual customers, Mr. Parker said.

ATMs are located in the eastern, western and northern sections of town. A store-front Via Center with a walk-up ATM was established in a central location. Also, an ATM has been installed in the main bank lobby downtown.

Creating friendly competition within its main lobby is Fifth Third of Cincinnati's "teller line" ATM. The ATM is located directly adjacent to its teller staff.

"The lobby unit will give our customers an option on how they want to transact their business," said Robert A. Cline Jr., senior vice president/consumer banking division. "Hopefully, our customers will use the ATM for more routine banking and will visit a teller or branch manager when they need assistance in opening accounts or financial counseling.

Also, use of the ATM should help reduce customer-transaction costs. According to bank figures, in 1979, it cost 31 cents for an ATM deposit compared to 67 cents for a deposit made via a teller. It costs 25 cents for an ATM withdrawal compared to 51 cents for one made via a teller.

ATM analysis took into account costs of depreciation, telephone lines, pro-



Customer uses drive-in ATM unit at Hutchinson (Kan.) Nat'l. Walk-in unit faces shopping center. Buildings are Diebold remote-transaction facilities.

gramming, employee servicing and maintenance crews, while teller analysis focused on costs of salaries, benefits, equipment and other operational costs.

Presently, the bank's teller staff handles about 4,000 monetary transactions per month per teller. Based on this, Fifth Third hopes to average 5,000 total transactions per month on its "teller-line" machines during the

first six months of operation. Mr. Cline believes that figure will climb to 7,000 transactions after 18 months.

Plans are to install five additional teller-line machines by the end of 1979. All are on-line, allowing customers to pay bills via telephone, make cash withdrawals, transfers, deposits and balance inquiries.

Since introduction in April, 1977, Fifth Third's ATM system has logged

more than five million successful transactions with more than 10,000 transactions made in May, 1979. More than 946,000 deposits have been made since April, 1977, and more than 51,000 deposits were made in July.

More than one million bill-paying transactions have been made since its introduction in May, 1978. During May, 1979, more than 109,000 bills were paid through the system. ●●

Future Is Big! for Drive-ins

“WE DIDN'T start out planning to build the world's largest drive-in banking facility,” said Ronnie Henry, senior vice president and cashier of Amarillo National, “but the bank is always looking toward the future and prides itself on being a leader in the Amarillo community. Because of this, when it came time to think about opening a new motor bank, we wanted one that would be a great asset to the bank and to Amarillo as a fast-growing city. When we finished with the design, our hardware vendors told us that no other bank had as large a single drive-in facility as Amarillo National.”

Amarillo National, a family-owned bank since 1892 and the second largest in the Texas panhandle with \$300 million in deposits, is a full-service bank for customers in the Texas and Oklahoma panhandles and in New Mexico. For several years, it has been an active correspondent bank.

A lot of time and planning went into the new facility, which will open in November.

“We evaluated the size of the existing drive-in bank as well as the traffic build-up and the number of customers who had to wait at peak times,” Mr. Henry recounts. “On the basis of this information, we decided that a facility of about 20 lanes would do the job.”

The next step was to look for the space to accommodate the big facility. Amarillo National selected a block of land bounded on the east and west by two major thoroughfares leading into and out of Amarillo and less than 2,000 feet from the main bank building to comply with rulings prescribed by the Texas banking code for a motor bank facility.

Traffic surveys indicated that on any given day, approximately 29,000 cars drive by the inbound side of the motor bank; and on the outbound side, about 22,000 cars pass the facility.

The final configuration of the new drive-in bank calls for 21 lanes in front, a drive-through automated teller and two lanes behind the structure to handle commercial business and large deposits. The entire structure is designed for motor banking. The night depository has even been lowered so customers won't have to get out of their cars.

The front lanes are head-on, pneumatic-tube drive-up lanes to handle normal banking transactions. For these, as well as for the vault and alarm, Amarillo National will use Mosler Trans Vista III equipment.

“In our continuing push to promote ATMs, we decided to put one in our new facility,” Mr. Henry said. “The ATM, a Diebold unit, will be available 24 hours a day. The ATM in our main bank averages 12,000 transactions each month, and we're expecting the new unit to top that.”

The commercial lanes are wider than usual for the convenience of the customer transacting business from a truck or van. These lanes are using a new electrically driven unit from the LeFebure Corp. that will handle up to 50 pounds of change.

“As far as we know,” Mr. Henry said, “Amarillo National will be using one of the first production models of this unit in the U. S.”

Another new facility in the motor bank will be terminals from Signature Technology which allow the customer's signature to be digitized. The signature is kept on disk, and the teller can recall the balance information necessary to service the customer and, at the same time, have a record of the signature on the display screen.

“This innovation should cut the customer transaction time from about five minutes to about two minutes,” explained Mr. Henry. “We'll now have a better opportunity to know our customers and to give them better protec-

tion.”

It is expected that both Amarillo National and the city of Amarillo will benefit from the new drive-in facility. The primary benefit for the city is a banking facility that operates speedily for customers banking from their automobiles. The motor bank is close to the city's main thoroughfares and 700 customers an hour will be able to go through the facility. ●●

Bank Building Corp. Buys Building Subsidiary From Diebold, Inc.

Bank Building & Equipment Corp. of America (BBC) of St. Louis and Diebold, Inc., Canton, O., announced last month that they have agreed in principle to the acquisition for cash by BBC of Diebold's manufactured building subsidiary, DCS, Inc. The DCS plants in Clearwater, Fla., and Las Cruces, N. M., provide manufactured financial buildings, mini-banks and remote-transaction facilities to banks, saving and loans and credit unions.

Diebold, Inc., will continue to sell the manufactured-building line under a marketing agreement with BBC. Diebold stated that this change would provide the same buildings and services as before, with the additional strength of BBC's regional sales, architectural and construction management capabilities.

Representing principals in acquisition are Earl F. Wearstler (l.), e.v.p., Diebold; Carl Weis (r.), pres., Bank Building; and (standing) Joseph A. Smith, ch., Bank Building.





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Converted Pre-Existing Structures

House Banks With Character

WHEN the time comes to expand or simply relocate a bank's facilities, most bank executives automatically think first of acquiring real estate, clearing it of any encumbrance and constructing a completely new building.

Sometimes that's a good decision. But other times, a better answer is to convert an existing structure.

What kind of structure?

Depending on the institution's requirements, just about any type of building can be put to banking use: railroad stations, movie theaters, grocery stores, filling stations, bowling alleys — the list is endless. Location often, if not always, is the most important single factor in making a decision.

The choice between building new or converting an existing building requires careful analysis of all factors. In many cases, it will turn out that conversion represents substantial savings over new construction — but this is not the only consideration. Other factors also can be important:

How soon is the new space needed for occupancy? Conversion often is the quicker road to take when time is a factor.

Is the existing structure well suited to its neighborhood, perhaps a landmark? Good public relations often suggests the desirability of changing outward appearances as little as possible.

Can weather interruptions be minimized? A standing building that's sound from foundation to roof means

that rain, snow and ice won't be much of a problem.

These are just a few of the considerations Bank Building Corp. takes into account when advising a client on his decision. Since the firm is equally prepared to supervise either a conversion or a completely new construction, its advice is impartial and based solely on what best fills the customer's needs. It has a wealth of experience in both types of operation.

From its files, Bank Building has selected, pretty much at random, six examples of successful conversions that illustrate the variety of possibilities: a private club building, a filling station, a drive-in ice cream shop, a private residence, a medical clinic — and a bank that became a barbershop, then was turned back into a bank. Cost figures are the confidential information of clients, but, generally, what was spent was substantially less than what new construction from the ground up would have required.

Club to Bank

When Illinois banking laws were slightly liberalized in 1975 to permit a bank to have a "detached limited-service facility" within two miles of its main office, Merchandise National, Chicago, found the opportunity it was waiting for. Its main office was in the Merchandise Mart, but it wanted also to have a facility farther north near Chicago's famed "Gold Coast."

By happy coincidence, the Germania Club in this neighborhood was

looking for a suitable tenant. The ethnic organization's building had been erected in 1885, and it wanted someone to move into the available space whose occupancy wouldn't conflict with the club's mid-Victorian atmosphere.

The answer Bank Building devised for its client was to pattern the facility as "the new old-fashioned neighborhood bank." The basic construction, furniture and decor all recapture the appearance and mood of the turn of the century. Tellers' counters are made of walnut with polished granite tops — a granite echoed in the patterned floor. Chairs are upholstered in rich reds, golds and browns. Brass and leather are found in abundance; transoms over doors and windows are made of leaded and beveled glass. Three crystal chandeliers hang from the ornate ceiling. Even the illustrations on the walls are framed scenes from the 1893 Chicago World's Fair.

The bank's facility now occupies 2,000 square feet of space on two levels, with an equal amount of space earmarked for future expansion. "We didn't skimp on the construction," says Merchandise Bank President John Cooley, "but compared to what a new building would have cost, we came out way ahead. And the facility has become a showplace that gets wide publicity."

Service Station to Bank

The same liberalized Illinois banking law made it possible for Oak Park Trust to open a facility about a mile from its downtown headquarters. The location the bank chose was occupied at the time by an abandoned three-bay-automobile service station. Within three months, it was transformed from a blighting eyesore into a neighborhood asset and, incidentally, a valuable stimulus to the bank's business. Located on a busy highway leading to downtown Oak Park, the 1,800-square-foot, one-story facility is convenient to the bank's regular patrons driving to and from work.

"This newest facility cost less and is larger than our Harlem facility, which we built from scratch," says Vice President Edward Randall. "Even



Club
to Bank



**Bank
to
Barbershop
to
Bank**

though we had to make a lot of changes to convert a filling station into a banking facility, it was still cheaper than new construction.”

Ice Cream Shop to S&L

When Falls Federal S&L, International Falls, Minn., needed to expand, it had two alternatives. It could take over two adjoining business properties and add them to its present space — but that still would leave the S&L in the middle of a business block, with the possibility of facing the same problem in a few more years. Or it could relocate somewhere nearby where there was more room.

When the neighborhood Tastee-Freezie ice cream franchise ceased operations, Falls Federal had the answer to its problem. The ice cream store, with its parking facilities, occupied six corner lots a block away. The building itself was well constructed and contained enough space for the savings and loan firm’s immediate needs; the parking area could be adapted for a needed drive-in facility, and there was still room enough for a bigger building when this was needed.

“At first, we expected to tear down the building and start from the beginning,” says President John Son-torovich. “But when we and Bank Building Corp. studied the figures, it turned out that we could convert the ice cream parlor to our purpose in half the time and at half the cost. The furnace and the air-conditioning system were in good shape, and because the remodeling work was almost all inside, we didn’t have to worry about the weather.

“The new location has made a big hit not only with our employees but with our depositors. In the first year after we moved in, our deposits doubled.”

House to Bank

Cost-saving, as such, wasn’t the most important consideration when

Home National, Arkansas City, Kan., chose a 40-year-old residence as the location of a new facility. More important was the bank’s relationship with the community it serves. Although the neighborhood selected, originally all residential, was near the city’s primary commercial development, this particular house had been designated as a landmark by the local historical society.

So rather than tearing down the stone-and-frame building and clearing out the trees and landscaping, Home National decided to preserve the original atmosphere as much as possible. A necessary addition to the building was constructed of stonework closely matching the original structure. The adjoining garage was replaced by a safe deposit area, and two remote drive-up tellers’ windows were installed under a canopy where a sun porch had originally been located.

“We wanted to keep a friendly-type atmosphere,” says President Roger Brown. “A lot of banks have built drive-in facilities to look like homes, but you can tell they’re brand new. Anyone can see that our building has been in its spot for many years. We preserved all those walnut, oak and maple trees. And although we changed

just about everything inside, including electrical wiring and plumbing, the building still doesn’t look a great deal different on the outside.”

“It cost us a substantial amount to do this, but we think it was well worth the expense. Our business has prospered since we added the facility.”

Clinic to Bank

The problem to be solved by Hesston (Kan.) State was: Which way to go? The bank had outgrown the quarters built for it on a downtown corner in 1964. Moving away from downtown was a step it was reluctant to take, and it would have been an expensive move as well, with the cost of constructing a new vault. The bank could have added a second story. Or it could expand laterally, but only westward, since two streets and a railroad line hemmed it in on the other three sides.

Fortunately, “westward” was the site of a medical clinic that had made an informal, gentlemen’s agreement with the bank: The clinic would sell at the going rate for real estate and move to a new location if the bank needed the room. After consulting with Bank Building Corp., Hesston State decided this was the way to go. The two buildings were similar in design, so it wasn’t difficult to merge them into a single structure. A 12-foot courtyard between them was enclosed with bronze heat-absorbing glass and brick matching the existing buildings.

The resultant space is three times what the bank had before. According to President Robert Showalter, “We’re satisfied we made the best possible decision. Now we have enough efficient space to last for many more years of growth.”

Bank to Barbershop to Bank

The building at the main crossroads of St. Lucas, Ia., carries a wooden sign announcing that it’s the branch location of First National of West Union.



**House
to
Bank**

At the bottom of the sign, though, is the simple word "barber." And thereby hangs a tale.

The St. Lucas structure hasn't always been a bank, although that's how it started out. During the '30s, the bank went broke. John Mihm bought the building and moved in with his barber tools and chair. As a sideline to shaves and haircuts, Mr. Mihm provided storage space in the basement vault for the local drugstore's supply of candy, chewing gum and cigars — thousands of cigars. And he cashed checks. John Mihm, in addition to being a general entrepreneur, also had a feeling for the banking business. In fact, he served for many years on the board of the bank in West Union.

When Mr. Mihm entered his ninth decade, he knew he wouldn't be barbering and check-cashing forever and was concerned about what would happen to the property. In 1977, First National entered on a development phase, and one of its first steps was to expand to St. Lucas, 15 miles away. The bank bought Mr. Mihm's property and, in turn, gave him a lifetime lease, for a dollar, on a space in the building for his barbershop.

Bank Building Corp. took over the remodeling, but decided to retain and recapture the original '30s appearance. The original brass chandeliers still hang from the original pressed metal ceiling. The quarry tile floor is the original, too. Awnings, wrought-iron railings and handrails have been added to the exterior.

"Moving into this location was a natural," says First National's President Robert Ralston. "Even though it had been a barbershop for years, everyone who traded in St. Lucas identified the building as a bank. Our major expenditure in putting it back to its original use was to put a new vault in on the ground floor. We let Mr. Mihm keep on using the basement vault. It was a perfect humidifier for all those cigars."

Mr. Mihm passed away a year ago, and the barber shop no longer is in operation. The sink has been removed; the traditional mirror has been taken down and a portrait of Mr. Mihm put up on that wall. The space now is used for banking purposes. But the barber chair still stands there in its accustomed place, as a reminder of one bank building's unusual history. ••

Energy Tax Credit Worth Including In Building Program Design

By **TOM KEISER**
Manager
Corporate Taxes
Bank Building Corp.
St. Louis

PART OF ANY building program should include consideration of equipment that utilizes fuels other than oil and gas or equipment that minimizes their use. It may result in a reduction of building-operation and tax expenses.

The Energy Tax Act of 1978 expanded investment tax credit rules to include credit for expenditures for business-energy property. Much attention has been given to the special 15% tax credit available for certain energy improvements to private residences, but little has been said about additional investment tax credit for purchase or construction of business-

energy property. While the tax credit for business-energy property does not offer as great a benefit to the banking industry as it does to manufacturing and industrial enterprises, it is worthy of analysis.

The energy tax credit works much the same as the regular investment tax credit. As with regular investment credit property, a full 10% credit is available for energy property with a useful life of seven years or more. Energy property having a useful life of five years, but less than seven years, is eligible for two-thirds of the 10% credit and property with a useful life greater than three years, but less than five years, will qualify for one-third of the 10% credit. The credit is reduced by one-half for property financed with tax-exempt industrial revenue bonds. It should be noted that only new property is eligible for the business energy property tax credit. Also, if property qualifies for both the investment-tax credit and the business energy property tax credit, both credits may be utilized.

To be eligible for the 10% energy tax credit, property must be placed in service after September 30, 1978, and before January 1, 1983, and must meet quality and performance standards in effect when the property is placed in service.

The business-energy property must fall within one of the following six categories:

- alternative energy property
- solar wind energy property
- specially defined energy property
- recycling equipment
- shale oil equipment
- equipment for producing natural gas from geo-pressured brine

Solar or wind energy property is defined as equipment that uses solar or wind energy (1) to generate electricity or (2) to heat or cool a structure or provide hot water for use in a structure. Presently, the cost of such equipment is high; however, more consideration should be given to solar or wind energy property expenditures, in light of the new tax-credit incentive.

The category of energy property has more applicability to banks than solar- or wind-energy property. This prop-

(Continued on page 42)

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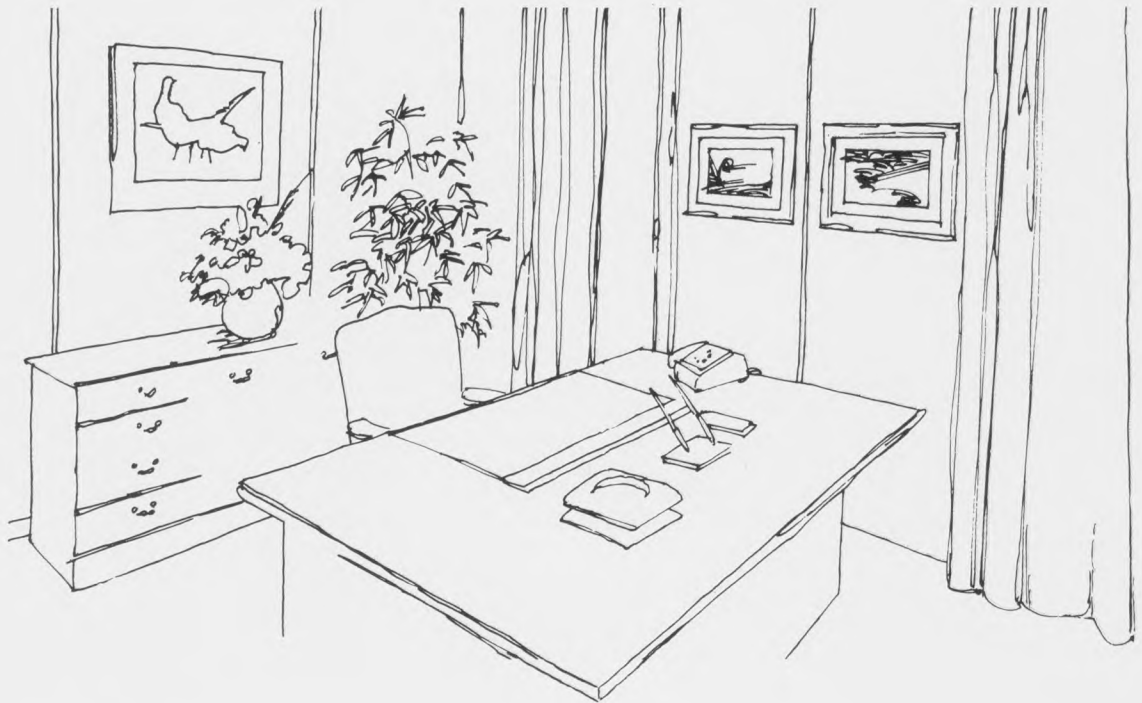
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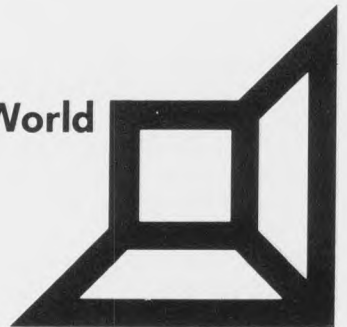
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Remodeling Cures Bank's Growing Pains

By **COURTNEY SPEAR**
Citizens-Deposit Bank
Vanceburg, Ky.

WHAT HAPPENS to the physical facility when a bank needs more space? Is a new building always necessary? The folks at Citizens-Deposit Bank in Vanceburg, Ky., say no. Their answer: Renovate and remodel.

Vanceburg is located on the Ohio River 58 miles downstream from Ashland, Ky. It is the county seat of Lewis County, with a population of 1,900. The county has a total population of 12,355. The economy is based largely on lumber and farming, tobacco being the major crop. Industry in the area is comprised chiefly of two U. S. shoe plants located near Vanceburg.

For many years, Citizens-Deposit was the only bank serving Lewis County. When Sterling Moore joined Citizens-Deposit as chief executive officer in 1975, the bank had \$19 million in assets, one branch and operated on one floor of a building that previously had housed three separate businesses in downtown Vanceburg. Today, a little over four years later, the bank has mushroomed into \$43 million in assets, three branches, a walk-up at the main office and expanded the main bank throughout the renovated business buildings.

Even though such extensive growth has occurred in less than five years, the key word for accomplishing the changes with minimum inconvenience to customers and employees has been *stages*. As a need or new idea was investigated, the change was tested before becoming a full-force project. Mr. Moore has actively sought innovations that will increase efficiency, productivity and customer satisfaction. He expresses his attitude: "The only permanent thing is change."

One of the first renovations shortly after Mr. Moore joined Citizens-Deposit was a walk-up window added in the main lobby with extended hours. Citizens-Deposit discovered that the extra hours were an investment that paid off in increased traffic and customer satisfaction.

Exterior remodeling had started



Citizens-Deposit, Vanceburg, Ky., renovated facilities to provide more spaciousness, easier access and greater convenience.

years earlier when the bank first acquired additional buildings on the same downtown block. However, only the front first-floor level of the buildings had been renovated. Citizens-Deposit now has added the second-floor level and joined all in a unity of design with brick and concrete work.

Marquees over the main entrance and those around the corner over the walk-up, loan department and employees entrance are coordinated and draw attention to the entrances while leaving maximum sidewalk space.

The interior work was more difficult since Citizens-Deposit was interested in major renovations, but did not want to close the main office or inconvenience customers. The second floor was accessible only from the outside, and two of the buildings that had been divided by an alley had been joined only by a tunnel. It was on the interior renovations that doing the work in stages became important.

After initial improvements in the lobby area, then including the loan department as well as some bookkeeping, renovations began in the bank in the areas previously occupied by two other businesses. Interior access was made to the upstairs and the space on the second floor was transformed into an area for the central information file, compliance office, directors' room, auditing room, library, print shop, employee lounge, training room and supply area.

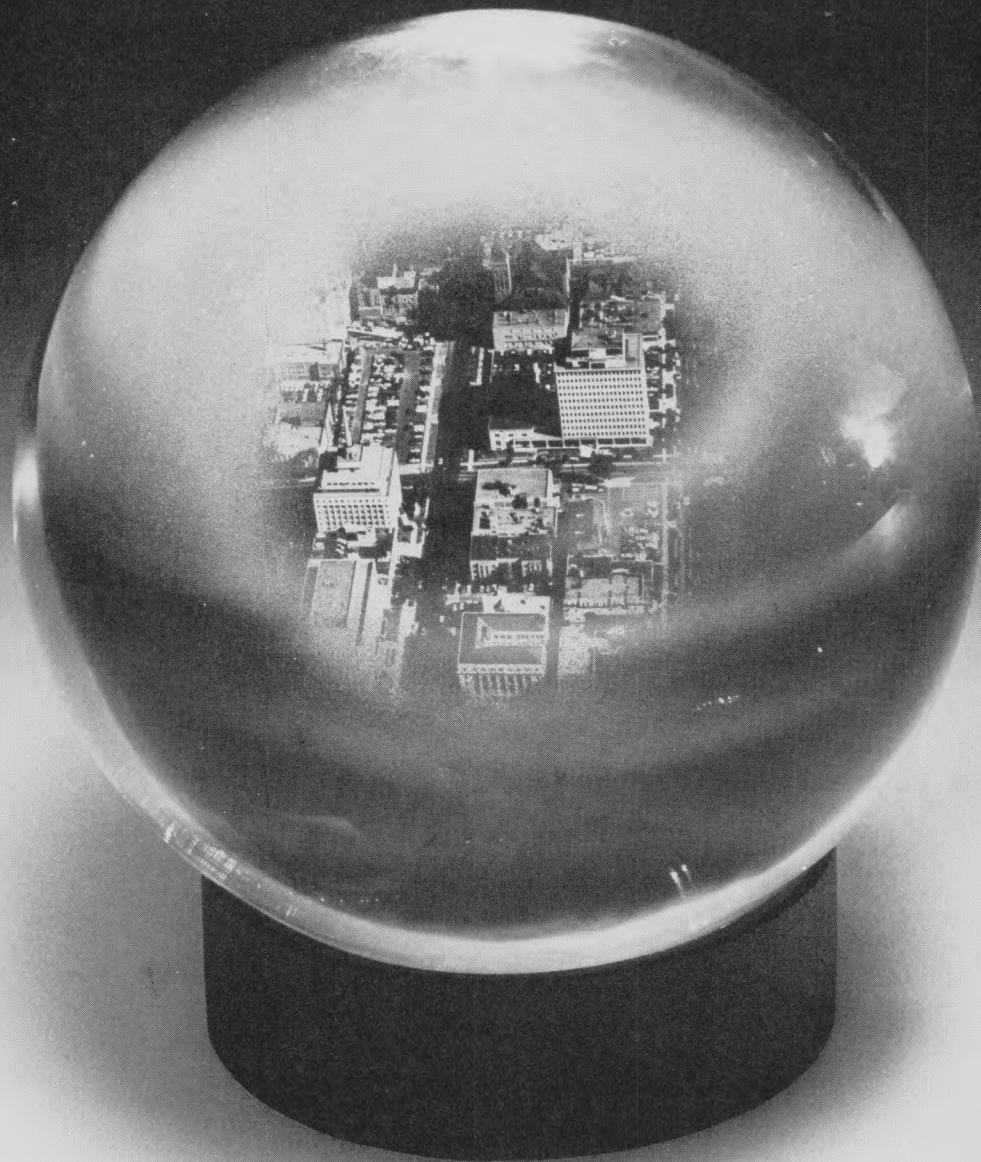
The first floor was remodeled gradually to provide more working space by

enclosing and using the area that had been an alley and by knocking out several walls enclosing small rooms to add several spacious working areas. The end result was an area for bookkeeping and proof, additional offices and space for the loan department. The loan department also has a customer entrance for customers needing to complete only loan transactions.

Final interior renovations were in the front lobby with remodeling of the teller area, the chief executive office and reception area. The vault also was modernized and made more cheerful with the addition of tiled walls, new safe deposit boxes and a glass-enclosed money vault. All renovations and construction were under the guidance of Mr. Moore and officers of each area.

Citizens-Deposit has so much renovation and maintenance within the main office as well as the branches that there is a full-time maintenance staff. This staff, with only minimal outside assistance, executed all renovations. Therefore, the planning and actual work involved the people who would work in those areas, and the end result is well-planned, efficient work space. Use of in-house talent helped keep the expense of renovation to a minimum as well, and Citizens-Deposit spent around \$125,000 on the building renovation.

Interior decorating from color schemes, wallpaper, rugs and new furniture to the intercom music and new paging system was under the direct supervision of Edna Vice, vice



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president/administration, and Dianne Moulder, receptionist. Mrs. Vice credits the remarkable success of the decorating to a management seminar at the University of Kentucky, where she learned the principles of efficient working and pleasant customer environments.

The unifying color throughout the bank is brown — a color that is soothing and warm. Gold drapes were replaced with more subtle louver blinds, which also add to privacy while allowing light. To decrease noise in larger work areas, commercial grade carpeting on floors was extended up the walls. Plants were used throughout for additional calming effects.

Citizens-Deposit also capitalized on local talent and materials. Many items throughout the bank and all furniture in the library except the chairs were made of native Lewis County wood by Appalachian Industries, a small firm located in Vanceburg. Much of the artwork was done by native artists, Mitchel Tolle and Ed Taylor. Other artworks include scenes of local places or items familiar to the area.

The interior decorating as well as the overall remodeling accomplished an air of restrained elegance in the bank

while also demonstrating pride in local craftsmanship and skills.

Hand in hand with physical renovations of the bank, Citizens-Deposit streamlined many jobs by subscribing to computer services from First National, Cincinnati, purchasing IBM business equipment, including the IBM memory typewriter, installing an A. B. Dick printing room and providing new Burroughs and Monroe financial calculators for the loan and auditing departments. Needless to say, this allowed for less time with calculations and much more time for customer attention.

All the changes, remodeling, new equipment, new hours, new positions such as agribusiness representative, marketing director and compliance officer, and development of a central information file have contributed to the growth of Citizens-Deposit Bank. Mr. Moore states, "All changes were made to put the customer first and serve the customer better." At Citizens-Deposit Bank, the changes have paid for themselves in bank growth and customer satisfaction. ●●

Energy Tax Credit

(Continued from page 38)

erty was defined by the Energy Tax Act of 1978 as a listing of 11 types of equipment and the following phrase: "... any other property of a kind specified by the Secretary by regulations."

As yet, the Secretary of the Treasury has promulgated no regulations to expand on the original 11 items. Those items are: a recuperator, a heat wheel, a regenerator, a heat exchanger, a waste heat boiler, a heat pipe, an automatic energy-control system, a turbine, a preheater, a combustible gas recovery system and an economizer.

Devices such as recuperators, heat wheels, heat exchangers, heat pipes and preheaters should be given consideration in all future building programs. The new energy tax credit gives businesses a more rapid recovery of the cost of such devices. Automatic energy-control systems (time clocks and night setback thermostats) and economizer systems (cooling with outdoor air) are items that can be utilized by financial institutions even if they are not considering a major building program.

While equipment can qualify for both the energy tax credit and the investment tax credit, as a practical matter, the kind of property that banks might acquire for the energy tax credit will not qualify for the investment tax credit. They, for the most part, are structural components of buildings, and, therefore, are excluded from the regular investment tax credit.

There are special rules for utilization of the energy tax credit, its carry back, carry forward and refund potential that should be analyzed. The regular investment tax credit is applied first against the tax liability to the extent allowed under current law. For taxable years ending in 1979, the first \$25,000 plus 60% of the excess of tax liability over \$25,000 can be offset first by the regular investment tax credit. The remaining liability may be offset by the energy tax credit. Any excess energy tax credits attributable to solar and wind-energy property are refundable; that is, they are treated as overpayments of tax much like the credit for taxes paid on certain uses of gasoline and lubricating oil. Any other excess credit is available for carry back and carry forward with the regular investment tax credit. ●●

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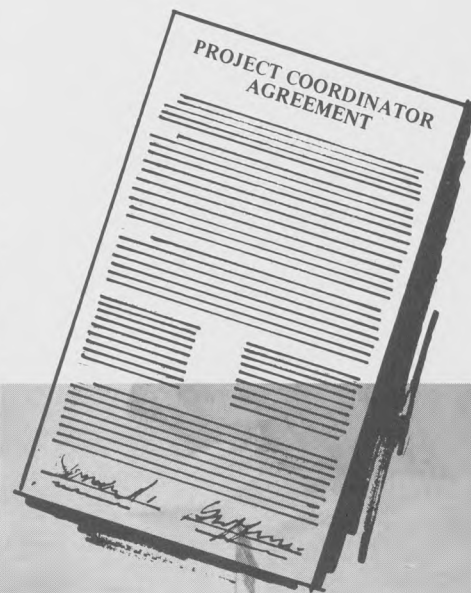
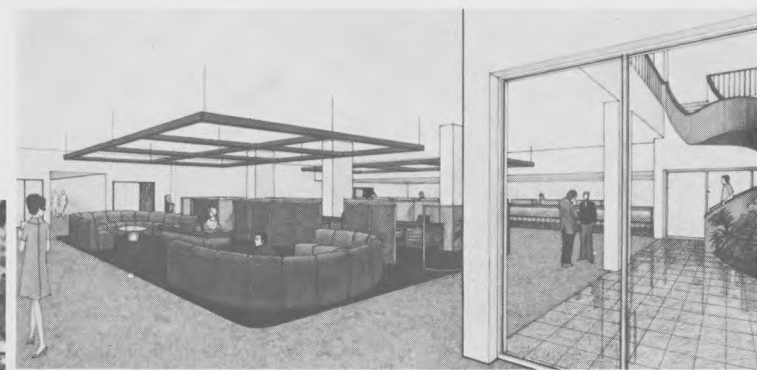
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Work Stations, Design Techniques Provide Efficiency, Economy

BANK INTERIORS are changing with the times because of exciting new design possibilities afforded by new concepts that encourage designers to make bank interiors more inviting, more efficient and less costly to construct and maintain.

These conclusions come from William M. Chop, general sales manager of Arrow Business Services, Memphis, a firm that offers banks and other firms services such as interior design and space planning — products or whatever the client needs for his new or remodeled operation.

Arrow, a subsidiary of Memphis Bank, operates out of a large facility near the Memphis International Airport that includes a 16,000-square-foot furniture showroom, a 25,000-square-foot warehouse, interior-design facilities and a stationery department. According to Mr. Chop, Arrow is capable of providing bankers with a complete turnkey facility.

"We like to get in on the ground floor of a project," he says. "That means we often are working on a project before an architect has been brought in." Mr. Chop adds that Arrow's interior-design service is helpful to an architect because it provides him with the information he needs to plan a building that will include all the necessary functions of the building as outlined by Arrow.

"There have been times when the architect made his plans around ours," Mr. Chop says with a grin. "Our work-flow patterns often determine the configuration of a building."

Bankers appreciate the "wide-open" look, he says, so Arrow's planners avoid designing barriers that would tend to compartmentalize a banking floor. For this reason, Arrow's planners often recommend movable panels instead of conventional fixed interior walls.

"Panels are practical in several ways," Mr. Chop says. "First, they don't destroy the open appearance. Second, they permit air-conditioning and heating economies because air can flow unobstructed throughout an area — it doesn't have to be pumped into

each separate office. Third, they save construction money because they are part of the furniture budget and more economical than permanent walls since they can be moved easily. They can even have utilities such as electrical outlets built into them.

Mr. Chop likes to point out the advantages of the "work stations" the firm

offers as an alternative to conventional offices. Work stations essentially are portable offices that can be set up anywhere in a building. They can be made up in many configurations and can be linked together to form a series of offices or can stand alone. They come complete with furnishings, but are especially versatile because many



Arrow Business Services, Memphis, offers traditional and modern office furnishings to fit bank's decor. Top photo features popular George Washington desk. Bottom photo shows work-station concept, complete with built-in work area and free-standing furnishings.



Free-standing ambient light fixture provides cool, comfortable light, uses up to 50% less power than ceiling fixture. Placed next to desk, it provides both task illumination and ambient lighting for entire room. Fixture has shelves for displaying knickknacks, plants, etc.

items are built in.

For example, a desk top can be hung from the side of a work station. Lighting can be positioned in strategic spots, eliminating the need for ceiling lights. Wiring is contained in the sides of each station, and a series of stations can be plugged together like a string of Christmas tree lights and connected into a wall or floor outlet.

Work stations can be customized to fit the needs of almost any bank employee, Mr. Chop says. "Smaller areas are ideal for clerks, while more spacious models that include conference tables are perfect for executives."

Bankers have been rather slow to appreciate the work-station concept, Mr. Chop says, because they don't want to be closeted away from where the action is on the banking floor. But now, systems manufacturers have come up with glass partitions that add a sense of openness to a station, not to mention beauty. Visibility provided by the glass enables bankers to be seen, yet it assures the privacy necessary when discussing financial matters with customers.

Mr. Chop recommends task and ambient lighting for banking offices. Task lighting is designed to illuminate small areas, such as a desk top or a typewriter. Ambient lighting is installed in strategic areas, but provides

enough light so that ceiling fixtures can be eliminated. Ceiling lighting often is inefficient and costly, Mr. Chop says, because it can't be localized to serve given sections of a bank. It must be on all day long. Task lighting, in contrast, is turned on only when someone needs the light.

Ambient lighting performs a different type of illumination than do ceiling lights. It not only serves to illuminate a work area, but it also is capable of providing diffused lighting for an entire office because a portion of the light is bounced off the ceiling. Some of the fixtures also can serve in a decorative way, since they are free standing and can take the form of a display case with



Modern work-station configurations include curved glass panel at entrance and conference table for executive's office.

glass shelves that can be filled with knickknacks, plants, etc.

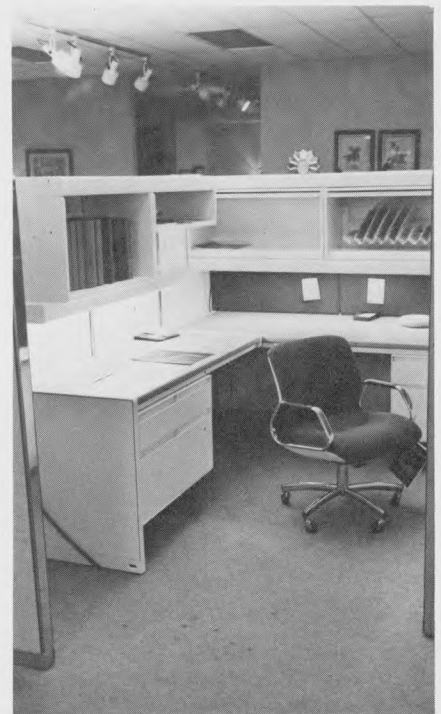
Mr. Chop highly recommends green plants in bank offices. "They add a human element to an office," he says, "and they break up clusters of look-alike furniture, adding a soft touch."

Display walls are popular with bankers, he says. Often a wall will be reserved for works of art or a custom-made tapestry or macrame item. On a few occasions, Arrow's people have been asked to design flags for banks. They make attractive wall hangings and serve as logos.

Arrow handles jobs throughout the U. S. If a job is large enough, the firm sends its own people to do the installations. On smaller jobs, Arrow arranges with a local jobber to take care of delivery and setup.

Arrow's designers prepare color boards for clients to enable them to see what a properly designed project will look like. The color boards include floor plans, photos of the furniture, swatches of material to be used for upholstery, drapes and carpeting. On occasion, Mr. Chop says, the firm actually has set up an office featuring the furniture recommended for a project so the customer can sit in the chairs, feel the finish on the desk, rub his fingers against the draperies and "slam the doors and kick the tires."

"We enjoy working with bankers," Mr. Chop says. "Most of them find that, after they've toured our showrooms and seen our interior-design capabilities, they've seen the latest in interior design for banks!" ●●



Simplified work station for clerk features built-ins, task lighting and ambient lighting.

Department Store Boldly Altered Into Efficient Banking Center

THE HEAD of a long-established bank reflects on how well its quarters had served it over the years. Although cramped, the bank was able to operate and do so profitably. He knew the bank had more employees than its competition — roughly the same size and type of bank — but he felt that it was better off because it was getting continued service from its old building . . . an efficient use of assets.

He may be correct, but his crowded quarters could be stifling efficiency and profits even more than he realizes. As the cost of an extra clerical employee approaches \$10,000 to \$12,000 per year including fringes, the value of organizational improvement changes or building improvements that enhance productivity can be substantial, especially when viewed over several years. In addition, with decreased efficiency, the image of the bank may suffer as customers observe crowded conditions or receive poorer and slower service.

Within the industry, several approaches are taken to addressing the problem of inadequate facilities.

1. Crowded conditions and resulting operational inefficiencies are tolerated until the situation becomes unworkable. Operational costs may increase; service may suffer, but assets are used to their fullest and capital is preserved.

2. Additional room is acquired or built to ease temporarily those areas where the need is greatest. The bank

eliminates its near-term space problems and conserves capital, but may create inefficiency and awkward operational characteristics as space is acquired only when needed and where available. The space also may not be located properly for future changes.

3. Management does a complete analysis of all functions of the bank to produce a layout that maximizes operational efficiency. Any building projects directly to a master plan for the bank. While certain projects may be delayed, and fewer, but larger, projects may result, this approach produces a building with an efficient layout and construction projects that fit into the long-range plans of the bank.

Many factors impact the choice of approaches. Present location, condition of the building, financial position and marketing strategy are some of these factors. The third approach includes a master plan that directs building plans toward a layout that optimizes long-term operational efficiency. This approach should result in an efficient use of capital. The work done will be in line with long-run plans and should not need to be reworked when further expansion takes place. The immobile and inflexible nature of most building projects points to the importance of thorough facilities planning. Changes are costly and disruptive to the operation. In contrast to many businesses, most departments in a bank are not able to move far from other functions, and operations cannot

be interrupted.

The close relationship between various bank functions places further emphasis on the need to plan carefully the present and future locations of departments. The rapidly changing nature of the banking business emphasizes the importance of a flexible layout that can adapt to change.

The high cost of building projects, impact of building layout on the operation of a bank and importance of how a building looks all point to the need for careful facilities planning.

Bank-Facilities Planning. The planning process must hinge on projections of future needs for space on a department-by-department basis. Space needs are determined by projecting numbers of people and pieces of equipment and levels of activity in each department. This whole process should be approached using sound forecasting techniques, based on the most accurate and complete data available, and should be scrutinized carefully by management. Great care must be taken to be sure that forecasts reflect realistic expectations, rather than hoped-for goals. Bankers frequently use outsiders to produce these forecasts because they bring an objective viewpoint, have the forecasting and statistical knowledge to produce accurate predictions and frequently are able to stimulate unbiased input from department managers.

Peoria Renovation Project. A case in point is Jefferson Bank, Peoria, Ill.,



Jefferson Bank, Peoria, Ill., completely renovated vacated downtown department store into modern, planned-for-efficiency

facility. Pictured are (l. to r.) bank lobby and teller line, arcade entrance and boardroom.



This is what new home of Jefferson Bank, Peoria, Ill., looked like when building housed department store.



This is former department store building as it looks today.

which recently completed an extensive renovation of a seven-story department store building for its new home in downtown Peoria. The project represents a bold move by the bank to maintain a strong retail and commercial banking base in the downtown area. It has created an attractive and efficient banking center, an office building and retail shops in place of a large department store.

Having completely filled its existing quarters, Jefferson Bank decided the best solution to satisfying its long-term needs was to move to an entirely new location. While this approach involved a substantial capital investment, the operating efficiency of the bank would improve. Its ability to grow and adapt to the marketplace would be enhanced, and its commitment to the economic viability of the downtown area would be demonstrated.

The project was planned, designed and carried through construction by the Bunce Corp., St. Louis.

Bunce, a specialist in handling financial building projects, uses a space-planning system that carefully forecasts the needs of each bank function. Combining historical data with estimates for the future, plus projected changes in operating efficiency, Bunce projects space needs over the proposed life of the project. Once the projections are confirmed by bank management, the figures are translated into a floor-plan layout.

Functional Layout. In the Jefferson Bank project, as with most banks, retail banking functions are located on the lobby level. The bank lobby opens

off the building elevator lobby, which is surrounded by a newly created downtown shopping mall. The teller line, customer service counters and installment loan department are conveniently placed on this level, a highly visible and spacious area. The teller line is in immediate view at the lobby entrance. To one side is the customer service area, and to the other is the installment loan department. Immediately behind the teller line, in a closed room, is the cash-handling area. This location minimizes the distance over which the cash must be transported. The cash area includes a separate room with a commercial accounts teller, a cash-handling room and the cash vault. Therefore, the commercial customer can carry out his transaction in a separate, locked room — thereby improving bank security, easing the mind of the commercial customer and reducing long and conspicuous tie-ups at the teller line.

The installment loan department occupies a large part of the lobby. Furniture systems are used in place of conventional offices in this space. The systems include eye-level-high partitions, complete work stations, semi-private conference space and attractive customer waiting areas. Use of furniture systems save energy used in lighting, heating and cooling. In addition, the systems save initial building costs, allow maximum flexibility for future changes in the layout and operation of the department and preserve an open, roomy atmosphere. Equally important, office systems preserve privacy and a sense of individualized

space for employees and customers.

Other areas of the operation, those not characterized by heavy retail traffic, are located on the second floor. The second floor is accessed by the building elevators and by escalators from the bank lobby. The escalators were refurbished and reused from the original department store that formerly occupied the building. The second floor includes executive offices, boardroom, commercial loan, trust, proof, bookkeeping and data processing departments.

Second-floor functions are separated physically, but the floor plan allows easy movement among functions that interact regularly, and each is organized individually to maximize efficiency. Executive offices are located between the commercial loan department and the trust area. The trust department is adjacent to the trust work area. Proof, bookkeeping, accounting and data processing departments are grouped in one general area of the second floor. A large area remains unfinished between proof, bookkeeping and the trust work areas. This area is designed to take care of expansion needs of these support functions.

The computer and data processing department is most isolated from other departments because of structural load limits in certain sections of the building, specialized cooling and fire-protection characteristics and reduced need for regular interaction with other departments.

The trust and commercial loan departments and the executive offices each have a separate visitors' waiting

area. The boardroom is centrally located to allow ready access for meetings. A furniture system that includes complete work stations, sound absorbant partitions and conference tables is used in place of conventional offices in the commercial loan department. Use of this type office system brings privacy to the loan officer and his customer while allowing a flexible and open floor plan.

To improve the versatility of the boardroom, Jefferson Bank installed an extensive audio/visual system.

The lower level of the bank includes the safe deposit vault and coupon booths. Also located nearby are those administrative departments that re-

quire infrequent public contact and do not need a location immediately adjacent to bank officers.

The safe deposit area is accessed by a stairway directly from the bank lobby or by building elevators. Included are a customer waiting area, coupon booths and conference rooms.

A unique feature of this project is the extensive physical fitness center, also located on the lower level. Included are a jogging track, exercise machine and driving range, plus locker rooms for use of all bank employees. Also nearby on this level is the employee room with a fully equipped vending area.

The employee room and fitness

center are separated from other functions and are accessed directly from the lower-level lobby. This location minimizes distraction to other functions as employees visit these areas. The employee room is given a warm, inviting and casual decor to encourage usage and relaxation.

Anyone analyzing this project will recognize many long-term operational efficiency considerations. Room for growth has been provided by placing unfinished and easily modified space strategically near those departments likely to grow. Flexible, open office systems have been used wherever appropriate. Because of the size and complexity of the floor plan, great care has been taken to provide adequate signage throughout the project. It has been shown that effective signage can greatly reduce confusion on the part of customers. This, in turn, saves time spent by employees in giving directions and assistance.

In summary, by renovating this building, Jefferson Bank has produced efficiently planned bank space, a flexible layout that can adapt to future growth and changes, attractive retail and commercial-banking space that will stimulate additional business, an office building that will attract business and professional offices, plus a high quality specialty shopping mall. Through careful planning and an understanding of its long-term needs, the bank was able to take advantage of the unique opportunity afforded them by this building. ● ●

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Monticello Home in Indiana



Thomas Jefferson's famous home, "Monticello," in Charlottesville, Va., was the inspiration for the new Monticello Branch of First Nat'l, Huntington, Ind. Symbolism inspired by the 18th century and banking conveniences of the 20th century are combined in the facility, which is a five-eighths replica of the original Monticello. The building has balustrades, dome, parquet floor, ornamented wood mouldings and finite craftsmanship. Created as a modern banking facility, it captures the spirit of the original, providing everyone who sees it with a valuable study of Jefferson's Palladian influence in American architecture.

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Security Systems Quick to Adapt To Recent Renovation Projects

AN EXISTING STRUCTURE on a well-located bank site need not always be razed. In fact, converting a gasoline station, Victorian carriage house or even a church can mean a substantial savings over new construction costs.

And when an historic landmark is involved, conversion to a bank facility can generate favorable publicity.

All the following renovation projects were accomplished with the help of sales engineers from LeFebure, Cedar Rapids, Ia., and the firm's home office building-planning staff.

In Springfield, O., when Huntington Lagonda National Bank's 22-year-old Park Office Branch became too cramped to handle the market's growing volume, the bank "abandoned the old office entirely and took over an old gas station just 100 feet away," says John R. Conry Jr., president and chairman. The move not only doubled floor space, but allowed the addition of an open officer platform, a private conference room and a four-lane drive-up.

"Though this building required 85% new construction, it already has proved its worth," Mr. Conry says. The original gasoline station was nearly doubled in size. The service-station office became the conference room; the outside doors to the washrooms were sealed and interior doors added. One overhead door frame became the vestibule.

The new construction contains the vault, safe deposit boxes, coupon booth, drive-up teller windows and nearly half the lobby teller windows.

Drive-up lanes were added, Mr. Conry explains, "because a new nearby shopping center brought in more and more vehicular traffic." The window was angled about 20 degrees. "This layout gives tellers a better view of customers without the problems of angular traffic flow. A straight traffic flow is considerably safer and the rectangular canopy, which accounts for nearly 50% of total building size, is a lot more economical to build than angular shapes."

Huntington Lagonda also saved trenching costs by choosing LeFebure's overhead Tel-Air system.

First Natchez (Miss.) Bank

Pneumatic tubes were left exposed. All new branches "will incorporate this exposed-tube concept for instant recognition and familiarity," he says.

In Manchester, N. H., Merchants National maintained the neighborhood's Victorian architecture by remodeling a 19th-century carriage house into a branch. The rear entrance of the clapboard structure, which was moved half a block, became the branch's front entrance, and the original carriage entrance became — appropriately — the control station for the horseless-carriage drive-up area.

The only major exterior alteration was the addition of a canopy over the drive-up lanes. Care was taken to blend the canopy with the carriage house's original design.

The branch interior, however, is en-

tirely modern. The hayloft was removed to create a vaulted ceiling over the lobby and teller area.

Merchants National was honored by the Manchester Junior Women's club for its efforts in maintaining the carriage house's external character.

Another bank winning accolades for recycling a local landmark is State Bank, Mentor, O. Soon after receiving its charter, the bank purchased the old St. Mary's Church. Located on a tree-covered lot near the center of town, the church boasted Williamsburg architecture, which the interior decorators continued inside the lobby. Opposite the main entrance, in the area once occupied by the church altar, is the bank's vault, which had to be lowered through the roof.

A separate drive-up facility was con-



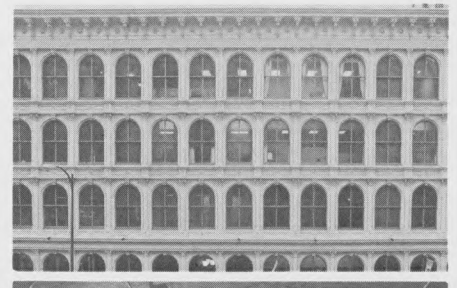
MID-CONTINENT BANKER for October, 1979



Nat'l City, Minneapolis.



Merchants Nat'l, Manchester, N. H.



The Womensbank, Richmond, Va.

structed on the grounds and also contains the after-hours depository.

Not many banks can crow about a four-story vault, but National City Bank in Minneapolis can. The 15-year-old institution now occupies 57,000 square feet of space in the former home of the Minneapolis Fed, a downtown landmark.

The bank's operations had been spread between three different buildings, and so the move to the refurbished quarters "pulled everything together in one location," says C. Bernard Jacobs, chairman and chief executive. "Even more importantly, this new home put us closer to the center of downtown activities and connected us to the Skyway." (Skyway is Minneapolis' network of enclosed walkways connecting the second floors of every major downtown building.)

To capitalize on the Skyway connection, National City maintains a bi-level teller operation with eight stations on the main floor lobby and eight additional stations on the second-floor Skyway area.

The gigantic vault and 30-ton vault door were the biggest undertaking. The intricate vault door had stood unused for nearly two years before the bank stepped in. Cleaning and repairing the door took several months and entailed sandblasting, painting and plating. The customer vault is located

just inside the door. Locking grille gates separate the second and third vault levels, where cash and currency are handled, and the fourth level, which stores bank securities, from the public areas.

Rehabilitating downtown buildings can be a challenge. Womensbank in Richmond, Va., played a leading role in saving the city's historic "Ironfronts" building in the heart of the financial district. Actually four separate structures 25 feet wide and 150 feet deep, the Ironfronts gets its name from the cast-iron window frames that make up the continuous facade.

The building's depth was the designer's biggest challenge. A large conference room was located at the back and the vault and enclosed offices were placed just in front of the conference room. That shortened the tunnel effect.

An old storage vault surrounded by brick and just inside the doorway proved the ideal spot for the walk-up window and night depository, which could not be placed in load-bearing walls. A small vestibule was created; the walk-up teller enters the control station through the old vault's original iron door.

Installing the 35,000-pound LeFebure bank vault also presented a problem: The old floor had to be reinforced. A series of six 12-inch steel col-

umns were anchored in the basement and support five 12-inch "I" beams, which, in turn, support the one-inch-thick steel vault floor. And off-loading of the vault late one afternoon caused, in the words of architect Jim Glave of Glave Newman Anderson & Associates, "one monumental traffic jam."

First Natchez Bank in Mississippi renovated an antebellum structure for its main office. The building had been used as a bakery, an auto supply business and then left to deteriorate before the bank took it over. To accommodate necessary services, the building was enlarged, but matches the original structure. Even the drive-up canopy features a matching canvas awning.

Citizens Banking Co. of Anderson, Ind., converted a car wash to a branch facility that is partially powered by solar energy.

American National, Champaign, Ill., gutted and then remodeled a movie theater into its main office.

Glens Falls (N. Y.) National purchased the replica of an old fort that used to guard Fort Ann, N. Y., and converted it into a branch, complete with drive-up lane.

And First Federal S&L of Bath, Me., transformed a red brick building into a traditional Maine building with weathered shingles, dormer windows and shutters to give the office a "Down East" look. ●●

Punch, Punch. Who's There?



CUSTOMER identification had been a problem at Home S&L of Youngstown, O. With the installation of Mosler's drive-in Identikey system, a solution has been found. Identikey's operation is simple. The customer punches his personal identification code number — any combination of numbers, words or letters he chooses — into the key pad. The teller then punches in the last four digits of the customer's account number, and a six-digit Identikey number appears on the teller's display. This can be quickly compared to the customer's passbook or card.

In 1977, Home S&L installed Identikey systems in several branches *inside only* and alleviated some of the problems with inside customers. But what about drive-in customers? A wall-mounted Identikey could be installed only at the window lane and this helped, but the remote lanes of drive-in traffic still could not use the system.

Home S&L's management spent a considerable amount of time researching a product to be used at the drive-in units that would be compatible with Identikey units already installed inside. A touch-tone telephone system was studied but vetoed because a customer then would have to handle both a telephone and a carrier. According to Ralph B. Petrucci, vice president/marketing, "After much consideration of other available systems, we installed the Mosler Drive-in Identikeys at the Trans-Vista® units at our South Side branch, and customers and tellers alike are pleased. Another big plus is that Mosler service representatives can handle both the inside and outside units.

Home S&L has 70,000 accounts currently on file, and the organization is experiencing a rapid growth in number of branch locations in and around Youngstown. With this increase in accounts and branch locations, an efficient customer-identification system is a priority. Mr. Petrucci added, "The Identikey system is proving much faster than the signature-verification method we used in the past. Even though our only announcement of the new system was through a local press release, we've already received requests from several other S&Ls in Ohio to visit us to see the system in operation."

The teller-terminal Identikey unit at South Side is based on the multiplexing concept, whereby the teller can handle transactions at all three lanes of drive-in traffic with one unit. An enthusiastic South Side teller, Joanne Mansour, says, "The system works just fine. It's so fast it doesn't give our customers time to get impatient. And we have an easy-to-read explanatory pamphlet we give to every drive-in customer."

With \$93 million in assets and growing rapidly, the South Side Branch was having difficulty handling area customers, so Home S&L's Kirk Road Branch was built. The manager there, Mary A. Stevens, described the remote drive-in Identikey system as the answer to most of her identification problems. According to Mrs. Stevens, "Ninety-nine percent of our customers are on the Identikey system. All it takes is a little selling, and once customers understand Identikey is faster than alternate identification methods, they're anxious to use it. And a customer's personal identification code

remains totally private. There is no way another customer or even one of our employees can break the code and discover a customer's number."

Mrs. Stevens recalls one customer who used his dog's name for his personal identification code. A problem arose when the customer purchased a new dog and tried to punch that dog's name into the Identikey key pad. A new Identikey number was quickly created with the customer using the new dog's name.

On a busy Friday, Mrs. Stevens' efficient tellers easily handle an average of 300 drive-in customers in their two lanes of Mosler Trans-Vista traffic. The Kirk Road teller terminal is equipped with a switching unit, but if the need for expansion to a third lane arises, a multiplexing unit will be installed there as well.

Mr. Petrucci added, "Our organization has \$450 million in assets and 10 offices. We've obtained approval for an additional branch and have applied for approval for another. So with this growth rate, a fast customer-identification system is imperative. We hope to install Identikey soon at all our offices."

Mosler is marketing Identikey in conjunction with Atalla Technovations. Mosler is an American-Standard Co., Hamilton, O. American-Standard is a leading producer of railway, mass transit and automotive braking and control devices; plumbing and other building products; earth- and ore-moving vehicles; industrial fluid-power products; bank security systems and bank checks and business forms. The company and its subsidiaries carry on manufacturing operations in 19 countries. ●●



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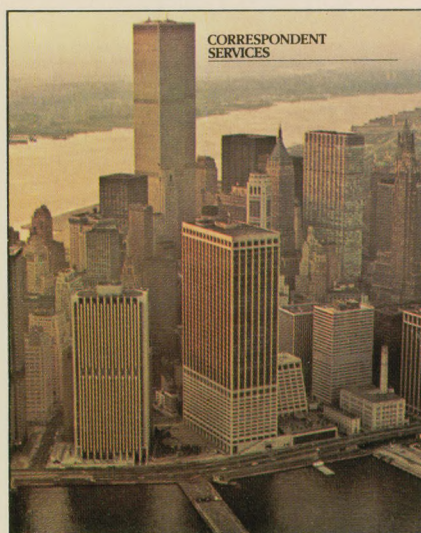
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MANUFACTURERS HANOVER

Career Apparel Warms Up Winter

COOLER TEMPERATURES this winter because of federal regulations may change the look of your bank as employees don more clothes to keep warm.

A survey of career apparel manufacturers shows that several have anticipated the problem and have begun introducing heavier fabrics, sweaters and sweater-vests into their lines to maintain their professional looks. Other manufacturers reinforce the layered look of their mix-and-match lines.

This winter Creative Image, Dallas, is introducing a new double knit that will provide winter comfort but can be used during spring and summer.

"New fabrics we have introduced are medium-weight fine-line double knit and a new tri-knit in a medium weight woven that provides durable rugged use with an extremely high resistance to snags and pulls," says Martin E. Champaine, president, Creative Image.

A new Visa fabric that has the feel of flannel, yet is 100% textured woven polyester, has been adopted by Identity Apparel division, MacMillan Ward Ostwald, Somerset, N. J., for its 1980 career apparel line.

"As with all Visa fabrics, this new flannel-look fabric is more comfortable and has easy-care properties. It absorbs perspiration and speeds evaporation," according to a company spokesman. "It cleans and washes with rich colors intact and stains removed." According to the spokesman, colors are warm heather tones that fit every season of the year — subtle rose, charcoal, gray, camel, French blue or sandstone.

"Fabrics have to be functional," says Jerry Struven, president, G. Carlyle Struven, Inc., Chicago. "They must be



Different looks can be achieved with three-piece suit and different blouses shown at left. At right is today's dressier look in career apparel. Both sets of fashions are by G. Carlyle Struven, Chicago.



no-wrinkle and they have to wear well, which limits what you can do with lightweight fabrics."

His company is using new fabrics from Klopman — Suraline Super Flex® — because they fall into the easy-care categories. In addition to creating a sharp, uniform appearance, the stretch fabric fits many persons well, he says.

Mr. Struven says his company does not use wools for winter because they require dry cleaning. "We're using more Dacron® and cotton blends and fewer polyesters."

Additional warmth and diversification can be provided by a three-piece suit.

"Use of a vest provides the classic look for men and women, as well as an additional layer of clothing for warmth," says Charles G. Wiswall,

senior marketing representative, E. I. du Pont de Nemours & Co.'s uniform and career apparel division.

"Vests can be made as a reversible item in a contrasting color or pattern or in the traditional manner of the three-piece suit," he said. "Usually, fabrics used are wovens of 55/45 Dacron® polyester and wool or 100% textured Dacron®."

New fabrics being introduced include a blend of 80/20 Dacron® and wool and more comfortable stretch fabrics.

Although the pantsuit may be unfashionable this year, several career apparel companies are encouraging their clients to include them because of their warmth.

"In the programs we have developed to be shipped this fall and early winter, we have placed an emphasis on including at least one pants outfit," says Joe-Ann Platt, president, Home Place, Davenport, Ia. "Normally, I discourage pants in business women's daytime wardrobes. However, if the midwestern winter of 1979-80 is anything like the one just



Variety of feminine blouses, skirts and soft dresses can make staff look professional but not in uniform as shown by these career apparel fashions by Creative Image, Dallas.

past, pants will be needed for warmth in many job situations."

Temperature variances do not cause problems for Fracio Fashions, Inc., Chicago, which uses a fabric that has a temperature equalizer and is as warm in winter as it is cool in summer. And it is washable.

Two other career apparel manufacturers agree with Fracio Fashions.

"We have found that the fabrics we use have good warming and cooling ability," says Jimellia Moras, sales manager, T. G. Kanvik & Associates, Northbrook, Ill. "A more layered look is prevalent for cooler temperatures and our designs have changed so that most items can be worn as separates if employees are warm."

Fashionaire Apparel, Inc., Chicago, has encountered "no real problem with the fabric we are using," according to Brian Pillatsch, account executive. "The fabric we offer is 100% texturized woven polyester, which is well suited to all types of climates.

"Since our garments are offered in blazers, vests, skirts and slacks for the women, and blazers, vests and slacks for men, a professional look can be maintained with or without blazers being worn."

Although Fashionaire has not added a new fabric to its line, it has added the new "Visa" finish, which makes the fabric more absorbent and soil-resistant. With the addition of the new finish, its clothes not only wear and perform well, but they are comfortable and easy to clean, Mr. Pillatsch says.

Survey results indicate that sweaters have proponents and opponents.

At least one of the suppliers to Home Place plans to add sweaters and sweater sets to coordinate with current fabrics.

"We certainly will make use of these items, as well as the wools and blend sweaters through Dan-Skin," says Miss Platt. "Our major problem in attempting to use retail-type sweater manufacturers is that they are unable to give us continuity in styles and colors, even for one season."

Sweaters, according to Mr. Wiswall, can take two approaches. They can be designed to be an integral part of the wardrobe or for warmth.

Designer sweaters would be of a finer yarn or Orlon® acrylic and would probably be in a pullover style with either a jewel, v-neck, cowl, turtle or mock turtleneck style. Usually, warmer sweaters are cardigans made of "Wintuk" Orlon® acrylic.

"There are sweater knitters who cater to the career apparel industry and are capable of making garments

with special knit-in designs such as corporate logos or other distinctive patterns," Mr. Wiswall says. "Studio For Knit Development, New York City, and Imperial Knitting, Milwaukee, are examples of knitters specializing in sweaters for career apparel."

However, sweaters do not meet the expectations of durable career apparel fabric, says Mrs. Moras. "We have convinced customers interested in sweaters to go to local stores for these items. This is good public relations for the financial institution (putting money into the community) and eliminates any misconceptions about our reliability."

On the other hand, G. Carlyle Struven is conducting a sweater giveaway promotion. The company will give away one sweater-vest free to every woman who places an average new career apparel order. The sleeveless sweater can be worn under a jacket or with a blouse and skirt.

His company soon will conduct a two-for-one shirt promotion. If a customer buys a long-sleeve shirt, the company will give him a short-sleeve shirt free.

Keeping up with style can be a headache or a pleasure depending on how a financial institution approaches the subject.

Although employees may ask for high fashion, it can become costly, especially if fashions change every six months. A bank or S&L can adopt a more tailored wardrobe and continue to keep career apparel enthusiasm high by introducing a new item once or twice a year.

A modestly slit skirt is among items that the Struven company will introduce soon. Mr. Struven notes that the one-button blazer is becoming popular.

Fashionaire tries to update its career apparel line whenever fashion trends indicate, while maintaining the tailored, professional image important to the banking industry, Mr. Pillatsch says.

New styles they are adding to their line include a short-sleeve jacket, a tunic top and a newly designed skirt.

Creative Image recently introduced "an emergency energy" blouse featuring a lightweight stretch fabric, short raglan sleeves and a round neck with front-slit-button treatment for comfort. Also, the company introduced a new two-piece dress that can be worn in summer and in winter with a blazer and vest added for warmth and a professional layered look.

Most career apparel companies

agree that bank employees have requested fabrics that are basically polyester, washable and wrinkle free.

Career apparel has changed from being merely a means of controlling employee dress and creating a corporate image to a definite employee benefit, says Mrs. Moras.

"Employees find it an advantage not to be subjecting their own clothes to the wear and tear of everyday use. Instead, their money is well spent for clothes and more of their earnings are available for other necessities," she says. "Also, this eliminates the competition of dress between people with family obligations, who have less money for clothes," and single employees who have more money to spend on clothes.

Mr. Pillatsch says, "There is a definite trend toward offering career apparel as either a complete or partial company expense. This benefits the company by ensuring a uniform professional look, without having to enforce a dress code. The employee benefits by the monetary savings of company-supplied clothing."

Because of the recession and the higher cost of street apparel today, career apparel has become a significant fringe benefit to the professional working force, says Mr. Champaine. "Because of the relatively low cost of career apparel as far as life and serviceability, employees now are more willing to share the cost with their employers."

Career apparel use by the financial industry is growing, according to Mr. Wiswall. "Banks should not hesitate to satisfy themselves that their potential suppliers are reputable and are in a position to service the account in a professional manner. Ask for and follow up on references! Wear test garments! A well-thought-out program is worth the time and effort it takes for proper implementation."

Although career apparel basically has been aimed at female employees, one manufacturer sees a new trend emerging.

"Men are going much more into career apparel than before," Mr. Struven says. "At first in the business, it was a matter of dressing women in what amounted to a business suit. Now, with men's fashions becoming so much more liberal, it is time to put them back in business suits."

According to Frank & Meyer Neckwear Co., St. Louis, ties will be worn despite temperature variances. However, they will be narrower — dropping from a four-inch width to a 3¼-inch width. ●●



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Mix and Match for Variety

INDIVIDUALITY and career apparel can coexist peacefully and even flourish through the "mix-and-match" concept.

Mix and match means that clothing worn by male and female employees is alike in coordinated colors, styling and fabric, but may be altogether different through use of various combinations. It even might be possible on any given day for no two employees in an organization to be wearing exactly the same outfits, yet, as a whole, convey a unified appearance.

It doesn't take an enormous wardrobe to provide the variety of choice that gives career apparel its popularity. It is possible, for example, to achieve 35 different "looks" from a career apparel wardrobe consisting of 11 garments and a scarf.

Size of employee wardrobes varies with needs and budget considerations of the individual organization. One typical size program for women consisted of three skirts (blue, gray and red check), two pairs of slacks (blue and gray), two vests (red and blue), one blazer (red check), three blouses (white, red and white dots, red, white and blue print) and one patterned scarf that could be worn with all outfits.

A typical selection for men, all coordinated with women's garments, would be two different blazers and two pairs of slacks that could be worn interchangeably, plus matching shirts and ties.

In some programs, the company allocates a budget to be spent on each employee and allows the employees to make their selections of all items available in the program, within each individual's budget limitations. One large company had 22 items from which its employees could make selections. In most programs, additional items beyond the budget can be purchased individually at a cost usually less than comparable merchandise would be in retail stores.

Variety and freedom of choice are essential to a successful career apparel

program, since employees should be permitted to wear what they feel looks best on them and to make daily selections in keeping with individual tastes and moods.

Color combinations are endless, as

long as they are properly coordinated with the surroundings in which they will be worn. Many organizations plan their career apparel at the same time they are designing or redecorating their financial institutions. ••

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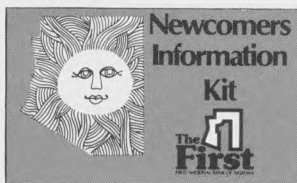
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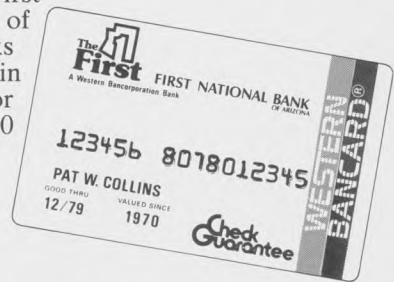


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Replacing Career Apparel

SHOULD your financial institution replace an existing career apparel program by phasing in updated items or by starting a totally new program?

Phase-in of Updated Items. There are definite economic, administrative and psychological "pluses" connected with this concept. Economically, a large initial cash outlay is avoided. Also, a more accurate projection of budget requirements including escalation of costs should be available.

Administratively, it is easier to periodically introduce a new item and/or eliminate an old one. Realistic time frames are easier to assess and are less critical than in a totally new program. The "strain" of managing a substantial program is minimized. A phase-in program also gives the company official greater control over changing or modifying what doesn't "work" in the program.

Psychologically, the uniformed employee feels that he/she is being recognized, "rewarded" and cared for; that the company is aware of him/her on a continuous basis. Also, new items added from time to time freshen a working wardrobe that otherwise might become boring.

The phase-in concept enables a company to present an up-to-date appearance, to keep pace with fashion. New items reinforce employee realization of company support and interest. Also, the program encourages frequent contact and builds a closer working relationship with a vendor concerning new concepts and/or problems.

New Program. A new program "broadcasts" company identity to the public. It says, "Look at us, we have a fresh new face." It is a real attention getter, a "reminder" that the company is alive and well and, hopefully, a business generator. Often companies with strong advertising/publicity departments clamor for the new program concept as a stimulating campaign aid.

Development of a new program affords the greatest utilization of creativity and an opportunity for real change with respect to fabrics, sil-

houettes or a particularly attractive approach for those not restricted to an established corporate color scheme.

Psychologically, a new career apparel program is an enormous job refresher, a new "lease on life" to the employee, something to get excited about.

Also, the new program approach allows the company to explore the vendor market and sample a variety of manufacturers.

Communication. Consult with and solicit opinions from appropriate parties within your organization about these choices and budgetary considerations for a career apparel program. It is important to determine the image the president wants to project, as well as what is needed by the employee wearing career apparel. Establish realistic time frames.

Most important, communicate your requirements and desires to the manufacturer, who is an expert on clothing and fabrics. You must be the expert on your organization's objectives and

limitations.

A career apparel program can be exciting. Research, knowledge and communication are keys to effectively replacing an existing one. ••

Uniforms for Women, But Not for Men Ruled Bias by Court

Requiring women employees to wear a uniform while allowing male workers to dress in "customary business attire" is discriminatory against women, the Seventh Circuit Court of Appeals in Chicago ruled in late August.

"While there is nothing offensive about uniforms per se," the two-judge majority said, "there is a natural tendency to assume that the uniformed women have a lesser professional status than their male colleagues attired in normal business clothes."

A part-time savings counselor had filed the suit against Talman Federal Savings & Loan Association of Chicago, which is Illinois' second-largest thrift, on behalf of herself and "all others similarly situated." Talman

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*Appearance
makes the difference*

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requires its 525 female employees to wear a uniform composed of five standard, color-coordinated items. The thrift's 150 male employees are required to wear only "customary business attire."

The appeals court found the uniform rule discriminatory under Title VII of the Civil Rights Act of 1964. "Whether the female employees favored the uniform dress code was immaterial since it is illegal to discriminate against any individual because of an individual's sex." The judges also found the "disparate treatment demeaning to women."

Talman claimed its women employees still want the dress code.

In a scathing dissent, Justice Wilbur Pell argued "Big Brother — or perhaps in this case, Big Sister — has encroached farther than Congress intended into the domain of private enterprise or what remains of that concept, not for the purpose of assuring clean, safe or even enjoyable working conditions on an equality-of-sex basis, nor for the purpose of guaranteeing fair, adequate or equal compensation, but simply to respond to the emotional complaint of a disgruntled employee."

The women's attorney responded that Justice Pell has "a difficult time comprehending the subtleties of less blatant forms of discrimination such as uniform policy. While a good many men understand implicitly the importance of dress in their own behavior and careers, they don't understand how a woman, by her appearance, is categorized by other people."

50% Usage

(Continued from page 30)

materials.

Since a majority of bank customers visit a banking office each week, we felt that it also was necessary to have our lobby contact staff involved in this effort to promote use of our ATMs.

All customer-contact personnel attended a major introduction meeting at which time they learned all about the bank's new ATM program. They learned about its objective, how it worked, benefits to our customers, benefits to the contact staff, and they received an actual demonstration at the van.

Our contact staff also participates in our incentive program designed to encourage customers (and prospects) to try the ATM and/or take a free demonstration.

I'll say this again . . . Customer

usage is one measure of the success — or failure — of any ATM network.

Educating the customer

In my estimation, *awareness* and *education* are the keys to solving this problem. A bank can't afford to use mass media for full customer education. Neither does the contact staff have the time to spend with each customer to gain full understanding.

Therefore, we used our C&S *Action Ideas* customer newsletter as our primary vehicle to educate the customer, and its objectives were:

- tell our customers what an ATM is;
- introduce the ATM system;
- let the customer know where all the machines are located — in their city and around the state;
- inform customers about access cards and PIC numbers;
- tell them how to remember their PIC numbers;
- sell them on the convenience of the system — of *becoming* a Financial Wizard;
- explain the variety of ATM services;
- implant, through repetition, a feeling of confidence in a new way to bank; and,
- advise them of supplementary services available to them as Financial Wizards through our ATM system.

We elected to saddle our newsletter with this stiff responsibility for two good reasons.

First, for nearly four years, we had been using our totally personalized money management/cross-selling newsletter produced by First Marketing Corp. of Florida. Thus, we were (and are) familiar with the vehicle's ability to present a multiplicity of subjects in an in-depth fashion.

Second, we knew our customers were reading the newsletter. How?

After one year of offering the newsletter, we performed our own survey of the newsletter to determine if it was (1) recognized, (2) accepted, (3) read and (4) believed.

Our survey revealed that some 47% of our DDA base read *all of every issue* of *Action Ideas*. Another 35% read most of every issue. In fact, customers looked forward to the newsletter's money-management advice and its thorough, clear presentation of our bank services.

Thus, the survey told us that 82% of our customers would read about, understand and probably develop acceptance of the ATM, if presented all the facts.

From the beginning of the Financial Wizard campaign, we had First Marketing (the publishers) develop a spe-

cial issue of *Action Ideas* for the introduction, followed by a series of newsletter articles geared to present our ATM as a viable money-management tool — to gain customer acceptance through educating them about the convenience of electronic banking.

Copy that was developed positioned our ATM system as a helpful aid in family financial management and informed C&S customers how easy it was to become a Financial Wizard. The newsletter also cross-sold the various services tied to the ATM.

Supplementing — and sublimating — our overall marketing efforts on behalf of the system, we continue to use our periodic *Action Ideas* newsletter to remind our customers about the convenience of being Financial Wizards. The newsletter also continues to cross-sell our many other services.

From a standpoint of cost *and* effectiveness, the combination of indirect and direct customer communications proved to be an instrumental factor in the success we achieved in the introduction of our ATM system. ● ●

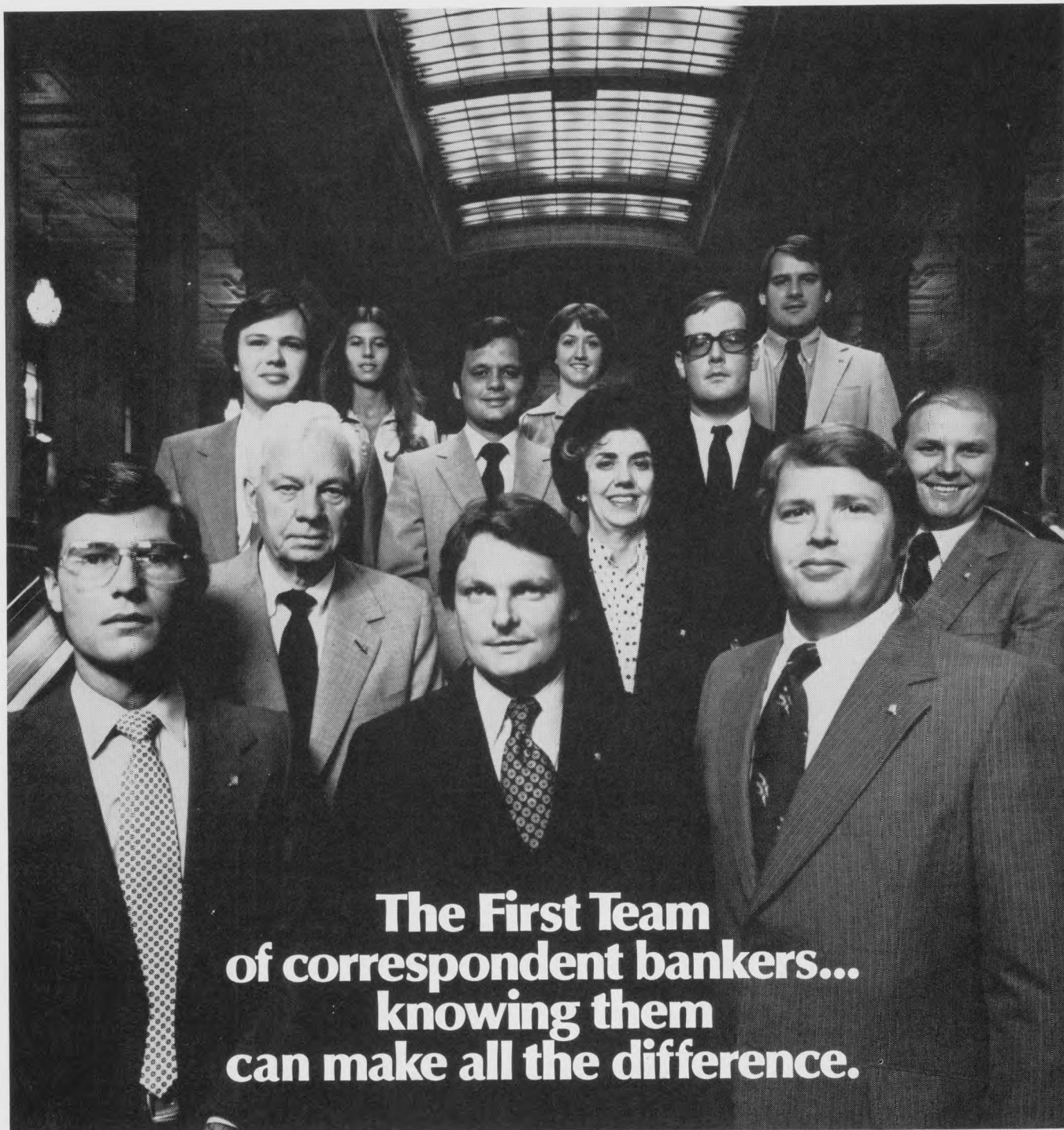
Corporate Customers Can Use Bank's Information System

HOUSTON — First City National now is making available to its corporate customers one of the country's most advanced computerized bank-information systems, First City Banklink.

"Banklink increases the efficiency of most cash-management programs because it provides cash managers with instant access to bank-account-balance information," explains Ed Perkins, manager/corporate services department. "Having this information allows corporate money managers to improve their operations and use their funds to their best advantage."

First City Banklink is interconnected with the international ChemLink-BankLink system of Chemical Bank, New York City, and can report all balance-related information, including data for accounts maintained at banks other than First City National. Information available includes balance, balance history, credit and debit, lockbox and depository-transfer check.

Customer information is retrieved and input is supplied by either a data terminal or a touch-tone telephone. "The customer's information is secure because the customer decides who has access to this data," Mr. Perkins says. He adds that the cost of Banklink is modest because the service is flexible, with customers paying only for the features they need.



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The Way You Dress Communicates

Sir, What Are You Saying?

“LET ME have men about that are fat. Sleek-headed men and such as sleep o’ night. Yon Cassius has a lean and hungry look. He thinks too much; such men are dangerous,” are lines from *Julius Caesar* by William Shakespeare. Lines written so long ago as the 16th century may not give an accurate description of what the successful-and-knows-it man of today looks like, but the passage does establish the impact that personal appearance had in defining character for the observant poet.

During the past three-quarters of a century, masterful good-guy bad-guy manufacturers have continued to contribute to the science of image making using the vehicle of film. Movie makers have been “responsible for fine tuning people’s conditioned responses of judging others by the way they look,” claims William Thourlby, who, in the past, has been a successful actor and one of the nation’s 10 leading male models. He was the original Marlboro Man, who became the prototype of the lean independent. With a background that has included eight years of experience as an owner and operator of clothing stores in New York and Atlanta and years of study to develop his concept of impression management, Mr. Thourlby has written a book and conducts seminars for corporations and associations around the country entitled “You Are What You Wear.” His syndicated newspaper column of the same name appears all over the U. S., Canada and in highly competitive, success-oriented Japan.

Seminars conducted by William Thourlby, Ltd., start with a discussion of what “impression management” is and how and why it affects lives. He discusses the impact the media has on reinforcing the importance of impressions and how it can be used to control other people’s reactions.

The effect clothing has on decisions people are likely to make on meeting someone also is discussed. Mr. Thourlby incorporates examples from the motion picture industry, famous persons and a slide presentation in de-

By **CAROLE HOLLANDER**
Editorial Assistant

velopment of his clothes-make-the-man philosophy. Other topics included in the seminar are: How to build a wardrobe. How to select clothing — making decisions on materials, styles and colors. How to care for your clothes. And what you should *not* have in your wardrobe.

The seminar has drawn glowing praise. Jack Hester, CLU regional director of Integon, wrote to Mr. Thourlby, “Thank you . . . for sharing your ideas with us on how successful people dress and how successful dress projects successful images. . . . We have noticed a marked improvement in attitudes and an increase in business. . . . We owe a great deal to you and your organization for helping our people project the successful image that we want in the state of Georgia with Integon.”

For the banker, image has importance in terms of his position within the bank’s structure, and equally or more importantly, it is important in terms of his position relative to the public he serves. To the public, the banker must represent trustworthiness, integrity and stability. A customer walking into any part of a bank is seeking these things in the institution and in the people connected with it. To encounter anything less can damage the banker-customer relationship.

Using William Thourlby’s principles of image making, creating the impression a banker wants others to have of him starts at the top with hair a moderate length and in a style that fits close to the contour of the head. The business suit is made of a wool-blend fabric with color choice related to the wearer’s place in the executive landscape. If an executive’s objective is to be nonthreatening and to raise confidence, a basic color such as gray should be worn. If an executive is in more of a command role, “dominant figure” suits that are blue, solid or pin stripe are



appropriate. Dress well enough to fit in — but avoid the “Cassius syndrome” — do not dress as though you are too eager.

Suit coat lapels are 3 to 3½ inches wide. Shoulders look natural and lie comfortably. There should be inside pockets with flaps.

Ties are either of the regimental type or of a lightweight twilled silk with a pattern laid on a dark background. Belts should be black leather with plain brass buckles. Cuff links in gold should be inconspicuous, and the only other jewelry recommended is a wedding band and family crest-type pinky ring.

A shirt with a 3½ inch collar and French cuffs or one-button barrel sleeves makes the right impression. One-quarter inch of the cuff extends beyond the sleeve of the suit coat.

Shoes are best either solid black or dark brown and may be laced shoes or loafers with no trimmings worn with above-the-calf black socks. Briefcases should be of black leather or dark saddle brown.

Mr. Thourlby’s impression-management philosophy is not about being fashionable, good looking or keeping up with what’s new. He recommends, “Anytime someone says ‘Oh, I love that shirt,’ get rid of it.” Rather than

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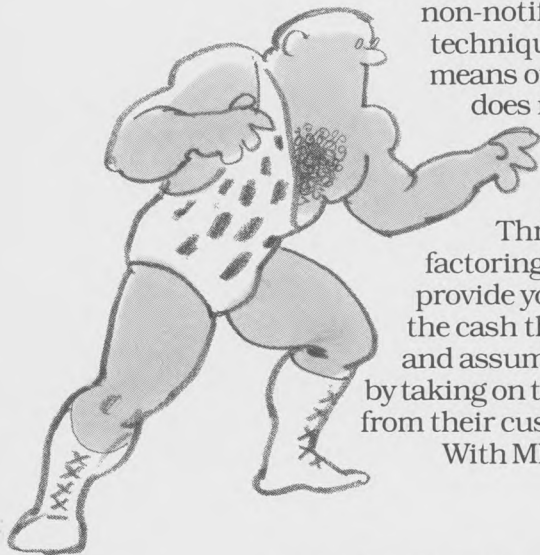
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drawing attention to your clothing, the goal is to draw attention to you.

"President Nixon was an expert on packaging himself," says Mr. Thourlby, "and nobody remembered what he had on. It was always the white shirt, the dark silk foulard tie. With President Carter's fireside chat, everyone knew what he had on — a cardigan — but no one remembers what he said.

"Nothing succeeds like success. . . . Don't be a fashion plate. Dress now the way you're going to dress 20 years from now."

The banker should avoid flashy clothes — they destroy credibility. Don't dress in exaggerated clothing styles and avoid "high-fashion." Constantly changing modes suggest instability, immaturity and inependability to customers. Sports coats may be worn in less formal situations, but they should be of good quality and traditional in cut and color.

A banker can make use of his personal packaging by conscious application of these concepts. The banker who dresses in an uncomplicated, well-groomed fashion will be communicating to customers that he is a reliable professional in whom they can have trust. ●●

Federal Land Bank

(Continued from page 24)

projected the bank would not reach \$3 billion until early in 1980. "However, the demand for long-term mortgage credit during the first eight months of 1979 had been unlike any other year in our bank's history. We set a new annual lending record last year, closing 7,026 new loans for \$479.7 million in 1978," he said, "but by August 31, 1979, we had already exceeded that mark for this year, reaching \$493.4 million, and we still have four months to go."

Noting that lending during the first eight months of 1979 was 56% ahead of the previous year, Mr. May cited three primary reasons for the upsurge in loan demand: inflation and the corresponding increase in land values; greater optimism on the part of farmers and ranchers and the bank's competitive interest rate.

"Land seems to be one of the few investments that consistently keeps pace with inflation," he said, noting that the U. S. Department of Agriculture reports land prices up 14%

nationwide last year. "USDA forecasts call for improved farm income prospects this year," he continues, "and farmers appear to be a little more optimistic about expanding. They view land as a sound investment. When they see an opportunity to purchase additional land and need long-term financing, our interest rate gives us a competitive advantage under current money market conditions."

Land Bank loans are made on a variable-interest plan that allows rates to float up or down with changes in the bank's average money costs. The Land Bank's billing rate increased from 8.5% to 9% on August 1, 1979.

Land Bank loan funds are obtained through sale of Federal Farm Credit systemwide bonds to the investing public. The bank receives no government funding. It is part of the cooperative Farm Credit System owned by the farmers and ranchers who borrow from it. The Federal Land Bank of Wichita is the first and oldest of the nation's 12 Federal Land banks with a charter dating back to 1917. Its loans are made through 44 Federal Land Bank associations in the four states.

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(Front Row, l. to r.) Howard L. McMillan, Jr., Executive Vice President and Manager, Corporate Banking Division; Barney H. Jacks, Senior Vice President, Regional/Correspondent and National Departments; Fred D. Neil, Vice President, Collection and Exchange Department; Billy R. Powell, Senior Vice President, Petroleum Department; Christine O. Comfort, Vice President, Corporate Business Development. (Second Row, l. to r.) Charles S. Murphy, Jr., Vice President, International Banking Department; James S. Lenoir, Senior Vice President, Metropolitan Banking Department; James W. Crawford, Jr., Assistant Vice President, Leasing Department; H. A. Whittington, Jr., Director, Industrial Development Department; Thomas W. Graham, Assistant Vice President, Corporate Services; and Truman W. Ellis, Senior Vice President, Real Estate Department.



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Ready, Set, Go Clothes Put Women in the Race

By CAROLE HOLLANDER
Editorial Assistant

“YOU NEVER have a second chance to make a first impression.”

This phrase, Nancy Ames Thompson believes, epitomizes how important it is to take that first fresh opportunity to state: I am a woman you can entrust with important concerns.

Miss Thompson is one of a growing number of people whose job it is to assist professional people with their career goals by helping them project the right image. Her experience with fashion has included two of the nation's top fashion magazines, *Vogue* and *Glamour*. Wearied by the caprice of fashion, she took on the challenge of Gerald Ford's reelection to the Presidency of the U. S. as an administrative assistant. Afterward, her energies became focused on sharing her fashion expertise with other women to help them achieve their career goals. Her clients have included Ellie Smeal, president of the National Organization of Women; Amoretta M. Hoeber, Pentagon defense expert; Kathy Hartnett, program director for “Voters for Choice,” and various companies sponsoring her two-hour seminars for their men and women in-training.

Her Washington, D. C.-based firm is called Image Awareness — a carefully chosen name that reflects the founder's dress-for-success philosophy. A woman's ability may be indisputable, but if her image is inappropriate, she may never get the opportunity to demonstrate her competence. The appropriate image will be elusive, however, says Miss Thompson, if the client has not crystallized her career goals.

“Subtract the age you are now from 65. That is how many more years you are likely to be working,” instructs Miss Thompson. “Do you want to spend those years doing the same thing and making the same salary? No? Then, where are you headed?”

Half of the Image Awareness program is designed to create an awareness of career goals. The other half coordinates fashion use with those objectives. A client has summed up Nancy Thompson's approach by saying, “She didn't just dress me. She made me take myself seriously.”

The keystone of good apparel decision making rests in dressing for what you want to achieve. “A bank teller's clothes might not be as expensive as a bank vice president's, but, they should reflect the same qualities of stability and direction,” Miss Thompson explains. With women making up more than 60% of those employed in the banking field, this large group's impact on the appearance of bankers to the public should be carefully planned.

Making the right impression has three primary elements: color selection, unity and comfort of style and wise purchasing. The basic business outfit is a three-piece suit (skirt, jacket and vest) in black, blue, brown, dark gray, maroon or tan. The reason this outfit is basic to a career woman's wardrobe is that it incorporates all three of the elements mentioned above. By buying high-price-tag items in neutral and dark colors, a woman is making an investment (1) in clothes of colors that are regarded as non-frivolous, executive colors and (2) in clothes that can readily be recombined to produce a number of alternative

(Continued on page 72)



Image Consultation With Nancy Ames Thompson

Hair: Essential is a good haircut. Spend the money needed to assure your hair is cut properly. It's worth it. Hairstyles should be easy-care. Avoid hampering yourself with a hairdo that requires care throughout the day. Hair longer than shoulder length detracts from the wearer. It moves back and forth and requires rearranging that draws the wrong kind of attention.

Shoes: Shoes should be good for walking. The Chinese used to bind the feet of women to slow them down. One wonders if we've advanced much looking at some of the shoes women hobble themselves with today. Wear simple shoes, preferably without straps, which interrupt the leg line and ruin the unified look you are trying to achieve.

Hats: Don't wear them. The hair problems they cause make them too troublesome. The exception, of course, would be a winter hat for warmth.

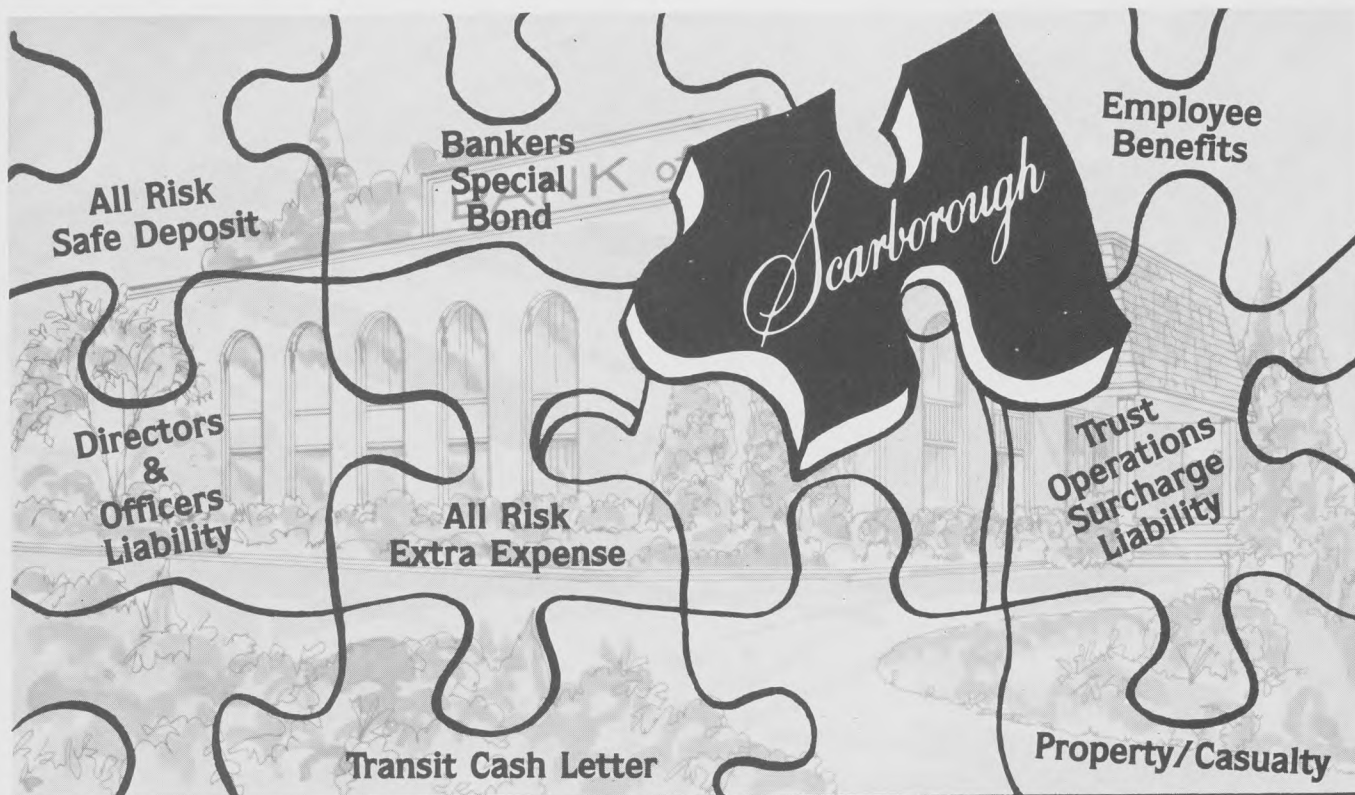
Jewelry: It should be noiseless in terms of eye and ear. No hanging earrings or bracelets that clatter and jangle, please.

Purses, briefcases: A man has 13 pockets to organize the things he carries with him. Purses and briefcases should be well organized so a woman can put her hands on what she's looking for immediately.

Belts, scarves: Wear belts less than 1½ inches wide. Wider belts cut off the flow of the line of your clothes and make a choppy impression. Be sure scarves are secured for the day. Your time is too valuable to be wasted on twisting and turning a scarf.

Pants: Women in the know just aren't wearing pants anymore — so don't wear them. Men appear to be able to understand professional women in skirts. Don't handicap yourself with the negative attention pants bring.

Skirt length: All your skirts should be one length. The range varies from just below the knee to the widest part of your calf. The length should be such that when you sit down in a chair you do not need to adjust your skirt.



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According to Survey:

First Concern in Remodeling or Building?

Better Service Through More Productivity

BANKERS' first concern when remodeling or designing new quarters is improved customer service through increased productivity.

That's the word from bank builders and designers. The top concern "is providing customer service," says a spokesman for LeFebure, Cedar Rapids, Ia. "To that end, they strive first for a smoothly flowing operation for best productivity."

Another design firm agrees that bankers expect remodeling to "increase productivity from the various bank departments." Lee Ponton, vice president, RMM, Inc., Chicago, adds, "We are asked to re-plan areas in renovation projects and to plan new projects so that work flow would be enhanced within the bank." One RMM client, a Pittsburgh mutual savings bank, adopted the "open-office" concept as a way to increase customer service and productivity while allowing "greater flexibility for change as the organization grows."

"Open-office planning," however, isn't likely to catch on in rural areas, observes Richard L. Bacon, an architect in Ste. Genevieve, Mo. "The 'open-office plan' definitely is not suit-

able for rural banks. Loan officers require visual contact with the walk-in customer, but they definitely require a private office to discuss a loan. Unlike the urban situation, the rural customer knows and is known by most other customers and bank employees and desires a completely private conversation and transaction with the loan officer."

One concern high on a banker's list, according to Charles W. Kinsley, vice president, Geupel DeMars, Inc., of Indianapolis, is "cost effectiveness of a new building vs. a largely cosmetic treatment of present quarters." The company "finds that a bank's need for physical space is growing rapidly at the same time that the need for modernization becomes most apparent." After studying the bank and its market, Geupel DeMars presents a number of alternatives ranging from "stay where you are and modernize" to "move to a better site with more advantageous exposure."

Other banker concerns about modernization include image enhancement. "It appears clear that bankers are looking at their buildings and their surroundings as expressive of their banking philosophy," RMM's

Mr. Ponton says, applauding interior design that reflects "a willingness to innovate and an aggressiveness on the part of the bank."

LeFebure maintains "providing customer service at remote stations away from the main office" is a major concern in modernization. "This is readily evident from the great activity of branch building. Most of today's bankers are convinced this is the way to go. Reaction of his customers support his belief."

Further down the list of concerns is energy efficiency. Says one designer: "This has not been expressed to us as one of the top requirements in our designs." ●●

Ready, Set, Go

(Continued from page 70)

outfits. Clothing expense is greatly reduced when a woman is not obliged to buy special color items necessary to complement light greens, purples, oranges, etc. Most important about the basic suit is that, if properly fitted, it is comfortable and easy to move in with classic lines that run smoothly without attention-getting interruptions that detract from the importance of the wearer.

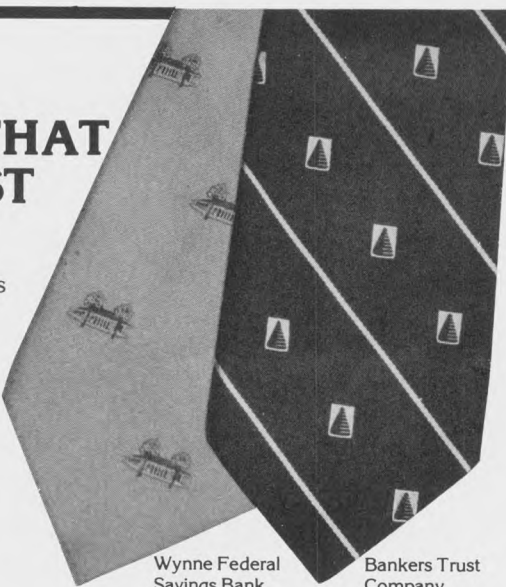
"Fashion is fun," says Miss Thompson. "But, never let it get in the way. Take what you can use from current trends, but never let them pull you into buying clothes that will soon be obsolete or that detract from your professional appearance."

The image objective for bankers' attire is security and continuity. A banking customer will be assured and reassured about working with a bank when that customer consistently does business with bankers he can see are no-nonsense people. ●●

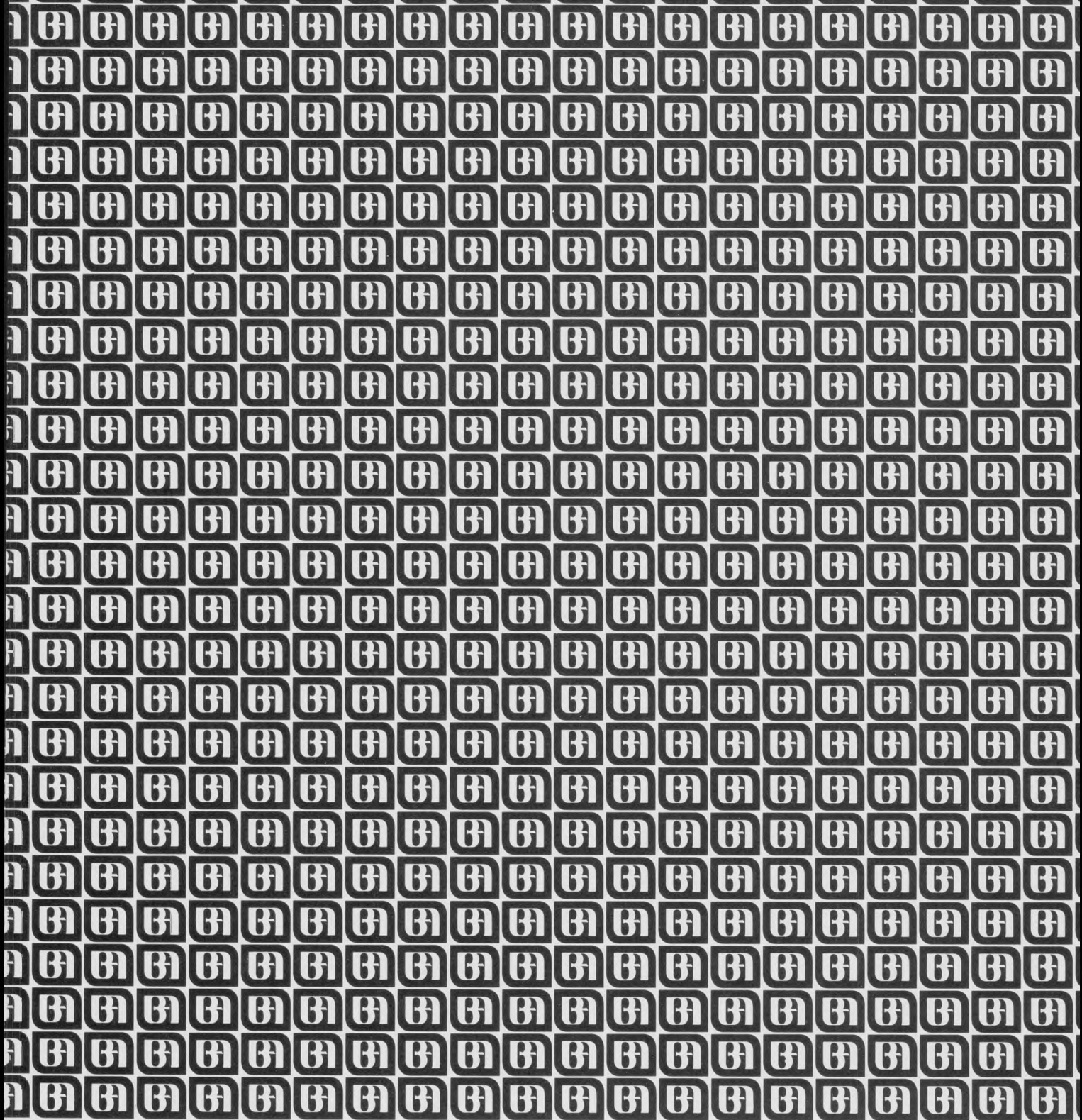
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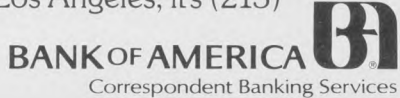
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MORGAN MAXFIELD predicts 8% prime in 1980.
Reason: consumer, business and government will borrow less.

8% Prime Rate Is Predicted: Sometime in '80

By RALPH B. COX, Publisher

A PRIME rate of 8% "sometime in 1980?" Possible? Yes, predicted Morgan Maxfield as he spoke to Kentucky bankers last month at their 85th annual convention in Louisville.

Mr. Maxfield, a young man who has made several previous predictions contrary to opinions held by a majority of financial analysts, was quite confident with his viewpoint, backing it up with this reasoning.

Money is a commodity just like wheat, he said, and when it is plentiful the price will drop precipitously. Supply, not the cost of acquisition, he reminded his audience, will determine the price of money.

The nation, he reasoned, is nearing the end of its credit binge, and three major classes of borrowers are beginning to reduce their loans.

1. The consumer, he said, finally

has been squeezed out of borrowing — in mortgage and installment loans — and probably will not return to the credit window until February or March, 1980. In August, he said, the consumer paid off as much as he borrowed. As the economy dips lower and as the consumer becomes afraid of losing his job, he will tighten his belt even further, depressing auto sales and other consumer goods even lower.

2. Business also is tapering off its borrowing.

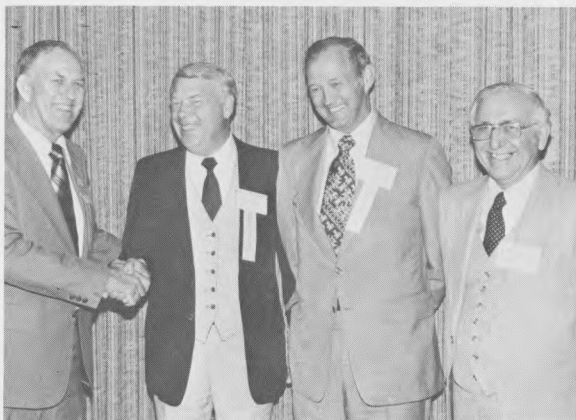
3. The federal government also is borrowing less and will borrow less than expected, he said, and unless the Administration bolsters a sagging economy with higher spending, this will decrease demands for money.

These major factors, he reasoned, would put banks and other lenders in a more liquid position early in 1980 and

thus, he predicted, will force a rapid decline in the prime lending rate. He has targeted 8% as the low point in the prime rate "sometime in 1980."

Mr. Maxfield, a successful real estate investor, also writes an economic newsletter, in which he voices his predictions. *Barron's*, a financial publication, recently cited his "uncanny knack for calling turns" and ran a feature on Mr. Maxfield's "domino theory," which lists a series of 15 economic events he claims occur with regularity.

His domino theory starts with double-digit deficits, proceeds to tax-law changes, lower interest rates than predicted, false prosperity, gold price collapse, presidential election, stock market peak, discount rate starts up, higher interest than forecast, record gold price, decline in new investment, rising unemployment, collapse of auto



LEFT: New KBA officers . . . Pat McCuiston (l.), retiring KBA pres., congratulates newly elected president, Vernon J. Cole, Harlan. Next to him is Pres.-Elect Joe Stacy, West Liberty; and on right, Treas. Emery Cardwell, Morgantown.



RIGHT: New KBA directors serving three years: Clarence W. Pratt (l.), Fort Knox; Glen Wilson (c.), Corydon; and Charles Beach Jr., Beattyville.



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TOP: KBA President Pat McCuiston (r.) is pictured here with convention speaker George Gallup Jr., president of American Institute of Public Opinion, more commonly recognized as "Gallup polls."

CENTER: Two convention speakers pause for chat. Esther H. Smith, pres., Nat'l Association of Bank Women, and C. C. Hope Jr., pres.-elect, American Bankers Association, and v. ch., First Union Nat'l, Charlotte, N. C.

BOTTOM: Sterling Moore, CEO, Citizens Deposit, Vanceburg, awaits \$1,000 community-service award from Shep Pollack, pres., Phillip Morris, U. S. A. Five other banks were runners-up in statewide program sponsored by cigarette manufacturing company. In foreground: KBA President Pat McCuiston.

higher," he said. "Journalists and labor leaders are lower and at the bottom of the list are state legislators and auto salesmen."

There is one thing that annoys people about banks, he said. The public feels, he said, that any errors made by a bank are made to seem as though they were errors made by the customer!

The public also believes, he said, that banks should make greater efforts to fund programs that will help metropolitan areas. One third of "big city" residents, for example, believe that properly financed programs (for housing and business) would help stem the flow of population from cities to less populated areas.

Mrs. Smith, a vice president of Commerce Union, Lebanon, Tenn., told bankers that she expects direct competition between savings and loan associations and banks to diminish, while competition will increase from such financial giants as Sears, Roebuck and Co.

Mrs. Smith called Sears a "near bank," but unregulated. It offers insurance through its Allstate subsidiary, controls a savings and loan in California, offers share-draft service through credit unions, has 3,000 stores and branches nationwide, plus 23 million card holders. This is a formidable competitor, she stated.

Faced with such competition, she said, banking must be receptive to new ideas and flexible to change. And bankers must help affect that change, she reasoned, or change — not of the banker's liking — will be forced on the industry.

She urged bankers to take advantage of the talents of women working in their banks. Assist them in further education; encourage their growth. They are loyal and dedicated to banking.

Another banker speaker, Mr. Hope, vice chairman, First Union National, Charlotte, N. C., pointed out that the American Bankers Association has made a good start in mobilizing banker protests in regard to "over-regulation." And the bankers' voice, he said, is beginning to be heard in Congress. This over-regulation, he said, is costly to banks and, of course, costly to the consumer, who eventually must bear the burden. Over 80% of banks now employ full-time compliance officers, he said, and some of the larger banks have full-time, fully staffed compliance departments!

Mr. Hope urged bankers, as did Mrs. Smith, to write to their congressmen, citing some of the "horror stories" that over-regulation has created in terms of costs to the bank and delays and costs to the consumer.

Another convention event honored six Kentucky banks that had been selected by the Phillip Morris cigarette company for outstanding service to their communities. These banks received awards, presented by the president of Phillip Morris, U. S. A., with a \$1,000 award going to the state winner, Citizens Deposit Bank of Vanceburg. Runners-up in the competition were American National, Bowling Green; Citizens Bank, Glasgow; Citizens Union, Lexington; Hart County Deposit Bank, Munfordville; and Peoples Liberty Bank, Covington.

Resolutions adopted by the convention included one regarding banking regulations. Citing the burdens placed on banks by complex administrative rulings and interpretations, the KBA urged Congress and the federal supervisory agencies to "exercise restraint in the enactment and implementation of regulations" and also asked for "relief from present regulatory burdens."

The KBA also went on record as opposed to use of tax-created dollars to "provide training for personnel who would promote use of credit union services among county government employees." It was made known that the Kentucky Association of Counties recently applied for funds made available under an intergovernmental personnel act for this purpose.

It is unfair, said Kentucky bankers, to use tax dollars to subsidize development of non-taxpaying financial institutions that provide services in competition with taxpaying commercial banks.

Kentucky bankers also issued a strong resolution opposing any legislation that would permit NOW accounts, payment of interest on transaction accounts by *any* institution, including

sales, a new stock market low, then finally chronic recession.

This cycle is repeated endlessly, he said, aided by political decisions and demands from voters. Massive infusions of new money normally precede an election, cause false prosperity and simply propel the cycle along faster.

Mr. Maxfield, who called the turn for a 6% prime in 1976 and rates of 10% (or more) in 1978, also had a word to say about inflation. It can be stopped, he said. The Swiss government did it. It balanced the budget and restricted growth of the money supply to growth of GNP. Consumers altered their lifestyles, he said, but inflation was reduced to 1% from 18% in a short span of time.

Other convention speakers included C. C. Hope, ABA president-elect; Esther H. Smith, president, National Association of Bank Women; and George Gallup Jr., president, American Institute of Public Opinion.

Mr. Gallup had some good news for bankers. A recent poll, he said, found that banking ranks fifth among 20 professions in the area of confidence and ethical standards.

"Only clergymen, medical doctors, engineers and college professors rank

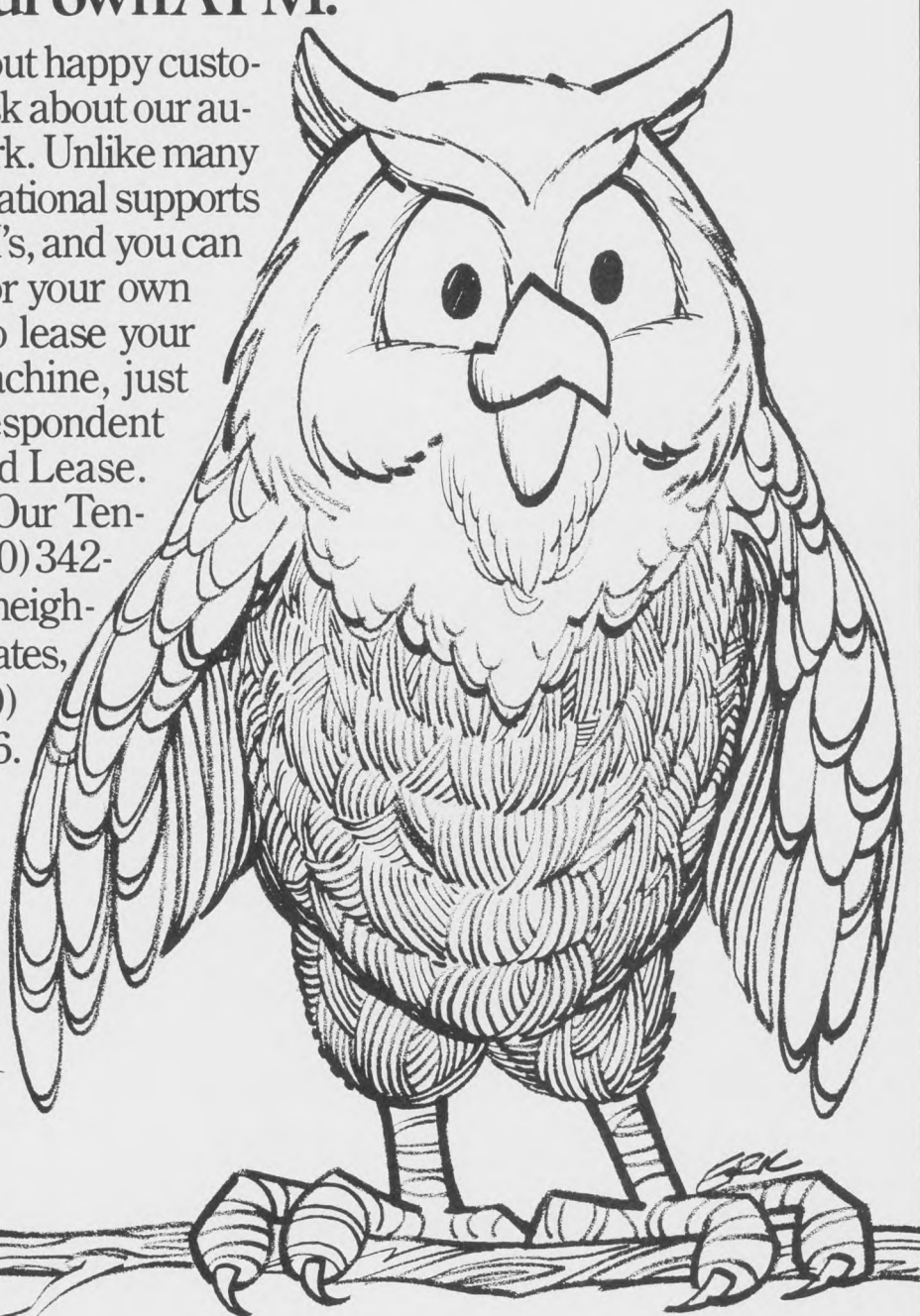
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use of credit union share drafts and/or S&L remote-service units. The KBA called on Kentucky congressmen and senators for assistance in opposing such legislation.

During officer elections, Vernon J. Cole, executive vice president, Harlan National, and chairman and president, Guaranty Deposit Bank, Cumberland, was named KBA president.

The association's new president-elect is Joe Stacy, president, Bank of the Mountains, West Liberty. Emery Cardwell, president, Morgantown Deposit Bank, is the KBA's new treasurer.

KBA delegates also elected three new directors for three-year terms: Clarence W. Pratt, president, Fort Knox National; Glen Wilson, president, Henderson County State, Corydon; and Charles Beach Jr., president, Peoples Exchange, Beattyville.

Members of the American Bankers Association elected Phillip R. Hayes to a two-year term on the ABA governing council. Mr. Hayes is president, Citizens Bank, Elizabethtown. ••

**ABA Workshops to Highlight
Discussion of NOW Accounts**

Impact of the payment of interest on personal transaction accounts on banking in the New England and New York State areas and the overall effect it will have on the banking community if approved nationwide will be the thrust of workshops sponsored by the ABA. In the MID-CONTINENT BANKER area, workshops will be conducted November 8 at the Fairmont Hotel, Dallas, and November 29 at the Marriott Hotel, Chicago.

Robert W. Renner, president, Citizens State, Hartford City, Ind., who is chairman of the ABA community bankers division, cited two questions the workshop will attempt to address: What affect the paying of interest on personal transaction account balances will have on banks? And how can banks compete against other financial institutions' services?

Speakers during the workshops will describe the federal legislation allowing negotiable order of withdrawal (NOW) accounts, its requirements and limitations; basic marketing planning for NOWs; financial implications of NOWs and the operations and marketing aspects involved with them.

"CEOs, corporate planners, operations, marketing and financial officers can benefit from the workshop by learning how these interest-bearing transaction accounts could affect their banks financially, operationally and competitively," stated Mr. Renner.

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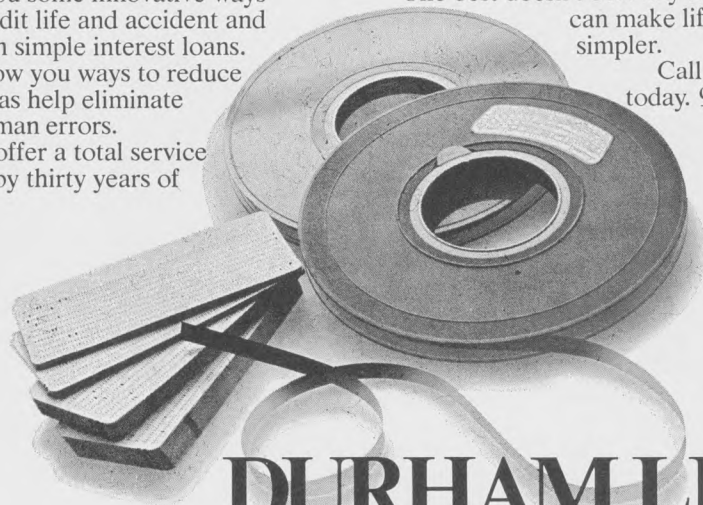
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Money, Money, Money Course Designed for Women Only

FORT WORTH NATIONAL is now offering its "Money, Money, Money" financial management education program for women to other banks throughout the U. S.

The program was originated by Ann Quinn, vice president and manager, women's special services, in 1975 and made available as an ongoing course for members of the Fort Worth Junior League. As a result of its enthusiastic reception by Junior League members, the seminars were opened to the public.

Since that time, more than 1,200 women have completed more than 20 "Money, Money, Money" seminars conducted by Fort Worth National.

The program is presented in six two-hour sessions for six consecutive weeks. Topics covered include money management, taxes, wills and trusts, estate planning, investments and banking services. Experts in accounting, investments, consumerism, insurance, family and tax law, real estate and officers from Fort Worth National's various divisions have comprised the faculty.

The course is designed to acquaint women with the basic principles of fi-

ancial management and to "whet the student's appetite," said Mrs. Quinn.

Measurable results have been evidenced in deposits, new accounts and new customers for Fort Worth National, which has become strongly identified as the bank of women as a result of the seminars and other projects sponsored by women's special services.

"Because of the interest in 'Money, Money, Money' shown by banks throughout the nation, we decided to make the program available on an exclusive basis in other areas," Mrs. Quinn said.

The program package includes three years' exclusive rights to the program in a participating bank's trade area, a two-day training seminar at Fort Worth National for two officers who will conduct the program, two sets of instructor's manuals, textbooks and manuals for 35 seminar participants, promotional and advertising materials, quarterly newsletters during the three-year contract period, an option to purchase an accompanying color slide presentation and an option to renew the program and purchase additional programs at a discount. ••

trating instead on the broader concepts that will affect not only the banking industry but the national and international financial environment," says convention general manager Richard J. Flamson, president/CEO, Security Pacific National, Los Angeles. "The BAI provides in-depth coverage of the more technologically oriented topics in its 130-plus meetings and seminars held throughout the year."

Former President Ford will speak at the all-delegate and guest luncheon on Tuesday, November 6. Mr. Clausen will speak on "Managing in the Competitive and Inflationary Environment of the Next Decade" at one of the three major general sessions on Monday, November 5. Also speaking Monday will be FDIC Director Isaac, who will give his perspectives on the legislative and regulatory outlook for the 1980s, and A. Robert Abboud, chairman, First Chicago Corp., who will present a banker's viewpoint of the subject.

Convention general chairman Flamson will deliver the theme-setting address. Other top banking experts who will conduct the 26 concurrent educational sessions throughout the four-day program are: Gerald R. Hildebrandt, president, Gerald R. Hildebrandt Associates, Philadelphia, on "Directors' and Managers' Expectations of the Internal Auditor"; Raymond Garrett Jr., partner, Gardner, Carton & Douglas, Chicago, and former chairman, Securities and Exchange Commission, on "Foreign Corrupt Practices Act and Internal Controls"; Harry Keefe of Keefe, Bruyette & Woods, Inc., Investment Securities, New York City, on "A Plan to Increase the Market Value of Your Bank's Stock."

Also, conducting concurrent educational sessions from the Mid-Continent area will be James A. Cassin, executive vice president, First National, Chicago, on "Retail Service Product Management"; Charles P. Wilson, president, Commercial Bank, Paris, Tenn., on "Using Technology to Improve Productivity"; John L. Stephens, executive vice president, Harris Bankcorp., Chicago, on "Critical Issues in Government Regulation of the Bank Personnel Function"; David Wolverton, president/CEO, First Wichita National, Wichita Falls, Tex., on "Human Resources and the Bottom Line: Is There a Correlation?"; and Michael Groves, vice president-credit administration, Alabama Bankshares, Birmingham, on "The Internal Auditor's Role in Credit Review."

Headlining the entertainment will be popular singer Andy Williams.



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Preview of Banking in '80s, Former President Ford Headline BAI Convention

Former President Gerald R. Ford, Bank of America President A. W. Clausen and FDIC Director William M. Isaac are featured speakers for the Bank Administration Institute's annual convention November 4-7 in Los Angeles.

The keynote address will be given

by Former Treasury Secretary Michael Blumenthal. BAI Chairman Carl W. Klemme, executive vice president, Morgan Guaranty Trust, New York City, will give a theme-setting overview of banking in the '80s.

"A Preview of Banking in the '80s" will be the convention theme. "The BAI's national program committee decided to take a new approach this year by de-emphasizing the narrower, technological subjects and concen-

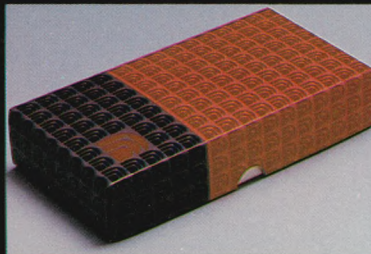
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how to become wealthy, is an inspiring combination of vast experience, humor, authority and sensitivity that instructs the reader in Mr. Young's unique, but sensible, method of getting rich and staying rich.

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KBA Forms Task Force To Study Energy Crisis, Promote Conservation

TOPEKA — The Kansas Bankers Association has taken a major step to involve the Kansas banking industry in lending and capitalization aspects of alternate energy-source development.

Its energy task force has developed a comprehensive four-part plan to help solve the nation's increasing energy crisis.

The task force decided to develop a proposal on how the Kansas Develop-

ment Credit Corp. (KDCC), one of the oldest development credit organizations in the U. S., can become involved in financing and capitalizing energy-source projects.

Supported by more than 425 Kansas banks, the KDCC has lent more than \$72 million in its 15-year history to small businesses in Kansas.

Also, the task force plans to encourage Kansas banks to conserve energy and share information on conservation practices, develop educational materials for school systems to make students aware of energy conservation and possibly involve the KBA's statewide advertising campaign in informing the public on what the banking industry is attempting to do in this area.

John Harding, president, First National, Dodge City, has been appointed task force chairman.

Other task force members are: Roger Batson, president, First National, Hays; Deryl Schuster, president, First National, Liberal; and Robert M. Smith, senior vice president, Fourth National, Wichita.



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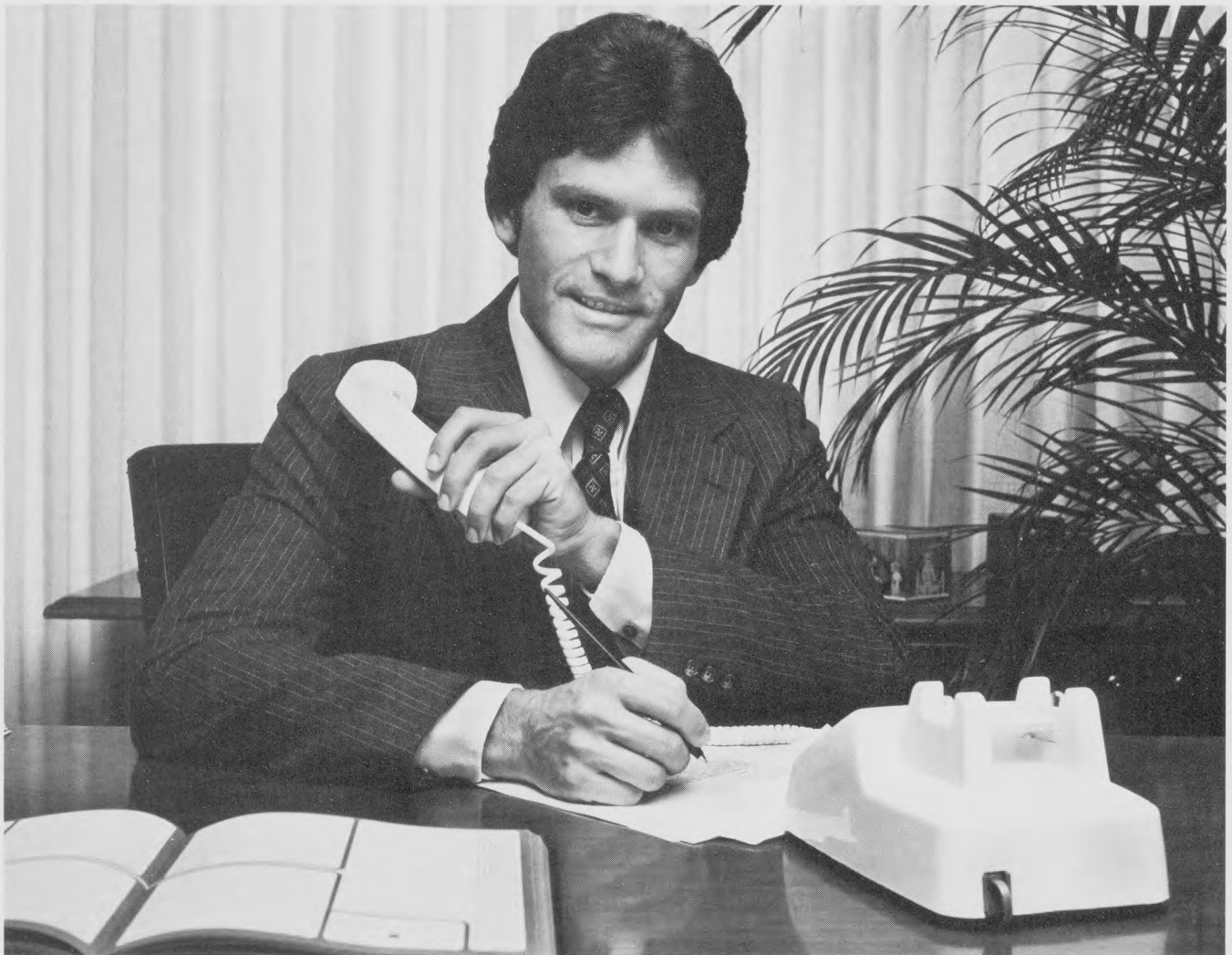
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Association Takes Steps To Meet Challenges of '80s

Changing Illinois' banking laws is No. 1 objective

MEETING challenges that may confront banking in the 1980s is the goal of the Association of Modern Banking in Illinois (AMBI). This was the message conveyed at AMBI's annual convention in Chicago last month.

Striving for professionalism, AMBI had reorganized its association staff positions by promoting James Watt from executive director to association president and Fred L. Roberts Jr. and William D. Olson to vice presidents in charge of education/public information and government relations, respectively. Also, AMBI revamped its accounting system, revised dues funding, revised its communications program, modernized its central offices and updated its general association marketing package.

Theodore H. Roberts, executive vice president, Harris Trust, Chicago, was elected chairman of the organization.

"As my first official act, I intend to appoint a special chairman's advisory

By **KAREN KUECK**
Assistant Editor

council consisting of all past presidents of AMBI to assist me with a review of the long-range plans for our banking association and to aid in membership development.

"Although changing Illinois' archaic banking laws will remain our No. 1 objective, we will not neglect the other needs of our membership, including special education programs and committee information exchanges."

Future challenges include EFT regulations, AMBI-endorsed bank-structure bills and Fed reserve requirements and NOW accounts under congressional consideration.

"In the immediate future, we will be working with the commissioner of banks on formulation of regulations implementing the new EFT laws and with financial committees of the (Il-



AMBI Ch. William E. Weigel, e.v.p./CEO, First Nat'l, Centralia, presided over this year's convention with AMBI Pres. James Watt at Continental Plaza Hotel, Chicago.

linois) General Assembly as they continue hearings on AMBI-endorsed bank-structure bills. Also, we will be monitoring the important congressional scene in Washington, where bills on reserve requirements and



NEW AMBI OFFICERS

New officers elected by AMBI are (l. to r.): v.ch., Charles L. Daily, ch., MidAmerica Bank of Edgemoat, East St. Louis; immediate past ch., William E. Weigel, e.v.p./CEO, First Nat'l, Centralia; ch., Theodore H. Roberts, e.v.p., Harris Trust, Chicago; pres., James Watt, AMBI, Springfield; sec., John A. Andersen, pres., First Nat'l, Lake Forest; and treas., Willard Bunn III, e.v.p., Springfield Marine Bank.

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NOW accounts are being considered."

Mr. Roberts said his association poses no threat to bankers who are afraid that permitting limited multi-bank holding companies or branching will lead to domination of local markets by "impersonal, outside-controlled" banking organizations instead of locally owned and managed unit banks.

"That doesn't make sense, since antitrust laws effectively prevent market domination and customers are free to choose their banking relationships," Mr. Roberts said. "No one is going to force them to do their banking anywhere.

"What these great 'anti-monopolist' unit bankers are *really* afraid of is competition. And competition is not exactly an un-American principle in my book."

However, there is such a thing as unfair competition, he said, referring to S&L competition.

"What kind of equity is there in permitting S&Ls to proliferate branches while denying banks the right to a competitive response? One large S&L in Chicago now has about 30 branches," he said.

Mr. Roberts does not believe that AMBI and the Illinois Bankers Association will reunite in the near future.

"We believe our objective of securing competitive equality with S&Ls and offering banking customers better service is right," he said. "We will not waver in this conviction. However, we are open to reasonable compromise at any time, as recently demonstrated with the EFT bills. When we have ac-

Roberts Resigns AMBI Post

At the AMBI convention in Chicago last month, it was announced that Fred L. Roberts Jr., one of the association's vice presidents, is resigning effective October 1. He plans to work on a political campaign in Wisconsin.

complished our objective — or when the IBA has formally adopted a position of neutrality on banking structure — there will be time enough to talk about combining our associations."

Other new officers include Immediate Past Chairman William E. Weigel, executive vice president/CEO, First National, Centralia; Vice Chairmen Charles L. Daily, chairman, MidAmerica Bank of Edgmont, East St. Louis, and James E. Forster, president, DeKalb Bank; Treasurer Willard Bunn III, executive vice president, Springfield Marine Bank; and Secretary John A. Andersen, president, First National, Lake Forest.

Other executive committee members in addition to Messrs. Roberts, Daily and Forster are Jay K. Buck, senior vice president, Northern Trust, Chicago; William D. Plechaty, senior vice president, Continental Illinois National, Chicago; James E. Smith, executive vice president, First Chicago Corp.; James F. Oberwornmann, vice chairman, Union National, Joliet; David E. Connor, president, Commercial National, Peoria; and John E. Brubaker, executive vice president, First National, Springfield.

Illinois Banking Commissioner William C. Harris said that his office will strive to write clear, concise regulations when Senate Bills 905 and 906 become law.

"When the (EFT) bills become law, my first act will be to seek the services of a broadly based ad-hoc committee to assist my agency . . . to help write the shortest, most-sense-making set of rules and regulations that we can resolve.

"Our goal with respect to EFT authority . . . is going to be responsible regulations with as few words as possible," he said. ●●

Per-Share Percentages:

Social Investment Impact Revealed in 6-Booklet Report

In its fourth edition of "Because We Live Here," a report on time, money and per-share percentages of its social-responsibility programs, Continental Bank, Chicago, has disclosed its civic involvement of \$5.7 million in 1978 and \$4.8 million in 1977. According to the bank, it was the first one in Chicago and one of a few national banks voluntarily to disclose this information in a publication.

Continental also released the impact such programs have on per-share earnings. "Social investments" came to 8¢ per share after taxes in 1978 and 7¢ per share in 1977. "Continental bank — the institution, employees and stockholders — can expect to continue to prosper only in a socially and economically healthy community that looks on the bank as a contributor to its well-being," said Roger E. Anderson, chairman, parent HC, Continental Illinois Corp., and the bank.

The latest publication is presented in a series of six booklets. The first two explain education and urban development; the others explain cultural enrichment and heritage, developing human resources, providing vital assistance and those who make up Continental's organization.

Voting Trends Index Available

A voting trends index of U. S. senators and representatives in the 95th Congress has been compiled by a Kansas City businessman who believes the average citizen does not have easy access to such information.

"I assembled these facts into a booklet in the belief that a large percentage of our citizens cast their votes without the slightest idea of the relationship between their point of view and the voting record of the incumbents," said Miller Nichols. "I am convinced that as a result of exposing this document and its suggestions to many individuals, it will help create a better-informed electorate for the . . . 1980 national election."

The 16-page booklet offers a balance of ratings by liberal and conservative organizations that followed actions of elected officials in the 1978 Congress.

Mr. Nichols personally has paid for assembling the facts and printing and mailing the 25,000 initial press run. Write: Smith-Grievess Printing Co., P. O. Box 19573, Kansas City, MO 64141. Prices: 10 copies, \$5; 100 copies, \$24.50; 1,000 copies, \$250.



New AMBI Ch. Theodore H. Roberts, e.v.p., Harris Trust, Chicago, will appoint "chairman's advisory council" as his first official act to help with long-range planning and to develop membership.

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Favorable Forecast Made for Agriculture At St. Joe Market Day

A GENERALLY FAVORABLE outlook was forecast for agriculture during the next few years at the 23rd annual Market Day cosponsored last month by First Stockyards Bank and First National in St. Joseph, Mo. The agricultural outlook was made by John Anderson, president, Farmland Industries, Inc., Kansas City.

However, Mr. Anderson tempered his forecast by saying that the outlook is far from untroubled because of two serious problems ahead for farmers and agribusiness — energy and transportation.

In discussing the outlook that he characterized as generally good, Mr. Anderson said that agriculture just now is working its way out of a slump that lasted several years. The big export sales and record farm income of the 1970s, he continued, turned quickly into surpluses and low prices. Farmers suffered a severe cost-squeeze that was all the more painful for having come so swiftly on the heels of prosperity. The situation has been especially critical for younger farmers, according to Mr. Anderson, because they found themselves in a highly leveraged position and in danger of going under as a result of an increasingly burdensome debt and negative cash flow. Banks throughout the Mid-

west felt the impact of that farm slump, but, said Mr. Anderson, bankers' advice, counsel and patience have helped many young farmers weather these difficult years. Hopefully, he said, all share in the relief that those years are past.

For instance, he pointed out, despite near record production, wheat prices are showing considerable strength. The average price for No. 1 hard red winter wheat at Kansas City was \$4.33 a bushel in July — \$1.19 a bushel higher than last year. The strong wheat market is due mostly to record export sales, said Mr. Anderson, and an estimated 1.4 billion bushels of wheat will be exported during the 1979-80 fiscal year. This demand for exports, he said, is the result of a 7% drop in world production, with smaller crops in Russia, Canada, Australia and other countries. U. S. wheat stocks have been reduced for the first time since 1974.

"In corn and soybeans, too, record crops will be offset by high export demand," said Mr. Anderson. "Corn exports during the fourth quarter of 1979 are expected to be some 38% higher than last year. Soybean exports for 1979-80 are projected at 12% higher than last year. Corn prices should average about \$3 during the 1979-80



J. M. "Jake" Ford II, ch., First Midwest Bancorp, St. Joseph, gives closing remarks at Market Day.



John Anderson, pres., Farmland Industries, Kansas City, speaks at Market Day on "Economic Outlook for the Farmer."

marketing year. Bean prices are expected to rise to more than \$7 during the coming year."

Turning to cattle prices, he said that such prices are beginning to show some strength again after weakening earlier this year — due to lackluster consumer demand, tough competition from pork and poultry industries and a buildup of stock caused by the truckers' strike. He admitted that prices are still below the levels of a few months ago — about \$65 per hundredweight compared to \$72 during the last quarter — but they are expected to increase slowly this fall and winter, climbing back over \$70.

According to Mr. Anderson, a couple of years of strong hog prices and a buildup of hog inventory resulted in a



LEFT: Preparing to take tour of Wire Rope Corp. during Market Day in St. Joseph, Mo., last month are (l. to r.) Charles Rosengarten, State Bank, Bern, Kan.; John Karn, pres., First Stock Yards Bank, St. Joseph (one of host banks); H. H. "Beanie" Broadhead Jr., ch., First Stock Yards Bank; Gerald Stitt, First Nat'l, Summerfield, Kan.; and Duane Hickox, Peoples Exchange



Bank, Elmdale, Kan. RIGHT: Panelists for Market Day discussion are (l. to r.) Thomas B. Hunter, Producers Livestock Marketing Assn.; Fred V. Halsey, Packers Trading Co.; Steven D. Silvius (moderator), St. Joseph Market Foundation; Larry T. Kittoe, Pillsbury Co.; and Jack Hodgins, National Livestock Commission Co.

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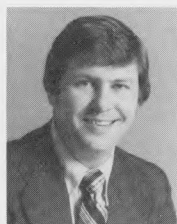
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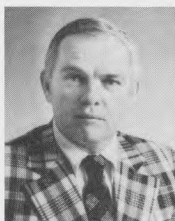
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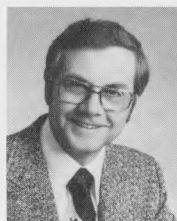
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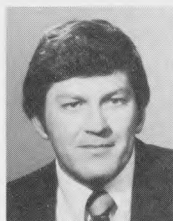
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record pig crop this year and a decline in prices. Indications are that liquidation of sows has begun. Hog prices are expected to begin climbing again next year.

After giving this brief roundup of the short-term outlook for major midwestern agricultural commodities, Mr. Anderson said the news is mostly promising, and it is especially good to see grain prices rise from their slump. Perhaps, he continued, most encouraging of all is the outlook for a strong increase in the agricultural export market.

"The Department of Agriculture announced that the value of U. S. agricultural exports reached some \$32 billion during the fiscal year just ended. That's a 17% increase over 1978 — a fantastic figure and welcome news not just for farmers, but for everyone concerned with the economic health of our nation.

"Surely, exports are a boon to farmers — one out of every \$4 they earn comes from overseas sales. Last year, more than 60% of wheat and rice American farmers produced was exported. More than 50% of their soy-

beans, 40% of their cotton and 25% of their corn."

However, he warned, foreign trade is not a one-way street, and farmers are not the only beneficiaries. In 1979, the value of American farm exports is expected to produce a trade surplus of \$16 billion. That surplus, says Mr. Anderson, will help pay for a myriad of imports — including oil. In doing so, it will bolster the strength of the dollar.

Mr. Anderson then turned to the problems facing agriculture, discussing energy first. As recently as 10 years ago, he said, most of us assumed that cheap and plentiful energy was here to stay, but we all know now that it was not. Regardless of short-term improvements in the supply picture, he told his audience that energy problems are here to stay and that they probably will get worse before they get better. In fact, he said, it will be many years and perhaps decades before agriculture and industry again can feel assured of a dependable long-term supply of energy.

His firm, Farmland, through member cooperatives throughout the Midwest, supplies about 500,000 farmers with fuel. He described the past several months as having been tense and uncertain for his firm — some of the most trying months in its history.

Despite Carter Administration assurances that farmers would have priority in fuel assignments, he said that his firm was not able to satisfy all the agricultural fuel needs of its farmer members. In fact, he continued, for a couple of months this summer, Farmland could provide no fuel at all for nonagricultural use — even in areas where the local cooperative is the only fuel supply for miles.

The crisis began late last year with the political revolution in Iran, said Mr. Anderson, and the upheaval there shut down some 15% of the world's crude oil production and dislocated the total supply picture. Farmland began allocating petroleum in March, after crude oil shortages forced it to operate its refineries at less than capacity in February.

Farmland owns about 17% of its own crude oil supply and must buy the rest. As supplies tighten, said Mr. Anderson, sellers understandably were reluctant to part with their own crude oil. As a result, Farmland has had to depend on government-mandated allocations to fulfill even minimum fuel requirements of its members.

Mr. Anderson added that depending on the government to mandate fuel supplies is not the best of all possible



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worlds, and so his firm is doing all it can to assure its own supplies. Heavy investments in oil exploration are paying off, and Farmland expects to double its fuel self-sufficiency during the 1980s.

Looking further ahead, Farmland is examining fuel alternatives, especially shale oil and coal. Agriculture, as well as other segments of our economy, advised Mr. Anderson, must be prepared to switch to other energy sources as petroleum becomes scarcer and more expensive. Presently, there is no economic alternative to using natural gas in the production of nitrogen fertilizer, he said, and it is important that agriculture be one of the priority users of this important energy source.

Another problem threatening agriculture during the next two years is transportation, said Mr. Anderson. No other industry is more dependent on swift, dependable transportation than agriculture — and swift, dependable transportation is becoming about as common as swift, dependable postal service, he said.

Mr. Anderson pointed out that the nation's rail system is especially vulnerable, with rural areas being the hardest hit. Peak grain movements strain the nation's rail system beyond its capacity, with resulting slowdowns in service and, ultimately, money lost.

Although some believe that rail deregulation is the answer, Mr. Anderson says he does not think so because agricultural areas are likely to be bypassed in favor of more profitable metropolitan lines if deregulation occurs.

Energy and transportation are not the only problems facing agriculture by any means, Mr. Anderson commented. There always will be peaks and valleys in the farming business —

risks in planting too much or not enough; droughts, floods, hail and wind, man-made problems that result in supply shortages of vital farm inputs. Despite these problems, though, Mr. Anderson believes the long-range outlook for farming is bright and bases this belief on what he says is one clear and indisputable reason: By the year 2000, the present world population of 3.9 billion will have grown to nearly seven billion. Before the year 2050, it will double to 14 billion. These people must eat, he said, and no one produces more food more economically than American farmers.

He closed by citing some trends that back up his confidence in the long-range future of farming. First, more young people are staying on or returning to the farm. The average age of farmers is declining after decades of rising. Second, agricultural colleges are full. Young people are looking ahead, and they see a bright future in agriculture and agribusiness.

The day-long marketing program also included a panel discussion moderated by Steven D. Silvius, director, St. Joseph Market Foundation. Panelists were Fred V. Halsey, Packers Trading Co.; Jack Hodgkin, National Livestock Commission Co.; Thomas B. Hunter, Producers Livestock Marketing Association; and Larry T. Kittoe, Pillsbury Co.

These panelists were asked a wide-ranging series of questions, but the majority of queries dealt with the future prices of cattle, hogs and grain. Mr. Halsey outlined the new Department of Agriculture regulations for delivery of cattle. He said these regulations were strict and more complex than previous rules, but would be beneficial to the industry.

Mr. Hunter said he believes cattle prices should hold at a fairly high level through the first quarter of 1980. If supermarket beef prices become too high, as in 1974, Mr. Hunter said the consumer would switch to poultry and pork. Mr. Hodgkin said that more pork is being consumed this year, compared with the same period last year. He believes this is due to lower prices and less availability of beef. Mr. Kittoe predicted a record export of grains in 1980. He said problems with transportation could hamper movement of grain to ports, but suggested rail facilities would be improved to permit achievement of his prediction.

The market day began with a tour of the Wire Rope Corp. of America in St. Joseph, followed by luncheon at the Hoof and Horn Steak House. The afternoon program was opened by H. H. "Beanie" Broadhead Jr., chairman, First Stockyards Bank. He was followed by a summary of the current day's livestock market given by Glen Lieser, MFA Farmers Livestock Market, and Ivan R. Rowlett, Colt-Wall-Bethel Commission Co.

Closing remarks were made by J. M. "Jake" Ford, II, chairman, First Midwest Bancorp. The day was closed with a steak dinner. ●●

Loan Formulas

(Continued from page 11)

times when a bank, though it may not like to admit it, will make what it knows is a weak loan for political or social reasons. This is especially likely in light of some of the pressure banks are under today from FIRA. Obviously, having a knowledge of the fact that loans were made and paid off — though classified by the examiner — does put the loan officer in a better position, vis-a-vis the examiner and his ability to stand up to the examiner as far as the judgment he exercised.

It would be splendid if they did, but most community bankers do not have software programs found in larger banks to run profit-and-loss, cash-flow and balance sheets through their computers to detect variances and trends in the ratios to determine if loans are moving into a doubtful position.

Top management of a bank should be conversant with the track record it has in the way its loans are paid off. A loan classified by a bank examiner should be taken seriously. One top

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bank regulator I discussed this with said that in his experience the nature of classifying those loans in his district resulted in about half of them being removed from the classification list on the next bank examination. It was his position that the loan, if it had not been classified, probably would have deteriorated further. Because the loan was identified and red flagged, the commercial bank loan officer was in a position to take prompt and effective action to keep the loan in a sound condition.

Bank Directors Scheduled To Meet October 24-27 In White Sulphur Springs

WHITE SULPHUR SPRINGS, W. VA. — A member of the Fed's Board of Governors, Philip E. Coldwell, will discuss "International Monetary Developments and the Banking System" at the 38th Assembly for Bank Directors October 24-27 at the Greenbrier Hotel here.

Other speakers will include Eugene L. Swearingen, chairman/executive committee, Bank of Oklahoma and

BancOklahoma Corp., Tulsa, on "What a CEO Expects of Directors"; Charles E. Lord, senior adviser to the Comptroller of the Currency, Washington, D. C., on "The Evolving Responsibilities of Bank Directors" and Gordon G. Wittenberg, member of the architectural firm of Wittenberg, Delony & Davidson, Inc., Little Rock, Ark., on "What an Outside Director Expects of Management." Mr. Wittenberg is a director of First National, Little Rock.

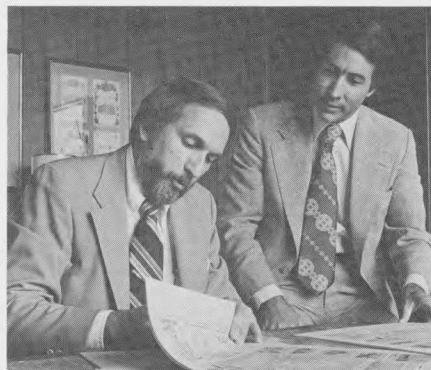
Other topics will include "Pricing Bank Services" by John Pisa, vice president, Louisiana National, Baton Rouge; "Analyzing Your Bank" by William F. Staats, professor of banking and finance, Louisiana State University, Baton Rouge; and "The Planning Function" by James S. Hall, president, First Arkansas Bankstock Corp., Little Rock.

Also, "The Legislative Outlook" by Gerald M. Lowrie, ABA executive director/government relations, and "Marketing and Profits" by Norwood W. Pope, vice president/marketing, Sun Banks of Florida, Lake Buena Vista, will be featured.

Two voluntary sessions and a special discussion session will focus on "Bank

Auditing and Control"; "Trusts and Estates"; "Planning for the 1980s"; "New Banking Requirements"; "Trust Developments"; "Director/Management Relations" and "Outlook."

Signed Paintings at Bank



Artist J. A. Crutchfield, Nashville, signs one of 200 historic Nashville prints prepared for the city's bicentennial observance and purchased by Third Nat'l, Nashville. With him is David Thibodeau, s.v.p./dir. of marketing. Proceeds from the bank's purchase will provide services to learning-disabled children at Nashville Institute for Neurological Development. The bank is offering prints free to nonprofit civic groups to use as door prizes.

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NEWS

From the Mid-Continent Area

Alabama

■ **FIRST NATIONAL**, Mobile, has announced the promotions of five officers. Promoted to vice president was Charles H. Willcox and to assistant vice presidents, James G. Catlin, E. A. Coppejans, James M. Ellison and Jerry A. York. Mr. Willcox was assistant vice president, manager of systems and programming. Mr. Catlin will be working in the consumer loan department, Mr. Coppejans in the area of branch business development and Mr. Ellison in the consumer loan department.

■ **FIRST ALABAMA BANKSHARES**, Montgomery, has acquired Conecuh County Bank, Evergreen. The bank will become First Alabama's 17th affiliate bank. The HC also announced that Antony Laurens van Aken will become the head of its international division in Mobile. Mr. van Aken has been with the international division for the past five years.

■ **FIRST NATIONAL**, Decatur, has promoted Carol B. Boyd to assistant marketing officer, bank card department manager; Anne Coleman Crane to marketing officer; John W. Jolly to assistant cashier and Marge Warren to assistant credit officer.

■ **LULIE M. MILLS** has joined First National, Mobile, as marketing officer. Miss Mills will serve as director of advertising and public relations. Prior to joining the bank, she served as a public information representative with a utility company.

■ **MARY GEORGE JORDAN WAITE** has been appointed to a six-year term on the State Banking Board by Governor Fob James. Mrs. Waite, chairman and president, Farmers & Merchants Bank, Centre, is the first woman to be appointed to this board. Active in civic and community affairs, Mrs. Waite also is active in banking circles. She is past president, Alabama Bankers Association; director, Alabama Independent Bankers Division; chairman, Educational Foundation, Alabama Bankers Association; member, community bank council,



WAITE

Bank Administration Institute; and member, executive committee, community bankers division, American Bankers Association.

Arkansas

■ **FIRST ARKANSAS BANKSTOCK CORP.**, Little Rock, has announced election of Jean-Claude Biget to the advisory board of Worthen Bank, Little Rock. Mr. Biget is executive vice president and chief operating officer of Falcon Jet Corp., Little Rock. Russell K. Simmonds has been promoted from field auditor to auditor of Worthen Bank. Mr. Simmonds joined the bank in 1974.

■ **JIM RANDALL**, president, Jim Randall Co., Hot Springs, has been elected to the board of Arkansas Bank, Hot Springs. The Randall firm includes Resort Realty, Southland Insurance Agency, Property Management and Land Development.

■ **FIRST NATIONAL**, Stuttgart, has announced the election to the board of Tommy Hillman, president, Winrock Farms, Carlisle, and Pat Henderson, president, Federal Drier & Storage Co., England.

Illinois

■ **LYLE S. INCE**, Kewanee National, has been elected vice president. Mr. Ince started his career in 1971 and joined Kewanee National in 1976.

■ **CHARLES E. LYNCH** has joined Belleville National as a vice president, installment loan department. Mr. Lynch was vice president, Bank of Belleville.

■ **PIONEER BANK**, Chicago, has announced the election of John M. Sevcik to president. Mr. Sevcik joined the bank in 1974 and was elected senior vice president, commercial lending, in 1975. In 1978 he was promoted to group senior vice president, commercial, mortgage and consumer banking functions. Pioneer will open a new \$700,000 drive-in facility which will contain drive-ups to serve eight lanes of cars. A vestibule will house two walk-up teller windows. An ATM and a 24-hour depository unit will be located immediately outside.

■ **FIRST NATIONAL**, Oak Lawn, has announced it will expand its banking facilities through construction of a six-story building. The bank will occupy the lower level and first floor with upper floors in the tower leased as office space. Seven drive-up stations are planned. Project architects will be Illinois Bank Building Corp., Olympia Fields. Target date for completion is fall, 1980, for the banking facility and spring, 1981, for the tower office space.

IBA Trust Div. Election

CHICAGO — The Illinois Bankers Association's trust division has elected James T. Chaliki president, taking over the office from Everett Kassing. Mr. Chaliki is vice president and trust tax counsel, American National, Chicago. Mr. Kassing is senior vice president, First National, Belleville. Others elected by special mail ballot were: John M. Finnegan, trust officer, Mid-City National, Chicago, to first vice president; Paul A. R. Beyreuther, trust investment officer, First National, Barrington, to second vice president, and Vera Kaylor, IBA paralegal associate, to secretary.

The IBA trust division has concentrated on promoting the 42nd annual trust conference October 30-31 in St. Louis. The conference will cover trust procedures, legislation affecting trusts and estates, portfolio management, estate planning and employee benefit plans. The division will also be involved in developing a trust policy manual and sponsoring workshops around the state for trust personnel.

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New Crestwood Bank

CRESTWOOD — The new Crestwood Bank opened in September. To highlight the grand opening, the bank is giving all customers free personal checking for the first six months the new bank will be open.

Serving on the new bank's board are: William J. Murphy, newly elected president, Crestwood Bank; Emil Aloia, owner, Calumet Lift Truck; Vincent J. Biskupic, attorney; Charles R. Fritz, president, Fritz Enterprises, Inc.; Joseph D. Lyng, president, Auction Way Sales Co.; Carl Pace, president, Carl J. Pace Construction Co.; Wilbert F. Sauerbier, chairman, Crestwood Fire and Police Commission; Gordon R. Skolaski, president, Rich Truck Sales and Service, Inc., and Chester Stranczek, mayor, village of Crestwood, president, Cresco Lines, Inc., and chairman of the board, Crestwood Bank.

Other bank officers are: Joan Dwyer, personal banking; Susanne Burch, teller manager, and Cindy Tibstra, bookkeeping/accounting manager.

The bank opens with an initial capitalization of \$1,500,000, which consists of \$600,000 in capital, \$600,000 in surplus and \$300,000 reserve for operating expenses.

President Murphy has more than 10 years of banking experience, including two years with First National, Blue Island, as vice president and cashier and four years in the corporate banking office of First National, Chicago.

■ HARRIS BANK, Chicago, has announced executive changes in the banking department. Philip A. Delaney, senior vice president, has been named deputy chief credit officer. Edward K. Banker, senior vice president, head, international banking group, will succeed Mr. Delaney as head of the financial group, the corporate domestic banking unit that serves companies in finance, real estate, commodities and agriculture. Robert E. Vanden Bosch, vice president and

DELANEY



manager of the London Branch, will succeed Mr. Banker as deputy head/international banking. James L. Roberts, vice president, will be London Branch manager. Robert L. Mello, vice president, Harris Bank International Corp. (HBIC), Chicago, will succeed Mr. Roberts as general manager, HBIC. Nancy M. Sorensen, vice president, has been named head, employment/staffing division, Harris Bank. Miss Sorensen has served at the bank since 1964 in the personnel area.

Indiana

■ IRWIN UNION CORP., Columbus, has announced promotion of three executive officers. John A. Nash, formerly president, has been elected chairman of the board and CEO, Irwin Union Corp. and Bank. He will work in the area of corporate diversification and expansion of banking services. John H. Cragoe, formerly senior vice president of the corporation and bank, will now be president and director of both and CEO of Irwin Union Corp. He also will be involved in expansion and diversification activities. Michael F. Ryan, formerly senior vice president, Irwin Union Bank, will be executive vice president and CEO.

■ LINCOLN NATIONAL, Fort Wayne, has announced Richard G. Adams, senior vice president, will head commercial banking and Donald F. Schenkel, senior vice president, will head retail banking. Mr. Adams was with the commercial loan department and Mr. Schenkel with the installment lending department. The posts they are filling are newly established. Herbert M. Huguenard, vice

president, has been named manager, commercial loan department, and Larry A. Myers, vice president, was named assistant manager in the same department.

■ NATIONAL BANK, Greenwood, has announced promotion of John Navarra from assistant vice president to vice president, bookkeeping department. Mr. Navarra has been with National Bank for the last four years and prior to that was with Indiana National, Indianapolis, for 24 years.

Kansas

■ BARRY A. RUDY was named assistant vice president, commercial loans, First National, Wichita. He was previously assistant operations officer. Mr. Rudy has been with the bank since 1975.

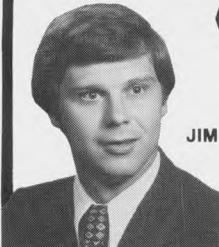
■ DAVID R. HEDERSTEDT has been promoted to vice president and trust officer, First National, Hutchinson. Mr. Hederstedt joined the bank in 1975 as a trust officer.

■ DAVID M. CARR will join First National, Wellington, as vice president involved in all areas of lending and marketing/public relations. Prior to joining First National, Mr. Carr was employed by Wilmette (Ill.) Bank, where he most recently was assistant vice president, marketing, commercial lending and investment counseling.


John H. Riesen Dies

John H. Riesen, 61, s.v.p., First National, Wichita, died August 25 after a long illness. Mr. Riesen joined First National in 1937. He served there as an officer in the personal loan department before his move into correspondent banking. He became head of the correspondent banking division in 1966. He was on a leave of absence at the time of his death.







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"New" Bank in Topeka

TOPEKA — Columbian Trust is now open for business in newly completed facilities. This "new" bank has actually held a state charter since 1920 and has functioned primarily as a trust and title company. Darvin C. Hawley is president. Previously, he was senior vice president, investment department, Merchants National, Topeka.

■ **MARK PLAZA STATE**, Overland Park, has promoted Timothy G. Johnson to senior vice president, commercial loans; Terry Cramer to vice president and cashier; Brenda Jewett to assistant cashier and auditor and Judy Quinn to assistant cashier.

■ **WILLIAM G. DEXTER** will become Mission State's executive vice president and CEO. Mr. Dexter comes from First National, Kansas City, which he joined in 1961 and served as senior vice president since 1974.

■ **JOHN STEVEN LARIGAN** recently joined Fourth National, Wichita, where he is a trust officer. Prior to joining the bank, he was a trust officer at St. Louis Union Trust.

■ **SECURITY NATIONAL**, Kansas City, has announced that James M. Wilkerson has joined the bank as senior vice president. Mr. Wilkerson is the senior loan officer and coordinator of loans. Prior to joining the bank, he was with Commercial National, Kansas City. Marilyn J. Earp and Verna E. Simmons have both been named assistant vice presidents. Miss Earp is in real estate loans and Miss Simmons is in the safe deposit department.

Died: Robert N. Allen, 65, president, First National, Chanute, died in September. He acquired and was named president of the bank in 1969. Prior to that, he had been associated with Home Savings Association for 25 years. In addition, he was a lawyer and served two terms in the state legislature and two terms as Neosho County attorney.

Kentucky

■ **FIRST NATIONAL**, Louisville, has announced Franklin E. Warren Jr., who had been senior mortgage banking officer, was promoted to vice

president; J. Bruce Poppe, former assistant mortgage services officer, has been promoted to mortgage services officer, and Frederic T. Harned has been promoted from international research officer to senior international research officer. Thomas A. Ford and Thomas R. Snyder, both in the branch system, have been promoted from assistant banking officers to banking officers. New officers are James H. Williams, senior accounting officer; Robert L. Smith and Gary L. Sommer, accounting officers; Robert T. Thornton, credit officer; Maureen M. Kinser, Phillip L. Shelley and Paul T. Sturgeon, assistant operations officers; Christopher R. Redden Sr., associate commercial banking officer, and C. Douglas Vibert, associate loan review officer.

■ **DONALD W. GIFFEN JR.**, Louisville Trust, has been promoted to assistant vice president in the metropolitan division of the commercial banking group. Mr. Giffen has been with the bank since 1974.

■ **ROBERT V. SHUMWAY**, FDIC Kansas City regional director, has been appointed regional director, Columbus region. In his new assignment, Mr. Shumway will have supervisory responsibility for the insured state nonmember banks in Ohio, Kentucky and West Virginia. He succeeds John R. Curtis, who has been appointed regional director for the Richmond region. Mr. Shumway has been with the FDIC since 1951.

■ **THIRD NATIONAL**, Ashland, President John W. Woods III ran a jackhammer through pavement on the grounds of the Old Chesapeake & Ohio Railway Depot to symbolize the official beginning of the renovation of the building into the headquarters and Main Office of Third National. The depot will give the bank 35,000 square feet of floor space. The present bank Main Office will become a full service Downtown Branch. The renovation is scheduled for completion in July, 1980.

■ **CANEYVILLE BANCSHARES'** application to become a bank HC through acquisition of Bank of Caneyville has been denied by the Fed.

■ **HART BANCSHARES** received Fed approval of its application to acquire Hart County Bank, Muncieville.

Louisiana

■ **FIRST NATIONAL BANK OF COMMERCE**, New Orleans, has announced the appointment of Henry G. McCall II to vice president, metropolitan division. Mr. McCall was formerly executive vice president of another New Orleans bank. A. James Durica has been made vice president, financial management, of the bank and assistant treasurer of First Commerce Corp. He was with Peat Marwick Mitchell and Co., where he was an audit manager for the past 10 years. Alvin C. Ross was promoted from assistant vice president to vice president, metropolitan division; Evelio S. Cuadrado was promoted to assistant vice president, international division, and Hal H. Hinchliff was promoted to banking officer, real estate division. Colin J. Hedlund has joined the bank as trust officer.

■ **RANDOLPH CULLOM**, vice president, Bank of New Orleans, has been promoted to manager, real estate department. Mr. Cullom joined the department in 1978 after accumulating over 20 years' lending experience.

■ **FIRST GUARANTY BANK**, Hammond, has announced the election of Parker Gabriel to president and board member. Mr. Gabriel joined the bank in 1950 and has most recently served as executive vice president, banking group. Anil Patel has been named CEO and board member. Mr. Patel joined the bank in 1970 and has most recently served as executive vice president, administrative division.

Mississippi

"Bob" Parish Dies

Robert Parker "Bob" Parish Jr., past president and chairman of the Bank of Greenwood, died recently in Jackson at the age of 73.

Mr. Parish began his banking career in 1928 with Greenwood Bank. He later served as an officer of the Bank of Greenwood and as a board member of First National, Jackson.

Mr. Parish has served on numerous committees of the Mississippi Bankers Association and has held the offices of treasurer, vice president and president of the association.

He also served as state vice president of the American Bankers Association and was a member of the executive council.

Tupelo Bank Honored



Bank of Mississippi, Tupelo, Chairman J. C. Whitehead (second from right) accepts the Affiliated Advertising Agencies International's Award of Merit for its "Down to Earth Banking" newspaper campaign from Sutton Marks, president, Gordon Marks & Co., Inc., Advertising, Jackson and Tupelo. Looking on are (from left) Thomas Y. Robinson, senior vice president, Gordon Marks Advertising; Gary W. Walker, vice president and director of marketing for the regional bank, and James W. Collins, president, Bank of Mississippi. The north Mississippi regional bank's campaign competed with 800 entries submitted by agencies representing most of the free world.

Missouri

■ **COMMERCE BANK**, Kansas City, has appointed Virginia J. Willard vice president, metropolitan division, commercial banking department. Miss Willard joined the bank after 12 years with First National, Chicago. Joseph E. Johannes has been named vice president, loan review department. James W. Henry has been named senior trust officer, personal trust section. Mr. Henry joined Commerce in 1977. Patrick A. Lawler, John G. Medellin, David L. Scott, Dorothy Wilson and David H. Lindsey have been made assistant vice presidents. Robert G. Gant has been made a commercial banking officer.

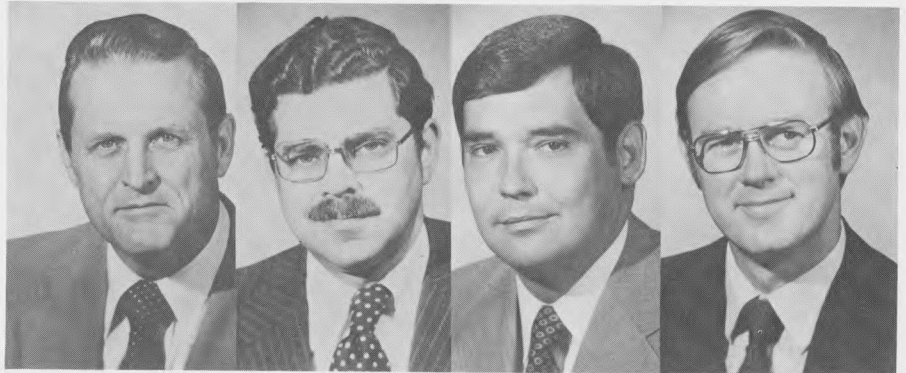
■ **COUNTY NATIONAL BANCORP.**, Clayton, announced its common stock is listed on the National Association of Securities Dealers Automated Quotation System effective August 31, 1979. The symbol will be CTYB. Paul S. Passanise has joined the HC and has been elected assistant treasurer. Previously, Mr. Passanise was assistant vice president and assistant controller for TG Bancshares Co., St. Louis.

■ **MANUFACTURERS BANK**, St. Louis, has announced election to the board of Charles G. Woelfer, president and board member, Nooter Corp., St. Louis, and Ernest J. Ravarino, president and CEO, Ravarino & Freschi, Inc., St. Louis.

■ **FIRST NATIONAL**, St. Louis, has promoted Kenneth S. Franklin Jr.

■ **MERCANTILE TRUST**, St. Louis, has reorganized its marketing/financial services group into two new divisions: a cash management services division and an automated services division. Leo M. Malone has joined the bank as vice president and head of cash management services. He was formerly assistant treasurer of Pet, Inc. Jerome J. Sandweg, vice president, will head the new automated services division. Jerry Goldstein, formerly head, marketing and financial services group, was recently elected senior vice president of Mercantile Bancorp. and will head a

new planning department to coordinate efforts of Mercantile Trust and Bancorp. Ralph W. Babb Jr., controller of Mercantile Trust and treasurer of Mercantile Bancorp., has been elected vice president of both. Mercantile Trust has announced Michael A. Jung has been appointed assistant vice president, data processing. Also, Susan V. Mahany and James U. Wright have been promoted to banking officers and Norman E. Bliss has been promoted to assistant data processing officer.



SANDWEG

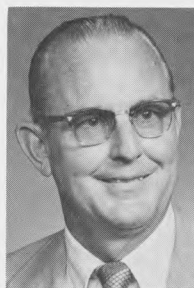
GOLDSTEIN

BABB

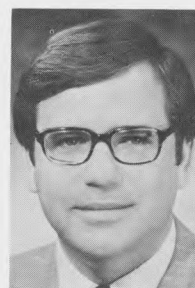
MALONE

from assistant vice president, national accounts, to vice president. Three newly elected officers were named. They are: Helen M. Fick, personnel officer; Alfred H. Kerth III, community affairs officer, and Susetta A. Love, operations officer.

■ **ROBERT F. COIL** has joined First National, St. Joseph, as a vice president, commercial loan department. Mr. Coil has worked in all phases of banking since 1947.



COIL



FRANKLIN

■ **PETER J. GENOVESE** has been elected executive vice president and director, United Missouri Bancshares, Kansas City. Mr. Genovese will be liaison between the four St. Louis-area HC banks in St. Louis, Kirkwood, Jefferson County and Ferguson. Mr. Genovese continues as president and

board member of United Missouri Bank of Ferguson and will represent the HC on the boards of the other St. Louis-area banks. He joined United Missouri in 1970.

■ **FIRST NATIONAL CHARTER CORP.**, Kansas City, has promoted Dennis C. Folz to assistant vice president. Mr. Folz joined the organization in 1977. Joseph J. Fiedler and John E. Thomas have been promoted to assistant auditors. Both were previously senior staff auditors. Anne M. Morgan has been promoted to trust officer of First National Bank, Kansas City. She was previously employed as an assistant trust officer. For the past eight years she has been a practicing attorney. John P. "Jake" Mascotte has been elected a director of the bank. He was previously a member of the directors' advisory council. He will be succeeding the late Dutton Brookfield. Mr.

Acquisition Turned Down

County National Bancorp., Clayton, has been denied acquisition of TG Bancshares Co., St. Louis, by the Fed. However, both HCs announced they would file a petition in the U. S. Eighth Circuit Court of Appeals seeking review of the Fed's ruling.

Teasdale Appoints Manning

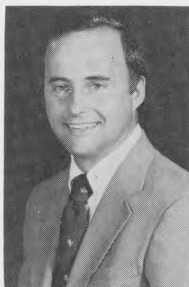
Earl L. Manning was named acting commissioner of finance by Missouri Governor Joseph Teasdale. Mr. Manning, who has been deputy commissioner, succeeds Edgar H. Crist, whose resignation was effective August 31. Mr. Manning has appointed Chief Examiner Kenneth L. Walls acting deputy commissioner.

Mascotte is executive vice president in charge of the western home office, Mutual Benefit Life Insurance Co., Kansas City.

■ **COMMERCE-MANCHESTER**, St. Louis, has announced Eugene F. Kroupa has been promoted from vice president to senior vice president, metropolitan banking and marketing. Carroll Rich, formerly with C.I.T. Financial Services, is now assistant vice president, installment credit department. Bob Gerstenkorn has been elected installment credit officer.

Richard Bacon Named President Of New Bank in Chesterfield

The Woods Mill Forty Bank, an affiliate of Santa Ana Bancorp., opened in Chesterfield (west St. Louis County) in September with an initial capitalization of \$1.15 million. Richard R. Bacon has been named its president/CEO, and Mary V. Findall has been elected cashier and will supervise all operations.



BACON

In addition to Mr. Bacon, directors include Richard J. Pflieger, president/chairman, Bank of St. Ann and Santa Ana Bancorp.; Burl Garrison, president, General Mortgage Co.; Harold C. Johnson, president, H. C. Johnson Development & Construction Co.; E. J. Cunningham, M.D.; Robert T. Sauer, financial insurance specialist, and J. Walter Kislring Jr., president, Kisco Co., Inc.

Mr. Pflieger was principal organizer of the new bank.

Mr. Bacon entered banking in 1969 at Mercantile Trust, St. Louis, and had been assistant vice president of its correspondent banking division before joining Santa Ana Bancorp. in 1978.

Free gifts were given to early bird customers during the first weeks of the bank's opening.

New Mexico

■ **CAPITAL BANK**, Santa Fe, has announced promotion of David Gurule to senior lending officer. Steve Lamoreaux has been made senior operations administration and branch coordinator of the Main Branch. He was vice president/manager, North Branch, since its inception five years ago. Joe Dennis, formerly North Branch assistant manager, is now assistant vice president/manager, North Branch. Trutti Hester has been promoted from assistant cashier to assistant manager, North Branch. Mike Schramski, assistant cashier, South Branch, will move to North Branch as lending and operational areas auditor. Don Cale has joined the staff in the lending area.

■ **NEW MEXICO BANCORP.**, Santa Fe, has appointed two senior vice presidents, each to head a newly established operating group for the HC. Robert J. Kesnowski Jr., in charge of the lending group in Albuquerque, and Clarence I. Seese, in charge of the financial group to be located in Santa Fe, are the new officers. Mr. Kesnowski has been in banking 25 years. His responsibilities with the corporation will include policy administration and implementation for credit extension. Mr. Seese began his banking career at Winters National, Dayton, O. He will work in the area covering accounting portfolio and funds management, asset, liability and liquidity management and forecasting and planning. Both men come to New Mexico Bancorp. from National Bank of the Commonwealth, Indiana, Pa., where they were in the correspondent divisions. Four new directors have been elected. They are: Edward T. Cote, president, Benefits and Services; Roy R. Fairman, partner and general manager, Fairman Drilling Co.; P. F. McCarthy and E. James Trimarchi, directors, chairman and executive vice president, respectively,

of National Bank of the Commonwealth. J. P. Brandenburg and Leland Thompson Jr. have resigned from the board.

Oklahoma

■ **WILLIAM J. EDWARDS** has joined the staff of National Bank, McAlester, as vice president, public relations. For the past 10 years, Mr. Edwards has been director of marketing for the McAlester *News-Capital and Democrat*, the McAlester daily newspaper. National Bank President

New Home for Bank

YUKON — First Place, the new home of First National, was dedicated in September. An address was given by actor and Yukon rancher, Dale Robertson, followed by remarks of First of Yukon President Milton M. Shedek. A ribbon of 87 \$10 bills, one for each year of the bank's existence, was cut. An open house was held a day later and visitors were welcomed with tours, gifts and the chance to win a round trip for two to the 1980 Super Bowl in Pasadena. During grand-opening week, persons who deposited \$5,000

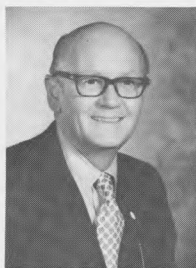


in new or existing accounts received free stadium blankets. Depositors of \$1,000 were given stadium umbrellas and depositors of \$500 were given hot/cold beverage containers.

The new \$2-million facility is housed in a modernistic, three-story building that features 33,000 square feet of space. Located on the first two floors are the main banking facilities and administrative offices. The third floor, which will be used for future expansion, presently is leased as commercial office space. The building features native Oklahoma brick and a large Solarpane glass front wall. There are landscaped parking facilities for 200 cars and seven drive-in teller windows, including a separate lane for commercial customers. Future plans call for construction of a nine-story office tower adjacent to the new bank building and introduction of 24-hour ATMs.

Earl Sneed Dies

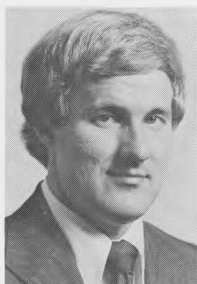
Earl Sneed died August 18 at the age of 66. Mr. Sneed was retired president of Liberty National Corp., Oklahoma City. He joined Liberty National in 1965. Before that, he served on the law faculty of the University of Oklahoma for over 20 years. He was dean of the law school for 16 years.



Mike McGown has been appointed to the Interstate Oil Compact Commission by Oklahoma Governor George Nigh. Mr. McGown will join George Mothershed, Oklahoma City, and Governor Nigh in representing Oklahoma on the commission.

■ **BRUCE RAINES** has been elected executive vice president, F&M Bank, Tulsa. Mr. Raines will be responsible for overall operational activities and administration, in addition to continuing his commercial lending duties. He joined the bank in 1967 and became an officer in the commercial loan division in 1971. Mr. Raines is also executive vice president, F&M Bancorp., and is a member of the bank's executive committee.

■ **FIDELITY BANK**, Oklahoma City, has announced promotion of Gary Spence to vice president and controller, financial control division. Prior to joining the bank in 1978, he was financial planning manager for Bank of Oklahoma, Tulsa. Austin Boyd has been elected vice president, commercial lending division, where he will serve as a commercial loan officer and petroleum engineer. Mr. Boyd has previously served at Gulf Oil Corp., Pioneer Natural Gas and other energy-related companies. Robert Boardman was elected vice president, computer services division. Mr. Boardman joined the bank this year.



SPENCE



BOYD

Tennessee

■ **THIRD NATIONAL**, Nashville, has announced promotions of two officers and three other individuals to officer status. Donald F. Turk, trust investment officer, was named vice president and investment officer. Edgar W. Stuart was promoted from administrative assistant to commercial officer. Promoted to officers were Carol A. McSwiney, commercial officer, and Bettye B. Abernathy and Donna G. Williams, administrative assistants.



TURK

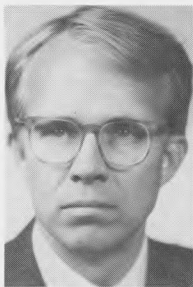


MacNAUGHTON

■ **DONALD S. MacNAUGHTON**, chairman and chief executive officer, Hospital Corp. of America, was elected a director of Third National Corp., Nashville.

Texas

■ **BANK OF THE SOUTHWEST**, Houston, has announced Stephen D. Chipman and W. Ed Rodgers were named senior vice presidents. Scott B.



CHIPMAN



RODGERS

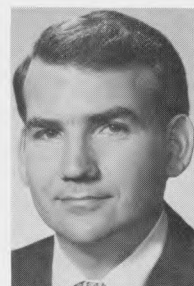
Badger was named vice president. Arthur R. Grallas Jr. has been named vice president and manager, corporate/energy department, and Mark L. Bishop was named assistant vice president, marketing. Mr. Chipman joined the bank's executive/professional department in 1977. He was previously with Morgan Guaranty Trust, New York City, last serving as a vice president. Mr. Rodgers joined the bank in

1978 as vice president/manager, personnel. Prior to that, he served 13 years in personnel and labor relations for an oil company and a Houston bank. Mr. Badger joined the bank in 1977. In his new position, he is manager, trust division, financial planning department. Mr. Gralla joined the bank with 15 years of banking experience at Bankers Trust, New York City, where he most recently was vice president and general manager of the Houston office.

■ **REPUBLIC NATIONAL**, Dallas, has elected three new vice presidents. Thomas R. Hills, executive and professional division, will be responsible for developing major savings and time deposit accounts. John L. Johnson will head the corporate asset management group, which manages corporate retirement funds. Graham R. Stellwagon will direct equity research. Mr. Johnson and Mr. Stellwagon succeed James P. Barrow and John L. Strauss, who have resigned their positions to enter private business.

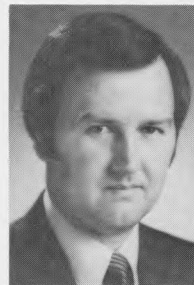


STELLWAGON



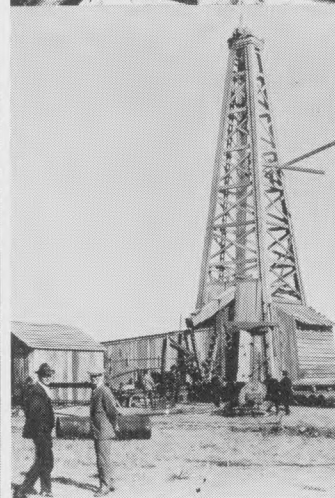
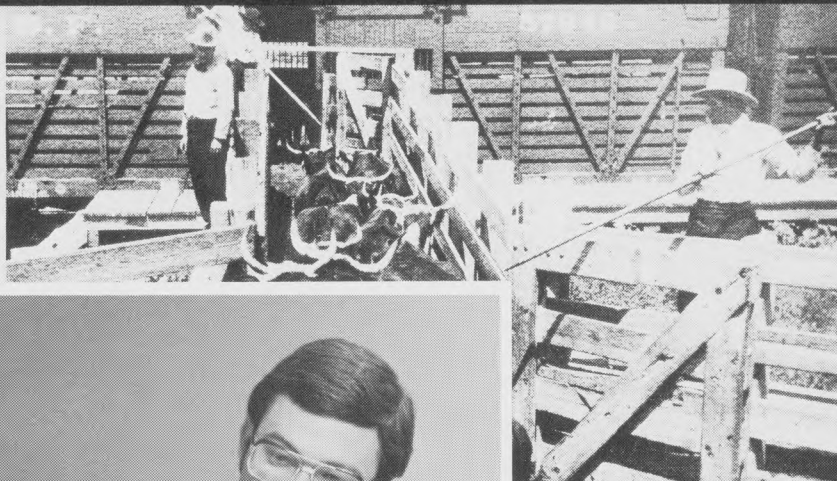
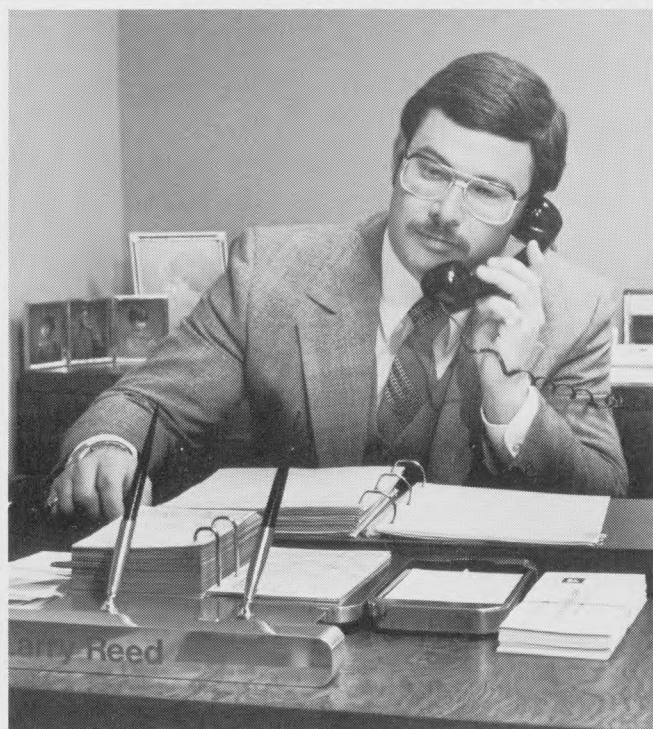
JOHNSON

■ **FIRST UNITED BANCORP.**, Fort Worth, has named three new officers. Eddie Dean is a new vice president, responsible for the loan review function of the HC-member banks. He was assistant vice president, Mercantile National, Dallas. Jerry Mechell has been made assistant vice president and Chris Jones, loan review officer. Mr. Mechell is manager, commercial/subsidiary audit section. Mr. Jones is assigned to loan review.



DEAN

Why we're First in Amarillo



EXPERIENCE

In 1890, when the population of Amarillo was 482 and the city was still struggling to incorporate, the First National Bank of Amarillo was here. At the turn of the century, when Amarillo emerged as the world's largest cattle shipping market, the First National Bank was here. In 1918, when the first gas-producing well in the Panhandle was brought in, the First National Bank was here. And in 1921, when petroleum was discovered in Carson County, the First National Bank was here.

Now in 1979, 89 years after the First National Bank was chartered, we're still here, putting our experience to work for

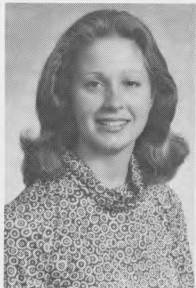
the people of the Panhandle and the Tri-State Area. And they've shown their appreciation by keeping us the largest bank in the area.

Take advantage of our position as financial leader on the High Plains. Get to know our fast-action banking correspondent Larry Reed. He can put the experience of the First to work for you.

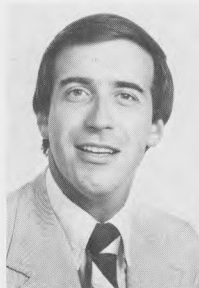
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■ **FROST NATIONAL**, San Antonio, has promoted Connie E. Grell and J. Phillip Norman to vice presidents. Miss Grell is manager, credit department. She has been with the bank since 1974 and was promoted to assistant vice president in 1977. Mr. Norman is a correspondent banking representative in the automated customer services department. He has been with the bank since 1974.



GRELL



NORMAN

■ **FIRST CITY NATIONAL**, Houston, has announced the election of two senior vice presidents. Don A. Hanna has joined First City National's regional banking department as manager. Mr. Hanna has spent 17 years in Texas banking, including 13 years with Republic National, Dallas. Randall E. Meyer was promoted from vice president and manager, national department, to senior vice president. He joined the bank in 1971. Newly elected vice presidents are Carl T. Milice, real estate and mortgage banking, and Gary L. Tolbert, metropolitan department. New assistant vice presidents are Lucien W. Bruce, loan review; Wanda Beth Fichte, investment division; Eileen Hayes, international banking; Katherine Hill, comptroller's department; James H. McNabb, investment division; Andrew A. Merryman, petroleum and minerals department; Robert Palacios, retail banking, and Brian Reeves, international.

■ **SCOTT LUFF** has joined NorthPark National, Dallas, as senior vice president. Mr. Luff will be in charge of the commercial lending department. He was with First National, Dallas, where he was vice president, metroplex division.

■ **STATE NATIONAL**, Denison, recently honored the retirement of Jack G. Berry, chairman and CEO, at a party at which he was given an automobile. Mr. Berry began his career with the bank in 1937 after coming from Mercantile-Commerce, St. Louis. He was named chairman and CEO in 1977. Mr. Berry will continue

to serve as chairman as an inactive officer. W. Garland Thornton was named new CEO. Mr. Thornton joined the bank in 1975, was appointed director in 1977 and president in 1978. He currently serves on the board of First National, Antlers, Okla., and Leonard National. He began his career in 1959 at Citizens National, Lubbock.

buys at least five ounces of gold at the prevailing market price. The transaction is entered into the gold passbook, and the bank maintains physical possession of the gold on account.

Deposits or withdrawals of a one-ounce minimum may be made at any time. If a customer later chooses to liquidate all or a portion of the account, the bank will sell the gold for the customer at the current market price.

The new account was developed because of customer requests for an economical method of purchasing gold without taking physical possession, says William J. McDonough, executive vice president and head/worldwide banking department.

With the new account, customers can buy and sell gold in small amounts at prices normally available to large bullion dealers for similar quantities, Mr. McDonough says.

Depending on the transaction's volume, fees of 1-2% will be charged when the gold is purchased or sold. An annual administrative fee of 1/8% of the gold's value also is charged.

BANKING ANALYST

Financial Research Associates, the consulting division of Bank Building Corporation, a national planning, design and construction management company, has an opportunity for an individual to perform analytic/operational studies. Responsibilities will include analyses of market characteristics, operational functions, and financial performance in order to develop long term market strategies for financial institutions. Strong analytical and communications skills necessary. A Degree and 3+ years experience in banking operations required. The position is based in St. Louis and demands travel. Send complete resume including salary history to G. Wall, Bank Building Corporation, 1130 Hampton Avenue, St. Louis, MO 63139.

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Our fast growing Bank Card Center needs several account service people who can contact our agent banks, merchants and customers. You must be willing to travel and have at least 2 years experience in bank card work, marketing or correspondent banking. Salary will depend on your experience and background. We offer excellent fringe benefits, too. Send resume to: Harry Garrett, Vice President, Fidelity National Bank, Box 1606, Baton Rouge, La. 70821. (An Equal Opportunity Employer.)

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Gold Passbook Account Marketed in Chicago

What is believed to be the first gold passbook account offered by a U. S. bank has been offered since mid-April by First National, Chicago. This account differs from the gold certificates marketed by at least two other banks, says a bank spokesman.

To open the account, a customer



Oscar E. Berninghaus

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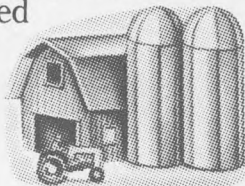
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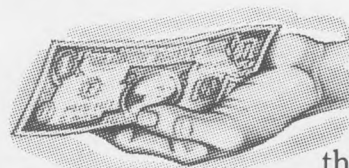
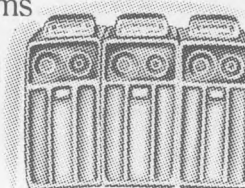
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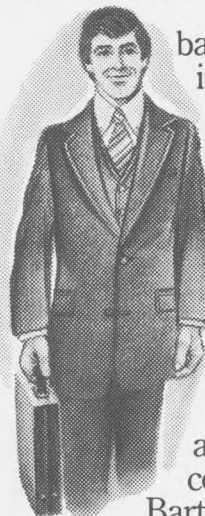
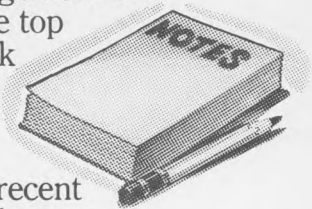
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